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## STC inks agreements with Far East group

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The Straits Trading Company (STC) has signed agreements with Far East Hospitality Trust (FEHT) and Serene Land Pte Ltd (a member of the Far East Organization group) which will monetise Rendezvous Grand Hotel Singapore and Rendezvous Gallery for an aggregate consideration of S\$285 million, comprising S\$217 million in cash and S\$68 million in FEHT stapled securities.

STC and Far East Orchard Ltd have signed a joint venture implementation agreement (JVIA) to establish a 30/70 joint venture (JV) to pursue and conduct hospitality management and

hospitality related businesses and investments in real estate used primarily for hospitality purposes.

Under the terms of the JVIA, STC will be holding a 30 per cent stake and will contribute its three hotel properties, namely Rendezvous Grand Hotel Melbourne, Rendezvous Hotel Perth and Rendezvous Studio Hotel Perth Central, and 13 hotel management contracts and leases to the JV and receive net cash of S\$56.2 million. Far East Orchard will contribute 25 hotel and service residence management agreements and contribute cash of S\$97 million.

The joint venture will enable STC and FE Orchard to transform their existing hospitality businesses into one of the largest hotel operations in Asia Pacific with a scalable and sustainable platform for future growth and expansion, STC said. The joint venture will initially manage more than 6,000 rooms.