

The Straits Trading Company Limited (Company Registration No. : 188700008D)
Third Quarter and Nine Months Financial Statements Announcement for the Period Ended 30 September 2014

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (1Q, 2Q & 3Q), 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 3rd quarter and nine months ended 30 September 2014 are as follow:

<u>GROUP</u>	Note	3rd Quarter (3Q) Ended		Nine Months (9M) Ended	
		30 September		30 September	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
			(restated)		(restated)
<u>Continuing operations</u>					
<u>Revenue</u>					
Tin mining and smelting revenue	A	206,981	165,292	539,319	497,993
Hotel revenue	B	–	–	–	–
Property revenue	C	5,265	5,368	16,323	26,640
Proceeds from sale of trading securities	D	17,818	1,374	17,818	57,011
Total revenue		230,064	172,034	573,460	581,644
<u>Other items of income/(loss)</u>					
Dividend income	E	2,812	46	4,835	1,118
Interest income		1,415	1,735	3,617	3,903
Fair value changes in investment properties	F	(6,997)	–	(8,029)	–
Fair value changes in financial assets	G	(2,033)	368	(2,500)	(1,234)
Other income/(loss)	H	237	358	(2,814)	95,425
		225,498	174,541	568,569	680,856
<u>Other items of expense</u>					
Employee benefits expense		(7,199)	(8,234)	(21,495)	(21,248)
Depreciation expense		(729)	(671)	(2,164)	(1,922)
Amortisation expense		(202)	(166)	(517)	(359)
Impairment losses	I	(37)	(12,079)	(37)	(13,576)
Costs of tin mining and smelting	J	(195,600)	(147,703)	(497,084)	(450,797)
Costs of trading securities sold	D	(17,814)	(1,427)	(17,814)	(58,181)
Finance costs	K	(16,960)	(4,418)	(25,924)	(19,583)
Other expenses	L	(6,747)	(5,348)	(21,447)	(28,302)
Exchange gains/(losses)	M	1,066	(2,426)	(1,932)	(4,191)
Total expenses		(244,222)	(182,472)	(588,414)	(598,159)
Share of results of equity-accounted associates and joint ventures	N	2,652	(7,796)	12,509	(11,696)
Profit/(Loss) before tax from continuing operations		(16,072)	(15,727)	(7,336)	71,001
Income tax (expense)/credit	O	(1,872)	51,098	(5,690)	44,840
Profit/(Loss) after tax from continuing operations		(17,944)	35,371	(13,026)	115,841

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 3rd quarter and nine months ended 30 September 2014 are as follow (Cont'd):

<u>GROUP</u>	Note	3rd Quarter (3Q) Ended		Nine Months (9M) Ended	
		30 September		30 September	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
			(restated)		(restated)
<u>Discontinued operations</u>					
Profit/(Loss) after tax from discontinued operations	A/B	–	4,136	(7,704)	(6,915)
Profit/(Loss) for the period		(17,944)	39,507	(20,730)	108,926
Attributable to:					
Owners of the Company					
Profit/(Loss) after tax from continuing operations		(18,524)	40,235	(16,431)	117,957
Loss after tax from discontinued operations		–	(2,827)	(1,962)	(11,106)
Profit/(Loss) for the period attributable to owners of the Company		(18,524)	37,408	(18,393)	106,851
Non-controlling interests					
Profit/(Loss) after tax from continuing operations		580	(4,864)	3,405	(2,116)
Profit/(Loss) after tax from discontinued operations		–	6,963	(5,742)	4,191
Profit/(Loss) for the period attributable to non-controlling interests		580	2,099	(2,337)	2,075

Notes to the Income Statement:

- (A) Tin mining and smelting revenue for 3Q2014 and 9M2014 were higher mainly due to higher sales volume and higher average tin prices. Following the decision by the Indonesian authorities not to allow PT Koba Tin an extension of the Contract of Work in Indonesia, Bemban Corporation Limited (“BCL”) group was classified as held for sale in December 2013. As PT MSC Indonesia (“PT MSC”) was sold in June 2014, its results, together with those of BCL group were reclassified as discontinued operations. The comparatives have been restated accordingly. The disposal of BCL group and PT MSC were completed in 2Q2014.
- (B) Arising from the joint venture between the Group and Far East Orchard Ltd and the sale of Rendezvous Grand Hotel Singapore to related entities of the Far East Organisation, the hospitality assets and business of the Group were reclassified as held for sale in June 2013, for which the comparatives have been restated accordingly.
- (C) Property revenue for 3Q2014 was comparable to 3Q2013. Property revenue was lower in 9M2014 as no development properties were sold for that period.
- (D) This was related to the sale of the Group’s portfolio of market securities.
- (E) Dividend income for 3Q2014 and 9M2014 was mainly from the Group’s investments in the various REIT units.
- (F) As a result of the property cooling measures implemented by the government, the net fair value of the residential properties has declined further in 3Q2014.

