



# THE STRAITS TRADING COMPANY LIMITED

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

## The Straits Trading Group

### Financial Highlights

- The Group reported total revenue of \$312.6 million in the 2<sup>nd</sup> Quarter of 2010 (“2Q2010”), 26.4% higher than the 2<sup>nd</sup> Quarter of 2009 (“2Q2009”). For the 1<sup>st</sup> Half of 2010 (“1H2010”), the Group’s total revenue of \$637 million was 45.2% higher than the 1<sup>st</sup> Half of 2009 (“1H2009”). This was mainly due to higher sales volume recorded in its resources operations and higher average tin prices.
- The Group reported profit before tax from continuing operations (“PBT”) of \$23.2 million in 2Q2010, 35.4% lower than the \$35.9 million in 2Q2009. For 1H2010, the Group’s PBT of \$17 million was 51.4% lower than the \$34.9 million in 1H2009. This was mainly due to lower income from its development property for sale and financial investment portfolios and higher losses reported in its hospitality operations, partially mitigated by better performance in its resources operations and fair value gains in its investment properties.
- After tax and non-controlling interests, the profit attributable to owners of the Company was \$15.1 million in 2Q2010, 56% lower than 2Q2009. For 1H2010, profit attributable to owners of the Company was \$7.9 million, 79.2% lower than 1H2009.

\$ million	2 <sup>nd</sup> Quarter 2010	2 <sup>nd</sup> Quarter 2009	+/(-) %	1 <sup>st</sup> Half 2010	1 <sup>st</sup> Half 2009	+/(-) %
Total Revenue	<b>312.6</b>	247.4	26.4	<b>637.0</b>	438.9	45.2
Profit before tax from continuing operations	<b>23.2</b>	35.9	(35.4)	<b>17.0</b>	34.9	(51.4)
Profit attributable to owners of the Company	<b>15.1</b>	34.3	(56.0)	<b>7.9</b>	37.9	(79.2)

Earnings per share	<b>4.6 cents</b>	10.5 cents	(56.0)	<b>2.4 cents</b>	11.6 cents	(79.2)
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	As At 30 <sup>th</sup> June 2010	As At 31 <sup>st</sup> December 2009
Equity attributable to owners of the Company	<b>\$1,084,047,000</b>	\$1,097,260,000
Net asset value per share	<b>\$3.33</b>	\$3.37

N.B.: All in Singapore dollars.

**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 for the 2nd quarter and half year ended 30 June 2010 are as follow:

<b><u>GROUP</u></b>	<b>2nd Quarter (Q2) Ended</b>		<b>Half Year Ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2010</b>	2009	<b>2010</b>	2009
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b><u>Revenue</u></b>				
Tin mining and smelting revenue	<b>267,185</b>	172,746	<b>539,637</b>	319,652
Hotel revenue	<b>32,550</b>	29,377	<b>68,516</b>	60,675
Property revenue	<b>11,526</b>	32,140	<b>21,706</b>	42,197
Proceeds from sale of trading securities	<b>–</b>	7,074	<b>–</b>	7,074
	<b>311,261</b>	241,337	<b>629,859</b>	429,598
<b><u>Other items of income</u></b>				
Dividend income	<b>–</b>	2,316	<b>2,775</b>	3,443
Interest income	<b>692</b>	1,198	<b>1,404</b>	2,979
Fair value changes in financial assets	<b>(465)</b>	1,643	<b>883</b>	870
Other income	<b>1,099</b>	866	<b>2,126</b>	1,974
Total revenues	<b>312,587</b>	247,360	<b>637,047</b>	438,864
Exceptional gains	<b>26,094</b>	15,827	<b>8,789</b>	17,366
<b><u>Other items of expense</u></b>				
Employee benefits expense	<b>(23,858)</b>	(18,698)	<b>(46,048)</b>	(35,940)
Depreciation expense	<b>(5,431)</b>	(4,516)	<b>(10,318)</b>	(8,879)
Amortisation expense	<b>(493)</b>	(875)	<b>(1,349)</b>	(1,942)
Costs of tin mining and smelting	<b>(245,996)</b>	(154,941)	<b>(496,995)</b>	(292,071)
Cost of trading securities sold	<b>–</b>	(5,036)	<b>–</b>	(5,036)
Finance costs	<b>(4,234)</b>	(6,778)	<b>(8,976)</b>	(11,674)
Other expenses	<b>(37,653)</b>	(38,058)	<b>(70,395)</b>	(65,480)
Exchange gains	<b>1,284</b>	2,890	<b>2,539</b>	280
Total expenses	<b>(316,381)</b>	(226,012)	<b>(631,542)</b>	(420,742)
<b><u>Share of profit/(loss) from associates and joint ventures</u></b>				
Share of profit/(loss) from equity accounted associates	<b>857</b>	(1,283)	<b>2,617</b>	(615)
Share of profit from equity-accounted joint ventures	<b>22</b>	16	<b>58</b>	27
<b>Profit before tax from continuing operations</b>	<b>23,179</b>	35,908	<b>16,969</b>	34,900
Income tax expense #	<b>(8,166)</b>	(2,743)	<b>(12,257)</b>	(834)
<b>Profit from continuing operations, net of tax</b>	<b>15,013</b>	33,165	<b>4,712</b>	34,066
<b>Profit attributable to:</b>				
<b>Owners of the Company</b>	<b>15,095</b>	34,340	<b>7,885</b>	37,915
<b>Non-controlling interests</b>	<b>(82)</b>	(1,175)	<b>(3,173)</b>	(3,849)
	<b>15,013</b>	33,165	<b>4,712</b>	34,066

