

MEDIA RELEASE

STRAITS TRADING POSTS PATNCI of \$11.9 MILLION in 3Q2017

SINGAPORE - 10 November 2017 - The Straits Trading Company Limited (the “**Group**”), a diversified investment company with interests in real estate, hospitality and resources, reported a profit after tax and non-controlling interests (“**PATNCI**”) of \$11.9 million for the three months ended 30 September 2017 (“**3Q2017**”), on the back of a 16.5% increase in revenue to \$132.1 million from \$113.4 million a year ago. Earnings per share (“**EPS**”) for the period stood at 2.9 cents per share.

For the nine months ended 30 September 2017 (“**9M2017**”), the Group delivered PATNCI of \$42.3 million on revenue of \$367.2 million. Earnings per share was 10.4 cents.

Real Estate Business

For the 9M2017, the Group’s real estate segment posted PATNCI of \$38.9 million, up 15.6% year-on-year from \$33.7 million in 9M2016 partly due to fair value gains from its investment properties. This segment was the largest contributor to the Group’s PATNCI, delivering approximately 92.0% of its overall PATNCI in 9M2017.

Resources Business

The Group’s resources business posted PATNCI of \$4.4 million for the 9M2017, down 23.3% from \$5.8 million a year ago mainly due to the absence of a favourable tin inventory adjustment and foreign exchange difference, offset by higher share of losses from a joint venture in 9M2016.

Hospitality Business

In the hospitality segment, the Group recorded PATNCI of \$2.6 million in 9M2017, a decline of 38.9% from \$4.3 million in 9M2016, due to the absence of a one-off gain from the sale of a hotel.

As at 30 September 2017, the Group’s net asset value per share stood at \$3.46, an improvement from \$3.34 as at 31 December 2016. The Group continues to be in a strong financial position, with cash and cash equivalents of \$350.2 million as at 30 September 2017, compared to \$265.3 million in the same period a year ago.

The Group's resources business segment continued to focus on its operational efficiencies programmes via the upgrading of its smelting furnace technology, of which the upgrading process remains on track.

The Group's real estate business segment continued to see positive developments. In September 2017, Straits Real Estate Pte Ltd ("**SRE**") acquired a freehold six-storey rental residential property in Tokyo, raising its Japan residential portfolio to five assets comprising 612 apartment units and strengthening its base of recurring rental income. In Kuala Lumpur, Malaysia, the Group also completed the sale of Wisma Straits Trading, unlocking capital that it could redeploy into higher return real estate opportunities.

Ms Chew Gek Khim, Executive Chairman of Straits Trading said, "*Japan presents interesting opportunities with its vibrant rental market that is driven by the trend of urbanisation and smaller sized households. One of our plans is to incorporate a bigger portfolio of income-producing residential assets in well-located cities in the Greater Osaka and Greater Tokyo area that will give Straits Trading a sustainable income base.*"

She continued, "*Our real estate platform is growing well. Having established ourselves as a significant investor in that space, we intend to continue to leverage our network in the Straits Trading real estate ecosystem to explore further opportunities to grow our existing portfolio.*"

Summary of Results

\$ million	3Q2017	3Q2016	+ / (-) %	9M2017	9M2016	+ / (-) %
Profit before tax	16.5	21.3	(22.7)	55.6	61.6	(9.8)
Profit after tax	13.9	20.4	(31.7)	49.7	53.6	(7.2)
Profit attributable to owners of the Company (" PATNCI ")	11.9	16.8	(29.4)	42.3	46.0	(7.9)
Earnings per share (cents)	2.9	4.1	(29.4)	10.4	11.3	(7.9)

	As At 30 September 2017	As At 31 December 2016
Equity attributable to owners of the Company	\$1,413,648,000	\$1,364,508,000
Net asset value per share	\$3.46	\$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