

The Straits Trading Company Limited

28 June 2013

Extraordinary General Meeting



**STRAITS
TRADING**
ESTABLISHED 1887

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Disclaimer

This investor presentation should be read in conjunction with the full text of the announcements dated 15 April 2013 and 13 May 2013 released by The Straits Trading Company Limited (“**STC**”) and the circulars dated 10 June 2013 and 12 June 2013 (“**Circulars**”) issued by STC in relation to the Proposed Transaction and the Acceptance. Unless otherwise defined in this investor presentation and except where the context otherwise requires, capitalised terms used herein shall have the same meanings as ascribed to them in the Circulars. Shareholders are advised to read all the announcements and documents relating to the Proposed Transaction and the Acceptance that have been or shall be released by STC in connection with the Proposed Transaction and the Acceptance, copies of which may be obtained from the SGX-ST website (www.sgx.com).

All statements other than statements of historical facts included in this investor presentation are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect STC’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of information available as at 27 June 2013. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and STC undertakes no obligation to update publicly or revise any forward-looking statements.”

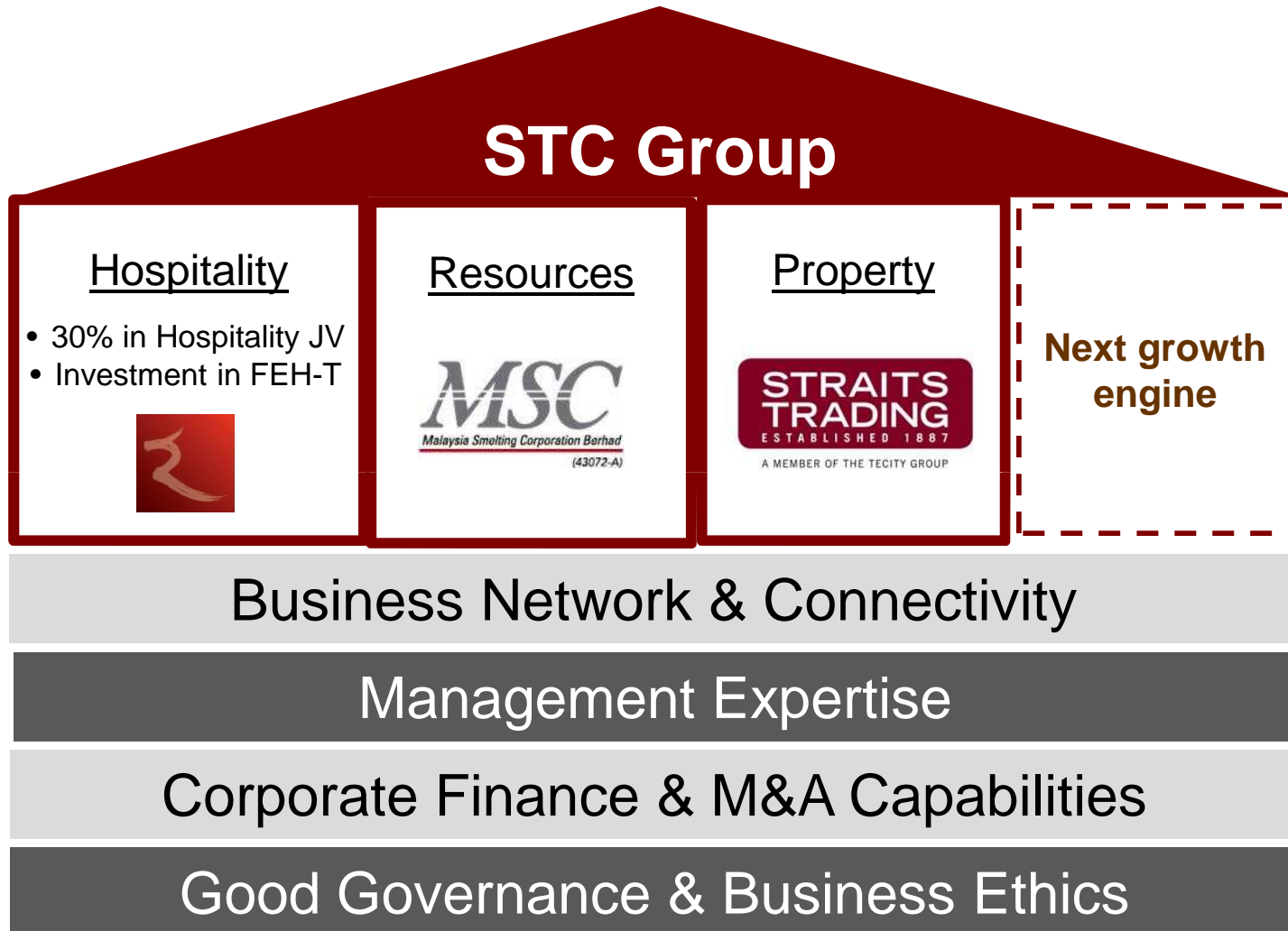
Section I

Overview



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The STC Platform

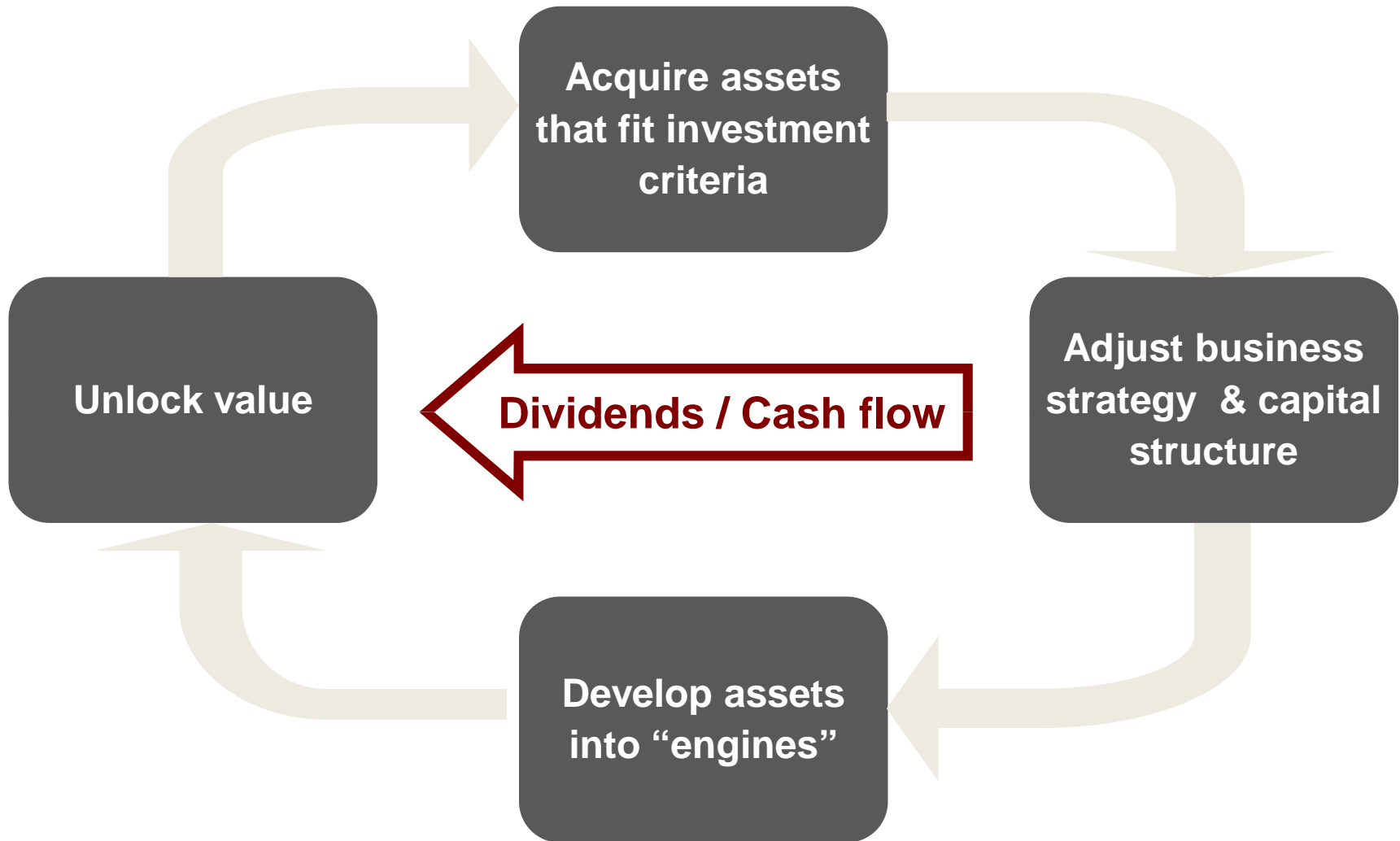


The STC Mission

“To shape and transform our investments into businesses of enhanced value”