# The overall effective tax rate for the current period was higher than the statutory tax rate in Singapore mainly due to certain non-tax deductible expenses as well as losses incurred by certain subsidiaries which cannot be set off against taxable profits made by other companies within the Group.

**1(a) (ii) Further details to the group income statement.****GROUP**

Exceptional gains:

	2nd Quarter (Q2) Ended		Half Year Ended	
	30 June		30 June	
	<b>2010</b>	2009	<b>2010</b>	2009
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
(a) Fair value changes in investment properties	<b>25,690</b>	–	<b>25,690</b>	–
(b) Impairment provisions on investments in associates	–	–	<b>(20,510)</b>	–
(c) Net gain on disposal of investment securities	–	18,427	–	20,450
(d) Net gain/(loss) on disposal of investment properties	<b>530</b>	(2,600)	<b>457</b>	(3,084)
(e) Write back of unutilised upgrading provisions	–	–	<b>3,278</b>	–
(f) Currency translation loss from a liquidated subsidiary	<b>(126)</b>	–	<b>(126)</b>	–
	<b>26,094</b>	15,827	<b>8,789</b>	17,366

**1(a)(iii) Statements of comprehensive income for the 2nd quarter and half year ended 30 June 2010.**

<b><u>GROUP</u></b>	2nd Quarter (Q2) Ended 30 June		Half Year Ended 30 June	
	<b>2010</b>	2009	<b>2010</b>	2009
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Profit from continuing operations, net of tax</b>	<b>15,013</b>	33,165	<b>4,712</b>	34,066
Other comprehensive income/(expense) :				
Net fair value changes in available-for-sale investment securities	<b>(8,326)</b>	19,744	<b>(18,024)</b>	33,892
Net fair value changes transferred to income statement	-	(8,844)	-	(9,538)
Net fair value changes on cash flow hedges	<b>3,670</b>	(1,761)	<b>2,154</b>	(2,066)
Currency translation reserve	<b>(12,564)</b>	13,504	<b>(304)</b>	21,125
Currency translation transferred to income statement	<b>126</b>	-	<b>126</b>	-
Effect of reduction in tax rate on hotel property valuation	-	-	-	439
<b>Other comprehensive income/(expense) for the period, net of tax</b>	<b>(17,094)</b>	22,643	<b>(16,048)</b>	43,852
<b>Total comprehensive income/(expense) for the period</b>	<b>(2,081)</b>	55,808	<b>(11,336)</b>	77,918
<b>Total comprehensive income/(expense) attributable to:</b>				
<b>Owners of the Company</b>	<b>(2,247)</b>	58,038	<b>(6,695)</b>	81,565
<b>Non-controlling interests</b>	<b>166</b>	(2,230)	<b>(4,641)</b>	(3,647)
	<b>(2,081)</b>	55,808	<b>(11,336)</b>	77,918
 <b><u>COMPANY</u></b>				
	2nd Quarter (Q2) Ended 30 June		Half Year Ended 30 June	
	<b>2010</b>	2009	<b>2010</b>	2009
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Profit from continuing operations, net of tax</b>	<b>2,415</b>	15,333	<b>9,368</b>	19,358
Other comprehensive income/(expense) :				
Net fair value changes in available-for-sale investment securities	<b>(3,131)</b>	8,574	<b>(6,780)</b>	17,814
Net fair value changes transferred to income statement	-	(8,899)	-	(9,593)
Net fair value changes on cash flow hedges	<b>(141)</b>	195	<b>(462)</b>	903
Currency translation reserve	<b>344</b>	(481)	<b>2,062</b>	(307)
<b>Other comprehensive income/(expense) for the period, net of tax</b>	<b>(2,928)</b>	(611)	<b>(5,180)</b>	8,817
<b>Total comprehensive income/(expense) for the period</b>	<b>(513)</b>	14,722	<b>4,188</b>	28,175
<b>Total comprehensive income/(expense) attributable to:</b>				
<b>Owners of the Company</b>	<b>(513)</b>	14,722	<b>4,188</b>	28,175

