

**STRAITS
TRADING**
ESTABLISHED 1887

A MEMBER OF THE TECITY GROUP

1H 2024

Results Briefing

16 August 2024



Programme Outline

Time	Programme	Presenter
10:00 AM	Introductory Remarks	Mr. Travis Tan Manager, Investor Relations & Shareholders' Club
10:05 AM	1H 2024 Financial Highlights	Mr. Yang Hejia Financial Controller
10:15 AM	1H 2024 Business Highlights <ul style="list-style-type: none">▪ Resources▪ Property▪ Hospitality	Mr. James Kwie Investment Manager, Corporate Investments, Chairman's Office
10:25 AM	Business Outlook	Mr. Eric Teng Group Chief Operating Officer CEO, Straits Developments Private Limited
10:30 AM	Q&A Session	Key Management Team
11:00 AM	End of Session	

1H 2024

Key Financial Highlights

Key Financial Highlights

Group EBITDA ¹

S\$66.3m

▼ 15.7%

- Lower fair value gain from derivative component of Exchangeable Bonds.
- Excluding the impact mentioned above, EBITDA was flat year-on-year.

Resources EBITDA

S\$19.8m

▼ 39.6%

- Upgrading and scheduled maintenance of the Pulau Indah furnace resulted in lower production despite higher revenue from higher average tin prices.

Property EBITDA

S\$38.1m

▲ 41.3%

- Higher net fair value gains from logistics properties in South Korea and Australia; and partially offset by disposal loss on an Australia investment property.

Hospitality EBITDA

S\$1.9m

▲ from - \$0.3 m

- Buoyed by healthy demand for international travels and higher share of results from associates.

Gearing
(Net Debt / Total Equity)

79.9%

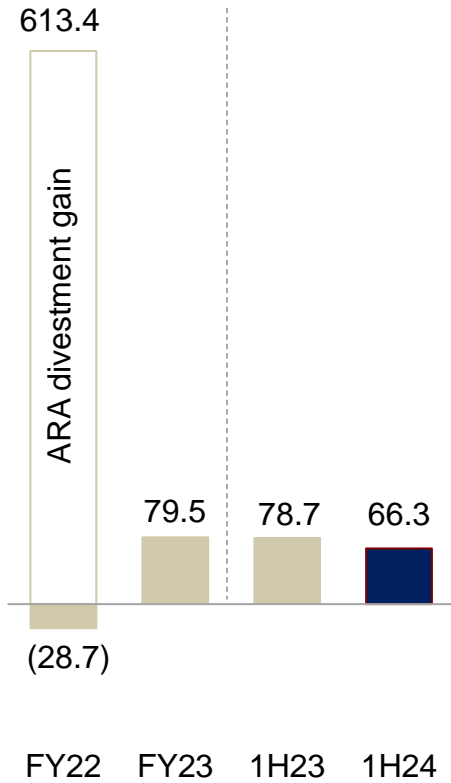
72.8% (31 Dec 23)

- Gearing has edged up owing to holding assets in elevated interest rate environment.
- Balance sheet remains robust with financial flexibility, positioning the Group to navigate the head winds ahead.

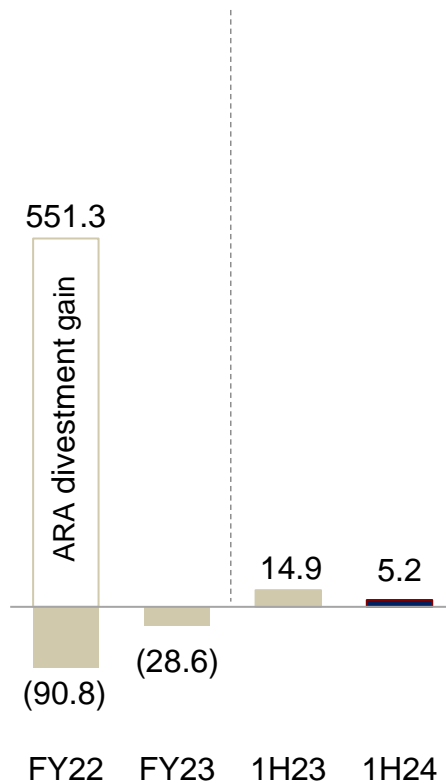
¹ Group EBITDA also includes EBITDA of Other Segment amounting to S\$6.5m.

