



A MEMBER OF THE TECITY GROUP

1H FY2021 Results Briefing

19th August 2021



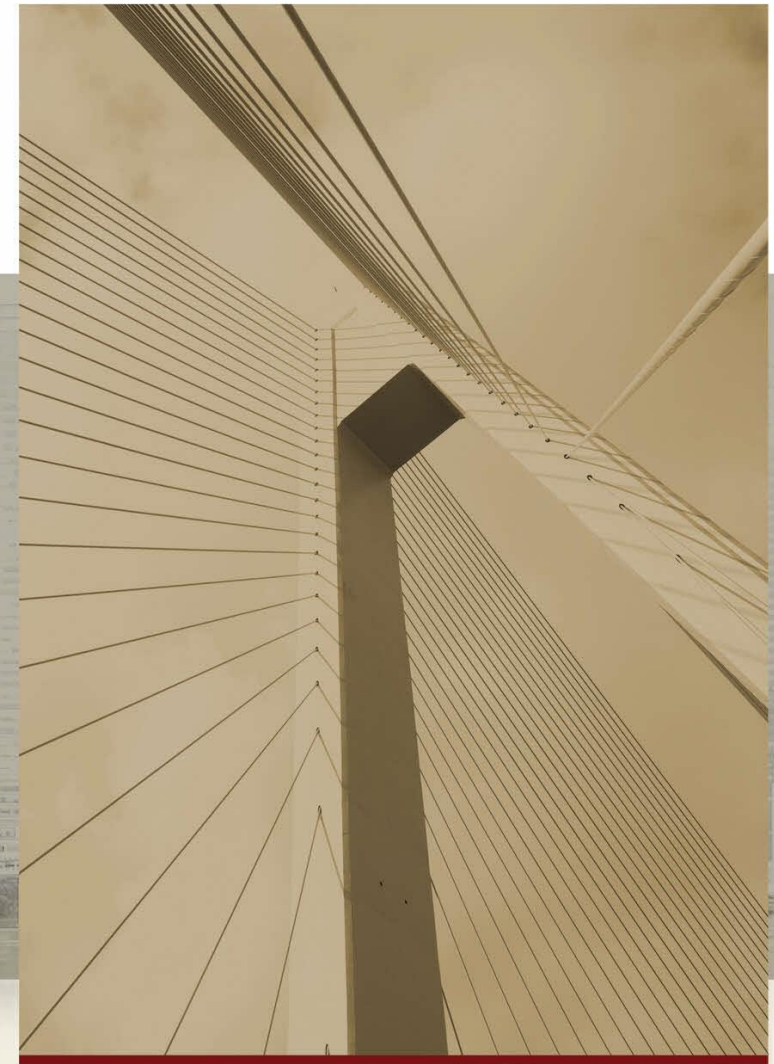
WELCOME

Programme Outline

Time	Programme	Presenter
10.00 am	Opening Address	Ms Selina Ho, Head, Investors' Relations & Corporate Secretariat Head, Corporate Communications
10.05 am	Key 1H FY2021 Highlights Business Highlights (SRE) Business Highlights (ARA, Hospitality & Real Estate Portfolio) Business Highlights (Resources) Financial Highlights	Dr Allen Tan, Head, Portfolio Management Mr James Kwie, Portfolio Manager, Portfolio Management Ms Joyce Tan, Group Financial Controller
10.30 am	Q&A Session	Key Management Team
11.15 am	Closing Comments	Ms Selina Ho

KEY 1H FY2021 HIGHLIGHTS

By Dr Allen Tan



1H FY2021 KEY HIGHLIGHTS

- Robust half year performance demonstrates resilience of our strategy as a conglomerate-investment company
 - EBITDA of S\$186.9 million in 1H2021, compared to EBITDA of S\$27.7 million in 1H2020
 - Real Estate performed strongly with EBITDA of \$168.9 million in 1H2021 (vs. \$36.6 million in 1H2020).
 - Resources recorded EBITDA of \$15.5 million in 1H2021 (vs. \$0.5 million in 1H2020)
 - Hospitality continued to be affected by COVID-19
 - Divested two Good Class Bungalows above valuation, with total gross proceeds of S\$65.3 million
 - Launched The Straits Trading Shareholders' Club: members enjoy preferential benefits and opportunities to grow and co-invest with the Group
- Real estate portfolio continues to bolster position and drives future earnings
 - Prudent capital management to maintain financial flexibility and seize opportunities

1H FY2021 KEY HIGHLIGHTS

Straits Real Estate	ARA	Hospitality	Resources
<ul style="list-style-type: none"> Became wholly-owned subsidiary in April 2021 (acquired JL Family Office's 10.5% stake for \$105 million) PATNCI grew to S\$101.9 million from recurring rental incomes and valuation gains, primarily from Australian and South Korean logistics portfolio 	<ul style="list-style-type: none"> Straits Trading's stake is valued at S\$1.14 billion in both cash and shares following ESR-ARA merger The merger will create the largest Asia-Pacific real estate asset manager and the third-largest listed real estate manager globally 	<ul style="list-style-type: none"> Taking opportunity to enhance efficiency & productivity, and reposition for eventual recovery 	<ul style="list-style-type: none"> Tin prices at 10-year high supported by sustainable demand for consumer electronics 1HFY21 PAT of RM25.1 million vs a net loss of RM12.3 million in 1HFY20 from higher tin prices and production quantity Operations temporarily disrupted by MCO 3.0 but have gradually ramped up in line with the lifting of the workforce capacity restrictions

