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MEDIA RELEASE

STRAITS TRADING REPORTS 1H EBITDA OF \$27.7 MILLION

Well-diversified investments and strong financial footing

SINGAPORE – 14 August 2020 - The Straits Trading Company Limited (“**Straits Trading**” or the “**Group**”) today reported EBITDA of \$27.7 million for the half year ended 30 June 2020 (“**1H2020**”). Profit after tax and non-controlling interests (“**PATNCI**”) for the period stood at \$5.5 million.

The outbreak of the Covid-19 pandemic resulted in lower valuations of investment properties, losses in its hospitality associate, disruptions in the supply and demand chain for tin, as well as a decline in the market value of investment securities over 1H2020. In addition, the Group’s performance for the first half was also lower due to the absence of one-off income and divestment gains booked in 1H2019.

The Group continued to benefit from the strength and diversity of its real estate ecosystem with its Real Estate segment posting an EBITDA of \$36.6 million in 1H2020. Straits Real Estate (“**SRE**”) demonstrated resilience in its performance, especially in its Japan investments and logistics portfolio in Australia and South Korea.

KEY CORPORATE HIGHLIGHTS IN 1H2020

During 1H2020, SRE remained a strong engine of growth for the Group with assets under management (“**AUM**”) growing to \$1.8 billion. SRE expects its operating cash flow to weather the global downturn.

ARA Asset Management Limited (“**ARA**”) continued to grow well with \$110 billion in gross AUM as at 30 June 2020, ahead of its articulated target of achieving \$100 billion by 2021. In May 2020, Straits Trading increased its ownership in ARA from 20.95% to 22.06% to leverage its growth.

Far East Hospitality Holdings Pte. Ltd. (“**FEHH**”) remained cash flow positive despite the pandemic. It continues to undertake mitigation measures and manage its cash flow as the recovery trajectory remains protracted and uncertain.

Ms Chew Gek Khim, Executive Chairman of Straits Trading said, “The Covid-19 pandemic is an unprecedented crisis for the global economy. The Group results reflect its resilience, anchored by its diversified businesses that span the real estate value chain across multiple geographies and prudent financial management.

Going forward, the Group will remain attuned to the changing lifestyle trends amidst the pandemic and adapt our business model to keep abreast of these developments. At the same time, we will continue to seek and add value in this new normal, while identifying suitable sectors and markets where we are confident we can leverage on our strengths in pricing risks as well as identifying arbitrage and upside opportunities in a post-Covid world.”

SUMMARY OF RESULTS:

S\$ million	1H2020	1H2019	% Chg
EBITDA	27.7	74.6	(62.9)
Profit before tax	9.5	56.9	(83.3)
Profit after tax	5.9	47.6	(87.6)
PATNCI	5.5	42.5	(87.1)
EPS (Singapore ¢)	1.3	10.4	(87.5)

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About The Straits Trading Company Limited

Incorporated in 1887, The Straits Trading Company Limited is a conglomerate with resources, real estate and hospitality. Its investments comprise majority or strategic stakes in the world's third-largest tin producer, Malaysia Smelting Corporation Berhad, which is dual listed on Bursa Malaysia and SGX-ST; Straits Real Estate; ARA Asset Management Limited and Far East Hospitality Holdings as well as a diversified property portfolio that is wholly-owned by the Group.

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For the full STC Financial Statements, please visit our website: www.stc.com.sg