



A MEMBER OF THE TECITY GROUP

CORPORATE PRESENTATION

March 2020

4Q 2019 and FY2019

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CONTENTS



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FY2019 HIGHLIGHTS



FY2019 KEY HIGHLIGHTS

- Group profit after tax exceeds S\$100 million in FY2019, despite the challenging macroeconomic environment
- Sustainable earnings growth over the last 5 years since business transformation

18% y-o-y growth of FY2019 PATNCI to S\$84.4 million, highest since 2014

- **SRE:** record earnings of S\$64.7 million from expanding investment property portfolio
- **ARA:** Higher share of profit from ARA of S\$26.3 million
- **Resources:** MSC profit contribution stable – PATNCI S\$6.7million

Real estate portfolio continues to bolster position and drives future earnings

- SRE scaled up logistics portfolio in Australia and South Korea; and realised returns from divestment of Japan residential assets in Osaka
- ARA's global fund management platform achieved gross Assets under Management ("**AUM**") of S\$87 billion

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BUSINESS HIGHLIGHTS

REAL ESTATE ECOSYSTEM



STRAITS REAL ESTATE

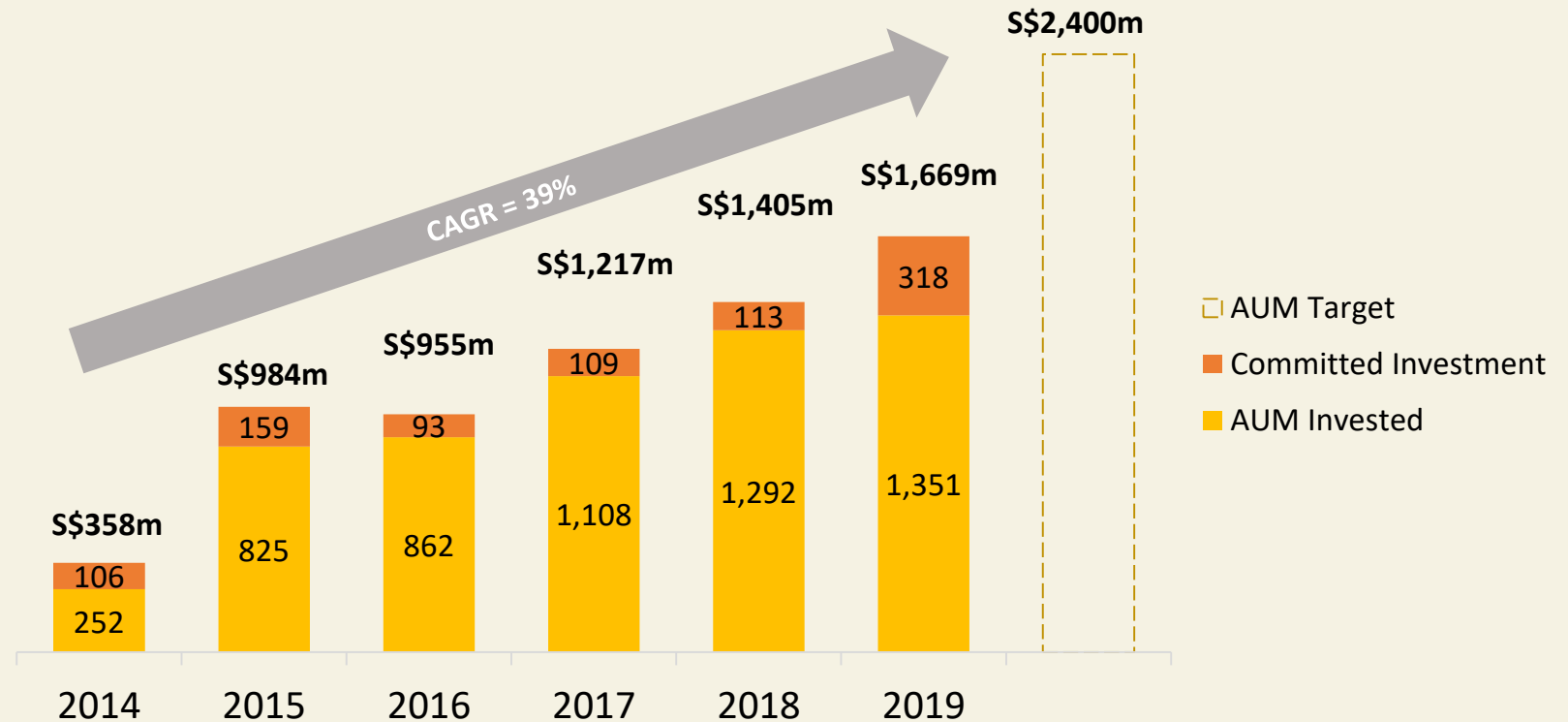
A growing global real estate investor

Nurturing Platforms

(as of December 2019)

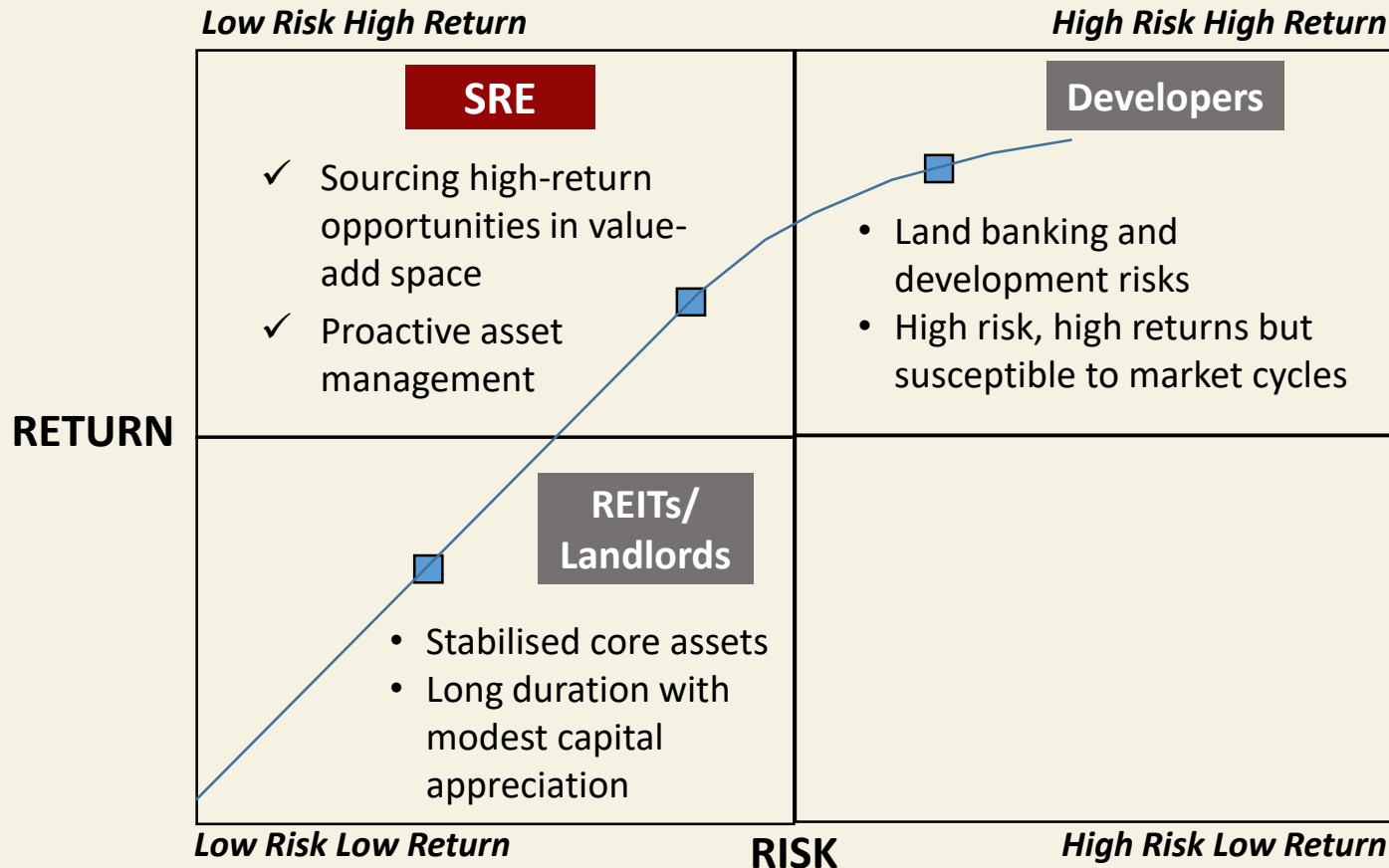
- **S\$1.7 billion**
AUM
- **S\$722.3 million**
Net capital invested
- **S\$2.4 billion**
AUM target
- **Return in 2019**
11.0% ROE

SRE AUM Growth (S\$m)



STRAITS REAL ESTATE

Target higher risk-adjusted returns



- ✓ SRE's expertise is in the **value-add** space
- ✓ Generate **higher risk-adjusted returns** than core assets via active asset enhancement & repositioning
- ✓ **Mitigate risks with** prudent deal structuring
- ✓ **Avoid** land banking and **minimise** development risks

STRAITS REAL ESTATE

Focused diversification within the value-add space

CHINA



Sanlin Incity Mall*



Chongqing Retail Mall
S\$161.1m

MALAYSIA



Malaysia Retail Portfolio
S\$236.6m

SOUTH KOREA

- A scalable logistics portfolio



Modern Logistics Facility
S\$59.9m

JAPAN

- Two-fold investment focus - local access and favourable market trends
- Aggregating a larger income-producing portfolio with exit optionality



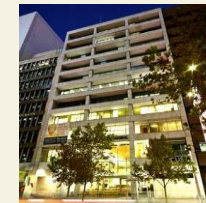
Japan Residential Portfolio
S\$201.2m



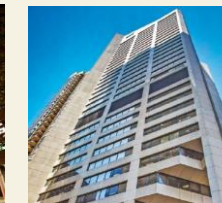
Japan Value Fund II
S\$59.7m

AUSTRALIA

- Recurring cash flow; value-adding opportunities
- Operating platform in the logistics sector



