

MEDIA RELEASE

STRAITS TRADING POSTS 28.7% GROWTH IN PATNCI TO \$8.5 MILLION IN 2Q2017

SINGAPORE - 14 August 2017 - The Straits Trading Company Limited (the “Group”) reported a profit after tax and non-controlling interests (“PATNCI”) of \$8.5 million for the three months ended 30 June 2017 (“2Q2017”), an increase of 28.7% compared to \$6.6 million in 2Q2016. Earnings per share (“EPS”) in 2Q2017 rose to 2.1 cents from 1.6 cents a year ago.

For the six months ended 30 June 2017 (“1H2017”), the Group delivered PATNCI of \$30.4 million compared to \$29.2 million in 1H2016. Correspondingly, EPS in 1H2017 improved to 7.5 cents from 7.1 cents in 1H2016. The Group’s improved performance was largely contributed by its real estate segment.

Real Estate Business

PATNCI from the Group’s real estate segment was up 20.7% to \$27.4 million in 1H2017, compared to \$22.7 million in 1H2016, mainly due to marking distressed investment properties acquired by an associate to their valuations. This segment was the largest contributor to the Group’s PATNCI, delivering approximately 90% of its overall PATNCI in 1H2017.

Resources Business

In 1H2017, PATNCI from the Group’s resources business improved 16.7% to \$3.1 million from \$2.7 million in 1H2016. This was because the results in 2016 were affected by losses from a joint venture arising from the provision for prior year tax liabilities.

Hospitality Business

The Group recorded PATNCI of \$2.0 million in 1H2017 largely from mark-to-market gains from its holdings in Far East Hospitality Trust units. This represented a decline of 11.8% compared to PATNCI of \$2.3 million in 1H2016 which was mainly from gain on a sale of a hotel.

As at 30 June 2017, the Group’s net asset value per share improved to \$3.43 from \$3.34 as at 31 December 2016. Its financial resources was further strengthened as well with the Group holding cash and cash equivalents of \$356.1 million as at 30 June 2017, compared to \$291.1 million as at 31 December 2016.

Ms Chew Gek Khim, Executive Chairman of Straits Trading said, *“We are encouraged with the continued improvement in our earnings. Our business platforms and alliances with our business partners continue to grow and develop at a steady pace. We will continue to tap into our unique network to generate stable and sustainable earnings for our stakeholders.”*

Straits Real Estate Pte Ltd (“SRE”), the Group’s 89.5%-owned real estate vehicle, will continue to seek out new and attractive investment opportunities in the Asia Pacific region. Just last month, SRE had, through its joint venture with a consortium comprising funds managed by ARA Asset Management Limited, acquired an office building in Sydney, Australia, of which SRE’s investment was approximately A\$119 million.

In July 2017, the Group issued \$150 million, 3.73% fixed rate notes due in 2021 under its \$500 million multicurrency debt issuance programme. The net proceeds from this will be used for general corporate purposes including refinancing of existing borrowings, financing of working capital and capital expenditure.

Said Ms Chew, *“This platform allows Straits Trading to broaden our sources of funding and gives us much greater financial flexibility to access future growth opportunities so as to optimise returns for our shareholders.”*

Summary of Results

\$ million	2Q2017	2Q2016	+/(-) %	1H2017	1H2016	+/(-) %
Profit before tax	10.3	9.5	8.4	39.1	40.3	(3.0)
Profit after tax	9.8	5.8	69.0	35.8	33.2	7.9
Profit attributable to owners of the Company (“PATNCI”)	8.5	6.6	28.7	30.4	29.2	4.4
Earnings per share (cents)	2.1	1.6	28.7	7.5	7.1	4.4

	As At 30 June 2017	As At 31 December 2016
Equity attributable to owners of the Company	\$1,398,227,000	\$1,364,508,000
Net asset value per share	\$3.43	\$3.34

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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 20.95% stake in 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, an established international hospitality 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