



A MEMBER OF THE TECITY GROUP

ANNUAL GENERAL MEETING

26 April 2019

FY2018 HIGHLIGHTS

**Achieved record
PATNCI in FY2018**

S\$71.7 million
+ 54.5%

SRE PROFIT

S\$40.2 million
+ 48.3%

Higher income &
revaluation gains from
Australia office properties &
Japan residential portfolio

ARA SHARE OF PROFIT

S\$24.2 million
+ 64.6%

Gross AUM by ARA Group &
associates at S\$80.1 billion

MSC PROFIT

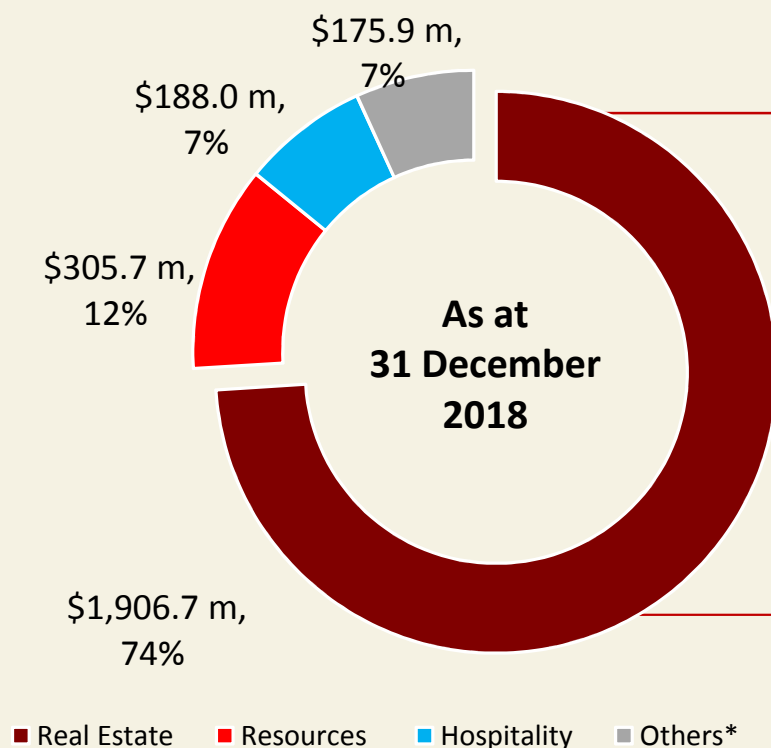
RM34.3 million
+ 113.0%

Efforts to rejuvenate MSC
and raise operational
efficiencies are well
underway

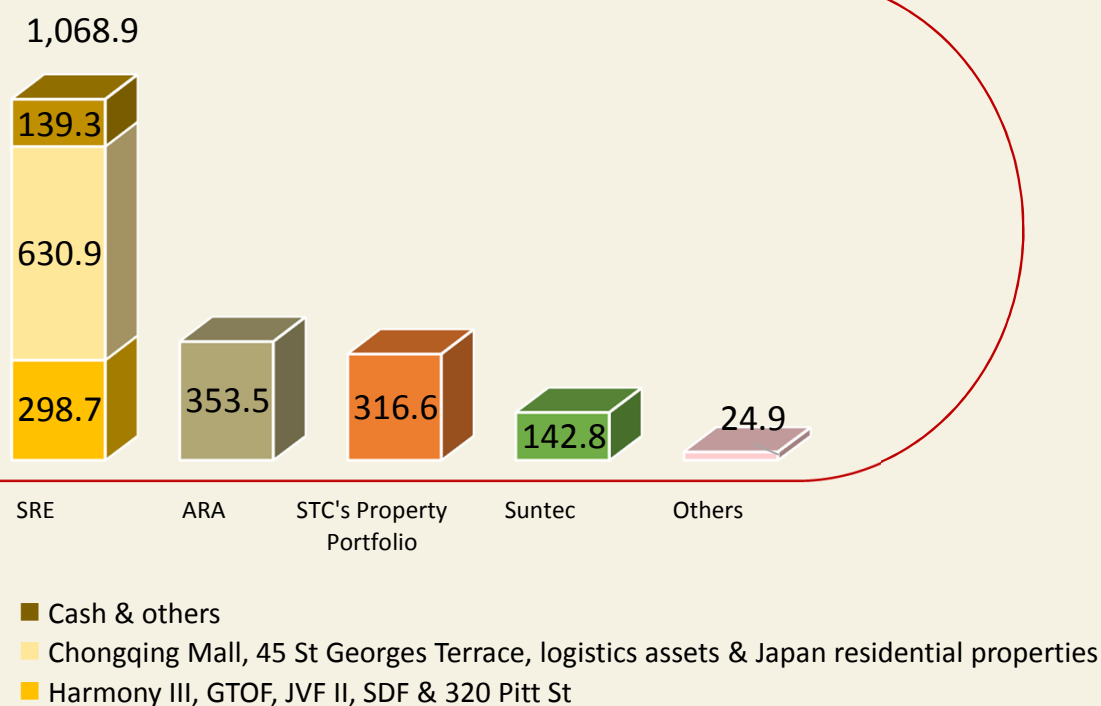
-
- Achieved **significant scale across growth platforms** with strategic acquisitions and investments
 - Continue to focus on **capital efficiencies** to drive sustainable return on equity

