



THE STRAITS TRADING COMPANY LIMITED

Company Registration No.: 188700008D
(A member of The Tecity Group)

The Straits Trading Group

Financial Highlights

- Group's profit before tax increased by a significant 62.5% from \$16.0 million in Q3 2007 to \$26.1 million in Q3 2008, mainly due to higher contributions from resources and property operations. Also exceptional gains were realised arising from the divestment of investment securities as well as profit realised from the sale of properties as the Group continued to make timely sales of these assets in a very uncertain market environment. This is despite lower contributions from hotel operations, dividend income and higher foreign exchange loss.
- Excluding exceptional gains and fair value changes of financial assets (totalling \$9.0 million [gain] in Q3 2008 vs \$2.0 million [deficit] in Q3 2007), the Group's profit before tax is marginally lower at \$17.1 million in Q3 2008 compared with \$18.0 million in Q3 2007.
- Net Asset Value per share declined from \$5.62 in December 2007 to \$3.68 in September 2008 because of a special dividend distribution*. There was also a fair value deficit recorded for the available-for-sale investments.

\$ million	Q3 2008	Q3 2007	+ / (-) %	YTD 2008 (9 mths)	YTD 2007 (9 mths)	+ / (-) %
Total Revenues	353.9	269.9	31.1	1,025.4	727.0	41.0
Profit Before Tax from Continuing Operations	26.1	16.0	62.5	112.3	344.1	(67.4)
Profit Before Tax, Exceptional gains and Fair value changes of financial assets	17.1	18.0	(5.2)	53.0	58.9	(10.1)
Profit Attributable to Equity Holders of the Company, net of tax	18.7	9.8	91.2	88.7	300.6	(70.5)

Earnings per Share	5.7 cents	3.0 cents		27.2 cents	92.2 cents	
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	As at 30.9.2008	As at 31.12.2007
Equity Attributable to Equity Holders of the Company	\$1,200,451,000	\$1,831,487,000
Net Asset Value per Share	\$3.68	\$5.62

* This is related to the special dividend of \$1.50 per share approved by the Company's shareholders at an extraordinary general meeting held on 13 June 2008 and paid on 31 July 2008.

N.B.: All in Singapore dollars.

The Straits Trading Company Limited (Company Registration No. : 188700008D)**Third Quarter and Nine Months Financial Statements for the Period Ended 30 September 2008****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS****1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

The unaudited results of the Group for the 3rd quarter and nine months ended 30 September 2008 are as follows :-

	3rd Quarter (Q3)		Nine Months Ended 30 September	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<u>Revenue</u>				
Tin mining and smelting revenue	293,518	214,015	795,212	517,857
Hotel revenue	37,547	39,026	120,191	111,968
Property revenue	16,267	10,349	42,563	56,710
Proceeds from sale of trading securities	6,319	1,166	62,170	4,189
	353,651	264,556	1,020,136	690,724
<u>Other Items of Income</u>				
Dividend income	1,193	4,102	8,786	11,834
Interest income	1,248	2,261	7,015	6,855
Fair value changes of financial assets	(3,150)	(1,997)	(13,543)	14,904
Other income	971	1,004	2,959	2,723
Total Revenues	353,913	269,926	1,025,353	727,040
Exceptional gains	12,140	32	72,874	270,239
<u>Other Items of Expense</u>				
Employee benefits expense	(22,380)	(20,446)	(67,313)	(63,728)
Depreciation expense	(4,189)	(3,799)	(11,760)	(11,110)
Amortisation expense	(857)	(433)	(2,836)	(2,820)
Costs of tin mining and smelting	(265,154)	(178,219)	(726,960)	(432,912)
Costs of trading securities sold	(6,207)	(1,108)	(59,792)	(3,803)
Finance costs	(3,681)	(2,121)	(7,826)	(5,369)
Other expenses	(34,181)	(47,320)	(102,159)	(132,420)
Exchange losses	(4,203)	(614)	(6,402)	(1,545)
Share of profit/(loss) from equity-accounted associates	842	114	(915)	435
Share of profit from equity-accounted joint ventures	11	21	67	83
Profit Before Tax from Continuing Operations	26,054	16,033	112,331	344,090
Income tax expense	(4,907)	(5,095)	(17,594)	(39,791)
Profit from Continuing Operations, net of tax	21,147	10,938	94,737	304,299
Profit Attributable to :				
Equity Holders of the Company, net of tax	18,693	9,776	88,697	300,551
Minority Interests, net of tax	2,454	1,162	6,040	3,748
	21,147	10,938	94,737	304,299

