



THE STRAITS TRADING COMPANY LIMITED

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

The Straits Trading Group

Financial Highlights

- The Group recorded a \$35.9 million profit before tax in Q2 2009 compared with a \$65.2 million profit in Q2 2008. This was mainly due to a much lower net exceptional surplus from the divestment of financial investments, modest losses from hotel operations and higher finance charges, and offset overall by higher profit from the sale of residential properties and foreign exchange gains.
- Net profit attributable to equity holders in Q2 2009 was \$34.3 million compared with \$58.5 million in Q2 2008.
- Net asset value per share was \$2.92 as at 30 June 2009 compared with \$3.67 as at 31 December 2008, mainly due to the distribution of special dividend of \$1 per share.

\$ million	Q2 2009	Q2 2008	+/(-) %	YTD 2009 (6 mths)	YTD 2008 (6 mths)	+/(-) %
Total Revenues	247.4	362.3	(31.7)	438.9	671.4	(34.6)
Profit Before Tax from Continuing Operations	35.9	65.2	(44.9)	34.9	86.3	(59.5)
Profit Attributable to Equity Holders of the Company, net of tax	34.3	58.5	(41.3)	37.9	70.0	(45.8)

Earnings per Share	10.5 cents	18.0 cents		11.6 cents	21.5 cents	
--------------------	-------------------	------------	--	-------------------	------------	--

	As at 30.6.2009	As at 31.12.2008
Equity Attributable to Equity Holders of the Company	\$952,383,000	\$1,196,781,000
Net Asset Value per Share	\$2.92	\$3.67

N.B.: All in Singapore dollars.

The Straits Trading Company Limited (Company Registration No. : 188700008D)**Second Quarter and Half Year Financial Statements and Dividend Announcement for the Period Ended 30 June 2009****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS****1(a)(i) 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 2nd quarter and half year ended 30 June 2009 are as follows :-

	2nd Quarter (Q2)		Half Year Ended 30 June	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<u>Revenue</u>				
Tin mining and smelting revenue	172,746	252,517	319,652	501,694
Hotel revenue	29,041	39,736	60,009	82,644
Property revenue	32,476	16,028	42,863	26,296
Proceeds from sale of trading securities	7,074	45,700	7,074	55,851
	241,337	353,981	429,598	666,485
<u>Other Items of Income</u>				
Dividend income	2,316	5,673	3,443	7,593
Interest income	1,198	3,200	2,979	5,767
Fair value changes of financial assets	1,643	(1,704)	870	(10,393)
Other income	866	1,106	1,974	1,988
Total Revenues	247,360	362,256	438,864	671,440
Exceptional gains, net	15,827	51,359	17,366	60,734
<u>Other Items of Expense</u>				
Employee benefits expense	(18,698)	(23,879)	(35,940)	(44,933)
Depreciation expense	(4,516)	(3,885)	(8,879)	(7,571)
Amortisation expense	(875)	(587)	(1,942)	(1,979)
Costs of tin mining and smelting	(154,941)	(237,308)	(292,071)	(461,806)
Costs of trading securities sold	(5,036)	(44,095)	(5,036)	(53,585)
Finance costs	(6,778)	(2,163)	(11,674)	(4,145)
Other expenses	(38,058)	(32,506)	(65,480)	(67,978)
Exchange gains/(losses)	2,890	(2,603)	280	(2,199)
Share of loss from equity-accounted associates	(1,283)	(1,399)	(615)	(1,757)
Share of profit from equity-accounted joint ventures	16	22	27	56
Profit Before Tax from Continuing Operations	35,908	65,212	34,900	86,277
Income tax expense	(2,743)	(6,571)	(834)	(12,687)
Profit from Continuing Operations, net of tax	33,165	58,641	34,066	73,590
Profit Attributable to :				
Equity Holders of the Company, net of tax	34,340	58,527	37,915	70,004
Minority Interests, net of tax	(1,175)	114	(3,849)	3,586
	33,165	58,641	34,066	73,590

1(a)(ii) Further details to the Group Income Statement.

(A) Exceptional gains, net comprise :

	2nd Quarter (Q2)		Half Year Ended 30 June	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
(a) Net surplus on disposal of investment securities	18,427	51,286	20,450	60,661
(b) Net gain on dilution of a subsidiary	-	73	-	73
(c) Net loss on disposal of investment properties	(2,600)	-	(3,084)	-
	<u>15,827</u>	<u>51,359</u>	<u>17,366</u>	<u>60,734</u>

(B) Taxation

The tax expense in half year 2009 was lower mainly due to write-back of deferred tax resulted from the reduction in Singapore corporate tax rate from 18% to 17% and deferred tax no longer required.