The STC Strategy



The STC Transformation

TRANSFORMATION



1



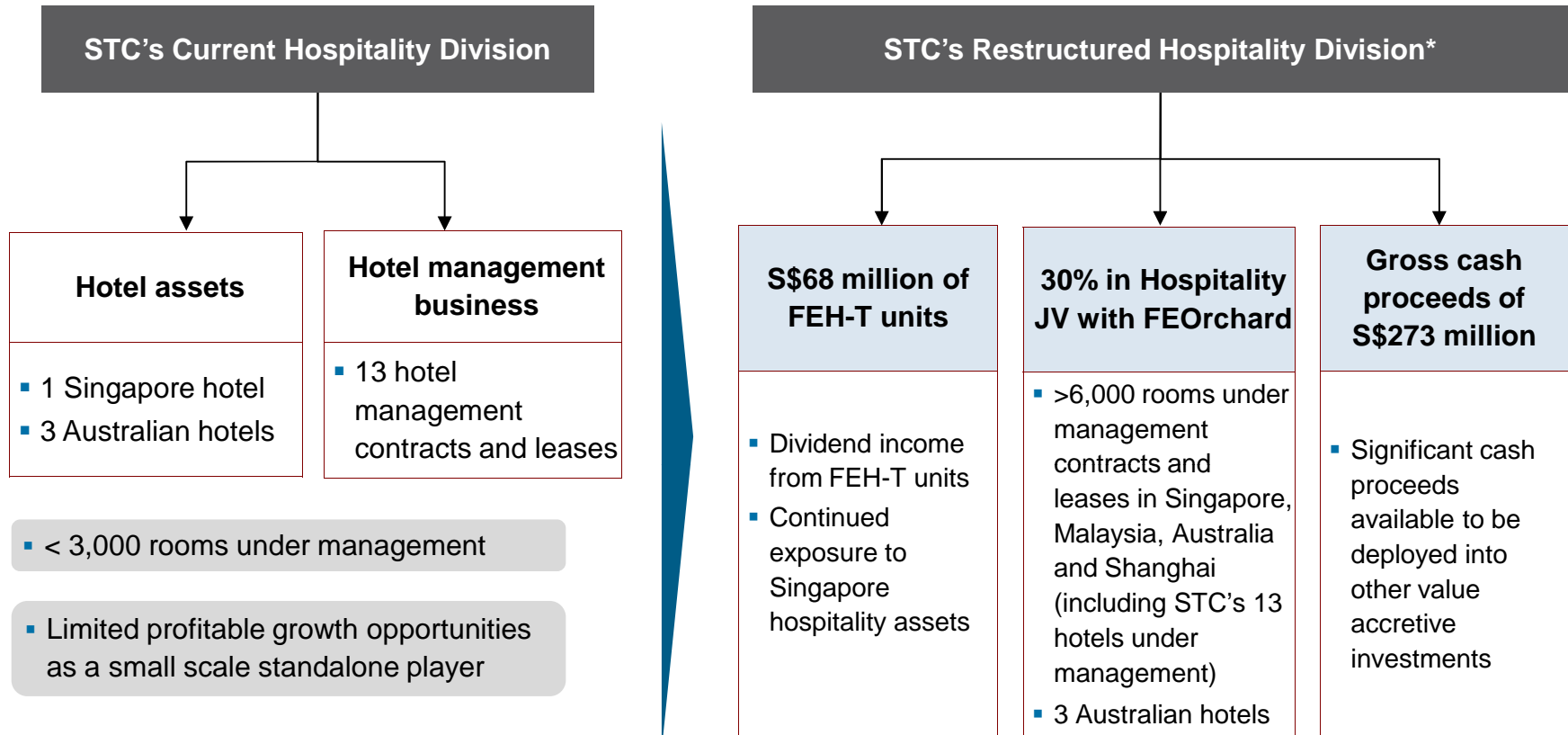
- **SPA with Far East Hospitality Trust & Serene Land Pte. Ltd. for the sale of Rendezvous Grand Hotel Singapore and Rendezvous Gallery**
- ✓ Joint Venture Implementation Agreement (“JVIA”) with Far East Orchard Limited to form a 30/70 JV Company (“JVC”). Underlying agreements executed on 19 June 2013.

2

17% stake in WBL Corp Limited

- ✓ Share swap completed in January 2013 to increase stake in WBL to 40.6%
- ✓ MGO launched upon completion of share swap; MGO allowed to lapse on 1 March 2013
- **Entire stake tendered in the competing offer at S\$4.50 per WBL stock unit – gross cash proceeds of c.S\$508.8 million**

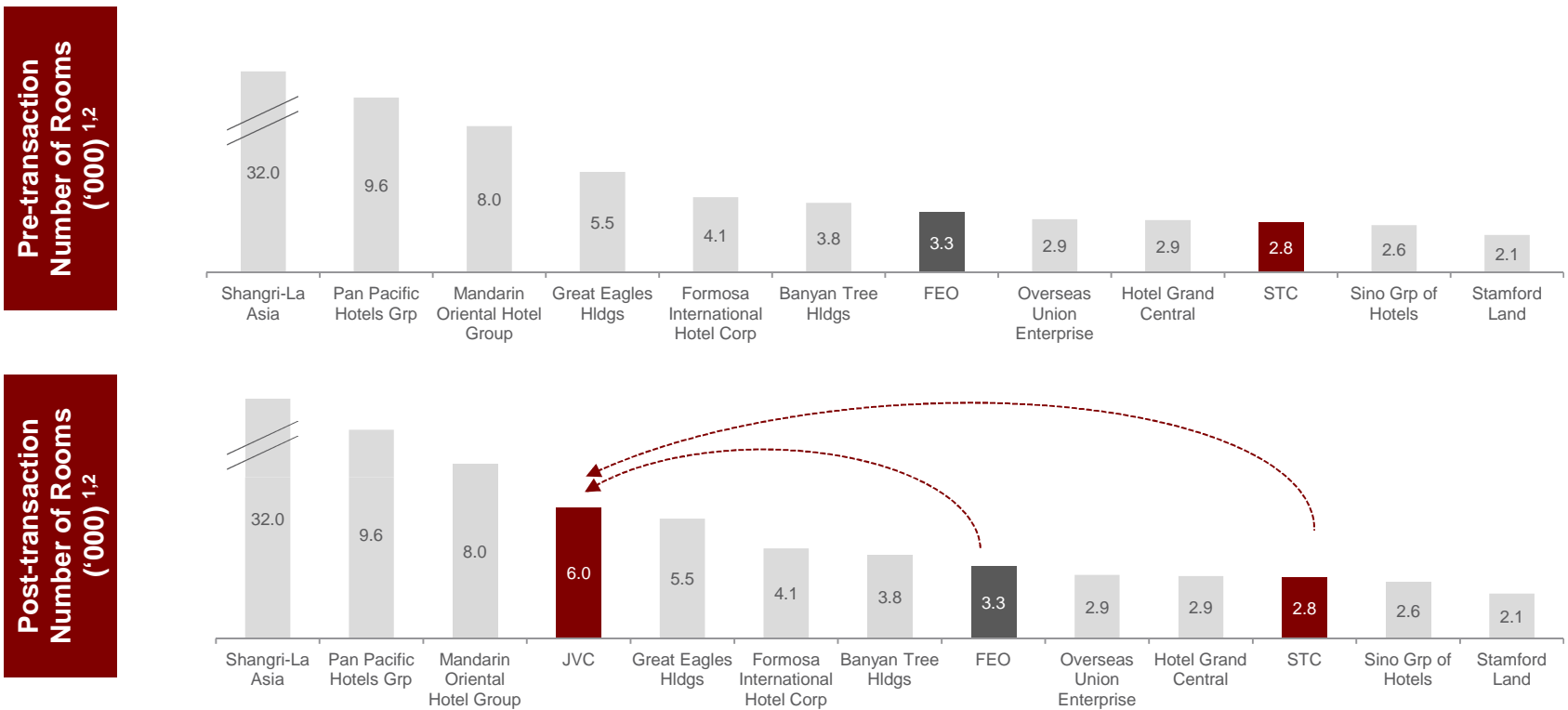
Transformation of Hospitality Division



* Assuming completion of the proposed transactions with Far East Orchard Limited ("FEOrchard") and Far East Hospitality Trust ("FEH-T") which were announced on 15 April 2013