45 St Georges Terrace, Perth
S\$54.8m



320 Pitt Street, Sydney
S\$279.1m

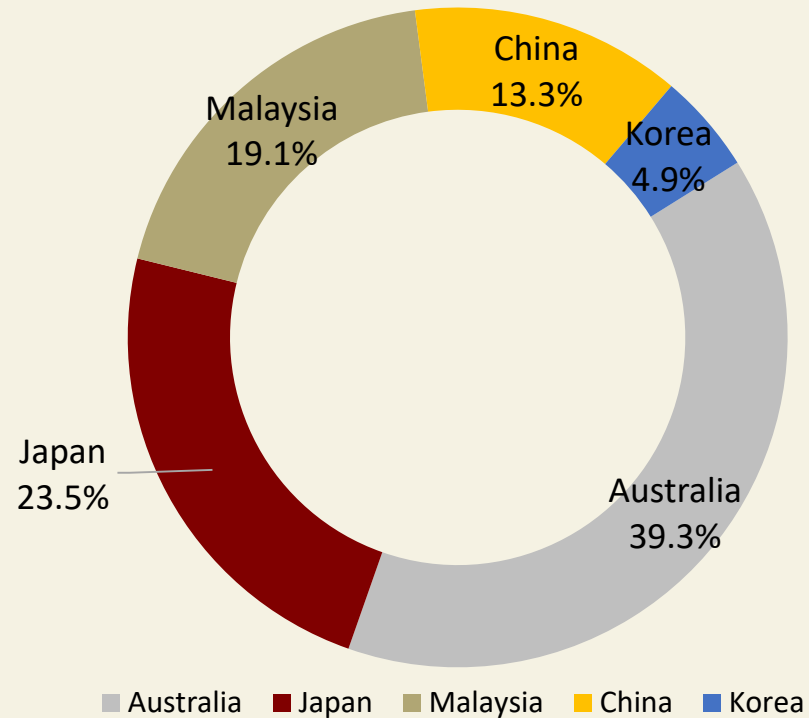


Logistic Portfolio, South Australia & Victoria
S\$160.7m

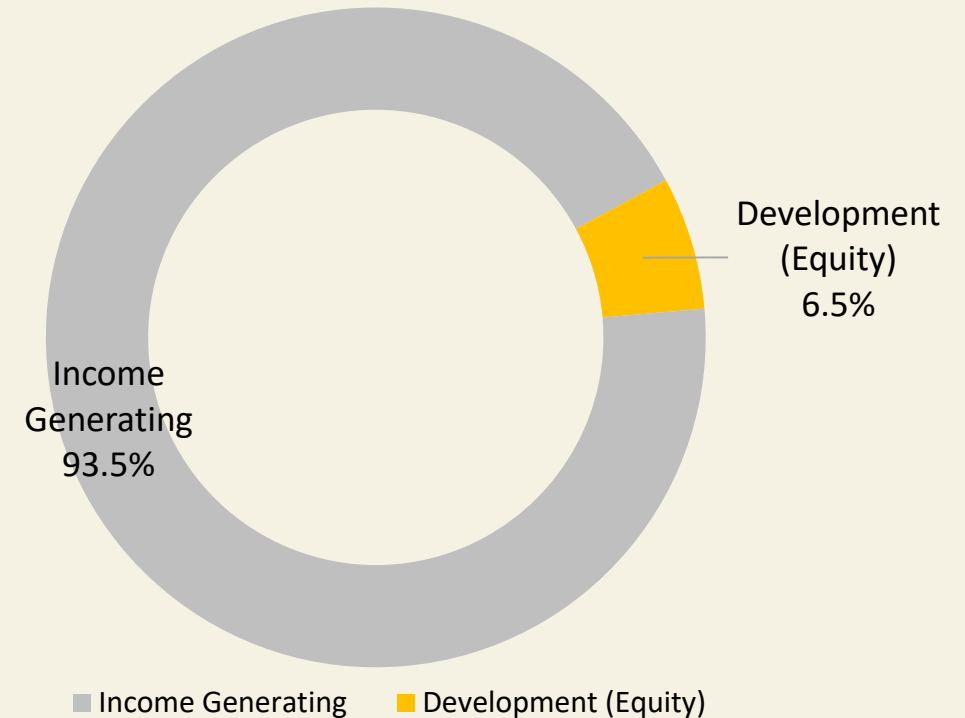
SRE ASSET ALLOCATION

Predominately income generating and well-diversified portfolio

Allocation by Country⁽¹⁾



Development vs Income Generating⁽¹⁾



JAPAN STRATEGY

Recycle capital into assets with higher gains potential



Japan Value Fund II (18.5% stake)

- Follow-up vehicle after successful divestment of Greater Tokyo Office Portfolio with S\$35.0mil capital gain
- Mandated to acquire office and other assets in Greater Tokyo and other key cities in Japan
- Invested ~JPY2.0 billion out of JPY8.0bn in committed capital
- Completed 4 investments



Japan Residential Portfolio (97.3% stake)

- Divested 4 residential properties (516 apartments) in Osaka for JPY8.3 billion; crystallised gains of JPY890 million
- Acquired 3 residential properties (137 apartments) in Greater Tokyo
- Remaining 8 freehold residential properties (637 apartments) in Greater Tokyo

AUSTRALIA STRATEGY

Seeking assets with strong cashflow and value-adding opportunities

Office properties with value-add upside

320 Pitt Street (Sydney CBD)



- NOI yield: 6.2%
- Phase 2 upgrading to start in early 2020

45 St Georges Terrace (Perth CBD)



- NOI yield: 8.4%
- Occupancy 91.3%

Mezzanine financing to residential development

Project Aspire (Melbourne CBD)

Building Facade



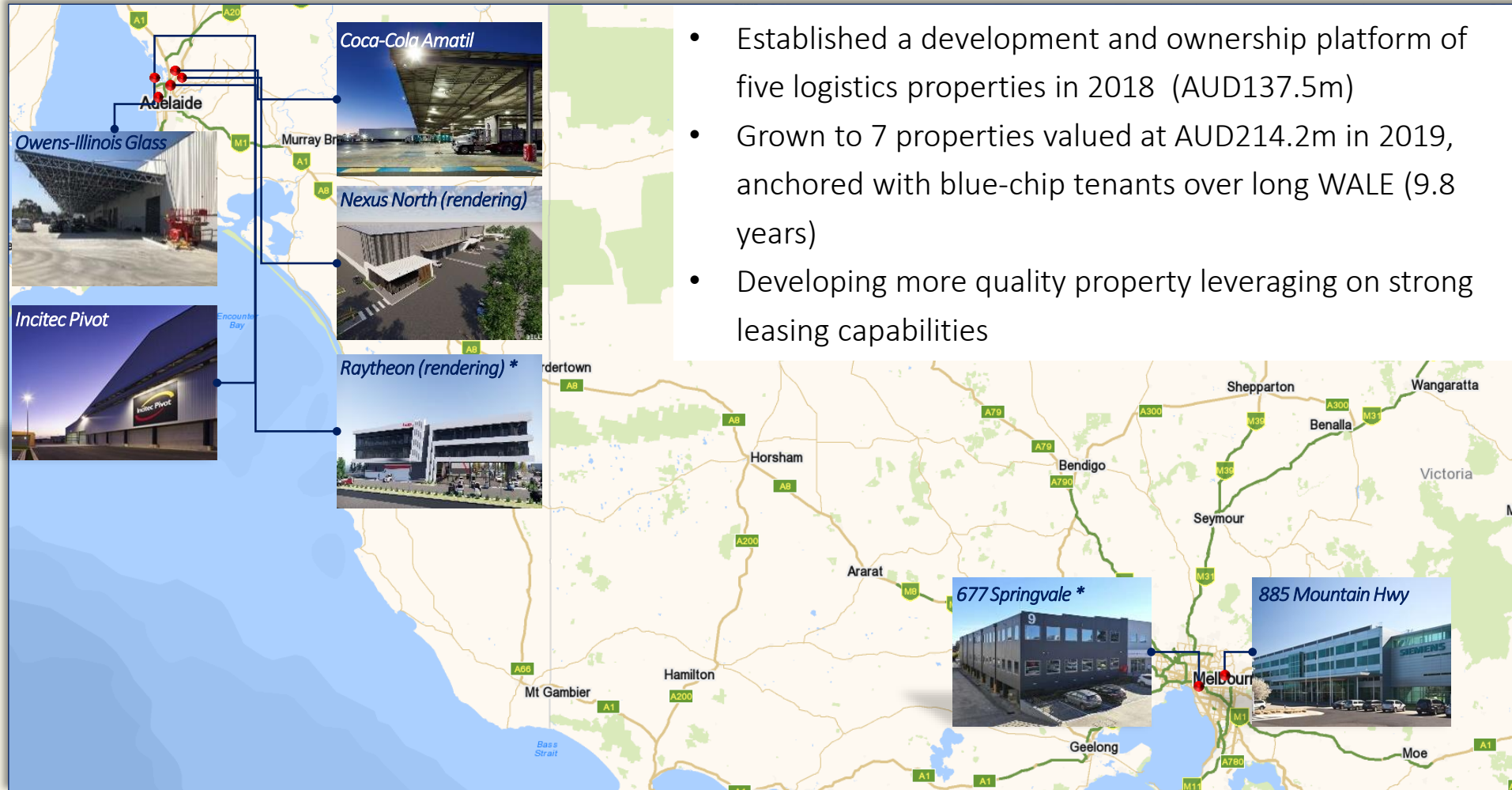
Building façade (view from Flagstaff Gardens)



- Subscribed to AUD36.0 million of secured notes for a high-rise construction of residential development
- Substantial pre-sold progress achieved so far
- Expected to be completed by the end of 2022