**STRAITS
TRADING**

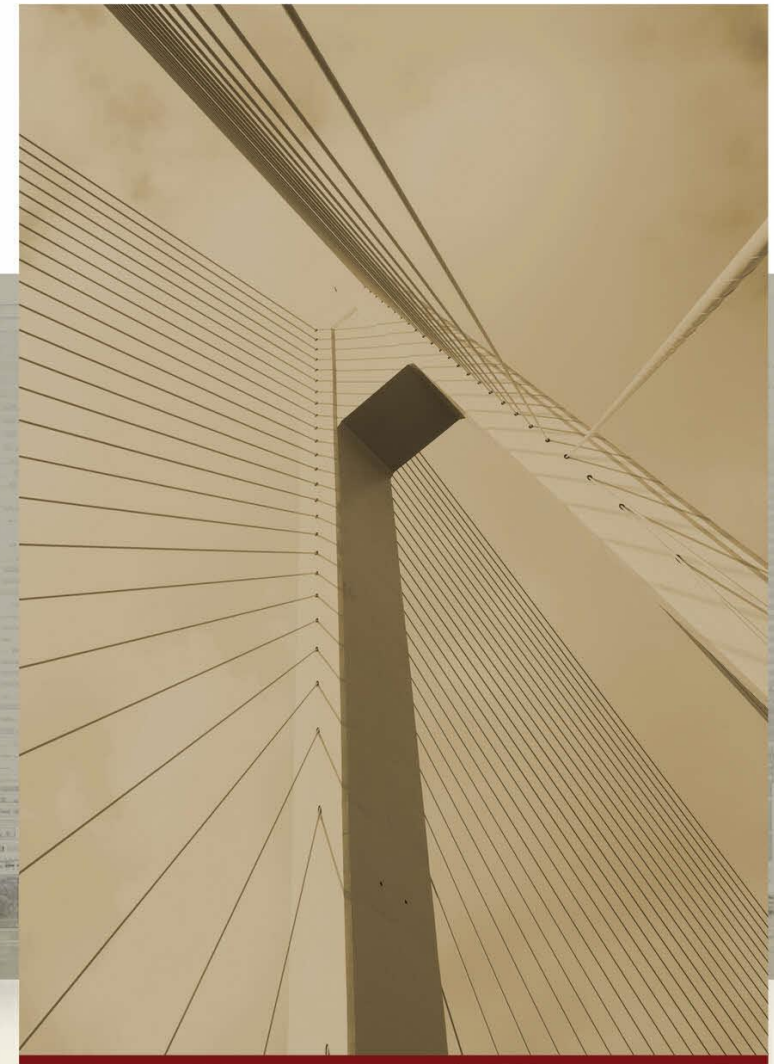
ESTABLISHED 1887

A MEMBER OF THE TECITY GROUP

BUSINESS HIGHLIGHTS

Property: SRE

By Dr Allen Tan

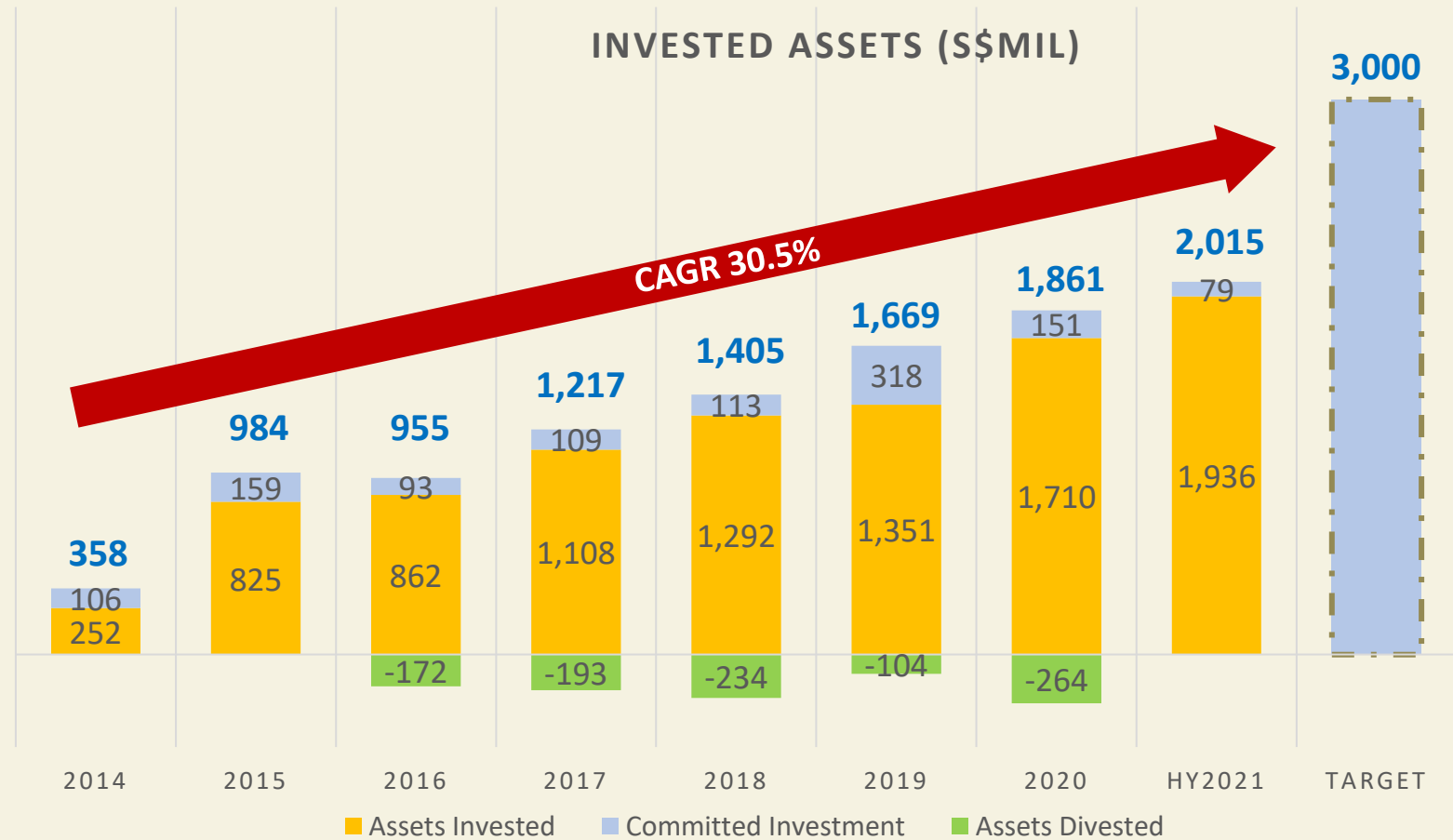


SRE'S GROWING INVESTED ASSETS

A growing global real estate private equity investor

Nurturing Platforms

- To grow from current S\$2.0 billion to S\$3.0 billion target Invested Assets in near term
- S\$967 million capital realised and re-deployed to date
- S\$886 million Net capital invested as of June 2021



