

**The Straits Trading Company Limited (Company Registration No. : 188700008D)**  
**Second Quarter and Half Year Financial Statements Announcement for the Period Ended 30 June 2015**

**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 2<sup>nd</sup> quarter and half year ended 30 June 2015 are as follow:

<b>GROUP</b>	<b>Note</b>	<b>2<sup>nd</sup> Quarter (2Q) Ended</b>			<b>Half Year (1H) Ended</b>		
		<b>30 June</b>		<b>+ / (-)</b>	<b>30 June</b>		<b>+ / (-)</b>
		<b>2015</b>	<b>2014</b>		<b>%</b>	<b>2015</b>	
		<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b><u>Continuing operations</u></b>							
<b><u>Revenue</u></b>							
Tin mining and smelting revenue		<b>167,836</b>	167,585	0.1	<b>311,346</b>	332,338	(6.3)
Property revenue		<b>1,832</b>	5,478	(66.6)	<b>3,879</b>	11,058	(64.9)
Total revenue		<b>169,668</b>	173,063	(2.0)	<b>315,225</b>	343,396	(8.2)
<b><u>Other items of income/(loss)</u></b>							
Dividend income	A	<b>6,564</b>	985	566.4	<b>10,947</b>	2,023	441.1
Interest income		<b>2,653</b>	1,126	135.6	<b>4,618</b>	2,202	109.7
Fair value changes in investment properties	B	<b>294</b>	(1,032)	NM	<b>294</b>	(1,032)	NM
Fair value changes in financial assets	C	<b>(4,198)</b>	(1,065)	294.2	<b>(6,208)</b>	(467)	1,229.3
Other income/(loss)	D	<b>324</b>	(3,347)	NM	<b>1,052</b>	(3,051)	NM
		<b>175,305</b>	169,730	3.3	<b>325,928</b>	343,071	(5.0)
<b><u>Other items of expense</u></b>							
Employee benefits expense		<b>(6,936)</b>	(7,275)	(4.7)	<b>(14,037)</b>	(14,296)	(1.8)
Depreciation expense		<b>(854)</b>	(725)	17.8	<b>(1,625)</b>	(1,435)	13.2
Amortisation expense		<b>(179)</b>	(166)	7.8	<b>(362)</b>	(315)	14.9
Costs of tin mining and smelting	E	<b>(166,864)</b>	(153,067)	9.0	<b>(299,187)</b>	(301,484)	(0.8)
Finance costs	F	<b>(3,215)</b>	(4,612)	(30.3)	<b>(6,845)</b>	(8,964)	(23.6)
Other expenses	G	<b>(5,899)</b>	(10,164)	(42.0)	<b>(9,944)</b>	(14,700)	(32.4)
Exchange gains/(losses)		<b>686</b>	(1,019)	NM	<b>(2,969)</b>	(2,998)	(1.0)
Total expenses		<b>(183,261)</b>	(177,028)	3.5	<b>(334,969)</b>	(344,192)	(2.7)
Share of results of associates and joint ventures	H	<b>3,919</b>	4,248	(7.7)	<b>7,430</b>	9,857	(24.6)
<b>Profit/(Loss) before tax from continuing operations</b>		<b>(4,037)</b>	(3,050)	32.4	<b>(1,611)</b>	8,736	NM
Income tax (expense)/credit	I	<b>2,894</b>	(1,721)	NM	<b>2,391</b>	(3,818)	NM
<b>Profit/(Loss) after tax from continuing operations</b>		<b>(1,143)</b>	(4,771)	(76.0)	<b>780</b>	4,918	(84.1)

NM – Not Meaningful

**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 2<sup>nd</sup> quarter and half year ended 30 June 2015 are as follow (cont'd):