Transactions provide a scalable platform for expansion in the hospitality segment

Hospitality JV - Scale for Future Expansion



- **JV will have > 6,000 rooms under management**
- **Platform to achieve optimal scale with minimal capital outlay**
- **Transforms STC's hospitality business into a sizeable Asia Pacific hotel operator**

Section II

Proposed Sale of Rendezvous Grand Hotel Singapore and Rendezvous Gallery



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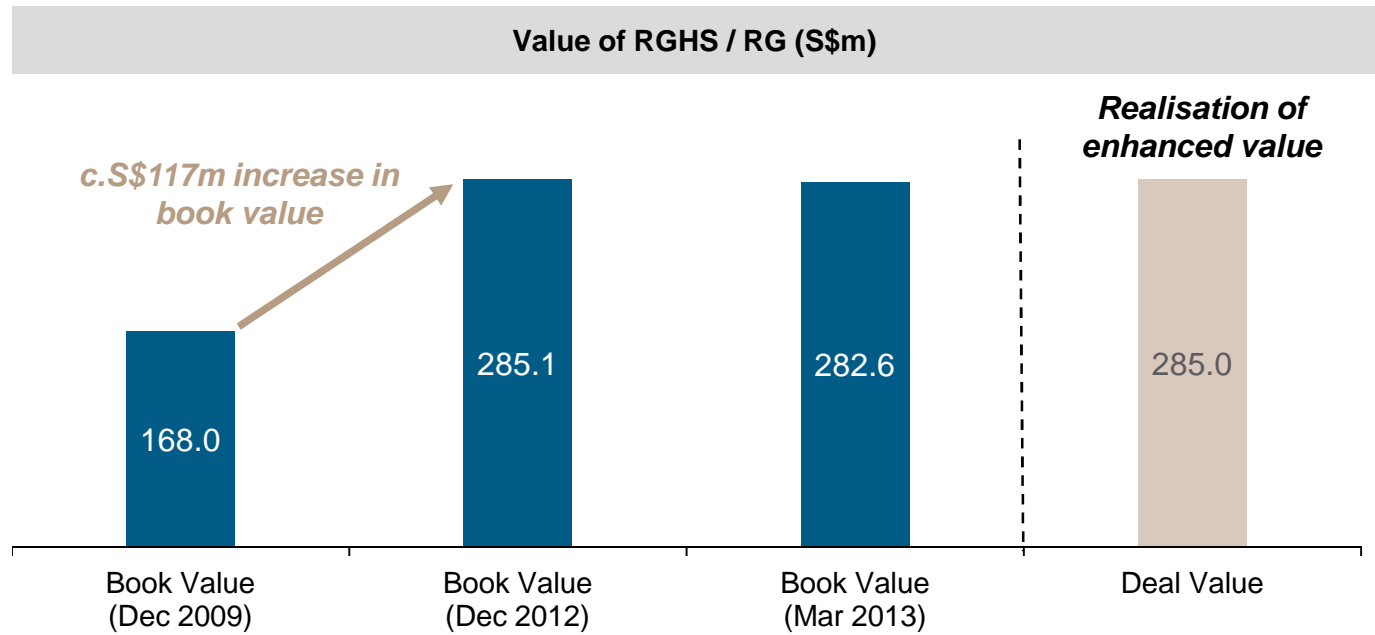
Summary of the Proposed Transaction

Proposed Transaction	<ul style="list-style-type: none">▪ Sale of STC's entire leasehold interest in Rendezvous Grand Hotel Singapore ("RGHS") and the Rendezvous Gallery ("RG")
Aggregate Consideration	<ul style="list-style-type: none">▪ Aggregate consideration of S\$285 million comprising:<ul style="list-style-type: none">– S\$217 million in gross cash proceeds– S\$68 million in FEH-T units
Shareholders' Approval	<ul style="list-style-type: none">▪ STC Shareholders' approval for sale of RGHS and RG and proposed acquisition of the Consideration Securities▪ FEH-T unitholders' approvals already obtained
Completion Date	<ul style="list-style-type: none">▪ Proposed transaction is expected to complete by August 2013 subject to fulfillment of other conditions in the SPAs

Transaction Rationale

1

Realisation of Increase in Book Value



2

Partnership with an established hospitality player

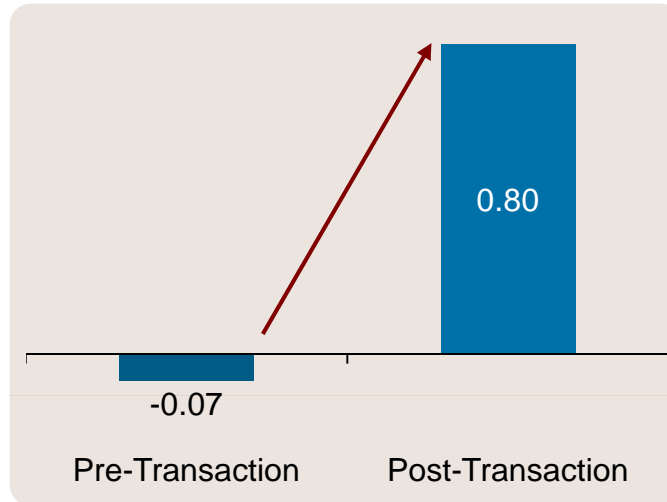
- Stake in Far East Hospitality Trust
- JVIA with FEOrchard for hospitality management business