- Exceptional gains comprise :

	3rd Quarter (Q3)		Nine Months Ended 30 September	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
(a) Net surplus on disposal of investment securities	6,289	-	66,950	6,119
(b) Net gain on dilution of a subsidiary	-	-	73	-
(c) Net gain on disposal of properties	5,851	32	5,851	2,037
(d) Fair value changes of investment properties	-	-	-	262,083
	<u>12,140</u>	<u>32</u>	<u>72,874</u>	<u>270,239</u>

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheets as at 30 September 2008

ASSETS	GROUP		COMPANY	
	30 September 2008 \$'000	31 December 2007 \$'000	30 September 2008 \$'000	31 December 2007 \$'000
Non-Current Assets				
Property, plant and equipment	243,818	206,252	130	164
Investment properties	825,826	821,132	105,712	108,005
Goodwill on consolidation	22,898	24,089	-	-
Other intangible assets	27,545	12,336	-	-
Investments in subsidiaries	-	-	120,470	120,470
Investments in associates	111,367	11,516	3,585	3,585
Investments in joint ventures	354	317	-	-
Deferred tax assets	12,329	13,114	-	-
Other non-current receivables	-	-	108,548	79,445
Investment securities	151,523	434,065	116,501	301,776
Other non-current assets	6,045	4,922	-	-
Total Non-Current Assets	1,401,705	1,527,743	454,946	613,445
Current Assets				
Properties held for sale	9,658	12,806	-	-
Inventories	137,392	136,271	-	-
Income tax receivables	4,723	4,061	160	23
Trade receivables	123,309	93,910	67	324
Other receivables	87,692	37,818	414,559	381,493
Marketable securities	12,708	92,328	-	-
Derivative financial instruments	1,617	170	-	-
Cash and cash equivalents	151,331	346,208	74,237	123,432
Total Current Assets	528,430	723,572	489,023	505,272
Total Assets	1,930,135	2,251,315	943,969	1,118,717
EQUITY AND LIABILITIES				
Equity				
Share capital	265,928	265,928	265,928	265,928
Retained earnings	922,458	1,345,420	385,189	541,336
Other reserves	12,065	220,139	33,288	182,873
Equity attributable to equity holders of the Company	1,200,451	1,831,487	684,405	990,137
Minority interests	66,610	62,669	-	-
Total Equity	1,267,061	1,894,156	684,405	990,137
Non-Current Liabilities				
Provisions	6,206	5,244	-	-
Deferred tax liabilities	33,424	38,554	658	458
Borrowings	228,858	3,922	159,200	-
Derivative financial instruments	1,378	-	557	-
Other non-current liabilities	31,767	40,165	-	-
Total Non-Current Liabilities	301,633	87,885	160,415	458
Current Liabilities				
Provisions	35	38	-	-
Income tax payable	24,480	24,251	2,356	2,160
Trade payables	29,132	20,855	228	288
Other payables	85,169	49,900	96,565	125,597
Borrowings	221,775	171,345	-	-
Derivative financial instruments	850	2,885	-	77
Total Current Liabilities	361,441	269,274	99,149	128,122
Total Liabilities	663,074	357,159	259,564	128,580
Total Equity and Liabilities	1,930,135	2,251,315	943,969	1,118,717

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 30/9/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
-	\$221,775,000	-	\$171,345,000

Amount repayable after one year

As at 30/9/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
\$159,200,000	\$69,658,000	-	\$3,922,000

Details of any collateral

The \$159.2 million secured loan is secured by, inter alia, legal mortgages over the land and building to be erected on No. 9 Battery Road, Singapore, which are jointly owned by the Company and a subsidiary. The loan is repayable within 3 years from 23 September 2008.