TOTAL ASSETS

S\$2.5 billion (FY2017: S\$2.4 billion) in total assets; 81% from real estate and hospitality segments



Real Estate Assets Breakdown (\$\$ million)



STRAITS REAL ESTATE

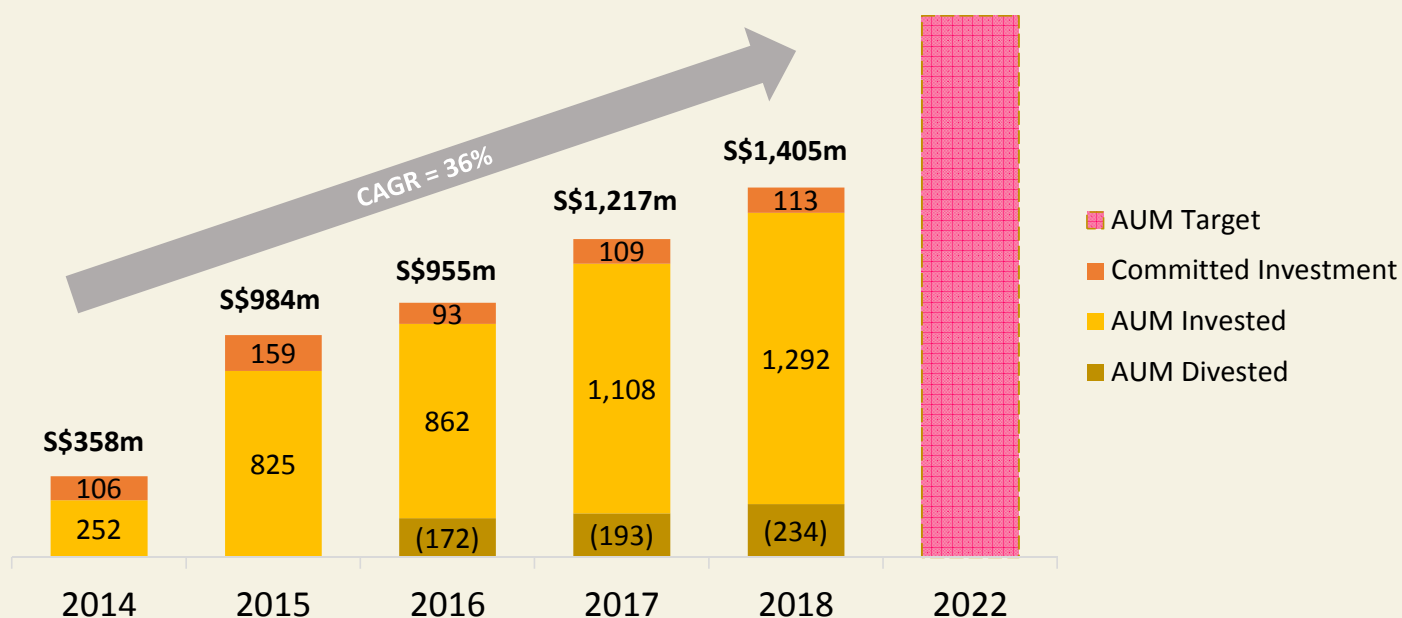
A growing global real estate investor

Nurturing Platforms

(as of December 2018)

- **S\$1.4 billion**
AUM
- **S\$704.4 million**
Net capital invested
- **Return in 2018**
5.5% ROIC
8.0% ROE

SRE AUM Growth (\$m)



JAPAN STRATEGY

Recycle capital into assets with higher gains potential

Successful divestment of the Greater Tokyo Office Fund (GTOF)

- In June 2015 acquired 47.5% stake in a portfolio of office properties in greater Tokyo at higher-than-market yields via off-market deals
- Portfolio fully divested in FY2018; crystallised valuation gains of S\$35.0m
- Investment return far exceeded target returns



