

**For Immediate Release
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MEDIA RELEASE

STRAITS REAL ESTATE BUYS RETAIL DEVELOPMENT IN CHONGQING, CHINA

- **Acquisition in line with strategy to tap higher-returning opportunities**

SINGAPORE, 16 December 2014 – The Straits Trading Company Limited (“Straits Trading” or the “Company”) announced today that its subsidiary, Straits Real Estate Pte. Ltd. (“SRE”) has entered into its first acquisition of a retail development in Chongqing, China, known as Times Midtown, from Chongqing BBMG Dacheng Shanshui Properties Co., Ltd. or 重庆金隅大成山水置业有限公司, a wholly-owned subsidiary of Beijing BBMG Dacheng Development Co., Ltd. (“BBMG Dacheng”). BBMG Dacheng is, in turn, a wholly-owned subsidiary of BBMG Corporation or 北京金隅股份有限公司, which is listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

The property was acquired for approximately RMB 668,400,000 which will be paid progressively upon the completion of certain milestones.

Located in Nan ‘an District of Chongqing the property sits on a land site of 24,652 sqm. When completed and opened, the mall will have a total gross floor area of approximately 82,367 sqm, distributed over two basements and five above-ground levels. The property is part of a large mixed-use development project that comprises 29 residential buildings, 4 office towers, a hotel and an open-air street mall. The subject mall is directly linked to the subway station through its basement floor, and enjoys excellent access to other parts of Chongqing via a well developed network of ring roads and expressways.

The Company expects to undertake asset enhancement initiatives costing approximately RMB 100,000,000 (approximately SGD 21 million) to fit out the mall and to position the mall such that the best value is extracted from the property. Upon completion, SRE will work with APM Property Management (“APM”), the property management arm of ARA Asset Management Limited (“ARA”), to plan, position and operate the mall.

Ms Chew Gek Khim, Executive Chairman of Straits Trading said, “The acquisition of Times Midtown by SRE, our 89.5% owned real estate investment vehicle that seeks out real estate related investments & opportunities globally, marks our entry into China’s real estate sector and is the first step in the redeployment of our capital into appreciably higher return real estate opportunities.”

Ms Chew added, "This acquisition aptly illustrates how we can leverage off the complementary strengths of SRE, ARA and APM to create value through our real estate ecosystem. We will look to identify more of such opportunities that can further harness the capabilities of this ecosystem."

Straits Trading's real estate ecosystem, anchored by its 89.5% interest in Straits Real Estate Pte. Ltd., its 20.1% interest in ARA Asset Management Ltd, and its 5.8% aggregate interest in Suntec REIT is an integrated platform that possesses the capabilities to seed, incubate and monetise real-estate related holdings as appropriate, and whose returns can then be redeployed into other higher-yielding investments, allowing the Company to have access to greater diversity of investment opportunities.

Mr Desmond Tang, CEO of SRE commented, "We are very pleased to have completed our maiden real estate investment in China with the acquisition of Times Midtown in an upcoming district of Chongqing. As the first organised retail development in Chayuan, this is an opportune investment with immense value-accretive potential that gives us a first mover advantage. We look forward to working with APM Property Management, to leverage on their excellent experience in mall management in China, and create a new retail experience for the people of Chongqing. Going forward, SRE will continue to seek out attractive real estate investment opportunities, both in China and other markets." said Mr Tang.

*Attachment – Artist's impression of Times Midtown

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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. ("SRE") 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

Straits Trading Media Release Attachment
- Artist's Impression of Times Midtown

Mall -



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