

MEDIA RELEASE

STRAITS TRADING BOOSTS AUSTRALIAN PRESENCE WITH NEW JOINT VENTURE; EXPANDS PORTFOLIO OF LOGISTICS ASSETS

- *Plans to leverage on JV company to tap into opportunities in Australia's vibrant logistics segment*
- *Procures three logistics assets in latest round of acquisitions*
- *Grows JV portfolio to five assets with an aggregate net lettable area of more than 93,000 sqm and development area of more than 20.2 hectares; with a combined value of AUD130.5 million*

SINGAPORE - 19 September 2018 - The Straits Trading Company Limited ("**Straits Trading**" or the "**Group**"), is expanding its presence Down Under as it looks to tap into Australia's vibrant logistics segment through a joint venture ("**JV**") with Commercial & General, a well-established Australian property development and investment management business that has more than AUD2 billion in projects delivered or under development.

The JV's core business will be in the development, ownership, and management of logistics properties and ancillary business space. Both Straits Trading and Commercial & General intends to further capitalise the JV for future acquisitions of logistics properties across Australia.

Under the new JV, the Group's subsidiary Straits Real Estate Pte. Ltd. ("**SRE**") will hold 80% interest in an asset-holding trust named ILP No. 1 Trust (the "**Trust**"), and 50% interest in ILP Managers Pty Ltd (the "**ILP Manager**"), a company that provides investment management services. The Trust, which already owns two assets in South Australia¹; will now acquire two other assets in the same state, and another in Victoria. The combined value of the five initial properties ("**Initial Portfolio**") is AUD130.5 million (approximately SGD128.9 million)².

This marks the Group's first investment in an operating platform in Australia, underscoring its commitment to grow its Australian portfolio. The JV will be headed by Mr. Mark Brammy, who will oversee its day-to-day operation, and will be responsible for developing and growing the business of the JV. Mr Brammy, an industrial development veteran, will lead a team of

¹ As announced on SGXNet on September 11, 2018
<http://infopub.sgx.com/FileOpen/Subscriptions.ashx?App=Announcement&FileID=524813>

² Conversion rate of AUD1: SGD0.98749

experienced real estate professionals to source, execute, lease, develop, and manage opportunities across the country.

Mr Brammy, an Executive Director of Commercial & General, will take on the JV leadership, and has previously held positions in project and construction management with the Goodman Group.

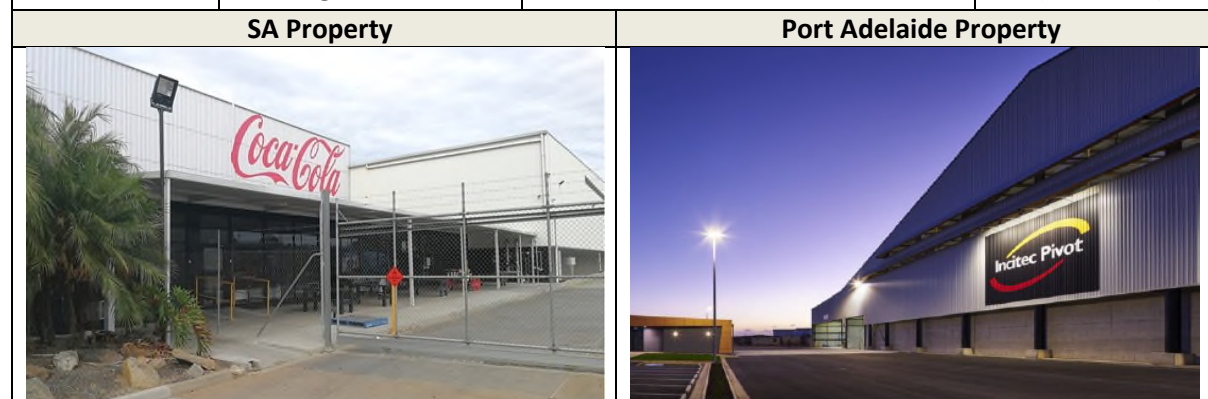
About the Initial Portfolio

The latest acquisitions are a mixed-used office and warehouse facility in Bayswater, Victoria ("**Victoria Property**"); a distribution centre in Salisbury, South Australia ("**SA Property**") leased to a blue-chip single tenant on a long term lease; and a land parcel in Salisbury, South Australia ("**Land Parcel**"), the latter of which is conditional upon the approval by the Foreign Investment Review Board of Australia. The aggregate net lettable area ("**NLA**") of the properties are approximately 76,000 sqm while the Land Parcel has a development area of approximately 15.2 hectares.

Collectively, the Group now owns five logistics assets in Australia amounting to an aggregate NLA of more than 93,000 sqm, as well as total development land area of 20.2 hectares earmarked for logistics uses with permissible NLA of more than 90,000 sqm. The initial WALE of the portfolio exceeds 9 years.

Brief details of the Initial Portfolio are set out below:

Property	Property Type	Location	Area (sqm)
Port Adelaide Property	Distribution centre	Port Adelaide, South Australia	17,000
Kilkenny Property	Distribution centre (to be built)	Kilkenny, South Australia	50,000
Victoria Property	Mixed-used office & warehouse	Bayswater, Victoria	30,000
SA Property	Distribution centre	Salisbury, South Australia	46,000
Land Parcel	Development land for logistics uses	Salisbury, South Australia	152,000 (land area)



Rationale and Benefits of the Acquisitions

A positive sector outlook and attractive risk adjusted returns are two key reasons behind the Group's rapid entry into the Australian industrial property sector which largely comprises logistics-related facilities.

The sector is supported by strong economic fundamentals driven by population growth, GDP growth, a growing e-commerce industry, and infrastructure spending. Around AUD70 billion has been allocated for transport infrastructure from 2014 to 2021, with plans by the Australian Government to spend AUD75 billion for funding road and rail infrastructure from 2018 to 2027.³

Mr Desmond Tang, CEO of SRE, said, "With this venture, we are attracted to the strong and immediate cashflow, backed by good-credit tenants such as Coca-Cola Amatil and Incitec Pivot. It obviously helps that Australia is a vibrant and large market, offering tremendous potential for growth. We are constantly seeking out opportunities that will add depth and breadth to SRE's business, and this certainly fits the bill."

"We have a strong partner in Commercial & General and we plan to tap on our joint venture to ramp up our Australia strategy. With the team's experience and familiarity with the market, we believe we have an excellent platform to tap into more opportunities in the Australian logistics sector." Mr Tang added.

In addition to its logistics property portfolio, the Group also has two prime commercial assets in Australia in the central business districts in Sydney and Perth.

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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 an 89.5% stake in Straits Real Estate, a co-investment vehicle that seeks out real estate related investments & 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 SGX-ST.

³News release on PRNewswire: "Australia Logistics and Warehousing Market is Expected to Reach AUD 187 Billion by 2021: Ken Research", 4 October 2017

About Commercial & General

Commercial & General is a leader in creating, investing and managing real assets. With more than AUD2 billion in projects delivered or under development across healthcare, industrial, workplace and communities, the company's divergent thinking is powered by market-leading intelligence across Australasia. The company has connections throughout the world, and believes in creating generational value that is tangible and reciprocal.

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