AUSTRALIA STRATEGY

Strengthen logistics footprint in Australia



* Denotes newly acquired facilities

CHINA STRATEGY

Acquiring a retail mall in prime location of Shanghai



INVESTMENT

- Equity commitment of ~CNY441.9million (S\$85.7 million)
- Effective stake of 37.7% in the JV with a fund managed by ARA
- Opportunity to optimise tenant mix and capitalise on positive rental reversions

SANLIN INCITY MALL (三林印象城)

- Neighbourhood mall located in Pudong, Shanghai
- Strong population catchment - over 400,000 residents within a 3km radius
- Easily accessible by various transportation modes
- Income-generating with 50,000 sqm of leasable area
- Currently 91.3% occupied

ARA ASSET MANAGEMENT

Accelerated expansion since privatisation

2017⁽¹⁾

A premier **real estate** fund manager

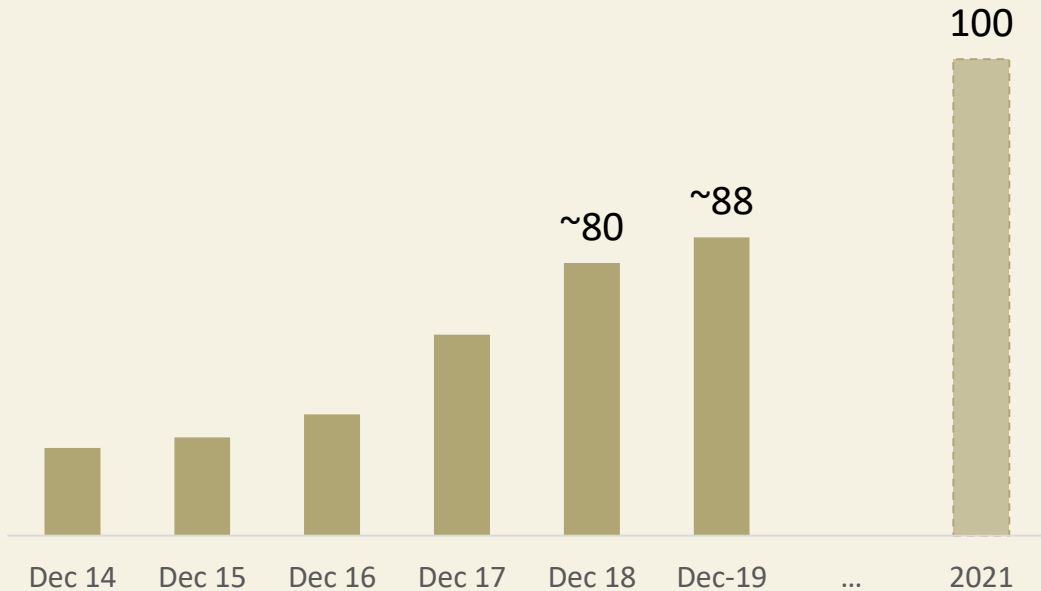
- 8 countries
- Asia Pacific presence
- 11 REITS
- 9 private real estate funds
- AUM S\$40 billion

2019

A leading APAC **real assets** fund manager

- **28** countries⁽²⁾
- **Global** presence
- **21** REITS⁽³⁾
- **Over 100** private real estate funds⁽³⁾
- Gross Assets **~S\$88** billion⁽³⁾

Gross Assets (\$ billion)



Target to exceed gross AUM of \$100 billion⁽⁴⁾

Sources:

(1) Press release by ARA Asset Management "ARA Establishes European Platform" dated 1 March 2018

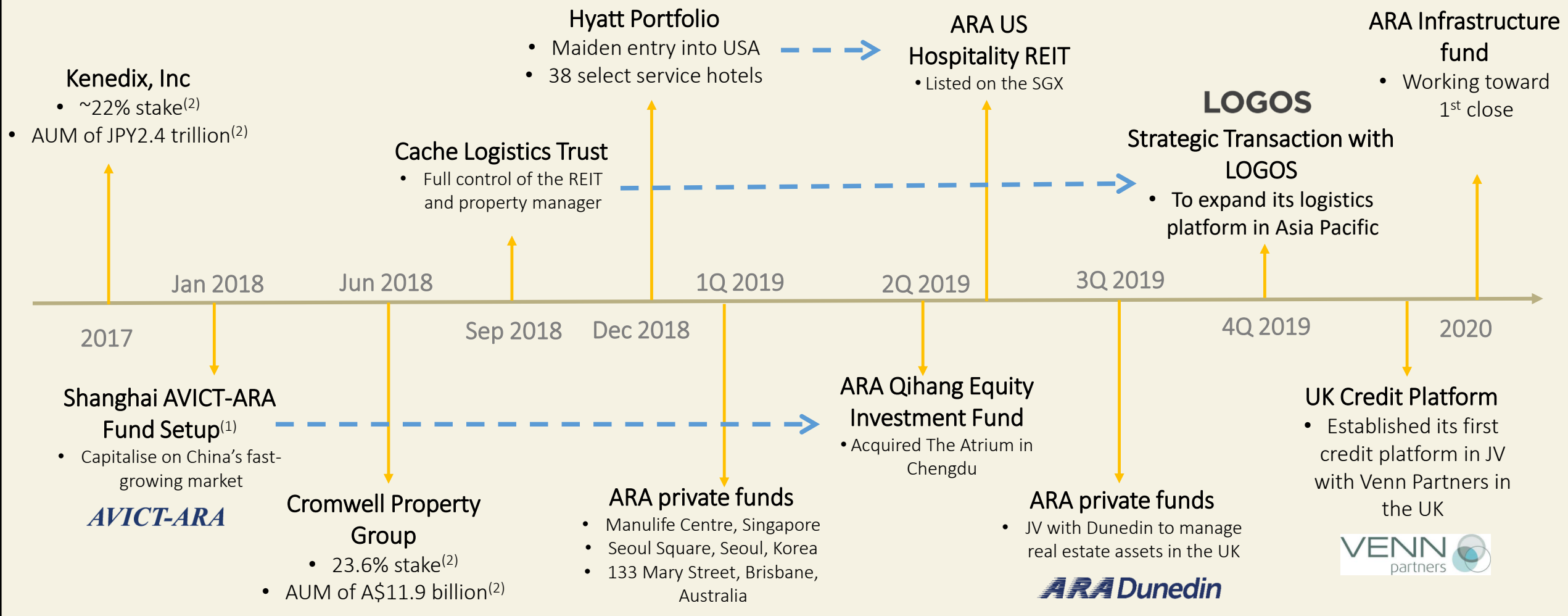
(2) ARA website <http://www.ara-group.com/>

(3) Includes assets under management by ARA Asset Management Limited and the Group of companies ("ARA Group") and its Associates and Joint Ventures as at 31 December 2019

(4) The Business Times "Steadfast about growth" 25 August 2018

ARA ASSET MANAGEMENT

A multi-platform, multi-product global fund management platform



Source: Press release by ARA Asset Management "ARA Group completes acquisition of 19.5% interest in Cromwell" dated 4 June 2018

(1) Mingtiandi, June 2018

(2) Bloomberg and latest announcement by Cromwell Property Group and Kenedix Inc.

FAR EAST HOSPITALITY HOLDINGS

A scalable platform to tap opportunities in the hospitality industry

FY2019

- Opened 3 hotels in Singapore
 - Village Hotel, Sentosa
 - The Outpost Hotel, Sentosa
 - The Barracks Hotel, Sentosa
- Opened Vibe Hotel Sydney Darling Harbour in Australia
- Secured 3 new management contracts (300 rooms) in the region

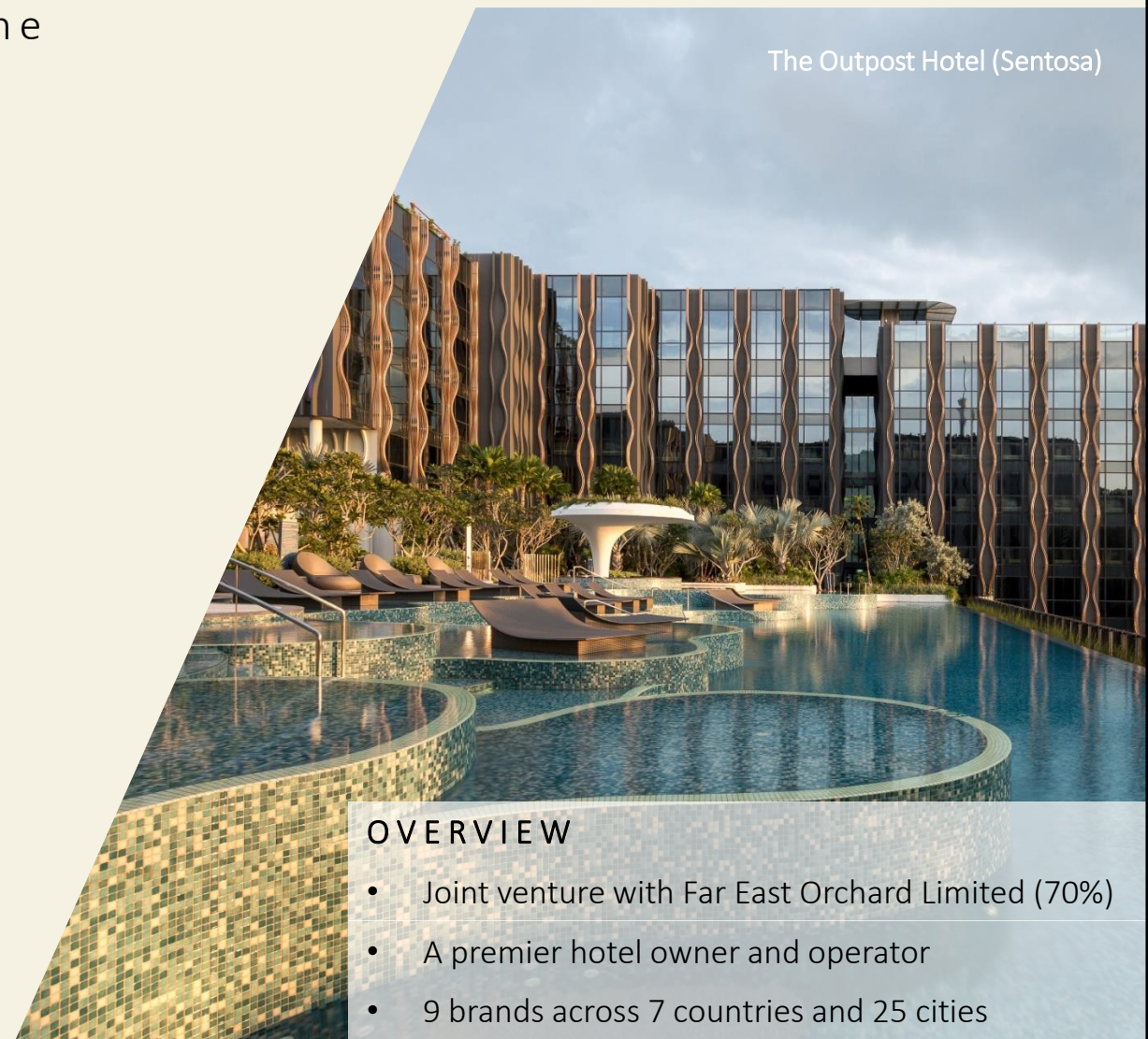
FY2020 - Scheduled Openings

- Hotel in Ariake, Tokyo Japan (306 rooms)
- The Clan Hotel in Singapore (324 rooms)

