

ANNOUNCEMENT

SUBSCRIPTION OF ADDITIONAL UNITS IN PROPERTY TRUST

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 wholly-owned subsidiary, SRE Australia Industrial 1 Pte. Ltd. (“**SREAI1**”), entered into an agreement with Canoga Industrial Investments Pty Ltd in its capacity as trustee for Canoga Industrial Investment Trust (“**Canoga**”) to acquire Canoga’s 20% stake in ILP No. 1 Trust (the “**Trust**”) for a consideration of AUD63,500,000 (approximately SGD59,982,430¹) through a subscription and redemption process in accordance with agreements entered into between the parties (the “**Transaction**”).

2. INFORMATION ON THE TRANSACTION

2.1 Information on the Trust

The Trust, established in Australia, owns a portfolio of industrial and logistics assets in Victoria and South Australia.

SREAI1 currently holds 80% of the units in the Trust. As part of the Transaction, SREAI1 will subscribe for new units in the Trust, the proceeds of which will be used to redeem Canoga’s existing 20% unitholding in the Trust. Upon completion of the Transaction, SREAI1’s unitholding in the Trust will increase from 80% to 100% and the Trust will become a wholly owned subsidiary of SREAI1.

2.2 Rationale for the Transaction

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 is in line with this stated strategy.

2.3 Information on the Consideration

The consideration for the Transaction will be funded by internal resources and was arrived at on a willing-buyer and willing-seller basis.

¹ Conversion of amount from AUD into SGD in this Announcement is based on a rate of exchange of AUD1.06:SGD1.00 and is provided for reference purposes only.

3. FINANCIAL EFFECTS

3.1 No Material Impact

The Transaction 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 Transaction 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 Transaction. 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 Transaction.

4.3 Controlling Shareholders’ Interests

None of the controlling shareholders of the Company has any interest, direct or indirect, in the Transaction.

By Order of the Board

Ngiam May Ling
Company Secretary
The Straits Trading Company Limited

16 September 2022
Singapore

This Announcement will be available at the Company’s website at <http://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 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 Group Limited and Far East Hospitality Holdings as well as a diversified property portfolio that is wholly owned by the Group.