



# THE STRAITS TRADING COMPANY LIMITED

Company Registration No.: 188700008D  
(A Member of The Tecity Group)

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## CLARIFICATION ON THE BUSINESS TIMES ARTICLE "STRAITS TRADING HOTEL UNIT SUED FOR RM169 MILLION" DATED 23 SEPTEMBER 2010

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The Straits Trading Company Limited (the "**Company**") refers to its announcement dated 15 September 2010 ("**15 September Announcement**") and the article entitled "Straits Trading hotel unit sued for RM169 million" in the Business Times dated 23 September 2010.

The Company wishes to clarify that in the writ of summons received by its wholly owned subsidiary, Rendezvous Hotels International Private Limited ("**RHI**"), Taragon Capital Malaysia Sdn. Bhd. (the "**Plaintiff**") has claimed liquidated damages amounting to RM161,342.40. The Plaintiff is also asking for damages to be assessed for alleged loss of rental and lease income and additional costs, amounting to an alleged sum of RM168,968,671. Out of this RM168,968,671, RM155,454,878 is being claimed as alleged loss of income from rental projected by the Plaintiff from the year 2011 to 2020.

RHI has been advised that:

- (a) the conditions precedent to the Agreement for Lease had not been met by the date stipulated therein and accordingly there was no longer an agreement in existence; and
- (b) even if the Agreement for Lease did continue to exist and a breach thereof had occurred (which is denied), the Agreement for Lease provides for liquidated damages which limits any damages that the Plaintiff may claim up to the costs of RM150,000 and the Plaintiff's solicitors' fees. In the Statement of Claim, the Plaintiff's solicitors' fees claimed by the Plaintiff is RM11,342.40.

RHI has been advised that the allegations made by the Plaintiff are unmeritorious, and that the damages claimed by the Plaintiff are without legal basis.

The Company confirms that RHI will not be opening a hotel in Kuala Lumpur this year.

The Company will release further information in relation to the claim when available.

Shareholders are advised to refrain from taking any action in respect of their shares in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the shares of the Company.

BY ORDER OF THE BOARD

Sng Kiat Huang (Ms)  
Secretary  
**The Straits Trading Company Limited**  
23 September 2010  
Singapore

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

### **About The Straits Trading Company Limited**

One of the oldest listed public companies in Singapore since 1887, The Straits Trading Company Limited has business interests and investments spanning the Asia Pacific region. Through its listed subsidiary on Bursa Malaysia, Malaysia Smelting Corporation Berhad, Straits Trading engages in tin mining and smelting, and resource investments. Its subsidiary Straits Developments Private Limited is in the property business, which includes property investments, development and management primarily in Singapore and Malaysia. Its hotel business is driven by its subsidiary Rendezvous Hospitality Group Private Limited, which owns, operates and manages its stable of hotels in the Asia Pacific region under the Rendezvous and Marque brands. It also holds a significant stake in WBL Corporation, a technology, automotive distribution, property development, and engineering and distribution company listed on the SGX Main Board.