2021 Target⁽¹⁾

- 123 properties
- >19,000 rooms

The Outpost Hotel (Sentosa)



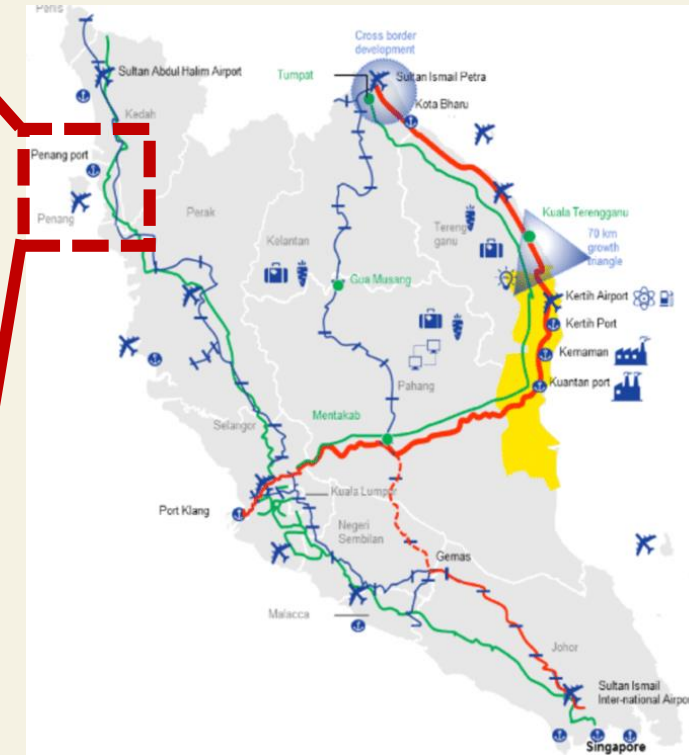
OVERVIEW

- Joint venture with Far East Orchard Limited (70%)
- A premier hotel owner and operator
- 9 brands across 7 countries and 25 cities

PROPERTY PORTFOLIO

Unlocking value of prime land in Butterworth, Penang

- Non-binding MOU with MSC to jointly explore options to unlock the value of freehold land in Butterworth, Penang
- Land size: 40.1 acres (STC: 26.2 acres; MSC: 13.9 acres)
- Prime location: 5 min drive to the newly launched integrated transportation hub, Penang Sentral
- Penang Draft Master Plan 2030: Butterworth earmarked as an extension of George Town



PROPERTY PORTFOLIO

Unlocking value of prime land in Butterworth, Penang

Straits City

- Commenced Phase 1 redevelopment, a 4.5 star hotel
- Expected completion 1H2022





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BUSINESS HIGHLIGHTS

RESOURCES

TRANSFORMATION PLANS

Ongoing initiatives to enhance sustainability, competitiveness & long-term growth



TIN MINING

- Malaysia's largest and oldest tin mine
- Accounting for >60% of Malaysia's output⁽¹⁾

- New leases extension till 2034 over 700ha of mining area in Perak
- Increase in mineral resource by more than two third to 50,000 tonnes of contained tin
- Continue to drive mining productivity via engineering enhancements



TIN SMELTING

- World's largest independent custom tin smelter

- Migration to Pulau Indah smelter in final phase
- New smelter expected to be more cost and energy efficient



OUTLOOK

- Rising tin demand driven by EV adoption and other emerging technologies

- Tin price temporarily affected by potential disruptions to global supply chain arising from Covid-19 outbreak

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**FINANCIAL HIGHLIGHTS
4Q2019 and FY2019**

GROUP FINANCIAL HIGHLIGHTS

S\$'m	4Q 2019	4Q 2018	% change	FY2019	FY2018	% change
EBITDA	59.0	30.5	93.5	165.1	133.4	23.7
EBIT	56.7	29.0	95.3	157.0	126.8	23.8
Profit before tax	49.9	22.0	127.1	129.3	99.6	29.8
PATNCI	29.7	14.1	110.2	84.4	71.7	17.6
EPS (cents)	7.3	3.5	108.6	20.7	17.6	17.6

GROUP FINANCIAL HIGHLIGHTS

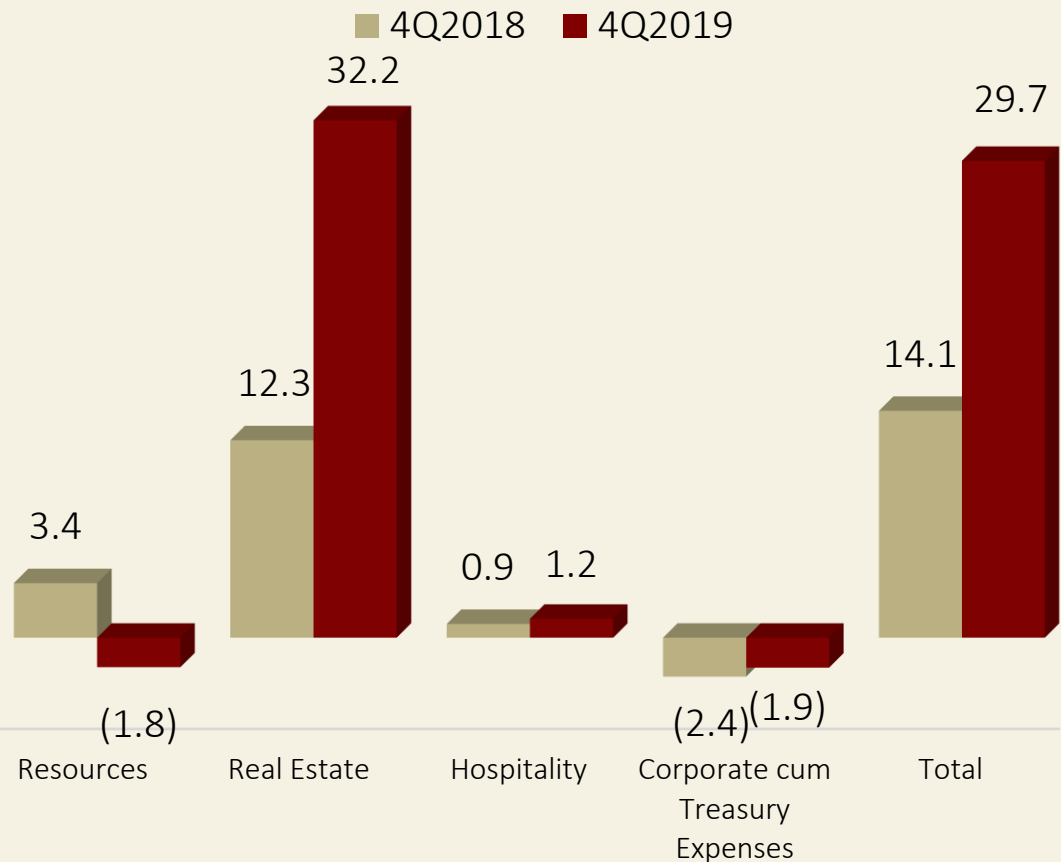
Strong financial position and prudent financial metrics

S\$m	31 Dec 2019	31 Dec 2018
Cash and short-term deposits	310.5	244.9
Total assets	2,649.2	2,576.3
Total borrowings	870.1	864.5
Total liabilities	979.9	977.7
Total equity	1,669.3	1,598.6
NAV/share (S\$)	3.73	3.60
Net debt/Total equity	33.5%	38.8%
EBITDA/Interest expenses	5.96	4.91