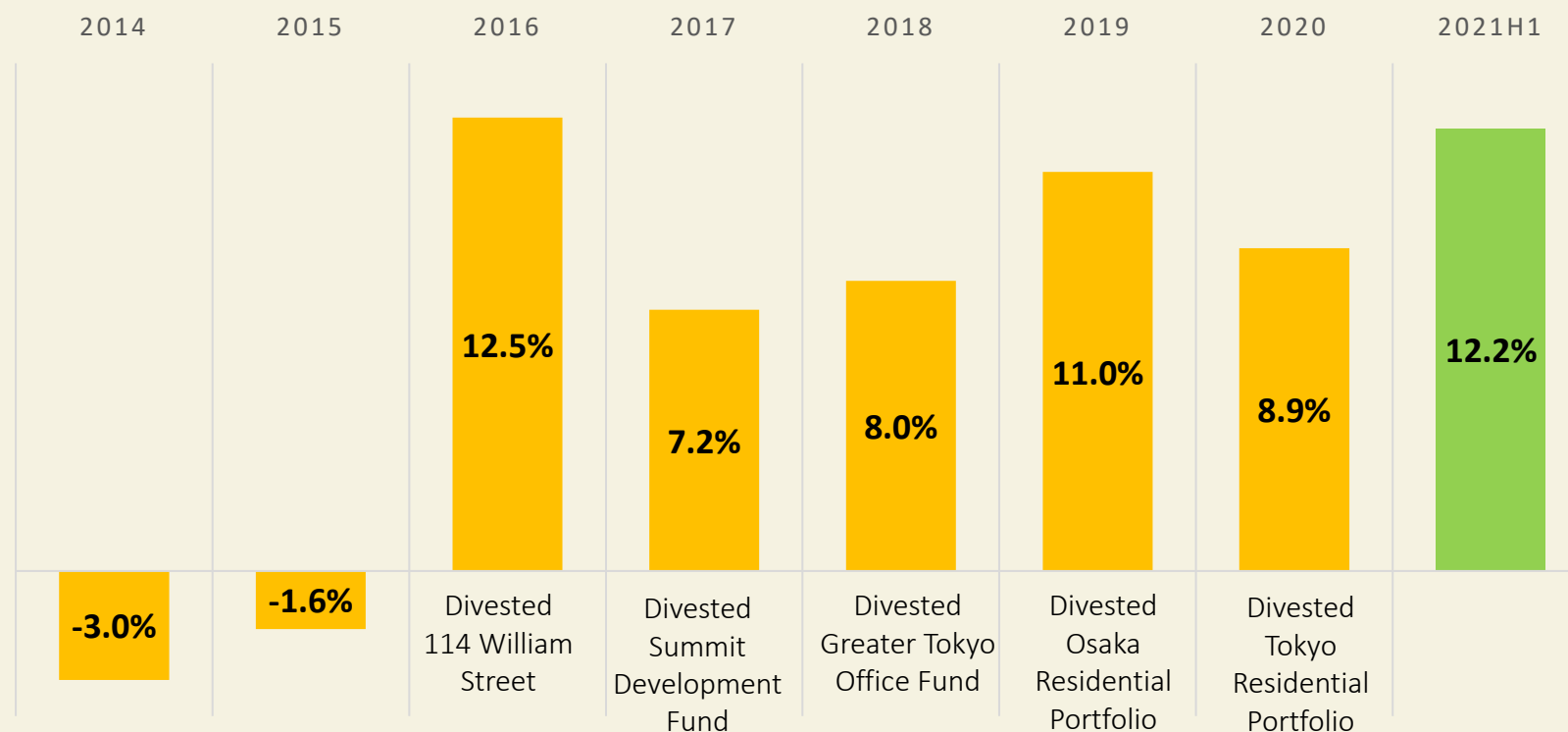
ROBUST ROE TRACK RECORD

Laser-focused on capital efficiency

Delivering Returns

- Consistently growing ROE⁽¹⁾ via active divestment and re-deployment
- Credible ROE in 2021H1 despite disruptions from COVID-19
- Average ROE: 10.0%⁽²⁾

ROE TRACK RECORD



(1) ROE denotes return on equity and is computed based on SRE's PATNCl over average shareholder's funds

(2) Average ROE from 2016 – 2021H1

(3) 2021H1 ROE is based on 1H PATNCl, unannualized

SRE INVESTMENT FOOTPRINT

Focused diversification driven by secular growth trends



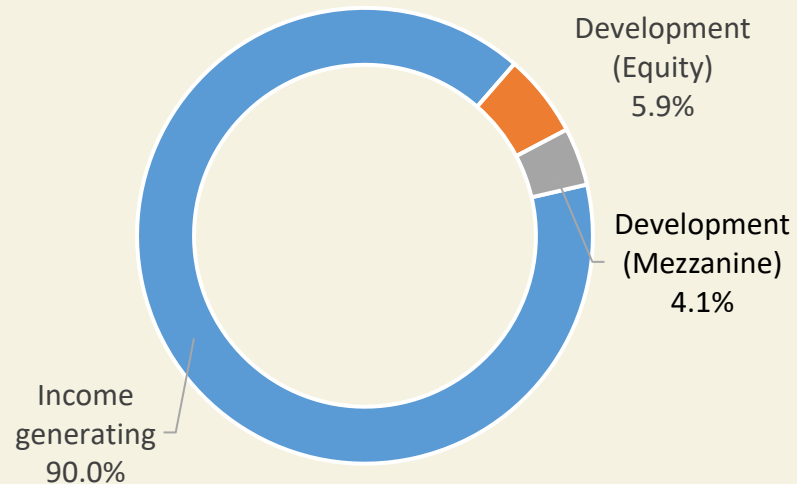
Key Investment Themes

- 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

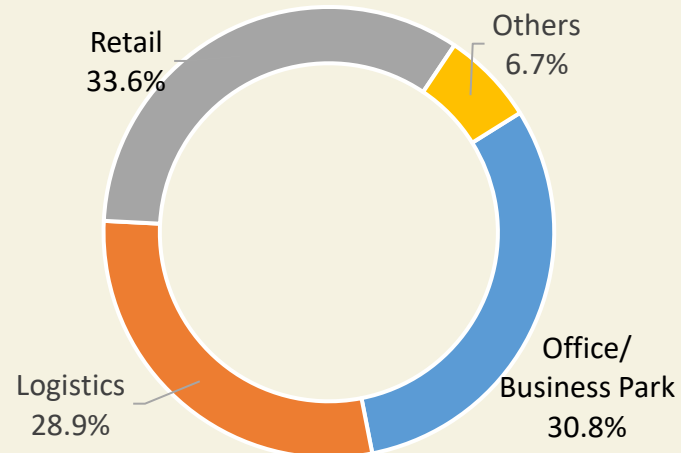
WELL-DIVERSIFIED PROPERTY PORTFOLIO

Predominantly income-generating and geographically diverse portfolio

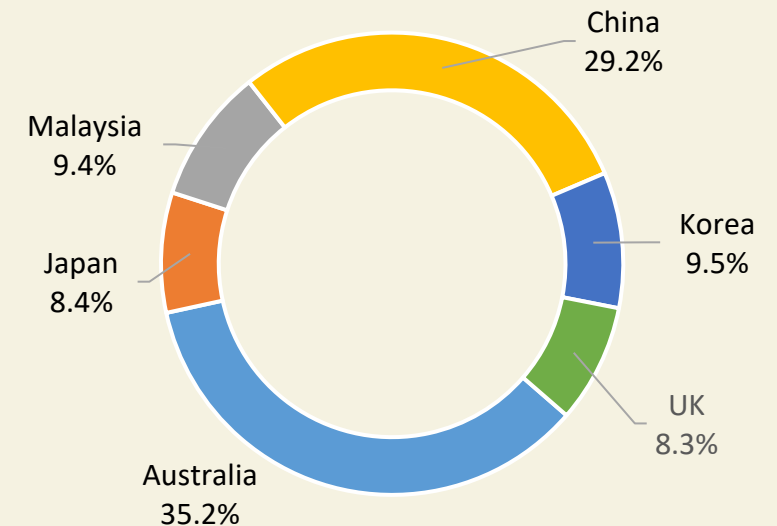
Development vs Income Generating



Allocation by Asset Class



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 30 June 2021

**STRAITS
TRADING**

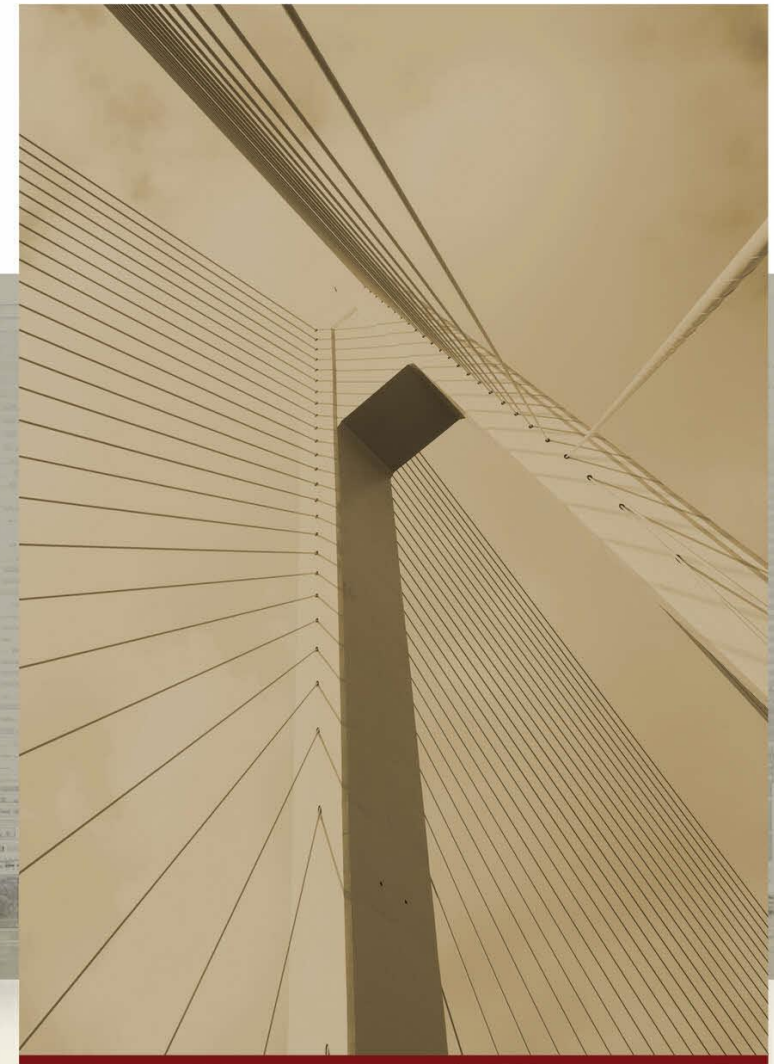
ESTABLISHED 1887

A MEMBER OF THE TECITY GROUP

BUSINESS HIGHLIGHTS

Property: ARA

By Mr James Kwie



ARA ASSET MANAGEMENT

Accelerated expansion since privatisation

2017 (at Privatisation)