1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Cash Flow Statement for the 3rd quarter and nine months ended 30 September 2008

	3rd Quarter (Q3)		Nine Months Ended 30 September	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<u>Cash flows from operating activities</u>				
Profit before tax	26,054	16,033	112,331	344,090
<u>Adjustments</u>				
Depreciation of property, plant and equipment	4,189	3,799	11,760	11,110
Interest income	(1,248)	(2,261)	(7,015)	(6,855)
Finance costs	3,681	2,121	7,826	5,369
Dividend income	(1,193)	(4,102)	(8,786)	(11,834)
Loss/(Gain) on disposal of property, plant and equipment	15	(15)	17	(53)
Property, plant and equipment written off	17	1	221	11
Amortisation of mining rights	364	331	1,024	1,012
Amortisation of management rights	47	49	147	145
Amortisation of club membership	3	2	7	7
Amortisation of exploration and development cost	443	49	1,658	1,654
Amortisation of deferred income	(907)	(907)	(2,719)	(2,719)
Changes in fair value of financial assets	3,150	1,997	13,543	(14,904)
Provision for mine rehabilitation	333	334	997	1,009
Provision for severance benefit	150	745	449	2,252
Impairment/(Reversal) of doubtful receivables	5	(55)	(18)	(429)
Bad debt directly written off	-	9	7	9
Exploration costs written off	-	-	31	-
Share of (profit)/loss from equity-accounted associates	(842)	(114)	915	(435)
Share of profit from equity-accounted joint ventures	(11)	(21)	(67)	(83)
Net surplus on disposal of investment securities	(6,289)	-	(66,950)	(6,119)
Net gain on dilution of a subsidiary	-	-	(73)	-
Net fair value changes of investment properties	-	-	-	(262,083)
Net gain on disposal of properties	(5,851)	(32)	(5,851)	(2,037)
Operating cash flows before changes in working capital	22,110	17,963	59,454	59,117
Decrease in properties held for sale	1,606	32	3,148	10,004
Decrease/(Increase) in inventories	27,717	(10,937)	(1,121)	(9,832)
Decrease/(Increase) in marketable securities	6,207	(5,146)	57,503	(4,348)
Increase in trade and other receivables	(52,809)	(11,565)	(81,484)	(17,434)
Increase/(Decrease) in trade and other payables	17,330	(1,628)	29,592	(9,562)
Cash flows from/(used in) operations	22,161	(11,281)	67,092	27,945
Income taxes paid	(7,399)	(5,696)	(17,334)	(15,885)
Interest paid	(3,815)	(1,508)	(7,824)	(5,469)
Dividend income	1,193	4,102	8,786	11,834
Dividends from associates	15	8,005	15	8,005
Interest received	1,235	2,239	7,002	7,380
Net cash flows from/(used in) operating activities	13,390	(4,139)	57,737	33,810

Consolidated Cash Flow Statement for the 3rd quarter and nine months ended 30 September 2008

