

ANNOUNCEMENT

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE SGX-ST LISTING MANUAL

The Board of Directors of The Straits Trading Company Limited (the “**Company**”) wishes to announce the following transactions carried out in the period up to 30 June 2020:

Change in Interest in Associated Company

The Company’s subsidiary, Straits Equities Holdings (One) Pte. Ltd., has on 22 May 2020 completed its acquisition (“**Acquisition**”) of approximately 1.11% of the shares (“**Sale Shares**”) of ARA Asset Management Holdings Pte. Ltd. (“**ARA**”) and now holds approximately 22.06% in ARA.

The aggregate consideration payable for the acquisition is approximately US\$21.2 million, which consideration was arrived at on a willing buyer willing seller basis. The net asset value attributable the Sale Shares as at 31 December 2019 is US\$13.6 million¹. The consideration will be satisfied in cash, with the first tranche of approximately US\$10.7 million having been paid on 22 May 2020 and the balance to be paid at a later date to be determined and in any event no later than 31 May 2021.

The Acquisition is in the ordinary course of business of the Company and is not expected to have a material impact on the earnings per share and net tangible assets per share of the Company and its subsidiaries for the current financial year ending 31 December 2020.

Save for any interest from their respective shareholdings in the Company, none of the Directors or the controlling shareholders of the Company have an interest, direct or indirect, in the Acquisition.

Establishment of Associated Company

The Company, through its wholly-owned subsidiary Bushey Park Private Limited, together with ARA Re Investment Group (Singapore) Pte. Ltd. and JL Equity I Pte. Ltd., established an associated company on 13 February 2020 in Singapore (the “**Establishment**”), the details are as follows:

Name:	SME Help Fund Pte. Ltd.
Principal activity:	Providing financing to local small and medium-sized enterprises to tide over the impact of Covid-19.
Issued and Paid-up: Ordinary Share Capital	SGD10.00

The Company holds a 30% interest in SME Help Fund Pte. Ltd.

¹ Based on exchange rate of USD1.00:SGD1.4250 and is provided for reference purposes only.

Save for any interest from their respective shareholdings in the Company, none of the Directors or the controlling shareholders of the Company have an interest, direct or indirect, in the Establishment.

By Order of the Board

Aldric Tan Jee Wei
Company Secretary
The Straits Trading Company Limited

14 August 2020
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 a conglomerate with resources, real estate and hospitality. Its investments comprise majority or strategic stakes in the world's third-largest tin producer, Malaysia Smelting Corporation Berhad, which is dual listed on Bursa Malaysia and SGX-ST; Straits Real Estate; ARA Asset Management Limited and Far East Hospitality Holdings as well as a diversified property portfolio that is wholly-owned by the Group.