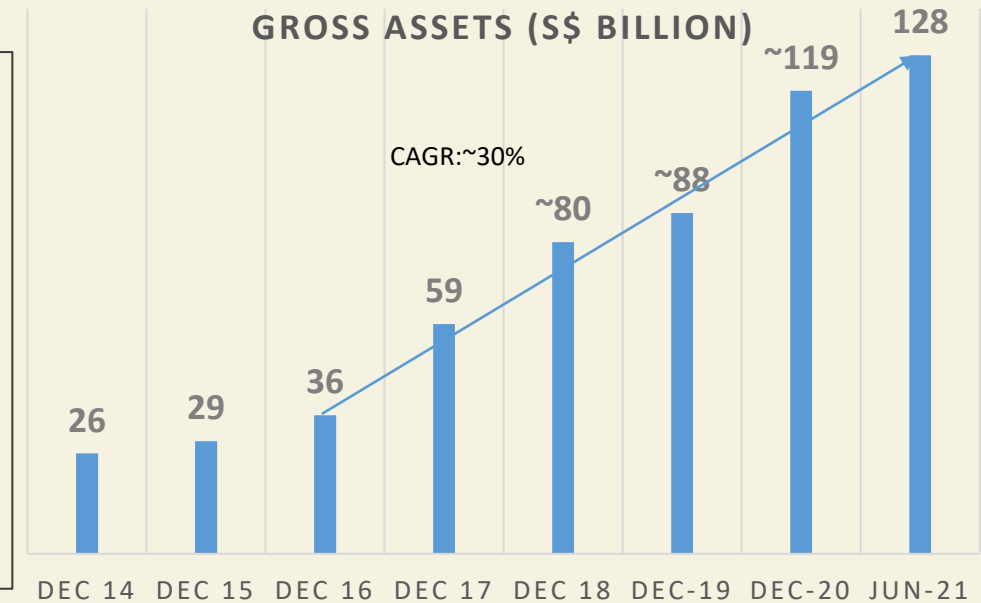
A premier **real estate** fund manager

- AUM ~S\$40 billion
- Asia Pacific presence
- REITS, Private Funds, REMS⁽¹⁾
- 1,200+ employees

Jun 2021

A leading APAC **real assets** fund manager

- Gross Assets ~S\$128 billion
- **Asia Pacific, Europe and United States**
- REITS, Private Funds, REMS, New Economy⁽²⁾, Infrastructure, Credit and Real Estate Fintech
- 1,400+ employees



LOGOS

- Deal of the Year (Asia) at the PERE Global Awards 2020
- LOGOS participates in all aspects of the New Economy asset lifecycle
- AUM: ~US\$17 billion

ARAVenn

- Originates, underwrites and invests in private debt opportunities
- AUM and active mandates: ~US\$13 billion

- 1st real estate manager in Asia to sign WorldGBC's Net Zero Building Carbon Commitment & received over 120 ESG Awards and Accolades

(1) Real estate management services

(2) Logistics and data centers

ARA ASSET MANAGEMENT

Key developments in 1H FY2021



SMBC

Kenedix

- Kenedix successfully delisted from the Tokyo Stock Exchange in March 2021
- Increased its strategic stake in Kenedix to 30.0% in May 2021, up from 20.3% previously

- In May 2021, ARA welcomed Sumitomo Mitsui Banking Corporation (“SMBC”) as a new strategic investors via a US\$500 million round of equity financing⁽¹⁾
- SMBC is among the world’s premier financial institutions with US\$2.25 trillion in assets as at 31 December 2020, and a global presence in 40 countries

- On 4th Aug 2021, ARA and ESR signed an agreement to merge
- The proposed transaction, when completed, will create **APAC’s largest** real estate and real asset manager, and the third largest listed real estate asset manager globally with significant exposure to **new economy** real estate

ARA ASSET MANAGEMENT: PROPOSED MERGER WITH ESR CAYMAN

Realisation of Straits Trading's investment in ARA

Straits Trading to roll-over its effective 19.0%⁽¹⁾ interest in ARA for total consideration of S\$1,140.4 million, comprising cash and securities of ESR

Cash

S\$134.8 million⁽²⁾

Consideration Securities

S\$1,005.7 million consideration securities comprising:

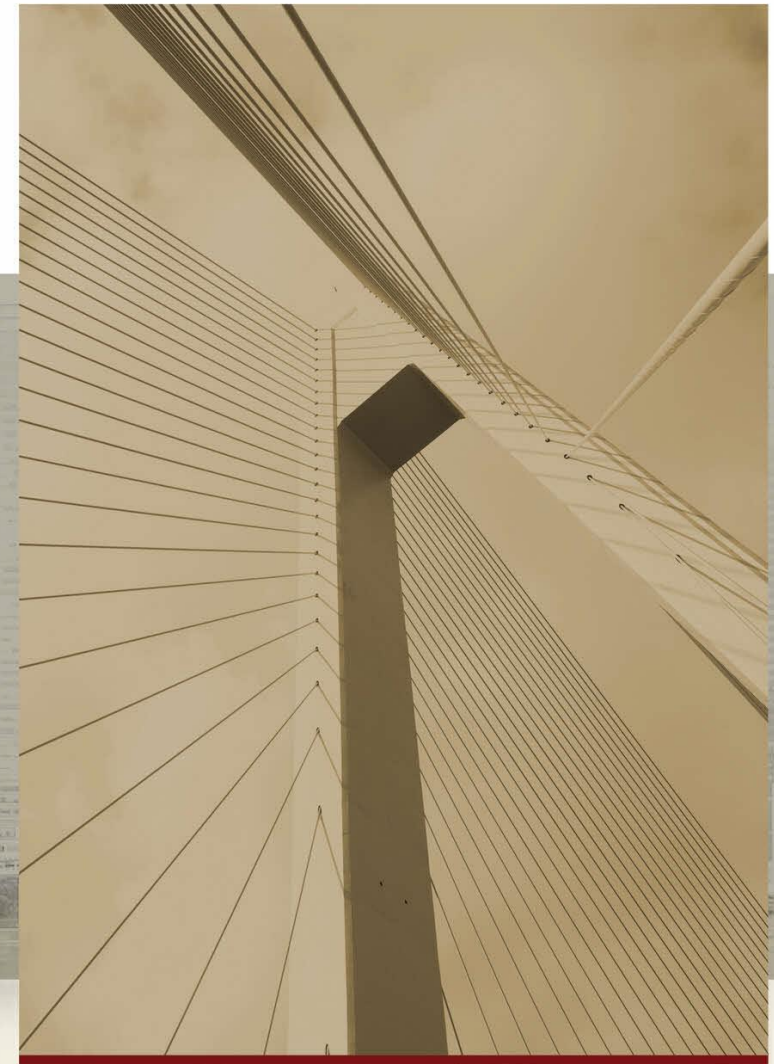
- 195.4 million ESR shares at a price of HK\$27.00 per share (S\$915.3 million⁽³⁾)
- 19.3 million convertible vendor loan notes ("VLNs") (S\$90.4 million⁽³⁾)

