

MEDIA RELEASE

STRAITS TRADING POSTS EBITDA OF S\$78.7 MILLION IN 1H2023

- *1H2023 EBITDA was 11.7% higher year-on-year, excluding net gain on disposal*
- *Issuance of S\$370.0 million exchangeable bonds to increase resilience*
- *Real Estate segment grew rental income by 36.5%*

SINGAPORE – 14 August 2023 – The Straits Trading Company Limited (“**Straits Trading**” or the “**Group**”) has recorded a creditable set of results for the six months ended 30 June 2023 (“**1H2023**”) despite a challenging global business environment marked by high interest rates, volatile economic conditions, and geopolitical tensions.

Excluding the effects of the one-time net gain of S\$658.6 million recorded in 1H2022 – mainly due to the disposal of ARA Asset Management (“**ARA**”) – the Group’s 1H2023 EBITDA was 11.7% higher year-on-year (“**YOY**”).

Straits Trading remains proactive in managing interest rate and foreign exchange volatilities through hedging. The successful issuance of S\$370.0 million exchangeable bonds provided the Group favourable cost of funding, financial flexibility, and increased resilience to operate in the current environment. As of 30 June 2023, the Group has S\$354.5 million in cash and cash equivalents, compared to S\$251.7 million in 31 December 2022.

The Group’s real estate segment has continued to recycle capital, enhance assets and review its portfolio of investment properties to achieve optimal risk-adjusted returns as evidenced by increased rental and fair value gains. Rental income has increased by 36.5% to S\$33.7 million in 1H2023 from S\$24.7 million in 1H2022, and fair value gains stood at S\$9.3 million, more than double that of S\$4.2 million of 1H2022.

Straits City, which is being developed by STC Property Management Sdn. Bhd. (“**STCPM**”) in Butterworth, Penang, will complete Phase 1 (Crowne Plaza Penang Straits City) by 1Q 2024. With the recent announcement of "Accelerating Penang2030" by the state government, Penang is expected to advance digital transformation and improve the physical built environment with an aim of placing Penang on the world stage.

The Resources segment reported an EBITDA of S\$32.9 million in 1H2023, reflecting a 35.7% decline from S\$51.2 million in 1H2022. Despite higher sales quantity of refined tin in 1H2023, the weaker performance was mainly due to lower average tin prices.

Malaysia Smelting Corporation Berhad (“**MSC**”) will continue to leverage its operational efficiencies and improve output for tin smelting and mining. Smelting operations at the Pulau Indah plant are expected to achieve higher operational efficiency and lower costs while reducing MSC’s overall carbon footprint.

While the hospitality business has recovered to near pre-COVID levels on the back of improved demand for business and leisure travels, the positive operating results of Far East Hospitality Holdings Pte. Ltd. (“**FEHH**”) were offset mainly by currency translation losses. The segment posted a negative EBITDA of S\$0.3 million in 1H2023 compared to an EBITDA of S\$1.0 million in 1H2022.

Ms Chew Gek Khim, Executive Chairman of Straits Trading commented: “Our resilient 1H2023 results, coupled with our sound balance sheet puts us in a good position to navigate the current headwinds and positions our businesses for sustained growth. We remain committed to enhancing shareholder value through our Straits 5.0 transformation by introducing innovative growth engines for the company, and deepening our relationship with shareholders through meaningful engagement and unique co-investment opportunities.”

SUMMARY OF RESULTS:

SS\$ million	1H2023	1H2022	1H2022*	% Chg 1H2023 vs 1H2022*
EBITDA	78.7	729.1	70.5	11.7
Profit before tax	34.7	708.5	49.9	(30.6)
Profit after tax	26.8	691.8	33.2	(19.2)
EPS (Singapore ¢)	3.3	155.5	3.3	-

**Excluding net gain on disposal of subsidiaries, associates and joint ventures in 1H2022.*

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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.

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For the full Straits Trading Financial Statements, please visit our website: www.stc.com.sg