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MEDIA RELEASE

STRAITS REAL ESTATE ACQUIRES THREE RESIDENTIAL PROPERTIES IN CENTRAL OSAKA, JAPAN

- **Quality assets located near transport links and amenities**
- **Strong occupancy and stable income**
- **Wider strategy to aggregate into a larger portfolio**

SINGAPORE, 31 May 2016 – The Straits Trading Company Limited (“Straits Trading”) announced today that its subsidiary, Straits Real Estate Pte. Ltd. (“Straits Real Estate”) has entered into a conditional Purchase and Sale Agreement with Osaka-based developer, Chinju Co. Ltd., to acquire three residential buildings located in Central Osaka, Japan (“Properties”) for JPY 6.2 billion (approximately S\$77.2 million).

The transaction is conditional upon, inter alia, satisfactory due diligence of the Properties. Completion of the acquisition is expected to take place by end-June.

The acquisition will complement Straits Real Estate’s existing investments in the Asia Pacific and is in line with its strategy of tapping into higher returning real estate investment opportunities.

ABOUT THE PROPERTIES

The Properties called *Luxe Taisho*, *Luxe Shin Osaka* and *Luxe Dome Mae* are freehold residential rental properties respectively located at Taisho-ku, Yodogawa-ku and Nishi-ku in Central Osaka. The Properties are situated close to major subway and railway stations with easy access to amenities.

Comprising a total of 396 apartment units with an average unit size of approximately 8.0 tsubo or 27 sq. m., the Properties which are fully equipped with kitchen fittings, cabinets, air-conditioning, lightings and security system, are move-in ready.

Furnished with high-quality exterior and interior finishes, the Properties target potential tenants such as mid-level professionals and young households.

This acquisition of this portfolio represent Straits Real Estate’s initial investment as part of a broader strategic plan to acquire additional residential assets in Greater Osaka and Greater Tokyo with similar investment criteria.

Mr Desmond Tang, CEO of SRE said, *“We are very pleased to make our maiden entry into the Japan residential market with this acquisition, and will look to add similar assets in Tokyo and Osaka to the portfolio. The strategy takes advantage of continuing urbanisation led by young workers and professionals. Japan’s urban population has been increasing over the past few years even as its total population fell. We expect this urbanisation trend to continue in the foreseeable future, sustaining demand for good quality affordable rental housing at convenient city centre locations.”*

Luxe Shin Osaka and Luxe Taisho were recently completed in the first quarter of 2016, while Luxe Dome Mae was completed in the first quarter of 2015.

The Properties are close to full occupancy and are already income-generating.

Mr Tang added, *“This addition to Straits Real Estate’s investment portfolio will be highly accretive to our recurring income, while affording the potential for future capital appreciation. We will continue to source investment opportunities with a disciplined and measured approach in regional markets and beyond.”*

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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 Pte. Ltd., a co-investment vehicle that seeks out real estate related investments & opportunities globally. 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.

About Straits Real Estate Private Limited

Straits Real Estate Pte. Ltd. (“Straits Real Estate”) is a real estate investment company that seeks out real estate related investments & opportunities globally. SRE is 89.5% owned by Straits Trading and 10.5% owned by the John Lim Family Office, the investment holding group of companies founded by Mr John Lim, Group Chief Executive Officer and Executive Director of ARA Asset Management Limited. SRE was incorporated in November 2013 with a capital commitment of up to S\$950 million.

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For the full Announcement, please visit our website: www.stc.com.sg