



A MEMBER OF THE TECITY GROUP

2H and FY2020 Results Presentation

MARCH 2021



WELCOME

**STRAITS
TRADING**
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Key Management Team

Ms Chew Gek Khim	Executive Chairman
Mr Eric Teng	CEO, Straits Developments Pte Ltd
Mr Desmond Tang	CEO, Straits Real Estate Pte Ltd
Mr Manish Bhargava	CEO, Straits Investment Management Pte Ltd
Ms Tan Hwei Yee	CEO, STC Property Management Sdn. Bhd.
Ms Joyce Tan	Group Financial Controller
Dr Allen Tan	Head, Portfolio Management
Mr James Kwie	Portfolio Manager, Portfolio Management
Ms Selina Ho	Head, Investors' Relations & Corporate Secretariat



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KEY 2H & FY2020 HIGHLIGHTS

By Dr Allen Tan



2H and FY2020 KEY HIGHLIGHTS

- Strong recovery in the 2H2020. EBITDA of S\$106.2mil in 2H2020, almost quadrupled compared to 1H EBITDA of S\$27.7mil
 - Core Real Estate performed strongly with EBITDA of \$89.7 mil in 2H2020 (vs. \$36.6 mil in 1H2020).
 - Resources recorded EBITDA of \$18.0 mil in 2H2020 (vs. \$0.5 mil in 1H2020)
- Full year performance was impacted by the pandemic:
 - FY2020 EBITDA of S\$133.8 mil was 18.9% lower y-o-y
 - Losses primarily from Hospitality & Resources segments, as well as unrealised fair value loss of investment securities and other one-off charges

- Real estate portfolio continues to bolster position and drives future earnings
- Prudent capital management to capitalise on viable acquisition opportunities

2H2020 KEY HIGHLIGHTS

Straits Real Estate

- Impact cushioned by a diversified portfolio across asset classes and geographies
- Minimal impact on rental income
- Crystallised valuation gains via divestment of Japan residential portfolio

ARA

- Achieved gross AUM of S\$119 billion
- Underlying fund management businesses remain resilient
- Share of profits affected by one-off restructuring costs and MTM losses
- Well-positioned for next-phase of growth

Hospitality

- Operating loss impacted by drop in travel demand
- Taking opportunity to enhance efficiency & productivity, and reposition for eventual recovery

Resources

- Impacted by lower tin price and temporary plant closure in 1H
- Operations have fully resumed in 2H2020
- Tin price has rebounded sharply towards end-2020

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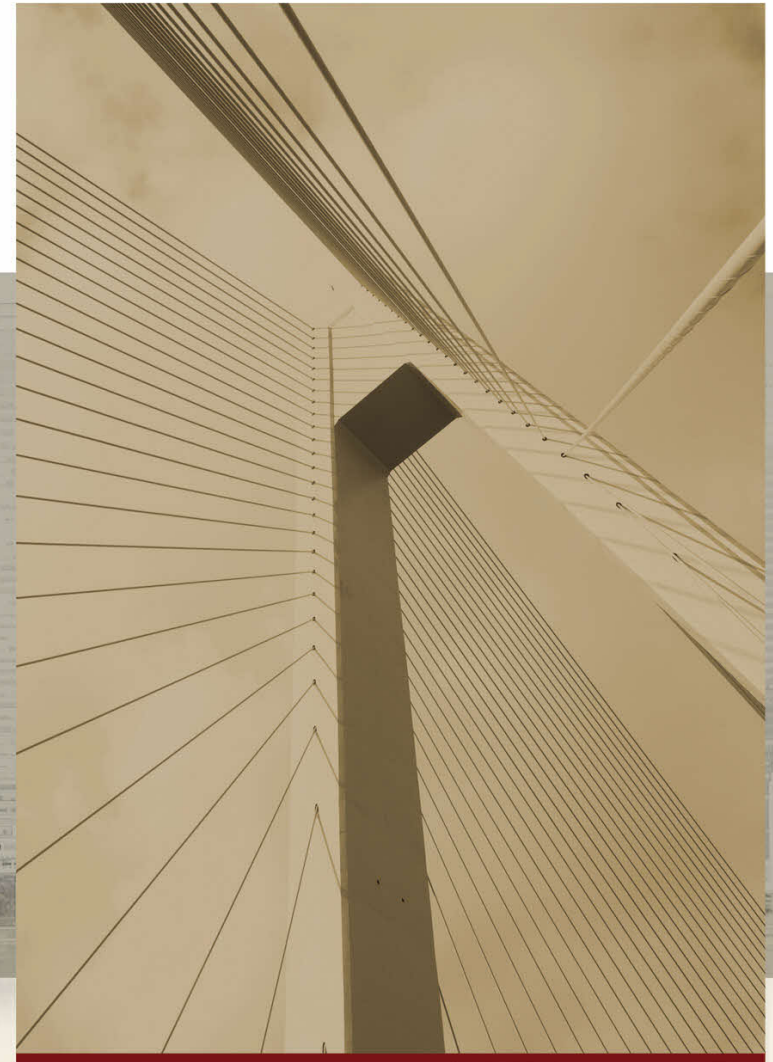
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BUSINESS HIGHLIGHTS

Real Estate: SRE

By Dr Allen Tan

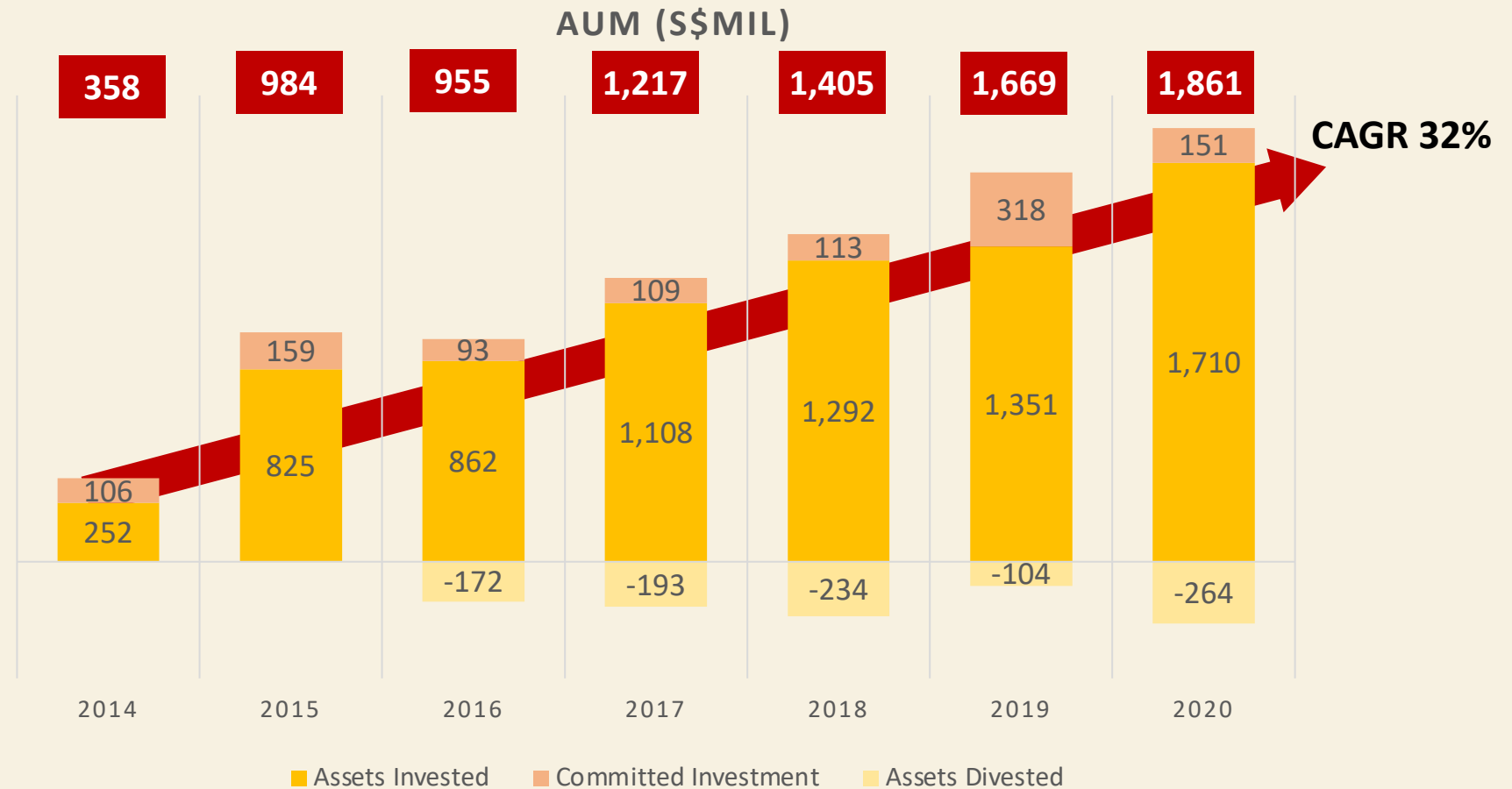


SRE'S GROWING AUM

A growing global real estate private equity investor

Nurturing Platforms (as of December 2020)

- S\$1.9 billion AUM
- S\$967 million capital realised and re-deployed to date
- S\$878 million Net capital invested as of December 2020