	3rd Quarter (Q3)		Nine Months Ended 30 September	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<u>Cash flows from investing activities</u>				
Proceeds from disposal of properties, plant and equipment	74	983	89	9,250
Cost incurred on property, plant and equipment	(9,999)	(6,019)	(52,670)	(14,303)
Proceeds from disposal of investment securities	20,234	-	132,395	8,197
Purchase of investment securities	-	-	(644)	(908)
Net cash outflow on acquisition of a subsidiary	-	-	-	(182)
Payment of deferred mine development and exploration expenditure	(1,968)	(3,732)	(12,045)	(6,941)
Cost incurred on investment properties	(2,401)	(4,053)	(7,466)	(6,236)
Purchase of mining rights	(330)	-	(6,909)	-
Purchase of shares in associates	(29,656)	-	(73,804)	-
Payment for insurance scheme	(358)	-	(1,259)	-
Net cash flows used in investing activities	(24,404)	(12,821)	(22,313)	(11,123)
<u>Cash flows from financing activities</u>				
Dividends paid to shareholders	(495,364)	(5,948)	(511,659)	(24,980)
Dividends paid to minority shareholders of subsidiaries	-	-	(1,500)	(806)
Increase in borrowings	163,772	32,314	276,166	15,174
Decrease/(Increase) in amount due from a joint venture	2	(3)	83	141
Proceeds from share placement by a subsidiary	-	-	1,227	-
Net cash flows (used in)/from financing activities	(331,590)	26,363	(235,683)	(10,471)
Net (decrease)/increase in cash and cash equivalents	(342,604)	9,403	(200,259)	12,216
Effect of exchange rate changes on cash and cash equivalents	4,737	(3,143)	5,382	(896)
Cash and cash equivalents, beginning balance	489,198	340,259	346,208	335,199
Cash and cash equivalents, ending balance	151,331	346,519	151,331	346,519

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of Changes in Equity for the period ended 30 September 2008

GROUP

	Total equity S'000	Equity attributable to equity holders of the Company S'000	Share capital S'000	Retained earnings S'000	AFS reserve S'000	Hedging reserve S'000	Revaluation reserve S'000	Share option reserve S'000	Translation reserve S'000	Minority interests S'000
Opening balance at 1 January 2008	1,894,156	1,831,487	265,928	1,345,420	229,320	(515)	927	33	(9,626)	62,669
Exchange adjustment	(4,655)	(2,832)	-	-	-	-	-	-	(2,832)	(1,823)
Net fair value changes on available-for-sale investments	(11,990)	(10,396)	-	-	(10,396)	-	-	-	-	(1,594)
Net fair value changes transferred to income statement	(8,674)	(8,674)	-	-	(8,674)	-	-	-	-	-
Net fair value changes on cash flow hedges	(9,898)	(5,614)	-	-	-	(5,614)	-	-	-	(4,284)
Net income recognised directly in equity	(35,217)	(27,516)	-	-	(19,070)	(5,614)	-	-	(2,832)	(7,701)
Profit for 1st quarter	14,949	11,477	-	11,477	-	-	-	-	-	3,472
Total recognised income and expenses for the period	(20,268)	(16,039)	-	11,477	(19,070)	(5,614)	-	-	(2,832)	(4,229)
Dividend on ordinary shares - 2nd interim dividend for 2007, payable	(16,295)	(16,295)	-	(16,295)	-	-	-	-	-	-
Shares issued to a minority shareholder by a subsidiary	2	-	-	-	-	-	-	-	-	2
Closing balance at 31 March 2008	1,857,595	1,799,153	265,928	1,340,602	210,250	(6,129)	927	33	(12,458)	58,442
Exchange adjustment	(3,280)	(2,264)	-	-	-	-	-	-	(2,264)	(1,016)
Net fair value changes on available-for-sale investments	(21,101)	(21,123)	-	-	(21,123)	-	-	-	-	22
Net fair value changes transferred to income statement	(48,931)	(48,931)	-	-	(48,931)	-	-	-	-	-

Statements of Changes in Equity for the period ended 30 September 2008 (cont'd)

