

ANNOUNCEMENT

Non-binding MOUs between The Straits Trading Company Limited and members of the Far East Organization group

The Straits Trading Company Limited (STC) has today signed Memoranda of Understanding (MOUs) with members of the Far East Organization (FEO) group setting out the framework for a strategic alliance in the hospitality sector.

Under the MOUs, STC entities, including its hospitality arm Rendezvous Hospitality Group (STC Group), will enter into agreements with FEO's listed entities, Far East Orchard Limited (FE Orchard) and Far East Hospitality Trust (Far East H-Trust), as part of an overall strategy to create sustainable platforms for growth and value creation both in Singapore and the Asia Pacific region.

The strategic alliance encompasses the following:

- I. The formation of a joint venture asset ownership group, to be owned on a 50% - 50% basis between the STC Group and FE Orchard, which will initially hold STC Group's three owned hotels in Australia, together with a cash payment by FE Orchard to STC;
- II. The creation of a merged hospitality management company, to be owned on a 20% - 80% basis between the STC Group and FE Orchard, through the combination of the two groups' existing hospitality operations, together with a cash payment by STC to FE Orchard; and
- III. The injection of Rendezvous Grand Hotel Singapore and Rendezvous Gallery Singapore into Far East H-Trust, all of whose hospitality assets will then be managed by the merged hospitality management company.

Implementation of the transactions envisaged under the MOUs will result in the creation of sustainable and scalable platforms for growth, bringing together two of Singapore's leading hospitality operators, which will be well positioned to grow and strengthen the Rendezvous brand in Singapore, Australia and the Asia Pacific.

This strategic alliance represents another progressive step in the transformation of STC into a holding company with stakes in businesses that are focused players in their chosen fields.

As at the date of this Announcement, no definitive or binding agreements have as yet been entered into or reached by any of the STC Group in respect of the transactions contemplated by the MOUs and there is no assurance or certainty that such agreements will be entered into or reached or that such transactions will be proceeded with. In addition, entry into such transactions is currently pending, *inter alia*, the satisfactory conduct of due diligence and may, depending on how each transaction is finally structured, be subject to the receipt of various approvals and the satisfaction of various conditions.

If the above transactions are proceeded with, definitive agreements are expected to be entered into after the financial year of STC ending 31 December 2012 (FY 2012) and, accordingly, such transactions are not expected to have any material effect on the net tangible assets per share or the earnings per share of STC and its subsidiaries for FY 2012.

STC will make appropriate announcements in the event there are any material developments in compliance with the provisions of the Listing Manual (Listing Manual) of the Singapore Exchange Securities Trading Limited (including such requirements relating to acquisitions and disposals prescribed by Chapter 10 of the Listing Manual).

Shareholders are advised to refrain from taking any action in respect of their shares in STC which may be prejudicial to their interests and to exercise caution when dealing in the same and, if in doubt as to the course of action which they should take, to consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors immediately.

By Order of the Board

Aldric Tan Jee Wei
Company Secretary
The Straits Trading Company Limited
26 November 2012
Singapore

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

About The Straits Trading Company Limited

Incorporated in 1887, The Straits Trading Company Limited is one of the oldest public listed companies in Singapore, with business interests and investments spanning the Asia Pacific region. Through its subsidiary, Malaysia Smelting Corporation Berhad, listed on Bursa Malaysia with a secondary listing on SGX-ST, Straits Trading engages in tin mining and smelting, and resource investments. Straits Trading owns properties and hotels and its property business, which includes property investments, development and management primarily in Singapore and Malaysia is driven by its subsidiary, Straits Developments Private Limited. Its hospitality division, Rendezvous Hospitality Group, manages and operates a stable of hotels in Asia Pacific under the Rendezvous brand. It also holds a significant stake in WBL Corporation Limited, a technology, automotive distribution, property development, and engineering and distribution company listed on the main board of the SGX-ST.