

## MEDIA RELEASE

### STRAITS TRADING REPORTS FY2020 EBITDA of \$133.8 million

- *Strong recovery despite impact from COVID-19*
- *Core Real Estate performed strongly with EBITDA of \$89.7 million in 2H2020, compared to \$36.6 million in 1H2020.*
- *Resources recorded EBITDA of \$18.0 million in 2H2020, compared to \$0.5 in 1H2020.*

**SINGAPORE – 25 February 2021** - The Straits Trading Company Limited (“**Straits Trading**” or the “**Group**”) today reported EBITDA of \$133.8 million for the full year ended 31 December 2020 (“**FY2020**”), compared to \$165.1 million a year ago (“**FY2019**”).

Profit after tax (“**PAT**”) and PATNCI for the period stood at \$71.2 million and \$51.5 million, respectively in FY2020. The Group’s full-year performance was impacted by the COVID-19 pandemic, affecting the hospitality and resources segments and resulting in other one-off charges.

Straits Real Estate (“**SRE**”) remained a strong engine of growth for the Group with the impact of the pandemic cushioned by its diversified portfolio across asset classes and geographies. In 2020, SRE divested nine freehold apartment blocks in Greater Tokyo for JPY18.9 billion (\$244.2 million) at an attractive IRR of 18% despite subdued market sentiments. The divestment was in line with SRE’s strategy of redeploying capital into targeted higher-return real estate opportunities.

The Group’s associate, ARA Asset Management (“**ARA**”), continued to grow, with gross AUM reaching approximately \$119 billion as at 31 December 2020 from \$88 billion a year ago, surpassing its articulated target of \$100 billion by 2021. In addition, ARA continued to expand its recurring fee business via inorganic and organic growth strategies, positioning the Group for its next phase of growth. In May and June 2020, Straits Trading increased its ownership in ARA from 20.95% to 22.06%.

Malaysia Smelting Corporation Berhad (“**MSC**”) plans to fully commission its new Pulau Indah smelting facility in Port Klang by late-2021 or early-2022. MSC has undertaken efforts to increase daily mining output and improve its overall mining productivity and will look at potential joint ventures to expand its mining activities. Over the longer-term, outlook for tin remains strong, driven by the world’s growing electrification as well as the growth of electric vehicles.

Ms Chew Gek Khim, Executive Chairman of Straits Trading said, “Our FY2020 results are testament to the resilience of our diversified portfolio and disciplined cashflow management. The marked improvement in our results in 2H2020 reflects an improving business climate. We will press ahead with our next phase of transformation to sustain our growth and create greater shareholder value. We will continue to grow our existing business engines while converting assets into investible securities to broaden our investor base.”

The Group has proposed an interim dividend of 6 Singapore cents per share for FY2020, unchanged from FY2019.

#### **SUMMARY OF RESULTS:**

<b>S\$ million</b>	<b>2H2020</b>	<b>1H2020</b>	<b>% Chg</b>	<b>FY2020</b>	<b>FY2019</b>	<b>% Chg</b>
EBITDA	<b>106.2</b>	27.7	283.4	<b>133.8</b>	165.1	(18.9)
Profit before tax	<b>86.5</b>	9.5	810.5	<b>96.0</b>	129.3	(25.8)
Profit after tax	<b>65.3</b>	5.9	NM	<b>71.2</b>	100.4	(29.1)
PATNCI	<b>46.0</b>	5.5	736.4	<b>51.5</b>	84.4	(39.0)
EPS (Singapore ¢)	<b>11.3</b>	1.3	769.2	<b>12.7</b>	20.7	(38.6)

#### **KEY CORPORATE HIGHLIGHTS IN FY2020**

The Group recorded a markedly stronger performance as EBITDA rose fourfold to \$106.2 million for the half year ended 31 December 2020 (“**2H2020**”), compared to \$27.7 million for the first six months of the year (“**1H2020**”).

Profit after tax (“**PAT**”) rose elevenfold to \$65.3 million in 2H2020, up from \$5.9 million in 1H2020. Correspondingly, profit after tax and non-controlling interests (“**PATNCI**”) stood at \$46.0 million in 2H2020, an eightfold increase from \$5.5 million in 1H2020.

SRE made its maiden entry into the United Kingdom with the acquisition of Bourne Business Park, a freehold business park located in Addlestone, Surrey, England, for GBP76.7 million (\$137.9 million).

The property is well-positioned to benefit from businesses and workers opting to forego the congestion and commuting requirements of being in the city centre in favour of alternate office locations in the city fringes. In addition, the property enjoys strong occupancy and offers a resilient income stream from its existing leases.

SRE inked an agreement to acquire a land parcel in Anseong City in the metropolitan Seoul area which can potentially be developed into a multi-storey logistics facility with total lettable area of about 110,000 sqm, comprising both cold storage and dry warehouse space. The agreement is expected to close in 1Q2021, with construction expected to commence thereafter. This will be SRE's second logistics facility in the metropolitan Seoul area, alongside the Sky Logis logistic facility that is scheduled for completion in 1Q2021.

With the accelerated adoption of e-commerce, SRE will continue to expand its portfolio of build-to-suit logistics properties in Australia and South Korea to leverage on the enormous potential in the sector. The COVID-19 outbreak has resulted in a higher penetration of e-commerce activity with the logistics sector as a prime beneficiary. Coupled with strong demand for modern high-quality logistics properties, the sector offers compelling value and will continue to be a strong focus for SRE.

During the year, ARA completed the acquisition of majority stakes in LOGOS Group (a real estate logistics platform) and Venn Partners LLP. It raised its stake in Cromwell Property Group to 30.7% and made a tender offer for Kenedix together with Sumitomo Mitsui Finance and Leasing Company ("SMFL"), with the objective of taking the entity private. Post-privatisation, ARA will own a 30.0% stake in Kenedix and will work with SMFL to enhance Kenedix's enterprise value.

## **About The Straits Trading Company Limited**

Incorporated in 1887, The Straits Trading Company Limited is a conglomerate-investment company with diversified operations and financial interests internationally in resources, property 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](http://www.stc.com.sg)