

## MEDIA RELEASE

### **STRAITS TRADING STRENGTHENS Foothold IN JAPAN AND AUSTRALIA; POSTS PATNCI OF \$48.1 MILLION FOR FY2017**

- *Expands Japan residential portfolio to 7 assets comprising 700 units*
- *Grows footprint in Australia with acquisitions in Sydney and Perth*
- *NAV increased by \$113 million or 8.3% to \$3.62 per share*
- *Declares dividend of 6 cents per share*

**SINGAPORE - 28 February 2018** - The Straits Trading Company Limited (the “**Group**” or “**Straits Trading**”), a diversified investment company with interests in real estate, hospitality and resources, reported a profit after tax and non-controlling interests (“**PATNCI**”) of \$48.1 million for the 12 months ended 31 December 2017 (“**FY2017**”), on the back of \$473.6 million in revenue. Earnings per share (“**EPS**”) for the period stood at 11.8 cents on 408,095,772 shares in issue.

As at 31 December 2017, net asset value per share for the Group was \$3.62, an 8.3% increase from \$3.34 a year ago. The Group also grew the value of its total assets from \$2.2 billion in FY2016 to \$2.4 billion in FY2017, of which approximately 75% comprised its real estate and hospitality assets.

The Group continues to be in a strong financial position, with cash and cash equivalents of \$362.4 million as at 31 December 2017, compared to \$291.1 million in the same period a year ago.

For FY2017, the Group has declared an interim dividend of 6 cents per share, unchanged from FY2016, which is payable on 4 May 2018.

#### **KEY CORPORATE HIGHLIGHTS IN FY2017**

In FY2017, the Group continued to strengthen its real estate portfolio with key acquisitions across Australia and Japan. In June 2017, Straits Real Estate Pte Ltd (“**SRE**”), 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. This was followed by the acquisition of an 11-storey office building in Perth, Australia for A\$54.2 million in December 2017 which was completed on 1 February 2018.

Growing its footprint in Japan further, SRE acquired two freehold properties over the course of FY2017, namely Splendid Namba II in Osaka in January 2017 and Sakuradai in Tokyo in September 2017 which collectively added another 216 apartment units to SRE's Japan residential portfolio. More recently in January 2018, SRE committed JPY9 billion in capital in the Savills IM Japan Residential Fund, managed by Savills Investment Management Japan, which seeks to acquire a pipeline of residential assets located in the Greater Tokyo area and other key markets in Japan. Two newly completed residential buildings located in Tokyo have since been injected into the fund.

With these acquisitions, SRE has seven assets in its Japan residential portfolio with 700 apartment units, meaningfully strengthening its base of recurring rental income.

Meanwhile, the Group continued to unlock capital for redeployment into real estate opportunities with potential for higher returns. The sale of Wisma Straits Trading in Kuala Lumpur, Malaysia was completed during the year.

Ms Chew Gek Khim, Executive Chairman of Straits Trading said, "We bolstered our real estate portfolio in FY2017 with the acquisition of several new properties in Japan and Australia. We believe these properties will stand us in good stead as we continue to grow our portfolio of income-generating assets to deliver sustainable returns as well as capital upside for our shareholders."

"The increase in value of the Group's total assets from \$2.2 billion in FY2016 to more than \$2.4 billion in FY2017 is testament to the success of the Straits Trading real estate ecosystem, and highlights our commitment to grow our already sizable asset base."

## **SEGMENT RESULTS:**

### **Real Estate Business**

For FY2017, the Group's real estate segment posted PATNCI of \$46.6 million, compared to \$52.7 million a year ago due to the absence of a net gain from the sale of a property in Australia in FY2016. This segment was the largest contributor to the Group's PATNCI, delivering approximately 96.9% of its overall PATNCI for FY2017.

### **Resources Business**

The Group's resources business posted PATNCI of \$2.1 million for FY2017, compared to \$5.7 million a year ago on the back of higher production costs and operating expenses. Revenue for the period was \$460.1 million, or 7.1% lower than a year ago due to lower sales volume of refined tin. The results in FY2016 also included a one-off favourable tin inventory adjustment.

### **Hospitality Business**

In the hospitality segment, the Group recorded PATNCI of \$3.2 million for FY2017 that was largely from fair value gains and dividend income from its holdings in Far East Hospitality Trust units. This was a decline of 23.8% from \$4.3 million in FY2016, due to the absence of a one-off gain on the sale of a hotel.

#### **SUMMARY OF RESULTS:**

<b>\$ million</b>	<b>4Q2017</b>	<b>4Q2016</b>	<b>+ / (-) %</b>	<b>FY2017</b>	<b>FY2016</b>	<b>+ / (-) %</b>
Profit before tax	<b>3.6</b>	33.3	(89.3)	<b>59.1</b>	94.9	(37.7)
Profit after tax	<b>3.5</b>	25.0	(85.9)	<b>53.3</b>	78.6	(32.2)
Profit attributable to owners of the Company (" <b>PATNCI</b> ")	<b>5.8</b>	21.3	(72.8)	<b>48.1</b>	67.3	(28.5)
Earnings per share (cents)	<b>1.4</b>	5.2	(72.8)	<b>11.8</b>	16.5	(28.5)

	<b>As At 31 December 2017</b>	<b>As At 31 December 2016</b>
Equity attributable to owners of the Company	\$1,477,582,000	\$1,364,508,000
Net asset value per share	\$3.62	\$3.34

--- END ---

### **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.

**For more information, please contact:**

The Straits Trading Company Limited

Ms Wong Wai Yee

Corporate Communications

DID: 6422 4238 Mobile: 9838 9857

Email: [waiyeewong@stc.com.sg](mailto:waiyeewong@stc.com.sg)

Mr Aldric Tan

Investor Relations

DID: 6422 4289 Mobile: 9797 5158

Email: [aldrictan@stc.com.sg](mailto:aldrictan@stc.com.sg)

August Consulting

Ms Silvia Heng

Tel: 6733 8873 Mobile: 9684 4500

Email: [silviaheng@august.com.sg](mailto:silviaheng@august.com.sg)

Mr Xavier Ong

Tel: 6733 8873 Mobile: 9457 3075

Email: [xavierong@august.com.sg](mailto:xavierong@august.com.sg)

For the full STC Financial Statements, please visit our website: [www.stc.com.sg](http://www.stc.com.sg)