<b>GROUP</b>	<b>Note</b>	<b>2<sup>nd</sup> Quarter (2Q) Ended 30 June</b>			<b>Half Year (1H) Ended 30 June</b>		
		<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>+ / (-) %</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>+ / (-) %</b>
<b>Discontinued operations</b>							
Loss after tax from discontinued operations	J	-	(6,358)	(100.0)	-	(7,704)	(100.0)
<b>Profit/(Loss) for the period</b>		<b>(1,143)</b>	<b>(11,129)</b>	<b>(89.7)</b>	<b>780</b>	<b>(2,786)</b>	<b>NM</b>
<b>Attributable to:</b>							
<b>Owners of the Company</b>							
Profit/(Loss) after tax from continuing operations		<b>1,806</b>	(4,515)	NM	<b>4,243</b>	2,093	102.7
Loss after tax from discontinued operations		-	(1,244)	(100.0)	-	(1,962)	(100.0)
<b>Profit/(Loss) for the period attributable to owners of the Company</b>		<b>1,806</b>	<b>(5,759)</b>	<b>NM</b>	<b>4,243</b>	<b>131</b>	<b>3,138.9</b>
<b>Non-controlling interests</b>							
Profit/(Loss) after tax from continuing operations		<b>(2,949)</b>	(256)	1,052.0	<b>(3,463)</b>	2,825	NM
Loss after tax from discontinued operations		-	(5,114)	(100.0)	-	(5,742)	(100.0)
<b>Loss for the period attributable to non-controlling interests</b>		<b>(2,949)</b>	<b>(5,370)</b>	<b>(45.1)</b>	<b>(3,463)</b>	<b>(2,917)</b>	<b>18.7</b>

NM – Not Meaningful

**Notes to the Income Statement:**

- (A) Dividend income in 2015 was mainly from the Group's investments in the various REIT units.
- (B) The fair value gain in investment properties in 2015 was from properties in Malaysia. This was reduced by the fair value loss from residential properties in Singapore as a result of the property cooling measures implemented by the government.
- (C) These were related to mark-to-market losses from trading securities.
- (D) Other income in 2015 was mainly gain from sale of investment properties.
- (E) In light of the lower closing tin price for 2Q2015 and 1H2015, an unfavourable valuation adjustment was made against the carrying value of tin inventory. For 1H2015, costs of tin mining and smelting were marginally lower in SGD terms due to the weaker Malaysian Ringgit ("RM") against the Singapore Dollar ("SGD").
- (F) Finance costs were lower due to interest savings relating to the buy-back of medium term notes in 3Q2014.
- (G) Other expenses fell due to lower property-related expenses and resources-related expenses.

Notes to the Income Statement (cont'd):

- (H) The share of results was mainly from ARA Asset Management Limited ("ARA") and Far East Hospitality Holdings Pte. Ltd. ("FEHH"). The lower share of results for 1H2015 was mainly due to foreign exchange translation losses recognised in FEHH due to weakening of Australian Dollar ("AUD") against SGD.
- (I) The tax credit for 2015 was due to reversal of tax provisions relating to discontinued operations no longer required.
- (J) Discontinued operations in 2014 were related to results of resources subsidiaries, Bemban Corporation Limited group and PT MSC Indonesia which were sold in June 2014.