**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 June 2010

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30 June 2010</b>	<b>31 December 2009</b>	<b>30 June 2010</b>	<b>31 December 2009</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>				
<b><u>Non-current assets</u></b>				
Property, plant and equipment	307,934	313,033	368	370
Investment properties	789,909	776,877	108,940	106,313
Goodwill on consolidation	36,753	35,052	-	-
Other intangible assets	32,927	30,359	-	-
Investments in subsidiaries	-	-	115,834	115,834
Investments in associates*	70,431	91,372	3,585	3,585
Investments in joint ventures	337	399	-	-
Deferred tax assets	6,874	10,584	-	-
Other non-current receivables	2,549	1,085	144,770	150,166
Investment securities	217,279	235,299	82,003	88,783
Other non-current assets	48,515	49,335	-	-
<b>Total non-current assets</b>	<b>1,513,508</b>	<b>1,543,395</b>	<b>455,500</b>	<b>465,051</b>
<b><u>Current assets</u></b>				
Assets classified as held for sale*	9,929	-	-	-
Development properties for sale	38,150	1,270	-	-
Inventories	162,127	157,608	-	-
Income tax receivables	13,277	16,384	11	155
Prepayments	6,100	5,003	221	244
Trade receivables	80,208	66,463	22	21
Other receivables	66,347	76,766	349,127	357,405
Marketable securities	15	16	-	-
Derivative financial instruments	1,353	330	-	-
Cash and cash equivalents	46,893	56,194	1,675	8,934
<b>Total current assets</b>	<b>424,399</b>	<b>380,034</b>	<b>351,056</b>	<b>366,759</b>
<b>Total assets</b>	<b>1,937,907</b>	<b>1,923,429</b>	<b>806,556</b>	<b>831,810</b>
<b><u>Equity and liabilities</u></b>				
<b><u>Equity</u></b>				
Share capital	265,928	265,928	265,928	265,928
Retained earnings	706,741	705,374	107,865	105,015
Other reserves	111,378	125,958	18,142	23,322
<b>Equity attributable to owners of the Company</b>	<b>1,084,047</b>	<b>1,097,260</b>	<b>391,935</b>	<b>394,265</b>
Non-controlling interests	61,294	66,131	-	-
<b>Total equity</b>	<b>1,145,341</b>	<b>1,163,391</b>	<b>391,935</b>	<b>394,265</b>
<b><u>Non-current liabilities</u></b>				
Provisions	5,607	6,478	-	-
Deferred tax liabilities	71,796	69,056	2,060	1,797
Other non-current payables	-	-	128,829	135,411
Borrowings	309,916	307,609	215,610	250,992
Derivative financial instruments	3,724	2,928	3,044	2,589
Other non-current liabilities	9,677	13,682	-	-
<b>Total non-current liabilities</b>	<b>400,720</b>	<b>399,753</b>	<b>349,543</b>	<b>390,789</b>
<b><u>Current liabilities</u></b>				
Provisions	1,994	1,957	-	-
Income tax payable	26,896	27,020	744	713
Trade payables	27,480	26,621	271	657
Other payables	49,989	65,493	34,563	45,386
Borrowings	282,861	233,106	29,500	-
Derivative financial instruments	2,626	6,088	-	-
<b>Total current liabilities</b>	<b>391,846</b>	<b>360,285</b>	<b>65,078</b>	<b>46,756</b>
<b>Total liabilities</b>	<b>792,566</b>	<b>760,038</b>	<b>414,621</b>	<b>437,545</b>
<b>Total equity and liabilities</b>	<b>1,937,907</b>	<b>1,923,429</b>	<b>806,556</b>	<b>831,810</b>

\* The Group re-designated its non-tin resources investment in an associate as asset held for sale in Q1 2010.

