

ANNOUNCEMENT

SUBSCRIPTION INTO SAVILLS IM JAPAN RESIDENTIAL FUND, LP

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"**), through its wholly-owned subsidiary SRE Japan 11 Pte. Ltd. (**"SRE Japan 11"**), has entered into a subscription agreement for Savills IM Japan Residential Fund, LP (the **"Fund"**) (the **"Transaction"**). The Fund will be managed by Savills IM Japan Residential Fund GP Pte. Ltd. as the General Partner.

2. INFORMATION ON THE TRANSACTION

2.1 Information on the Fund

The Fund is a limited partnership established in Singapore that seeks to maximize current income and long-term capital appreciation by acquiring residential properties located in the Greater Tokyo area and other key markets in Japan.

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

SRE Japan 11 as a limited partner of the Fund will commit JPY9,000,000,000 (SGD106,508,876¹).

3. FINANCIAL EFFECTS

3.1 As the subscription in the Fund is in the ordinary course of business of the Company and its subsidiaries (the **"Group"**), it is not material for the purposes of the listing manual of the Singapore Exchange Securities Trading Limited. The Transaction 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 2018.

3.2 The Transaction will not have any impact on the issued share capital of the Company.

¹ Conversion of amount from JPY into SGD in this Announcement is based on a rate of exchange of SGD1.00:JPY84.50 as at 3 January 2018 and is provided for reference purposes only.

4. FURTHER INFORMATION

- 4.1** None of the Directors of the Company, and to the best of the Directors' knowledge, none of the controlling shareholders of the Company, has any interest, direct or indirect, in the Transaction, save in respect of such of their interest in Shares (if any).
- 4.2** A copy of the subscription agreement will be 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

4 January 2018
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 has 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.