

The Straits Trading Company Limited Company Presentation

*Delivering Performance Through
Growth Platforms*

May 2017



A MEMBER OF THE TECITY GROUP

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Company Overview

About The Straits Trading Company

Established 130 years ago, we are an **investment** company
with diversified interests
across the Asia Pacific in...

Real Estate



Hospitality



Resources



The Platforms of Growth in our Real Estate Ecosystem

Our Real Estate Ecosystem

Real Estate

89.5%

**STRAITS
REAL ESTATE**
A SUBSIDIARY OF THE STRAITS TRADING COMPANY LIMITED

Co-investment vehicle that seeks out real estate related investments and opportunities globally

Asset / Fund Management

21.0*[^]

ARA
(An Affiliate of Cheung Kong Group)

One of the largest real estate fund managers in the region

REIT

4.0%*

SUNTEC
Real Estate Investment Trust

One of the largest REITs in Singapore with ownership interests in prime commercial and retail properties

Hospitality

30.0%

**FAR EAST
HOSPITALITY**

An established international hospitality owner and operator with 90 properties and ~14,000 rooms under management

Resources

54.8%

MSC
Malaysia Smelting Corporation Berhad
(43072-A)

Largest independent custom tin smelter

Diversified Real Estate Portfolio

Chongqing



Chongqing Retail Mall SGD 163.8m

Malacca, KL, Ipoh & Penang



Wisma Straits Trading, KL
SGD 17.1m



ARA Harmony Fund III
SGD 82.2m *

Singapore



Bungalows and apartments
SGD 278.4m



Tokyo and Osaka



Osaka residential apartments SGD 97.7m



Greater Tokyo Office Fund SGD 78.8m *

Sydney and Melbourne



Summit Development Fund SGD 69.5m

Track Record of Rotating Capital Efficiently into Higher Yielding Investments

2010

REAL ESTATE

High-quality but low-yielding real estate portfolio

2011 - 12

Continuous divestment of low-yielding residential properties

2013

Acquisition of 20.1% stake in ARA

Formation of Straits Real Estate Pte. Ltd.

2014

Monetised Straits Trading Building for S\$450m

2015

SRE allocating capital in various higher yielding projects

2016/2017

- Privatisation of ARA
- Divestment of 114 William Street

HOSPITALITY

Small-scale niche operator

Joint venture with a member of Far East Organization

- 30% stake in a sizable hospitality operator
- Operational turnaround and growing platform with close to 14,000 rooms under management in 7 countries

RESOURCES

Variety of resources investments

- Divestment of non-tin assets and refocused on core tin business
- Improved profile & liquidity with SGX secondary listing

- Largest independent custom tin smelter in the world
- Well positioned to benefit from rising tin prices

INVESTMENTS

Passive 17% stake in WBL

- STC emerged as the largest shareholder in WBL with a c.41% stake after a share swap with two institutional investors
- Triggered an MGO and finally accepted a competing general offer

S\$508m of shareholder value unlocked and reinvested into new businesses



Business Highlights

Real Estate

About Straits Real Estate (“SRE”)

A real estate **investment company** that seeks out real estate related investments and opportunities **globally**

Geographically diversified investment portfolio across property segments

\$1.13B

AUM
(31 Dec 2016)

\$41.4M

PAT
(31 Dec 2016)

6.9%

Return on invested capital

12.5%

Return on equity

\$950M

Committed capital



1. China: Retail
2. Malaysia: Fund investment
3. Singapore: REITs
4. Japan: Office and residential
5. Australia: Fund investment



Well-diversified Investment Portfolio: Direct Investments

ASSET / COUNTRY

OVERVIEW

DEVELOPMENTS

CHINA Chongqing Retail Mall

- 82,000 sqm development directly linked to the subway station;
- Part of a large mixed-use development with residential buildings, offices and a hotel

- Soft-opened in December 2016
- Key tenants, including a Korean cinema chain CGV Cinemas and Maan Coffee, have started operations



JAPAN Residential Portfolio

- 4 completed freehold residential properties with 516 units in Osaka
- Close to full occupancies driven by continuing urbanization trend

- Plans to acquire additional residential assets to aggregate into a larger portfolio



Growing our Japan Residential Portfolio

Part of a broader strategic plan to acquire additional residential assets in Tokyo and Osaka to aggregate into a larger portfolio