Group Financial Highlights

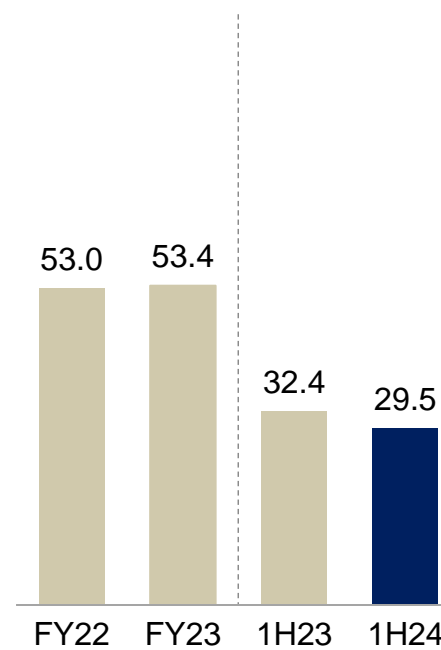
EBITDA¹ (S\$m)



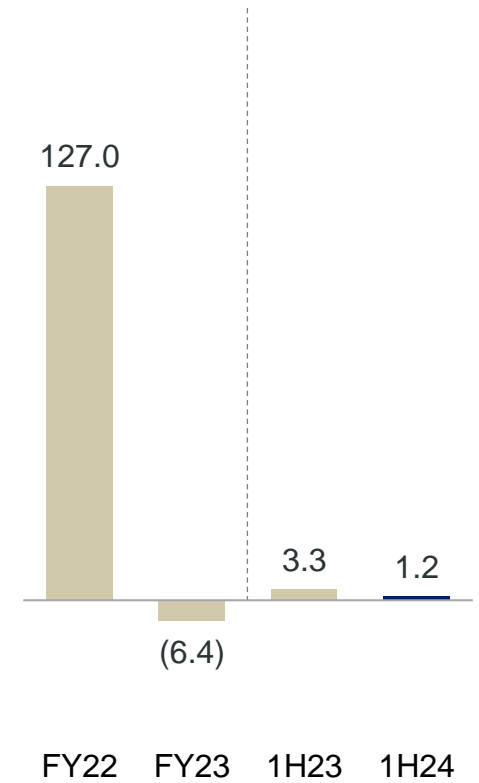
PATNCI² (S\$m)



Operating Cashflow³ (S\$m)



EPS (¢)



Note: In FY22, there was a one-time net gain of S\$642.1m mainly from the divestment of ARA

¹ EBITDA calculated as profit before tax plus depreciation expense, amortisation expense, and finance costs

² PATNCI calculated as profit after tax minus profit attributable to non-controlling interests