1(a)(iii) Statements of Comprehensive Income for the 2nd quarter and half year ended 30 June 2009.

GROUP

	2nd Quarter (Q2)		Half Year Ended 30 June	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Profit for the period	33,165	58,641	34,066	73,590
Other comprehensive income :				
Exchange adjustment	13,504	(3,280)	21,125	(7,935)
Net fair value changes on available-for-sale investment securities	19,744	(21,101)	33,892	(33,091)
Net fair value changes transferred to income statement	(8,844)	(48,931)	(9,538)	(57,605)
Reversal of fair value changes on investment which became an associate	-	8,802	-	8,802
Net fair value changes on cash flow hedges	(1,761)	(743)	(2,066)	(10,641)
Effect of reduction in tax rate on property revaluation	-	-	439	-
Other comprehensive income/(expense) for the period	22,643	(65,253)	43,852	(100,470)
Total comprehensive income/(expense) for the period	55,808	(6,612)	77,918	(26,880)
Total comprehensive income/(expense) attributable to:				
Equity Holders of the Company	58,038	(7,813)	81,565	(23,852)
Minority Interests	(2,230)	1,201	(3,647)	(3,028)
	55,808	(6,612)	77,918	(26,880)

COMPANY

	2nd Quarter (Q2)		Half Year Ended 30 June	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Profit for the period	15,333	312,650	19,358	343,523
Other comprehensive income :				
Exchange adjustment	(481)	(1,619)	(307)	(2,128)
Net fair value changes on available-for-sale investment securities	8,574	(20,444)	17,814	(29,690)
Net fair value changes transferred to income statement	(8,899)	(29,290)	(9,593)	(30,836)
Net fair value changes on cash flow hedges	195	-	903	-
Other comprehensive income/(expense) for the period	(611)	(51,353)	8,817	(62,654)
Total comprehensive income/(expense) for the period	14,722	261,297	28,175	280,869
Total comprehensive income/(expense) attributable to:				
Equity Holders of the Company	14,722	261,297	28,175	280,869

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.

Statements of Financial Position as at 30 June 2009

	GROUP		COMPANY	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	323,872	310,166	382	295
Investment properties	725,360	813,813	103,541	105,424
Goodwill on consolidation	22,029	22,211	-	-
Other intangible assets	34,398	28,264	-	-
Investments in subsidiaries	-	-	121,034	121,034
Investments in associates	71,937	75,967	3,585	3,585
Investments in joint ventures	338	313	-	-
Deferred tax assets	13,354	14,242	-	-
Other non-current receivables	-	-	141,873	121,817
Investment securities	161,293	106,576	59,532	75,015
Derivative financial instruments	14,697	-	7,262	-
Other non-current assets	21,074	19,489	-	-
Total Non-Current Assets	1,388,352	1,391,041	437,209	427,170
Current Assets				
Assets held for sale under FRS 105	1,251	2,078	1,251	212
Properties held for sale	1,278	7,814	-	-
Inventories	140,857	111,044	-	-
Income tax receivables	16,385	7,031	142	164
Prepayments	5,411	4,651	240	398
Trade receivables	81,249	80,178	638	139
Other receivables	216,765	103,093	511,873	449,793
Marketable securities	14	6,073	-	-
Derivative financial instruments	374	1,980	-	-
Cash and cash equivalents	72,028	215,842	23,350	165,142
Total Current Assets	535,612	539,784	537,494	615,848
Total Assets	1,923,964	1,930,825	974,703	1,043,018
EQUITY AND LIABILITIES				
Equity				
Share capital	265,928	265,928	265,928	265,928
Retained earnings	603,387	891,369	107,118	413,657
Other reserves	83,068	39,484	11,392	2,575
Equity attributable to equity holders of the Company	952,383	1,196,781	384,438	682,160
Minority interests	49,563	52,349	-	-
Total Equity	1,001,946	1,249,130	384,438	682,160
Non-Current Liabilities				
Provisions	8,914	6,572	-	-
Deferred tax liabilities	48,773	54,746	1,781	1,682
Other non-current payables	-	-	123,708	106,382
Borrowings	449,870	247,565	361,856	180,545
Derivative financial instruments	1,317	4,934	1,317	2,218
Other non-current liabilities	24,763	26,915	-	-
Total Non-Current Liabilities	533,637	340,732	488,662	290,827
Current Liabilities				
Provisions	35	30	-	-
Income tax payables	17,522	14,326	21	-
Trade payables	32,263	19,804	2,287	436
Other payables	80,805	70,546	49,542	42,595
Borrowings	251,640	235,752	49,753	27,000
Derivative financial instruments	6,116	505	-	-
Total Current Liabilities	388,381	340,963	101,603	70,031
Total Liabilities	922,018	681,695	590,265	360,858
Total Equity and Liabilities	1,923,964	1,930,825	974,703	1,043,018