Luxe Taisho



Luxe Shin Osaka



Luxe Dome Mae



Splendid Namba II

- Entry into Japan residential market with an initial portfolio of freehold residential rental properties with 396 units in central Osaka and asset value of S\$76.0m
- Acquired another freehold residential property with 120-unit apartment located in Naniwa-ku, Osaka in January 2017 with asset value of S\$21.7m
- Strong portfolio occupancy at 98.4% as of March 2017, driven by continuing urbanization trend

Well-diversified Investment Portfolio: Fund Investments

FUND / COUNTRY

OVERVIEW

JAPAN

Greater Tokyo Office Fund

- Speciality in identifying and acquiring distressed office properties
- Currently invested in 6 office assets in the Greater Tokyo Area



MALAYSIA

ARA Harmony Fund III

- Portfolio of high quality, well-located 5 retail malls across Malaysia with total NLA of 2.8 mil sq ft; supported by strong catchment areas
- High committed occupancy of 95% with steady income stream



AUSTRALIA

Summit Development Fund

- Initial investment in mezzanine financing for 2 residential development projects in Sydney and Melbourne
- Development progress is on track



ASIA PACIFIC

SRE Asian Asset Income Fund

- Launched and managed by **SRE Capital**
- Investment Adviser to Nikko Asset Management Asia Limited for its ETF (NikkoAM-StraitsTrading Asia ex Japan REIT ETF); listed and traded on the SGX on 29 March 2017

SRE CAPITAL

Greater Tokyo Office Fund (“GTOF”)

Kirin Yokohama



Bright East Shibaura



Sasazuka



Takanawa Muse



Omori Park



Toyochō

- SRE subscribed into the GTOF fund since June 2015, with committed capital of up to JPY7.2bn (c.S\$90m)
- Cordea Savills, the fund manager, works closely with banks and asset management companies and seeks to acquire properties at higher-than market yields via off-market deals
- Carrying value of SRE’s 37.6% interest: S\$78.8m

ARA Asset Management

A Premier Integrated Real Estate Fund Manager

An integrated real estate fund manager with a diversified asset management platform and asset under management of ~S\$36 billion as at 31 March 2017

- ARA has extensive expertise and experience investing and managing a wide range of real estate asset classes in REITs and private real estate funds in Asia, and is supported by its real estate management services division, which provides in-house expertise in property management and convention & exhibition services.
- Straits Trading's share of profit from ARA increased 16% year-on-year to S\$4.1 million in 1Q17
- Post privatisation, Straits Trading will continue to participate in ARA's unique growth proposition, and the benefits are:

1 Strong partners in new shareholders

- Warburg Pincus: Global network of investor relationships and deep experience that complements the strengths of existing shareholders
 - AUM of over US\$40 billion
- AVIC Trust: Unique distribution capability and access to capital markets and business opportunities in China
 - AUM of over US\$51 billion

2 Value-add and opportunities

- ARA will **continue to reinforce Straits Trading's real estate ecosystem**
- Access to :
 - business network
 - expertise in real estate funds and property management
 - REIT and private funds platforms



Business Highlights

Hospitality

Far East Hospitality Holdings (“FEHH”)

Straits Trading’s Hospitality Joint Venture

An international hospitality owner and operator that is a 70-30 JV formed in 2013 between Far East Orchard Limited (a listed company under Far East Organization) and Straits Trading.



Oasia Hotels and Residences

10 brands

7 countries

**~90 hotels
& serviced
residences**

**~14,000
rooms under
management**

- An international hotel owner and operator with a diverse portfolio of 10 unique and complementary brands, including Oasia, Quincy, Rendezvous, Village, Far East Collection, Adina Apartment Hotels, Medina Serviced Apartments, Travelodge Hotels, Vibe Hotels and TFE Hotels Collection.
- FEHH’s joint venture with the Toga Group, Toga Far East Hotels, is a leading hotel operator across Australia, New Zealand and Europe



