

CIRCULAR DATED 8 AUGUST 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of The Straits Trading Company Limited, you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the enclosed Proxy Form to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.



THE STRAITS TRADING COMPANY LIMITED
(Company Registration No.: 188700008D)
(Incorporated in Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

IMPORTANT DATES AND TIMES:

Last date and time for lodgment of Proxy Form	:	22 August 2018 at 2.30 p.m.
Date and time of Extraordinary General Meeting	:	24 August 2018 at 2.30 p.m.
Place of Extraordinary General Meeting	:	Suntec Singapore International Convention & Exhibition Centre, Level 3, Meeting Room 331, 1 Raffles Boulevard, Suntec City, Singapore 039593

TABLE OF CONTENTS

DEFINITIONS	1
1. INTRODUCTION.....	5
2. THE PROPOSED SHARE BUYBACK MANDATE	5
3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	18
4. DIRECTORS' RECOMMENDATION	19
5. EXTRAORDINARY GENERAL MEETING	19
6. ACTION TO BE TAKEN BY SHAREHOLDERS	19
7. INSPECTION OF DOCUMENTS	19
8. DIRECTORS' RESPONSIBILITY STATEMENT	20
NOTICE OF EXTRAORDINARY GENERAL MEETING.....	21
PROXY FORM	

DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or unless otherwise stated:

- "AGM"** : Annual general meeting of the Company.
- "Associate"** : (a) In relation to any director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- "Average Closing Price"** : Has the meaning ascribed to it in paragraph 2.3.4 of this Circular.
- "CDP"** : The Central Depository (Pte) Limited.
- "Circular"** : This circular to Shareholders dated 8 August 2018.
- "Companies Act"** : The Companies Act (Chapter 50 of Singapore), as amended, modified or supplemented from time to time.
- "Company"** : The Straits Trading Company Limited.
- "concert parties"** : Has the meaning ascribed to it in paragraph 2.9.2 of this Circular.
- "Constitution"** : The constitution of the Company, as amended, modified or supplemented from time to time.
- "Control"** : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.
- "Controlling Shareholder"** : A person who:
- (a) holds directly or indirectly 15% or more of the total number

of issued shares excluding treasury shares and subsidiary holdings in a company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or

(b) in fact exercises Control over the company.

"Court"	:	The High Court of the Republic of Singapore or a judge thereof
"day of the making of the offer"	:	Has the meaning ascribed to it in paragraph 2.3.4 of this Circular.
"Director"	:	A director of the Company for the time being.
"EGM"	:	The Extraordinary General Meeting of the Company to be held on 24 August 2018 at 2.30 p.m., notice of which is set out on pages 21 to 23 of this Circular.
"EPS"	:	Earnings per Share.
"Group"	:	The Company and its subsidiaries.
"Latest Practicable Date"	:	23 July 2018, being the latest practicable date prior to the printing of this Circular.
"Listing Manual"	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time.
"Market Day"	:	A day on which the SGX-ST is open for trading in securities.
"Market Purchases"	:	Has the meaning ascribed to it in paragraph 2.3.3 of this Circular.
"Maximum Price"	:	Has the meaning ascribed to it in paragraph 2.3.4 of this Circular.
"Notice of EGM"	:	The notice of EGM as set out on pages 21 to 23 of this Circular.
"NTA"	:	Net tangible assets.
"Off-Market Purchases"	:	Has the meaning ascribed to it in paragraph 2.3.3 of this Circular.
"Registrar"	:	The Registrar of Companies.
"related expenses"	:	Has the meaning ascribed to it in paragraph 2.3.4 of this Circular.
"Relevant Period"	:	The period commencing from the date on which the adoption of the Share Buyback Mandate is approved by the Shareholders and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier.

"Securities Account"	: A securities account maintained by a depositor with CDP but not including a securities sub-account maintained with a depository agent.
"SGX-ST"	: Singapore Exchange Securities Trading Limited.
"Share Buyback Mandate"	: General and unconditional mandate given by Shareholders to authorise the Directors to purchase Shares in accordance with the terms set out in Resolution 1 as set out in the Notice of EGM, as more particularly described in this Circular and in accordance with the rules and regulations set forth in the Companies Act and the Listing Manual.
"Shareholders"	: Persons who are registered as holders of Shares in the Register of Members of the Company except that where the registered holder is CDP, the term " Shareholders " shall mean the depositors who have Shares credited to their Securities Accounts.
"Shares"	: Ordinary shares in the capital of the Company.
"subsidiary holdings"	: Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.
"Substantial Shareholder"	: A shareholder who has an interest or interests in one or more voting shares (excluding treasury shares) in a company, and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares (excluding treasury shares) in the company.
"Take-over Code"	: The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time.
"\$" and "cents"	: Singapore dollars and cents, respectively.
"%"	: Per centum or percentage.