Follow-up fund with updated strategy

Establishment of Japan Value Fund II

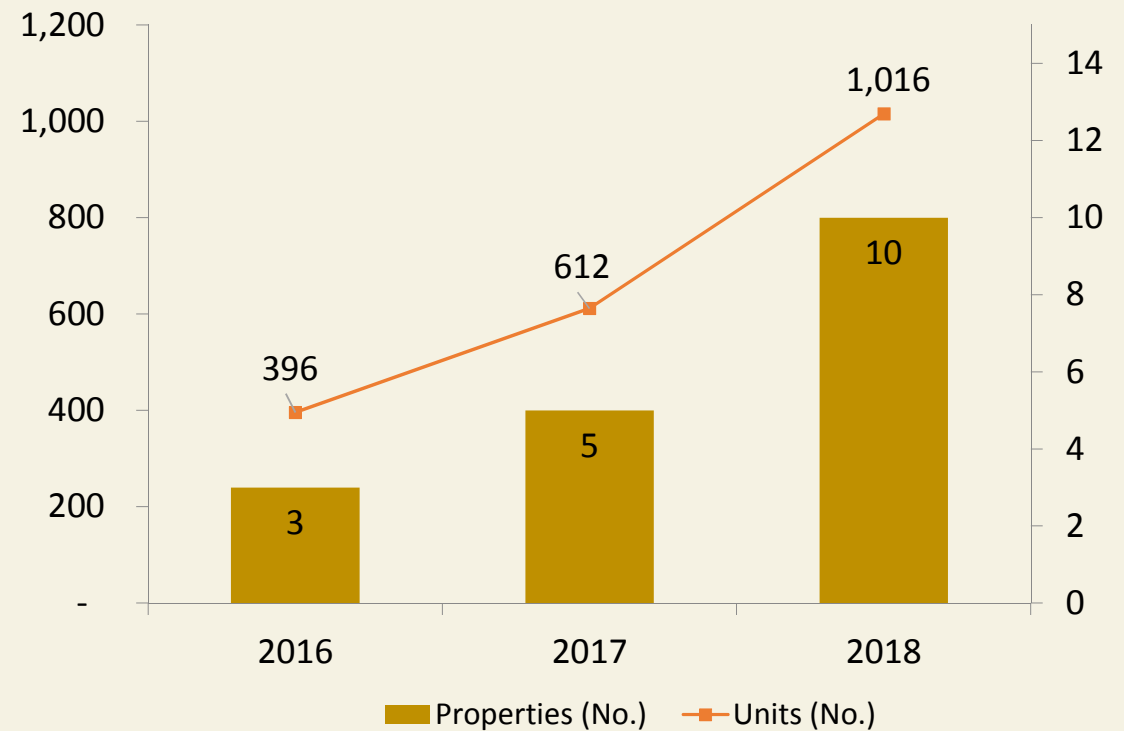
- Redeployed capital into a larger portfolio with a committed capital of JPY8.0bn in June 2018
- Updated mandate to acquire office and other assets in the Greater Tokyo and other key cities in Japan
- First investment in an office building made in central Fukuoka
- Second investment in a portfolio of residential buildings

JAPAN STRATEGY

Growing income-producing residential assets to aggregate into a larger portfolio

Portfolio of 1,016 units and growing

- Quality assets near transport nodes and key amenities in Greater Tokyo and Osaka
- Occupancies remain high around 95%
- Cash yield of ~8% (on stabilised basis)

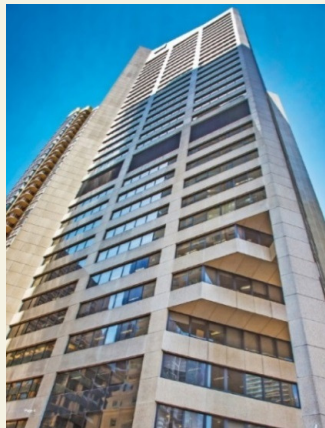


AUSTRALIA STRATEGY

Seeking assets with immediate cashflow and value-adding opportunities

Added prime located assets in Sydney & Perth CBD in 2017

*320 Pitt Street
(Sydney CBD)*



Valuation gain of S\$30.0 million from ongoing asset enhancement and strong pre-leasing demand

*45 St Georges Terrace
(Perth CBD)*



Occupancies exceeded 90% due to active asset management

Entry into Australia's vibrant logistics segment

- Joint venture with Commercial & General (C&G) to create a real estate operating platform that owns, develops and manages logistics properties
- 80% interest in the initial portfolio of 5 logistics properties
 - Total value at AUD137.5m
 - Good-credit tenants such as Coca-Cola Amatil and Incitec Pivot;
 - Initial WALE exceeds 9 years