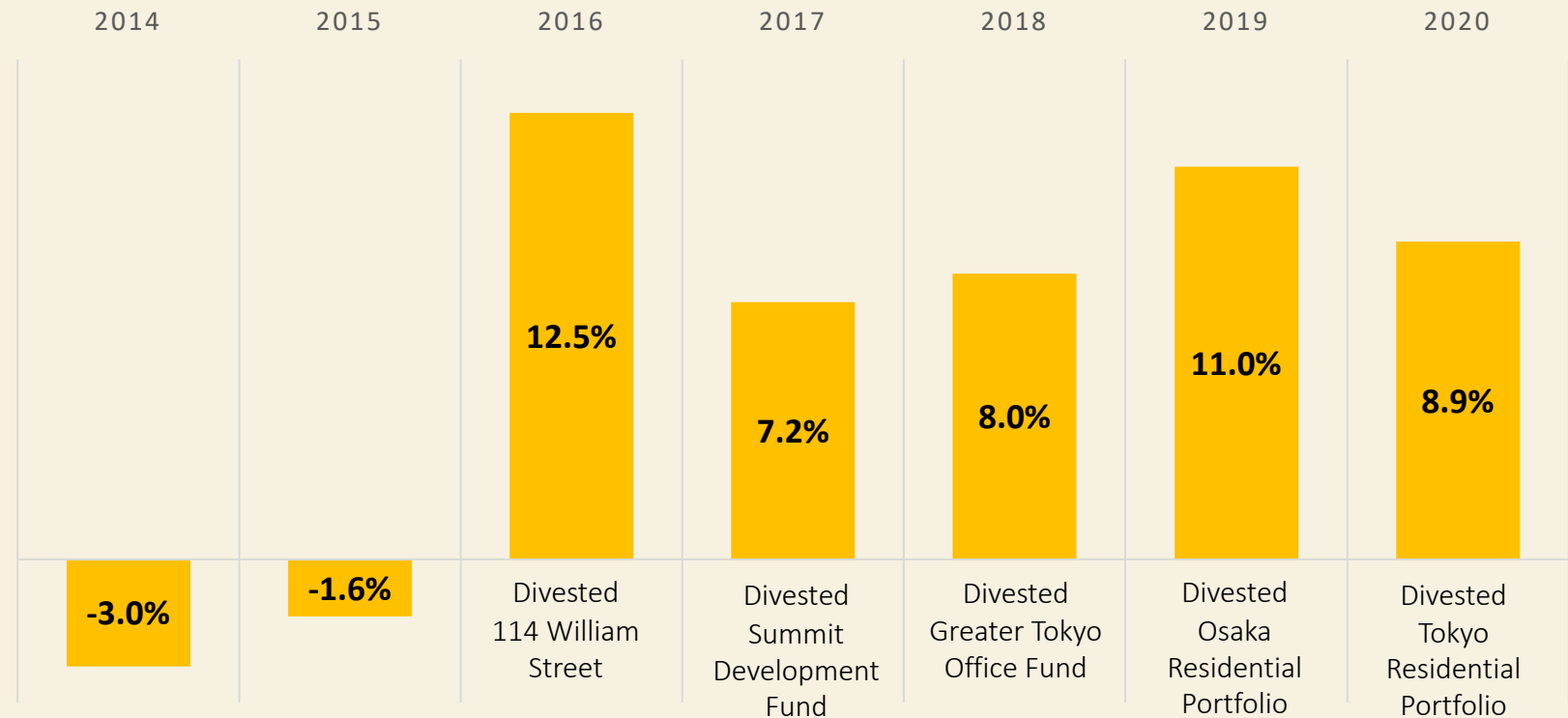
ROE TRACK RECORD

Laser-focused on capital efficiency

Delivering Returns

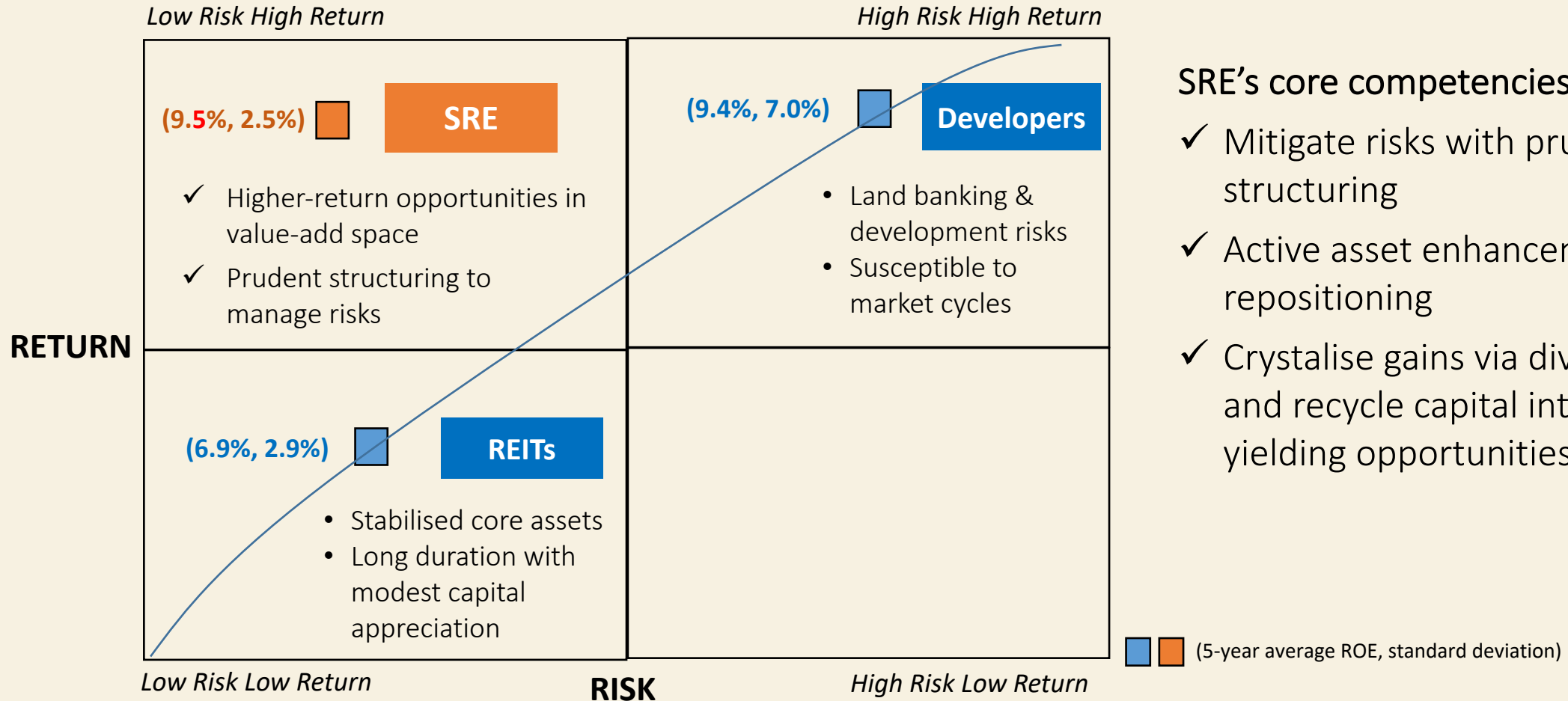
- Consistently growing ROE⁽¹⁾ via active divestment and re-deployment
- Credible ROE in 2020 despite disruptions from COVID-19
- 5-year average ROE: 9.5%⁽²⁾

ROE TRACK RECORD



INVESTMENT STRATEGY

Focus on delivering alpha while managing risks



SRE's core competencies:

- ✓ Mitigate risks with prudent deal structuring
- ✓ Active asset enhancement & repositioning
- ✓ Crystallise gains via divestment and recycle capital into higher yielding opportunities

SRE INVESTMENT FOOTPRINT

Focused diversification driven by secular growth trends



Key Investment Themes

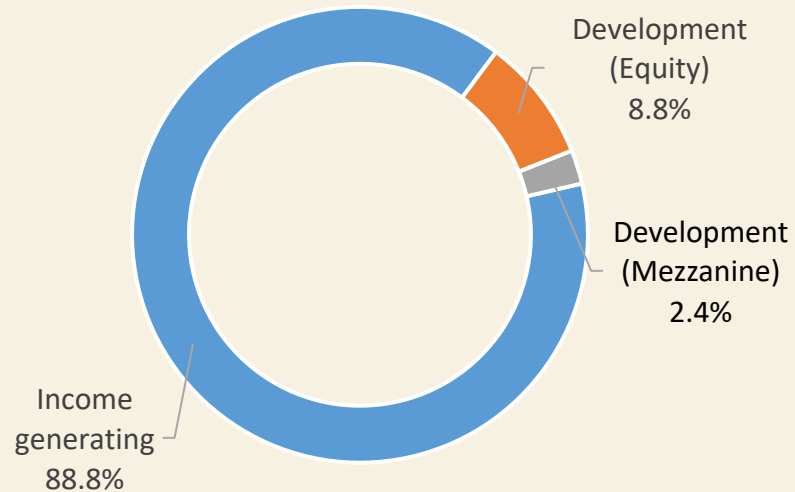
- 1 Modern logistics portfolio in Australia and Korea geared to fulfil secular demand
- 2 Office properties with arbitrage/ value-add upside in key cities of Japan, Australia and the UK
- 3 Retail malls on sustainable domestic consumption in China and Malaysia