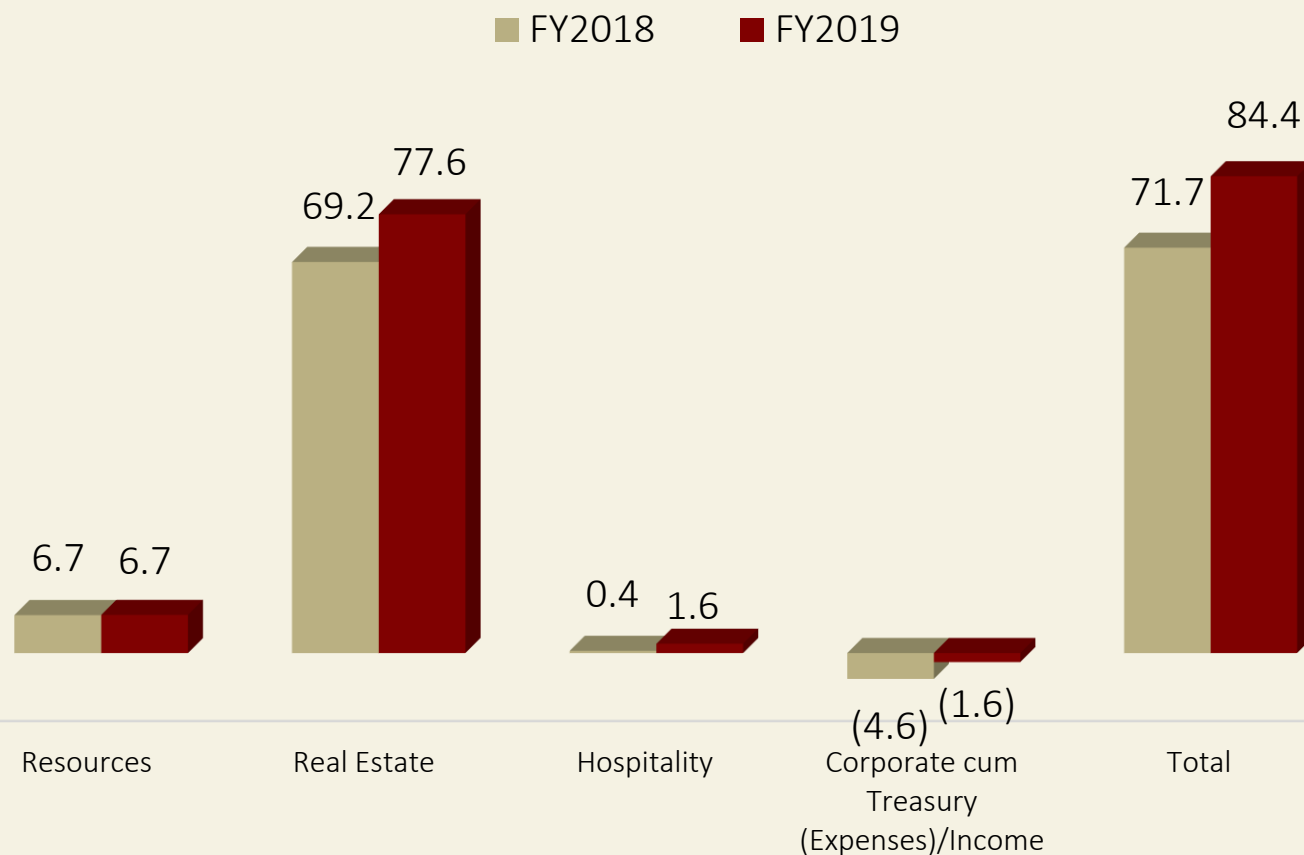
PATNCI BY BUSINESS SEGMENTS

Main drivers of profitability - Real Estate segment and SRE

4Q PATNCI (S\$ million)

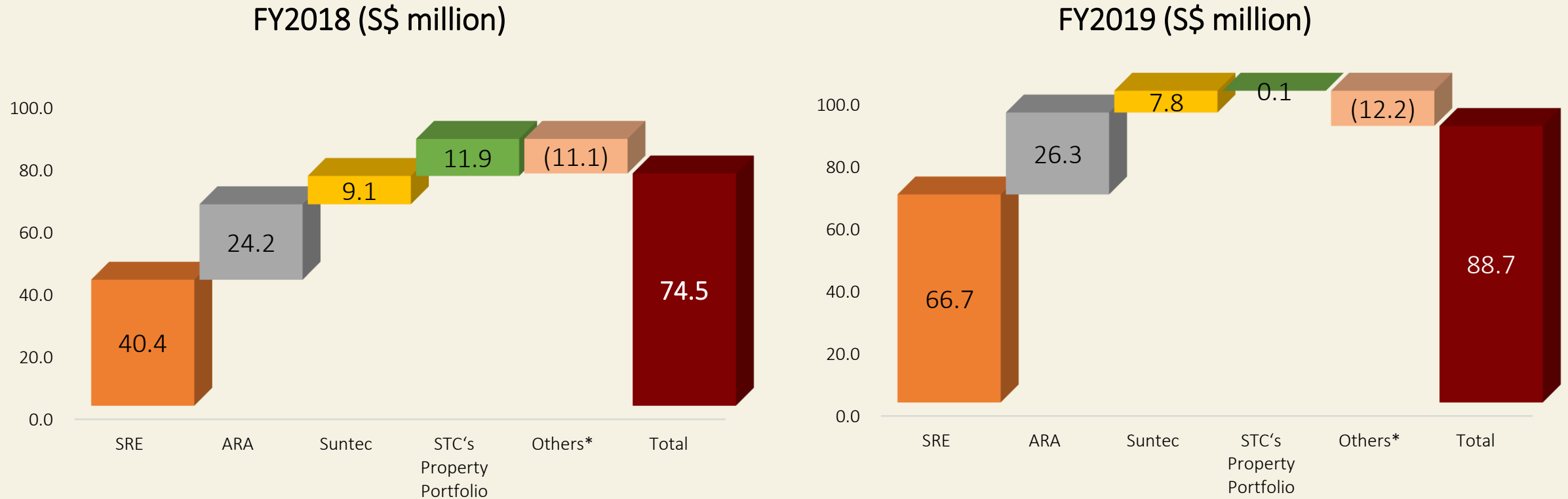


FULL YEAR PATNCI (S\$ million)



PAT BREAKDOWN: REAL ESTATE SEGMENT

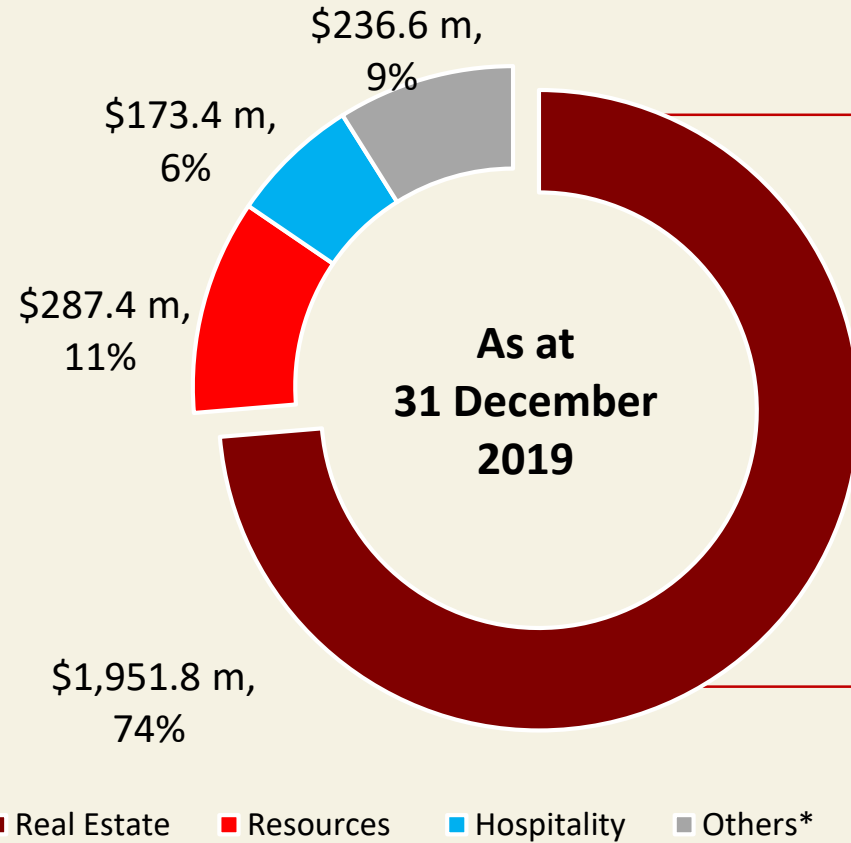
The drivers of profitability



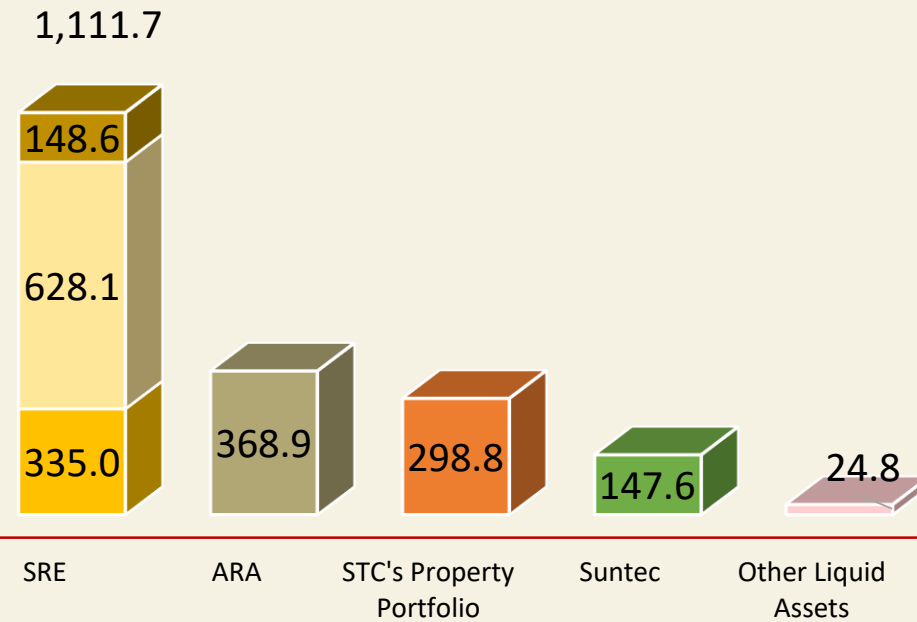
- The Real Estate Segment will continue to be the drivers of profitability including that from ARA

TOTAL ASSETS

S\$2.65 billion in total assets as of Dec 2019 (Dec 2018: S\$2.58 billion)
 80% from real estate and hospitality segments



Real Estate Assets Breakdown (S\$ million)