The terms "**depositor**", "**depository agent**" and "**Depository Register**" shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act (Chapter 289 of Singapore) or any statutory modification thereof, as the case may be.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include individuals, firms and corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the Listing Manual, the Take-over Code or any modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act, the Listing Manual, the Take-over Code or any modification thereof, as the case may be, unless otherwise provided.

Summaries of the provisions of any laws and regulations (including the Take-over Code and the Listing Manual) contained in this Circular are of such laws and regulations (including the Take-over Code and the Listing Manual) as at the Latest Practicable Date.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Circular may not be an arithmetic aggregation of the figures that precede them.

THE STRAITS TRADING COMPANY LIMITED

(A member of The Tecity Group)
(Company Registration No.: 188700008D)
(Incorporated in Singapore)

Directors:

Ms. Chew Gek Khim (Executive Chairman)
Ms. Chew Gek Hiang (Non-Independent and Non-Executive Director)
Mr. Goh Kay Yong David (Non-Independent and Non-Executive Director)
Mr. Tan Tiong Cheng (Independent and Non-Executive Director)
Dr. Gary Hilton Weiss (Independent and Non-Executive Director)
Mr. Chia Chee Ming, Timothy (Lead Independent Director)
Mr. Tan Chian Khong (Independent and Non-Executive Director)
Mr. Chua Tian Chu (Independent and Non-Executive Director)

Registered Office:

1 Wallich Street
#15-01
Guoco Tower
Singapore 078881

8 August 2018

To: The Shareholders of The Straits Trading Company Limited

Dear Sir / Madam,

THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

- 1.1 The Directors have convened the EGM to be held on 24 August 2018 to seek Shareholders' approval for the proposed adoption of the Share Buyback Mandate.
- 1.2 The purpose of this Circular is to provide Shareholders with information relating to the proposed adoption of the Share Buyback Mandate, and to seek Shareholders' approval for the same at the EGM.

2. THE PROPOSED SHARE BUYBACK MANDATE

2.1 The Proposed Adoption of the Share Buyback Mandate

It is a requirement under the Companies Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders. In this regard, the Company proposes to adopt the Share Buyback Mandate, subject to Shareholders' approval at the EGM, to enable the Directors to exercise all powers of the Company to purchase or otherwise acquire the Shares on the terms of the Share Buyback Mandate.

The Company proposes to adopt the Share Buyback Mandate for the Company to make market and off-market buybacks of Shares from time to time of up to 10% of the total number of Shares (excluding treasury shares and subsidiary holdings) in accordance with the terms set out below. It is presently intended that the Share Buyback Mandate will be put to Shareholders for renewal at each subsequent AGM.

2.2 Rationale for the Share Buyback Mandate

The approval of the adoption of the Share Buyback Mandate authorising the Company to

purchase or acquire its Shares would give the Company the flexibility to undertake Share purchases or acquisitions up to the 10% limit described in paragraph 2.3.1 below at any time, subject to market conditions, during the period when the Share Buyback Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) in managing the business of the Group, the management team strives to increase shareholder value by improving, *inter alia*, the return on equity of the Group. A Share purchase is one of the ways in which the return on equity of the Group may be enhanced;
- (b) Shares purchased or acquired under the Share Buyback Mandate can also be held by the Company as treasury shares to satisfy the Company's obligations to furnish Shares to participants in any share-based incentive schemes it may implement from time to time, thus giving the Company greater flexibility to select the method of providing Shares to employees that is most beneficial to the Company and its Shareholders;
- (c) the Share Buyback Mandate is an expedient, effective and cost-efficient way for the Company to return to Shareholders surplus cash/funds which is/are over and above its ordinary capital requirements and in excess of the financial and possible investment needs of the Group, if any. In addition, the Share Buyback Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure; and
- (d) share buyback mandates help mitigate short-term market volatility, offset the effects of short-term speculation and bolster shareholder confidence.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the period referred to in paragraph 2.3.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial condition of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

2.3 **Authority and Limits on the Share Buyback Mandate**

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

2.3.1 **Maximum Number of Shares**

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares as at the date of the EGM (excluding treasury shares and subsidiary holdings) at which the adoption of the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C

of the Companies Act, or the Court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered by the special resolution of the Company or the order of the Court, as the case may be. Any Shares which are held as treasury shares or subsidiary holdings will be disregarded for the purposes of computing the 10% limit.