GROUP

	Total equity S'000	Equity attributable to equity holders of the Company S'000	Share capital S'000	Retained earnings S'000	AFS reserve S'000	Hedging reserve S'000	Revaluation reserve S'000	Share option reserve S'000	Translation reserve S'000	Minority interests S'000
Reversal of fair value changes on investment which became an associate	8,802	6,442	-	-	6,442	-	-	-	-	2,360
Net fair value changes on cash flow hedges	(743)	(464)	-	-	-	(464)	-	-	-	(279)
Net income recognised directly in equity	(65,253)	(66,340)	-	-	(63,612)	(464)	-	-	(2,264)	1,087
Profit for 2 nd quarter	58,641	58,527	-	58,527	-	-	-	-	-	114
Total recognised income and expenses for the period	(6,612)	(7,813)	-	58,527	(63,612)	(464)	-	-	(2,264)	1,201
Dividend on ordinary shares										
- Special dividend, payable	(488,846)	(488,846)	-	(488,846)	-	-	-	-	-	-
Dividend to minority shareholders of a subsidiary	(1,500)	-	-	-	-	-	-	-	-	(1,500)
Net increase arising from placement of shares to a minority shareholder	1,047	-	-	-	-	-	-	-	-	1,047
Closing balance at 30 June 2008	1,361,684	1,302,494	265,928	910,283	146,638	(6,593)	927	33	(14,722)	59,190
Exchange adjustment	(12,690)	(12,649)	-	-	-	-	-	-	(12,649)	(41)
Net fair value changes on available-for-sale investments	(101,499)	(101,478)	-	-	(101,478)	-	-	-	-	(21)
Net fair value changes transferred to income statement	(6,007)	(6,007)	-	-	(6,007)	-	-	-	-	-
Net fair value changes on cash flow hedges	10,944	5,916	-	-	-	5,916	-	-	-	5,028
Net income recognised directly in equity	(109,252)	(114,218)	-	-	(107,485)	5,916	-	-	(12,649)	4,966
Profit for 3 rd quarter	21,147	18,693	-	18,693	-	-	-	-	-	2,454
Total recognised income and expenses for the period	(88,105)	(95,525)	-	18,693	(107,485)	5,916	-	-	(12,649)	7,420
Dividend on ordinary shares										
- 1st interim dividend for 2008, paid	(6,518)	(6,518)	-	(6,518)	-	-	-	-	-	-
Closing balance at 30 September 2008	1,267,061	1,200,451	265,928	922,458	39,153	(677)	927	33	(27,371)	66,610

Statements of Changes in Equity for the period ended 30 September 2008 (cont'd)

GROUP

	Total equity \$'000	Equity attributable to equity holders of the Company \$'000	Share capital \$'000	Retained earnings \$'000	AFS reserve \$'000	Hedging reserve \$'000	Revaluation reserve \$'000	Share option reserve \$'000	Translation reserve \$'000	Minority interests \$'000
Minority interests arising from acquisition of a subsidiary	122	-	-	-	-	-	-	-	-	122
Shares issued to a minority shareholder by a subsidiary	49	-	-	-	-	-	-	-	-	49
Closing balance at 30 June 2007	1,723,895	1,668,864	265,928	1,157,186	248,340	(288)	927	33	(3,262)	55,031
Exchange adjustment	(3,552)	(2,558)	-	-	-	-	-	-	(2,558)	(994)
Net fair value changes on available-for-sale investments	(18,029)	(18,053)	-	-	(18,053)	-	-	-	-	24
Net fair value changes on cash flow hedges	133	197	-	-	-	197	-	-	-	(64)
Net income recognised directly in equity	(21,448)	(20,414)	-	-	(18,053)	197	-	-	(2,558)	(1,034)
Profit for 3rd quarter	10,938	9,776	-	9,776	-	-	-	-	-	1,162
Total recognised income and expenses for the period	(10,510)	(10,638)	-	9,776	(18,053)	197	-	-	(2,558)	128
Dividend on ordinary shares - 1st interim dividend for 2007, paid	(5,948)	(5,948)	-	(5,948)	-	-	-	-	-	-
Dividend to minority shareholders of a subsidiary, payable	(521)	-	-	-	-	-	-	-	-	(521)
Closing balance at 30 September 2007	1,706,916	1,652,278	265,928	1,161,014	230,287	(91)	927	33	(5,820)	54,638

Statements of Changes in Equity for the period ended 30 September 2008 (cont'd)