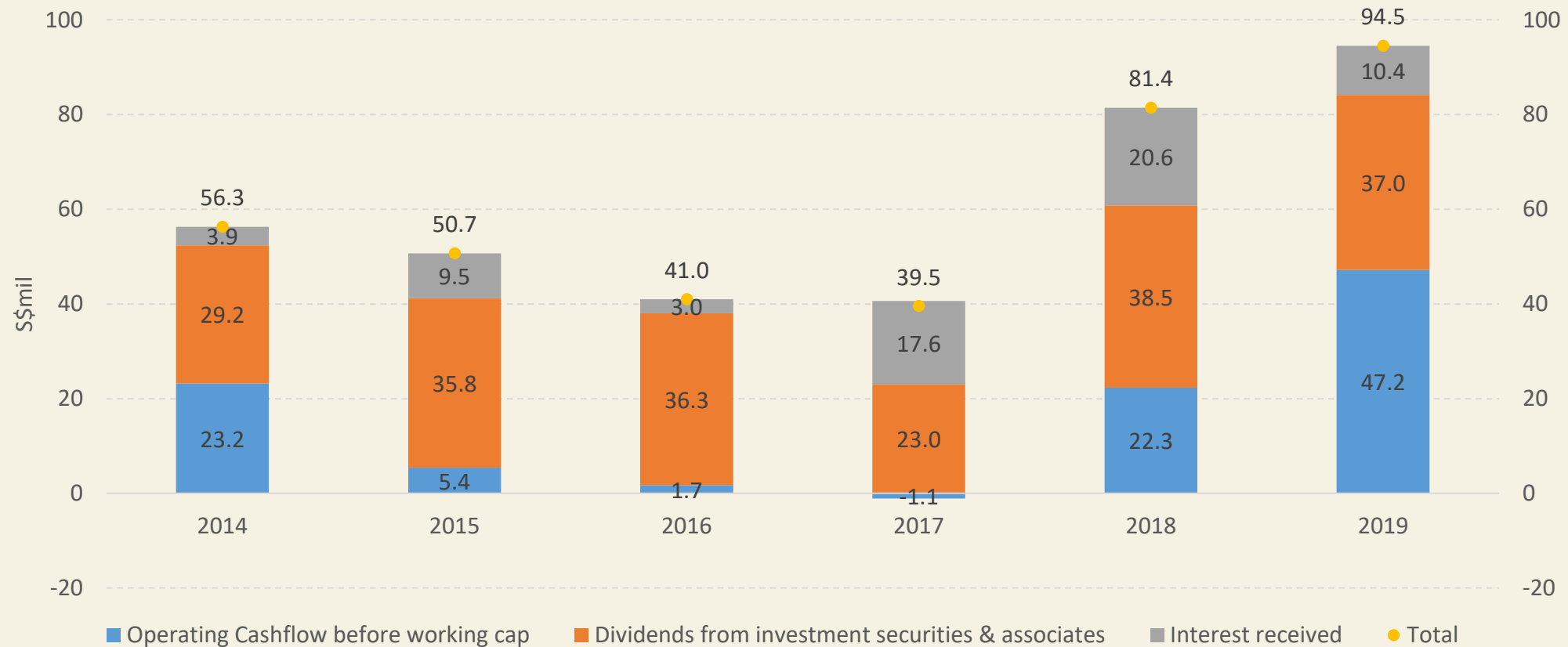


- Real Estate
- Resources
- Hospitality
- Others*
- Cash & others
- Chongqing Mall, 45 St Georges Terrace, logistics assets & Japan residential properties
- Harmony III, GTOF, JVF II, 320 Pitt St, logistics joint venture in Korea & investment in secured notes

* Others comprise mainly Group-level cash, separate account portfolio

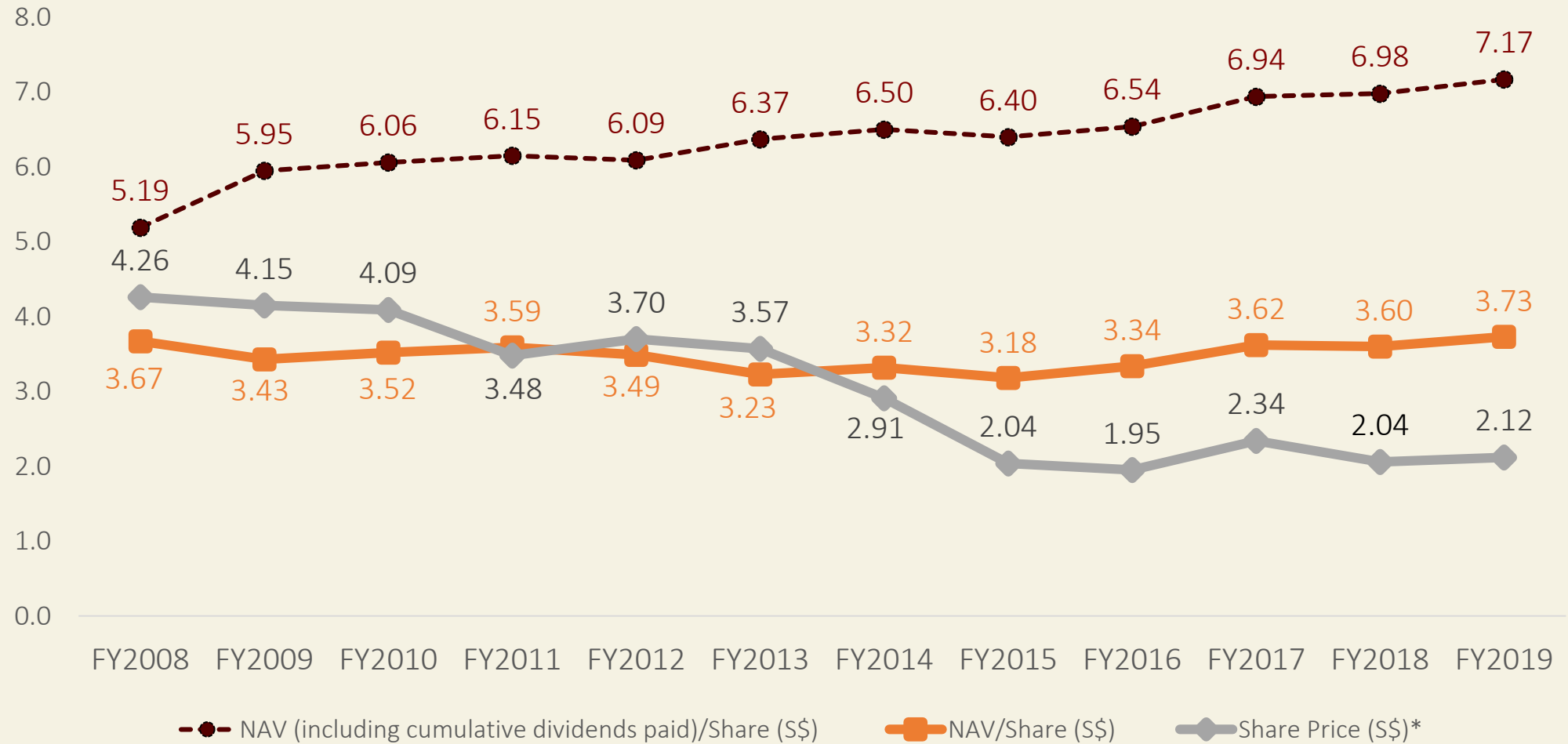
Key Sources of Group Cashflow

Growing cashflow from multiple sources



NET ASSET VALUE PER SHARE

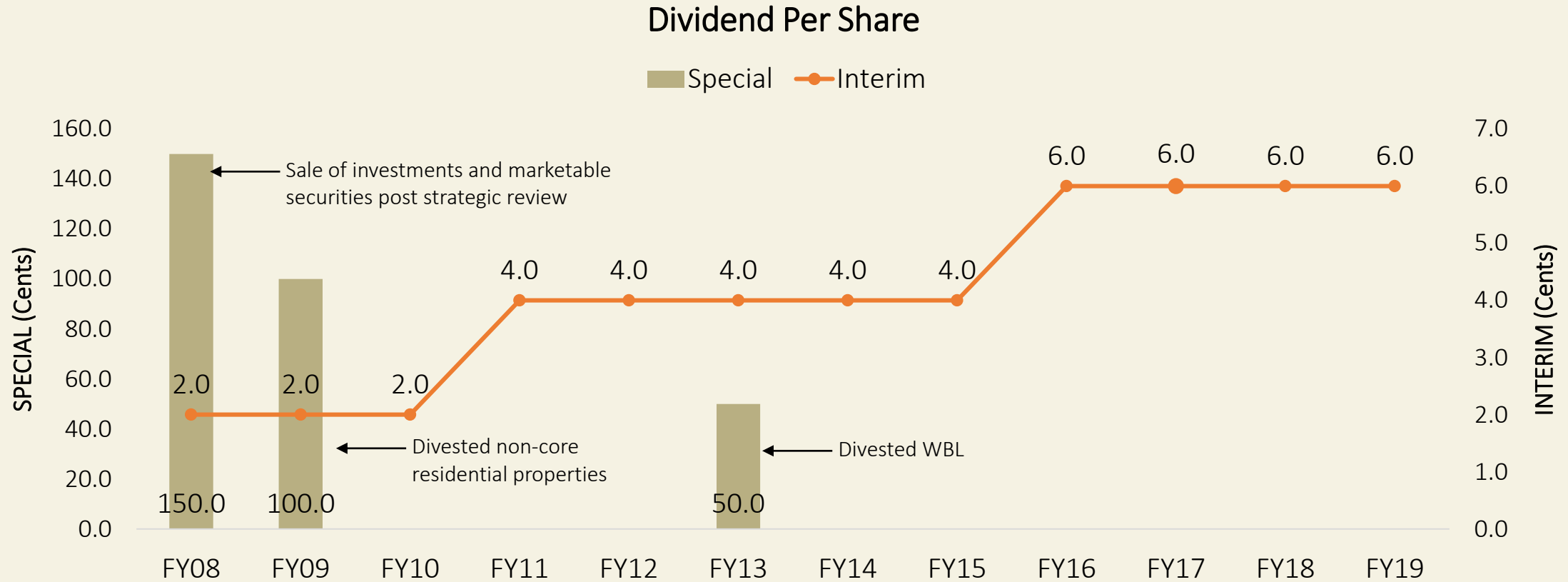
Stock price is currently trading at a discount to our intrinsic value