Notes to the Income Statement (Cont'd):

- (G) These were mainly related to mark-to-market losses from its trading securities.
- (H) Other loss in 9M2014 was mainly loss from the disposal of FEHT units. Other income in 9M2013 related principally to a gain on disposal of WBL shares.
- (I) The impairment losses in 3Q2013 and 9M2013 were mainly related to the Group's 30% investment in KM Resources, Inc ("KMR"), a holding company of certain subsidiaries operating the Rapu Rapu mine in the Philippines.
- (J) The increase in costs of tin mining and smelting in 3Q2014 was due to higher sales volume. In light of the lower prevailing tin prices as at 30 September 2014, a write down of \$2.3 million was made against the carrying value of the tin inventory during 3Q2014.
- (K) Finance costs for 3Q2014 was higher due to costs relating to the buy back of medium term notes which will be substantially offset by future interest savings. The increase in finance costs for 9M2014 was mitigated by the interest savings from the early repayment of a term loan in June 2013.
- (L) Other expenses were higher for 3Q2014 mainly due to expenses incurred for a new real estate fund. For 9M2013, other expenses were higher as this included professional fees related to corporate transactions and costs of development properties sold.
- (M) The exchange gain for 3Q2014 was mainly due to the weakening of NZ Dollar against the Singapore Dollar on the net NZ Dollar liabilities. The exchange losses for the other periods were a result of the movements of US Dollar against the Malaysian Ringgit on the net US Dollar assets and liabilities of the resources operations.
- (N) The share of profits for 3Q2014 and 9M2014 were mainly contributed by ARA Asset Management Limited ("ARA") which recorded higher performance fees. The profit was partially reduced by share of loss in Far East Hospitality Holdings Pte Ltd ("FEHH"), mainly due to exchange translation loss as a result of the weakening of AUD against SGD. The losses in 3Q2013 and 9M2013 related mainly to share of loss in FEHH, KMR, and WBL from February 2013 to March 2013. The entire stake in WBL was subsequently sold in 2Q2013.
- (O) The tax expense in 3Q2014 and 9M2014 was mainly due to certain non tax-deductible expenses. The tax credit for last year was mainly due to the write-back of tax provisions in relation to certain investment properties that were no longer required.

1(a)(ii) Statement of comprehensive income for the 3rd quarter and nine months ended 30 September 2014.

<u>GROUP</u>	3rd Quarter (3Q) Ended 30 September		Nine Months (9M) Ended 30 September	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
		(restated)		(restated)
Profit/(Loss) after tax	(17,944)	39,507	(20,730)	108,926
Items that will not be reclassified to profit or loss:				
Reversal of fair value changes on investment securities which became an associate	–	–	–	(23,338)
Items that may be reclassified subsequently to profit or loss:				
Net fair value changes in available-for-sale investment securities	(5,331)	(911)	3,754	(771)
Net fair value changes in cash flow hedges	(1,242)	70	(129)	(363)
Currency translation reserve	(322)	(3,584)	9,562	(18,043)
Share of reserves of associates and joint ventures	(2,271)	1,246	632	3,656
Share of reserves of an associate that transfer to profit or loss on disposal	–	–	–	(2,410)
Reversal of fair value changes on investment securities re-designated as marketable securities	–	–	1,050	–
Other comprehensive income/(expenses) after tax for the period	(9,166)	(3,179)	14,869	(41,269)
Total comprehensive income/(expenses) for the period	(27,110)	36,328	(5,861)	67,657
Total comprehensive income/(expenses) attributable to:				
Owners of the Company	(26,482)	35,453	(6,296)	67,182
Non-controlling interests	(628)	875	435	475
	(27,110)	36,328	(5,861)	67,657
Total comprehensive income/(expenses) attributable to:				
Owners of the Company				
Total comprehensive income/(expenses) after tax from continuing operations	(26,482)	38,302	(10,137)	81,580
Total comprehensive income/(expenses) after tax from discontinued operations	–	(2,849)	3,841	(14,398)
Total comprehensive income/(expenses) for the period attributable to owners of the Company	(26,482)	35,453	(6,296)	67,182

1(b)(i) A statement of financial position (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 2014