For illustrative purposes only, based on the general rule in the foregoing paragraph, on the basis of 408,095,772 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the EGM, and that the Company does not reduce its share capital, not more than 40,809,577 Shares (representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate during the Relevant Period.

2.3.2 Duration of Authority

Purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may be made, at any time and from time to time, on and from the date of the general meeting at which the Share Buyback Mandate is approved, up to:

- (a) the date on which the next AGM is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders in a general meeting; or
- (c) the date on which purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated,

whichever is the earliest.

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed by the Shareholders in any general meeting of the Company, such as at the next AGM or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the proposed Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

2.3.3 Manner of Purchase or Acquisition

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose, in accordance with Section 76E of the Companies Act; and/or

- (b) off-market purchases ("**Off-Market Purchases**") effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Listing Manual, the Companies Act and the Constitution, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all of the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, differences in consideration attributable to the fact that offers may relate to Shares with different amounts remaining unpaid, and differences in offers introduced solely to ensure that each Shareholder is left with a whole number of Shares.

Pursuant to the Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed purchase or acquisition of Shares;
- (4) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (7) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

2.3.4 **Maximum Price**

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses ("**related expenses**")) to be paid for a Share will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
 - (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined hereinafter),
- (the "**Maximum Price**"), in either case, excluding related expenses.

For the above purposes:

"Average Closing Price" means the average of the closing market prices of the Shares traded on the SGX-ST over the last five Market Days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days; and

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchased or Acquired Shares

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time. The total number of issued Shares will be diminished by the number of issued Shares purchased or acquired by the Company which are not held as treasury shares. It is presently intended by the Company that all or a significant portion of the Shares which are purchased or acquired by the Company under the Share Buyback Mandate will be held as treasury shares, up to the maximum number of treasury shares permitted by law to be held by the Company.

All Shares purchased or acquired by the Company (unless held as treasury shares by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase or acquisition.

2.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.5.1 Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

2.5.2 Voting and Other Rights

The Company cannot exercise any rights in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets (whether in cash or otherwise) may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully-paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3 Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of, or pursuant to, any share scheme, whether for employees, Directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Reporting Requirements

Within 30 days of the passing of a Shareholders' resolution to approve the purchase or acquisition of Shares by the Company, the Directors shall lodge a copy of such resolution with the Registrar.

The Directors shall notify the Registrar within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchase or acquisition including the date of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled and the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase or acquisition, the amount of consideration paid by the Company for the purchase or acquisition, and such other information as required by the Companies Act.

The Listing Manual specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(28) of the Listing Manual, which provides that an issuer must make an immediate announcement thereof, stating the following:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (v) percentage of the number of treasury shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.7 Source of Funds

The Company may only apply funds for the purchase or acquisition of Shares as provided in the Constitution and in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Company may use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group.

2.8 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the NTA per Share and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by

the Company to fund the purchase or acquisition and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The Company's total number of issued Shares will be diminished by the total number of Shares purchased by the Company and which are not held as treasury shares. The NTA of the Group will be reduced by the aggregate purchase price (including any expenses such as brokerage and commission) paid by the Company for the Shares.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

The purchase or acquisition of Shares will only be effected by the Company after the Directors have considered relevant factors such as the working capital requirements, the availability of financial resources and the expansion and investment plans of the Group, and the prevailing market conditions.

For illustrative purposes only, the financial effects of the Share Buyback Mandate on the Company and the Group, based on the audited financial statements of the Group for the financial year ended 31 December 2017 are based on the assumptions set out below:

- (a) based on 408,095,772 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued and no reduction of share capital of the Company takes place, not more than 40,809,577 Shares (representing 10% of the total number of issued Shares as at the date of the EGM (excluding treasury shares and subsidiary holdings)) may be purchased by the Company pursuant to the Share Buyback Mandate (if adopted);
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 40,809,577 Shares at the Maximum Price of \$2.12 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 40,809,577 Shares (excluding related expenses) is approximately \$86.5 million; and
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 40,809,577 Shares at the Maximum Price of \$2.42 for one Share (being the price equivalent to 20% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 40,809,577 Shares (excluding related expenses) is approximately \$98.8 million.