COMPANY

	Total equity S'000	Equity attributable to equity holders of the Company S'000	Share capital S'000	Retained earnings S'000	AFS reserve S'000	Hedging reserve S'000	Translation reserve S'000
Opening balance at 1 January 2008	990,137	990,137	265,928	541,336	183,925	-	(1,052)
Exchange adjustment	(509)	(509)	-	-	-	-	(509)
Fair value changes on available-for-sale investment securities	(9,246)	(9,246)	-	-	(9,246)	-	-
Fair value changes transferred to income statement	(1,546)	(1,546)	-	-	(1,546)	-	-
Net income recognised directly in equity	(11,301)	(11,301)	-	-	(10,792)	-	(509)
Profit for 1st quarter	30,873	30,873	-	30,873	-	-	-
Total recognised income and expenses for the period	19,572	19,572	-	30,873	(10,792)	-	(509)
Dividend on ordinary shares - 2nd interim dividend for 2007, payable	(16,295)	(16,295)	-	(16,295)	-	-	-
Closing balance at 31 March 2008	993,414	993,414	265,928	555,914	173,133	-	(1,561)
Exchange adjustment	(1,619)	(1,619)	-	-	-	-	(1,619)
Fair value changes on available-for-sale investment securities	(20,444)	(20,444)	-	-	(20,444)	-	-
Fair value changes transferred to income statement	(29,290)	(29,290)	-	-	(29,290)	-	-
Net income recognised directly in equity	(51,353)	(51,353)	-	-	(49,734)	-	(1,619)
Profit for 2nd quarter	312,650	312,650	-	312,650	-	-	-
Total recognised income and expenses for the period	261,297	261,297	-	312,650	(49,734)	-	(1,619)
Dividend on ordinary shares - Special dividend, payable	(488,846)	(488,846)	-	(488,846)	-	-	-
Closing balance at 30 June 2008	765,865	765,865	265,928	379,718	123,399	-	(3,180)
Exchange adjustment	(70)	(70)	-	-	-	-	(70)
Fair value changes on available-for-sale investment securities	(82,143)	(82,143)	-	-	(82,143)	-	-
Fair value changes transferred to income statement	(4,163)	(4,163)	-	-	(4,163)	-	-
Net fair value changes on cash flow hedges	(555)	(555)	-	-	-	(555)	-
Net income recognised directly in equity	(86,931)	(86,931)	-	-	(86,306)	(555)	(70)
Profit for 3rd quarter	11,989	11,989	-	11,989	-	-	-
Total recognised income and expenses for the period	(74,942)	(74,942)	-	11,989	(86,306)	(555)	(70)
Dividend on ordinary shares - 1st interim dividend for 2008, paid	(6,518)	(6,518)	-	(6,518)	-	-	-
Closing balance at 30 September 2008	684,405	684,405	265,928	385,189	37,093	(555)	(3,250)

Statements of Changes in Equity for the period ended 30 September 2008 (cont'd)

COMPANY

	Total equity S'000	Equity attributable to equity holders of the Company S'000	Share capital S'000	Retained earnings S'000	AFS reserve S'000	Translation reserve S'000
Opening balance at 1 January 2007	839,205	839,205	265,928	466,670	107,839	(1,232)
Exchange adjustment	456	456	-	-	-	456
Fair value changes on available-for-sale investment securities	45,569	45,569	-	-	45,569	-
Net income recognised directly in equity	46,025	46,025	-	-	45,569	456
Profit for 1st quarter	6,348	6,348	-	6,348	-	-
Total recognised income and expenses for the period	52,373	52,373	-	6,348	45,569	456
Dividend on ordinary shares - 2nd interim dividend for 2006, payable	(9,516)	(9,516)	-	(9,516)	-	-
Closing balance at 31 March 2007	882,062	882,062	265,928	463,502	153,408	(776)
Exchange adjustment	528	528	-	-	-	528
Fair value changes on available-for-sale investment securities	40,199	40,199	-	-	40,199	-
Fair value changes transferred to income statement	(2,639)	(2,639)	-	-	(2,639)	-
Net income recognised directly in equity	38,088	38,088	-	-	37,560	528
Profit for 2nd quarter	42,855	42,855	-	42,855	-	-
Total recognised income and expenses for the period	80,943	80,943	-	42,855	37,560	528
Dividend on ordinary shares - Special dividend for 2006, paid	(9,516)	(9,516)	-	(9,516)	-	-
Closing balance at 30 June 2007	953,489	953,489	265,928	496,841	190,968	(248)
Exchange adjustment	(737)	(737)	-	-	-	(737)
Fair value changes on available-for-sale investment securities	(8,065)	(8,065)	-	-	(8,065)	-
Net income recognised directly in equity	(8,802)	(8,802)	-	-	(8,065)	(737)
Profit for 3rd quarter	12,830	12,830	-	12,830	-	-
Total recognised income and expenses for the period	4,028	4,028	-	12,830	(8,065)	(737)
Dividend on ordinary shares - 1st interim dividend for 2007, paid	(5,948)	(5,948)	-	(5,948)	-	-
Closing balance at 30 September 2007	951,569	951,569	265,928	503,723	182,903	(985)