³ Before changes in working capital

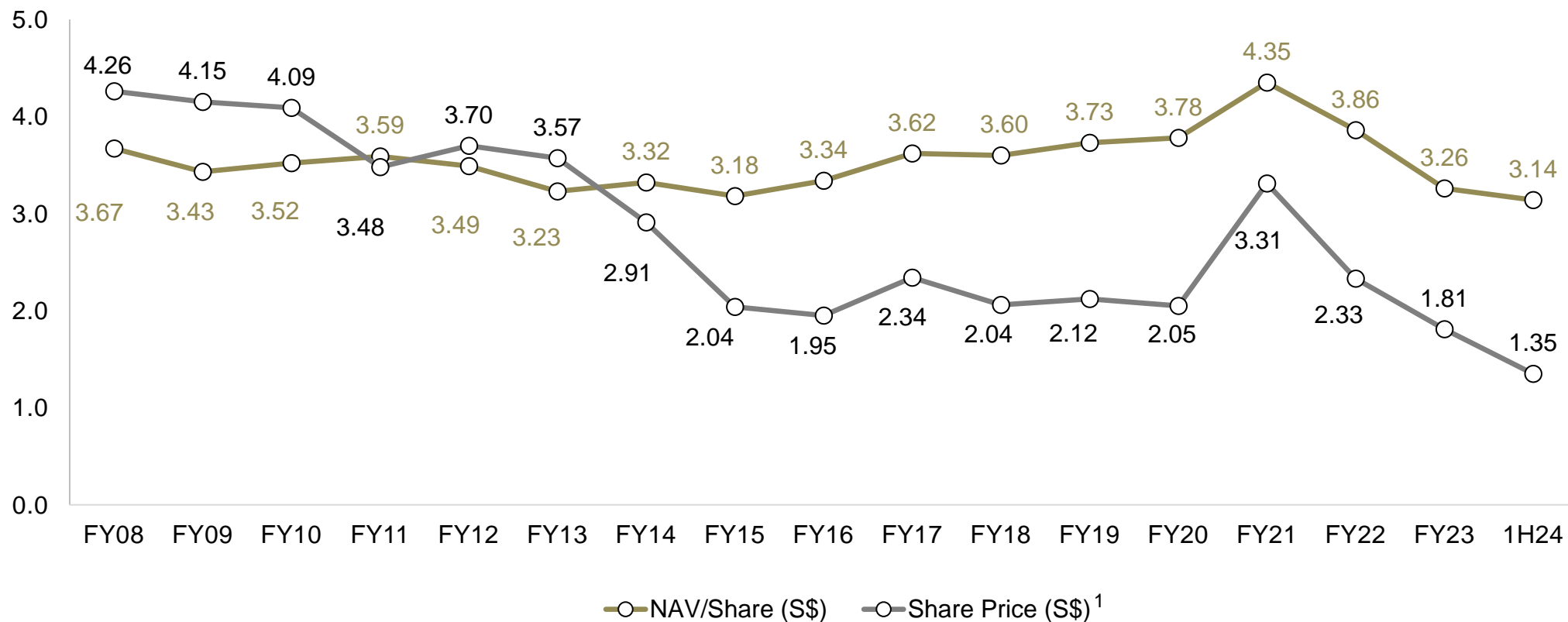
Balance Sheet

Strengthened balance sheet allows greater financial flexibility

Balance Sheet	30 Jun 2024	31 Dec 2023	Change	Remarks
Cash and Bank Balances	476.3	458.1	▲ 4.0%	Increase mainly due to cash from fixed rate note issued, which is partially used for bank loans repayment
Investment Properties	1,427.5	1,355.6	▲ 5.3%	Increase mainly due to: <ul style="list-style-type: none"> Fair value gain and capex on logistic properties in Australia and South Korea Fair value gain on properties in Singapore Partially offset by disposal of investment property in Australia
Total Assets	3,512.8	3,439.5	▲ 2.1%	
Total Borrowings	1,723.1	1,621.5	▲ 6.3%	Increase mainly due to fixed rate note issued, partially offset by repayment of bank loans
Total Liabilities	1,952.0	1,842.1	▲ 6.0%	
Total Equity	1,560.8	1,597.5	▼ 2.3%	Decrease mainly due to dividends distribution for FY2023
NAV/Share (S\$)	3.14	3.26	▼ 3.7%	Decrease in line with lower total equity

Net Asset Value Trend

NAV per share (S\$)



¹ Closing price as at the last trading day of the financial year / period

1H 2024

Key Business Highlights

Organisation Structure ¹

TECITY GROUP

66.7%



A MEMBER OF THE TECITY GROUP

Resources

Property

Hospitality

Malaysia Smelting Corporation Berhad ("MSC")
52.0% Stake

Largest independent custom tin smelter in the world

Straits Developments Private Ltd ("SDPL")
100% Stake

Corporate and operational arm for the Group; new business and property business

STC Property Management Sdn. Bhd. ("STCPM")
100% Stake

Developer of Straits City Project Penang

Straits Investment Management Pte. Ltd. ("SIM")
100% Stake

Fund management specialising in global real estate securities

Straits Real Estate Pte. Ltd. ("SRE")
100% Stake

Investment vehicle seeking out real estate related opportunities globally

Far East Hospitality Holdings Pte Ltd ("FEHH")
30.0% Stake

An established international hospitality owner and operator

ESR Group ("ESR")
4.0% Stake

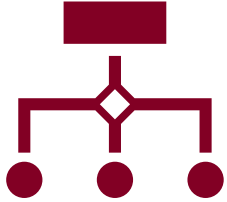
APAC's largest real estate and real assets fund manager

SDAX Financial
14.3% Stake

An integrated digital financial services platform

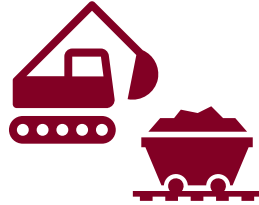
¹ As of 30 June 2024

Group



- Strengthened balance sheet through the issuance of a S\$130 million 4.70% fixed rate note due 2029
- Increased total cash position to S\$476.3 million as of 30 June 2024

Resources



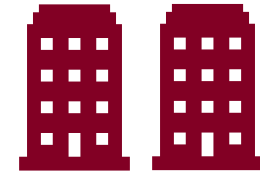
- Ongoing operational efficiencies and improvements for smelting and mining business
- Annual re-bricking and scheduled maintenance of furnace took place from mid-May to mid-July 2024
- Closure of old Butterworth smelter to complete by 2025

Property



- Completed the Phase 1 development of Straits City in Penang, Malaysia
- Ongoing capital recycling, asset enhancements and portfolio adjustments to achieve optimal risk-adjusted returns