For illustrative purposes only, and based on the assumptions set out in sub-paragraphs (a), (b) and (c) above and assuming that:

- (i) such purchase or acquisition of Shares is made entirely out of capital and financed solely by internal sources of funds;
- (ii) the Share Buyback Mandate had been effective on 1 January 2017;
- (iii) the Company had purchased or acquired 40,809,577 Shares on 1 January 2017; and

- (iv) related expenses incurred directly in the purchases or acquisitions by the Company of the Shares at the relevant time are not taken into account,

the financial effects of:

- (1) the purchase or acquisition of 40,809,577 Shares by the Company in a Market Purchase or Off-Market Purchase and held as treasury shares; and
- (2) the purchase or acquisition of 40,809,577 Shares by the Company in a Market Purchase or Off-Market Purchase and cancelled,

on the audited financial statements of the Group and the Company for the financial year ended 31 December 2017 pursuant to the Share Buyback Mandate, are summarised in the following tables:

(A) Market Purchase or Off-Market Purchase of 40,809,577 Shares and held as treasury shares

As at 31 December 2017 (As audited)	Group			The Company		
	Before Share Purchase \$'000	After Market Purchase \$'000	After Off-Market Purchase \$'000	Before Share Purchase \$'000	After Market Purchase \$'000	After Off-Market Purchase \$'000
Issued capital and reserves	1,477,582	1,477,582	1,477,582	615,565	615,565	615,565
Treasury shares	–	(86,516)	(98,759)	–	(86,516)	(98,759)
NTA ⁽¹⁾	1,453,235	1,366,719	1,354,476	615,565	529,049	516,806
Total equity	1,570,894	1,484,378	1,472,135	615,565	529,049	516,806
Current assets	702,292	615,776	603,533	1,238,125	1,151,609	1,139,366
Current liabilities	293,874	293,874	293,874	630,630	630,630	630,630
Working capital	408,418	321,902	309,659	607,495	520,979	508,736
Total borrowings	768,661	768,661	768,661	149,694	149,694	149,694
Cash and cash equivalents	362,438	275,922	263,679	258,760	172,244	160,001
Profit after tax and non- controlling interests	48,103	48,103	48,103	15,679	15,679	15,679
Number of Shares (excluding treasury shares) ('000) ⁽²⁾	408,096	367,286	367,286	408,096	367,286	367,286
Treasury shares ('000)	–	40,810	40,810	–	40,810	40,810
Financial ratios						
NTA per Share (\$)	3.56	3.72	3.69	1.51	1.44	1.41
EPS (cents)	11.8	13.1	13.1	3.84	4.27	4.27
Current ratio (times) ⁽³⁾	2.39	2.10	2.05	1.96	1.83	1.81
Net gearing ratio (%) ⁽⁴⁾	25.9	33.2	34.3	–	–	–

(B) Market Purchase or Off-Market Purchase of 40,809,577 Shares and cancelled

As at 31 December 2017 (As audited)	Group			The Company		
	Before Share Purchase \$'000	After Market Purchase \$'000	After Off-Market Purchase \$'000	Before Share Purchase \$'000	After Market Purchase \$'000	After Off-Market Purchase \$'000
Issued capital and reserves	1,477,582	1,391,066	1,378,823	615,565	529,049	516,806
NTA ⁽¹⁾	1,453,235	1,366,719	1,354,476	615,565	529,049	516,806
Total equity	1,570,894	1,484,378	1,472,135	615,565	529,049	516,806
Current assets	702,292	615,776	603,533	1,238,125	1,151,609	1,139,366
Current liabilities	293,874	293,874	293,874	630,630	630,630	630,630
Working capital	408,418	321,902	309,659	607,495	520,979	508,736
Total borrowings	768,661	768,661	768,661	149,694	149,694	149,694
Cash and cash equivalents	362,438	275,922	263,679	258,760	172,244	160,001
Profit after tax and non- controlling interests	48,103	48,103	48,103	15,679	15,679	15,679
Number of Shares ('000) ⁽²⁾	408,096	367,286	367,286	408,096	367,286	367,286
Financial ratios						
NTA per Share (\$)	3.56	3.72	3.69	1.51	1.44	1.41
EPS (cents)	11.8	13.1	13.1	3.84	4.27	4.27
Current ratio (times) ⁽³⁾	2.39	2.10	2.05	1.96	1.83	1.81
Net gearing ratio (%) ⁽⁴⁾	25.9	33.2	34.3	–	–	–

Notes:

- (1) NTA as disclosed above excludes non-controlling interests and intangible assets.
- (2) Based on the number of Shares in issue as at the Latest Practicable Date and adjusted for the effect of the Share purchase.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) Net gearing ratio equals total borrowings less cash and cash equivalents, divided by total equity.

