

MEDIA RELEASE

STRAITS TRADING POSTS EBITDA OF S\$613.4 MILLION IN FY2022

- *Strong performance from gains in ARA Asset Management Limited divestment*
- *Hospitality segment returns to profitability as borders reopen*
- *Maintains interim dividend payout of 8 cents a share in FY2022, in addition to earlier special distribution in specie worth approximately 50 cents*

SINGAPORE – 28 February 2023 - The Straits Trading Company Limited (“**Straits Trading**” or the “**Group**”) has recorded a robust set of results for the financial year ended 31 December 2022 (“**FY2022**”).

Straits Trading registered earnings before interest expense, tax, depreciation and amortization (“**EBITDA**”) of S\$613.4 million in FY2022, up 52.9% year-on-year (“**Y-o-Y**”) from the previous record of S\$401.0 million for the financial year ended 31 December 2021 (“**FY2021**”). Earnings per share rose significantly in FY2022 to S\$1.27 from S\$0.58 in FY2021.

The Group’s strong performance was mainly attributed to the gain from divestment of the stake in ARA Asset Management Limited (“**ARA**”) – which was recorded under the Real Estate segment. As a result, the segment posted EBITDA of S\$579.4 million in FY2022, up from S\$343.4 million in FY2021, despite incurring net fair value losses from investment properties and provision of profit participation notes in a joint venture.

Straits Real Estate Pte. Ltd. (“**SRE**”) completed the acquisition of a portfolio of office and industrial buildings and several plots of development land in Gloucester Business Park. The acquisition of the remaining 20% stake in its logistics portfolio in Australia (SRE Industrial No. 1 Trust) furthered SRE’s

ongoing multi-market strategy to allocate more capital into the industrial and logistics sectors across key gateway markets.

In Malaysia, STC Property Management Sdn Bhd (“**STCPM**”) is making progress with the Straits City development project. The hotel component, which will be operated by IHG Group under the Crowne Plaza brand, is projected to open in 1Q 2024.

The Hospitality segment returned to profitability with EBITDA of S\$0.8 million in FY2022. The improved performance was driven by higher demand from corporate, leisure and wholesale business as more countries reopened their borders. Far East Hospitality Holdings Pte. Ltd. (“**FEHH**”), the Group’s 30%-owned hospitality arm, is encouraged by the recovery in international travel. However, FEHH remains cautious in the face of global macro-economic challenges and uncertainties, and it will continue to adopt prudent financial management and explore opportunities to drive long-term sustainable growth.

Meanwhile, the Resources segment recorded EBITDA of S\$54.6 million in FY2022, down from S\$59.5 million in FY2021. This was due to higher smelting and operational cost in the form of higher energy and consumables, despite higher sales revenue in FY2022 compared to the previous year. Malaysia Smelting Corporation Berhad (“**MSC**”), the Group’s 52%-owned resources arm, will continue to focus on improving operational efficiencies in its smelting and mining segments. With the full operation of the Pulau Indah plant in the near future, MSC expects higher operational efficiency, lower operational and manpower costs, while reducing its overall carbon footprint. In the tin mining segment, the acquisition of Asas Baiduri Sdn Bhd has enabled MSC to expand its existing mining pit in Hulu Perak.

In January 2022, Straits Trading conducted a share placement exercise to place 26 million shares, raising gross proceeds of S\$80.86 million. The share placement exercise increased the freefloat of Straits Trading from approximately 25.33% to 29.82% and broadened the institutional and individual investor base, which is expected to enhance trading liquidity.

Ms Chew Gek Khim, Executive Chairman of Straits Trading said, “Our FY2022 results demonstrate the resilience of our conglomerate business model with diversified operations and interests across several markets. As such, we were able to grow from strength to strength, and deliver superior value to our stakeholders. We aim to build on this momentum by continuing our efforts under the Straits 5.0 transformation.”

2023 is expected to be a challenging year as the global economy remains subdued by factors such as elevated inflation and energy costs, high interest rates and rising labour costs. The Group will continue to stay disciplined and prudent in its investment approach as it navigates forward.

Straits Trading has recommended an interim cash dividend of 8 cents per share. This is in addition to the distribution in specie with an equivalent value of approximately 50 cents per share that was declared in November 2022, bringing the total dividend to an equivalent of approximately 58 cents per share.

SUMMARY OF RESULTS:

S\$ million	FY2022	FY2021	% Chg	2H2022	2H2021	% Chg
EBITDA	613.4	401.0	52.9	(115.7)	214.2	NM
Profit before tax	563.0	362.1	55.5	(145.5)	196.3	NM
Profit after tax	569.3	285.7	99.3	(122.5)	144.1	NM
EPS (Singapore ¢)	127.0	57.6	>100	(28.5)	27.4	NM

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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.

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

Mr Fang He

Assistant Manager, Investor

Relations & Corporate Secretariat

DID: 6422 4224

Email: hefang@stc.com.sg

August Consulting

Ms Silvia Heng

Mobile: 9684 4500

Email: silviaheng@august.com.sg

Mr Jeffrey Tan

Mobile: 9050 5213

Email: jeffreytan@august.com.sg

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