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

As at 30/6/2010		As at 31/12/2009	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
–	282,861	–	233,106

**Amount repayable after one year:**

As at 30/6/2010		As at 31/12/2009	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
236,547	73,369	250,992	56,617

**Details of any collateral:**

The \$215.6 million loan is secured by mortgages over the land and building at No. 9 Battery Road, Singapore and legal assignment of all rights, titles and interests under contracts in respect of the mortgaged properties. The loan is due in September 2011.

The \$20.9 million loan is secured by, inter alia, legal mortgages over the land and building erected on No.5 Chancery Lane, Singapore. The loan shall be repaid 6 months after issuance of Temporary Occupation Permit or 25 December 2011, whichever is earlier.

**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 2nd quarter and half year ended 30 June 2010

	2nd Quarter (Q2) Ended 30 June		Half Year Ended 30 June	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b><u>Cash flows from operating activities</u></b>				
Profit before tax from continuing operations	23,179	35,908	16,969	34,900
<b><u>Adjustments</u></b>				
Depreciation of property, plant and equipment	5,431	4,516	10,318	8,879
Amortisation of intangible assets	493	875	1,349	1,942
Amortisation of deferred income	(906)	(906)	(1,812)	(1,812)
Dividend income	–	(2,316)	(2,775)	(3,443)
Interest income	(692)	(1,198)	(1,404)	(2,979)
Finance costs	4,234	6,778	8,976	11,674
Currency realignment	485	(6,065)	6,810	(1,185)
Currency translation loss from a liquidated subsidiary	126	–	126	–
Fair value changes in investment properties	(25,690)	–	(25,690)	–
Fair value changes in financial assets	465	(1,643)	(883)	(870)
Net gain on disposal of investment securities	–	(18,427)	–	(20,450)
Net (gain)/loss on disposal of investment properties	(530)	2,600	(457)	3,084
Net loss on disposal of property, plant and equipment	11	16	10	22
Impairment provisions on investments in associates	–	–	20,510	–
Write back of unutilised upgrading provision	–	–	(3,278)	–
(Write back)/Write-off/provisions for mine rehabilitation/exploration costs and inventories	(1,165)	217	(515)	864
Property, plant and equipment written off	–	52	14	53
Provision for severance benefit and share based payments	497	(1)	1,001	33
Provision/(Reversal) for doubtful receivables and bad debts written off	756	(4)	752	38
Share of (profit)/loss from equity-accounted associates	(857)	1,283	(2,617)	615
Share of profit from equity-accounted joint ventures	(22)	(16)	(58)	(27)
<b>Operating cash flows before changes in working capital</b>	<b>5,815</b>	<b>21,669</b>	<b>27,346</b>	<b>31,338</b>
(Increase)/Decrease in development properties for sale	(1,031)	6,523	(1,031)	6,523
Increase in inventories	(25,882)	(31,088)	(2,865)	(30,297)
Decrease in marketable securities	–	5,003	–	5,020
Decrease/(Increase) in trade and other receivables	2,433	(7,483)	(27,611)	(31,727)
(Decrease)/Increase in trade and other payables	(15,893)	3,392	(27,281)	8,723
<b>Cash flow used in operations</b>	<b>(34,558)</b>	<b>(1,984)</b>	<b>(31,442)</b>	<b>(10,420)</b>
Income taxes paid	(3,669)	(6,843)	(4,289)	(11,239)
Payment of finance costs	(4,668)	(6,926)	(8,498)	(15,683)
Interest received	682	1,189	1,394	3,291
Dividend income	–	2,316	2,775	3,443
Dividends from associates	465	–	465	2,281
Dividend from joint venture	60	59	102	59
<b>Net cash flows used in operating activities</b>	<b>(41,688)</b>	<b>(12,189)</b>	<b>(39,493)</b>	<b>(28,268)</b>