Figures represent SRE's pro-rata share of property value as of 31 December 2020

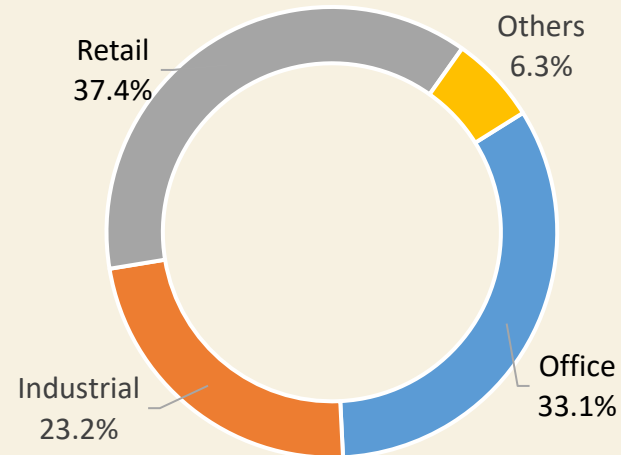
WELL-DIVERSIFIED PROPERTY PORTFOLIO

Predominantly income-generating and geographically diverse portfolio

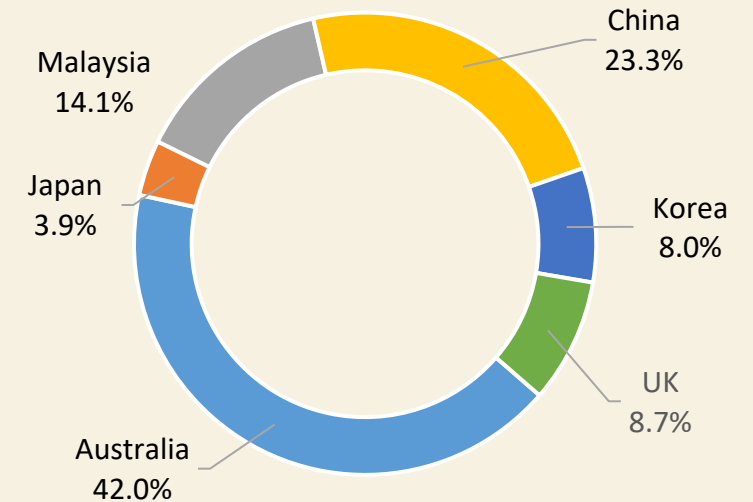
Development vs Income Generating



Allocation by Asset classes



Allocation by Country



- ~90% income generating assets
- Increasing exposure to future-ready and resilient sectors: modern logistics and business parks

(1) Investment value weighted as of 31 December 2020

STAY BULLISH ON LOGISTICS IN AUSTRALIA AND SOUTH KOREA

Cautiously moving up the risk curve to capture growing occupier demand

- Expansion into the Asia Pacific logistics sector driven by positive sector outlook; Poised to benefit from secular growth prospects spurred by COVID-19
 - Portfolio expansion in Australia via **build-to-suit** development project under existing joint venture with Commercial & General
 - **Strategic partnership** with IGIS Asset Management in South Korea to develop and manage a portfolio of modern logistics facilities
 - Combined initial commitment of S\$220 million
- Aggregated a portfolio of 9 properties with total assets worth \$371.8 million
- Actively looking to allocate more capital to this sector across other Asian gateway markets

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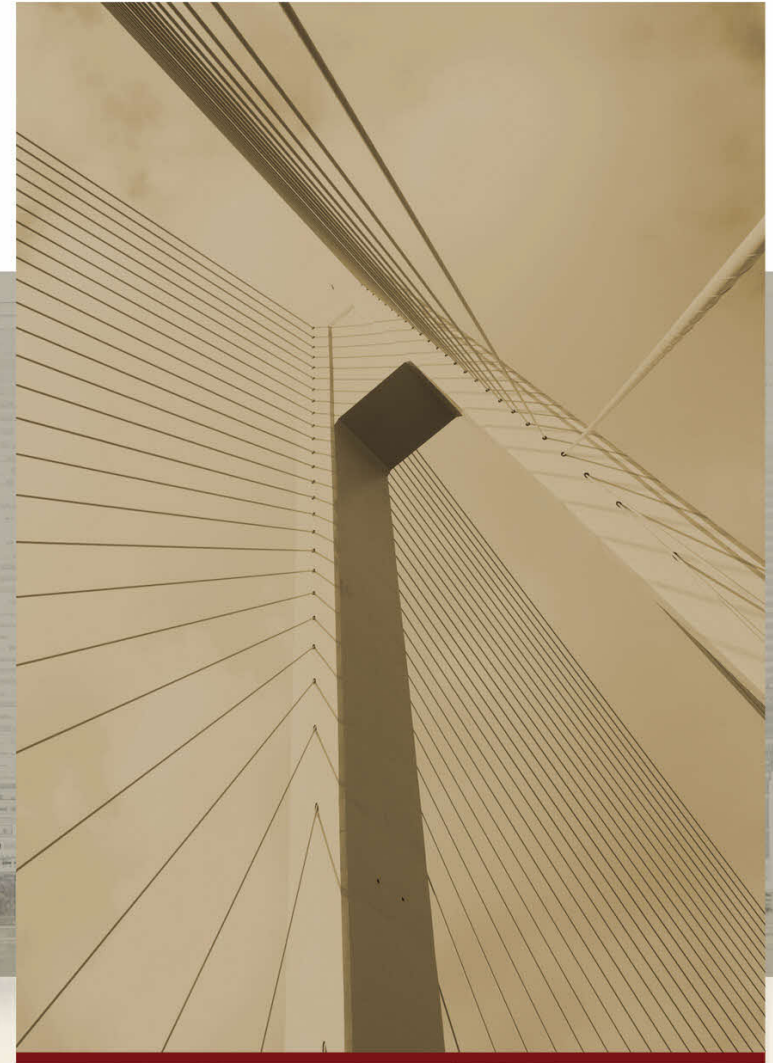
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BUSINESS HIGHLIGHTS

**Real Estate: ARA, FEHH and Property
Portfolio**

By Mr James Kwie



ARA ASSET MANAGEMENT

Accelerated expansion since privatisation

2017⁽¹⁾

A premier **real estate** fund manager

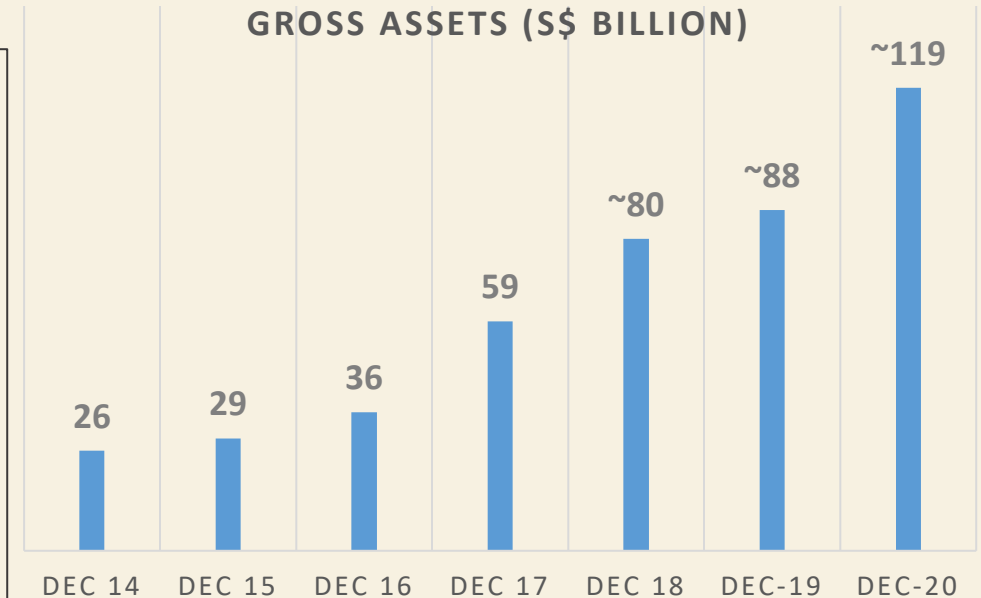
- 8 countries
- Asia Pacific presence
- 11 REITS
- 9 private real estate funds
- AUM S\$40 billion

Dec 2020

A leading APAC **real assets** fund manager with global reach

- **28** countries⁽²⁾
- **Global** presence
- **18** REITS⁽³⁾
- **Over 100** private real estate funds⁽³⁾
- Gross Assets **~S\$119** billion⁽³⁾

GROSS ASSETS (S\$ BILLION)



- ARA exceeded its target of gross AUM of \$100 billion by 2021⁽⁴⁾
- During the second quarter, Straits increased its stake in ARA by 1.1% to 22.1%
 - Straits Trading, John Lim and Cheong Kong – 51.3%

Source:

- (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 Dec 2020
- (4) The Business Times “Steadfast about growth” 25 August 2018

ARA ASSET MANAGEMENT

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

LOGOS






Key achievements for FY2020

Strategic Transaction with LOGOS

- Expanded logistics platform in Asia Pacific
- LOGOS AUM: US\$10.9b

Acquired majority stake in Venn Partners in the UK

- Established credit platform, ARA Venn, in Europe with AUM in excess of £5 billion
- Appointed by UK Government to manage a £3 billion Affordable Homes Guarantee Scheme

Proportional offer for Cromwell Property Group

- Increased stake to 30.7%
- AUM: A\$11.5b

Tender offer for Kenedix

- Sumitomo Mitsui Finance and Leasing Company (“SMFL”) and ARA will be privatising Kenedix
- ARA will own 30% stake post delisting; expected to complete in March 2021

Made foray into Fintech with acquisition of stake in Minterest (renamed ARA Minterest)