	GROUP		COMPANY	
	30 Sep 2014 \$'000	31 Dec 2013 \$'000	30 Sep 2014 \$'000	31 Dec 2013 \$'000
Assets				
Non-current assets				
Property, plant and equipment	34,496	34,403	253	305
Investment properties	408,101	849,910	53,196	122,346
Goodwill	20,795	20,603	–	–
Other intangible assets	7,258	5,869	–	–
Investments in subsidiaries	–	–	209,737	209,737
Investments in associates and joint ventures	347,262	358,741	2,708	3,585
Deferred tax assets	3,203	1,828	–	–
Other non-current receivables	74,930	62,963	–	–
Investment securities	181,803	64,139	–	–
Other non-current assets	1,166	1,155	–	–
Total non-current assets	1,079,014	1,399,611	265,894	335,973
Current assets				
Assets/Disposal group classified as held for sale	436,446	48,391	69,741	–
Development properties for sale	348	334	–	–
Inventories	97,234	106,107	–	–
Income tax receivables	551	685	11	71
Prepayments and accrued income	2,674	3,137	61	67
Trade and other receivables	157,310	108,260	643,676	585,720
Marketable securities	64,607	–	–	–
Derivative financial instruments	327	–	–	–
Cash and short-term deposits	108,675	274,333	7,613	144,133
Total current assets	868,172	541,247	721,102	729,991
Total assets	1,947,186	1,940,858	986,996	1,065,964
Equity and liabilities				
Equity				
Share capital	568,968	568,968	568,968	568,968
Retained earnings	750,396	784,145	87,928	16,579
Other reserves	(25,399)	(31,295)	(6,631)	(7,121)
Reserve of disposal group classified as held for sale	–	(5,233)	–	–
Equity attributable to owners of the Company	1,293,965	1,316,585	650,265	578,426
Non-controlling interests	46,250	35,658	–	–
Total equity	1,340,215	1,352,243	650,265	578,426
Non-current liabilities				
Provisions	3,988	3,891	–	–
Deferred tax liabilities	6,309	6,857	3,303	3,270
Borrowings	245,598	297,490	–	224,357
Derivative financial instruments	28	44	–	–
Other non-current liabilities	527	1,335	–	–
Total non-current liabilities	256,450	309,617	3,303	227,627

1(b)(i) A statement of financial position (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 2014 (Cont'd)

	GROUP		COMPANY	
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
	\$'000	\$'000	\$'000	\$'000
<u>Current liabilities</u>				
Liabilities directly associated with disposal group classified as held for sale	–	55,078	–	–
Provisions	18,258	15,543	14,514	15,543
Income tax payable	2,185	7,036	16	280
Trade and other payables	86,543	67,970	318,898	244,088
Borrowings	242,236	132,474	–	–
Derivative financial instruments	1,299	897	–	–
Total current liabilities	350,521	278,998	333,428	259,911
Total liabilities	606,971	588,615	336,731	487,538
Total equity and liabilities	1,947,186	1,940,858	986,996	1,065,964

Notes to Balance Sheets:

(i) **Group**

Non-current assets

The decrease in “investment properties” was mainly due to the reclassification of the Straits Trading Building as “assets held for sale” and lower value of investment properties as at 30 September 2014.

The increase in “other non-current receivables” was due to a loan to FEHH.

The increase in “investment securities” was mainly related to the acquisition of units in Suntec REIT.

Current assets

As at 30 September 2014, certain investment properties including the Straits Trading Building were reclassified to “assets held for sale”. As at 31 December 2013, this was related to the disposal of the BCL group that was completed in 2Q2014.

The increase in “trade and other receivables” was mainly due to higher advances made for the purchases of tin inventories by the resources operations.

“Marketable securities” comprised a portfolio of fixed income and market securities.

Equity

The loss in “other reserves” reduced as a result of the reversal of AFS reserve upon realisation of FEHT units.

The increase in “non-controlling interests” was mainly due to the deconsolidation of the assets and liabilities of the Group’s Indonesian subsidiaries following the disposal of the Group’s interests in these subsidiaries that has a negative net worth.

Notes to Balance Sheets (Cont'd):

(i) **Group (Cont'd)**

Non-current liabilities

The decrease in “borrowings” was mainly due to the buy back of medium term notes by the Company which was refinanced by new credit facilities and reclassification of borrowings from long-term to short-term with repayment terms within one year.

Current liabilities

The increase in “trade and other payables” was mainly due to amount owing to non-controlling shareholder of a subsidiary and a deposit received for the sale of the Straits Trading Building.

The increase in “borrowings” was mainly due to reclassification of long-term borrowings to short-term borrowings with repayment terms within one year, and short-term borrowings drawn down by subsidiaries.

(ii) **Company**

Non-current assets

The decrease in “investment properties” was due to the Straits Trading Building being classified as “assets held for sale” as at 30 September 2014.

Current assets

“Assets held for sale” was related to the Straits Trading Building.

The increase in “trade and other receivables” was related mainly to intercompany advances.

Non-current liabilities

The decrease in “borrowings” was due to the buy back of medium term notes by the Company.

Current liabilities

The increase in “trade and other payables” was related mainly to intercompany advances.

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

As at 30/09/2014		As at 31/12/2013	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
62,080	180,156	–	132,474

Amount repayable after one year:

As at 30/09/2014		As at 31/12/2013	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
218,933	26,665	25,152	272,338

Details of any collaterals:

Secured borrowings are collateralised by:

- mortgage of the borrowing companies' properties and/or
- assignment of all rights, titles and interest under contracts in respect of the mortgaged properties or
- charge on securities held by certain subsidiaries of the Company

1(c) A statement of cash flows (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 2014

