



THE STRAITS TRADING COMPANY LIMITED

(A member of The Tecity Group)

(Incorporated in the Republic of Singapore)

(Company Registration No.: 188700008D)

ANNOUNCEMENT

PROPOSED TRANSFER OF SHARES

1. SHARE TRANSFER AGREEMENT

1.1 The Board of Directors (the "**Board**") of The Straits Trading Company Limited ("**Company**") wishes to announce that the Company has today entered into a share transfer agreement ("**Share Transfer Agreement**") with Tecity Pte. Ltd ("**Tecity**") and its related entities (collectively, the "**Tecity Companies**") pursuant to which:

- (a) the Company shall transfer to the Tecity Companies:
 - (i) 26,609,240 ordinary shares ("**UE Shares**") representing approximately 12.00 per cent. of the issued share capital of United Engineers Limited ("**United Engineers**") held by the Company;
 - (ii) 3,686,000 ordinary shares ("**Hotel Royal Shares**") representing approximately 6.14 per cent. of the issued share capital of Hotel Royal Limited ("**Hotel Royal**") held indirectly by the Company through its wholly-owned subsidiaries, Sword Investments Private Ltd and Baxterley Holdings Private Limited; and
 - (iii) 1,000,000 SengKang Mall Ltd S\$134,000,000 Secured Fixed Rate Junior Bonds Due 2012 held indirectly by the Company through its wholly-owned subsidiary, Sword Investments Private Ltd ("**SKM Bonds**"); and
- (b) in consideration, the Tecity Companies shall:
 - (i) transfer to Malayan Securities Pte Ltd ("**MSPL**"), a wholly-owned subsidiary of the Company, as nominee of the Company, 14,763,960 ordinary shares ("**WBL Shares**") representing approximately 6.99% of the issued share capital of WBL Corporation Limited ("**WBL**"); and
 - (ii) pay to the Company, the amount of S\$136,895.00 in cash ("**Cash Consideration**"),

(the "**Transaction**").

1.2 The terms of the Transaction were arrived at on a willing seller-willing buyer basis after taking into consideration (a) the five (5) days volume weighted average price of the WBL Shares, the Hotel Royal Shares and the UE Shares commencing 21 May 2009 and ending 27 May 2009 (both dates inclusive) and (b) the value of the SKM Bonds based on the higher of the two (2) indicative quotes obtained from UBS AG and Oversea-Chinese Banking Corporation Limited, on 27 May 2009.

- 1.3 Rule 1006 of the listing manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") is not applicable in respect of the Transaction as the Transaction is deemed to be in the ordinary course of the Company's business.

2. DETAILS OF INTERESTED PERSON

The Tecity Companies comprising Tecity, Kambau Pte Ltd, Siong Lim Private Limited, Integrated Holdings Pte Ltd, Choice Equities Pte Ltd, Selected Holdings Pte Ltd, Ho Peng Holdings Pte Ltd, Mellford Pte Ltd, Raffles Investments (Singapore) Pte Ltd, Raffles Investments (1993) Pte Ltd and Amalgamated Holdings Pte Ltd are part of a group of investment companies (the "**Tecity Group**") founded by the late Tan Sri (Dr) Tan Chin Tuan and is currently owned or controlled by his family members, which include Ms Chew Gek Khim (Chairman, Non-Independent and Non-Executive Director of the Company) and Ms Chew Gek Hiang (Non-Independent and Non-Executive Director of the Company). The Tecity Companies are therefore regarded as "associates" of Ms Chew Gek Khim and Ms Chew Gek Hiang. Further, The Cairns Private Limited is a direct controlling shareholder of the Company and part of the Tecity Group.

Accordingly, each of the Tecity Companies is an "interested person" of the Company for purposes of Chapter 9 of the Listing Manual of the SGX-ST. As the Company is entering into the Share Transfer Agreement with the Tecity Companies, the Transaction will constitute an "interested person transaction" under Chapter 9 of the SGX-ST Listing Manual.