- Distributed close to S\$50 million of real estate products online

FAR EAST HOSPITALITY HOLDINGS

A premier hotel owner and operator

Overview

- Joint venture with Far East Orchard
- Manages over 100 property assets with more than 16,500 keys across 8 countries

FY2020 Hotel Openings

- Approximately 1,300 rooms across 6 hotels in Japan, Australia and New Zealand including Far East Village Hotel Ariake (Japan) on 1 July 2020: 306 keys

Outlook

- Recovery for travel likely to be protracted and uneven
- Seeking value-accretive acquisitions, management contracts or strategic partnerships
- Reviewing existing portfolio for value unlocking opportunities



Oasia Resort Sentosa (Singapore)

Quincy Hotel Melbourne (Australia)

PROPERTY PORTFOLIO

Unlocking value of prime land in Butterworth, Penang

Straits City – Phase 1 in progress

- Development of a 23-storey 4-star hotel expected to be completed in 2022
- Marketing launch targeted in 2021
- 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



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BUSINESS HIGHLIGHTS

Resources: MSC

By Mr James Kwie



MALAYSIA SMELTING CORP

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

MSC GROUP

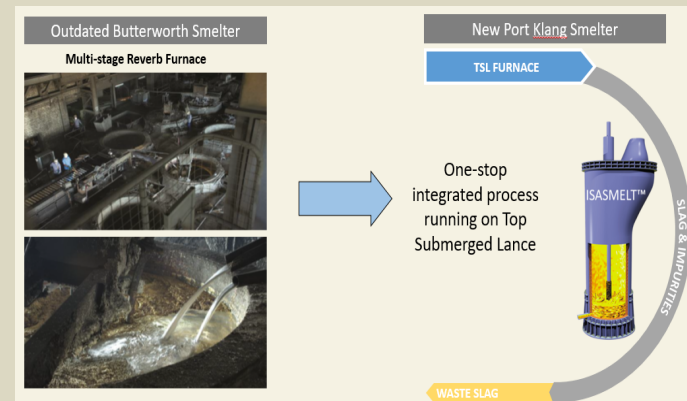
- Results impacted by lower tin prices and temporary plants closure during 1H2020
- Recovered in 2H with a net profit of RM28.0 mil, from a net loss of RM12.3 mil in 1H
- Strong rebound in tin price towards the end of 2020

TIN MINING - Ongoing initiatives to raise mining productivity



- Improve daily mining output
- Explore new deposits and JV mining arrangements

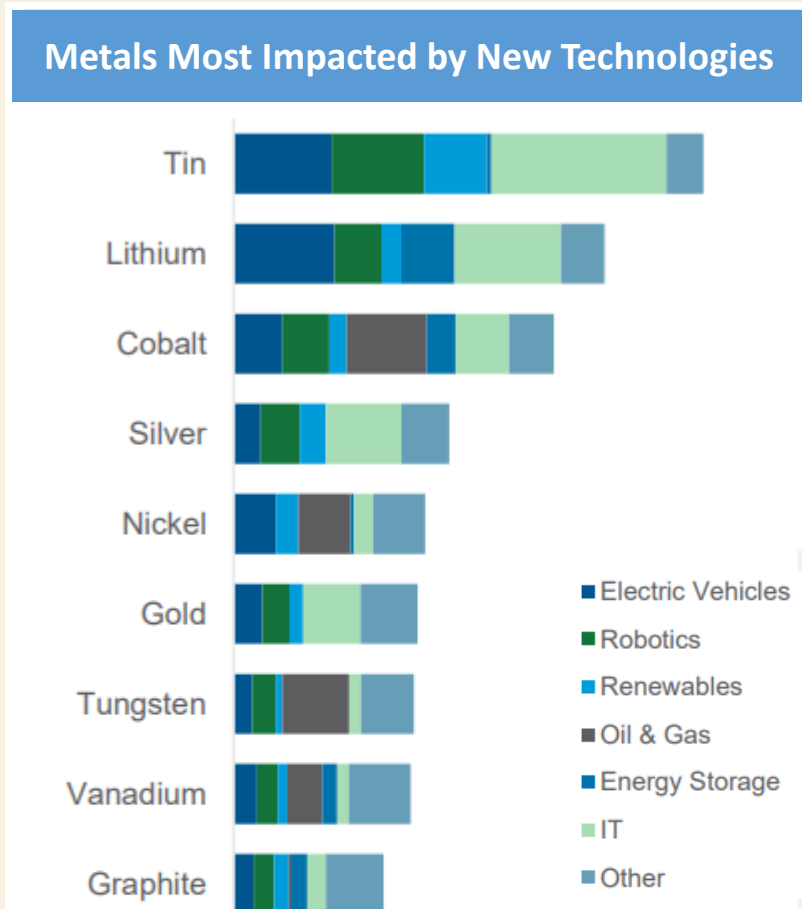
TIN SMELTING – Pulau Indah smelter scheduled to be fully commissioned by late-2021 or early-2022



- Improve production yield and capacity
- Smaller carbon footprint

MSC PROVIDES DIRECT EXPOSURE TO THE GROWING TIN DEMAND

Tin market is entering a growth period supported by applications in new technologies



Source: Rio Tinto commissioned MIT survey



Electric Vehicles

- The main focus for tin is in the positive anode electrode of lithium-ion batteries
- The EV market is projected to reach 27.0 million units by 2030, at a CAGR of 21.1%



Advanced Robotics

- The global market for robotics is expected to grow at a CAGR of c.26%, reaching US\$210bn by 2025



Renewables

- Renewables will have the fastest growth in the electricity sector, providing c.30% of power demand in 2023, up from 24% in 2017

Source: International Energy Agency



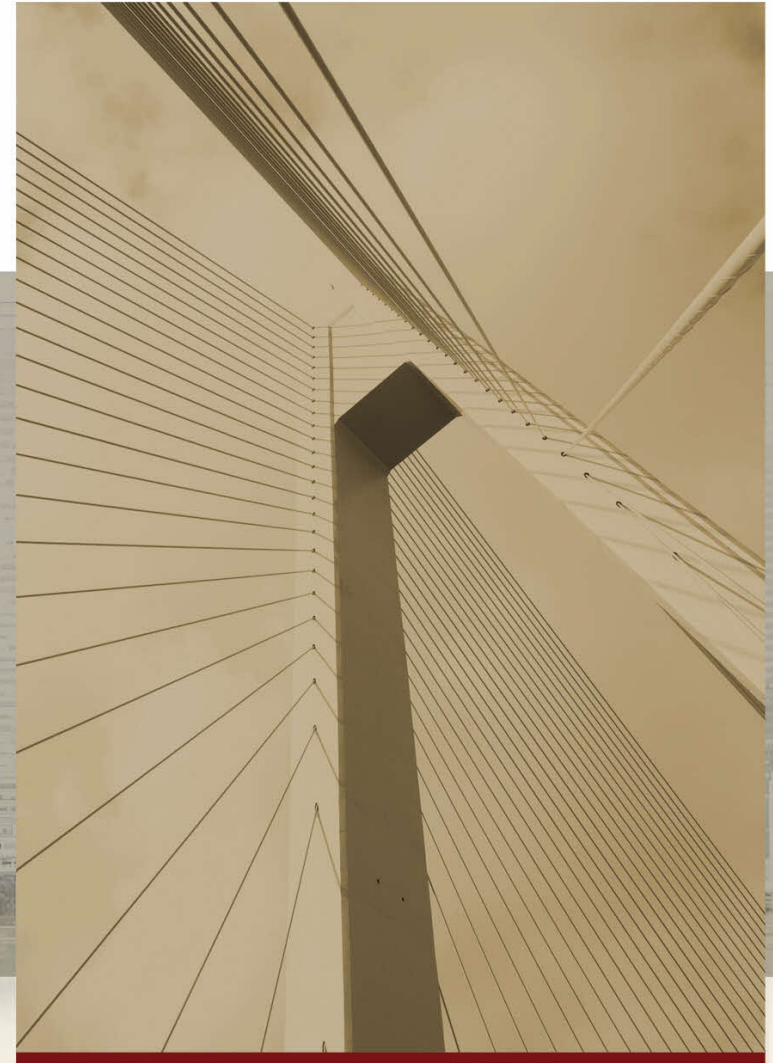
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A faded, sepia-toned background image of a city skyline with various skyscrapers and buildings, partially obscured by a semi-transparent dark red overlay.