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

As at 30/6/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
\$29,753,000	\$221,887,000	-	\$235,752,000

Amount repayable after one year

As at 30/6/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
\$361,856,000	\$88,014,000	\$180,545,000	\$67,020,000

Details of any collateral

The \$215.2 million loan is generally secured by mortgages over the land and building to be erected on No. 9 Battery Road, Singapore, and legal assignment of all rights, titles, interests under contracts in respect of the mortgaged properties. The loan is due in September 2011.

The \$176.4 million loan is generally secured by mortgages over the Gallop Green condominium, Gourmet Gallery and Rendezvous Hotel in Singapore, and legal assignment of all rights, titles, interests under contracts in respect of the mortgaged properties. The loan is due in March 2012.

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 Statement of Cash Flows for the 2nd quarter and half year ended 30 June 2009

	2nd Quarter (Q2)		Half Year Ended 30 June	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<u>Cash flows from operating activities</u>				
Profit before tax	35,908	65,212	34,900	86,277
<u>Adjustments</u>				
Depreciation of property, plant and equipment	4,516	3,885	8,879	7,571
Interest income	(1,198)	(3,200)	(2,979)	(5,767)
Finance costs	6,778	2,163	11,674	4,145
Dividend income	(2,316)	(5,673)	(3,443)	(7,593)
Loss on disposal of property, plant and equipment	16	2	22	2
Property, plant and equipment written off	52	143	53	204
Amortisation of mining rights	144	332	293	660
Amortisation of management rights	43	50	82	100
Amortisation of club membership	2	2	4	4
Amortisation of exploration and development cost	686	203	1,563	1,215
Amortisation of deferred income	(906)	(906)	(1,812)	(1,812)
Changes in fair value of financial assets	(1,643)	1,704	(870)	10,393
Provision for mine rehabilitation	309	325	798	664
(Write back)/Provision for severance benefit	(1)	147	168	299
(Reversal)/Impairment of doubtful receivables	(4)	(10)	38	(23)
Bad debt directly written off	-	-	-	7
Exploration costs (adjustment)/written off	(118)	31	21	31
Share of loss from equity-accounted associates	1,283	1,399	615	1,757
Share of profit from equity-accounted joint ventures	(16)	(22)	(27)	(56)
Net surplus on disposal of investment securities	(18,427)	(51,286)	(20,450)	(60,661)
Net gain on dilution of a subsidiary	-	(73)	-	(73)
Net loss on disposal of investment properties	2,600	-	3,084	-
Write down of inventories	26	18	45	39
Share-based payments adjustment	-	-	(135)	-
Currency realignment	936	1,004	62	(481)
Operating cash flows before changes in working capital	28,670	15,450	32,585	36,902
Decrease in properties held for sale	6,523	1,467	6,523	1,467
Increase in inventories	(31,088)	(6,154)	(30,297)	(28,877)
Decrease in marketable securities	5,003	43,995	5,020	51,296
Increase in trade and other receivables	(7,309)	(24,215)	(31,553)	(28,624)
Increase in trade and other payables	3,392	14,318	8,723	14,581
Cash flows from operations	5,191	44,861	(8,999)	46,745
Income taxes paid	(6,843)	(6,976)	(11,239)	(9,935)
Payment of finance costs	(5,545)	(2,085)	(14,302)	(4,009)
Dividend income	2,316	5,673	3,443	7,593
Dividend from associate	-	-	2,281	-
Dividend from joint venture	59	-	59	-
Interest received	1,189	3,193	3,291	5,767
Net cash flows (used in)/from operating activities	(3,633)	44,666	(25,466)	46,161

Consolidated Statement of Cash Flows for the 2nd quarter and half year ended 30 June 2009 (cont'd)

