



MEDIA RELEASE

Straits Trading and Malaysia Smelting Corporation sign MOU to unlock value of prime land in Butterworth, Penang

Singapore and Kuala Lumpur, Malaysia, 27 September 2018 – The Straits Trading Company Limited (“**Straits Trading**”), and MSC Properties Sdn. Bhd, a wholly-owned subsidiary of Straits Trading’s 54.8%-owned resource subsidiary, Malaysia Smelting Corporation Berhad (“**MSC**”) have today signed a Memorandum of Understanding (“**MOU**”) to jointly explore options on unlocking the value of the land owned by both parties in Butterworth, Penang.

MSC is in the process of relocating its smelting operations from Butterworth, Penang where it has been operating since 1902, to a new state-of-the-art plant in Pulau Indah, Klang. Production activities at the new plant in Pulau Indah, Klang will be gradually ramped up once the required approvals are obtained, while production will be gradually phased out at the existing plant in Butterworth, Penang. MSC expects full migration of smelting activities to the new plant to be completed by 2020.

In addition to the land where MSC’s tin smelting plant is located, which spans 13.9 acres, Straits Trading also owns neighbouring land in Butterworth totalling 26.2 acres. On a combined basis, the land amounts to a sizeable 40.1 acres.

The land in Butterworth is situated in a prime location within a 5 to 10-minutes drive to the upcoming Penang Sentral, a multi-billion ringgit integrated transportation hub connecting the railway, ferry and bus services in the entire State of Penang. Further, as the land lies directly opposite Penang Island, it has a panoramic view of Penang Island. More information on the site location can be found in the Appendix on Page 4.

Ms Chew Gek Khim, Executive Chairman of Straits Trading and Chairman of MSC said, “The property landscape of Butterworth has changed tremendously over the years and we believe that the time now is right for us to look at opportunities to unlock the value of our land.”

Dato’ Dr Patrick Yong, Chief Executive Officer of MSC added, “From a predominantly industrial area, Butterworth is evolving into an attractive location for residential and commercial developments, considering the spillover development on Penang Island into the mainland. Furthermore, the Penang Transport Masterplan is expected to significantly enhance the transportation infrastructure in Penang, improving the connectivity of people and businesses between Penang Island and the mainland. This will encourage more Penang residents to live and work on the mainland.”

Ms Chew concluded, “This MOU between Straits Trading and MSC to foster collaboration on our land will be mutually beneficial in securing a better outcome and maximising the returns for both parties. We are open to options which may include working with joint venture partners, developing the land on our own, or even land sale. With the land being freehold, we believe it will appeal to a wide range of investors and property developers.”

“In addition to the recently announced MOU with Menteri Besar Incorporated (Perak) to lease two land parcels totaling 423 acres, these MOUs augur well for the future of the MSC Group and are aimed at delivering long-term value to our shareholders.”

Further announcements will be made upon finalisation of any definitive agreements and developments arising from this MOU.

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 an 89.5% stake in Straits Real Estate, a co-investment vehicle that seeks out real estate related investments & opportunities globally. It also owns a 20.95% stake in 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, an established international hospitality owner and operator. 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.

ABOUT MALAYSIA SMELTING CORPORATION BERHAD

The MSC Group is currently one of the world's leading integrated producers of tin metal and tin based products and a global leader in custom tin smelting since 1887. MSC which is a subsidiary of The Straits Trading Company Limited of Singapore is listed both on the Main Market of Bursa Malaysia and the Main Board of Singapore Exchange.

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Released on behalf of The Straits Trading Company Limited and Malaysia Smelting Corporation Berhad by Capital Front Investor Relations and August Consulting.

