

## ANNOUNCEMENT

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### SUBSCRIPTION FOR UNITS IN PROPERTY TRUST AND SHARES IN INVESTMENT MANAGER (THE “TRANSACTION”)

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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 indirect wholly-owned subsidiary, SRE Australia Industrial 1 Pte. Ltd., has entered into a unitholders’ deed (the “**Unitholders’ Deed**”) and a unit sale and subscription agreement (the “**Unit Sale and Subscription Agreement**”) for the subscription of units representing 80% of the issued units in ILP No. 1 Trust (the “**Trust**”) (the “**Units Subscription**”) for a total sum of AUD40,076,392 (approximately SGD39,324,000<sup>1</sup>) (the “**Units Subscription Amount**”) to acquire a portfolio of logistics properties across Australia. The Trust, through its indirect wholly-owned subsidiaries, owns a distribution facility in Port Adelaide, South Australia. It will also be assigned a land sale contract for the acquisition of a freehold redevelopment property located in Kilkenny, South Australia.

SREPL has also, through its indirect subsidiary, SRE Australia 12 Pte. Ltd., entered into a shareholders’ deed (the “**Shareholders’ Deed**”) to subscribe for shares representing 50% of the issued shares in ILP Managers Pty Ltd (the “**Investment Manager**”) (the “**Shares Subscription**”) for a total sum of AUD50 (approximately SGD49<sup>1</sup>) (the “**Shares Subscription Amount**”).

#### 2. INFORMATION ON THE TRANSACTION

##### 2.1 Information on the Trust

The Trust, established in Australia, is an 80% owned subsidiary of SRE Australia Industrial 1 Pte. Ltd., an indirect wholly-owned subsidiary of SREPL.

##### 2.2 Information on the Investment Manager

The Investment Manager is a newly created joint venture company of SREPL established to provide investment management services to the Trust.

##### 2.3 Rationale for the Subscriptions

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, through the Units Subscription and Shares Subscription, is in line with this stated strategy.

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<sup>1</sup> Conversion of amount from AUD into SGD in this Announcement is based on a rate of exchange of SGD1.00: AUD0.98123 as at 11 September 2018 and is provided for reference purposes only.

## 2.4 Information on the Consideration

The consideration for the Units Subscription Amount and Shares Subscription Amount will be funded by internal resources and bank borrowings.

## 3. FINANCIAL EFFECTS

- 3.1 As the Transaction, through the Units Subscription and Shares Subscription, is in the ordinary course of business of the Company and its subsidiaries (the “**Group**”), it is not material for the purposes of the listing manual of the Singapore Exchange Securities Trading Limited. The Units Subscription and Shares Subscription are 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 2018.
- 3.2 The Units Subscription and Shares Subscription will not have any impact on the issued share capital of the Company.

## 4. FURTHER INFORMATION

- 4.1 None of the Directors of the Company, and to the best of the Directors’ knowledge, none of the controlling shareholders of the Company, has any interest, direct or indirect, in the Units Subscription and Shares Subscription, save in respect of such of their interest in Shares (if any).
- 4.2 A copy of the Unitholders Deed, Unit Sale and Subscription Agreement and Shareholders’ Deed will be 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 September 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.