

ANNOUNCEMENT

PROPOSED ACQUISITION OF PROPERTY IN AUSTRALIA

*Unless otherwise defined herein, all capitalised terms used in this announcement shall have the same meanings ascribed to them in the previous announcement made by The Straits Trading Company Limited (the “**Company**”) on 11 September 2018 relating to the “Subscription for Units in Property Trust and Shares in Investment Manager”.*

1. INTRODUCTION

The Board of Directors (the “**Board**”) of The Straits Trading Company Limited (the “**Company**”) wishes to announce that the Trust, an indirect 80%-owned subsidiary of Straits Real Estate Pte. Ltd. (“**SREPL**”), has through its wholly-owned subsidiary (the “**Purchaser**”) entered into a contract for sale (“**Contract**”) for the acquisition of a parcel of land located in South Australia (the “**Property**”) for a total consideration of AUD7.6 million (approximately SGD7.2 million¹) (the “**Consideration**”). The Property will be developed into a mixed-use office and warehouse facility with a total development cost of AUD44.3 million (approximately SGD41.9 million), inclusive of the Consideration (collectively, the “**Project Cost**”).

2. INFORMATION ON THE PROPOSED ACQUISITION

2.1 Information on the Property

The Property is a 37,970 square metre parcel of land located approximately 15 kilometres north of the Adelaide Central Business District. The Property is slated for development into a 14,719 square meter mixed-use office and warehouse facility with a pre-commitment from a blue-chip tenant on a long term lease. The development of the Property is targeted to be completed by the end of the fourth quarter of 2020.

2.2 Rationale for the Proposed Acquisition

The Company has previously announced the acquisition of a portfolio of five logistics properties across Australia via SREPL. The Proposed Acquisition of the land parcel and planned development marks the continuous expansion of the logistics portfolio.

2.3 Information on Consideration

The Consideration for the Property payable by the Purchaser is AUD7.6 million (approximately SGD7.2 million). The Consideration was arrived at after arm’s length negotiations, on a willing-buyer and willing-seller basis, taking into account, *inter alia*,

¹ Unless otherwise stated, all conversions of amounts in AUD into amounts in SGD in this Announcement are based on a rate of exchange of SGD1.00:AUD0.9466 as at 9 September 2019 and is provided for reference purposes only.

the valuation of the Property. The Project Cost will be satisfied by internal funds and bank borrowings.

3. VALUE OF THE PROPERTY

An independent valuation of the Property was conducted by Jones Lang Lasalle which concluded a value of AUD7.6 million for the Property as at 6 May 2019. The valuation was conducted based on the direct comparison approach.

4. FINANCIAL EFFECTS

- 4.1** The Proposed Acquisition 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 financial year ending 31 December 2019.
- 4.2** The Proposed Acquisition will not have any impact on the issued share capital of the Company.

5. FURTHER INFORMATION

- 5.1** As the Proposed Acquisition 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** None of the directors of the Company has any interest, direct or indirect, in the transactions contemplated by the Proposed Acquisition.
- 5.3** None of the controlling shareholders of the Company has any interest, direct or indirect, in the transactions contemplated by the Proposed Acquisition.
- 5.4** The copies of the Contract and the valuation of the Property 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

9 September 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 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 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.