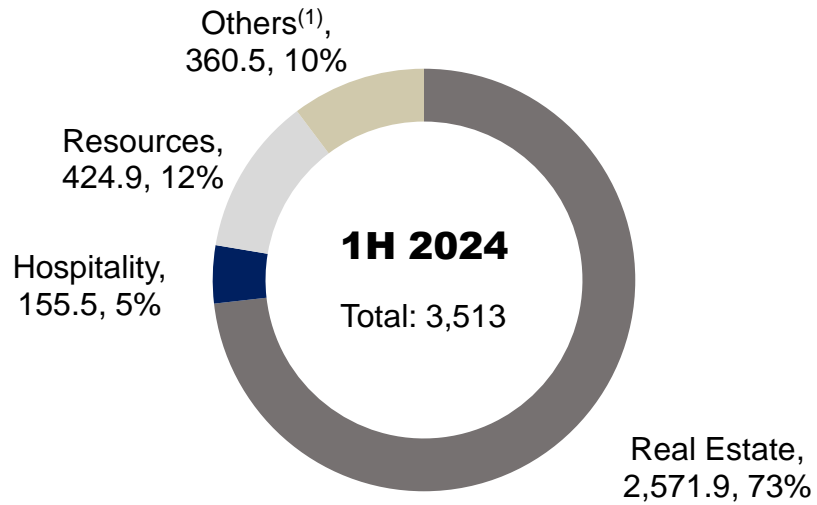
Hospitality



- Opened Vibe Docklands Melbourne in April 2024
- Two upcoming openings in Australia and Singapore
- Announced disposal of Rendezvous Hotel Perth Central

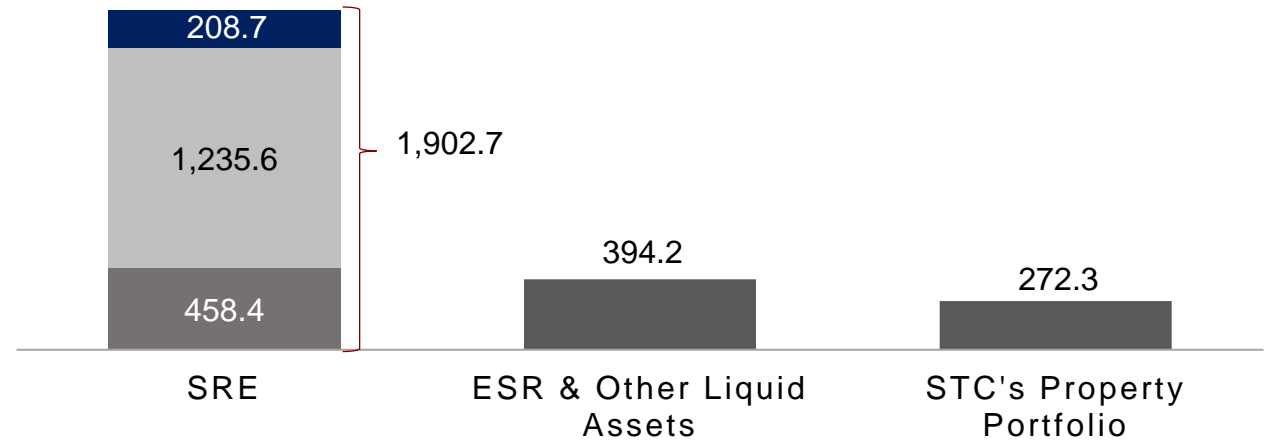
Asset Segmentation

Total Assets (S\$m)



¹ Others comprise of mainly Group-level corporate and treasury services, securities and other investment

Real Estate Assets Breakdown (S\$m)



■ Cash & Others

- Chongqing Mall, 45 St. Georges Terrace, Bourne Business Park, Docklands, Logistics assets, Gloucester Business Park & Cavan
- JVF II, 320 Pitt St., Logistics JV in Korea, Suntec Place JV, SIM UK & Garden Street / Kilysth Connect



1H 2024


Property Highlights

Invested in a Portfolio of Attractive Real Assets

Our business model is to create value – directly and with partners – and recycle capital at the appropriate time.

