

## ANNOUNCEMENT

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### SUBSCRIPTION INTO SAVILLS INVESTMENT MANAGEMENT JAPAN VALUE FUND II, LP

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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 wholly-owned subsidiary, SRE Venture 7 Pte. Ltd. (“**SRE Venture 7**”), has entered into a subscription agreement for the subscription (the “**Subscription**”) into Savills Investment Management Japan Value Fund II, LP (the “**Fund**”). The Fund will be managed by Savills Investment Management Japan Value Fund II GP Pte. Ltd. as the General Partner.

#### 2. INFORMATION ON THE SUBSCRIPTION

##### 2.1 Information on the Fund

The Fund is a limited partnership established in Singapore that focuses on acquiring office assets in the Greater Tokyo area and other cities in Japan.

##### 2.2 Information on Savills Investment Management

The General Partner is a private company limited by shares incorporated in Singapore and is a wholly-owned subsidiary of Savills Investment Management Overseas Holdings Ltd, a subsidiary of Savills Investment Management LLP.

The Savills Investment Management Japan fund team has an established track record of investing in real estate and real estate-related assets located in Japan.

##### 2.3 Rationale for the Subscription

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 Subscription is in line with this stated strategy.

##### 2.4 Information on the Consideration

SRE Venture 7, as one of the limited partners of the Fund, will commit up to JPY8.0 billion (approximately SGD97.4 million<sup>1</sup>).

#### 3. FINANCIAL EFFECTS

##### 3.1 No Material Impact

The Subscription 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 2018.

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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 JPY1:SGD0.01218 as at 5 June 2018 and is provided for reference purposes only.

### **3.2 Share Capital**

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

## **4. FURTHER INFORMATION**

### **4.1 Not Material**

As the Subscription 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.

### **4.2 Directors' Service Contracts**

No person is proposed to be appointed as a director of the Company in connection with the Subscription. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

### **4.3 Directors' Interests**

None of the directors of the Company has any interest, direct or indirect, in the transactions contemplated by the Subscription.

### **4.4 Controlling Shareholders' Interests**

None of the controlling shareholders of the Company has any interest, direct or indirect, in the transactions contemplated by the Subscription.

### **4.5 Document for Inspection**

A copy of the agreement for the Subscription is 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**

5 June 2018  
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 & 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.