

MEDIA RELEASE

STRAITS REAL ESTATE TO DIVEST FOUR OSAKA PROPERTIES FOR JPY 8.25 BILLION

- *Portfolio sale is expected to crystallise gain of JPY 890 million (SGD 11.1 million)*
- *To capitalise on sustained cap rate compression in the Osaka market and potentially recycling capital into other real estate assets in Japan or other markets*

SINGAPORE – 11 December 2019 – The Straits Trading Company Limited (“**Straits Trading**” or “**the Group**”) today announced that its subsidiary, Straits Real Estate Pte. Ltd. (“**SRE**”), has entered into conditional Sale and Purchase Agreements (“**SPAs**”) to divest four residential properties located in Central Osaka, Japan (“**Properties**”) for JPY 8.25 billion (approximately SGD103.2¹ million) in cash.

As at 30 June 2019, the properties were valued at JPY 7.82 billion in aggregate based on independent valuations. SRE had acquired these properties for approximately JPY 7.36 billion in aggregate in 2016 and 2017.

On the divestment rationale, Mr Desmond Tang, CEO of SRE, said, “The gains we realise from this divestment will allow us to seek out new real estate investment opportunities in Japan or other markets. Globally, major markets are presenting attractive investment opportunities due to stressed economic or capital conditions. SRE is actively considering some of these markets for investment.”

SRE will continue to consider investment opportunities in Tokyo and other Japanese cities. SRE remains positive of Japan’s real estate outlook, supported by its generally resilient economy.

Upon completion of the divestment, SRE’s residential portfolio in Japan will comprise 600 apartment units across eight freehold properties in Tokyo.

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.

About the Properties

Luxe Taisho, *Luxe Shin Osaka* and *Luxe Dome Mae* are freehold residential rental properties respectively located at Taisho-ku, Yodogawa-ku and Nishi-ku in Central Osaka. Close to major subway and railway stations with easy access to amenities, they were acquired in the second quarter of 2016. *Splendid Namba II*, a 14-storey freehold residential property in Naniwa-ku, Osaka, was acquired in the first quarter of 2017. Collectively, the Properties comprise 516 apartment units.

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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, 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 that is dual listed on Bursa Malaysia and SGX-ST.

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