Shareholders should note that the financial effects set out above are purely for illustrative purposes only and based on the abovementioned assumptions. In particular, it is important to note that the above pro-forma financial analysis is based on the audited historical numbers for the financial year ended 31 December 2017, and is not necessarily representative of future financial performance.

Although the Share Buyback Mandate (if adopted) would authorise the Company to purchase up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as determined in accordance with the applicable provisions of the Companies Act, the Company may not necessarily purchase or be able to purchase the entire 10% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the purchased Shares or hold all or part of the purchased Shares in treasury.

Shareholders who are in doubt as to their tax positions or any tax implications in their respective jurisdictions should consult their own professional tax advisers.

2.9 Take-over Implications

Appendix 2 to the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.9.1 Obligation to Make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of the Shares, the percentage of voting rights in the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

2.9.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert ("**concert parties**") comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of the company.

Unless the contrary is established, the following persons will be presumed to be acting in concert:

- (a) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person

who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;

- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to the instructions of the individual, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and their concert parties respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 to the Take-over Code.

2.9.3 **Effect of Rule 14 of and Appendix 2 to the Take-over Code**

In general terms, the effect of Rule 14 of and Appendix 2 to the Take-over Code is that, unless exempted, Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months.

Under Appendix 2 to the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the

Share Buyback Mandate.

Based on substantial shareholding notifications received by the Company under Part VII of the Securities and Futures Act (Chapter 289 of Singapore) as at the Latest Practicable Date, as set out in paragraph 3 below, none of the Substantial Shareholders of the Company would become obliged to make a mandatory offer for the Company under Rule 14 of the Take-over Code as a result of the purchase or acquisition by the Company of the maximum limit of 10% of its issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council of Singapore and/or their professional advisers at the earliest opportunity.

2.10 Listing Manual

While the Listing Manual does not expressly prohibit purchases or acquisitions of shares by a listed company during any particular time or times, the Company, in line with Rule 1207(19)(c) of the Listing Manual, will not purchase or acquire any Shares through Market Purchases during the period of:

- (a) one month immediately preceding the announcement of the Company's full year results; and
- (b) two weeks immediately preceding the announcement of the Company's quarterly results.

The Company's decision to purchase or acquire Shares would only be made with an arrangement that could reasonably be expected to ensure that information that is not generally available would not be communicated or informed to the person within the Company who makes the decision to transact.

The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of its listed securities (excluding treasury shares, preference shares and convertible equity securities) are in the hands of the public. The "public", as defined in the Listing Manual, are persons other than the directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the Associates of such persons.

As at the Latest Practicable Date, 82,192,692 Shares, representing 20.14% of the total number of issued Shares (excluding treasury shares), are held in the hands of the public. Assuming that the Company purchases the aggregate of 40,809,577 Shares through Market Purchases, being the full 10% limit pursuant to the Share Buyback Mandate from the public (as defined in the Listing Manual), the number of Shares in the hands of the public would be reduced to 41,383,115 Shares, representing approximately 11.27% of the issued Shares of the Company (excluding treasury shares). Accordingly, the Company is of the view that there is a sufficient number of Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Buyback Mandate (if adopted) without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity.