	3 rd Quarter (3Q) Ended 30 September		Nine Months (9M) Ended 30 September	
	2014 \$'000	2013 \$'000 (restated)	2014 \$'000	2013 \$'000 (restated)
<u>Cash flows from operating activities</u>				
Profit/(Loss) before tax from continuing operations	(16,072)	(15,727)	(7,336)	71,001
Profit/(Loss) before tax from discontinued operations	-	3,858	(7,704)	(7,609)
Profit/(Loss) before tax	(16,072)	(11,869)	(15,040)	63,392
<u>Adjustments</u>				
Depreciation of property, plant and equipment	729	823	2,196	12,691
Amortisation of intangible assets	202	166	517	359
Dividend income	(2,812)	(46)	(4,835)	(1,118)
Interest income	(1,415)	(1,799)	(3,617)	(4,011)
Finance costs	16,960	5,012	25,924	22,395
Currency realignment	(458)	(2,970)	2,855	(2,639)
Fair value changes in investment properties and financial assets	9,030	(368)	10,529	1,234
Net loss/(gain) on disposal of investments, property, plant and equipment and investment properties	(1)	(4,319)	10,392	(98,894)
Impairment of investments, property, plant and equipment	37	12,079	37	13,576
Write off/Provision/(Write back) for liabilities/exploration costs and other assets	51	(313)	3,800	3,742
Provision/(Write back) for employee benefits and receivables	42	(330)	1,977	2,925
Share of results of equity-accounted associates and joint ventures	(2,652)	7,796	(12,509)	11,696
Operating cash flows before changes in working capital	3,641	3,862	22,226	25,348
(Increase)/Decrease in development properties for sale	1	46	(14)	5,697
(Increase)/Decrease in inventories	8,715	23,268	8,690	(4,452)
(Increase)/Decrease in marketable securities	(26,844)	1,427	(50,949)	13,678
(Increase)/Decrease in trade and other receivables	(10,724)	12,953	(53,254)	30,303
Decrease in trade and other payables	(4,793)	(6,901)	(7,136)	(5,330)
Cash flow (used in)/from operations	(30,004)	34,655	(80,437)	65,244
Income taxes paid	(4,696)	(5,277)	(12,241)	(9,255)
Payment of finance costs	(15,947)	(2,293)	(24,984)	(18,669)
Interest received	842	1,566	1,911	3,679
Dividend income	155	46	155	1,118
Net cash flows (used in)/from operating activities	(49,650)	28,697	(115,596)	42,117

1(c) A statement of cash flows (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 2014 (cont'd)

	3 rd Quarter (3Q) Ended 30 September		Nine Months (9M) Ended 30 September	
	2014 \$'000	2013 \$'000 (restated)	2014 \$'000	2013 \$'000 (restated)
<u>Cash flows from investing activities</u>				
Proceeds from disposal of property, plant and equipment and investment properties	9,001	14,366	17,511	70,781
Cost incurred on property, plant and equipment	(2,383)	(9,365)	(4,898)	(37,160)
Cost incurred on investment properties	–	(2,168)	(4,190)	(3,803)
Proceeds from disposal of investment securities	457	–	47,287	–
Purchase of investment securities	(19,965)	–	(180,887)	(1,573)
Payment for deferred mine development and exploration expenditure and other intangible assets	(591)	(116)	(1,292)	(479)
Proceeds from disposal of property, plant and equipment and investment properties held for sale	–	217,000	–	217,000
Net cash outflow on acquisition of a subsidiary	(97)	–	(186)	–
Net cash inflow from disposal of subsidiaries	–	–	208	–
Proceeds from disposal of shares in an associate	–	–	–	508,779
Additional shares in associate and joint venture	–	–	–	(12,566)
Proceeds from partial return of capital from an associate	–	–	877	–
Payment for mine closure deposit	–	–	–	(12,071)
Dividend income from investment securities, associates and joint ventures	6,135	4,625	24,124	10,132
Net cash flows (used in)/from investing activities	(7,443)	224,342	(101,446)	739,040
<u>Cash flows from financing activities</u>				
Dividends paid to shareholders	–	(197,199)	(16,324)	(212,975)
Loan from non-controlling shareholder of a subsidiary	–	–	20,950	–
Loan to an associate	(11,910)	(9,000)	(11,910)	(9,000)
Net proceeds from issuance of shares by subsidiary to non-controlling shareholders	2,100	–	2,100	–
Drawdown/(Repayment) of short-term borrowings	24,333	(34,242)	67,059	(34,678)
Drawdown of long-term borrowings	220,000	–	220,000	22,298
Repayment of long-term borrowings	(226,916)	(1,698)	(230,775)	(225,078)
Net cash flows from/(used in) financing activities	7,607	(242,139)	51,100	(459,433)
Net (decrease)/ increase in cash and cash equivalents	(49,486)	10,900	(165,942)	321,724
Effect of exchange rate changes on cash and cash equivalents	(536)	(1,544)	263	(1,258)
Cash and cash equivalents, beginning balance	158,697	509,277	274,354	198,167
Cash and cash equivalents, ending balance	108,675	518,633	108,675	518,633
Cash and cash equivalents comprise the following:				
Cash and short-term deposits	108,675	481,557	108,675	481,557
Amounts reserved for the development of new mines and mining projects	–	22,152	–	22,152
Disposal group classified as held for sale	–	14,924	–	14,924
	108,675	518,633	108,675	518,633

Notes to the Cash Flow Statement:

(i) Third Quarter

Net cash outflow from operating activities for 3Q2014 was \$49.7 million mainly due to purchase of marketable securities and higher receivables from resources as a result of higher advances made for the purchases of tin inventories.