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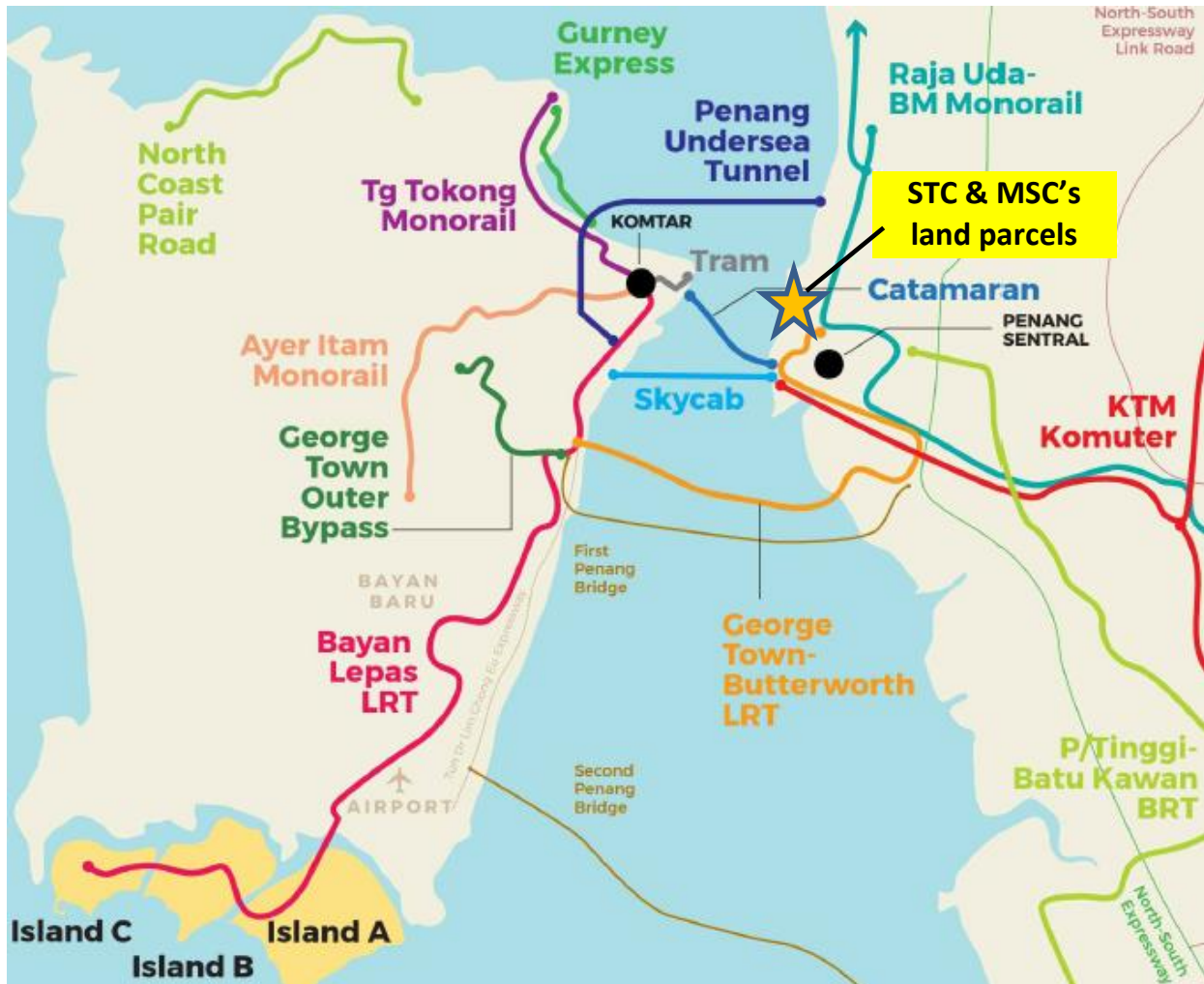
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Appendix

OVERVIEW OF THE PUBLIC TRANSPORT NETWORK IN PENANG STATE



(Source: extracted from article "Steering the course for Penang" in The Edge Financial Daily, 29 June 2018)