Business Highlights

Resources

Malaysia Smelting Corporation

A Leading Producer of Refined Tin

Largest independent custom tin smelter in the world



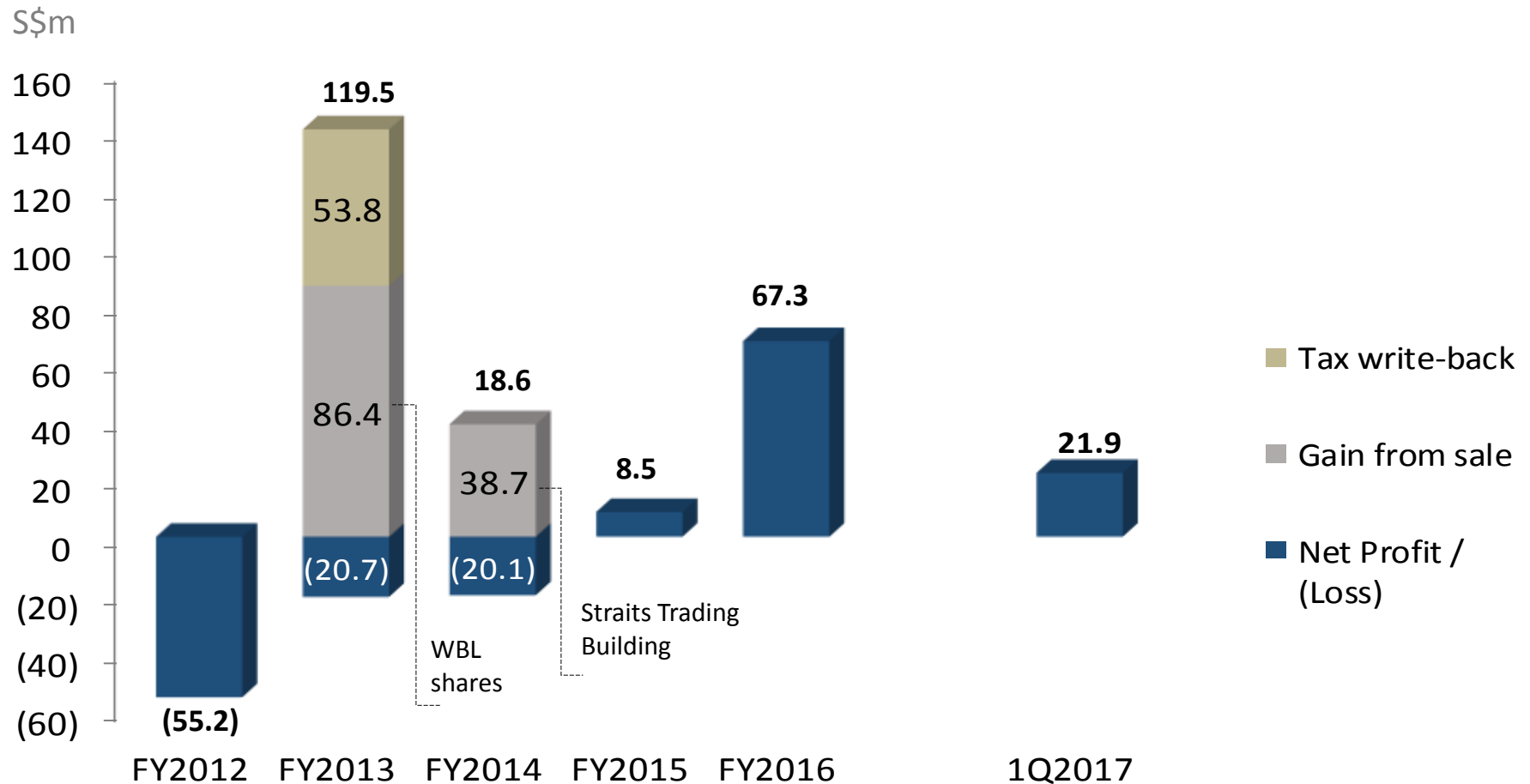
- Listed on the Main Market of Bursa Malaysia since 1994, with a secondary listing on SGX-ST in 2011
- Custom tin smelting facility in Butterworth Penang, Malaysia and open pit mining of tin in Perak, Malaysia
- Producer of premium high-purity refined tin
- Acquired a production facility in Klang, Malaysia with a more advanced manufacturing technology
- Ongoing initiatives to optimise efficiency throughout the MSC group