Net cash outflow from investing activities for 3Q2014 was \$7.4 million, mainly due to purchase of Suntec REIT, mitigated by dividend income from the Group's investment in securities, associates and joint ventures and a deposit of \$9.0 million received from the sale of the Straits Trading Building.

Net cash inflow from financing activities for 3Q2014 was \$7.6 million mainly from the drawdown of new credit facilities to refinance the buy back of medium term notes.

(ii) Nine Months

Net cash outflow from operating activities for 9M2014 was \$115.6 million mainly due to purchase of marketable securities and increase in receivables from resources as a result of higher advances made for the purchases of tin inventories.

Net cash outflow from investing activities for 9M2014 was \$101.4 million mainly due to purchase of Suntec REIT. This was mitigated by dividend income from the Group's investment in securities, associates and joint ventures, proceeds from disposal of investment properties and investment securities.

Net cash inflow from financing activities for 9M2014 was \$51.1 million mainly due to the drawdown of new credit facilities and loan from a non-controlling shareholder of a subsidiary, offset by dividend paid to shareholders of the Company in 2Q2014 and loan to an associate.

(iii) Significant non-cash transactions

There were no material non-cash transactions other than those disclosed in the cash flow statement.

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 2014

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	Translation reserve \$'000	Reserve of disposal group classified as held for sale \$'000	Non- controlling interests \$'000
Opening balance at 1 January 2014	1,352,243	1,316,585	568,968	784,145	(6,924)	(363)	1,893	(25,901)	(5,233)	35,658
Total comprehensive income/(expenses) for the period	(5,861)	(6,296)	–	(18,393)	5,388	(226)	1,016	270	5,649	435
<u>Contributions by and distributions to owners</u>										
Dividend on ordinary shares										
- Interim dividend for FY2013	(16,324)	(16,324)	–	(16,324)	–	–	–	–	–	–
Contribution of capital by non-controlling interests	2,100	–	–	–	–	–	–	–	–	2,100
Total contributions by and distributions to owners	(14,224)	(16,324)	–	(16,324)	–	–	–	–	–	2,100
Total transactions with owners in their capacity as owners	(14,224)	(16,324)	–	(16,324)	–	–	–	–	–	2,100
<u>Others</u>										
Reserve attributable to disposal group classified as held for sale	–	–	–	–	–	–	–	(511)	511	–
Disposal of disposal group classified as held for sale	7,940	–	–	927	–	–	–	–	(927)	7,940
Disposal of a subsidiary	–	–	–	41	–	–	(41)	–	–	–
Acquisition of a subsidiary	117	–	–	–	–	–	–	–	–	117
	8,057	–	–	968	–	–	(41)	(511)	(416)	8,057
Closing balance at 30 September 2014	1,340,215	1,293,965	568,968	750,396	(1,536)	(589)	2,868	(26,142)	–	46,250

Statements of changes in equity for the period ended 30 September 2014 (cont'd)

GROUP (cont'd)

	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	Reserve of disposal group classified as held for sale \$'000	Non- controlling interests \$'000
Opening balance at 1 January 2013	1,171,078	1,136,035	265,928	721,821	23,262	(18)	132,319	(7,277)	–	35,043
Total comprehensive income/(expenses) for the period	67,657	67,182	–	106,851	(24,264)	(198)	–	(15,207)	–	475
<u>Contributions by and distributions to owners</u>										
Dividend on ordinary shares										
- Special interim dividend for FY2013	(197,199)	(197,199)	–	(197,199)	–	–	–	–	–	–
- Interim dividend for FY2012	(15,776)	(15,776)	–	(15,776)	–	–	–	–	–	–
Shares issuance	254,138	254,138	254,138	–	–	–	–	–	–	–
Unclaimed dividends written back	13	13	–	13	–	–	–	–	–	–
Total contributions by and distributions to owners	41,176	41,176	254,138	(212,962)	–	–	–	–	–	–
Total transactions with owners in their capacity as owners	41,176	41,176	254,138	(212,962)	–	–	–	–	–	–
<u>Others</u>										
Reclassification arising from disposal group classified as held for sale	25,784	25,784	–	151,668	–	–	(125,884)	–	–	–
Reserve attributable to disposal group classified as held for sale	–	–	–	–	–	–	(4,123)	(906)	5,029	–
Total others	25,784	25,784	–	151,668	–	–	(130,007)	(906)	5,029	–
Closing balance at 30 September 2013	1,305,695	1,270,177	520,066	767,378	(1,002)	(216)	2,312	(23,390)	5,029	35,518

Statements of changes in equity for the period ended 30 September 2014 (cont'd)