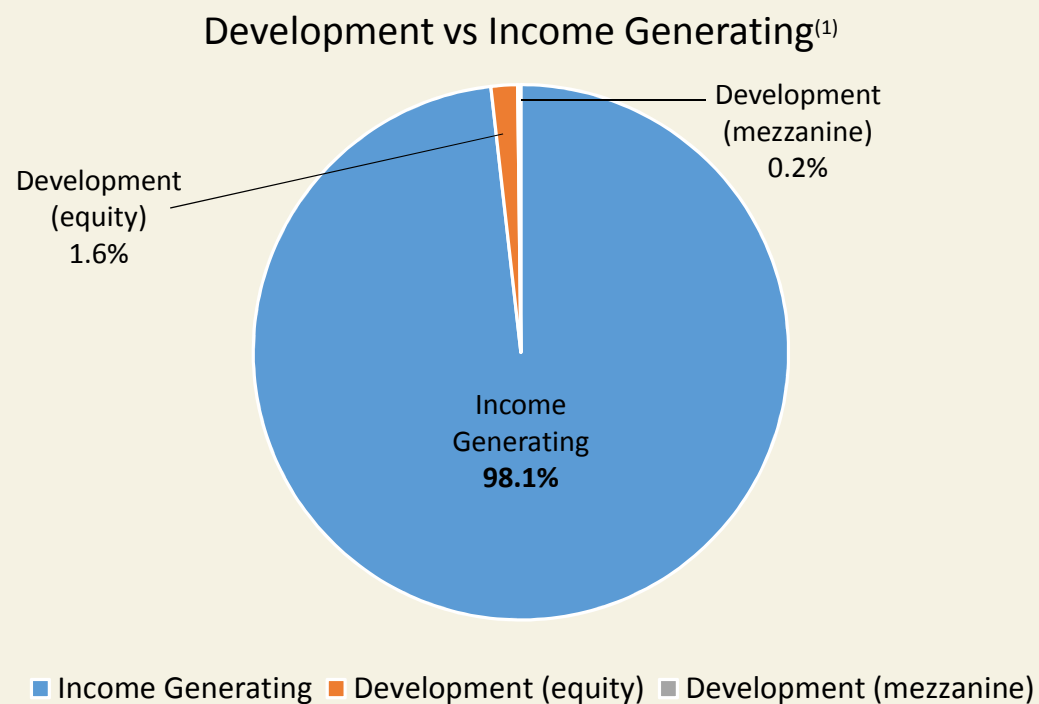
*Port Adelaide Property
(Incitec Pivot Centre)*



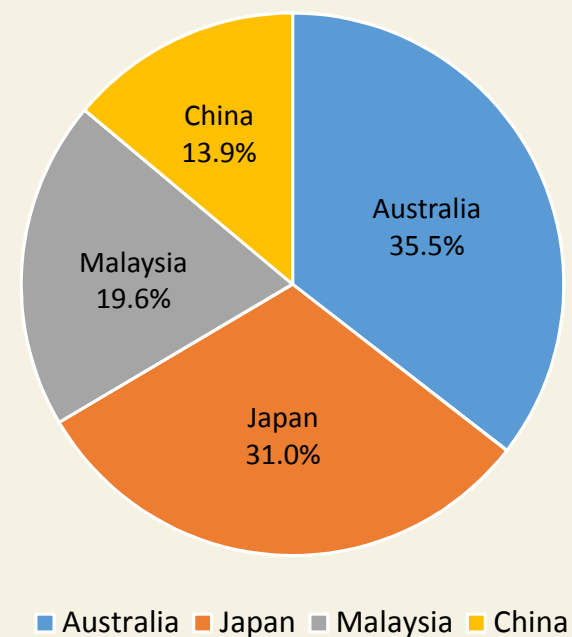
SA Property (Coca-Cola Amatil)

SRE ASSET ALLOCATION

Development vs Income Generating⁽¹⁾



Allocation by Country⁽¹⁾



ARA ASSET MANAGEMENT

Accelerated expansion since privatisation

2017⁽¹⁾

A premier **real estate** fund manager

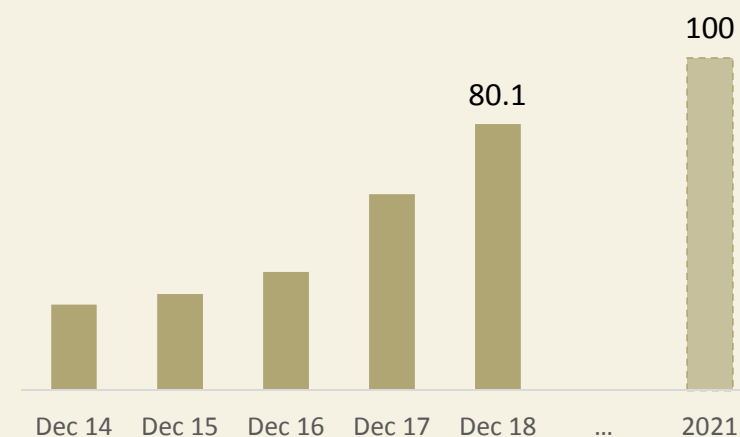
- 21 cities
- 8 countries
- Asia Pacific presence
- 11 REITS
- 9 private real estate funds
- AUM S\$40 billion