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Not applicable.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30 September 2008 '000	31 December 2007 '000
Total number of ordinary shares in issue	325,897	325,897

There were no treasury shares as at 30 September 2008.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(e) Negative assurance confirmation on interim financial results pursuant to Rule 705(4) of the SGX's Listing Manual.

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the third quarter 2008 financial results to be false or misleading in any material aspect.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2007.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The adoption of the new Interpretations of Financial Reporting Standards (INT FRS), which became effective for the financial year beginning on or after 1 January 2008, does not have any material financial impact to the Group and the Company.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	3rd Quarter (Q3)		Nine Months Ended 30 September	
	2008	2007	2008	2007
Basic and Diluted Earnings per share for the period based on Group profit attributable to Equity Holders of the Company :-	5.7 cents	3.0 cents	27.2 cents	92.2 cents

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

(a) current financial period reported on; and

(b) immediately preceding financial year.

Net asset value per share based on issued share capital at the end of :-	30 September 2008	31 December 2007
The Group	\$3.68	\$5.62
The Company	\$2.10	\$3.04

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Overall review

The Group's profit before tax improved from \$16.0 million in Q3 2007 to \$26.1 million in Q3 2008 because of (a) better performance from Malaysia Smelting Corporation Berhad (MSC) and property operations and (b) exceptional gains from divestments of investment securities and property assets.

Excluding exceptional gains and fair value changes of financial assets, the Group's profit before tax fell slightly from \$18.0 million in Q3 2007 to \$17.1 million in Q3 2008.

Since the beginning of the year, the Group has disposed of \$194.6 million of its investment portfolio, as a consequence of the strategic review of the Group's businesses.

This divestment realised a profit of \$69.3 million. On hindsight this was a welcome development as stock markets worldwide have fallen significantly since. As a consequence of this divestment, the Group has received substantially lower dividend income from its financial investments as compared with previous years.

Year to date, the Group reported lower profit before tax of \$112.3 million compared with \$344.1 million in the previous corresponding period due mainly to positive fair value changes of both the investment properties and the financial assets in 2007 totalling \$277.0 million. Disregarding the exceptional fair value changes, profit year to date was \$58.8 million better than the comparative period for 2007 because of higher contributions from resources and hotel operations as well as profit from the divestment of financial investments.

Segmental review

Metals and mineral resources

Revenue of MSC increased from RM490.52 million in Q3 2007 to RM702.9 million in Q3 2008. Profit before tax is also higher mainly due to overall better performance from both the Malaysian and Indonesian operations arising from the higher tin prices for most part of this period despite the suspension in small-scale tin mining operations.

Hotel investment and management

Hotel revenue fell marginally from \$39.0 million in Q3 2007 to \$37.5 million in Q3 2008 because of lower sales in Singapore due to the refurbishment works and the drop in F&B sales in Perth. Otherwise, most of the other hotels achieved higher revenue and the new Marque Hotel in Perth has also contributed positive revenue in Q3 2008.

