

MEDIA RELEASE

STRAITS TRADING'S PATNCI UP 18.1% TO \$14.0 MILLION IN 3Q2018

- *Strengthens footprint Down Under with new joint venture to tap opportunities in Australia's vibrant logistics segment*
- *Jointly exploring options to unlock value of land at Butterworth with resources arm, MSC*

SINGAPORE - 14 November 2018 - The Straits Trading Company Limited ("**Straits Trading**" or the "**Group**"), reported profit after tax and non-controlling interests ("**PATNCI**") of \$14.0 million for the three months ended 30 September 2018 ("**3Q2018**"), up 18.1% from \$11.9 million a year ago. Earnings per share ("**EPS**") for the period jumped to 3.4 cents from 2.9 cents in 3Q2017.

For the nine months ended 30 September 2018 ("**9M2018**"), PATNCI came in 39.7% higher at \$57.6 million. The improved performance in 3Q2018 came largely on the back of increased contributions from an enlarged property portfolio.

During the quarter, the Group continued to strengthen its Australian footprint with a new joint venture in its vibrant logistics segment. To-date, the venture has invested in five properties valued at AUD132.1 million.

Closer to home, the Group inked a Memorandum of Understanding ("**MOU**") with its 54.8%-owned resource subsidiary, Malaysia Smelting Corporation Berhad ("**MSC**") to jointly explore options on unlocking the value of their 40.1 acre plot of freehold land. It sits on a prime location in close proximity to Penang Sentral, which is a multi-billion ringgit integrated transportation hub connecting the railway, ferry and bus services in the entire State of Penang.

The Group's balance sheet remains robust with cash and cash equivalents of \$227.0 million as at 30 September 2018. This cash will allow the Group to tap suitable opportunities that may arise.

Ms Chew Gek Khim, Executive Chairman of Straits Trading said, "Our real estate platform continues to pursue attractive investment opportunities that add depth and breadth to our portfolio in and around the region. Meanwhile, the progressive migration of MSC's smelting

operations to the new state-of-the-art plant in Pulau Indah, Klang is proceeding as planned and will result in higher operational efficiencies and lower operating costs in the long run. Given the size of the plot and its strategic location, the development potential of the Butterworth land is very significant. Together with MSC, we are actively exploring options that may include working with joint venture partners and/or developing the land on our own. With all these growth drivers in play, we are confident that Straits Trading is a value proposition for investors, as evidenced from the recent share buybacks.”

SEGMENT RESULTS:

Real Estate Business

The Group’s real estate segment posted PATNCI of \$14.0 million in 3Q2018, compared to \$11.5 million a year ago due to higher interest income from the notes issued by the joint venture and a fair value gain from the property in China.

Resources Business

The Group’s resources business posted PATNCI of \$2.0 million for 3Q2018, compared to \$1.3 million a year ago on the back of non-recurring exceptional income.

SUMMARY OF RESULTS:

S\$ million	3Q2018	3Q2017	% Chg	9M2018	9M2017 (restated)	% Chg
Profit before tax	21.8	16.5	32.2	77.7	54.5	42.5
Profit after tax	16.3	13.9	17.2	63.9	48.7	31.2
PATNCI	14.0	11.9	18.1	57.6	41.2	39.7
EPS (Singapore ¢)	3.4	2.9	18.1	14.1	10.1	39.7

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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