2018

A premier global **real assets** fund manager

- **Over 100** cities⁽²⁾
- **23** countries⁽²⁾
- **Global** presence
- **20** REITS⁽³⁾
- **Over 70** private real estate funds⁽³⁾
- Gross Assets **S\$80.1** billion⁽⁴⁾

Gross Assets (\$\$ billion)



Aiming “to achieve an **AUM of \$100 billion by 2021...**”⁽⁵⁾

Sources:

(1) Press release by ARA Asset Management “ARA Establishes European Platform” dated 1 March 2018

(2) ARA website <http://www.ara-group.com/>

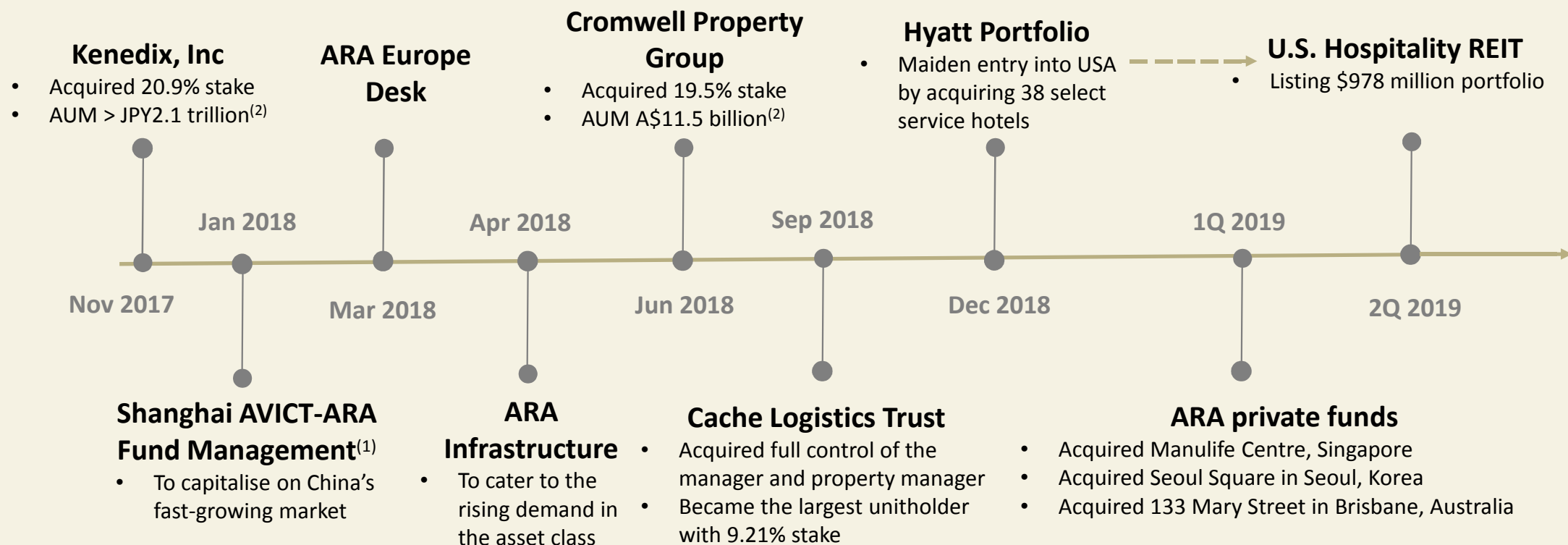
(3) Press release by ARA Asset Management “ARA Group completes acquisition of 19.5% interest in Cromwell” dated 4 June 2018

(4) Includes assets under management by ARA Asset Management Limited and the Group of companies (“ARA Group”) and its Associates and Joint Ventures as at 31 December 2018