COMPANY

	Total equity \$'000	Equity attributable to owners of the Company \$'000	Share capital \$'000	Retained earnings \$'000	Revaluation reserve \$'000	Translation reserve \$'000
Opening balance at 1 January 2014	578,426	578,426	568,968	16,579	202	(7,323)
Total comprehensive income for the period	88,163	88,163	–	87,673	–	490
<u>Contributions by and distributions to owners</u>						
Dividend on ordinary shares - Interim dividend for FY2013	(16,324)	(16,324)	–	(16,324)	–	–
Total transactions with owners in their capacity as owners	(16,324)	(16,324)	–	(16,324)	–	–
Closing balance at 30 September 2014	650,265	650,265	568,968	87,928	202	(6,833)

	Total equity \$'000	Equity attributable to owners of the Company \$'000	Share capital \$'000	Retained earnings \$'000	AFS reserve \$'000	Revaluation reserve \$'000	Translation reserve \$'000
Opening balance at 1 January 2013	431,941	431,941	265,928	161,537	9,577	191	(5,292)
Total comprehensive income/(expenses) for the period	66,594	66,594	–	77,785	(9,577)	–	(1,614)
<u>Contributions by and distributions to owners</u>							
Dividend on ordinary shares - Special interim dividend for FY2013	(197,199)	(197,199)	–	(197,199)	–	–	–
- Interim dividend for FY2012	(15,776)	(15,776)	–	(15,776)	–	–	–
Shares issuance	254,138	254,138	254,138	–	–	–	–
Unclaimed dividends written back	13	13	–	13	–	–	–
Total transactions with owners in their capacity as owners	41,176	41,176	254,138	(212,962)	–	–	–
Closing balance at 30 September 2013	539,711	539,711	520,066	26,360	–	191	(6,906)

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 2014	31 December 2013
Total number of ordinary shares in issue	408,095,772	408,095,772

There were no treasury shares as at 30 September 2014 and 31 December 2013.

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.

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.

Except as disclosed in item 5 below, 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 2013.

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 Group adopted the following revised Financial Reporting Standards ("FRS") and Interpretations ("INT FRS") that are effective for the financial period beginning 1 January 2014:

Revised FRS 27 Separate Financial Statements

Revised FRS 28 Investments in Associates and Joint Ventures

FRS 110 Consolidated Financial Statements

FRS 111 Joint Arrangements

FRS 112 Disclosure of Interests in Other Entities

Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 36 Recoverable Amount Disclosures for Non-Financial Assets

Amendments to FRS 39 Novation of Derivatives and Continuation of Hedge Accounting

Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities

Amendments to FRS 110, FRS 111 and FRS 112 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance

The Group does not expect any significant financial impact on its financial position or performance from the adoption of these FRSs.

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.

	3 rd Quarter (3Q) Ended 30 September		Nine Months (9M) Ended 30 September	
	2014	2013 (restated)	2014	2013 (restated)
Basic and diluted earnings/(loss) per share from continuing operations attributable to owners of the Company:	(4.5) cents	10.2 cents	(4.0) cents	30.2 cents
Basic and diluted earnings/(loss) per share for the period based on Group profit/(loss) attributable to owners of the Company:	(4.5) cents	9.5 cents	(4.5) cents	27.4 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 2014	31 December 2013
The Group	\$3.17	\$3.23
The Company	\$1.59	\$1.42

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.

The following tables summarise the 3Q2014 operating results by business segments and comparables for 3Q2013 and the 9M2014 operating results by business segments and comparables for 9M2013.

3Q2014 Operating Segment Results

	Notes to the Income Statement	Resources \$'000	Real Estate (Note) \$'000	Hospitality (Note) \$'000	Others (Note) \$'000	Elimination \$'000	Consolidated \$'000
Revenue							
External revenue		206,981	19,645	3,438	-	-	230,064
Inter-segment revenue		-	15	-	-	(15)	-
Total revenue	C/D	206,981	19,660	3,438	-	(15)	230,064
Segment results							
Operating profit/(loss)		5,372	119	(240)	19	-	5,270
Fair value changes in investment properties	F	-	(6,997)	-	-	-	(6,997)
Impairment losses		(37)	-	-	-	-	(37)
Finance costs	K	(1,940)	(1,668)	-	(13,352)	-	(16,960)
Share of results of equity- accounted associates and joint ventures	N	(176)	5,665	(2,837)	-	-	2,652
Profit/(Loss) before tax		3,219	(2,881)	(3,077)	(13,333)	-	(16,072)
Income tax (expense)/credit	O	(1,751)	(141)	(86)	106	-	(1,872)
Profit/(Loss) after tax		1,468	(3,022)	(3,163)	(13,227)	-	(17,944)
Profit/(Loss) attributable to:							
Owners of the Company		658	(2,792)	(3,163)	(13,227)	-	(18,524)
Non-controlling interests		810	(230)	-	-	-	580
		1,468	(3,022)	(3,163)	(13,227)	-	(17,944)

Note:

Real Estate - This comprises the property portfolio, investments in Straits Real Estate Pte. Ltd. ("SRE"), Suntec REIT units and ARA Asset Management Limited ("ARA").

Hospitality - This comprises the investments in Far East Hospitality Holdings Pte Ltd ("FEHH") and Far East Hospitality Trust ("FEHT").

Others - This comprises Group-level corporate and treasury services.