FINANCIAL HIGHLIGHTS

2H and Full Year 2020

By Ms Joyce Tan

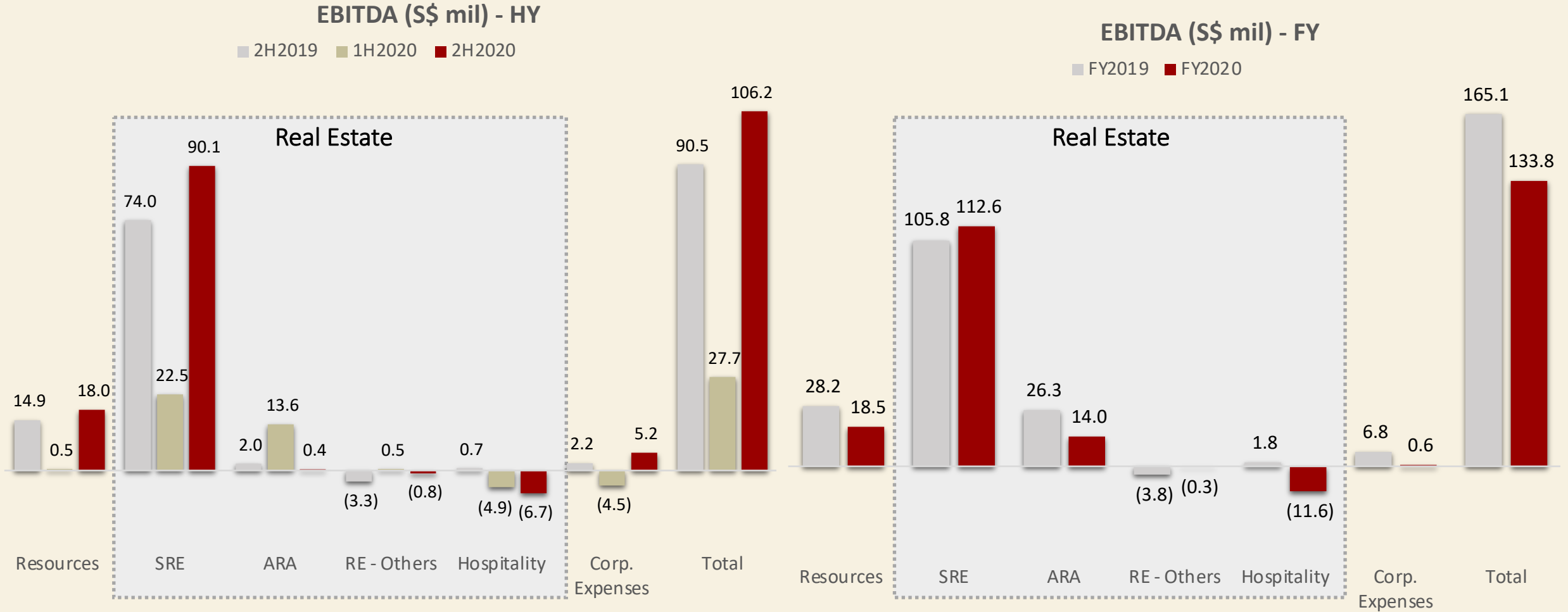


GROUP FINANCIAL HIGHLIGHTS

S\$'m	Half-on-Half Comparison			Year-on-Year Comparison – 2H			Year-on-Year Comparison – FY		
	2H2020	1H2020	% Change	2H2020	2H2019	% Change	FY2020	FY2019	% change
EBITDA	106.2	27.7	283.4	106.2	90.5	17.3	133.8	165.1	(18.9)
Profit before tax	86.4	9.5	810.5	86.4	72.4	19.3	96.0	129.3	(25.8)
PATNCI	46.0	5.5	736.4	46.0	41.8	9.9	51.5	84.4	(39.0)
EPS (cents)	11.3	1.3	769.2	11.3	10.3	9.7	12.7	20.7	(38.6)

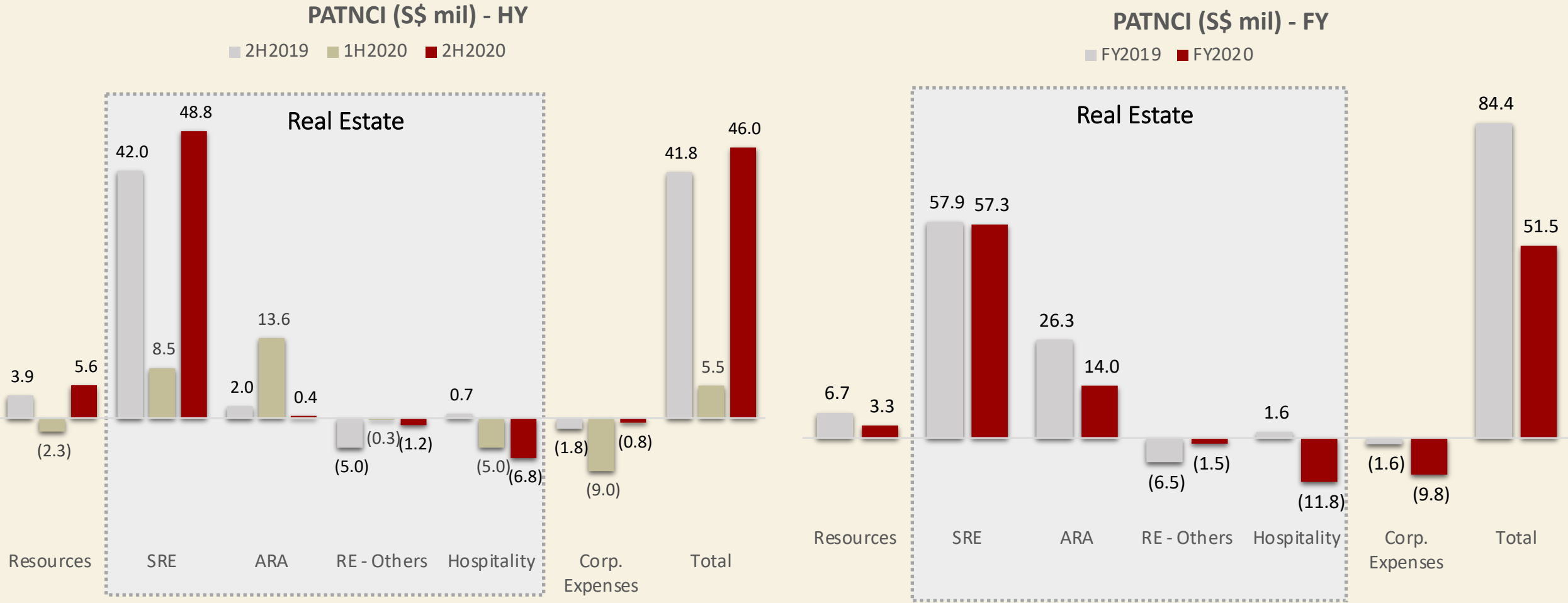
EBITDA BY BUSINESS SEGMENTS

Main drivers of profitability – Real Estate segment



PATNCI BY BUSINESS SEGMENTS

Main drivers of profitability – Real Estate segment



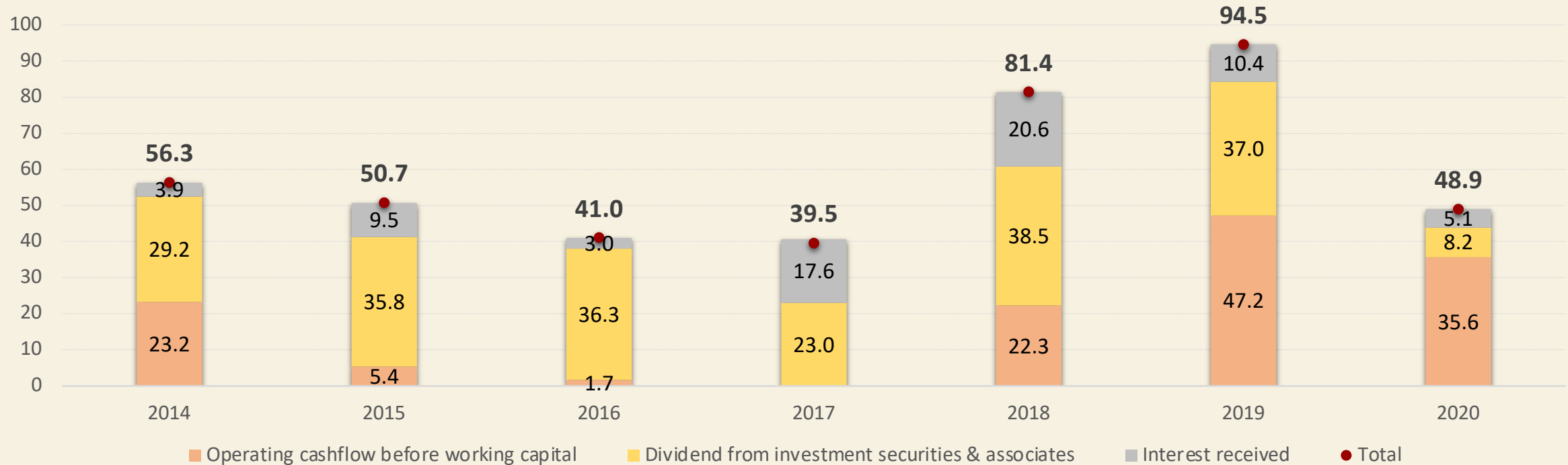
GROUP FINANCIAL HIGHLIGHTS

Strong financial position and prudent financial metrics

S\$m	31 Dec 2020	31 Dec 2019
Cash and short-term deposits	456.3	310.5
Total assets	3,085.9	2,649.2
Total borrowings	1,188.5	870.1
Total liabilities	1,359.0	979.9
Total equity	1,726.9	1,669.3
NAV/share (S\$)	3.78	3.73
Net debt/Total equity	42.4%	33.5%
EBITDA/Interest expenses	4.50	5.96

KEY SOURCES OF GROUP CASHFLOW

Cashflow from Multiple Sources (S\$'m)