(5) The Business Times “Steadfast about growth” 25 August 2018

ARA ASSET MANAGEMENT

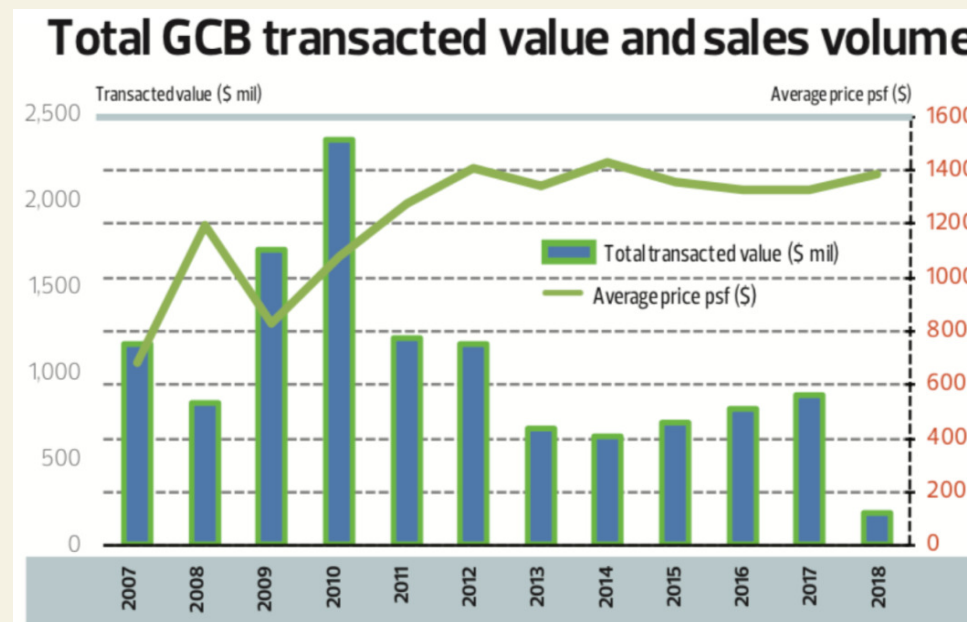
A multi-platform, multi-product global funds management platform



PROPERTY PORTFOLIO

Singapore & Malaysia Property Portfolio – To monetise and redeploy capital

- Singapore bungalows and apartments: S\$272.2 million
- Malaysia properties⁽¹⁾: S\$44.4 million
- Divested three Gallop Green units in 2018
- Average GCB transacted at S\$1,515 psf in 2018, 14% above the S\$1,330 psf registered in 2017⁽²⁾



PROPERTY PORTFOLIO

Unlocking value of prime land in Butterworth, Penang

- Non-binding MOU with MSC to jointly explore options to unlock the value of freehold land owned by both parties in Butterworth, Penang
- Land size: 40.1 acres (STC: 26.2 acres; MSC: 13.9 acres)
- Prime location:
 - 5 to 10 min drive to the newly launched integrated transportation hub, Penang Sentral
 - Panoramic view of Penang Island
- Penang Draft Master Plan 2030. Butterworth earmarked as an extension of George Town, making it an attractive location for residential and commercial developments



Source: Extracted from article "Steering the course for Penang" in The Edge Financial Daily, 29 June 2018

MALAYSIA SMELTING CORPORATION

Largest Independent Custom Tin Smelter

Production of 27,085 tonnes of tin in 2018, approximately 7.5% of total global supply⁽¹⁾

Malaysia's Largest Tin Mine

Mine production of 2,355 tonnes in 2018 accounting for >60% of Malaysia's output⁽¹⁾

Stronger Financial Performance in FY2018

FY2018 net profit more than doubled to RM34.3m (from RM16.1m in 2017) from improved operating efficiencies of its tin smelting segment



