

ANNOUNCEMENT

SUBSCRIPTION FOR SECURED NOTES

1. INTRODUCTION

The Board of Directors (the “**Board**”) of The Straits Trading Company Limited (the “**Company**”) wishes to announce that its subsidiary, Straits Real Estate Pte. Ltd. (“**SREPL**”), through its wholly-owned subsidiary, SRE Venture 17 Pte. Ltd. (“**SREV17**”), has subscribed for approximately AUD36.0 million (approximately SGD33.5 million¹) (the “**Consideration**”) of secured notes offered by MaxCap Aspire Pty Ltd (the “**Mezzanine Lender**”) to provide mezzanine financing to Aurumland Pty Ltd (the “**Borrower**”) to fund the development of a high-rise residential development project located in Melbourne, Australia (the “**Property**”) (the “**Subscription**”).

2. INFORMATION ON THE SUBSCRIPTION

2.1 Information on the Mezzanine Lender

The Mezzanine Lender is a special purpose limited company established by MaxCap Group for the sole purpose of providing mezzanine financing for the Property. MaxCap Group is a leading Australian and New Zealand commercial real estate investment manager, managing a suite of funds and mandates. Founded in 2007, MaxCap Group has originated and managed more than AUD8.2 billion of Australia real estate debt.

2.2 Information on the Borrower

Aurumland Pty Ltd is an entity led by ICD Property, which is a leading Melbourne-based real estate developer.

2.3 Information on the Property

The Property is a 64-storey, approximately 600-unit high-rise residential development project located in Melbourne’s vibrant Central Business District surrounded by a variety of retail, dining, and entertainment options. Education institutions and transport links are also within walking distance. The Property is expected to be completed by the end of 2022 and is being developed by a consortium led by ICD Property.

2.4 Rationale for the Subscription

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 Subscription is in line with this stated strategy.

2.5 Information on the Consideration

¹ Conversion of amount from AUD into SGD in this Announcement is based on a rate of exchange of AUD1:SGD0.93187 as at 20 December 2019 and is provided for reference purposes only.

SREV17 will subscribe for secured notes to be issued by the Mezzanine Lender for approximately AUD36.0 million (approximately SGD33.5 million¹). The Consideration will be funded by internal resources and bank borrowings.

3. FINANCIAL EFFECTS

3.1 The Subscription 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 current financial year ending 31 December 2019.

3.2 The Subscription will not have any impact on the issued share capital of the Company.

4. FURTHER INFORMATION

4.1 As the Subscription 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. Listing Rule 1010(5) is not relevant for the Subscription.

4.2 Save for any interest from their respective shareholdings in the Company, none of the Directors or controlling shareholders of the Company have any interest, direct or indirect, in the Subscription.

4.3 A copy of the secured notes subscription form is 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

20 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.