

ANNOUNCEMENT

PROPOSED ACQUISITION OF PROPERTIES IN MELBOURNE, AUSTRALIA

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**”) has, through its indirect subsidiary, CH Holdings Unit Trust, entered into sale and purchase agreements with Digital Harbour Holdings to acquire 1010 La Trobe Street (“**1010 La Trobe**”) and 192 Harbour Esplanade (“**Innovation Building**”) together with 163 parking bays, located at Docklands, Victoria (collectively, the “**Properties**”) (the “**Acquisition**”).

2. INFORMATION ON THE ACQUISITION

2.1 Information on the Properties

1010 La Trobe is a 9-storey freehold Grade A office building with net lettable area (“**NLA**”) totalling 15,354 square metres and is currently 100% occupied, with the Department of Home Affairs and Victoria Rail Track as its key tenants. Innovation Building is a 5-storey freehold Grade A office building with NLA totalling 5,779 square metres located adjacent to 1010 La Trobe and majority occupied by the National Broadband Network Company, the country’s wholesale broadband network provider. The 163 parking bays are located in a newly building property at 1000 La Trobe Street, adjacent to the Properties.

The Properties, located in Docklands adjacent to the Melbourne central business district (“**CBD**”), are supported by strong transport nodes with a tram station at its doorstep providing convenient and quick access to the CBD, a short walk to the Southern Cross Station, Melbourne’s hub for regional rail lines and the second busiest station in the city, and convenient access to the area’s highway network with Melbourne Airport 20-minutes’ drive away via the M2 highway.

2.2 Rationale for the Acquisition

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 Acquisition is in line with this stated strategy.

2.3 Information on the Consideration

The consideration for the Acquisition is approximately AUD150.0 million (approximately SGD143.9 million¹), which will be funded by internal resources and bank borrowings, was arrived at on a willing-buyer and willing-seller basis and is supported by a third party valuation of the Properties.

3. FINANCIAL EFFECTS

3.1 No Material Impact

The Acquisition 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 2022.

3.2 Share Capital

The Acquisition 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 Acquisition. 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 Acquisition.

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 Acquisition.

By Order of the Board

Ngiam May Ling
Company Secretary
The Straits Trading Company Limited

11 February 2022
Singapore

¹ Conversion of amount from AUD into SGD in this Announcement is based on a rate of exchange of AUD1:SGD0.95937 and is provided for reference purposes only.

This Announcement will be available at the Company's website at www.straitstrading.com.sg

About The Straits Trading Company Limited

Incorporated in 1887, The Straits Trading Company Limited is a conglomerate-investment company with operations and financial interests in resources, property, and hospitality. These include majority or strategic stakes in the world's third-largest tin producer, Malaysia Smelting Corporation Berhad, which is dual listed on Bursa Malaysia and the Singapore Exchange Securities Trading Limited, ESR Cayman Limited and Far East Hospitality Holdings as well as a diversified property portfolio and real estate investment that are wholly-owned by the Group.