- The transaction is subject to ESR shareholders' approval. 46.6% of ESR shareholders have provided irrevocable undertaking to vote in favor of the transaction.
- Closing is expected by 4Q2021 or 1Q2022

BUSINESS HIGHLIGHTS

Hospitality

By Mr James Kwie



FAR EAST HOSPITALITY HOLDINGS

A premier hotel owner and operator

Overview

- Joint venture with Far East Orchard
- Manages over 105 property assets with approximately more than 18,000 keys across 9 countries

Key Developments in 1H FY2021

- Opened 4 hotels (986 keys) in Asia Pacific
- Strategic alliance agreement with the Artotel Group to tap domestic tourism in Indonesia, Southeast Asia's largest market

Outlook

- Expectation for international air travel to not return to pre-pandemic levels till 2023 or later
- Longer-term optimism that global tourism will recover with increasing vaccination rollout
- Focus on the transformation of its brands and operations as it grows its hospitality footprint



The Clan Hotel (Artist impression)

**STRAITS
TRADING**

ESTABLISHED 1887

A MEMBER OF THE TECITY GROUP

BUSINESS HIGHLIGHTS

Property: Real Estate Portfolio

By Mr James Kwie



PROPERTY PORTFOLIO

Unlocking value of prime land in Butterworth, Penang

Straits City – Phase 1 in progress

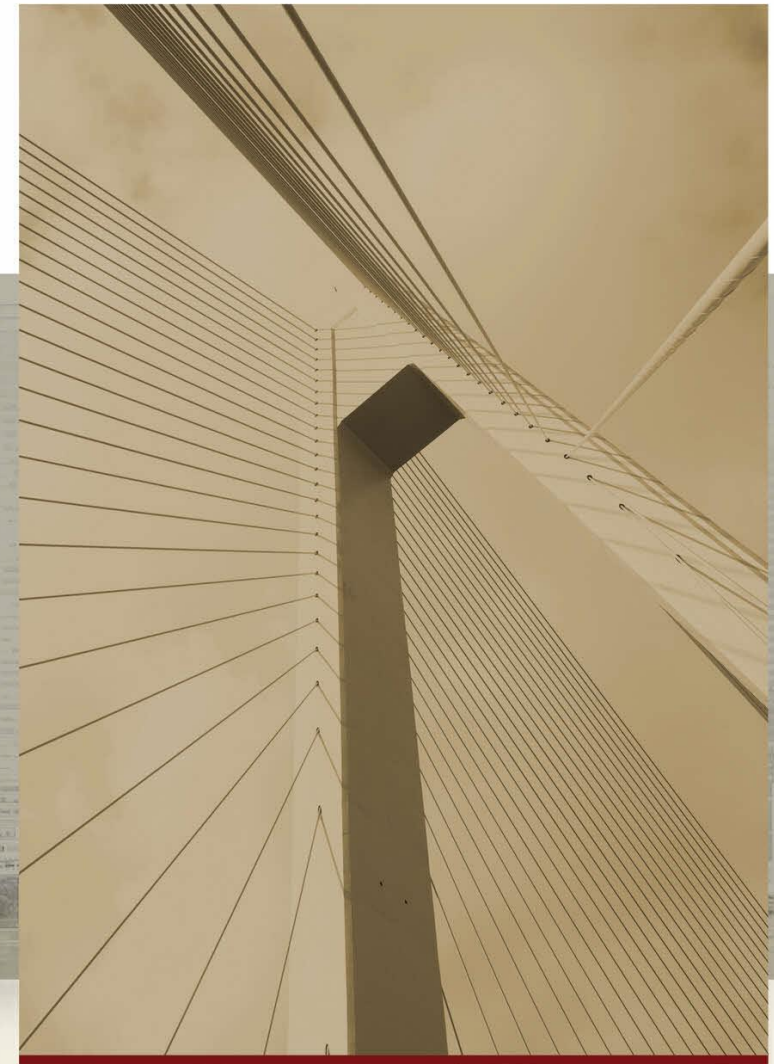
- Development of a 23-storey 4-star hotel expected to be completed in 2022
- Target launch of Straits City Concept Centre by Q3 2023
- Prime location: 5 min drive to the newly launched integrated transportation hub, Penang Sentral
- Penang Draft Master Plan 2030: Butterworth earmarked as an extension of George Town



BUSINESS HIGHLIGHTS

Resources: MSC

By Mr James Kwie



MALAYSIA SMELTING CORP

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

MSC GROUP

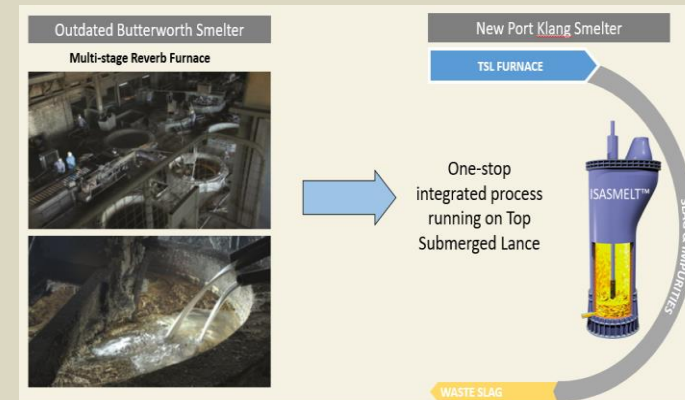
- Continued to be profitable in 1HFY21 despite disruptions arising from Covid-19
- Tin mining net profit up 5-fold to RM36.2 million in 1HFY21 (1HFY20: RM6.6 million), while tin smelting reported a lower net loss of RM2.8 million (1HFY20: –RM19.9 million)
- Well positioned to capitalise on strong tin price fuelled by rising demand for tin solder in consumer electronics
- Raised gross proceeds of RM38 million via a private placement mainly for repayment of bank borrowings and working capital purposes

TIN MINING - Ongoing initiatives to raise mining productivity



- New initiatives have raised daily mining output to 11 tonnes/day in 1H21 from 9.5 tonnes/day in 2020
- Explore new deposits and JV mining arrangements

