

ANNOUNCEMENT

INVESTMENT IN AN OFFICE BUILDING IN PERTH, AUSTRALIA

1. INTRODUCTION

The Board of Directors (the “**Board**”) of The Straits Trading Company Limited (the “**Company**”) wishes to announce that Straits Real Estate Pte. Ltd. (“**SREPL**”), its indirect subsidiary, through 45SGT Unit Trust, an indirect subsidiary of SREPL, has entered into a sale and purchase agreement with St Georges Terrace Real Estate Netherlands BV to acquire an office building located at 45 St Georges Terrace, Perth, Australia (the “**Property**”) (the “**Acquisition**”).

2. INFORMATION ON THE ACQUISITION

2.1 Information on the Property

The Property is an 11-storey office building with two basement levels. Located in the main commercial thoroughfare of the Perth Central Business District, the Property is surrounded by high quality office buildings and in close proximity to numerous retail and dining amenities, including the Hay Street malls and the iconic Cathedral and Treasury Precinct. The Perth railway station, Perth underground station, Elizabeth Quay station, and Elizabeth Quay bus station are within walking distance of the Property. With the ongoing development of Elizabeth Quay less than 300 metres away, the Property is well positioned to benefit from the continuing rejuvenation of the city centre.

2.2 Rationale for the Acquisition

The Company has previously articulated to shareholders its strategy of redeploying capital from its existing property portfolio of high quality, but low yielding investment properties into potentially higher return real estate opportunities via SREPL. The Acquisition is in line with this stated strategy.

2.3 Information on the Consideration

The consideration for the Acquisition is approximately AUD54.2 million (approximately SGD55.7 million¹), which will be funded by internal resources and bank borrowings, was arrived at on a willing-buyer and willing-seller basis, and taking into consideration the valuation of the Property.

3. FINANCIAL EFFECTS

3.1 **No Material Impact.** The Acquisition is in the ordinary course of business of the Company and its subsidiaries (the “**Group**”) and is not expected to have a material

¹ The conversion of the amount from AUD into SGD in this Announcement is based on a rate of exchange of AUD1:SGD1.02701 and is provided for reference purposes only

impact on the earnings per share and net tangible asset per share of the Group for the current financial year ending 31 December 2017.

- 3.2 Share Capital.** The Acquisition will not have any impact on the issued share capital of the Company.

4. FURTHER INFORMATION

- 4.1 Directors' Service Contracts.** No person is proposed to be appointed as a director of the Company in connection with the Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.
- 4.2 Directors' Interests.** None of the directors of the Company has any interest, direct or indirect, in the transactions contemplated by the Acquisition.
- 4.3 Controlling Shareholders' Interests.** None of the controlling shareholders of the Company has any interest, direct or indirect, in the transactions contemplated by the Acquisition.
- 4.4 Document for Inspection.** A copy each of the agreement for the Acquisition and the valuation report 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

7 December 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 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, one of the largest real estate fund managers in the region, and has a 30% interest in Far East Hospitality Holdings, an established international hospitality owner and operator. 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 the SGX-ST.