Singapore

Exclusive Freehold Residential



Good Class Bungalows

Malaysia


Retail & Mixed-Use Development




Malaysia Retail Straits City

United Kingdom

Business & Warehouse Retail Parks





Bourne Business Park





UK Warehouse Retail Parks

Australia

Office & Logistics


1010 La Trobe Building 1 & 2, Melbourne

45 St. Georges Terrace, Perth 320 Pitt Street, Sydney

China

Retail, Leisure, Entertainment



Chongqing Yuedi Mall

Japan


Office



Japan Value Fund II

South Korea


State-of-the-art Modern Logistics




Arenas Yeongjong Logistics Anseong Logistics



United Kingdom

Gloucester Business Park




Australia

Logistics Portfolio in Victoria & South Australia

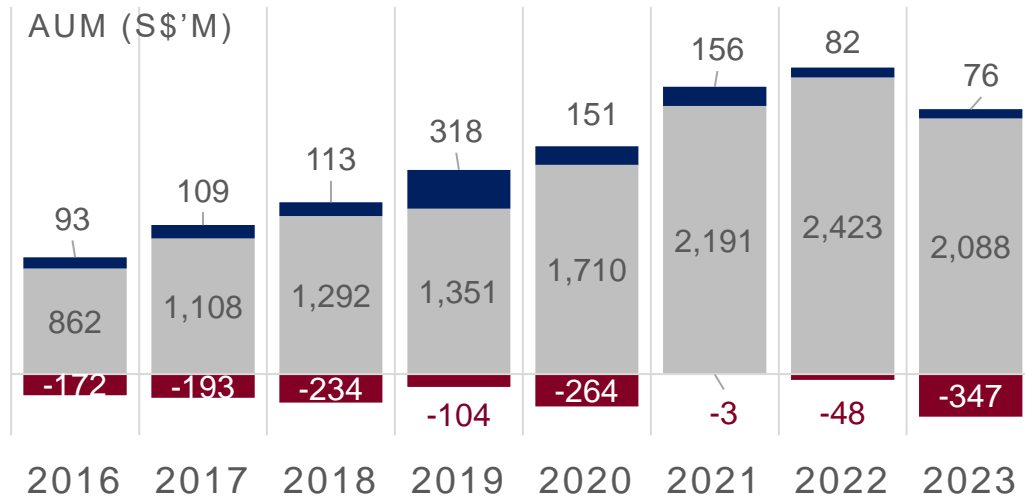



China

Suntec Place Sanlin Mall



Cumulative AUM of S\$2.1 billion as at 31 Dec 2023

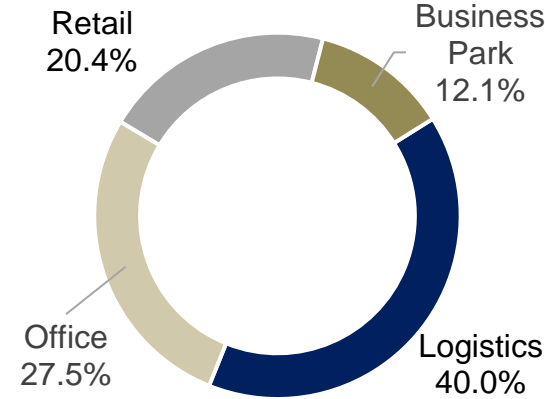


- Assets Invested
- Committed Investment
- Assets Divested

- Focused on the value-added style
- Continued capital recycling to drive capital efficiency

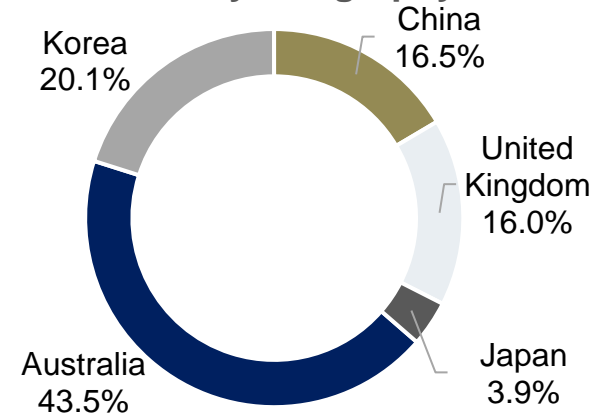
Well Diversified Property Portfolio Provide Stability ¹

Allocation by Sector



- Building scale in the modern logistics sector
- Unlocking values through proactive asset enhancements

