

ANNOUNCEMENT

PROPOSED SALE OF RESIDENTIAL PROPERTIES IN CENTRAL OSAKA, JAPAN

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**”), has through its investment in JHT TMK and TMK JP2 (the “**Vendors**”), entered into purchase and sale agreements (“**PSAs**”) for the sale of four residential properties, located in Central Osaka, Japan (collectively, the “**Properties**”) for a total cash consideration of JPY 8.25 billion (approximately SGD103.2 million¹) (the “**Consideration**”) (the “**Proposed Sale**”).

2. INFORMATION ON THE PROPOSED SALE

2.1 Information on the Properties

Luxe Taisho, Luxe Shin Osaka, Luxe Dome Mae and Splendid Namba II are freehold residential rental properties located close to major subway and railway stations with easy access to amenities.

Comprising 516 apartment units, Luxe Taisho, Luxe Shin Osaka and Luxe Dome Mae were acquired in 2nd Quarter 2016 while Splendid Namba II was acquired in 1st Quarter 2017.

2.2 Information on the Consideration

The Consideration for the Properties is JPY 8.25 billion (approximately SGD103.2 million¹). It was arrived at after arm’s length negotiations, on a willing-buyer and willing-seller basis, taking into account, *inter alia*, the valuations of the Properties. The Consideration will be satisfied on a cash basis on completion of the Proposed Sale.

3. VALUE OF THE PROPERTIES

Based on the independent valuations, the aggregate value of the Properties is JPY 7.82 billion. The valuations for the Properties, commissioned by the Vendors, were conducted by Rich Appraisal Institute Co. Ltd. as at 30 June 2019. The valuations were based on the income capitalisation and discounted cash flow methods.

4. FINANCIAL EFFECTS

4.1 The Proposed Sale 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.

4.2 The Proposed Sale will not have any impact on the issued share capital of the Company.

¹ Unless otherwise stated, all conversions of amounts in JPY into amounts in SGD in this Announcement are based on a rate of exchange of SGD1.00 : JPY79.92 as at 11 December 2019 and is provided for reference purposes only.

5. FURTHER INFORMATION

- 5.1** As the Proposed Sale 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.
- 5.2** 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 Proposed Sale.
- 5.3** Copies of the Contracts and the valuation reports 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

11 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.