

ANNOUNCEMENT

PROPOSED ACQUISITION OF PROPERTY IN AUSTRALIA

*Unless otherwise defined herein, all capitalised terms used in this announcement shall have the same meanings ascribed to them in the previous announcement made by The Straits Trading Company Limited (the “**Company**”) on 11 September 2018 relating to the “Subscription for Units in Property Trust and Shares in Investment Manager”.*

1. INTRODUCTION

The Board of Directors (the “**Board**”) of The Straits Trading Company Limited (the “**Company**”) wishes to announce that the Trust, an indirect 80%-owned subsidiary of Straits Real Estate Pte. Ltd. (“**SREPL**”), has through its wholly-owned subsidiary (the “**Purchaser**”) entered into a contract for sale (“**Contract**”) for the acquisition of a mixed-use office and industrial property located in Mulgrave, Victoria (the “**Property**”) for a total consideration of AUD24.0 million (approximately SGD22.3 million¹) (the “**Consideration**”) (the “**Proposed Acquisition**”).

2. INFORMATION ON THE PROPOSED ACQUISITION

2.1 Information on the Property

The Property is a multi-tenanted mixed-use office and industrial property with a total net lettable area of 12,157 square metres located approximately 21 kilometres south-east of the Melbourne Central Business District.

2.2 Rationale for the Proposed Acquisition

The Company has previously announced the acquisition of a portfolio of five industrial properties across Australia, as well as a 37,970 square metre parcel of land for mixed-use office and warehouse facility development in South Australia, via SREPL. The Proposed Acquisition marks the continuing expansion of the portfolio.

2.3 Information on Consideration

The Consideration for the Property payable by the Purchaser is AUD24.0 million (approximately SGD22.3 million). The Consideration was arrived at after arm’s length negotiations, on a willing-buyer and willing-seller basis. The Consideration will be satisfied by internal funds and bank borrowings.

3. VALUE OF THE PROPERTY

¹ Unless otherwise stated, all conversions of amounts in AUD into amounts in SGD in this Announcement are based on a rate of exchange of SGD1.00 : AUD0.9308 as at 4 December 2019 and is provided for reference purposes only.

An independent valuation of the Property was commissioned by the Purchaser and conducted by Jones Lang Lasalle which concluded a value of AUD24.0 million for the Property as at 4 September 2019. The valuation was based on a combination of the income capitalisation and discounted cash flow approaches.

4. FINANCIAL EFFECTS

- 4.1** The Proposed Acquisition is not expected to have a material impact on the earnings per share and net tangible asset per share of the Company and its subsidiaries (the “Group”) for the financial year ending 31 December 2019.
- 4.2** The Proposed Acquisition will not have any impact on the issued share capital of the Company.

5. FURTHER INFORMATION

- 5.1** As the Proposed Acquisition is in the ordinary course of business of the Group, it is not material for the purposes of the listing manual of the Singapore Exchange Securities Trading Limited.
- 5.2** None of the directors of the Company has any interest, direct or indirect, in the transactions contemplated by the Proposed Acquisition.
- 5.3** None of the controlling shareholders of the Company has any interest, direct or indirect, in the transactions contemplated by the Proposed Acquisition.
- 5.4** A copy of the Contract and the valuation of the Property are available for inspection by shareholders of the Company during normal business hours at the registered office of the Company at 1 Wallich Street #15-01, Guoco Tower, Singapore 078881 for three months from the date of this Announcement.

By Order of the Board

Aldric Tan Jee Wei
Company Secretary
The Straits Trading Company Limited

4 December 2019
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 has stakes in real estate, hospitality, resources and investments that span the Asia Pacific region. It owns a 89.5% stake in Straits Real Estate, a co-investment vehicle that seeks out real estate related investments and opportunities globally. It also owns a 20.95% stake in ARA Asset Management Limited, a premier global integrated real assets fund manager, and has a 30% interest in Far East Hospitality Holdings, a premier

hospitality assets owner and operator. Straits Trading also engages in tin mining and smelting through its 54.8%-owned subsidiary, Malaysia Smelting Corporation Berhad, which is dual listed on Bursa Malaysia and SGX-ST.