



## PROPOSED ACQUISITION OF THE BUSINESS AND ASSETS OF SINGAPORE FLYER PTE. LTD.

The Board of Directors of Straco Corporation Limited (the "**Company**"), and together with its subsidiaries, the "**Group**") wishes to announce that Straco Leisure Pte. Ltd. (the "**Purchaser**"), a subsidiary of the Company, has entered into an agreement dated 28 August 2014 (the "**SPA**") with Singapore Flyer Pte. Ltd. (in receivership) ("**SFPL**") and the receivers and managers of certain assets of SFPL. Pursuant to the SPA, the Purchaser will acquire from SFPL the business carried on by SFPL as a going concern, in the form of certain assets including the giant observation wheel which is also known as the "Singapore Flyer" and the lease of the property located at 30 Raffles Avenue, Singapore 039803 (the "**Acquisition**"), for a purchase consideration of S\$140,000,000.00 (the "**Purchase Consideration**").

Pursuant to the SPA, *inter alia*, the Purchaser shall purchase the assets on an "as is, where is" basis. Also, the completion of the Acquisition pursuant to the SPA is subject to the satisfaction or waiver of certain conditions precedent.

The Acquisition represents an expansion of the Group's core tourism related business and was entered into in the ordinary course of business of the Group.

The Purchase Consideration was agreed on a willing-buyer and willing-seller basis having taken into consideration the net asset value of the Assets, and that the Assets are acquired from receivers, on an "as is, where is" basis. The consideration for the Acquisition, less a deposit that was paid earlier, will be paid wholly in cash on the date of the completion of the Acquisition.

The Purchaser is an indirect subsidiary of the Company. The Company has an effective shareholding interest of 90% in the Purchaser via its wholly-owned subsidiary Bay Attractions Pte. Ltd, and WTS Leisure Pte. Ltd. has a direct shareholding interest of 10% in the Purchaser.

The Acquisition will be funded through credit facilities to be taken by the Purchaser for the Acquisition as well as the internal resources of the Group and the internal resources of WTS Leisure Pte. Ltd. in proportion to their respective shareholding interests in the Purchaser. The transaction is not expected to have any material impact on the consolidated net tangible assets or earnings per share of the Company for the financial year ending 31 December 2014.

None of the Directors or controlling shareholders of the Company have any interest, direct or indirect (other than through their shareholdings in the Company), in the above transaction.

The Company will make further announcements on the Acquisition, as it considers appropriate.

Wu Hsioh Kwang  
Executive Chairman  
28 August 2014  
Singapore