

ANNOUNCEMENT

PROPOSED ACQUISITION OF PROPERTIES IN GLOUCESTER, UNITED KINGDOM

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 subsidiaries, Gloucester BP Investments Limited, Gloucester BP Developments Limited and 4100H Limited entered into sale and purchase agreements with Advanced Research Clusters GP Limited and ARCGP1 Limited and ARCGP2 Limited to acquire a portfolio of properties within the Gloucester Business Park (“**GBP**”) comprising of several tenanted office and industrial buildings and development land parcels (the “**Properties**”) in Gloucestershire, United Kingdom (the “**Acquisition**”).

2. INFORMATION ON THE ACQUISITION

2.1 Information on the Properties

The Properties are located within GBP, a dominant and established business park located along the M5 Motorway between Bristol and Birmingham and 10 minutes’ drive from Gloucester city centre. The 276-acre business park is well diversified with a mix of office, industrial, and logistics properties that are supported by strong retail and commercial amenities including a *Tesco Extra* hypermarket, several food & beverage operators, a *Premier Inn* hotel, and a *David Lloyd* recreational club.

The Properties comprise of nine (9) existing properties totalling approximately 522,000 square feet of net lettable area, of which seven (7) are office and two (2) are industrial. The existing properties are fully let and boast an attractive weighted average lease term of 8-plus years. Each property is well supported by ample parking at its doorstep.

The development land totalling approximately 830,000 square feet represents the last remaining undeveloped plots in the park and includes five (5) plots consented for industrial/logistics and one (1) small plot targeted for retail use. Once completed, the development projects are expected to add approximately 310,000 square feet of lettable area.

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 GBP130.0 million (approximately SGD220.9 million¹), which will be funded by internal resources and bank borrowings, was arrived at on a willing-buyer and willing-seller basis.

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

29 June 2022
Singapore

This Announcement will be available at the Company’s website at <http://www.straitstrading.com.sg>

¹ Conversion of amount from GBP into SGD in this Announcement is based on a rate of exchange of GBP0.5886:SGD1.00 and is provided for reference purposes only.

135 Years New



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 strategic stakes in one of the world's leading 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 that is wholly owned by the Group.