

MEDIA RELEASE

STRAITS TRADING POSTS PATNCI OF \$9.7 MILLION FOR 1Q2018

- *4 acquisitions by SRE in 2018 raises Japan residential portfolio to nine assets with 920 units; Plans to expand to Yokohama, Fukuoka and Nagoya*
- *Resources arm, MSC, commences early testing and commissioning of new Port Klang tin smelter; Expects recovery yields, production and cost efficiencies to improve once new smelter is fully operational*
- *Value of total assets increases to \$2.5 billion; Robust balance sheet with cash and cash equivalents of \$256.6 million*

SINGAPORE - 15 May 2018 - The Straits Trading Company Limited ("**Straits Trading**" or the "**Group**"), reported a profit after tax and non-controlling interests ("**PATNCI**") of \$9.7 million for the 3 months ended 31 March 2018 ("**1Q2018**"). Earnings per share ("**EPS**") for the period were 2.4 cents.

The Group continued to strengthen its footprint in the Japanese residential market following the addition of four new properties to its portfolio.

In January 2018, SRE committed JPY9 billion in capital into the Savills IM Japan Residential Fund ("**JRF**"). Two newly completed residential buildings located in Tokyo, comprising 88 apartment units with total net lettable area of 2,487 sqm were injected into the fund in the same month.

In March 2018, the Group also took a stake, via JRF, in a residential property in Higashi Kawaguchi, Saitama, Japan comprising 134 apartment units with total net lettable area of 6,957 sqm. This was closely followed by its second Saitama residential property acquisition in April 2018 of 86 apartment units and an office unit with total net lettable area of 4,939 sqm.

With these acquisitions, SRE now has nine assets with 920 apartment units in its Japan residential portfolio, meaningfully strengthening its base of recurring rental income. It potentially intends to expand to Yokohama, Fukuoka and Nagoya in the future.

Also during the quarter, the Group's 54.8%-owned resources arm, Malaysian Smelting Corporation Berhad ("**MSC**"), commenced early testing and commissioning of its new tin smelter in Pulau Indah, Port Klang. Utilising newer and more efficient technology, the new

smelter is expected to be operational in the medium term and MSC expects to relocate its operations to the facility progressively.

Total assets increased to \$2.5 billion from \$2.4 billion as at 31 December 2017.

The Group's balance sheet remains robust with cash and cash equivalents of \$256.6 million as at 31 March 2018.

Ms Chew Gek Khim, Executive Chairman of Straits Trading said, "We intend to further grow our Japan residential rental properties, which are now providing a source of immediate and recurring income, to aggregate into a larger portfolio to obtain the highest risk-adjusted returns.

"We will also continue to redeploy capital into attractive investments in other regional markets to grow our already sizable real estate asset base. Some of the markets we like are China and Australia, the latter which is showing signs of recovery in the office market. We are also optimistic about our 21% investment stake in the now privatised ARA Asset Management which has aspiration to increase its AUM from the current \$40 billion to \$100 billion by 2022."

SEGMENT RESULTS:

Real Estate Business

The Group's real estate segment posted PATNCI of \$8.8 million in 1Q2018, compared to \$18.1 million a year ago due to the absence of the marking of investment properties acquired by an associate to their valuations.

Resources Business

The Group's resources business posted PATNCI of \$0.8 million for 1Q2018, compared to \$2.4 million a year ago on the back of lower sales volume of refined tin, lower recovery yield and higher operating expenses. The higher tin prices in US Dollars ("USD") terms were offset by the stronger Malaysian Ringgit against the USD.

SUMMARY OF RESULTS:

\$ million	1Q2018	1Q2017	+ / (-) %
Profit before tax	13.1	27.7	(52.6)
Profit after tax	11.0	24.9	(55.8)
Profit attributable to owners of the Company ("PATNCI")	9.7	20.9	(53.6)
Earnings per share (in Singapore cents)	2.4	5.1	(53.6)

	As At 31 March 2018	As At 31 December 2017
Equity attributable to owners of the Company (\$'000)	1,435,790	1,477,582
Net asset value per share (\$)	3.52	3.62

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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