Capital Recycled

Sale of Straits Trading Building for S\$450.0m

Sale of SG residentials for S\$95.3m

Sale of 114 William Street for S\$171.8m

Divestment of SDF for S\$55.0m

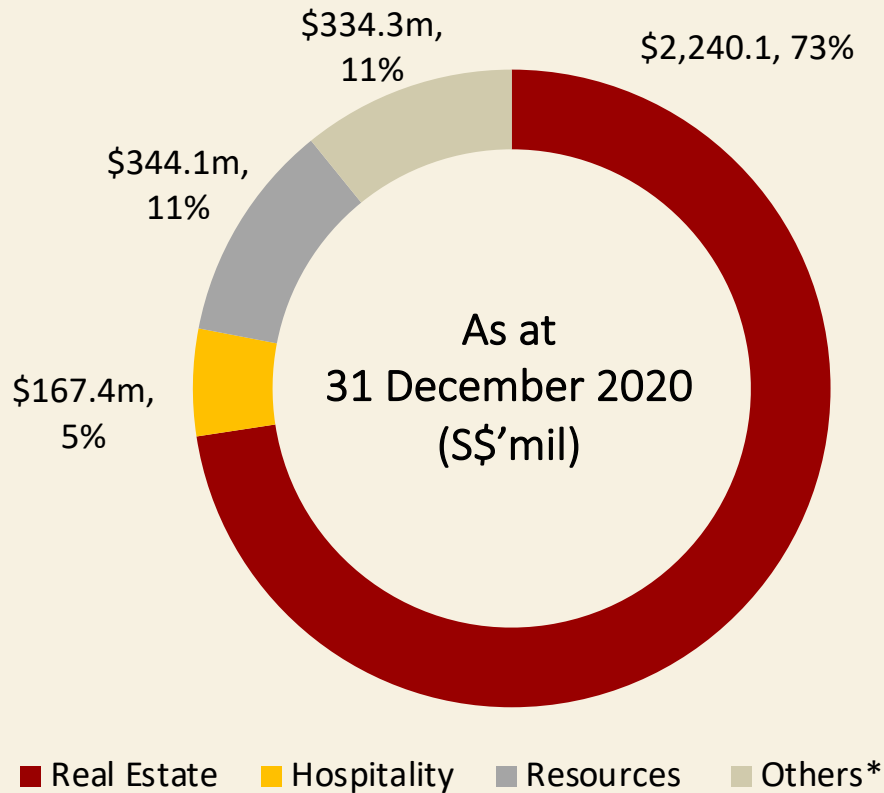
Divestment of GTOF for S\$126.6m

Sale of Osaka for S\$83m, and SG residentials for S\$24.0m

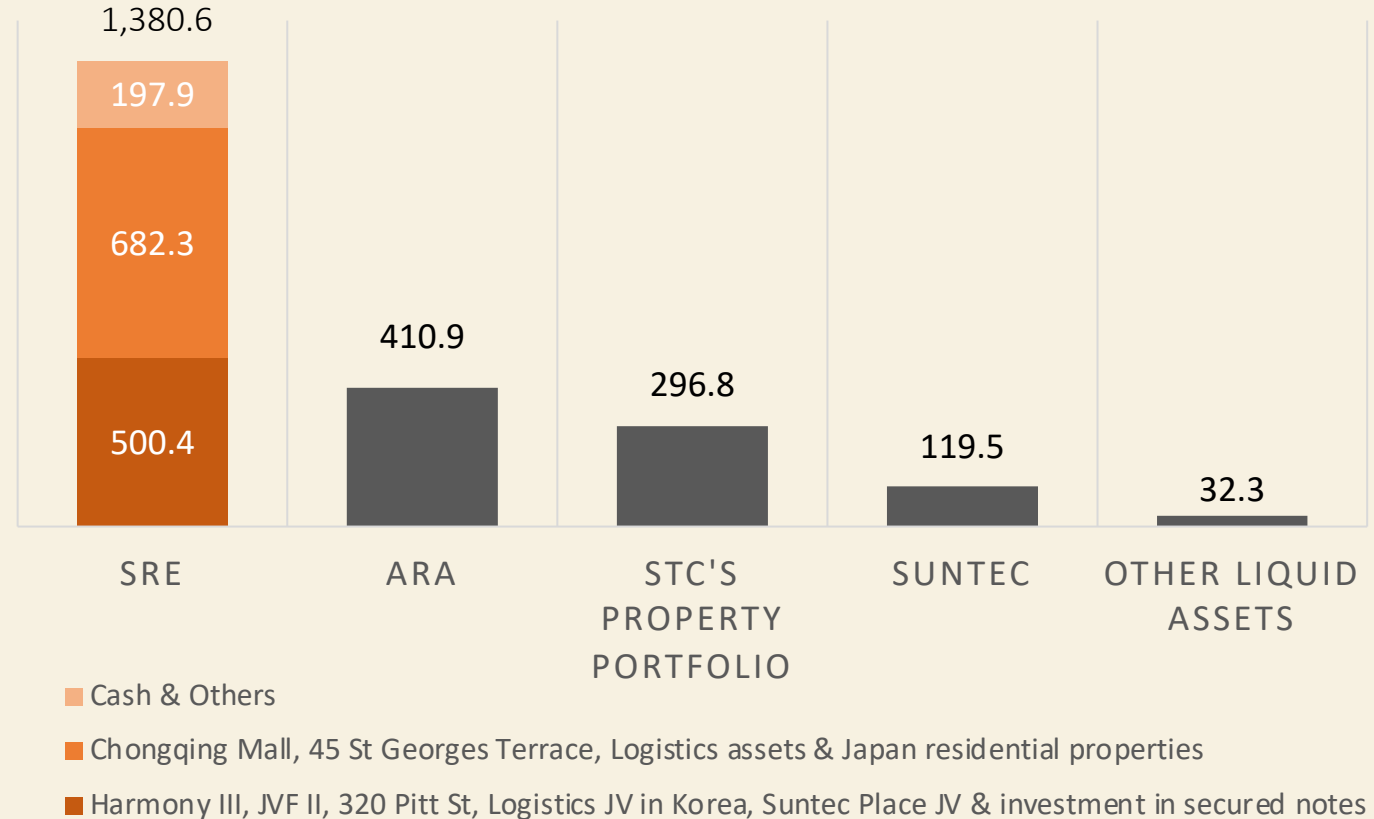
Divestment of Japan residential portfolio for S\$244.2m

TOTAL ASSETS

S\$3.09 billion in total assets as of Dec 2020 (Dec 2019: S\$2.65 billion)
78% from real estate and hospitality segments

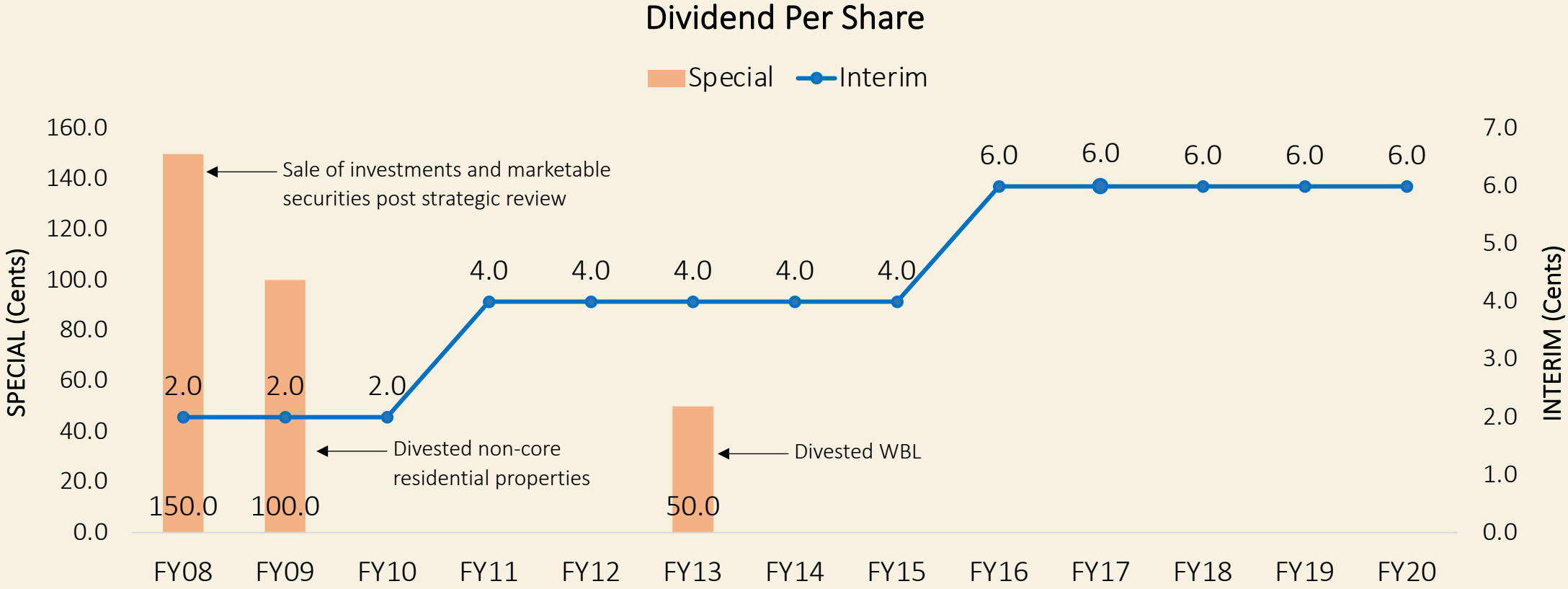


REAL ESTATE ASSETS BREAKDOWN (S\$ MIL)



DIVIDEND RECORD

Maintaining dividend of S\$0.06/share





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Q&A Session

Reminders

- 1) **Keep your devices on mute**
- 2) **When asking a question:**
 - Use the 'Raise Hand' function and wait for the Host to call you. Please state your name and organisation before asking your question.
 - Alternatively, you can type your question in the chat box during the presentation