**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 2nd quarter and half year ended 30 June 2010 (cont'd)

	2nd Quarter (Q2) Ended 30 June		Half Year Ended 30 June	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b><u>Cash flows from investing activities</u></b>				
Proceeds from disposal of property, plant and equipment and investment properties	5,983	27,677	39,132	33,364
Cost incurred on property, plant and equipment	(4,516)	(970)	(9,455)	(1,575)
Proceeds from disposal of investment securities	-	45,051	-	50,334
Purchase of investment securities	-	(72,323)	-	(72,323)
Cost incurred on investment properties	(149)	(10,629)	(1,910)	(17,363)
Payment of deferred mine development and exploration expenditure	(2,869)	(3,295)	(6,104)	(7,103)
Net cash (outflow)/inflow on acquisition of a subsidiary	(1,470)	1,253	(1,470)	1,252
Purchase of shares of associates	-	(284)	(2,847)	(284)
<b>Net cash flows (used in)/from investing activities</b>	<b>(3,021)</b>	<b>(13,520)</b>	<b>17,346</b>	<b>(13,698)</b>
<b><u>Cash flows from financing activities</u></b>				
Dividends paid to shareholders	(6,518)	(65,179)	(6,518)	(325,897)
Dividend paid to minority shareholders of a subsidiary	(196)	-	(196)	-
Increase in borrowings	53,653	107,760	66,392	257,760
Decrease in loans and borrowings	(14,199)	(5,824)	(47,098)	(35,895)
Proceeds from issuance of shares by subsidiaries to minority shareholders	-	67	-	67
<b>Net cash flows from/(used in) financing activities</b>	<b>32,740</b>	<b>36,824</b>	<b>12,580</b>	<b>(103,965)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(11,969)</b>	<b>11,115</b>	<b>(9,567)</b>	<b>(145,931)</b>
Effect of exchange rate changes on cash and cash equivalents	(502)	760	266	2,117
Cash and cash equivalents, beginning balance	59,364	60,153	56,194	215,842
<b>Cash and cash equivalents, ending balance</b>	<b>46,893</b>	<b>72,028</b>	<b>46,893</b>	<b>72,028</b>



**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 2010

**GROUP**

	Total Equity \$'000	Equity attributable to owners 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	Non- controlling interests \$'000
<b>Opening balance at 1 January 2010</b>	1,163,391	1,097,260	265,928	705,374	76,179	(4,652)	64,460	84	(10,113)	66,131
Total comprehensive income/(expense) for 1st quarter	(9,255)	(4,448)	–	(7,210)	(9,693)	(849)	–	–	13,304	(4,807)
Dividend on ordinary shares										
- Dividend for 2009, payable	(6,518)	(6,518)	–	(6,518)	–	–	–	–	–	–
<b>Closing balance at 31 March 2010</b>	1,147,618	1,086,294	265,928	691,646	66,486	(5,501)	64,460	84	3,191	61,324
Total comprehensive income/(expense) for 2nd quarter	(2,081)	(2,247)	–	15,095	(8,319)	2,184	–	–	(11,207)	166
Dividend to minority shareholders of subsidiary	(196)	–	–	–	–	–	–	–	–	(196)
<b>Closing balance at 30 June 2010</b>	<b>1,145,341</b>	<b>1,084,047</b>	<b>265,928</b>	<b>706,741</b>	<b>58,167</b>	<b>(3,317)</b>	<b>64,460</b>	<b>84</b>	<b>(8,016)</b>	<b>61,294</b>

	Total Equity \$'000	Equity attributable to owners 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	Non- controlling interests \$'000
<b>Opening balance at 1 January 2009</b>	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)
<b>Closing balance at 31 March 2009</b>	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
<b>Closing balance at 30 June 2009</b>	<b>1,001,946</b>	<b>952,383</b>	<b>265,928</b>	<b>603,387</b>	<b>34,380</b>	<b>(3,490)</b>	<b>70,932</b>	<b>84</b>	<b>(18,838)</b>	<b>49,563</b>

## Statements of changes in equity for the period ended 30 June 2010 (cont'd)

**COMPANY**

	Total equity \$'000	Equity attributable to owners of the Company \$'000	Share capital \$'000	Retained earnings \$'000	AFS reserve \$'000	Hedging reserve \$'000	Revaluation reserve \$'000	Translation reserve \$'000
<b>Opening balance at 1 January 2010</b>	394,265	394,265	265,928	105,015	29,642	(2,573)	129	(3,876)
Total comprehensive income/(expense) for 1st quarter	4,701	4,701	–	6,953	(3,649)	(321)	–	1,718
Dividend on ordinary shares								
- Dividend for 2009, payable	(6,518)	(6,518)	–	(6,518)	–	–	–	–
Closing balance at 31 March 2010	392,448	392,448	265,928	105,450	25,993	(2,894)	129	(2,158)
Total comprehensive income/(expense) for 2nd quarter	(513)	(513)	–	2,415	(3,131)	(141)	–	344
<b>Closing balance at 30 June 2010</b>	<b>391,935</b>	<b>391,935</b>	<b>265,928</b>	<b>107,865</b>	<b>22,862</b>	<b>(3,035)</b>	<b>129</b>	<b>(1,814)</b>