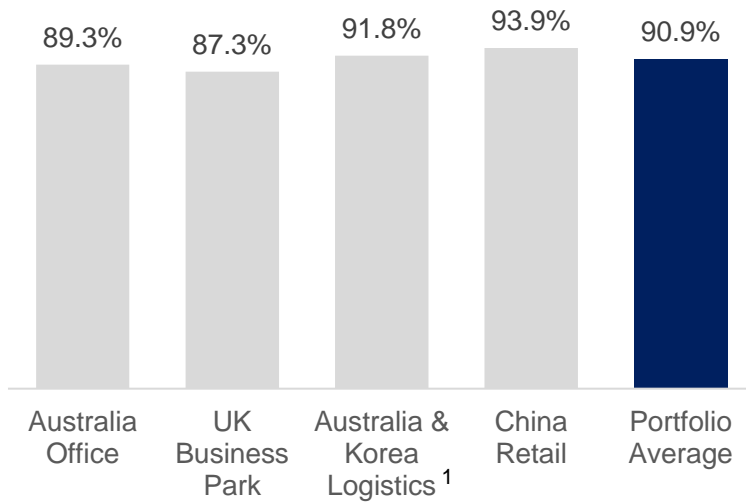
Allocation by Geography



- Geographically diversified across multiple cities in APAC and the UK

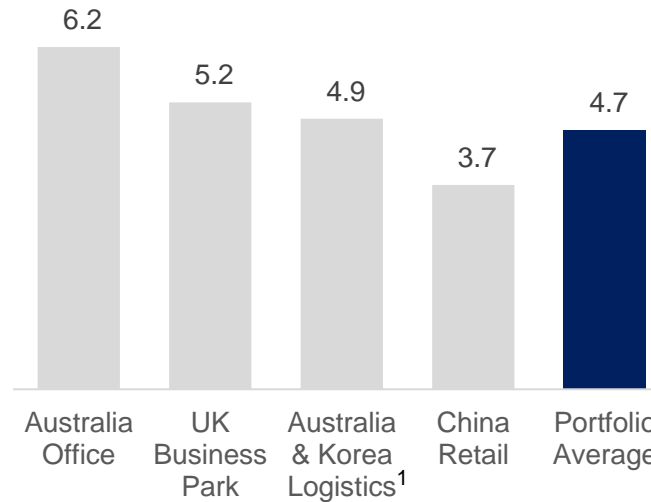
¹ Investment value weighted as of 30 June 2024

Committed Occupancy (%)



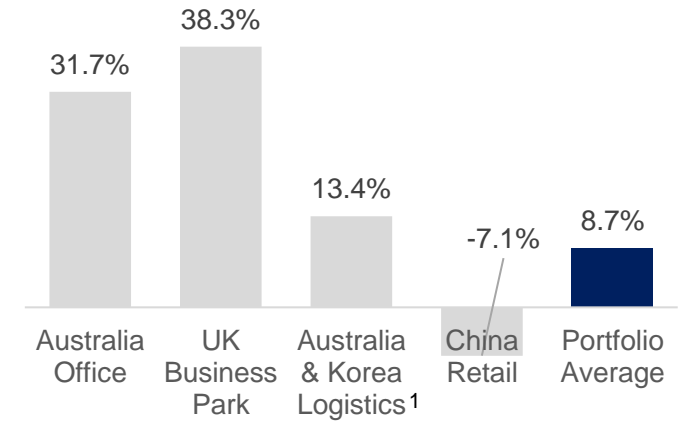
- Portfolio occupancy maintained at above 90% through proactive leasing strategy
- Stable performances for the office, logistics and retail assets

Weighted Average Lease Expiry (yrs)



- Portfolio WALE of 4.7 years offers income stability
- Lease expiry is well spread, extending beyond 2028

Portfolio Rent Reversion² (%)