Property operations

Property revenue improved 57.2% from \$10.3 million in Q3 2007 to \$16.3 million in Q3 2008 as there was no sale of residential unit in Singapore in Q3 2007. Rental income has also improved with higher rates for new/renewal leases and rental from the new bungalows at Cable Road.

Financial investments

In line with the strategic review, the Group has disposed of most of its financial investments. Consequently, dividend income has fallen from \$4.1 million in Q3 2007 to \$1.2 million in Q3 2008.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No prospect statement was disclosed in the 2008 2nd quarter financial statements announcement made on 12 August 2008.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Metals and mineral resources

With the drastic slow down of the world economy as the result of the global financial crisis, tin prices have fallen and coupled with the delay in the resumption of its small-scale tin mining operations, this would have an adverse impact on the performance of MSC. Barring any unforeseen circumstances, MSC's overall performance for the current year is expected to be lower than that of the previous year.

Hotel investment and management

Two new hotels located in Guilin and Christchurch are expected to commence operations within the next 12 months and these should result in additional profit contributions. However, results in the near term are likely to be affected by softer demand as corporate and leisure travel is reduced in light of the current economic environment.

Property operations

Office rental income is expected to stay relatively firm as prime office spaces are still being sought after. The Group will continue its efforts to dispose of its non-core property assets and continue its property development business.

Overall, the Group expects to report positive operating results in 2008. However, fair value changes of the Group's investment properties and other assets at the end of the financial year may impact overall earnings.

Contingent Liabilities

Since the Company's last announcement on 12 August 2008 of its Q2 interim financial statements, there was no new development on the outstanding material litigation against its subsidiary, MSC.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Refer to paragraph 12 below.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared for the third quarter ended 30 September 2008.

The Board of Directors (Board or Directors) of The Straits Trading Company Limited (Company) wishes to announce that it is proposing to declare a special cash dividend (Special Dividend) of \$1.00 per ordinary share in the Company (Share), to be paid to shareholders of the Company as at a books closure date to be determined (Entitled Shareholders).

In the Company's circular to shareholders of the Company (Shareholders) dated 3 February 2008, the Group stated its intention "*to review its business strategy and prioritise the allocation of funds to enhance shareholders' value and to generate higher return to shareholders in the long term*" and further optimise its capital structure. In a letter from The Cairns Pte. Ltd. (TCPL) to the Board dated 7 October 2008, TCPL requested that the Board considers taking a further step in enhancing shareholders' value by distributing additional dividends. As the request is in line with the Company's intentions stated above, the Board has agreed to propose the declaration of the Special Dividend for approval by Shareholders.

Having reviewed the financial position of the Group, its funding requirements for current operations and future expansion plans as well as its financial results for the period ended 30 September 2008, the Directors believe it will be prudent for the Company and intend to pay the Special Dividend to Entitled Shareholders in two instalments as follows:

- (a) the first instalment, being an amount of up to \$0.80 per Share; and
- (b) the second instalment, being the balance amount of the Special Dividend not paid in the first instalment as stated above.

Such instalment payments will result in the Company taking on a limited amount of gearing to improve its return on equity until such time as the remaining 'non-core' assets of the Company, such as completed residential properties and certain securities, are disposed of.

An extraordinary general meeting (EGM) will be convened as soon as reasonably practicable to seek the approval of Shareholders for the payment of the proposed Special Dividend and any financial assistance, which may be deemed to have been given by the Company, directly or indirectly, within the meaning of Section 76 of the Companies Act, Chapter 50 of Singapore, for the purpose of, or in connection with, the acquisition of Shares by any person, including Entitled Shareholders, in connection with the payment of the proposed Special Dividend (Financial Assistance).

A circular setting out, *inter alia*, further details on the Special Dividend and the Financial Assistance and containing the notice of the EGM will be issued by the Company and despatched to Shareholders in due course.

BY ORDER OF THE BOARD

Emily Teo (Ms)

Secretary

11 November 2008

Singapore

This Announcement will be available at the Company's website at <http://www.stc.com.sg/>