Transaction Rationale (Cont'd)

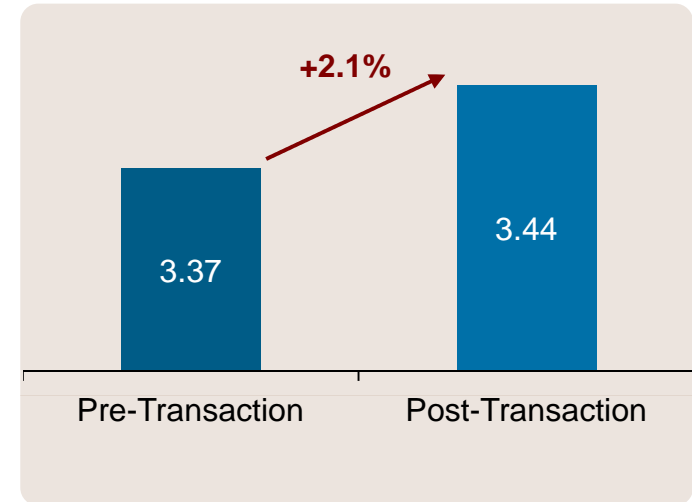
3

**Value
Accretive
Transaction**

1Q2013 EPS (cents)



1Q2013 NTA per Share (S\$)



4

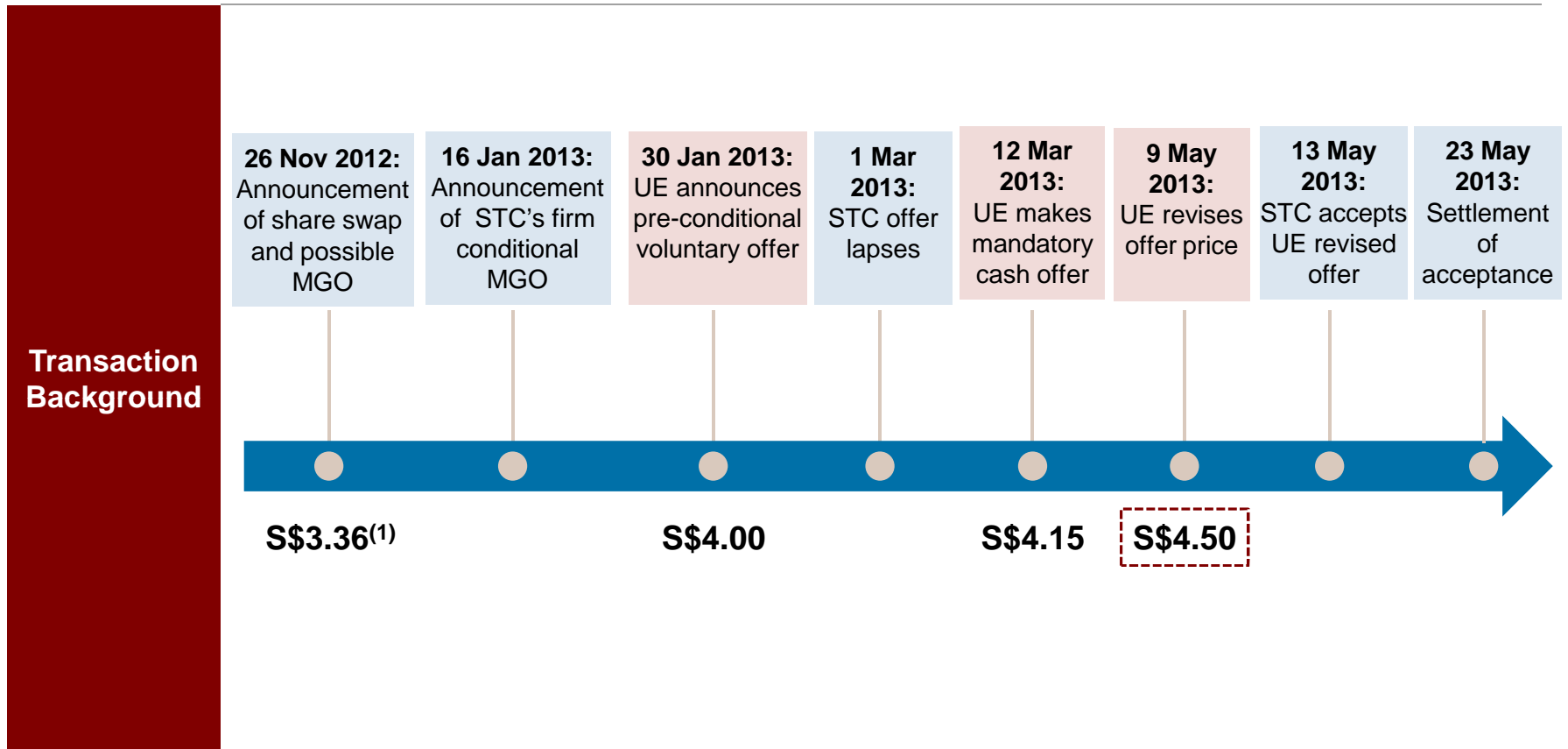
**Generate
Cash
Proceeds and
Recurring
Income**

- **S\$217 million in cash**
- **S\$68 million in FEH-T units:**
 - **Dividend income**
 - **Continued exposure to Singapore hospitality sector**

Section III

Acceptance of the mandatory conditional cash offers for WBL Corporation Limited made for and on behalf of UE Centennial Venture Pte. Ltd.