* Closing price as at the last trading day of the financial year / period

DIVIDEND RECORD

Rising dividends reflects improvement in our business



BUSINESS STRATEGY

Asset & Hotel Management

- ARA targets \$100B AUM by 2021
- FEHH targets to manage 123 hospitality assets and ~19,000 keys by 2021 & to acquire strategic assets

Real Estate

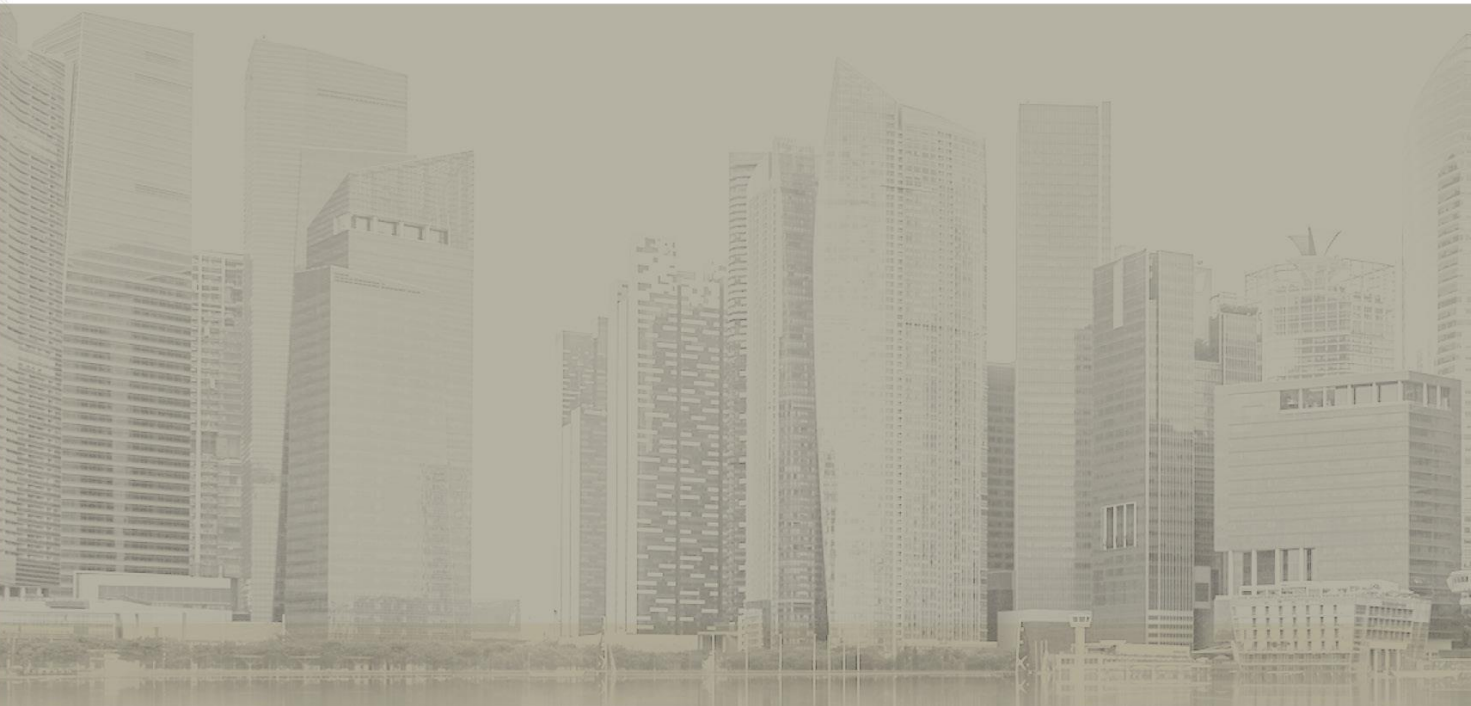
- To continue to seek out investment opportunities in the Asia Pacific that offer high risk-adjusted returns e.g. logistics market
- SRE targets to grow AUM to S\$2.4B by 2022

Resources

- Improved operational efficiencies on commencement of Port Klang smelter in 2020
- Potential for capacity expansion of Rahman Hydraulic Tin Mine
- Potential new exploration
- Potential new applications of tin

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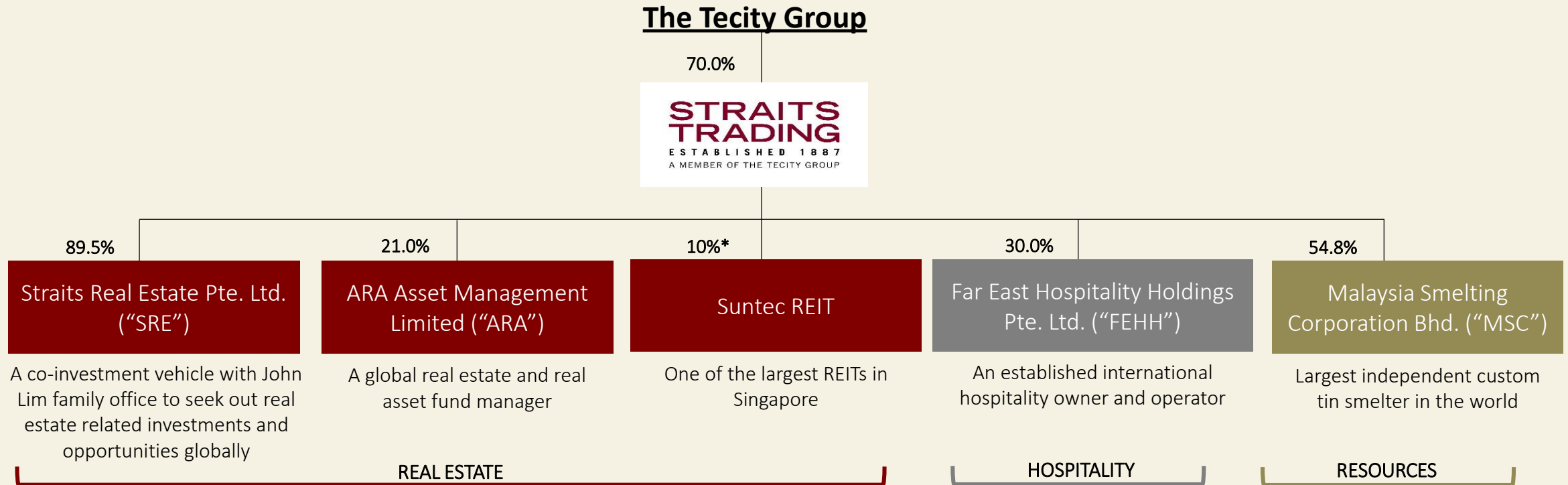
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APPENDIX

CORPORATE STRUCTURE

Structured to implement our strategy as a capital allocator

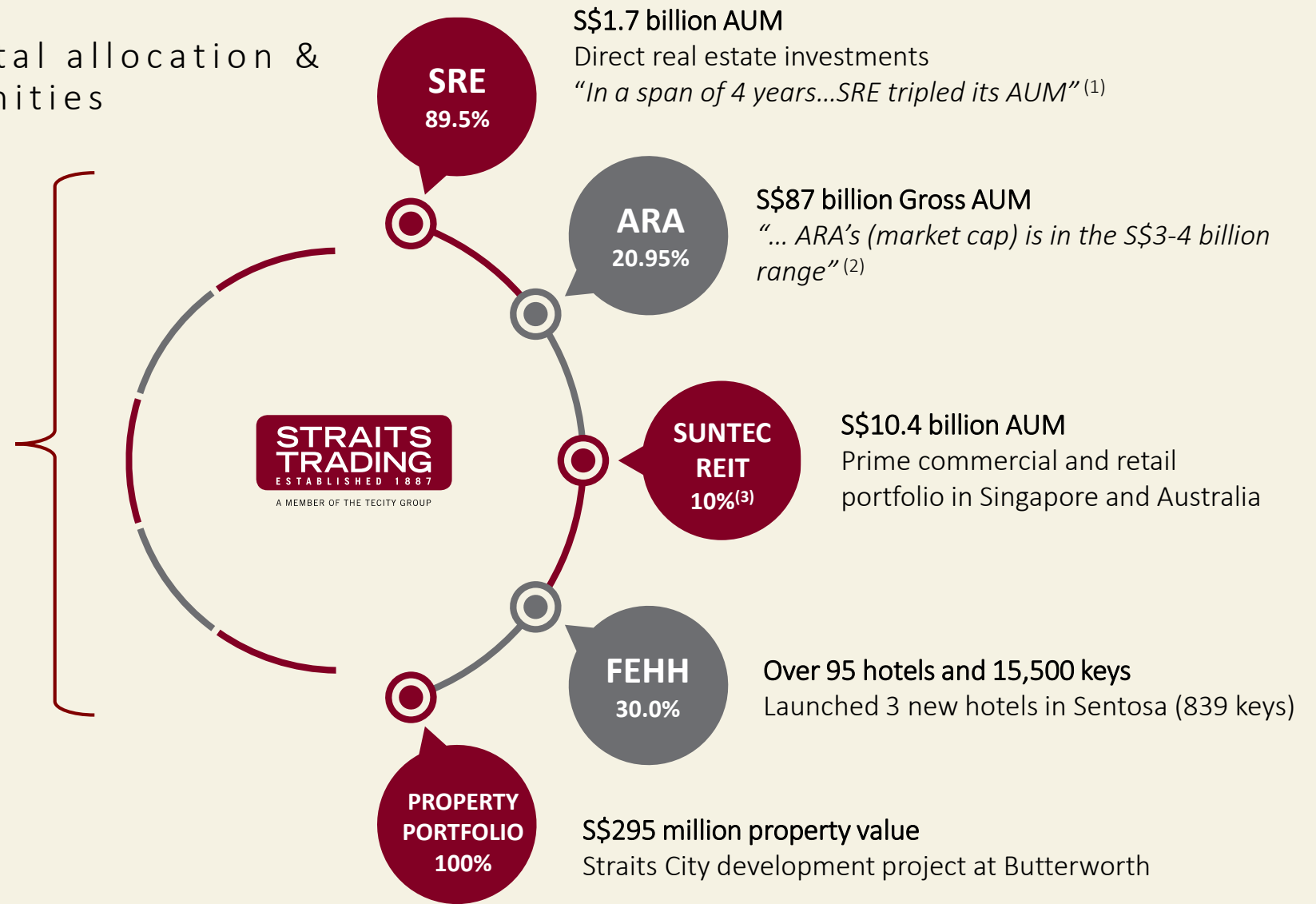


* Aggregate interest in Suntec REIT including deemed interest through ARA group companies

