

MEDIA RELEASE

STRAITS TRADING POSTS 3Q PATNCI OF \$12.2 MILLION

- *Contribution from ARA Asset Management increased 85% for the corresponding 9-month period*
- *Straits Real Estate continues to invest in Japan and Australia*

SINGAPORE – 14 November 2019 - The Straits Trading Company Limited (“**Straits Trading**” or the “**Group**”) today reported profit after tax and non-controlling interests (“**PATNCI**”) of \$12.2 million for the three months ended 30 September 2019 (“**3Q2019**”), compared to \$14.0 million a year ago (“**3Q2018**”). Both the Real Estate and Resources segments contributed to the quarter’s PATNCI. Correspondingly, earnings per share (“**EPS**”) for the quarter was 3.0 cents.

On a year-to-date basis, the Group posted PATNCI of \$54.7 million for the nine months ended 30 September 2019 (“**9M2019**”), compared to \$57.6 million a year ago. EPS was 13.4 cents.

KEY CORPORATE HIGHLIGHTS

During the quarter, the Straits Real Estate (“**SRE**”) grew the Group’s residential portfolio in Japan with the acquisition of three freehold property apartment buildings in Tokyo for 3.08 billion yen (S\$40.1 million). These properties, totaling 137 apartment units and located near transport nodes and key amenities in Meguro-ku and Chuo-ku, are well-positioned to capitalise on tenant demand for close proximity to key business hubs within the city.

SRE is also expanding its logistics portfolio in Australia through the acquisition of a parcel of land in Adelaide, Australia, for A\$7.6 million (S\$7.1 million), which will be developed into a

14,719 square metre mixed-use office and warehouse facility for a blue-chip tenant on a secured long term lease. The targeted completion of this development is by the end of 2020.

On 8 October, the Group's 20.95%-owned associate ARA Asset Management Limited ("**ARA**") announced that its private funds division had invested US\$460 million worth of real estate transactions in 1H 2019. There is a further US\$700 million of pipeline assets, subject to due diligence, scheduled to sign by the fourth quarter of 2019. ARA's group CEO and co-founder Mr John Lim has indicated that ARA is exploring a dual stock market listing¹, including one in Singapore, in the next two to three years, once the transformation is done.

Meanwhile, the Group's 30%-owned hospitality arm Far East Hospitality Holdings ("**FEHH**") will launch The Barracks Hotel Sentosa this year and The Clan Hotel Singapore in the second quarter of 2020. Located in Cross Street in the Telok Ayer neighbourhood, the upcoming 324-room hotel will be the latest brand to FEHH's portfolio, and will cater to a new generation of luxury consumers seeking experience-driven travel. In Japan, the development of Far East Village Hotel in Ariake is scheduled to complete in the second quarter of 2020, ahead of the Tokyo Olympics.

Ms Chew Gek Khim, Executive Chairman of Straits Trading said, "We remain confident of our longer-term prospects with the Group's continued strategy of investing in Japan residences, as well as in the logistics sector in South Korea and Australia."

SEGMENT RESULTS

Real Estate Business

The real estate segment recorded PATNCI of \$6.9 million in 3Q2019 compared to \$14.0 million in 3Q2018. The lower results in 3Q2019 was due to lower interest income from notes issued by a joint venture.

¹ Anshuman Daga (Reuters, 2019, Sept 17). *Singapore real estate fund manager ARA eyes listing in 2-3 years*

Resources Business

The Group's resources arm reported a higher PATNCI of \$5.8 million in 3Q2019 compared to \$2.1 million in 3Q2018. This was largely due to a reversal of tribute provisions.

SUMMARY OF RESULTS:

S\$ million	3Q2019	3Q2018	% Chg	9M2019	9M2018	% Chg
Profit before tax	22.6	21.8	3.5	79.4	77.7	2.3
Profit after tax	17.7	16.3	8.3	65.2	63.9	2.1
PATNCI	12.2	14.0	(13.2)	54.7	57.6	(5.1)
EPS (Singapore ¢)	3.0	3.4	(11.8)	13.4	14.1	(5.0)

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About The Straits Trading Company Limited

Incorporated in 1887, The Straits Trading Company Limited is an investment company with stakes in real estate, hospitality, resources and investments that span the Asia Pacific region. It owns an 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, a premier global integrated real assets fund manager, and has a 30% interest in Far East Hospitality Holdings, a premier hospitality assets 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 SGX-ST.

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