

## ANNOUNCEMENT

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### INVESTMENT IN RESIDENTIAL PROPERTIES IN CENTRAL OSAKA, JAPAN

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#### 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 investment in JHT TMK, has entered into a conditional sale and purchase agreement to acquire a portfolio of three residential rental properties, Luxe Taisho, Luxe Shin Osaka and Luxe Dome Mae (the “**Properties**”), located in Taisho-ku, Yodogawa-ku and Nishi-ku respectively, in Central Osaka, Japan (the “**Transaction**”). The transaction is conditional upon, inter alia, satisfactory due diligence of the Properties.

#### 2. INFORMATION ON THE TRANSACTION

##### 2.1 Information on the Properties

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

Luxe Shin Osaka and Luxe Taisho were recently completed in 1<sup>st</sup> Quarter 2016, while Luxe Dome Mae was completed in 1<sup>st</sup> Quarter 2015.

With high-quality exterior and interior finishes, the Properties target potential tenants such as mid-level professionals and young households.

Comprising 396 apartment units with an average unit size of approximately 8.0 tsubo or 27 sq. m., the Properties which are fully equipped with kitchen fittings, cabinets, air-conditioning, lightings and security system, are move-in ready.

##### 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 Transaction of JPY6.2 billion (SGD77.2 million<sup>1</sup>) will be funded by internal resources and bank borrowings.

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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:JPY80.45 as at 30 May 2016 and is provided for reference purposes only.

### **3. FINANCIAL EFFECTS**

- 3.1 No Material Impact.** The Transaction is in the ordinary course of business of the Company and its subsidiaries (the “**Group**”) and 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 2016.
- 3.2 Share Capital.** The Transaction will not have any impact on the issued share capital of the Company.

### **4. FURTHER INFORMATION**

- 4.1 Directors’ Service Contracts.** No person is proposed to be appointed as a director of the Company in connection with the Transaction. Accordingly, no service contract is proposed to be entered into between the Company and any such person.
- 4.2 Directors’ Interests.** None of the directors of the Company has any interest, direct or indirect, in the transactions contemplated by the Transaction.
- 4.3 Controlling Shareholders’ Interests.** None of the controlling shareholders of the Company has any interest, direct or indirect, in the transactions contemplated by the Transaction.
- 4.4 Document for Inspection.** A copy of the agreement for the Transaction is available for inspection by shareholders of the Company during normal business hours at the registered office of the Company at 9 Battery Road #28-01, Straits Trading Building, Singapore 049910 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 May 2016  
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 is an investment company with 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. It also owns a 20.1% stake in SGX-listed 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, one of the largest hospitality operators in Asia Pacific. 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.