Transaction Background



Note:

(1) Initial offer price of S\$3.41 adjusted to account for S\$0.05 dividend per stock unit

Transaction Overview

Acceptances	<ul style="list-style-type: none">▪ 112,734,618 WBL stocks (40.66% of issued WBL stock units¹)▪ S\$749,539 principal amount of WBL convertible bonds (0.12% of issued WBL stock units¹)
Total Consideration	<ul style="list-style-type: none">▪ Gross cash proceeds: S\$508.8 million<ul style="list-style-type: none">– S\$507.3 million for WBL stock units– S\$1.5 million for WBL convertible bonds
Shareholders Ratification	<ul style="list-style-type: none">▪ Acceptances of STC Group's entire stock and convertible bond holding in WBL general offer by UE for a cash consideration of S\$508.8 million▪ STC's largest shareholder, The Cairns Pte. Ltd., has undertaken to vote in favor of the transaction

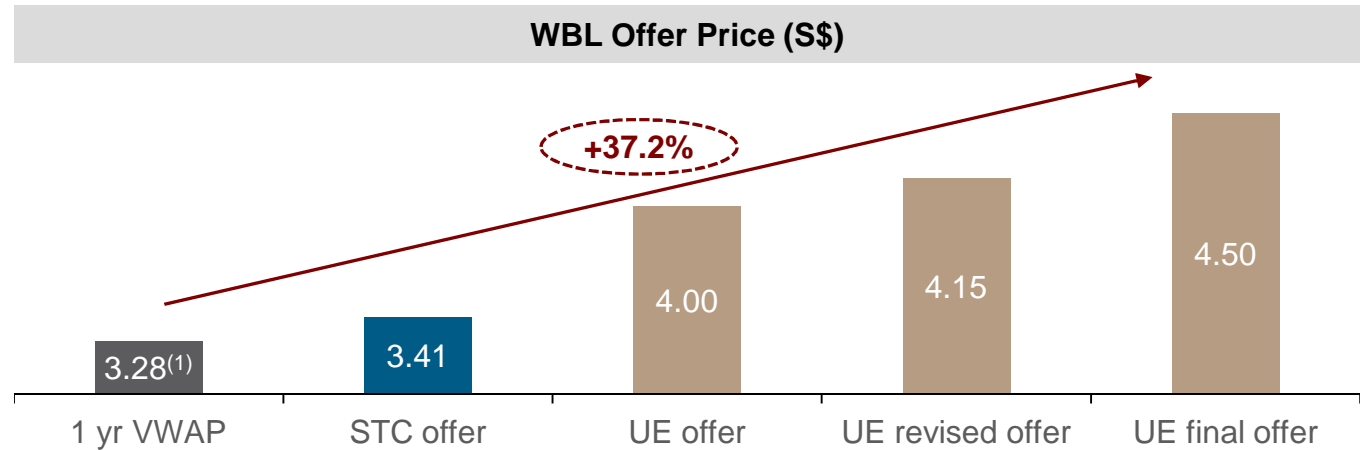
Note:

(1) Based on the total number of issued WBL stock units of 277,246,035 as at 13 May 2013

