

ANNOUNCEMENT

DISPOSAL OF SHARES IN WHOLLY-OWNED SUBSIDIARY

The Straits Trading Company Limited (“**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, STC International Investment Holdings Pte. Ltd. (“**Seller**”), has entered into a share transfer agreement dated 24 December 2014 (“**Share Transfer Agreement**”) in relation to the disposal by the Seller of all of the shares (“**Sale Shares**”) of 上海星峡商贸有限公司 (Shanghai Straits Trading Co., Ltd.) (“**SSTCL**”), to Baijia International Group (Hong Kong) Limited (百佳国际集团(香港)有限公司) (“**Purchaser**”), a third party purchaser incorporated in Hong Kong (“**Disposal**”). Upon completion of the Disposal, SSTCL will cease to be a subsidiary of the Seller and the Company.

The total consideration for the Sale Shares, which is payable in instalments on certain milestone events, is RMB 19.27 million (“**Consideration**”) and was arrived at following arm’s length negotiations on a willing-buyer, willing-seller basis and taking into account, *inter alia*, the net assets book value of SSTCL based on the latest audited financial statements. Based on the latest announced unaudited consolidated financial statements of the Group for the period ended 30 September 2014, the book value and the net tangible asset value attributable to the Sale Shares was SGD3.93 million.

As all of the relative figures for the Disposal computed on the bases set out in Rule 1006 of the listing manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited amount to less than 5%, the Disposal is not a discloseable transaction for the purposes of the Listing Manual. The Disposal is not expected to have any material impact on the net tangible asset or earnings per share of the Group for the financial year ending 31 December 2014.

By Order of the Board

Aldric Tan Jee Wei
Company Secretary
The Straits Trading Company Limited

25 December 2014
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 has stakes in real estate, hospitality, resources and investments that span the Asia Pacific region. It owns a 89.5% stake in Straits Real Estate, a co-investment vehicle that seeks out real estate related investments & opportunities. It also owns a 20.1% stake in SGX-listed ARA Asset Management Limited, one of the largest real estate fund managers in the region, and has a 30% interest in Far East Hospitality Holdings, one of the largest hospitality operators in Asia Pacific. Straits Trading also engages in tin mining and smelting through its 54.8% owned subsidiary, Malaysia Smelting Corporation Berhad, that is dual listed on Bursa Malaysia and SGX-ST.