

ANNOUNCEMENT

INCREASE FUNDING IN JOINT VENTURE WITH FAR EAST ORCHARD LIMITED

Unless otherwise defined, all capitalised terms used but not defined in this Announcement shall have the meanings ascribed to them in the announcement dated 15 April 2013 made by The Straits Trading Company Limited (the “**Company**”) in relation to the entry into the joint venture implementation agreement dated 15 April 2013 among the Company, Far East Orchard Limited and Far East Hospitality Holdings Pte. Ltd. (the “**JV Implementation Announcement**”), the announcement dated 20 June 2013 made by the Company in relation to the entry into definitive sale agreements in respect of the STC Disposals (the “**Definitive SPAs Announcement**”) and the announcement by Far East Orchard Limited dated 18 April 2013 in relation to the joint venture between Far East Hospitality Investments (Australia) Pte. Ltd. (“**FEHIA**”) and Toga Pty Ltd (“**Toga Announcement**”).

1. INTRODUCTION

1.1 Increase in Funding. The Company is pleased to announce that it has agreed to increase funding to the JVCo of up to S\$83.7 million¹ (“**Funding**”), with the first portion of the Funding to be made within 15 days of completion of the Potential Transactions.²

1.2 Use of Funding. The Funding is to enable the JVCo to fund future transactions including, subject to satisfaction of the relevant conditions precedent, FEHIA’s proposed joint venture with Toga Pty Ltd (“**Toga Transaction**”). Pursuant to the terms of the Toga Transaction, FEHIA will, *inter alia*, subscribe for an aggregate of 225,000,000 securities to be issued by the Trust SPV (“**Toga Securities**”), representing 50% of the issued securities in the Trust SPV.³

1.3 Update. As a consequence of, and contingent upon, the extension of the Funding and the completion of the Toga Transaction:

- (i) the illustrative EPS for FY2012 and 1Q2013 are (5.71) cents and 1.22 cents, respectively. There is no material change to the illustrative NTA per Share for FY2012 and 1Q2013 as a result of the Toga Transaction; and
- (ii) the relative figures for the Relevant Acquisition as set out in paragraph 2.1 of this Announcement will supersede the relative figures for the Relevant Acquisition as set as out in paragraph 4.2 of the Definitive SPAs Announcement.

¹ Based on an exchange rate of A\$1:S\$1.24

² The “**Potential Transactions**” consist of the STC Disposals, the acquisition by the Company of the STC Consideration JVCo Shares and the STC Capital Contribution.

³ Further details of the Toga Transaction (including the assets to be held by the Trust SPV) are set out in the Toga Announcement and the circular dated 24 June 2013 issued by FEOrchard to its shareholders in connection with the Toga Transaction (“**FEOrchard Circular**”). A copy of the Toga Announcement and the FEOrchard Circular can be found at the Singapore Exchange’s website at www.sgx.com.

2. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

2.1 **Relevant Acquisition.** The relative figures for the Relevant Acquisition computed on the bases set out in Rule 1006 of the Listing Manual and based on the Audited Group FY2012 Results are as follows:

Rule 1006	Bases	Relevant Acquisition (\$ million)	Group (\$ million)	Relative Figures (%)
(b)	The net profit / (loss) attributable to the STC Consideration JVCo Shares, compared with the Group's net profit / (loss) ⁽¹⁾ .	(3.3) ⁽²⁾	(95.0)	3.4
(c)	The aggregate value of the consideration paid ⁽³⁾ , compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares ⁽⁵⁾ .	186.5 ⁽⁴⁾	1,501.4	12.4

Notes:

- (1) Net profit / loss is defined as profit / loss before income tax, minority interests and extraordinary items. Based on the net loss of S\$95.0 million as reported in the Audited Group FY2012 Results. The net loss attributable to the STC Consideration JVCo Shares is S\$3.3 million and has been calculated on a pro-forma basis assuming the FEOrchard Assets, the STC Assets and the Toga Securities are held by the JVCo from 1 January 2012 to 31 December 2012.
- (2) The net loss attributable to the STC Consideration JVCo Shares was reflected in the Definitive SPAs Announcement as S\$8.7 million. There has been a decrease in the net loss attributable to the STC Consideration JVCo Shares to S\$3.3 million assuming acquisition of the Toga Securities by FEHIA.
- (3) For the purposes of this Announcement, the aggregate consideration paid by the Company for the STC Consideration JVCo Shares is deemed to be the sum of the book value of the RHMPL Hotels and the NAV of the RHI Shares, plus the STC Capital Contribution, the Auckland Lease Cash Provision and the Funding, and less the Cash Consideration, and the full value of the encumbrances on the RHMPL Hotels (S\$53.4 million). This assumes that the consideration payable under the Hotel Assets SPA will be satisfied entirely by the Cash Consideration and the Hotel Assets Share Consideration, and not by way of the Loan.
- (4) The aggregate value of the consideration paid was reflected in the Definitive SPAs Announcement as S\$102.8 million. There has been an increase in the aggregate value of consideration paid to S\$186.5 million as a consequence of the Funding.
- (5) The market capitalisation has been calculated on the basis of 394,397,772 Shares in issue multiplied by the Last Trading Day VWAP.

2.2 No Shareholders' Approval. The Potential Transactions and the Funding do not require the approval of shareholders and the Company has obtained a waiver from the requirement to seek shareholders' approval in relation to the Relevant Disposal.⁴

By Order of the Board

Aldric Tan Jee Wei
Company Secretary
The Straits Trading Company Limited

7 August 2013
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.

⁴ The Toga Transaction does not change the relative figures for the Relevant Disposal as previously announced in the Definitive SPAs Announcement. The only relative figure which exceeds 20% is in relation to Rule 1006 (b) of the Listing Manual for the Relevant Disposal, for which the Company has obtained a waiver from the requirement to seek shareholders' approval. Please also see paragraph 5 of the Definitive SPAs Announcement for further details.