	2nd Quarter (Q2)		Half Year Ended 30 June	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<u>Cash flows from investing activities</u>				
Proceeds from disposal of properties, plant and equipment	27,677	15	33,364	15
Cost incurred on property, plant and equipment	(970)	(39,322)	(1,575)	(42,671)
Proceeds from disposal of investment securities	45,051	97,872	50,334	112,161
Purchase of investment securities	(72,323)	-	(72,323)	(644)
Net cash flow from mining assets	1,253	-	1,252	-
Payment of deferred mine development and exploration expenditure	(3,295)	(11,397)	(7,103)	(16,577)
Cost incurred on investment properties	(11,535)	(1,980)	(18,269)	(5,065)
Adjustment/Purchase of mining rights	-	1	-	(79)
Purchase of shares in associates	(284)	(18,930)	(284)	(44,148)
Payment for insurance scheme	-	(458)	-	(901)
Net cash flows (used in)/from investing activities	(14,426)	25,801	(14,604)	2,091
<u>Cash flows from financing activities</u>				
Dividends paid to shareholders	(65,179)	(16,295)	(325,897)	(16,295)
Dividends paid to minority shareholders of subsidiaries	-	(1,500)	-	(1,500)
Increase in borrowings	94,286	71,244	219,969	112,394
(Increase)/Decrease in amount due from a joint venture	-	(1)	-	81
Proceeds from issuance of share capital by subsidiaries to minority shareholders	67	1,227	67	1,227
Net cash flows from/(used in) financing activities	29,174	54,675	(105,861)	95,907
Net increase/(decrease) in cash and cash equivalents	11,115	125,142	(145,931)	144,159
Effect of exchange rate changes on cash and cash equivalents	760	(492)	2,117	(1,169)
Cash and cash equivalents, beginning balance	60,153	364,548	215,842	346,208
Cash and cash equivalents, ending balance	72,028	489,198	72,028	489,198

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 June 2009

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
Opening balance at 1 January 2009	1,249,130	1,196,781	265,928	891,369	10,026	(2,729)	70,493	150	(38,456)	52,349
Total comprehensive income/(expense) for 1st quarter	22,110	23,527	-	3,575	13,452	252	439	-	5,809	(1,417)
Dividend on ordinary shares										
-Special dividend #	(325,897)	(325,897)	-	(325,897)	-	-	-	-	-	-
Adjustment of share-based payments	(140)	(66)	-	-	-	-	-	(66)	-	(74)
Closing balance at 31 March 2009	945,203	894,345	265,928	569,047	23,478	(2,477)	70,932	84	(32,647)	50,858
Total comprehensive income/(expense) for 2nd quarter	55,808	58,038	-	34,340	10,902	(1,013)	-	-	13,809	(2,230)
Minority interest arising from acquisition of a subsidiary	868	-	-	-	-	-	-	-	-	868
Capital injection by minority interest of a subsidiary	67	-	-	-	-	-	-	-	-	67
Closing balance at 30 June 2009	1,001,946	952,383	265,928	603,387	34,380	(3,490)	70,932	84	(18,838)	49,563

This was related to the special dividend of \$1.00 per share approved by the Company's shareholders at an extraordinary general meeting held on 19 December 2008 and after the expiry of the 21-day statutory period which ended on 12 January 2009, of which 80 cents was paid in March 2009 and 20 cents was paid in April 2009.

Statements of Changes in Equity for the period ended 30 June 2009 (cont'd)

	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
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
Total comprehensive income/(expense) for 1st quarter	(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
Total comprehensive income/(expense) for 2nd quarter	(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

Statements of Changes in Equity for the period ended 30 June 2009 (cont'd)

COMPANY

	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	Translation reserve \$'000
Opening balance at 1 January 2009	682,160	682,160	265,928	413,657	8,050	(2,213)	129	(3,391)
Total comprehensive income/(expense) for 1st quarter	13,453	13,453	-	4,025	8,546	708	-	174
Dividend on ordinary shares								
- Special dividend #	(325,897)	(325,897)	-	(325,897)	-	-	-	-
Closing balance at 31 March 2009	369,716	369,716	265,928	91,785	16,596	(1,505)	129	(3,217)
Total comprehensive income/(expense) for 2nd quarter	14,722	14,722	-	15,333	(325)	195	-	(481)
Closing balance at 30 June 2009	384,438	384,438	265,928	107,118	16,271	(1,310)	129	(3,698)

See footnote on page 8.

	Total equity \$'000	Equity attributable to equity holders of the Company \$'000	Share capital \$'000	Retained earnings \$'000	AFS reserve \$'000	Translation reserve \$'000
Opening balance at 1 January 2008	990,137	990,137	265,928	541,336	183,925	(1,052)
Total comprehensive income/(expense) for 1st quarter	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)
Total comprehensive income/(expense) for 2nd quarter	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)

- 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 June 2009 '000	31 December 2008 '000
Total number of ordinary shares in issue	325,897	325,897

There were no treasury shares as at 30 June 2009.