Based on the audited financial statements of the Company for the financial year ended 31 December 2008, the audited net tangible asset value ("**NTA**") of the Group as at 31 December 2008 was S\$1,198,655,000. As the five (5) days volume weighted average price of the WBL Shares commencing 21 May 2009 and ending 27 May 2009 (both dates inclusive) is S\$3.4685, the value of the Transaction comprising the WBL Shares and the Cash Consideration is S\$51,345,690. The value of the Transaction therefore represents approximately 4.28% of the Group's latest audited NTA as at 31 December 2008. As this exceeds the relevant threshold of 3% under Rule 905(1) of the SGX-ST Listing Manual, the Company is therefore required to make an immediate announcement of the Transaction.

3. THE RATIONALE FOR THE TRANSACTION

The Transaction serves to achieve the Company's purpose to streamline its investment portfolio and consolidate its holdings in WBL under the Company and MSPL, and to divest its non-strategic equity investments in United Engineers, Hotel Royal and SKM Bonds. Following the transfers, the Group's resultant holdings in WBL would increase from 10.59% to 17.58%, and the Company's holding in United Engineers and Hotel Royal would reduce from 12.00% and 6.14% respectively to nil.

4. AUDIT COMMITTEE STATEMENT

Save for Ms Chew Gek Hiang (being a nominee of Tecity and a director of Tecity) who has abstained from making any recommendation on the Transaction, the Audit Committee of the Company is of the view that the Transaction is at arm's length and on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders.

5. TOTAL INTERESTED PERSON TRANSACTIONS FOR FY09

The current total value of all transactions entered into with the Tecity Group (which includes the Transaction) in the financial year ending 31 December 2009 is S\$54,734,490* which represents approximately 4.57% of the Group's latest audited NTA as at 31 December 2008.

The total value for all interested person transactions entered into by the Company for the financial year ending 31 December 2009 is S\$54,734,490*.

* *The aggregate value indicated in the above paragraph excludes transactions less than S\$100,000.00 but includes the value of a transaction of S\$3,388,800, being a sale of a unit of the Group's residential properties at Gallop Gables, Singapore to Dr Tan Kheng Lian who is a controlling shareholder of the Company and an immediate family member of Ms Chew Gek Khim and Ms Chew Gek Hiang, Chairman and Director of the Company respectively.*

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

Ms Chew Gek Khim is the Chairman, and a Non-Independent and Non-Executive Director of the Company. Ms Chew Gek Khim is also a Director of Tecity. Ms Chew Gek Hiang is a Non-Independent and Non-Executive Director of the Company. Ms Chew Gek Hiang is also a Director of Tecity. Mr. David Goh Kay Yong is a Non-Independent and Non-Executive Director of the Company. Mr. David Goh Kay Yong is also the Chief Investment Officer of Tecity.

As such, the abovementioned Directors of the Company had abstained from voting on the Transaction.

The Cairns Private Limited is a direct controlling shareholder of the Company. Raffles Investments Limited, Aequitas Private Limited, Siong Lim Private Limited and Tecity (all of which are companies within the Tecity Group), as well as Dr. Tan Kheng Lian, are also controlling shareholders of the Company by virtue of their deemed interest in the Company through The Cairns Private Limited.

Save as disclosed in this Announcement, none of the Directors and controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Transaction.

BY ORDER OF THE BOARD

Emily Teo (Ms)
Secretary
Singapore

The Straits Trading Company Limited
(Registration No. 188700008D) on 29/5/2009 to the SGX

This Announcement will be available at the Company's website at <http://www.stc.com.sg/>

About The Straits Trading Company Limited

The Company is more than 120 years old with its business interests spanning the Asia Pacific region. The Group engages in tin mining and smelting, investments in other metals and mineral resources, hotel investment and management and property operations. Its mining and smelting operations are carried out through its 73% listed subsidiary in Malaysia, Malaysia Smelting Corporation Berhad, whilst the hotels are managed under the RENDEZVOUS or MARQUE brandings through its 80% subsidiary, Rendezvous Hotels International Private Limited group of companies.