MEDIA RELEASE

Straits Real Estate's AUM Growth Target on Track with New Acquisitions in Australia and the United Kingdom

SINGAPORE – **11 February 2022** – The Straits Trading Company Limited ("**Straits Trading**") today announced that its wholly-owned subsidiary, Straits Real Estate Pte. Ltd. ("**SRE**") is investing approximately AU$150.0 million (S$143.9 million)[1] in two freehold office buildings in Australia (the "**Transaction**").

With the Transaction and the recent GBP60 million (S$108.6 million)[2] capital committed in October 2021 for warehouse retail parks in the United Kingdom ("**UK Retail Parks**")[3], SRE continues its strategy to invest in assets anchored by strong credit tenants while at the same time offering strong potential for capital appreciation in an expectant post-pandemic environment. Investments in both the Transaction and UK Retail Parks dovetail SRE's strategic focus on creating realisable value with high quality income-generating properties. This strategy, together with its continuing expansion into the logistics sector, is expected to fuel the growth of SRE's assets under management ("**AUM**") from approximately S$2.3 billion as of December 2021 to S$3.5 billion over the next few years.

The Transaction - Exposure to Melbourne Office Market at Attractive Entry Price

The Transaction comprises the acquisition of 1010 La Trobe Street ("**1010 La Trobe**"), 192 Harbour Esplanade ("**Innovation Building**"), and 163 parking bays all located in Docklands, Victoria, adjacent to the Melbourne central business district ("**CBD**").

1010 La Trobe is a 9-storey Grade A office building with net lettable area ("**NLA**") totalling 15,354 square metres and is currently 100% occupied with the Department of Home Affairs and Victoria Rail Track as its key tenants. The freehold property offers uninterrupted views towards nearby Marvel Stadium and the Docklands marina. Innovation Building is a freehold 5-storey Grade A office building with NLA totalling 5,779 square metres located adjacent to

[1] Based on an exchange rate of AU$1 to S$0.95937
[2] Based on an exchange rate of GBP1 to S$1.81080
[3] For more information on the UK Retail Parks, please refer to the SGX announcement on 5 October 2021 - Subscription Into Savills IM UK Value Boxes Fund FCP-RAIF

1010 La Trobe and majority occupied by the National Broadband Network Company, a government-owned enterprise that manages Australia's national wholesale broadband network. Both properties are supported by strong transport nodes with a tram station at its doorstep providing convenient and quick access to the CBD, a short walk to the Southern Cross Station, Melbourne's hub for regional rail lines and the second busiest station in the city, and a 20-minute drive to Melbourne Airport via the M2 highway.

Despite lockdowns and restrictions on workplaces in the past year, the Transaction is in line with the Group's business expansion plans and is reflective of SRE's confidence in post-COVID recovery of Melbourne commercial real estate. In addition to strong recurring income, the properties present value-add opportunities including a planned upgrading at 1010 La Trobe that will include a new end-of-trip facility, redesigned ground floor lobby and refurbishment of communal facilities on each floor.

The UK Retail Parks

In the fourth quarter of 2021, SRE expanded its footprint in the UK through a GBP60 million (S$108.6 million) commitment to invest in warehouse retail parks across the country. SRE's interest in the warehouse retail sector is underlined by resilient consumer behaviour, particularly in respect of discount neighborhood retail centres that have successfully weathered the pandemic and have demonstrated defensive characteristics to remain viable in the age of e-commerce.

As of end December 2021, the venture had completed one acquisition in Cardiff, Wales, and exchanged contracts on two others in England and Scotland. The three properties with a combined consideration of approximately GBP55.3 million (S$100.1 million)[4], have a total NLA of approximately 347,000 square feet and weighted average lease expiry of 8.5 years. The assets are supported by strong residential catchments and are considered the dominant retail parks in their respective markets, underpinned by strong credit tenants including B&M, Home Bargains, and Aldi. With the strong pipeline, SRE will look towards deploying its full commitment by year-end.

Mr Desmond Tang, Chief Executive Officer of SRE, says, "Emphasis on capital efficiency remains fundamental to our success. Diversification in a matrix of geographical markets and asset classes will offer us flexibility in how we realise investment gains in the foreseeable future as business activities in different economies recover at varying pace. We are confident of growing SRE's AUM in a robust but disciplined manner. The strength of our real estate

[4] Based on an exchange rate of GBP1 to S$1.81080

portfolio with attractive recurring income and healthy operating yields will ensure that the Group comes out of the pandemic stronger than before. To that end, we will continue to seek opportunities for enhanced returns in key markets."

Note: This Media Release should be read in conjunction with the announcement released by The Straits Trading Company Limited via SGX on 11 February 2022.

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About The Straits Trading Company Limited

Incorporated in 1887, The Straits Trading Company Limited is a conglomerate-investment company with operations and financial interests in resources, property and hospitality. These include majority or strategic stakes in the world's third-largest tin producer, Malaysia Smelting Corporation Berhad, which is dual listed on Bursa Malaysia and the Singapore Exchange Securities Trading Limited, ESR Cayman Limited and Far East Hospitality Holdings as well as a diversified property portfolio and real estate investment that are wholly-owned by the Group. Please visit www.straitstrading.com.sg for more information.

For more information, please contact:

The Straits Trading Company Limited

Ms Lilian Low
Investors' Relations &
Corporate Communications
DID: 6422 4288
Email: lilianlow@stc.com.sg

Ms Selina Ho
Investors' Relations &
Corporate Communications
DID: 6422 4275
Email: selinaho@stc.com.sg

August Consulting

Ms Silvia Heng
Tel: 6733 8873
Mobile: 9684 4500
Email: silviaheng@august.com.sg

Mr Jeffrey Tan
Tel: 6733 8873
Mobile: 9050 5213
Email: jeffreytan@august.com.sg