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

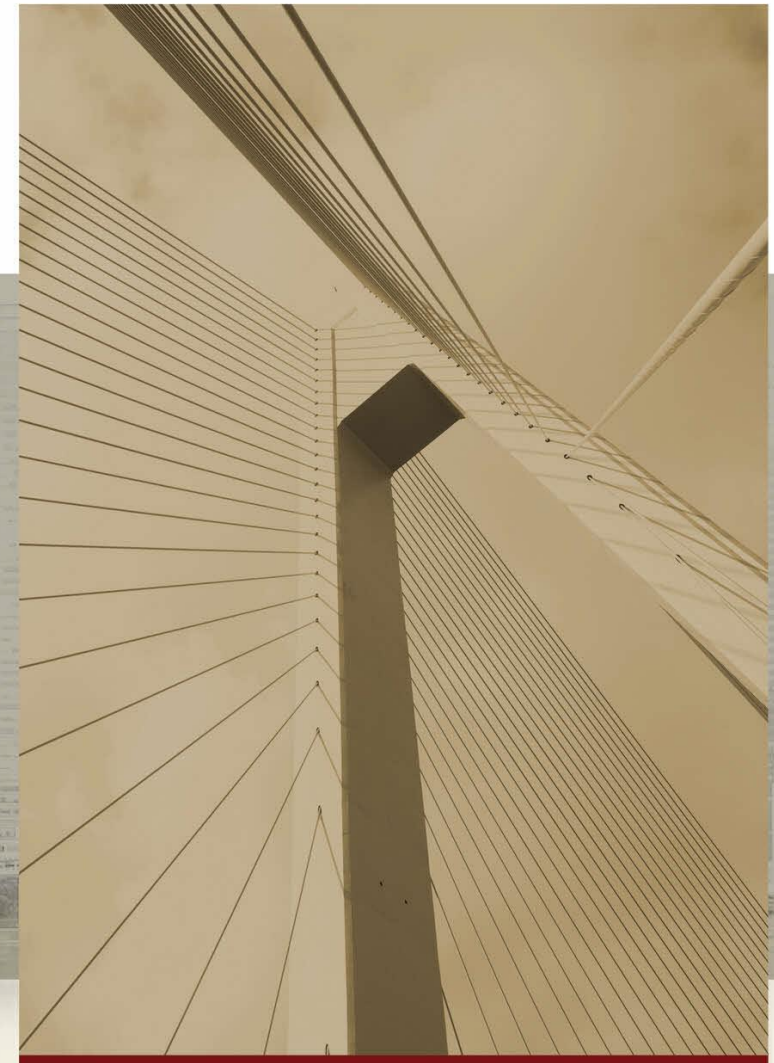


- Improve production yield and capacity
- Smaller carbon footprint

FINANCIAL HIGHLIGHTS

1H FY2021

By Ms Joyce Tan



GROUP FINANCIAL HIGHLIGHTS

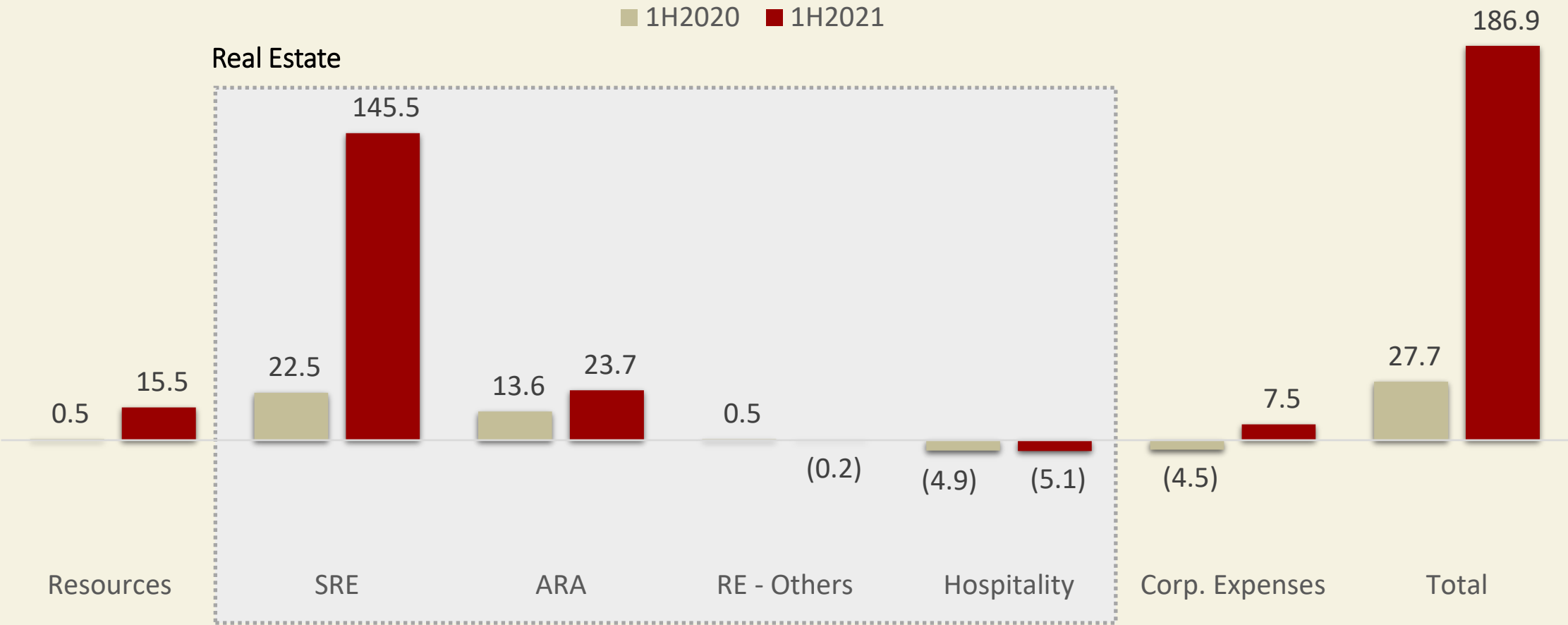
S\$'m	1H2021	1H2020	% Change
EBITDA	186.9	27.7	574.8
Profit before tax	165.7	9.5	1,642.7
PATNCI	122.6	5.5	2,135.3
EPS (cents)	30.1	1.3	2,215.4

EBITDA BY BUSINESS SEGMENTS

Main drivers of profitability – Real Estate segment

EBITDA (S\$ mil)

■ 1H2020 ■ 1H2021

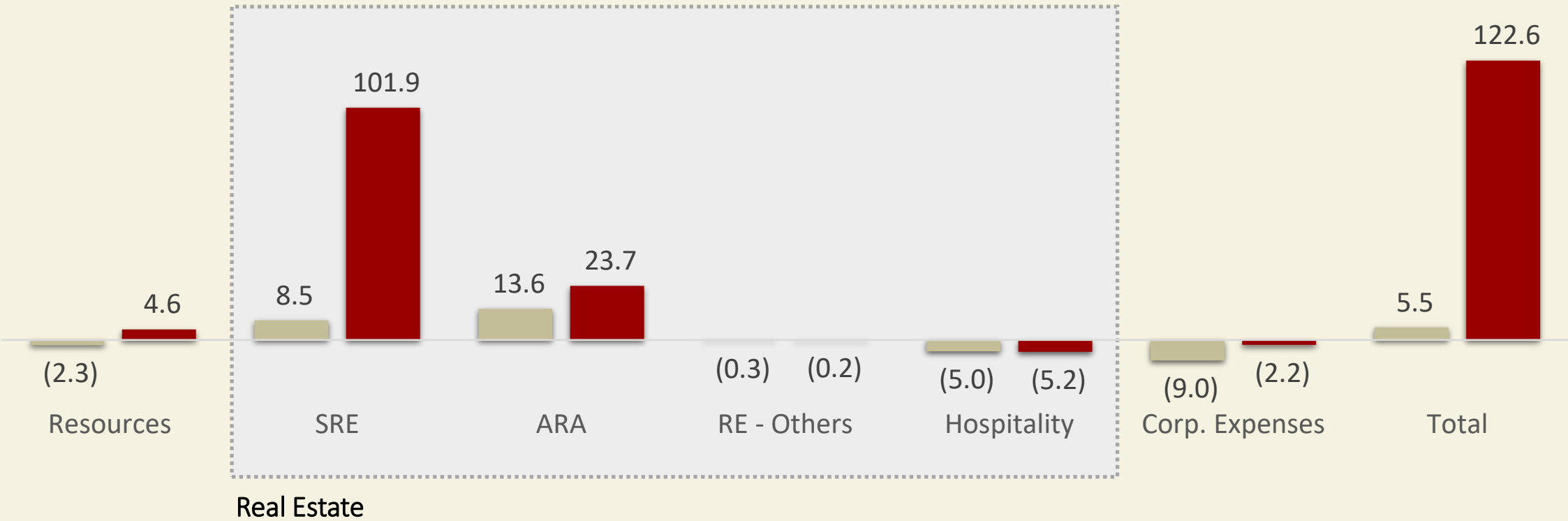


PATNCI BY BUSINESS SEGMENTS

Main drivers of profitability – Real Estate segment

PATNCI (S\$ mil)

