

ANNOUNCEMENT

PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF ATBARA HOLDINGS PRIVATE LIMITED

The Straits Trading Company Limited (the “**Company**”) wishes to announce that the Company has entered into a binding memorandum of understanding (“**MOU**”) with Haiyi Holdings Pte. Ltd. (“**Haiyi Holdings**”) in relation to the proposed disposal (the “**Proposed Disposal**”) of all the issued ordinary shares (the “**Sale Shares**”) in the capital of Atbara Holdings Private Limited (“**Atbara**”), a wholly owned subsidiary of the Company, to Haiyi Holdings or a wholly owned subsidiary of Haiyi Holdings that is acceptable to the Company (the “**Purchaser**”). Haiyi Holdings is a third party purchaser incorporated in Singapore. Atbara is a company incorporated in Singapore and is the registered owner of 14 units at The Holland Collection (the “**Properties**”). The Proposed Disposal is subject to the entry into of a definitive share sale agreement (“**SSA**”) in respect of the Sale Shares by the Company and the Purchaser.

Upon signing of the MOU, the Company has received a goodwill deposit (the “**Goodwill Deposit**”) of approximately S\$2.7 million from the Purchaser which the Company shall be entitled to retain and forfeit absolutely in the event the Purchaser fails to (i) sign the SSA and (ii) pay a sum equivalent to approximately S\$5.4 million (being 10 per cent. of the agreed value of the Properties of approximately S\$53.8 million) less the Goodwill Deposit by the expiry of 5 business days after 20 April 2015, being the end of the exclusivity period granted by the Company to Haiyi Holdings in relation to the Proposed Disposal.

Pursuant to the MOU, the consideration (“**Consideration**”) for the Sale Shares shall be in cash and calculated based on the net asset value (taking into account all assets and liabilities) of Atbara as at completion of the sale and purchase of the Sale Shares (“**Completion**”). The Consideration was arrived at after arm’s length negotiations, on a willing-buyer and willing-seller basis, taking into account, *inter alia*, the net asset value of Atbara¹. Based on the unaudited accounts of Atbara as at 31 December 2014, the book value and the net tangible asset value attributable to the Sale Shares are approximately S\$1.9 million. As a condition to Completion, the loans and intercompany balances of approximately S\$29.8 million owing by Atbara to the Company and its related corporations shall be capitalised or repaid in full.

The Proposed Disposal is not material for the purposes of the listing manual of the Singapore Exchange Securities Trading Limited and is not expected to have a material impact on the earnings per share and net tangible asset per share of the Company and its subsidiaries for the current financial year ending 31 December 2015. None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the transactions contemplated by the Proposed Disposal.

By Order of the Board

Aldric Tan Jee Wei
Company Secretary
The Straits Trading Company Limited

20 March 2015
Singapore

¹ The net asset value of Atbara includes the capitalisation of certain intercompany loans.

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 an investment company with 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.