- 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 second quarter 2009 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 2008.

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/revised Financial Reporting Standards (FRS) and Interpretations to FRS, which became effective for the financial year beginning on or after 1 January 2009, does not have any material financial impact on the Group and the Company.

With effect from 1 January 2009, FRS 1 (revised) *Presentation of Financial Statements* requires an entity to present all non-owner changes in the equity in a Statement of Comprehensive Income. Non-owner changes will include income and expenses recognised directly in equity. This is a change in presentation and does not affect the recognition or measurement of the entity's transactions. Previously, such non-owner changes are included in the Statement of Changes in Equity.

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.**

	2nd Quarter (Q2)		Half Year Ended 30 June	
	2009	2008	2009	2008
Basic and Diluted Earnings per share for the period based on Group profit attributable to Equity Holders of the Company :-	10.5 cents	18.0 cents	11.6 cents	21.5 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 June 2009	31 December 2008
The Group	\$2.92	\$3.67
The Company	\$1.18	\$2.09

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.**

Segmental review

Metals and mineral resources

Revenue for Malaysia Smelting Corporation Berhad (MSC) decreased from RM595.8 million in Q2 2008 to RM418.1 million in Q2 2009 due to the drastic fall in tin price, from an average of US\$22,558 per tonne in Q2 2008 to US\$13,404 per tonne in Q2 2009. However, the Malaysian operations achieved satisfactory performance in spite of the difficult market conditions for the period under review.

Hotel investment and management

Hotel revenue was lower in Q2 2009. The global economic downturn has adversely affected corporate and leisure demand and resulted in lower F&B sales and Revpar (Revenue per available room) at most of the hotels under the Group's operations. This was exacerbated by the weaker Australian and New Zealand dollars.

Property operations

The increase in property revenue in Q2 2009 was mainly due to sale of units in Gallop Gables as well as higher rentals from residential and commercial properties.

Exceptional gains

Included in exceptional gains was a \$18.4 million net surplus from the divestment of financial investments in Q2 2009 compared with \$51.3 million in Q2 2008.

Overall review

The Group recorded lower total revenue in Q2 2009 mainly due to lower revenues from resources, hotel operations and substantially lower proceeds from sale of trading securities, and mitigated overall by higher revenue from sale of residential properties.

The Group recorded lower profit before tax in Q2 2009 due mainly to a much lower net exceptional surplus from the divestment of financial investments, modest losses from hotel operations and higher finance charges, and offset overall by higher profit from the sale of residential properties and foreign exchange gains.

After accounting for minority interests and tax, net profit attributable to equity holders in Q2 2009 was \$34.3 million compared with \$58.5 million in Q2 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 2009 1st quarter financial statements announcement made on 13 May 2009.

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

In the light of the improvement in tin prices and barring any unforeseen circumstances, MSC is expected to perform better in the second half compared with the first half of the current year.

Hotel investment and management

Reduced business and leisure travel have resulted in a slowdown in the industry. Measures have been put in place to improve performance including better yield management.

Property operations

The flagship Straits Trading Building is expected to be completed in Q4 2009 and full impact of the rental income from this building will only be felt in 2010. The Group will continue with the divestment of non-core property assets and also expand the property development business as and when opportunities arise.

Contingent Liabilities

Since the Company's last announcement on 13 May 2009 of its Q1 interim financial statements, there was no new development on the outstanding material litigation against its subsidiary, MSC except for the following:-

- (a) A subsidiary in Indonesia has been successful in its appeal against the various assessments for taxes and penalties for fiscal year 2005.
- (b) The President Director of PT Koba Tin was found not guilty and was cleared of all charges by an Indonesian Court in connection with allegations that PT Koba Tin's Merapin dredge was occupying and mining in a protected forest area. The said dredge ceased operations in October 2002.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

<i>Name of Dividend</i>	First Interim
<i>Dividend Type</i>	Cash
<i>Dividend Amount per Share (in cents)</i>	2 cents per ordinary share (one-tier tax)
<i>Tax Rate</i>	N.A.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Having paid the Special Dividend of \$0.80 per Share and \$0.20 per Share in March and April 2009 respectively and given the current uncertain and challenging global economic environment, the Directors have decided not to declare a first interim dividend for the year ending 31 December 2009.

BY ORDER OF THE BOARD

Emily Teo (Ms)

Secretary

13 August 2009

Singapore

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