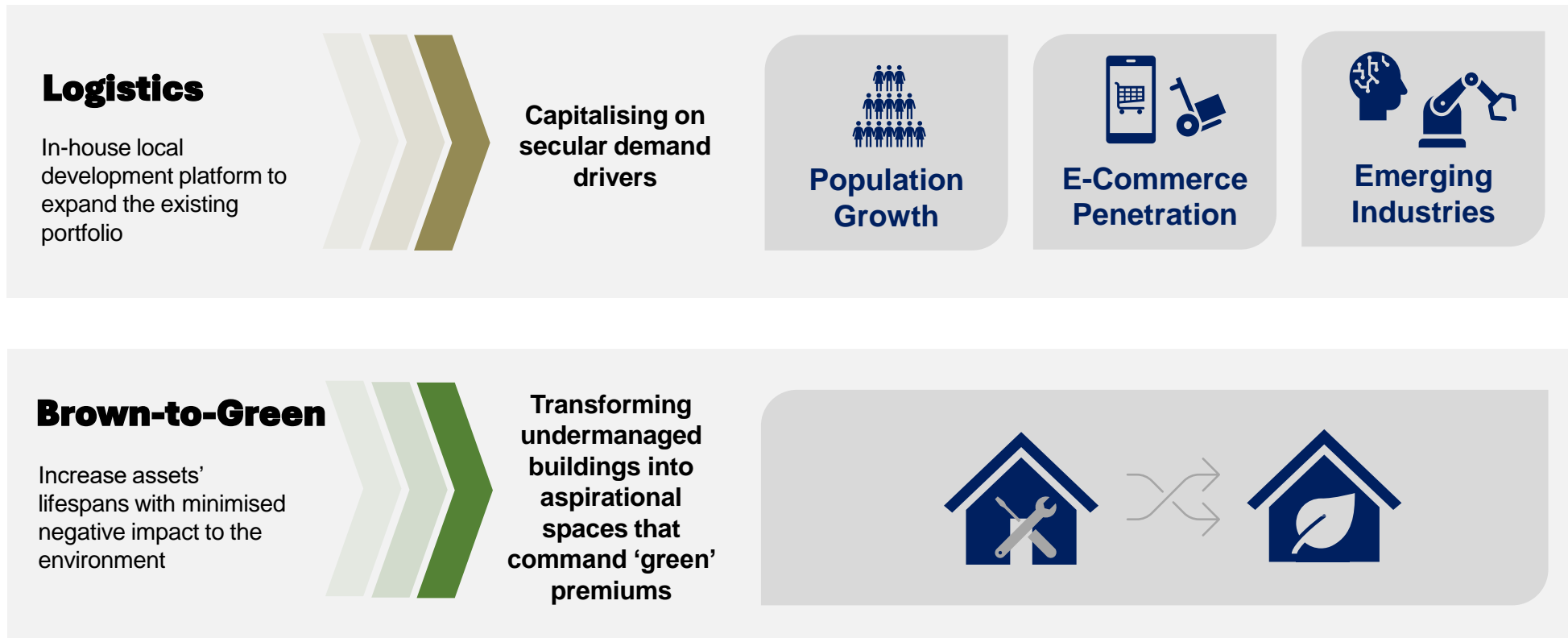
- Achieved rent reversion of 9% for the portfolio
- Strong rental growth for the office, business park and logistics assets
- Sanlin Mall in China impacted by the weaker retail sentiment

¹ Excludes ARENAS Anseong which attained practical completion in June 2024

² Rent reversion for new leases and renewals over the last 12 months ending June 2024

Straits Real Estate (SRE), wholly-owned subsidiary of Straits Trading, invests in Asia Pacific properties as well as property platforms across the full equity and debt spectrum and asset classes.

Established track record in two focused strategies



STC Property Management Sdn Bhd

STCPM is a wholly-owned subsidiary of Straits Trading that spearheads the development of Straits City – a smart and sustainable integrated development in Butterworth, Penang.



Straits City Future City

Multi-phase integrated mixed-use development, comprising of residential, retail, offices, hotels and service apartments; Co-owned by Straits Trading and Malaysia Smelting Corporation Berhad.

40-acre development in Malaysia, located at the heart of Seberang Prai Utara, along prime waterfront of Butterworth.

Well-connected to Penang Island and major towns via the two bridges, Butterworth Outer Ring Road and major roads and highways.

Key Development

Launched Crowne Plaza Penang Straits City in August 2024, marking the completion of Phase 1 of Straits City development.

- 23-storey mixed-use development
- 343 rooms
- MICE facilities
- Retail podium with net lettable area of c.42,000 square feet



Outlook

- Penang stands out as Malaysia's economic hub, even amidst global economic uncertainties, attracting significant investment inflows.
- The hotel industry in the Asia-Pacific region, including Penang, is experiencing a structural transformation. Hotel owners and operators are refining their operational and branding strategies, with a growing emphasis on ESG initiatives.
- Crowne Plaza Penang Straits City is poised to capitalise on these trends with its strong commitment to ESG principles.

Straits Investment Management

SIM is a global fund management firm with capabilities in equities, fixed income, and real estate alternative investments.

The firm holds a Capital Markets Services (CMS) license for fund management issued by the Monetary Authority of Singapore (MAS).



S\$510m¹
Assets under
management /
advisory

Strategic partnership with Nikko AM and UBS

NikkoAM-Straits Trading Asia Ex-Japan REIT ETF
NikkoAM-Shenton Global Property Securities Fund
NikkoAM-Straits Trading MSCI China Electric Vehicles and Future Mobility ETF
Straits Investment Holdings

¹ As of 30 June 2024



1H 2024

Hospitality Highlights

Far East Hospitality Holdings (FEHH)

Well-positioned in key markets for a rebound in tourism

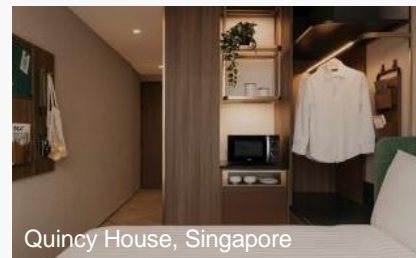
Far East Hospitality Holdings Pte. Ltd is Straits Trading's 30%-owned joint venture formed in 2013 with Far East Orchard Limited. FEHH has a stable of 10 unique and complementary brands, including Oasia, Quincy, Rendezvous, Village, Far East Collection, A by Adina, Adina Hotels, Vibe Hotels, Travelodge Hotels and Collection by TFE Hotels.

