

## MEDIA RELEASE

### STRAITS TRADING POSTS HIGHER 3Q2016 NET PROFIT OF \$16.8 MILLION

- *3Q performance lifts 9M2016 net profit to \$46.0 million*

**SINGAPORE - 11 November 2016** - The Straits Trading Company Limited (“Straits Trading” or the “Group”), a diversified investment company with interests in real estate, hospitality and resources, today reported a net profit of \$16.8 million for the three months from July to September 2016 (“3Q2016”) compared to a net loss of \$7.0 million in the corresponding quarter last year (“3Q2015”). With this, the Group’s net earnings per share improved to 4.1 cents in 3Q2016 from a loss per share of 1.7 cents in 3Q2015.

The Group’s positive results for the quarter significantly boosted its year-to-date performance, taking net profit for the nine months ended 30 September (“9M2016”) to \$46.0 million, reversing the \$2.8 million loss for the same period last year.

The Group’s revenue dip in 9M2016 was mainly due to lower revenue from its tin mining and smelting business arising from lower production of refined tin and the weaker Malaysian Ringgit on translation to the Singapore dollar. This, however, was partially mitigated by higher property revenue due to rental income from the Group’s properties in Australia and Japan.

#### Real Estate Business

Straits Real Estate Pte. Ltd. (“SRE”), the Group’s 89.5% owned real estate investment vehicle, has announced the proposed divestment of its office building in Melbourne, Australia. The property was sold for A\$161.5 million in October 2016 against its purchase price of A\$125 million, which yielded a net profit of approximately A\$14 million.

#### Hospitality Business

Far East Hospitality Holdings Pte. Ltd. (“FEHH”), the Group’s 30% owned hospitality arm, commenced management of a 140-room serviced residence – Oasia Residence, Singapore in October 2016, its third Oasia-branded property launched this year. FEHH will continue to grow its businesses by increasing the number of management contracts, acquiring strategic assets, and divesting properties to recycle capital for re-deployment towards higher yielding growth opportunities when appropriate.

#### Resources Business

While tin prices have recovered from its lows in early 2016, the outlook for global commodity and resource sector remains volatile against a changing global economic and political landscape. Notwithstanding this, Malaysia Smelting Corporation Berhad, the Group’s 54.8% owned resources arm, is confident that its core operations will continue to deliver a satisfactory operating performance in 2016.

Ms Chew Gek Khim, Executive Chairman of Straits Trading, said, “*We have stayed focused on leveraging our unique real estate ecosystem and resources platform to create value for Straits Trading. The improvement in our latest results clearly shows that this strategy is working. We plan to*

continue to invest and to nurture our various real estate investments and resources platforms to create long-term value for shareholders.”

### **Summary of Results**

<b>\$ million</b>	<b>3Q2016</b>	<b>3Q2015</b>	<b>+ /(-) %</b>	<b>9M2016</b>	<b>9M2015</b>	<b>+ /(-) %</b>
Revenue	<b>113.4</b>	138.2	(18.0)	<b>393.4</b>	413.2	(4.8)
Profit/(Loss) before tax	<b>21.3</b>	(1.1)	N.M.	<b>61.6</b>	(2.7)	N.M.
Profit/(Loss) after tax	<b>20.4</b>	(5.1)	N.M.	<b>53.6</b>	(4.4)	N.M.
Profit attributable to owners of the Company (“Net Profit”)	<b>16.8</b>	(7.0)	N.M.	<b>46.0</b>	(2.8)	N.M.
Earnings per share (in Singapore cents)	<b>4.1</b>	(1.7)	N.M.	<b>11.3</b>	(0.7)	N.M.

N.M.: Not meaningful

	<b>As At 30 September 2016</b>	<b>As At 31 December 2015</b>
Equity attributable to owners of the Company	\$1,339,580,000	\$1,297,164,000
Net asset value per share	\$3.28	\$3.18

### ***Proposed Privatisation and De-listing of ARA***

On 8 November 2016, the Group announced that it is part of a consortium, comprising affiliates of the Group, JL Investment Group Limited and Cheung Kong Property Holdings Limited, affiliates of Warburg Pincus LLC and AVIC Trust Co. (“Consortium”), which has proposed the privatisation and de-listing of ARA Asset Management Limited (“ARA”) from the SGX-ST.

On completion of the transaction, the Group will receive cash of approximately \$48.2 million and own 20.95% stake in ARA .

Elaborating on the benefits of the transaction, Ms Chew said, *“With its extensive business network, real estate funds and property management expertise, ARA has been an integral part of the real estate ecosystem of Straits Trading. We have leveraged on each other's strengths over the years. As a private entity, ARA will have greater operational flexibility and this will allow ARA management to effect strategic changes and accelerate growth of its assets under management. We plan to keep our stake in ARA as a strategic investment and support its growth.”*

For full details, please refer to the Joint Announcement (by ARA Asset Management Limited and the consortium) dated 8 November 2016 found on the website of SGX at [www.sgx.com](http://www.sgx.com) .

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### **ABOUT THE STRAITS TRADING COMPANY LIMITED**

Incorporated in 1887, The Straits Trading Company Limited has 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 20.1% stake in SGX-listed ARA Asset Management Limited, one of the largest real estate fund managers in the region and has a 30% interest in Far East Hospitality Holdings, one of the largest hospitality operators in the Asia Pacific region. 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](http://www.stc.com.sg)