Source: The Business Times, 31 Dec 2018

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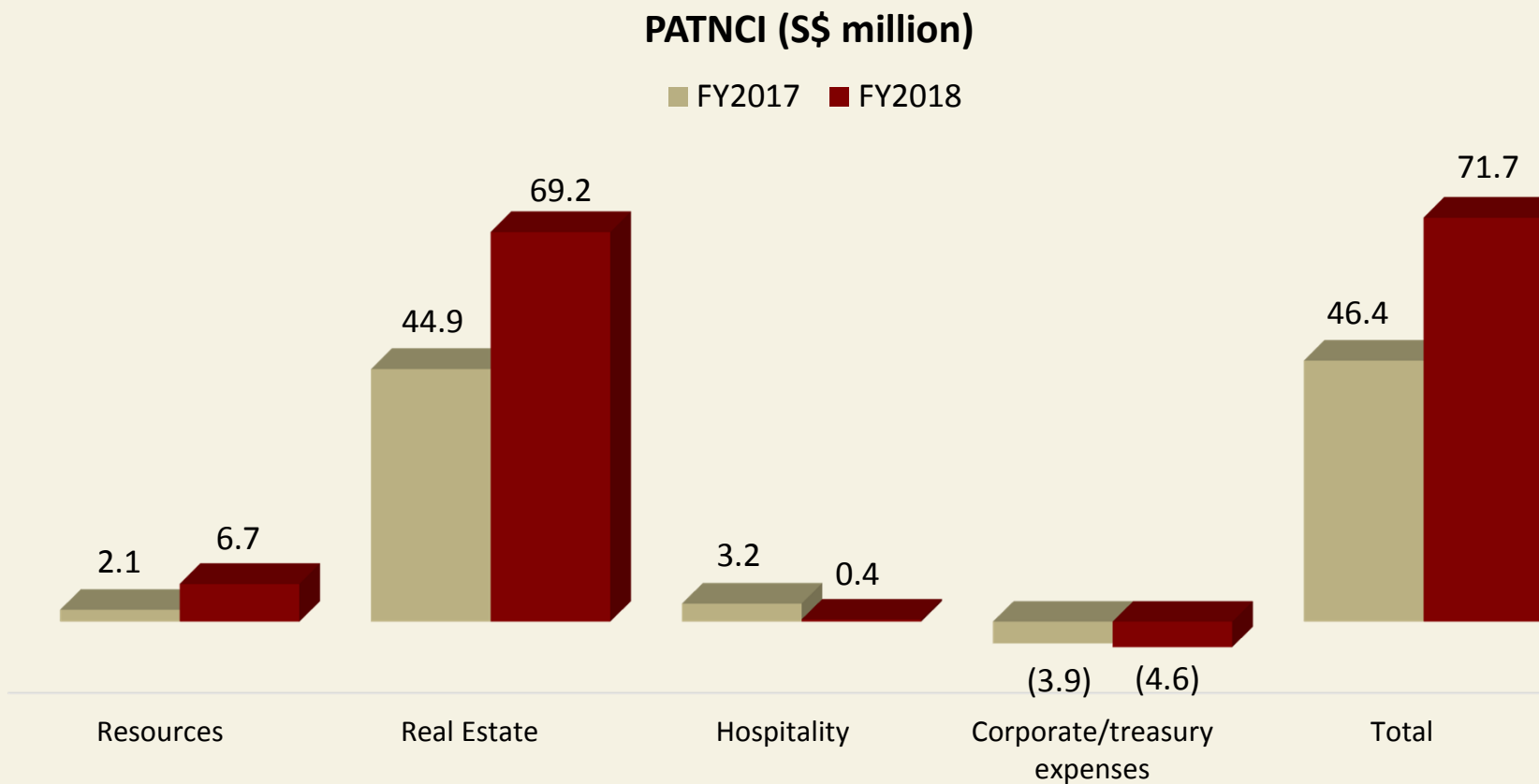
FINANCIAL HIGHLIGHTS FY2018