Financial Highlights

Full Year 2016 and 1Q 2017

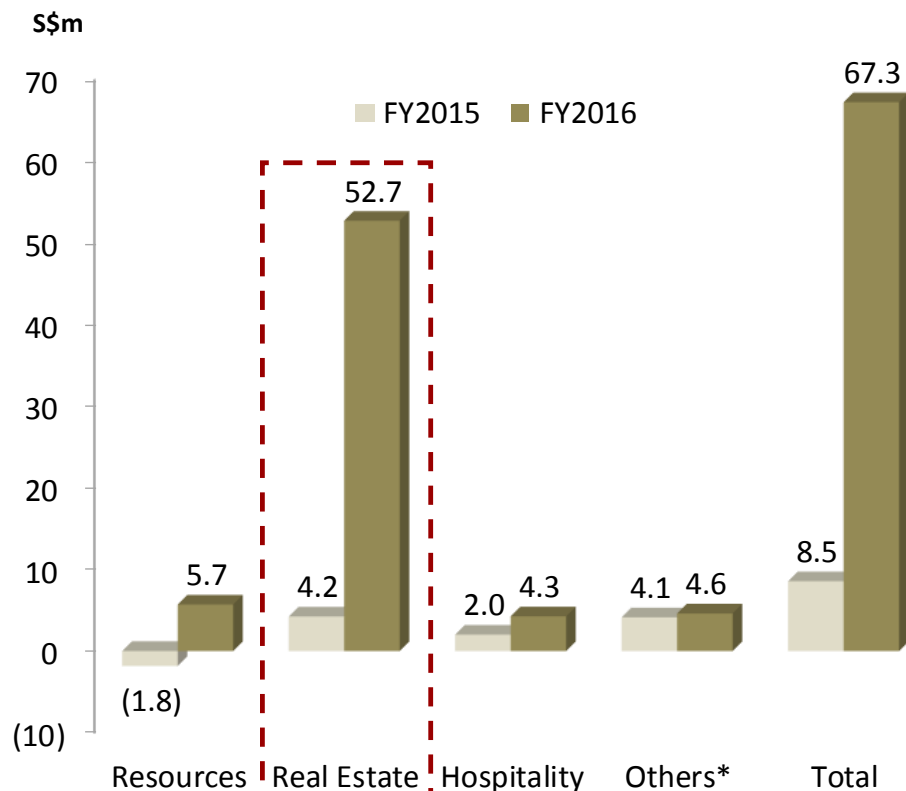
Profit After Tax and Non-controlling Interests (PATNCI)



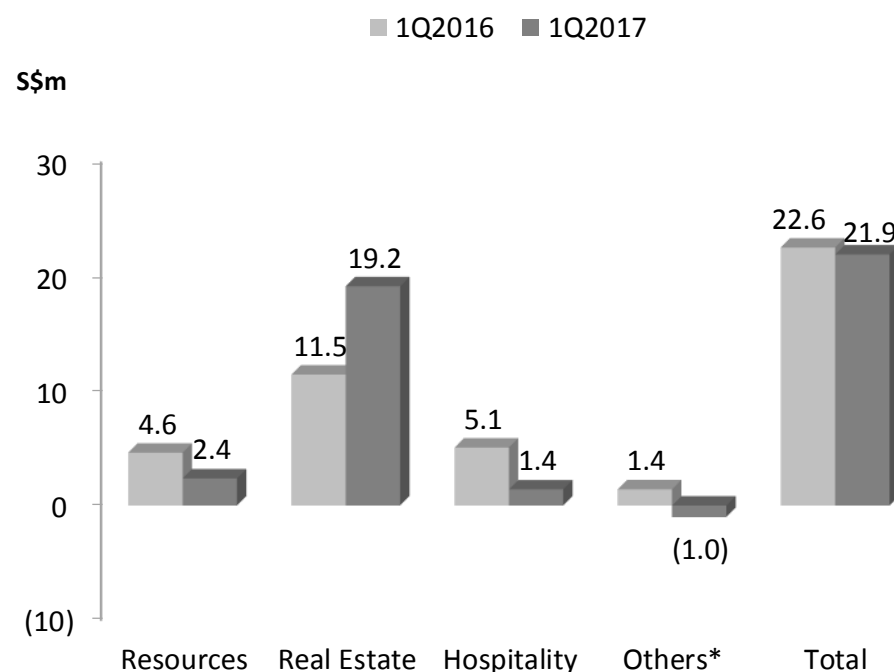
FY2016 PATNCI increased by 7.9x compared to FY2015

