

## MEDIA RELEASE

# STRAITS TRADING RECORDS EBITDA OF S\$79.5 MILLION IN FY2023

- *Strong financial liquidity with S\$458.1 million in cash*
- *Rental income grew 21.4% y-o-y to S\$66.8 million*
- *Improved operating performance from rebound in travel demand*

**SINGAPORE – 27 February 2024** - The Straits Trading Company Limited (“**Straits Trading**” or the “**Group**”) achieved a resilient performance for the financial year ended 31 December 2023 (“**FY2023**”) amidst a challenging global business environment weighed down by elevated cost of funding and macroeconomic uncertainty.

The high interest and capitalisation rate environment put downward pressure on the valuation of real estate assets. Transaction volumes were fewer, making it a challenging year for divestment and capital recycling. Despite the headwinds, Straits Trading strengthened its financial position through prudent capital management, completing a S\$370 million exchangeable bond issue which offered greater financial flexibility and lower cost of funding. As of 31 December 2023, Straits Trading had S\$458.1 million in cash and cash equivalents, compared to S\$251.7 million in 31 December 2022.

The Group registered earnings before interest expense, tax, depreciation and amortisation (“**EBITDA**”) of S\$79.5 million in FY2023 compared to S\$613.4 million in FY2022, which included a one-time net gain<sup>1</sup> of S\$642.1 million from the disposal of ARA Asset Management. Excluding this, EBITDA in FY2023 was an improvement of S\$108.2 million over FY2022’s.

---

<sup>1</sup> A one-time net gain of S\$642.1 million was recorded in FY2022 from the disposal of ARA Asset Management. Excluding this, the Group recorded an EBITDA loss of S\$28.7 million in FY2022.

Under the Real Estate segment, Straits Real Estate Pte. Ltd. continued to grow recurring income from its investment properties. The Gloucester Business Park in the UK secured several lease renewals and achieved average rent reversion increase of 36%. Across the Group real estate portfolio, rental income remained resilient and rose 21.4% y-o-y to S\$66.8 million in FY2023. Overall, the Real Estate segment reported an EBITDA loss of S\$3.6 million in FY2023 mainly due to fair value loss and higher finance costs.

In Malaysia, STC Property Management Sdn Bhd is on track to launch the Crowne Plaza Penang in Straits City in the first half of 2024. Straits City is expected to benefit from the continued growth of industries in mainland Penang as well as a tourism resurgence in Penang. Other government policies such as the Penang 2030 Vision and the revival of the high-speed rail project between Malaysia and Singapore are also expected to present growth opportunities.

Far East Hospitality Holdings Pte. Ltd, the Group's 30%-owned hospitality arm, delivered a stronger operating performance in 2023 as travel demand continues to recover. With the addition of six hotels under its hospitality management portfolio in 2023, its EBITDA increased 252.6% y-o-y to S\$2.7 million in FY2023. FEHH remains focused on managing its hospitality portfolio to capitalise on the tourism rebound while pursuing growth opportunities.

Meanwhile, the Resources segment reported a 13.6% y-o-y decline in EBITDA to S\$47.3 million due to lower average tin prices despite higher sales. Malaysia Smelting Corporation Berhad, the Group's 52%-owned resources arm, will start the staged decommissioning of the Butterworth smelter. It remains focused on improving operational efficiencies while taking steps to expand its mining activities.

Looking ahead, with S\$458.1 million in cash and cash equivalents, the Group will be able to pursue its business of active capital recycling, enhancing real estate operations through value-add strategy, and seeking out optimal risk-adjusted returns in the use of capital. Having taken prudent measures to bolster its various businesses, Straits Trading is well placed to withstand economic and geographical headwinds. The Group remains optimistic that the resources and hospitality businesses will continue to benefit from the industry cyclical tailwinds.

Ms Chew Gek Khim, Executive Chairman of Straits Trading said, “Straits Trading has managed to navigate the challenges in the current business environment with our diversified business strategy as an investment conglomerate. With a strengthened balance sheet, we will continue to evaluate investment opportunities to deliver sustainable business growth.”

**SUMMARY OF RESULTS:**

<b>S\$ million</b>	<b>FY2023</b>	FY2022	% Chg	<b>2H2023</b>	2H2022	% Chg
EBITDA	<b>79.5</b>	613.4	(87.0)	0.7	(115.7)	NM
Profit before tax	<b>(11.6)</b>	563.0	NM	(46.3)	(145.5)	(68.2)
Profit after tax	<b>(12.1)</b>	569.3	NM	(39.0)	(122.5)	(68.2)
EPS (Singapore ¢)	<b>(6.4)</b>	127.0	NM	(9.7)	(28.5)	(66.0)

For the full STC Financial Statements, please visit our website: [www.straitstrading.com.sg](http://www.straitstrading.com.sg)

- END -

**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.

**For more information, please contact:**

**The Straits Trading Company Limited**

Ms Selina Ho

Head, Investor Relations & Corporate  
Communications

DID: 6422 4275

Email: [selinaho@stc.com.sg](mailto:selinaho@stc.com.sg)

Mr Fang He

Assistant Manager, Investor  
Relations

DID: 6422 4224

Email: [hefang@stc.com.sg](mailto:hefang@stc.com.sg)

**August Consulting**

Ms Silvia Heng

Mobile: 9684 4500

Email: [silviaheng@august.com.sg](mailto:silviaheng@august.com.sg)

Mr Dave Tan

Mobile: 9839 0350

Email: [davetan@august.com.sg](mailto:davetan@august.com.sg)