



THE STRAITS TRADING COMPANY LIMITED

Company Registration No.: 188700008D

A member of The Tecity Group

For Immediate Release

STRAITS TRADING POSTS STRONG INCREASE IN NET PROFIT FOR 1H2011

- **Corporate transformation strategy showing results**

Singapore, 12 August 2011 - The Straits Trading Group's ("The Group") net profit of \$49.3 million for 2Q2011 was triple that of 2Q2010. For 1H2011, its net profit increased to \$56.4 million from \$7.9 million for 1H2010. The strong results were mainly due to improved operating performance, higher tin prices and fair value gains in investment properties.

The Group's revenue in 2Q2011 was \$414.0 million, 32% higher than 2Q2010. For 1H2011, the Group's revenue was \$778.9 million, 22% higher than 1H2010. These increases were broad-based across all its business divisions.

SUMMARY OF RESULTS

\$ million	2nd Qtr 2011	2nd Qtr 2010	+ / (-) %	1st Half 2011	1st Half 2010	+ / (-) %
Revenue	414.0	312.6	32.4	778.9	637.0	22.3
Earnings before interest and tax (EBIT)	20.7	1.3	1,469.2	45.5	17.2	165.2
Profit/(Loss) before tax and exceptional items	16.4	(2.9)	661.7	37.1	8.2	354.0
Profit before tax	67.8	23.2	192.4	88.1	17.0	419.1
Profit after tax	56.5	15.0	276.4	70.8	4.7	1,402.1
Profit attributable to owners of the parent	49.3	15.1	226.6	56.4	7.9	615.1

Earnings per share	15.1 cents	4.6 cents	226.6	17.3 cents	2.4 cents	615.1
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Ms. Chew Gek Khim, STC's Executive Chairman said, ***"I am pleased to report a strong set of results for the first half of this year. The Group's improved bottom line largely reflects the success of our strategic focus on transforming and repositioning each of our business units as engines of growth for long-term sustainability and value creation."***

SEGMENTAL PERFORMANCE

The Group's resources revenue rose by 31% q-o-q to \$349.1 million for 2Q2011 and increased by 22% y-o-y to \$657.4 million for 1H2011, on the back of higher average tin prices. The strategy to reposition its resources business as a vertically integrated tin mining and smelting group saw profits rise to \$7.8 million for 2Q2011 from \$2.0 million for 2Q2010. For 1H2011, the profit was \$13.9 million, compared with a loss of \$7.4 million for 1H2010. These were contributed by higher profits from its tin mining and smelting operations in Malaysia and Indonesia mainly due to improved operating performance as well as higher tin prices. Its investment in KM Resources Inc also returned better results in 2011.

The Group's hospitality revenue increased by 8% to \$35.3 million for 2Q2011 and \$74.0 million for 1H2011. This was mainly due to higher average occupancy and room rates. Improved operating performance, lower corporate expenses and fair value gains reduced its hospitality losses to \$4.0 million for 2Q2011 and \$6.0 million for 1H2011.

Property revenue doubled to \$24.7 million for 2Q2011 from \$11.5 million for 2Q2010 and increased by 76% y-o-y to \$38.1 million for 1H2011. Higher occupancy of the Straits Trading Building, sale of development properties and higher fair value gains in investment properties contributed to profits growing by 86% q-o-q to \$46.3 million for 2Q2011 and increasing by 60% y-o-y to \$48.0 million for 1H2011.

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About The Straits Trading Company Limited

Incorporated in 1887, The Straits Trading Company Limited is one of the oldest public listed companies in Singapore, with business interests and investments spanning the Asia Pacific region. Through its dual-listed subsidiary on Bursa Malaysia and SGX-ST, Malaysia Smelting Corporation Berhad, Straits Trading engages in tin mining and smelting, and resource investments. Straits Trading owns properties and hotels and its property business, which includes property investments, development and management primarily in Singapore and Malaysia, is driven by its subsidiary, Straits Developments Private Limited. Its hotel business includes a stable of hotels in the Asia Pacific region operated and managed by its hospitality division, Rendezvous Hospitality Group, under the Rendezvous and Marque brands. It also holds a significant stake in WBL Corporation, a technology, automotive distribution, property development, and engineering and distribution company listed on the main board of the Singapore Stock Exchange.

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