REAL ESTATE ECOSYSTEM

Structured for efficient capital allocation & enhanced access to opportunities

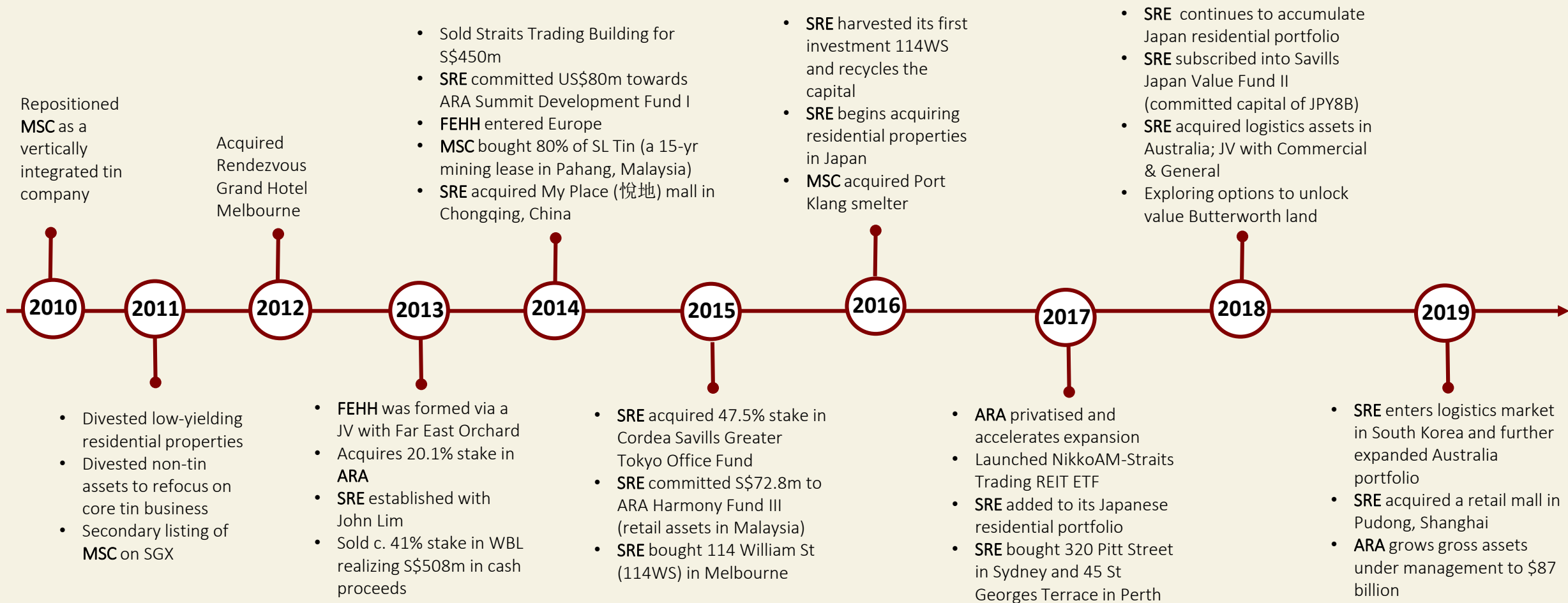
1. Enhanced deal flows
2. Capital recycling opportunities along real estate value chain
3. Multiple platforms with cross-fertilisation



(1) Philip Capital in "STC: Burgeoning Real Estate Conglomerate", Research Note, June 2019.
 (2) John Lim in "Taking Charge of the Family's Wealth", Business Times, July 2019.
 (3) Aggregate interest in Suntec REIT including deemed interest through ARA group companies.

BUSINESS TRANSFORMATION SINCE 2008

Redefining focus and making new investments



KEY COMPONENTS OF STC'S PORTFOLIOS

	Key Components	Consolidated Balance Sheet	Consolidated Profit & Loss
Straits Real Estate (SRE)	Chongqing Retail Mall	Investment property	Property revenue & fair value changes
	45 St Georges Terrace, Perth		
	Japan Residential Portfolio		
	Australia Logistics Portfolio		
	320 Pitt Street, Sydney	Joint venture	Share of results & interest income
	Korean Logistics	Joint venture	Share of results
	Malaysia Retail Portfolio (Harmony III)	Associate	Share of results
	Japan Value Fund II		
	Project Aspire	Investment securities	Interest income
ARA		Associate	Share of results
STC's Property Portfolio	Singapore Residential Portfolio	Investment property	Property revenue & fair value changes
	Butterworth Land, Penang	Land under development	
Hospitality (Far East Hospitality Holdings)		Associate/ investment securities	Share of results & dividend
Malaysia Smelting Corp (MSC)		Consolidated assets	Consolidated P&L
Suntec REIT units		Investment securities & fair value changes	Dividend

KOREA STRATEGY

“Build-to-core” strategy for Korean Logistics

- Collaboration with IGIS Asset Management, one of the largest asset managers in Korea with AUM of ~USD22 billion
- Strong appetite for core logistics assets with transactions at ~5.5% - 6.0% yield
- 94.7% interest in the Investment Vehicle with an initial commitment of ~KRW104.2 billion (~S\$120 million)
- Expected portfolio size of up to KRW400 billion (~S\$462 million) once capital is fully deployed

Seed Asset	Freehold land to develop into a modern 5-storey ramp up logistics facility
Ownership	50%
Description	Located in Incheon, South Korea, approx. 8 km from the air cargo terminal of Incheon International Airport
Land Details	~ 62,000 m ² ; freehold
GFA	~190,000 m ²
Construction Cost	De-risked with guaranteed maximum price with main contractor
Target Completion/TOP	Construction commenced in July 2019 and is targeted to complete in FY2021



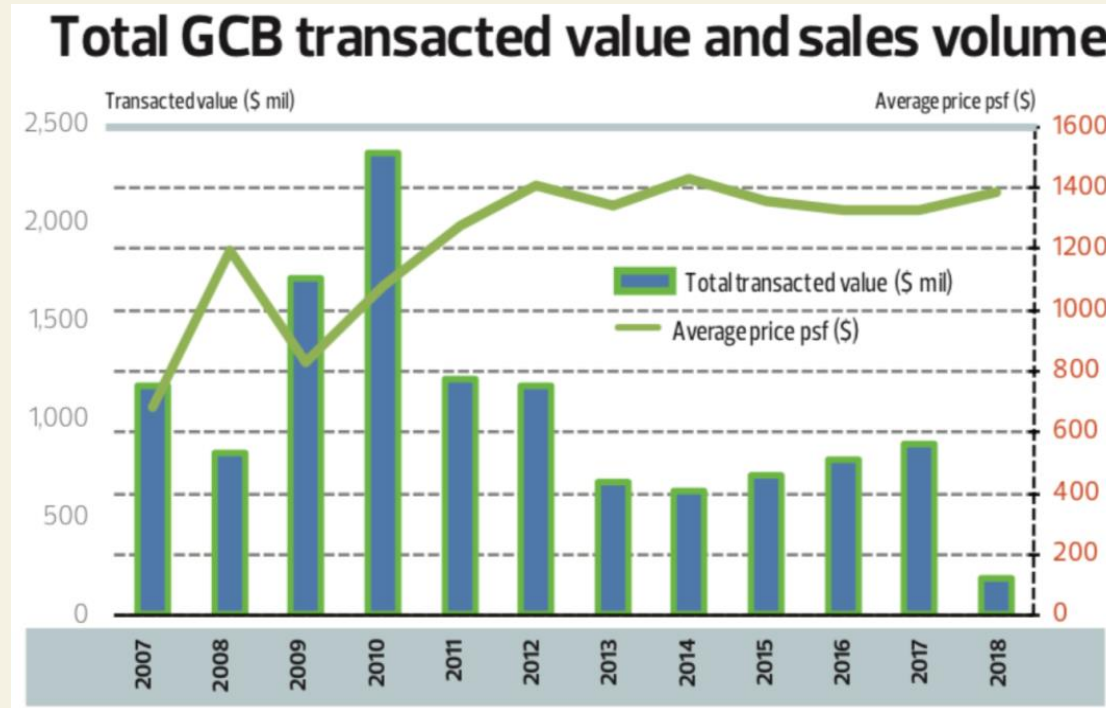
Artist's impression of Seed Asset

Aims to develop a scalable logistics portfolio with combined initial capital commitment of S\$220 million (together with logistics platform in Australia)

PROPERTY PORTFOLIO

Singapore & Malaysia Property Portfolio – To monetise and redeploy capital

- Divested 3 units at Gallop Green above valuation
- Continue to seek opportunistic sale of Good Class Bungalows (GCBs)
- Singapore bungalows and apartments valuation at S\$249.8 million
- Malaysia properties⁽¹⁾: S\$45.4 million
- Average Good Class Bungalow (GCB) transacted at S\$1,515 psf in 2018, 14% above the S\$1,330 psf registered in 2017⁽²⁾



(1) Including STC's land parcels at Butterworth, Penang
 (2) Estimation by RealStar and List Sotheby's (Source: URA, Business Time articles)



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THANK YOU