3Q2013 Operating Segment Results

	Notes to the Income Statement	Resources \$'000	Real Estate \$'000	Hospitality \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
Revenue							
External revenue		165,200	5,368	34,306	1,374	-	206,248
Inter-segment revenue		-	15	28	-	(43)	-
Total revenue	C/D	165,200	5,383	34,334	1,374	(43)	206,248
Segment results							
Operating profit/(loss)		8,597	463	5,618	(1,660)	-	13,018
Impairment losses	I	(12,079)	-	-	-	-	(12,079)
Finance costs	K	(1,503)	(276)	(640)	(2,593)	-	(5,012)
Share of results of equity- accounted associates and joint ventures	N	(4,899)	135	(3,032)	-	-	(7,796)
Profit/(Loss) before tax		(9,884)	322	1,946	(4,253)	-	(11,869)
Income tax (expense)/credit	O	(2,490)	53,771	278	(183)	-	51,376
Profit/(Loss) after tax		(12,374)	54,093	2,224	(4,436)	-	39,507
Profit/(Loss) attributable to:							
Owners of the Company		(14,473)	54,093	2,224	(4,436)	-	37,408
Non-controlling interests		2,099	-	-	-	-	2,099
		(12,374)	54,093	2,224	(4,436)	-	39,507

9M2014 Operating Segment Results

	Notes to the Income Statement	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External revenue		539,319	30,703	3,438	-	-	573,460
Inter-segment revenue		-	43	-	-	(43)	-
Total revenue	C/D	539,319	30,746	3,438	-	(43)	573,460
Segment results							
Operating profit/(loss)		10,969	2,311	(3,129)	(3,710)	-	6,441
Fair value changes in investment properties	F	-	(8,029)	-	-	-	(8,029)
Impairment losses		(37)	-	-	-	-	(37)
Finance costs	K	(5,044)	(2,369)	-	(18,511)	-	(25,924)
Share of results of equity- accounted associates and joint ventures	N	336	13,095	(922)	-	-	12,509
Profit/(Loss) before tax		6,224	5,008	(4,051)	(22,221)	-	(15,040)
Income tax (expense)/credit	O	(6,246)	(137)	(536)	1,229	-	(5,690)
Profit/(Loss) after tax		(22)	4,871	(4,587)	(20,992)	-	(20,730)
Profit/(Loss) attributable to:							
Owners of the Company		1,858	5,328	(4,587)	(20,992)	-	(18,393)
Non-controlling interests		(1,880)	(457)	-	-	-	(2,337)
		(22)	4,871	(4,587)	(20,992)	-	(20,730)

Note:

Real Estate - This comprises the property portfolio, investments in Straits Real Estate Pte. Ltd. ("SRE"), Suntec REIT units and ARA Asset Management Limited ("ARA").

Hospitality - This comprises the investments in Far East Hospitality Holdings Pte Ltd ("FEHH") and Far East Hospitality Trust ("FEHT").

Others - This comprises Group-level corporate and treasury services.

9M2013 Operating Segment Results

	Notes to the Income Statement	Resources	Real Estate	Hospitality	Others	Elimination	Consolidated
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External revenue		508,609	26,640	113,097	57,011	-	705,357
Inter-segment revenue		-	44	140	-	(184)	-
Total revenue	C/D	508,609	26,684	113,237	57,011	(184)	705,357
Segment results							
Operating profit		20,206	10,106	1,141	79,606	-	111,059
Impairment losses	I	(13,576)	-	-	-	-	(13,576)
Finance costs	K	(5,153)	(6,863)	(2,530)	(7,849)	-	(22,395)
Share of results of equity- accounted associates and joint ventures	N	(6,222)	530	(2,963)	(3,041)	-	(11,696)
Profit/(Loss) before tax		(4,745)	3,773	(4,352)	68,716	-	63,392
Income tax (expense)/credit	O	(7,205)	52,731	694	(686)	-	45,534
Profit/(Loss) after tax		(11,950)	56,504	(3,658)	68,030	-	108,926
Profit/(Loss) attributable to:							
Owners of the Company		(14,025)	56,504	(3,658)	68,030	-	106,851
Non-controlling interests		2,075	-	-	-	-	2,075
		(11,950)	56,504	(3,658)	68,030	-	108,926

Group

3Q2014 Vs 3Q2013

Revenue

For 3Q2014, the Group reported revenue of \$230.1 million compared with \$206.2 million for 3Q2013. The higher revenue was mainly from resources on the back of higher sales volume and higher average tin prices.

Results

The Group reported a loss after tax and non-controlling interests of \$18.5 million for 3Q2014 mainly due to (a) costs relating to the buy back of medium term notes which will be substantially offset by future interest savings, and (b) fair value loss in certain residential investment properties as a result of the government's cooling measures. The loss was mitigated by contributions from its associate, ARA Asset Management Limited ("ARA"). Excluding the medium term notes buy back, the loss after tax and non-controlling interests was \$5.1 million.

For 3Q2013, the profit after tax and non-controlling interests of \$37.4 million included a tax write-back. Excluding the tax write-back, the loss after tax and non-controlling interests was \$16.4 million.

