

## ANNOUNCEMENT

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### ACQUISITION OF INTEREST IN RESIDENTIAL PROPERTIES IN TOKYO, JAPAN

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*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 4 January 2018 relating to the subscription in the Savills IM Japan Residential Fund, LP (the “**Fund**”).*

#### 1. INTRODUCTION

The Board of Directors (the “**Board**”) of The Straits Trading Company Limited (the “**Company**”) wishes to announce that Savills IM Japan Residential Fund GP Pte. Ltd. as the General Partner of the Fund has, on behalf of the Fund, subscribed for 8,850 preference shares of JPY1,000 each in the share capital of JPN Residential Holdings Pte. Ltd. and 871,725 preference shares of JPY1,000 each in the share capital of JPN Residential TK Holdings Pte. Ltd., both of which are companies incorporated in Singapore, (the “**Subscription**”).

JPN Residential Holdings Pte. Ltd. has made an equity investment into and JPN Residential TK Holdings Pte. Ltd. has entered into a *tokumei kumiai* agreement (or silent partnership agreement, the “**TK Agreement**”) with Residence 4 GK, a *godo kaisha* incorporated under Japanese laws (the “**TK Operator**”), to collectively acquire an aggregate of 99.5% economic interest in the pre-tax distributions from the TK Operator (the “**Transaction**”).

The TK Operator entered into a separate purchase and sale agreement for the acquisition of a 100% trust beneficiary interest of two newly completed rental residential apartments located in Tokyo, Japan (the “**Properties**”). With the Subscription, JPN Residential Holdings Pte. Ltd. and JPN Residential TK Holdings Pte. Ltd. are now subsidiaries of the Company.

#### 2. INFORMATION ON THE TRANSACTION

##### 2.1 Information on the Properties

The Properties, located in Asakusabashi, Taiko-ku and Narimasu, Itabashi-ku and completed in December 2017 and November 2017 respectively, have a total of 88 apartment units with a total net lettable area of 752.5 *tsubo* (approximately 2,487.4 square metres).

Asakusabashi is a mixed commercial and residential district located east of Tokyo. The apartment located in Asakusabashi is situated within close distance from Akihabara Station, a major transport node on the Yamanote loop line. Akihabara is famous as a commercial hub for Japanese pop culture and electronic products.

Narimasu is an established suburban precinct situated north of Tokyo. The apartment located in Narimasu is surrounded by local amenities and strategically located within

walking distance from Chikatetsu-Narimasu Station on the Tokyo Metro Fukutoshin-Yurakucho Line and Narimasu Station on the Tobu-Tojo Line.

## **2.2 Rationale for the Transaction**

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 Transaction is in line with this stated strategy.

## **2.3 Information on the Consideration**

The consideration for the Subscription of JPY880,575,000 (SGD10,620,854<sup>1</sup>) will be funded by internal resources and bank borrowings.

## **3. FINANCIAL EFFECTS**

**3.1** As the investment in the Properties, through the Subscription, is in the ordinary course of business of the Company and its subsidiaries (the “**Group**”), it is not material for the purposes of the listing manual of the Singapore Exchange Securities Trading Limited. The Subscription is not expected to have a material impact on the earnings per share and net tangible asset per share of the Group for the current financial year ending 31 December 2018.

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

## **4. FURTHER INFORMATION**

**4.1** None of the Directors of the Company, and to the best of the Directors’ knowledge, none of the controlling shareholders of the Company, has any interest, direct or indirect, in the Subscription, save in respect of such of their interest in Shares (if any).

**4.2** A copy of the TK Agreement will be 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**

31 January 2018  
Singapore

This Announcement will be available at the Company’s website at <http://www.stc.com.sg>

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<sup>1</sup> Conversion of amount from JPY into SGD in this Announcement is based on a rate of exchange of SGD1.00: JPY82.91 as at 30 January 2018 and is provided for reference purposes only.

### **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 & 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.