

ANNOUNCEMENT

PROPOSED PARTICIPATION IN RIGHTS ISSUE UNDERTAKEN BY ARA ASSET MANAGEMENT LIMITED

The Straits Trading Company Limited (the “**Company**”) refers to the renounceable underwritten rights issue (the “**Rights Issue**”) by ARA Asset Management Limited (“**ARA**”) of 152,127,196 new shares of par value S\$0.002 each in the capital of ARA (the “**Rights Shares**”) on the basis of 18 Rights Shares for every 100 existing ordinary shares of par value S\$0.002 each in the capital of ARA (“**ARA Shares**”) held by Entitled Shareholders as at the Books Closure Date. For further details on the Rights Issue, please refer to the announcement dated 11 November 2015 issued by ARA, a copy of which is available on the website of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) at www.sgx.com (the “**Rights Issue Announcement**”). Terms used herein which are not defined shall have the meanings ascribed to them in the Rights Issue Announcement.

In connection with the Rights Issue, the Company wishes to announce that it has given an irrevocable undertaking dated 11 November 2015 to ARA pursuant to which the Company will, *inter alia*, procure its wholly-owned subsidiaries, Straits Equities Holdings (One) Pte. Ltd. and Straits Equities Holdings (Two) Pte. Ltd. (collectively, the “**Undertaking Companies**”), to subscribe (the “**Subscription**”) for their full entitlement of 30,582,000 Rights Shares at an issue price of S\$1.00 for each Rights Share (the “**Issue Price**”) ¹.

As the Undertaking Companies will be subscribing for their pro-rata entitlement in full under the Rights Issue, their aggregate percentage shareholding in ARA will remain unchanged after the Rights Issue. The aggregate consideration for the Subscription is S\$30,582,000, based on the Issue Price per Rights Share and will be funded by internal cash resources of the Company.

The Subscription is not material for the purposes of the listing manual of the SGX-ST 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 Subscription (save through their shareholding interests, if any, in ARA and/or directorships in ARA).

By Order of the Board

Aldric Tan Jee Wei
Company Secretary
The Straits Trading Company Limited

11 November 2015
Singapore

This Announcement will be available at the Company’s website at <http://www.stc.com.sg>

¹ As stated in the Rights Issue Announcement, the Issue Price per Rights Share of S\$1.00 represents a discount of approximately 29.6 per cent. to the closing price of S\$1.420 per ARA Share on the SGX-ST on 11 November 2015, being the last trading date immediately prior to the Rights Issue Announcement, and a discount of approximately 26.3 per cent. to the theoretical ex-rights price of S\$1.356 per ARA Share. The theoretical ex-rights price is the theoretical market price of each ARA Share assuming the completion of the Rights Issue, and is calculated based on the closing price of S\$1.420 per ARA Share on the SGX-ST on 11 November 2015, being the last trading date immediately prior to the Rights Issue Announcement, and the number of ARA Shares following completion of the Rights Issue.

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.