Transaction Rationale

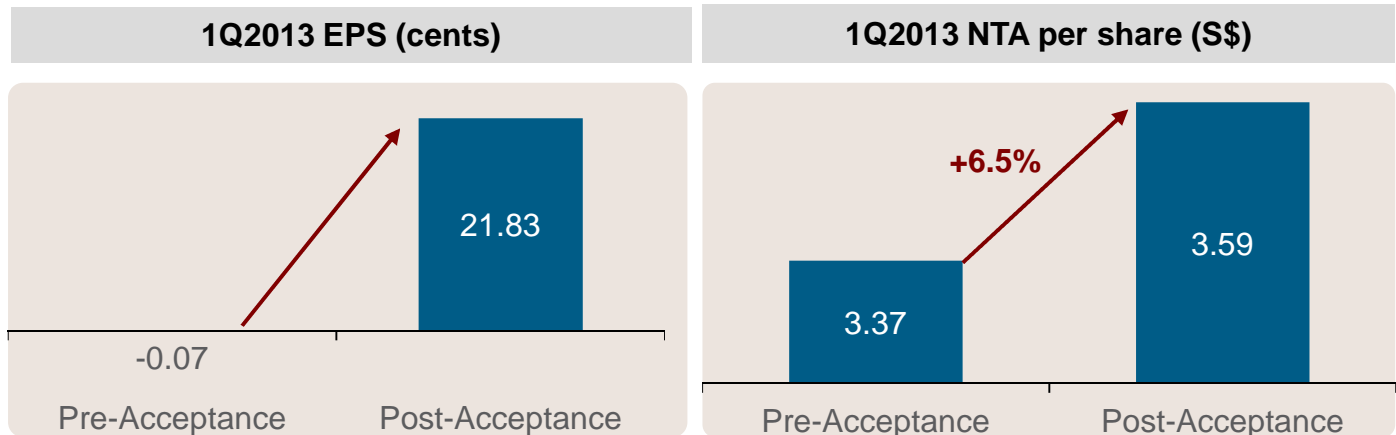
1

Value Creation for both STC Shareholders and WBL Stockholders



2

Value Accretive Transaction



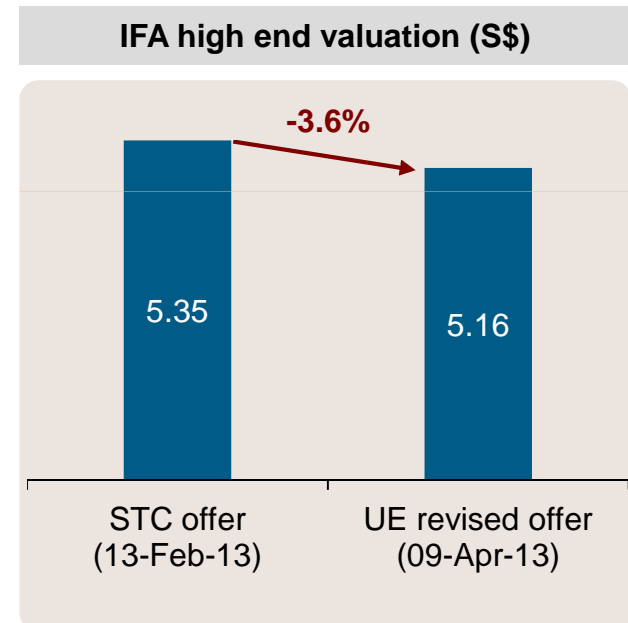
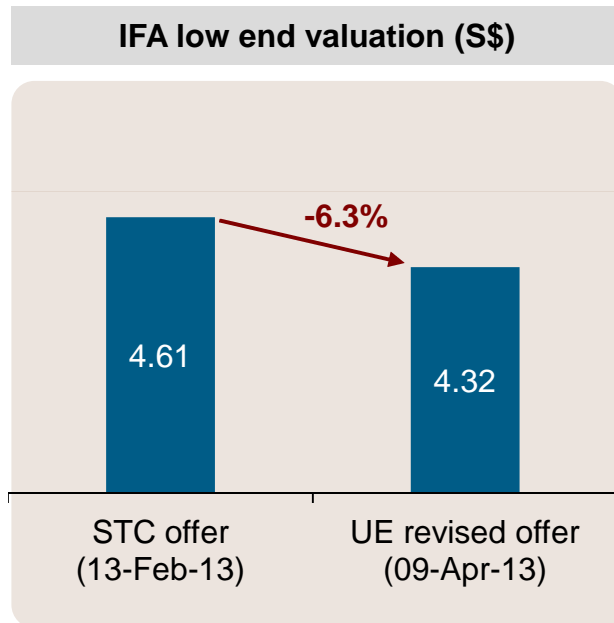
Note: (1) As at 23 November 2012, being the last full day of trading of the WBL stock units prior to the date of announcement of STC's possible offer announcement on 26 Nov 2012

Transaction Rationale

3

Execution
Risk in
Unlocking
Value in WBL

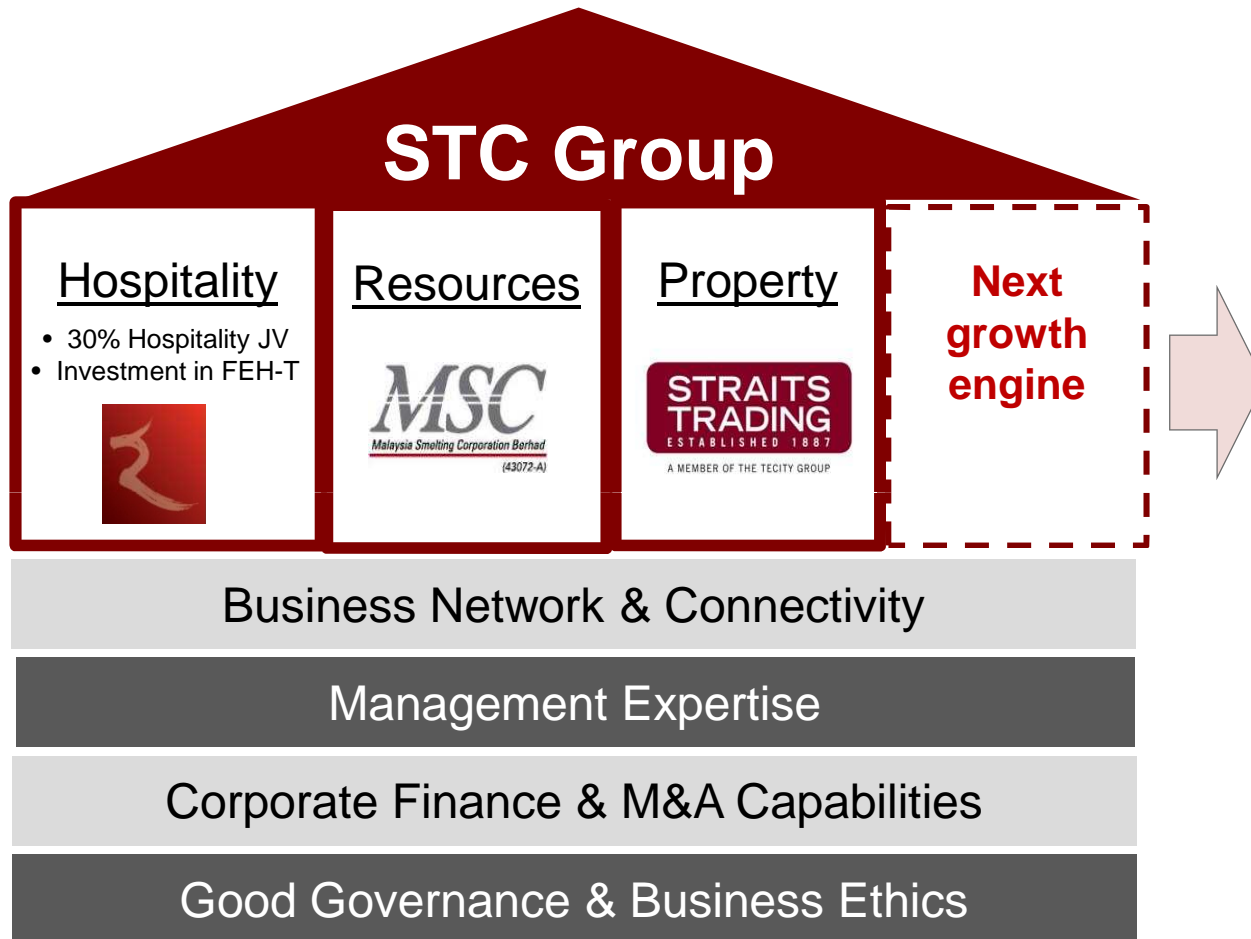
- Lack of assurance of a common goal for WBL between STC and other major shareholders
- IFA revised valuation range since STC's offer to account for challenging market conditions for WBL businesses