PATNCI By Business Segments

PATNCI for Full Year

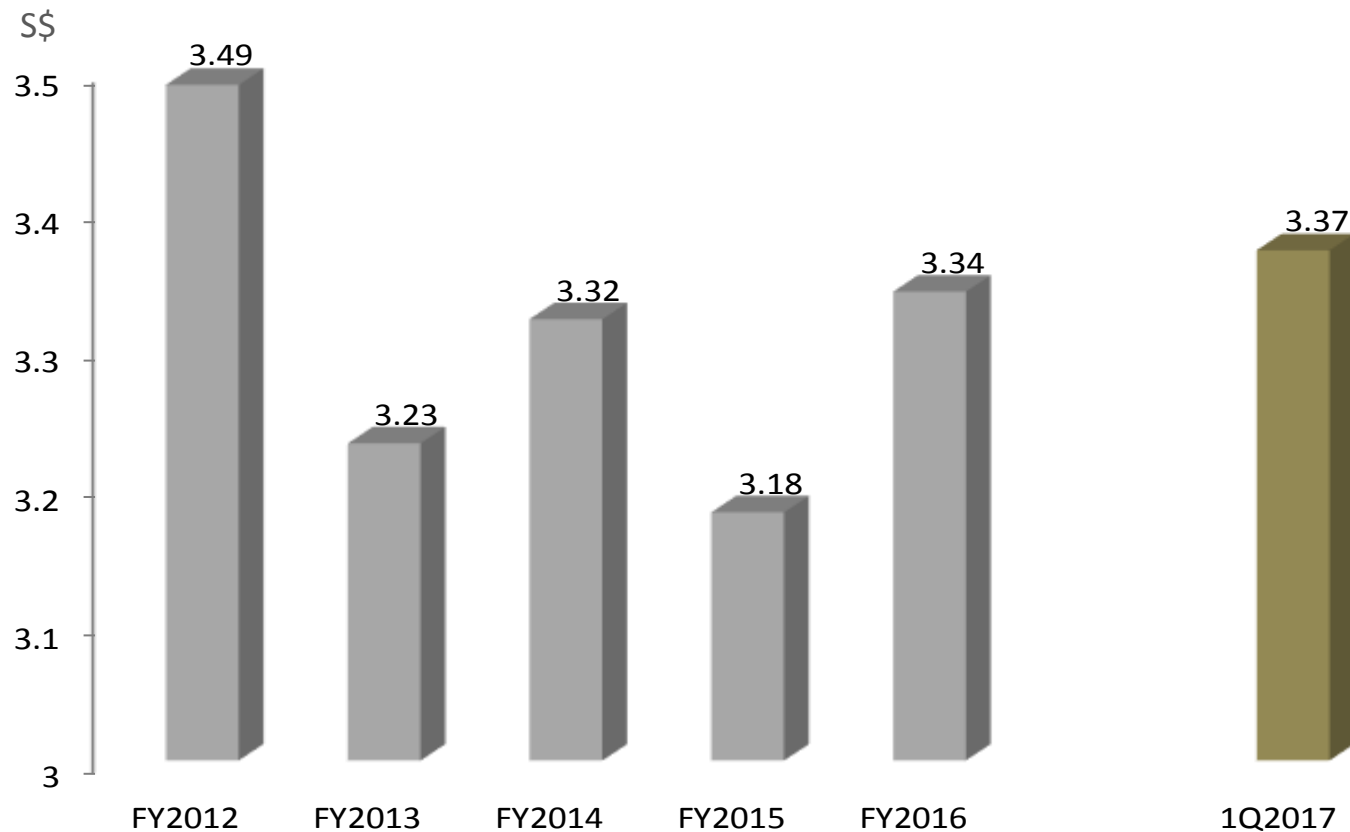


PATNCI for 1Q



Improved performance across all business segments for the full year

Net Asset Value Per Share



Share price as at 25 April 2017: S\$2.34

Dividend Increases to 6 cents

Reflects Improvement in Business

(cents)	FY08	FY09	FY10	FY11	FY12	FY13*	FY14	FY15	FY16
Interim	2.0	2.0	2.0	4.0	4.0	4.0	4.0	4.0	6.0
Special	150.0	100.0	-	-	-	50.0*	-	-	-



- Dividend yield: 2.6% (based on closing price of S\$2.34/share as at 25 April 2017)

* Year that WBL Corporation was divested

The background of the slide is a dense, abstract pattern of isometric cubes. The cubes are rendered in various shades of red, from deep maroon to light pink, creating a three-dimensional effect. They are arranged in a way that suggests a larger, complex structure, possibly a staircase or a wall of blocks, receding into the distance.