In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares

will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.11 Previous Share Buybacks

The Company has not purchased any Shares during the 12-month period preceding the Latest Practicable Date.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of Directors and Substantial Shareholders of the Company as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders, respectively, are as follows:

Director	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Ms. Chew Gek Khim	41,200	0.01	-	-
Ms. Chew Gek Hiang	23,000	0.006	-	-
Mr. Goh Kay Yong David	-	-	-	-
Mr. Tan Tiong Cheng	-	-	-	-
Dr. Gary Hilton Weiss	-	-	-	-
Mr. Chia Chee Ming, Timothy	3,900	0.001	-	-
Mr. Tan Chian Khong	-	-	-	-
Mr. Chua Tian Chu	-	-	-	-

Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
The Cairns Pte. Ltd.	285,840,552	70.04	-	-
Tan Chin Tuan Pte. Ltd. ⁽²⁾	-	-	285,840,552	70.04
Raffles Investments Limited ⁽²⁾	-	-	285,840,552	70.04
Tecity Pte. Ltd ⁽²⁾	-	-	285,840,552	70.04
Aequitas Pte. Ltd. ⁽²⁾	-	-	285,840,552	70.04
Dr Tan Kheng Lian ⁽²⁾	388,060	0.095	285,840,552	70.04
Franklin Resources, Inc. ⁽³⁾	-	-	25,805,600	6.32
Franklin Templeton Institutional, LLC ⁽³⁾	-	-	25,805,600	6.32

Notes:

⁽¹⁾ Based on the total number of issued Shares of 408,095,772 as at the Latest Practicable Date. The Company does not have any treasury shares or subsidiary holdings as at the Latest Practicable Date.

⁽²⁾ Each of Raffles Investments Limited ("**Raffles**") and Tecity Pte. Ltd ("**Tecity**") holds not less than 20% of the voting rights of The Cairns Pte. Ltd. ("**Cairns**"). By virtue of this, each of Raffles and Tecity has a deemed interest in the Shares held by Cairns. Aequitas Pte. Ltd. ("**Aequitas**") holds more than 50% of the voting rights of Raffles. By virtue of this, Aequitas has a deemed interest in the Shares held by Cairns. Tan Chin Tuan Pte. Ltd. ("**TCTPL**") holds more than 50% of the voting rights in Aequitas. By virtue of this, TCTPL has a deemed interest in the Shares held by Cairns. Dr Tan Kheng Lian holds more than 50% of the voting rights of Tecity. By virtue of this, Dr Tan Kheng Lian has a deemed interest in the Shares held by Cairns.

⁽³⁾ Franklin Resources, Inc.'s deemed interest arises from the Shares held by the funds and managed accounts that are managed by investment advisers directly or indirectly owned by Franklin Resources, Inc. Franklin Templeton Institutional, LLC is a wholly-owned subsidiary of Franklin Resources, Inc.

4. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed adoption of the Share Buyback Mandate is in the best interests of the Company, and accordingly, recommend that Shareholders vote in favour of Resolution 1 as set out in the Notice of EGM in respect of the adoption of the Share Buyback Mandate to be proposed at the EGM.

5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 21 to 23 of this Circular, is being convened to be held at Suntec Singapore International Convention & Exhibition Centre, Level 3, Meeting Room 331, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 24 August 2018 at 2.30 p.m. for the purpose of considering and, if thought fit, passing the resolution set out in the Notice of EGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

6.1 Appointment of Proxies

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the accompanying Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Share Registrar at 80 Robinson Road #11-02, Singapore 068898 not later than 48 hours before the time fixed for the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked and the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

6.2 When Depositor regarded as Shareholder

A depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by CDP to the Company.

7. INSPECTION OF DOCUMENTS

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Annual Report of the Company for the financial year ended 31 December 2017; and
- (b) the Constitution.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed adoption of the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully,
For and on behalf of the Board of Directors of
THE STRAITS TRADING COMPANY LIMITED

Chew Gek Khim
Executive Chairman

THE STRAITS TRADING COMPANY LIMITED

(A member of The Tecity Group)
(Company Registration. No.: 188700008D)
(Incorporated in Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of The Straits Trading Company Limited (the "**Company**") will be held at Suntec Singapore International Convention & Exhibition Centre, Level 3, Meeting Room 331, 1 Raffles Boulevard, Suntec City, Singapore 039593, on 24 August 2018 at 2.30 p.m. for the purpose of considering and, if thought fit, passing (with or without modification) the following resolution which will be proposed as an Ordinary Resolution:

**RESOLUTION 1 (ORDINARY RESOLUTION):
ADOPTION OF THE SHARE BUYBACK MANDATE**

That:

- (a) for the purposes of the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**"), the authority conferred on the directors of the Company ("**Directors**") to exercise all the powers of the Company to purchase or otherwise acquire issued ordinary shares fully paid in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) market purchase(s) (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - (ii) off-market purchase(s) (each an "**Off-Market Purchase**") in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,
- and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Companies Act and the Listing Manual of the SGX-ST as may for the time being be applicable, be and is hereby approved generally and unconditionally (the "**Share Buyback Mandate**");
- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
- (i) the date on which the next Annual General Meeting ("**AGM**") is held or required by law to be held; and
 - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;
- (c) in this Resolution:

"Maximum Limit" means that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of

the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as defined below), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares that may be held by the Company from time to time and subsidiary holdings); and

"Maximum Price", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

where:

"Relevant Period" means the period commencing from the date on which this Resolution is passed and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution;

"Average Closing Price" means the average of the closing market prices of the Shares traded on the SGX-ST over the last five Market Days (a **"Market Day"** being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days; and

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

By Order of the Board

Aldric Tan Jee Wei
Company Secretary

8 August 2018
Singapore

Explanatory Note to Resolution 1:

Resolution 1 (Ordinary Resolution), if passed, will empower the Directors to purchase or otherwise acquire Shares on the terms of the Share Buyback Mandate as set out in Resolution 1 and the Circular to Shareholders dated 8 August 2018. Please refer to the said Circular to Shareholders for more details. The Company may use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The amount of financing required and the impact of the Company's financial position cannot be ascertained as at the date of this

Notice as these will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchase or acquisition and whether the Shares purchased or acquired are cancelled or held as treasury shares. Illustrative financial effects of the Share Buyback Mandate are set out in paragraph 2.8 of the said Circular to Shareholders.

Note:

A member of the Company is entitled to appoint a proxy to attend the EGM and vote in his stead. A proxy need not be a member of the Company. Proxy forms must be deposited at the office of the Company's Share Registrar at 80 Robinson Road #11-02, Singapore 068898 not less than 48 hours before the time for holding the EGM or any adjournment thereof.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

[This page is intentionally left blank]

PROXY FORM

EXTRAORDINARY GENERAL MEETING

THE STRAITS TRADING COMPANY LIMITED

(Company Registration No.: 188700008D)
(Incorporated in the Republic of Singapore)
(A member of The Tecity Group)

IMPORTANT:

1. For investors who have used their CPF monies to buy THE STRAITS TRADING COMPANY LIMITED shares, this Circular to Shareholders is sent to them at the request of their CPF Approved Nominees solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We, _____ (Name) _____ (NRIC/Passport No.)
of _____ (Address)
being a member/members of THE STRAITS TRADING COMPANY LIMITED (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing him/her/them, the Chairman of the Extraordinary General Meeting, as my/our proxy/proxies to vote for me/us on my/our behalf, at the Extraordinary General Meeting of the Company to be held at Suntec Singapore International Convention & Exhibition Centre, Level 3, Meeting Room 331, 1 Raffles Boulevard, Suntec City, Singapore 039593, on Friday, 24 August 2018 at 2.30 p.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolution to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Extraordinary General Meeting.

No.	Resolutions	For	Against
1	Adoption of the Share Buyback Mandate		

Dated this _____ day of August, 2018.

Total number of ordinary shares	
---------------------------------	--

Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF.

Notes:

1. A member (other than a Relevant Intermediary) entitled to attend and vote at the Extraordinary General Meeting ("**EGM**") is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second-named proxy as an alternate to the first named.
2. A member who is a Relevant Intermediary entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote in his stead but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares to be represented by each proxy must be stated.
"Relevant Intermediary" means:
 - (a) a banking corporation licensed under the Banking Act (Chapter 19 of Singapore) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289 of Singapore) and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act (Chapter 36 of Singapore) in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney.
4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM in accordance with the Constitution of the Company and Section 179 of the Companies Act (Chapter 50 of Singapore).

1st fold here

PLEASE
AFFIX
STAMP

The Straits Trading Company Limited
c/o 80 Robinson Road
#11-02
Singapore 068898

2nd fold here

5. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the office of the Company's Share Registrar at 80 Robinson Road #11-02, Singapore 068898 not less than 48 hours before the time appointed for the EGM. The sending of this form of proxy by a member does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant instrument of proxy will be deemed to be revoked and the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
6. A member of the Company should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for the EGM as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time appointed for the EGM.
9. An investor who buys shares using CPF monies ("**CPF Investor**") and/or SRS monies ("**SRS Investor**"), as may be applicable, may attend and cast his vote(s) at the EGM in person. CPF Investors and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF Investors and SRS Investors shall be precluded from attending the EGM.