Section IV

Conclusion

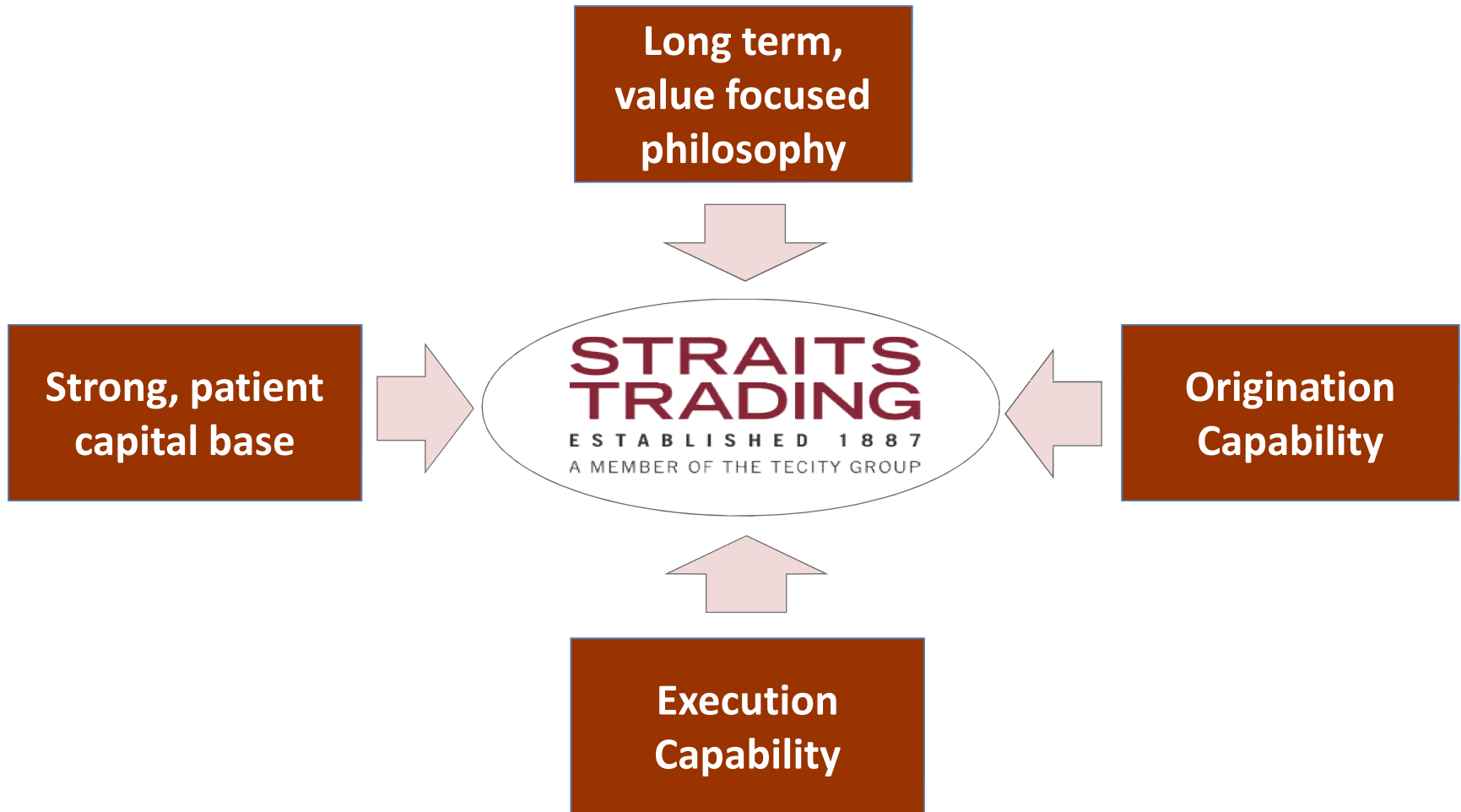
The STC Platform



Investment Criteria

- Well managed & sound businesses
- Potential to generate strong cash flows
- Value accretive
- Ability for STC to add value

STC's Investment Advantage





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