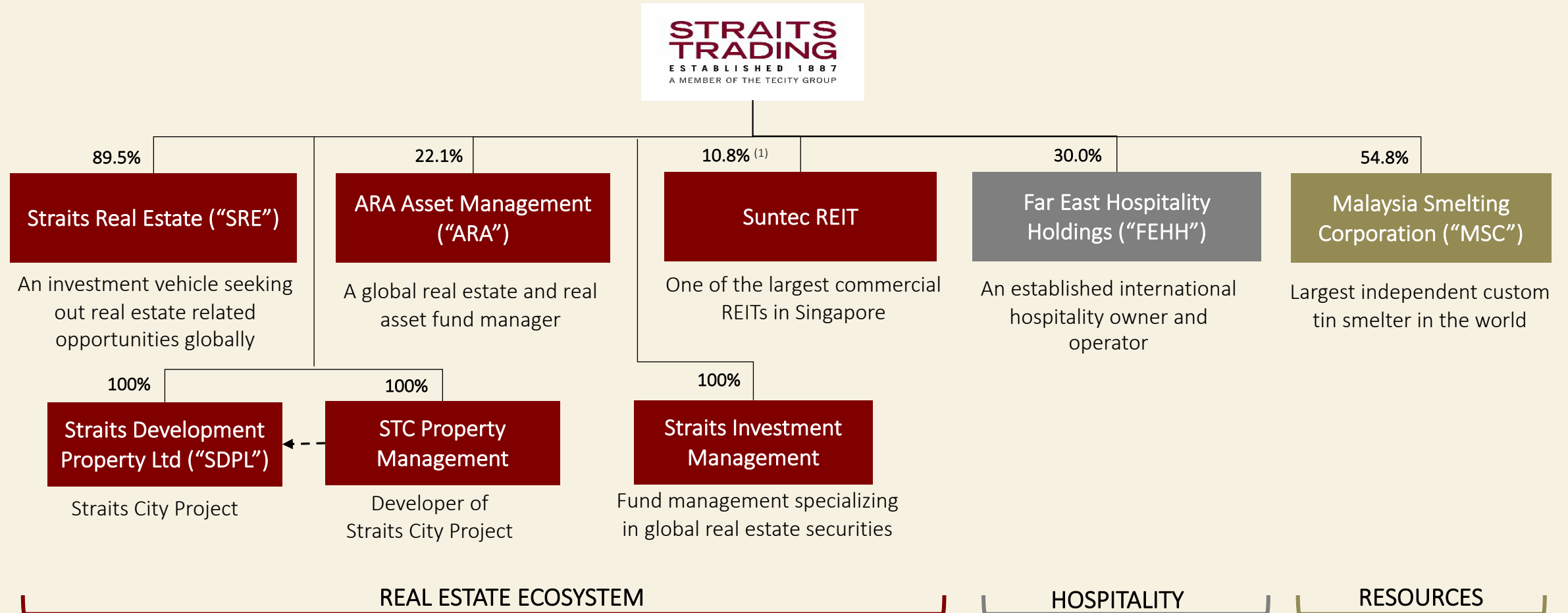


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APPENDIX

STRAITS TRADING OVERVIEW

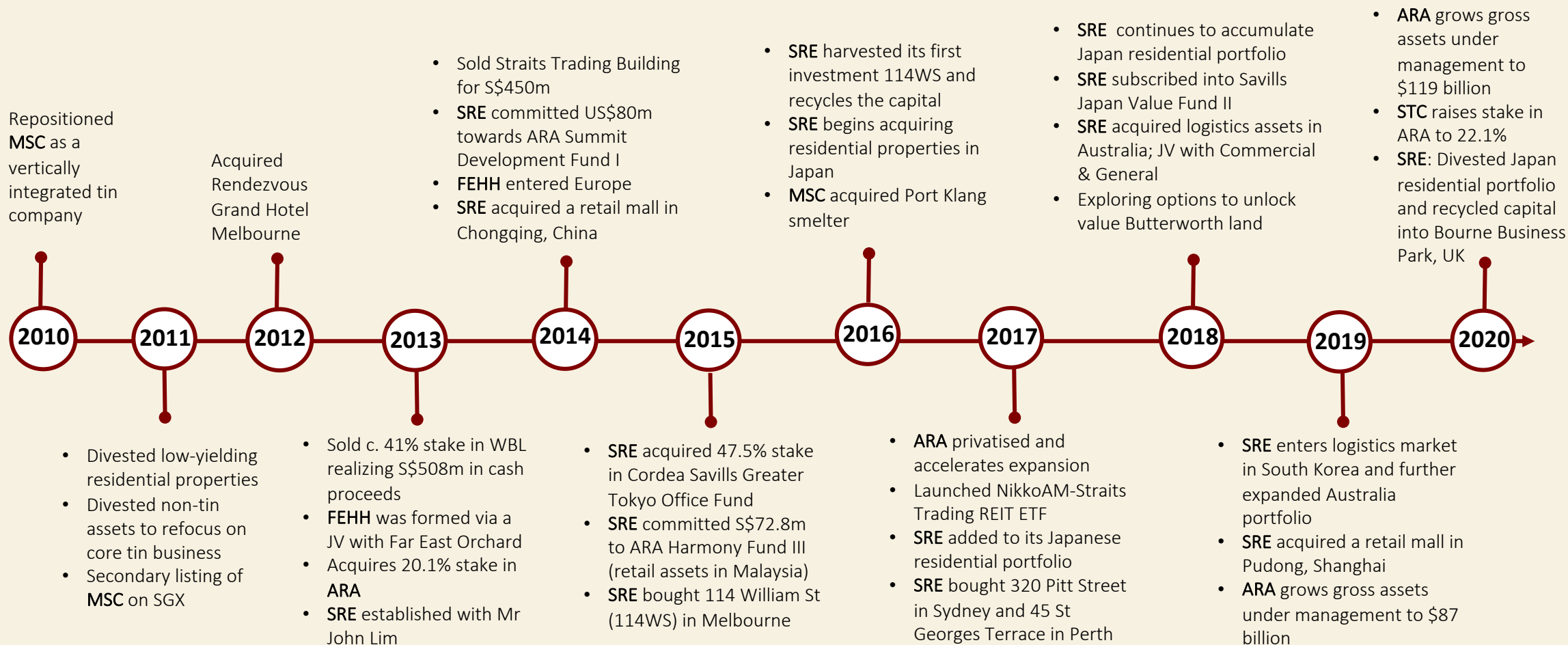
A conglomerate investment company with diversified portfolio



(1) Aggregate interest in Suntec REIT, comprising 2.8% direct interest and 8.0% deemed interest through its shareholding in ARA group companies

COMPANY OVERVIEW

Redefining focus and making new investments

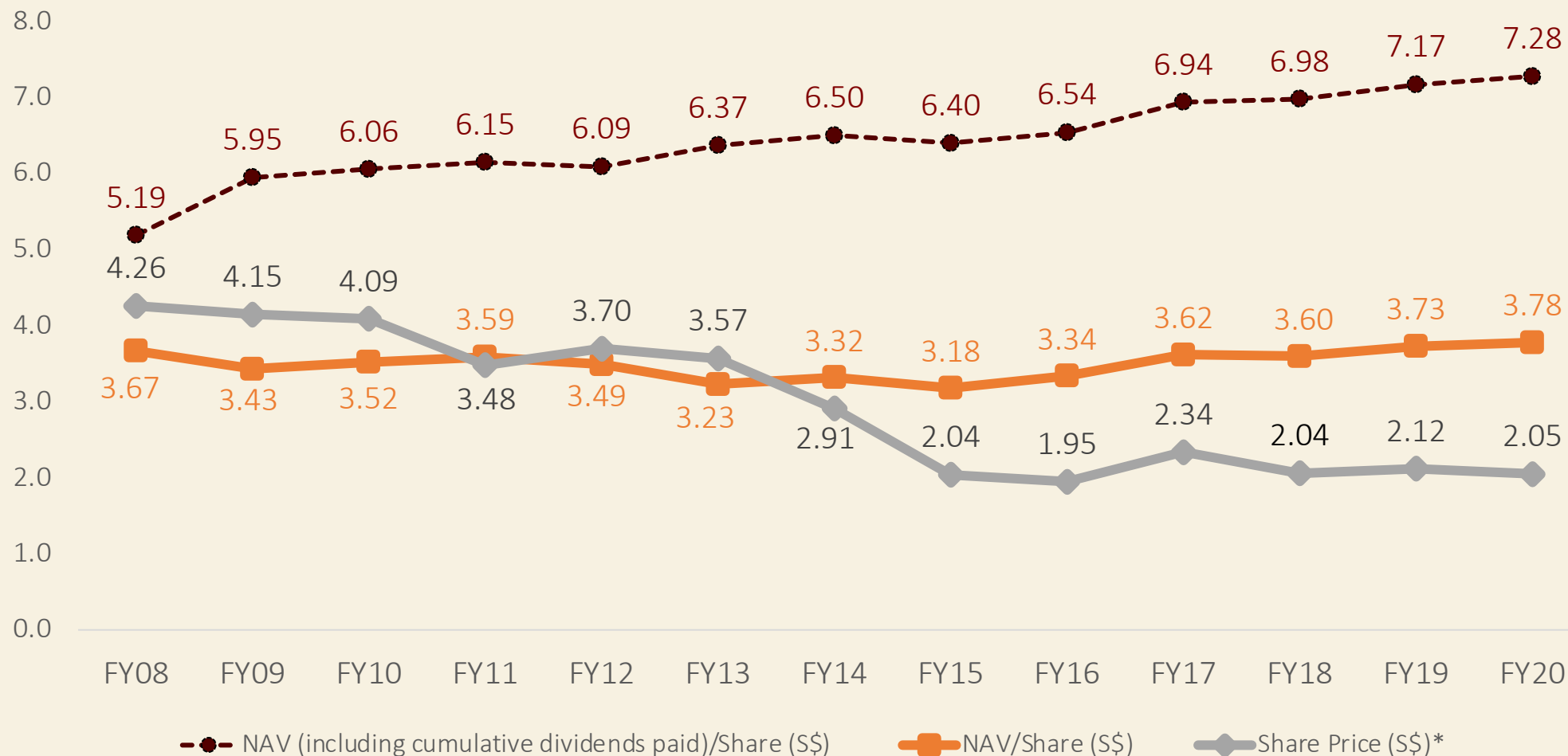


KEY COMPONENTS OF STC'S PORTFOLIOS

	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		
	Bourne Business Park		
	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
	Suntec Place – Sanlin Mall (Shanghai)		
	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