1H 2024 Key Developments

Opened in April 2024



Upcoming openings in 4Q2024



Market Outlook

- International tourist arrivals still recovering in Asia Pacific; 82% of pre-pandemic levels at 1Q2024
- Australia's visitor arrival not expected to exceed pre-pandemic levels until 2025 (UN Tourism's World Tourism Barometer)
- Singapore saw a 15.4% increase in visitors to 3.89 million in 2Q 2024; 15 to 16.5 million visitors forecasted for full year 2024 (Singapore Tourism Board)



1H 2024

Resources Highlights



Malaysian Smelting Corporation

World's leading producer of tin metal and a global leader in custom tin smelting since 1887; Our tin brand is registered on London Metal Exchange and KL Tin Market.



1H 2024 Key Developments

- Butterworth smelter on track for full closure by 2025
- Pulau Indah smelter in Port Klang expected to enhance efficiency through reduced operational and manpower costs; 1.26 MWp solar photovoltaic system to further reduce overall carbon footprint and energy costs

Outlook

- Challenging operating backdrop due to geopolitical tensions and supply chain disruptions
- Remains cautious, emphasising operational efficiencies, improvements on operations, technology, manpower, logistics and potential new business developments

Net Profit (RM'mil)	1H 2024	1H 2023	Change (%)	Remarks
Tin Mining	39.1	34.7	▲ 12.8%	Mainly due to higher average tin prices
Tin Smelting	14.6	40.9	▼ 64.3%	Lower refined tin production, smelting revenue and sales of refined tin derived from the processed tin intermediates due to: <ul style="list-style-type: none"> • Lower incoming feed as China bought feed directly from MSC's suppliers in 1Q • Annual re-bricking and scheduled maintenance of furnace (mid-May to mid-July 2024)
Total¹	40.1	69.5	▼ 42.4%	
Average tin prices / MT (RM)	139,100	116,300	▲ 19.6%	

¹ After Others and Inter-segment (Eliminations) / Adjustments.

Business Outlook



Straits 5.0: Driving Resilience, Resourcefulness and Relevance



Resources

- Decommissioning of Butterworth smelter by 2025
- Further operational efficiencies to be unlocked from Pulau Indah Smelter.
- Opportunities to expand mining activities and resources
- Resilient tin demand supported by the electronics industry



Property

- SRE will continue to recycle capital and grow recurring income from investment properties
- Straits City as an iconic integrated development in Penang; Newly opened hotel to benefit from ESG initiatives and sustainable tourism; Continue to develop office, residential and retail components
- SIM to focus on growing assets under management/advisory business



Hospitality

- Benefit from increased travel and tourism demand
- Continue to expand its presence globally



FIR-ST™ Corporate Ventures

- Solutions to offer economic returns based on the value of property, initially in Singapore's Core Central Region, as fractionalised equity



Shareholders' Club

- Increase engagement with shareholders as a community and strengthen ties
- Enhance the level of knowledge in the Group's business
- Enable co-investment opportunities for shareholders

Sustainability at Straits Trading

Sustainability Vision and Pledge



To create sustainable value for our stakeholders and an equitable future.



We aim to achieve green certifications for all of our buildings by 2030 and achieve net zero emissions for Scope 1 and 2 greenhouse gas (“GHG”) by 2050.

Reporting Frameworks & Guidelines



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



Training and Development

Film Screening of climate documentary and Dialogue Session with Prof Horton.



Participation in Earth Day to encourage employee engagement on green issues.



Community Engagement

Collaboration with National Autism Society of Malaysia

Featuring students’ artworks in STC’s Chinese New Year digital greeting cards. These align with the Group’s commitment to supporting worthwhile causes and making a positive impact in the community.



Crowne Plaza Penang Straits City partnerships with charitable organisations



Showcasing artwork created by EXTRAOrdinary People beneficiaries at hotel lift lobbies. The artworks are available for purchase and sales proceeds will be channeled back to the organisation.



Partnering with St. Nicholas' Home and Asia Community Service Stepping Stone Centre to showcase handicrafts in a dedicated space. The handicrafts are available for sale and proceeds are channeled back to the respective organisations for charitable causes.



Food Donation Drive Collaboration with Food Bank

Raising awareness on food insecurity and food wastage in Singapore.

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