■ 1H2020 ■ 1H2021



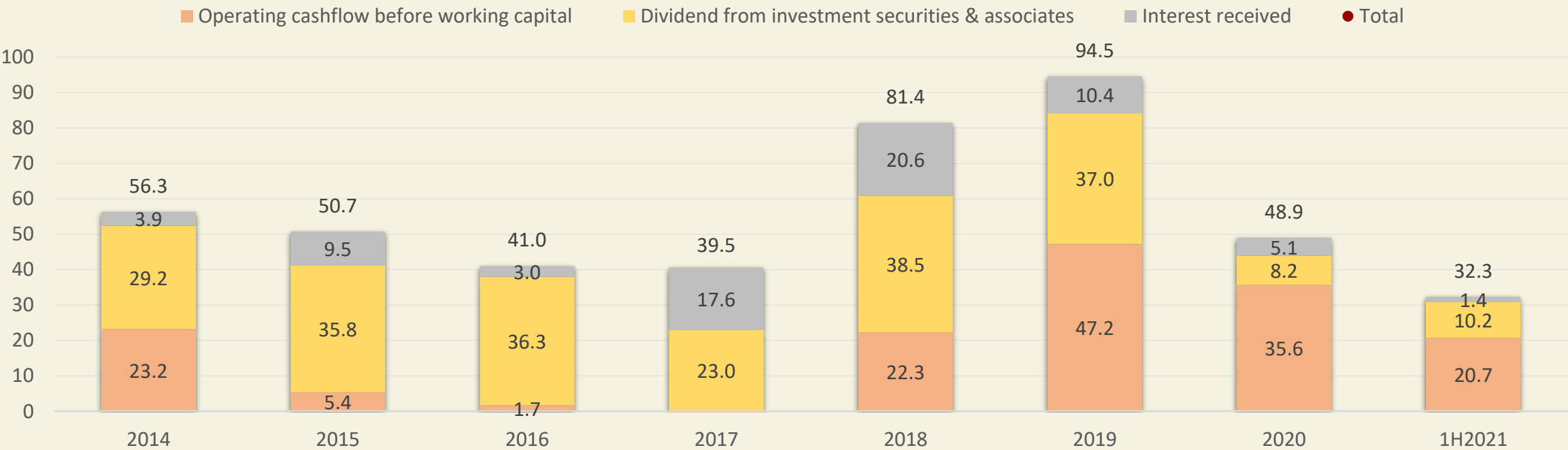
GROUP FINANCIAL HIGHLIGHTS

Strong financial position and prudent financial metrics

S\$m	30 Jun 2021	31 Dec 2020
Cash and short-term deposits	211.2	456.3
Total assets	3,055.6	3,085.9
Total borrowings	1,154.2	1,188.5
Total liabilities	1,292.8	1,359.0
Total equity	1,762.8	1,726.9
NAV/share (S\$)	4.03	3.78
Net debt/Total equity	53.5%	42.4%
EBITDA/Interest expenses	10.82	4.50

