

ANNOUNCEMENT

SUBSCRIPTION INTO ARA HARMONY FUND III, L.P.

1. INTRODUCTION

The Board of Directors of The Straits Trading Company Limited (the “**Company**” or “**STC**”) wishes to announce that its subsidiary, Straits Real Estate Pte. Ltd. (“**SREPL**”), through its wholly owned subsidiary, SRE Venture 5 Pte. Ltd. (“**SRE Venture 5**”), has entered into a subscription agreement for the subscription (the “**Subscription**”) into ARA Harmony Fund III, L.P. (the “**Fund**”). The Fund will be managed by ARA Fund Management (Harmony III) Limited as the General Partner.

2. INFORMATION ON THE SUBSCRIPTION

2.1 Information on the Fund

The Fund is a Cayman Islands exempted limited partnership constituted to acquire a portfolio of income generating retail properties in Malaysia.

2.2 Information on ARA

The General Partner of the Fund is an indirect subsidiary of ARA Asset Management Limited (“**ARA**”), a real estate fund management company listed on the Main Board of the Singapore Exchange Securities Trading Limited. ARA manages a diverse suite of real estate investment trusts and private real estate funds that are invested in the office, retail, logistics/industrial, hospitality and residential sectors in the Asia Pacific region. ARA’s business also includes real estate management services and corporate finance advisory services. ARA is an associated company of STC, which has a 20.1% interest in ARA.

2.3 Rationale for the Subscription

The Company has previously articulated to shareholders its strategy of redeploying capital from its existing property portfolio of high quality, but low yielding investment properties into potentially higher return real estate opportunities via SREPL. The Subscription is in line with this stated strategy and is an example of the use of the STC real estate ecosystem.

2.4 Information on the Consideration

SRE Venture 5, as one of the limited partners of the Fund, will commit approximately SGD72,833,000 (approximately MYR192,280,000¹).

¹ Conversion of amount from MYR into SGD this Announcement is based on a rate of exchange of MYR1:SGD0.3788 and is provided for reference purposes only.

3. FINANCIAL EFFECTS

- 3.1 No Material Impact.** The Subscription 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 (the “**Group**”) for the current financial year ending 31 December 2015.
- 3.2 Share Capital.** The Subscription will not have any impact on the issued share capital of the Company.

4. FURTHER INFORMATION

- 4.1 Not Material.** As the Subscription is in the ordinary course of business of the Group, it is not material for the purposes of the listing manual of the Singapore Exchange Securities Trading Limited.
- 4.2 Directors’ Service Contracts.** No person is proposed to be appointed as a director of the Company in connection with the Subscription. Accordingly, no service contract is proposed to be entered into between the Company and any such person.
- 4.3 Directors’ Interests.** None of the directors of the Company has any interest, direct or indirect, in the transactions contemplated by the Subscription.
- 4.4 Controlling Shareholders’ Interests.** None of the controlling shareholders of the Company has any interest, direct or indirect, in the transactions contemplated by the Subscription.
- 4.5 Document for Inspection.** A copy of the agreement for the Subscription is available for inspection by shareholders of the Company during normal business hours at the registered office of the Company at 9 Battery Road, #28-01, Straits Trading Building, Singapore 049910 for three months from the date of this announcement.

By Order of the Board

Aldric Tan Jee Wei
Company Secretary
The Straits Trading Company Limited

24 June 2015
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 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.