Full Year Ended 31 December 2018



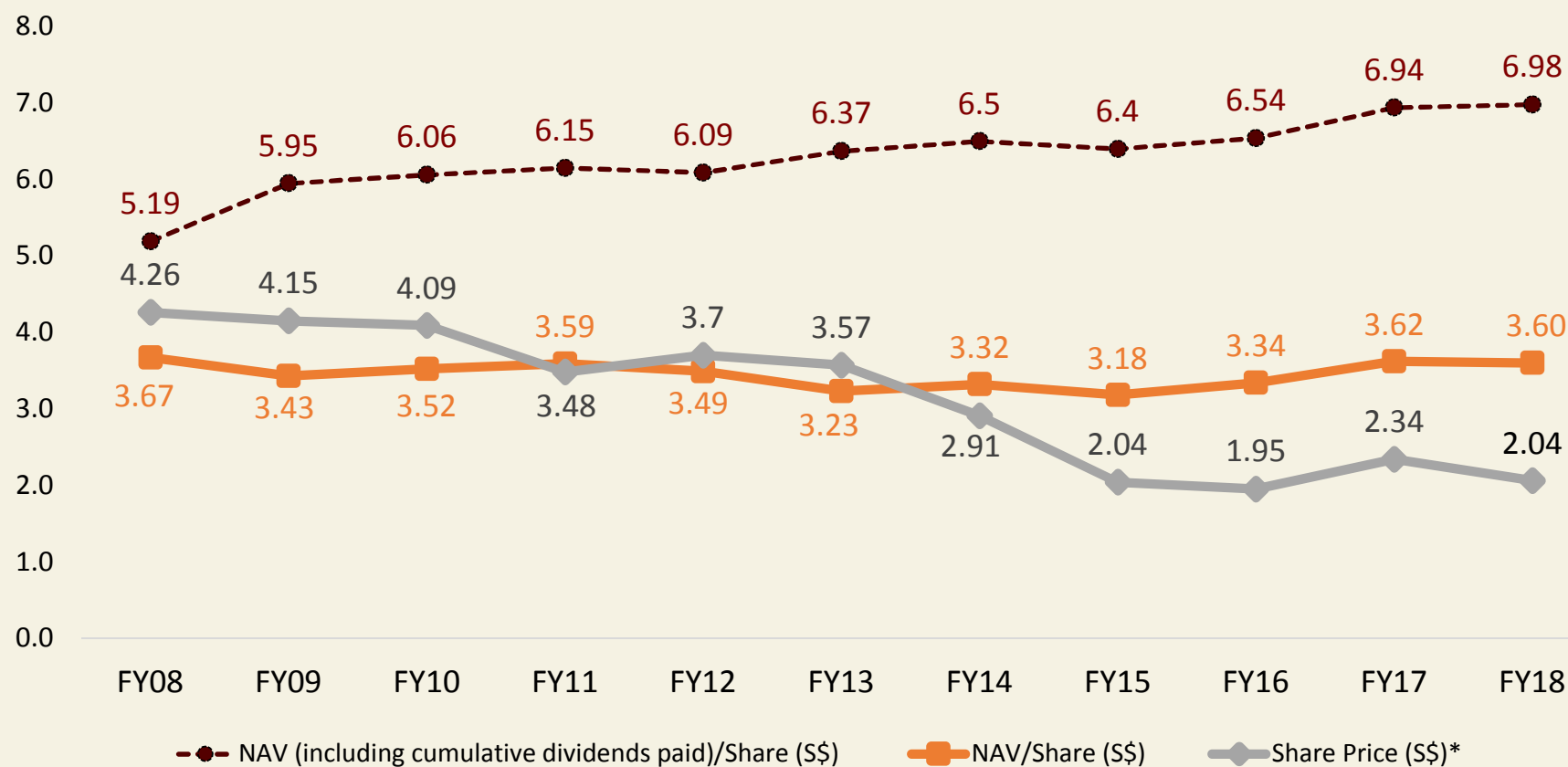
PATNCI BY BUSINESS SEGMENTS

Main drivers of profitability - Real Estate segment and SRE



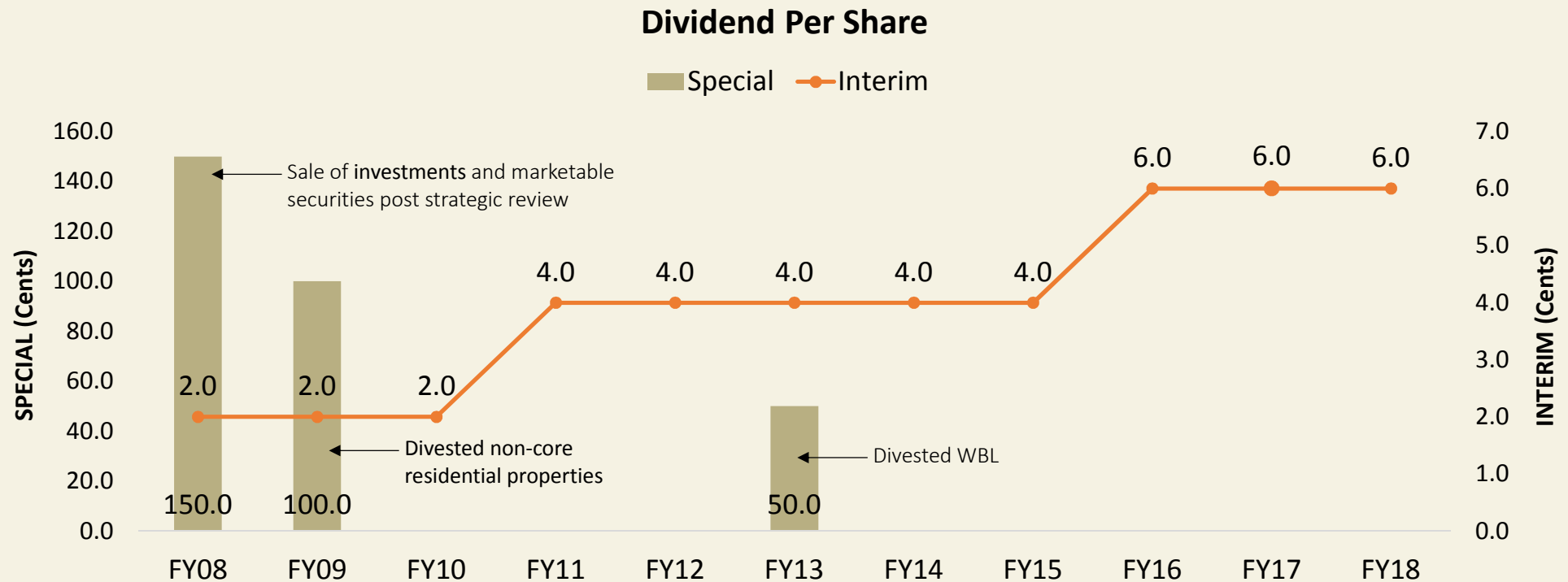
NET ASSET VALUE PER SHARE

Stock price is currently trading at a discount to our intrinsic value



DIVIDEND RECORD

Rising dividends reflects improvement in our business



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Thank You