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

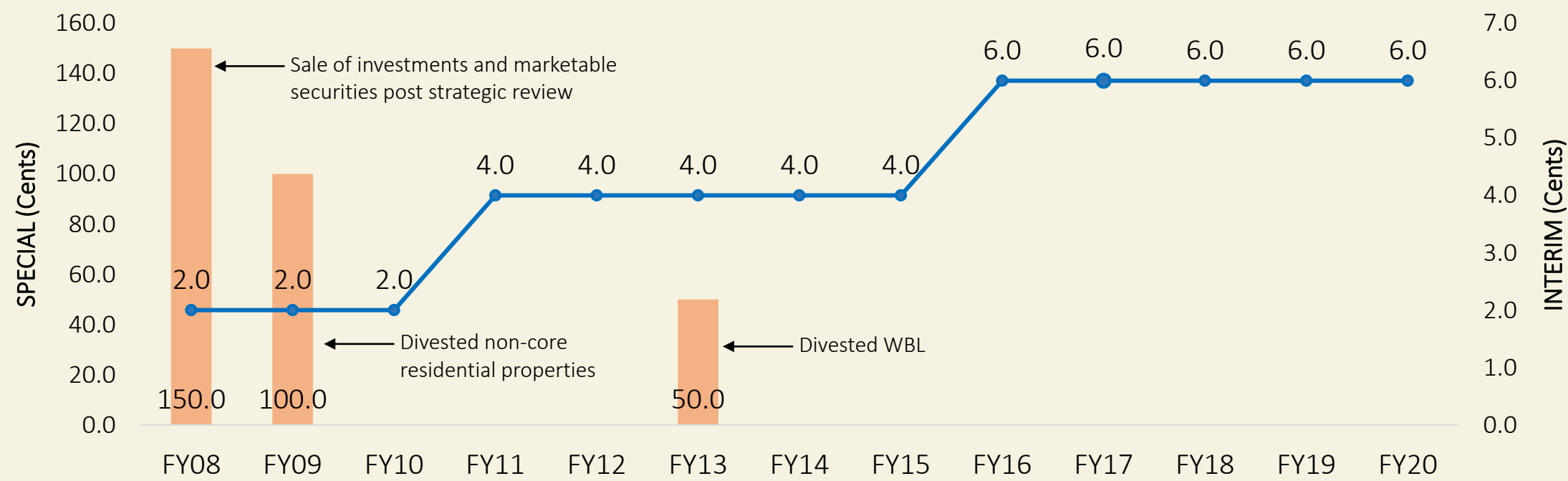
Sale of SG residentials for S\$65.3m

DIVIDEND RECORD

Maintaining dividend of S\$0.06/share

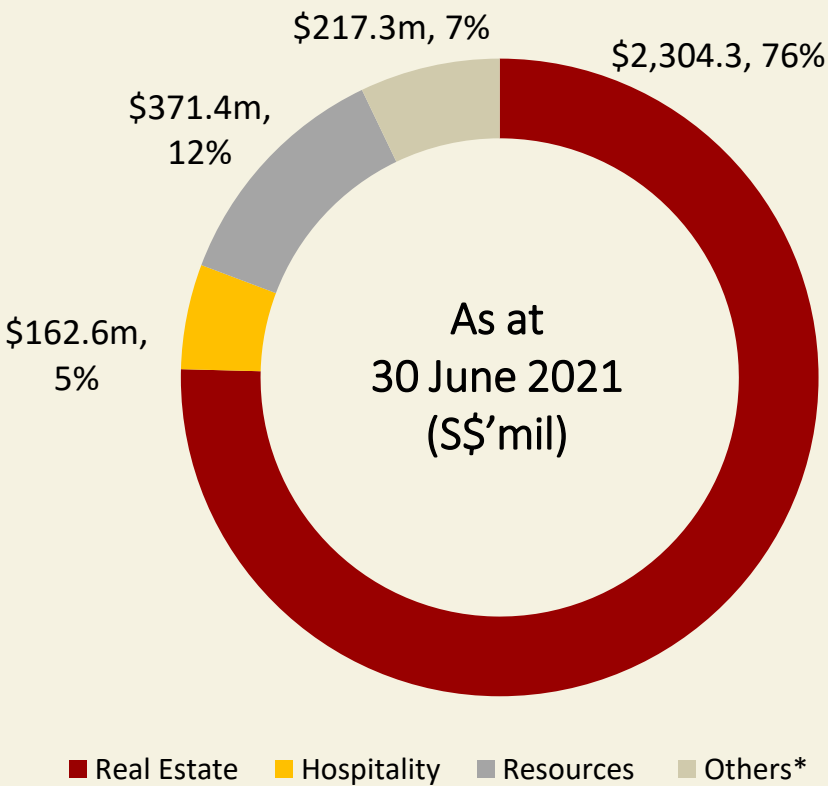
Dividend Per Share

Special Interim

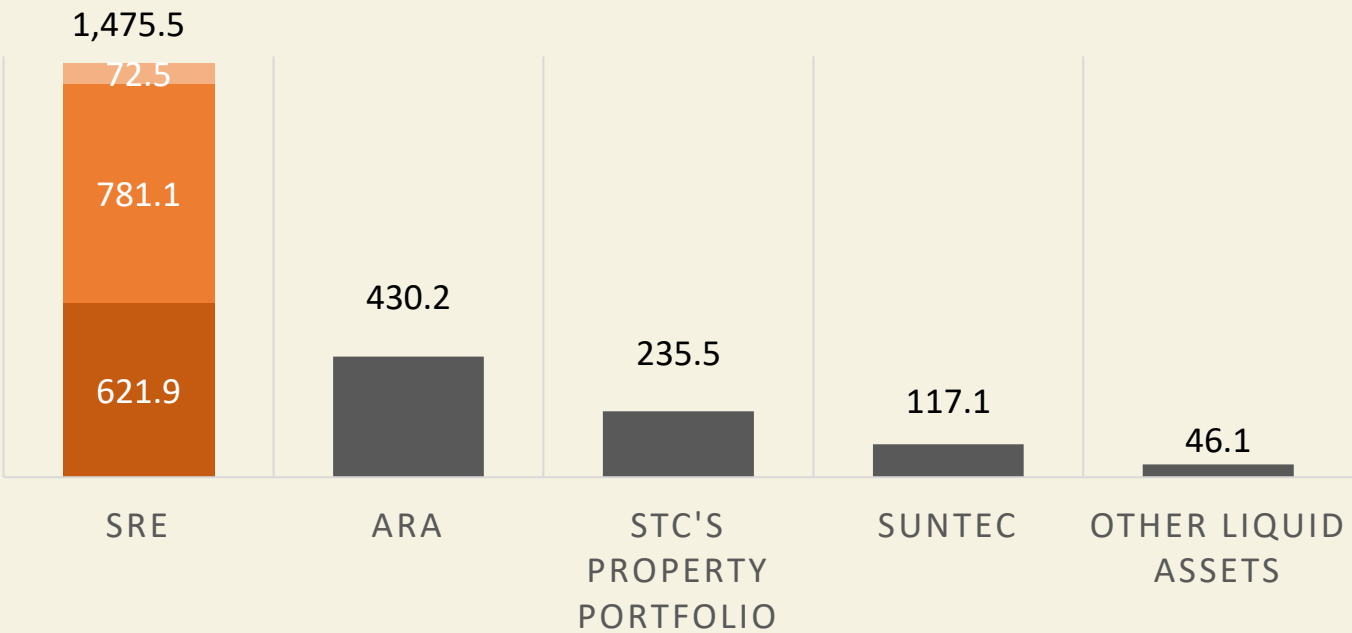


TOTAL ASSETS

S\$3.06 billion in total assets as of 30 Jun 2021(Dec 2020: S\$3.09 billion)
81% from real estate and hospitality segments



REAL ESTATE ASSETS BREAKDOWN (S\$ MIL)



■ Cash & Others

■ Chongqing Mall, 45 St Georges Terrace, Bourne Business Park & Logistics assets

■ Harmony III, JVF II, 320 Pitt St, Logistics JV in Korea, Suntec Place JV & investment in secured notes

* Others comprise mainly Group-level cash, securities portfolio



A MEMBER OF THE TECITY GROUP

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.

DISCLAIMER

The information contained in this presentation (the "Presentation") is for information purposes only. The Presentation does not constitute or form part of any offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for, or any offer to underwrite or otherwise acquire any securities of The Straits Trading Company Limited (the "Company") or any other securities, nor shall any part of the Presentation or the fact of its presentation or communication form the basis of, or be relied on in connection with, any contract, commitment or investment decision in relation thereto.

The information in this Presentation is based on the views of and certain assumptions held by the management of the Company. While the Company has made reasonable efforts to ensure the accuracy of the information, the Company has not independently verified such information. In addition, the Company does not make any representation or warranty as to the accuracy or completeness of the information contained in this Presentation or the reasonableness of any assumptions contained herein and any liability in respect therefore is expressly disclaimed. Further, nothing in this Presentation should be construed as constituting legal, business, tax or financial advice and you should consult your own independent professional advisers.

The information in this Presentation has been provided by the Company as of 13 August 2021 except as otherwise indicated, and are subject to change without notice or update, and does not purport to be complete or comprehensive. The Company does not make any representation or warranty that there have been changes in the affairs of the Company after such date.

This Presentation may contain forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, expected performance, trends, anticipated developments in the Company's industries, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company does not guarantee that these assumptions and expectations are accurate or will be realised. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Although the Company believes that such forward-looking statements are based on reasonable assumptions, it can give no assurance that such expectations will be met.

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, (viii) changes in the supply and demand for tin metal, (vii) changes in the price of tin as a result of speculation, (viii) changes in interest rates or inflation rates, (ix) wars or acts of international or domestic terrorism, (x) occurrences of catastrophic events, natural disasters and acts of God that affect the business or properties of the Company, and (xi) 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. The Company assumes no responsibility to amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise.

This Presentation includes statistical data provided by us and various third parties and cites third party projections regarding growth and performances of the industry and markets in which we operate. Such data is taken or derived from information published by industry sources, various third parties and from our internal data. In each such case, the sources are identified in this Presentation.

This Presentation is directed only at persons which are neither resident in the United States nor "U.S. persons" as defined under Regulation S of the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and, in addition, which are lawfully able to receive this document under the laws of the jurisdictions in which they are located or other applicable laws. Securities of the Company have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the United States or other jurisdiction, and may not be offered or sold within the United States unless registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable U.S. state or local securities laws. The Company assumes no responsibility in the event there is a violation by any person of such restrictions. Any other information and materials on the Company's website, any website directly or indirectly accessible by hyperlinks on the Company's website and any other website are not incorporated in, and do not form part of, this Presentation.

Neither this Presentation or any part thereof may be (a) used or relied upon by any other party or for any other purpose, (b) copied, photocopied, duplicated or otherwise reproduced in any form or by any means, or (c) forwarded, published, redistributed, passed on or otherwise disseminated or quoted, directly or indirectly, to any other person either in the participants' organisations or elsewhere. By attending this presentation, participants agree to be bound by the terms above.

This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.



A MEMBER OF THE TECITY GROUP

THANK YOU