Conclusion

Business Strategy

Leverage On Partners In Our Current Platforms To Grow

Real Estate

- To continue to seek out new and attractive investment opportunities in the Asia Pacific

Hospitality

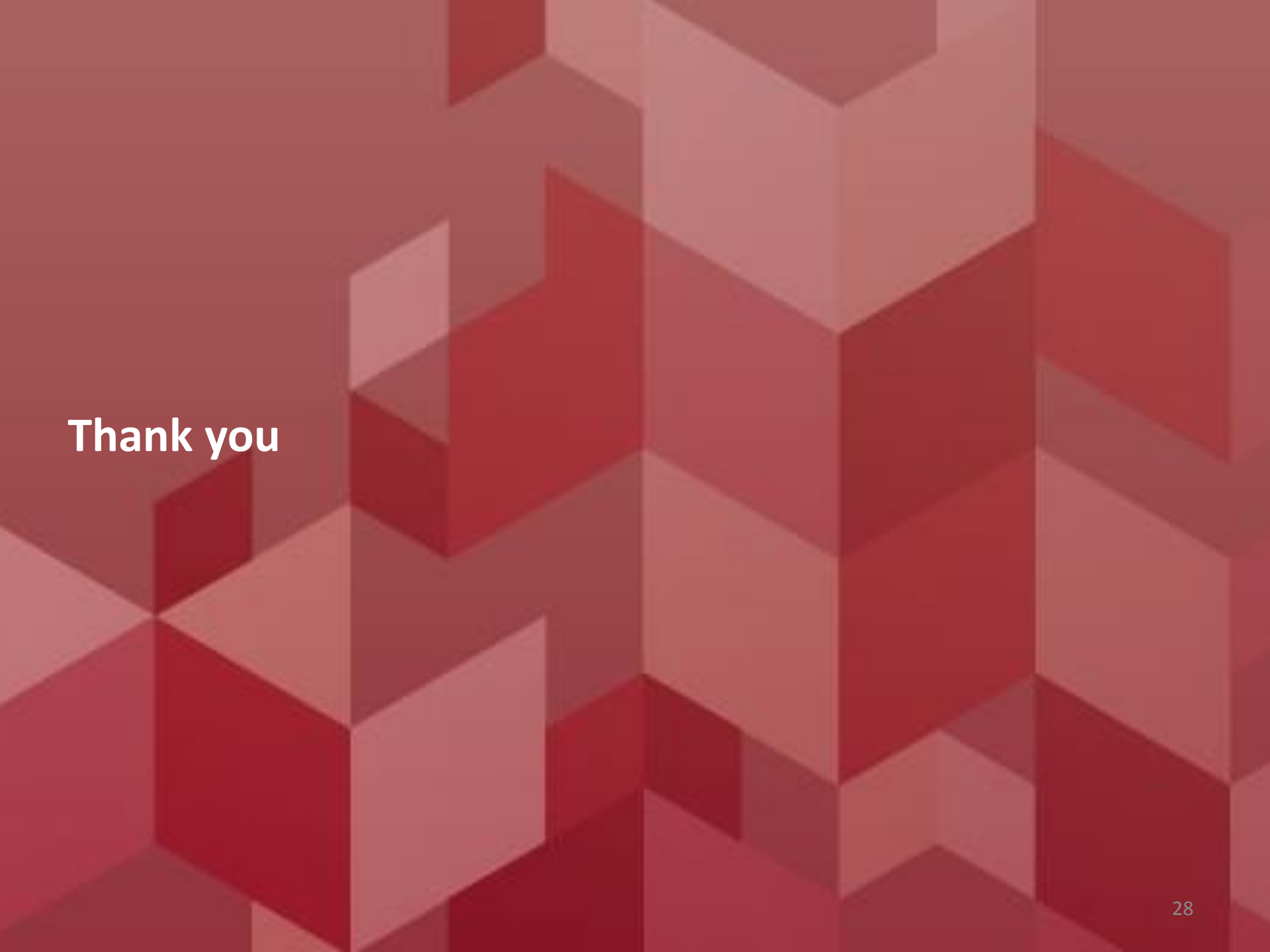
- To increase number of management contracts
- To acquire strategic assets
- To divest properties (recycle and re-deploy capital) toward higher yielding growth opportunities

Resources

- To continue to optimise operational efficiencies despite volatile commodity prices

Conclusion

- 1 Various business platforms starting to show results
- 2 Continue to harness synergies across our real estate ecosystem
- 3 Work on all engines to provide sustainable returns

The background of the slide is a dense, repeating pattern of isometric cubes. The cubes are rendered in various shades of red, from deep maroon to light pink, creating a three-dimensional effect. The lighting appears to come from the upper left, casting soft shadows and highlighting the edges of the cubes.

Thank you