9M2014 Vs 9M2013

Revenue

For 9M2014, the Group reported revenue of \$573.5 million compared with \$705.4 million for 9M2013. The lower revenue was a consequence of the divestment of the hospitality business in the second half of 2013, mitigated by higher revenue from resources.

Results

The Group reported a loss after tax and non-controlling interests of \$18.4 million for 9M2014 mainly due to (a) the buy back of medium term notes, (b) fair value loss in certain residential investment properties, and (c) disposal and mark-to-market losses on FEHT units. The loss was mitigated by contributions from resources and ARA. Excluding the medium term notes buy back, the loss after tax and non-controlling interests was \$4.7 million.

For 9M2013, the Group recorded a profit after tax and non-controlling interests of \$106.9 million mainly from the disposal of WBL shares and tax write-back. The profit was reduced by impairment provisions made on certain resources investments. Excluding the net gain from the disposal of WBL shares and tax write-back, the loss after tax and non-controlling interests was \$33.3 million.

Resources

The Group's resources revenue for 3Q2014 was higher at \$207.0 million compared with \$165.2 million for 3Q2013. For 9M2014, resources revenue was higher at \$539.3 million compared with \$508.6 million for 9M2013 mainly due to increase in sales quantity and average tin prices.

For 3Q2014 and 9M2014, resources reported a profit after tax and non-controlling interests of \$0.7 million and \$1.9 million respectively. The profitable operations at Butterworth and Rahman Hydraulic was negatively impacted by a \$2.3 million write-down on inventories due to the lower prevailing tin prices.

For 3Q2013 and 9M2013, the loss after tax and non-controlling interests was \$14.5 million and \$14.0 million respectively, mainly due to impairment and losses at joint ventures.

Real Estate

Real estate operations reported a loss after tax and non-controlling interests of \$2.8 million for 3Q2014. For 9M2014, profit after tax and non-controlling interests was \$5.3 million. The results in 2014 were affected by the fair value loss in certain residential investment properties, mitigated by contributions from ARA.

For 3Q2013 and 9M2013, real estate operations reported profit after tax and non-controlling interests of \$54.1 million and \$56.5 million respectively. The profit was primarily from the tax write-back.

Hospitality

Hospitality revenue for 3Q2014 and 9M2014 were related to proceeds from the sale of FEHT units. Revenue from the hospitality business was recognised in 3Q2013 and 9M2013 before the business was divested in the second half of 2013.

For 3Q2014, the loss after tax of \$3.2 million was mainly from share of loss in Far East Hospitality Holdings Pte Ltd ("FEHH").

For 9M2014, the hospitality business recorded a loss after tax of \$4.6 million mainly due to the loss on the disposal of some FEHT units.

For 3Q2013, the Group recorded a profit after tax of \$2.2 million mainly due to a gain from the sale of its Singapore hotel asset. The loss in 9M2013 related to the hospitality business has since been disposed. The results in 2013 were affected by the Group's share of loss in FEHH.

Others

The loss after tax for 3Q2014 and 9M2014 was mainly due to costs relating to the buy back of medium term notes which will be substantially offset by future interest savings. The profit after tax for 9M2013 was mainly due to gains from the disposal of WBL shares.

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 second quarter 2014 financial results announcement made on 14 August 2014.

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.

The Group is now focused on executing its strategies to deliver results from its various newly created engines of growth.

Real Estate

Straits Real Estate (“SRE”), an 89.5%-owned subsidiary of the Group, has a global investment mandate to pursue real estate and real estate-related investment opportunities. Amongst its investments, it will seed private funds and/or other types of investment vehicles to tap various opportunities in the real estate sector.

SRE has seeded a development fund with a capital commitment of US\$80 million (S\$100 million) with a mandate to invest in development projects in South East Asia and Australia. Whilst SRE is making steady progress in building up a pipeline of projects, it is anticipated that the completion of these projects and realisation of proceeds will take at least 2 to 3 years.

In line with the Group’s strategy of recycling capital from its existing property portfolio, the Group is in the process of divesting the Straits Trading Building for \$450.0 million. The transaction when completed, will crystallise an estimated accounting gain of \$39.0 million (net of expenses) based on its latest book value. The Group will continue to evaluate its monetisation plans for its remaining properties and redeploy the proceeds when realised into potentially higher return real estate opportunities.

Hospitality

The Hospitality business has been transformed into a 30% stake in FEHH which has a larger and scalable hospitality platform. The acquisition of three hotels in Germany and one hotel in Denmark with Toga Pty Ltd and its subsidiaries has provided further scale and expanded the hospitality business and footprint in the hospitality ownership business into the European market.

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/recommendeded, a statement to that effect.

No dividend has been declared for the third quarter ended 30 September 2014.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company did not seek and does not have a general mandate from shareholders pursuant to Rule 920 of the Listing Manual.

14. Negative confirmation pursuant to Rule 705(5).

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 third quarter 2014 financial results to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Aldric Tan Jee Wei
Secretary

14 November 2014
Singapore

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