	Total equity \$'000	Equity attributable to owners of the Company \$'000	Share capital \$'000	Retained earnings \$'000	AFS reserve \$'000	Hedging reserve \$'000	Revaluation reserve \$'000	Translation Reserve \$'000
<b>Opening balance at 1 January 2009</b>	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)
<b>Closing balance at 30 June 2009</b>	<b>384,438</b>	<b>384,438</b>	<b>265,928</b>	<b>107,118</b>	<b>16,271</b>	<b>(1,310)</b>	<b>129</b>	<b>(3,698)</b>

**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.**

	<b>30 June 2010</b>	31 December 2009
	<b>'000</b>	'000
Total number of ordinary shares in issue	<b>325,897</b>	325,897

There were no treasury shares as at 30 June 2010 and 31 December 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(5) of the SGX's Listing Manual.**

The Board of Directors of the Company hereby confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the second quarter 2010 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.**

These figures had 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 had 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 2009, except for the adoption of new/revised Financial Reporting Standards (FRSs) and Interpretations to FRSs applicable for the financial period beginning 1 January 2010.

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.**

Among the changes to FRSs are FRS 103 (revised 2009) and FRS 27 (amended) which become effective for the Group's financial statements for the year ending 31 December 2010. FRS 103 (revised 2009) introduces significant changes to the accounting for business combination, both at the acquisition date and post acquisition, and requires greater use of fair values. The amendments will mainly impact the accounting for transaction costs, step acquisitions, goodwill and non-controlling interests (previously minority interests).

The amended FRS 27 requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with gain or loss recognised in the income statement.

The revised FRS 103 and amended FRS 27 will be applied prospectively and therefore there will be no adjustments made to prior period financial statements.

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	
	2010	2009	2010	2009
Basic and Diluted Earnings per share for the period based on Group profit attributable to owners of the Company :-	<b>4.6 cents</b>	10.5 cents	<b>2.4 cents</b>	11.6 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:	<b>30 June 2010</b>	31 December 2009
The Group	<b>\$3.33</b>	\$3.37
The Company	<b>\$1.20</b>	\$1.21

- 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.**

#### Resources

The Malaysia Smelting Corporation Berhad ("MSC") Group recorded a pre-tax profit of \$7.0 million (RM16.39 million) for 2Q2010 compared with a pre-tax profit of \$4.4 million (RM10.66 million) for 2Q2009. This was mainly due to satisfactory performance by the Malaysian operations, higher net contributions from its investment in the Rapu Rapu polymetallic project in the Philippines and lower interest expense.

The MSC Group reported a pre-tax profit for 2Q2010 compared with a pre-tax loss of \$8.8 million (RM20.25 million) in 1Q2010 which was mainly due to an impairment provision of \$20.5 million (RM48 million) on its investments in associates.

#### Hospitality

Hospitality operations recorded a pre-tax loss of \$8.7 million for 2Q2010 compared with a pre-tax loss of \$2.0 million for 2Q2009. Arising from greater competition especially in Australia, revenue per available room fell despite higher occupancy in 2010. Total expenses were also higher.

#### Property

Property operations recorded a pre-tax profit of \$3.9 million for 2Q2010 compared with a pre-tax profit of \$15.2 million for 2Q2009. This was mainly due to the sale of development properties in 2009, despite rental income from the Straits Trading Building commencing in 4Q2009.

#### Cash flow and working capital

Largely as a result of increased sales volume and average tin prices, the Group increased its borrowings to fund higher working capital requirements.

#### Net assets

As at 30 June 2010, the Group's net assets stood at \$1.1 billion, equivalent to \$3.33 per share.

- 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 first quarter 2010 financial results announcement made on 13 May 2010.

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.**

Resources

In the light of the firmer metal prices and strong performance from the Rapu Rapu project, barring any unforeseen circumstances, the Board expects the operating performance of the MSC Group for the current year to be better than that of last year.

Hospitality

The Group's ongoing review and continuing improvement of its entire hospitality operations, including refinement of product standards are expected to result in increased costs.

Property

Rental income from the Straits Trading Building will increase with rising occupancy in subsequent quarters. The Group launched its new cluster bungalow development at Five Chancery in July 2010. The Group can be expected to seize new opportunities in property development as they arise.

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?*

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 second quarter ended 30 June 2010.

**BY ORDER OF THE BOARD**  
**Sng Kiat Huang (Ms)**  
**Secretary**

13 August 2010  
Singapore

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