

## ANNOUNCEMENT

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### INTENDED APPOINTMENT OF SRE CAPITAL PTE. LTD. AS INVESTMENT ADVISER TO NIKKO ASSET MANAGEMENT ASIA LIMITED FOR THE NIKKOAM-STRAITSTRADING ASIA EX JAPAN REIT ETF

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#### 1. INTRODUCTION

The Board of Directors (the “**Board**”) of The Straits Trading Company Limited (the “**Company**”) wishes to announce that an indirect subsidiary of the Company, SRE Capital Pte. Ltd. (“**SRE Capital**”) is intended to be appointed as investment adviser by Nikko Asset Management Asia Limited (“**Nikko**”) in respect of the NikkoAM-StraitsTrading Asia Ex Japan REIT ETF (the “**Fund**”). An application for the authorisation of the Fund and a copy of the prospectus of the Fund has been lodged with the Monetary Authority of Singapore (the “**MAS**”) today by Nikko.

#### 2. INVESTMENT ADVISORY AGREEMENT

- 2.1** It is intended for SRE Capital to enter into an investment advisory agreement with Nikko, pursuant to which SRE Capital will be appointed as Nikko’s investment adviser for the provision of certain investment advisory services in relation to the Fund. The terms of the investment advisory agreement are currently being negotiated by SRE Capital and Nikko and there is no assurance that a definitive agreement will be reached.
- 2.2** The Company will make an appropriate announcement in the event that SRE Capital enters into any definitive agreement with Nikko.

#### 3. INFORMATION ON THE FUND

- 3.1** The Fund will be structured as a collective investment scheme to be authorised under Section 286 of the Securities and Futures Act (Cap. 289) and will be constituted as a unit trust pursuant to a trust deed to be entered into between Nikko (as manager of the Fund) and HSBC Institutional Trust Services (Singapore) Limited (as trustee of the Fund).
- 3.2** The proposed investment objective of the Fund is to replicate as closely as possible, before expenses, the performance of the FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index (the “**Index**”), or upon the manager giving 3 months’ prior written notice to the trustee and the unit holders, such other index that gives, in the opinion of the manager, the same or substantially similar exposure as the Index.
- 3.3** The Fund is intended to be an exchange traded fund (“**ETF**”) to be listed and traded on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). An

application was made to the SGX-ST on 20 December 2016 for admission of the Fund as an ETF to the Official List of the SGX-ST and for permission to deal in and for quotation of the units of the Fund on the SGX-ST.

- 3.4** As of today, the Fund has not been constituted, and the Fund and its prospectus have not been authorised or registered (as the case may be) by the MAS. The SGX-ST has yet to issue its eligibility-to-list letter for the proposed listing of the units of the Fund on the Main Board of the SGX-ST.

#### **4. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS**

None of the Directors or controlling shareholders of the Company have any interest (whether direct or indirect) in this transaction, other than through their respective interests (if any) in the Company.

#### **5. ANNOUNCEMENTS**

The Company will keep shareholders updated and in compliance with the Corporate Disclosure Policy of the SGX-ST Listing Manual, will make the relevant disclosures on material developments in connection with the Fund concerning SRE Capital at the appropriate time.

#### **6. TRADING CAUTION**

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Aldric Tan Jee Wei  
Company Secretary  
**The Straits Trading Company Limited**

18 January 2017  
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 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 Pte. Ltd., a co-investment vehicle that seeks out real estate related investments and opportunities. 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 Pte. Ltd., 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.