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

KEY DIVESTMENT OF THE YEAR

Crystallised value amid the pandemic disruptions



Divestment of Japan Residential Portfolio

- In November 2020, SRE divested a portfolio of 9 freehold residential properties for JPY18.9 billion (approximately S\$244.2 million)⁽¹⁾
- Realised net project IRR of 18% and EM of 1.5x. Exceed target returns despite the pandemic
- Frees up capital for re-deployment towards higher yielding investments in Japan and other markets



KEY ACQUISITION OF THE YEAR

Acquired a business park with strong cash flow and value-adding opportunities

Bourne Business Park in Addlestone Surrey England, UK

Acquisition Cost GBP76.7 million (~\$137.9 million)

Asset Details 6 freehold office buildings newly built or extensively refurbished

NLA ~182,364 sq ft

Connectivity

- 30-min from Waterloo station
- Proximity to Heathrow and Gatwick airports

Occupancy / Tenant Mix

- 96% let to office tenants from medical, legal, electronics and logistics industries
- WAULT⁽¹⁾ of 7.5 years

Provide resilient stream of income via existing leases with value-add potential



STRENGTHENING LOGISTICS FOOTPRINT IN AUSTRALIA

Build-to-suit warehouses in South Australia and Victoria

- Established a development and ownership platform with local developer Commercial & General on a 80:20 basis

- 2018
- 5 properties (AUD137.5 mil)*
 - Blue-chip tenants

- Dec 2020
- 7 properties (AUD241.7 mil)*
 - ~98% occupancy (for operating assets)
 - Long WALE of 8.8 years

- The build-to-suit portfolio capitalises on significant pre-commitments from blue-chip tenants to de-risk the developments



SEIZING OPPORTUNITIES IN SOUTH KOREA

Developing modern logistics facilities

- Collaboration with IGIS Asset Management, one of Korea's largest asset managers, to establish a portfolio that develops and manages modern logistics facilities to serve the populous Greater Seoul area
- Initial commitment of ~KRW104 billion (~S\$120 million)



Sky Logis	A modern 6-storey ramp up logistics facility
Location	Incheon, 8 km from Incheon International Airport
GFA	~190,000 m ²
Status	Achieved practical completion on time



Anseong	Development of a mixed logistics facility (dry & cold storage)
Location	Anseong-si, Gyeonggi-do, 45km south of Seoul
GFA	~126,000 m ²
Status	In the process of land acquisition

Note: Above images are artist's impressions of the facilities

OFFICE PROPERTIES IN AUSTRALIA

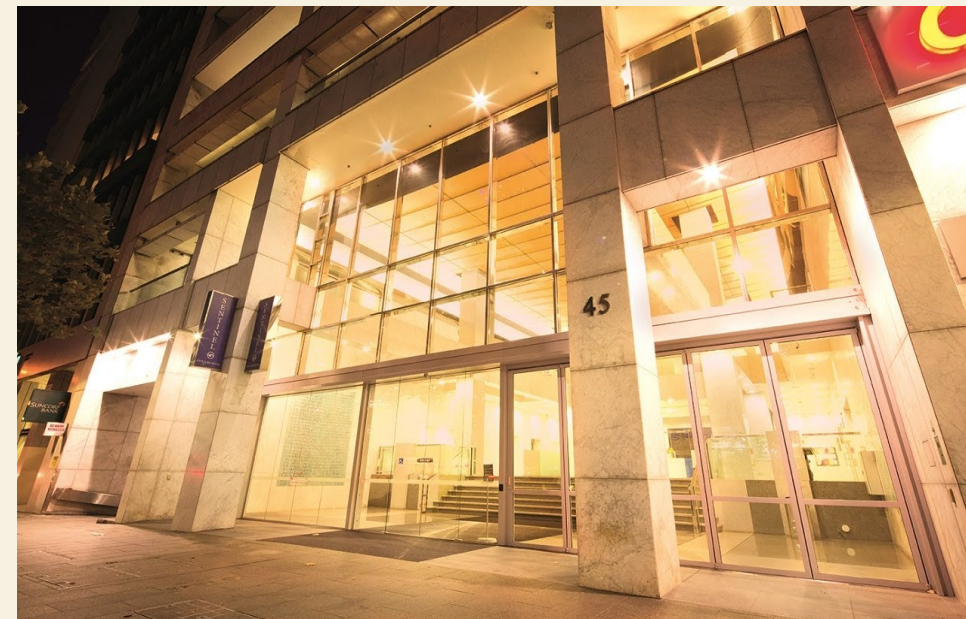
Future-proof the workplace for post-COVID occupier requirements

320 Pitt Street (Sydney CBD)



- Asset enhancement created additional c.400sqm NLA and achieved NABERS energy rating of 4.5 stars
- Working with co-working operators to deliver flexibility and a seamless experience

45 St Georges Terrace (Perth CBD)



- Leasing inquiries have picked up along steady recovery of mining activities in Western Australia
- Actively fitting out space to enhance leasing traction

RETAIL MALLS IN CHINA

Positioning as a meeting place for the community

China retail proven resilient amid COVID

- National retail sales grew by 5% in 2020 due to strong domestic consumption
- The two malls saw progressive recovery of tenants' sales and shopper traffic from the trough of 1Q2020

Actively driving assets performance

- Located in key commercial districts of Shanghai and Chongqing with natural catchment areas
- Curated trade mix catering to families with mid-to-high income

My Place Mall, Chongqing (100%)



- ✓ Currently 97.1% occupied
- ✓ Footfall and rental income exceeded pre-COVID levels by 2H2020, thanks to active tenant support & replacement strategy
- ✓ Continue to optimise tenant mix and drive positive rental reversion

Suntec Place - Sanlin Mall, Shanghai (37.3%)



- ✓ Currently 88% occupied
- ✓ Asset enhancement for underutilised East Wing (16% of NLA) in progress
- ✓ Rebranded as “Suntec Place” and implemented digital marketing to boost tenant sales

SRE'S TRACK RECORD

Successful Divestment of 114 William Street after repositioning



114 William Street, Melbourne

Acquisition

- 26-storey office building situated in the Melbourne CBD
- Acquired in August 2015 for approximately S\$125.1mil (A\$125.0mil)

Asset Enhancement

- Asset enhancement works, together with active leasing strategy, resulted in significant improvements in occupancies, WALE and yield

Harvest

- Divested for approximately S\$171.8mil (A\$161.5mil) in November 2016
- Achieved IRR of 24.6% and EM of 1.39x

SRE'S TRACK RECORD

Successful Divestment of Greater Tokyo Office Fund

Successful divestment of the Greater Tokyo Office Fund (GTOF)

- In June 2015 SRE acquired 47.5% stake in a portfolio of office properties in greater Tokyo at higher-than-market yields via off-market deals
- Portfolio fully divested in FY2018; crystallised valuation gains of S\$35.0mil, representing asset-level IRR of **19.0%** and **EM of 1.4 times**.
- Investment return far exceeded target returns



Follow-up fund with updated strategy

Establishment of Japan Value Fund II (JVF II)

- Redeployed capital into a larger portfolio with a committed capital of JPY8.0bn in June 2018
- Updated mandate to acquire office and other assets in the Greater Tokyo and other key cities in Japan
- Portfolio under active asset reconstitution to realise value and capture market opportunities

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These factors include, but are not limited to, (i) general global, regional and local political, social and economic conditions (including, but not limited to, factors such as the political landscape, environmental conditions and viral epidemics such as human avian flu and severe acute respiratory syndrome) that may result in reduced occupancy rates and room rates for the hospitality investments of the Company or affect the other investments of the Company, (ii) the cyclical nature of the property market and tourism industry in the countries in which the Company operates and fluctuations in tin prices, (iii) the Company not being successful in the implementation of its business strategies or in managing its growth, (iv) regulatory developments and changes in the industries in which the Company operates, the general economic condition of, and changes in, the economy in Asia-Pacific and Europe, (v) competition in the hospitality industry and the hospitality-related industry in the Asia-Pacific and Europe region, (vi) hostilities (including future terrorist attacks) or fear of hostilities that affect travel in general, within or to the Asia-Pacific region or any other countries in which the hospitality investments of the Company are located or have operations, (vii) changes in the supply and demand for tin metal, (viii) changes in the price of tin as a result of speculation, (ix) changes in interest rates or inflation rates, (x) wars or acts of international or domestic terrorism, (xi) occurrences of catastrophic events, natural disasters and acts of God that affect the business or properties of the Company, and (xii) other factors beyond the control of the Company. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of the Company's management on future events.

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THANK YOU