**1(a)(ii) Statement of comprehensive income for the 2<sup>nd</sup> quarter and half year ended 30 June 2015.**

<b>GROUP</b>	<b>2<sup>nd</sup> Quarter (2Q) Ended 30 June</b>		<b>Half Year (1H) Ended 30 June</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Profit/(Loss) after tax</b>	<b>(1,143)</b>	<b>(11,129)</b>	<b>780</b>	<b>(2,786)</b>
<b>Item that will not be reclassified to profit or loss:</b>				
Share of revaluation surplus on property, plant and equipment of associates	271	1,013	271	1,013
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Net fair value changes in available-for-sale investment securities	(12,603)	9,681	(23,495)	9,085
Net fair value changes in cash flow hedges	226	443	1,006	1,113
Currency translation reserve	(7,556)	8,565	(7,186)	9,884
Share of reserves of associates and joint ventures	(2,544)	906	(4,110)	1,890
Reversal of fair value changes on investment securities re-designated as marketable securities	–	1,050	–	1,050
<b>Other comprehensive income/(expenses) after tax for the period</b>	<b>(22,206)</b>	<b>21,658</b>	<b>(33,514)</b>	<b>24,035</b>
<b>Total comprehensive income/(expenses) for the period</b>	<b>(23,349)</b>	<b>10,529</b>	<b>(32,734)</b>	<b>21,249</b>
<b>Total comprehensive income/(expenses) attributable to:</b>				
<b>Owners of the Company</b>	<b>(18,343)</b>	<b>13,320</b>	<b>(26,563)</b>	<b>20,186</b>
<b>Non-controlling interests</b>	<b>(5,006)</b>	<b>(2,791)</b>	<b>(6,171)</b>	<b>1,063</b>
	<b>(23,349)</b>	<b>10,529</b>	<b>(32,734)</b>	<b>21,249</b>
<b>Total comprehensive income/(expenses) attributable to:</b>				
<b>Owners of the Company</b>				
Total comprehensive income/(expenses) after tax from continuing operations	(18,343)	9,093	(26,563)	16,345
Total comprehensive income after tax from discontinued operations	–	4,227	–	3,841
<b>Total comprehensive income/(expenses) for the period attributable to owners of the Company</b>	<b>(18,343)</b>	<b>13,320</b>	<b>(26,563)</b>	<b>20,186</b>

**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 June 2015

	Note	GROUP		Note	COMPANY	
		30 June 2015	31 Dec 2014		30 June 2015	31 Dec 2014
		\$'000	\$'000		\$'000	\$'000
<b>Assets</b>						
<b>Non-current assets</b>						
Property, plant and equipment		33,293	35,737		214	244
Investment properties	1	343,053	399,763		52,272	53,135
Goodwill		19,082	20,247		–	–
Other intangible assets		7,349	7,650		–	–
Subsidiaries		–	–		208,737	209,737
Associates and joint ventures		426,702	428,192		2,708	2,708
Deferred tax assets		2,877	1,550		–	–
Other non-current receivables	2	63,019	2,263	1a	60,000	–
Investment securities		215,333	202,488		–	–
Other non-current assets	3	139,614	75,626		–	–
<b>Total non-current assets</b>		<b>1,250,322</b>	<b>1,173,516</b>		<b>323,931</b>	<b>265,824</b>
<b>Current assets</b>						
Assets/Disposal group classified as held for sale	4	–	46,836		–	–
Development properties for sale		176	237		–	–
Inventories		95,298	96,085		–	–
Income tax receivables		4,710	1,368		–	26
Prepayments and accrued income		2,458	1,365		87	1
Trade and other receivables		112,138	113,827	2a	718,378	558,079
Marketable securities	5	153,231	78,699		–	–
Cash and short-term deposits		333,462	480,170	3a	198,158	387,410
<b>Total current assets</b>		<b>701,473</b>	<b>818,587</b>		<b>916,623</b>	<b>945,516</b>
<b>Total assets</b>		<b>1,951,795</b>	<b>1,992,103</b>		<b>1,240,554</b>	<b>1,211,340</b>
<b>Equity and liabilities</b>						
<b>Equity</b>						
Share capital		568,968	568,968		568,968	568,968
Retained earnings		775,294	787,375		78,595	89,069
Other reserves	6	(32,152)	(1,596)	4a	(12,341)	(8,174)
Reserve of disposal group classified as held for sale		–	250		–	–
<b>Equity attributable to owners of the Company</b>		<b>1,312,110</b>	<b>1,354,997</b>		<b>635,222</b>	<b>649,863</b>
Non-controlling interests		59,230	50,901		–	–
<b>Total equity</b>		<b>1,371,340</b>	<b>1,405,898</b>		<b>635,222</b>	<b>649,863</b>
<b>Non-current liabilities</b>						
Provisions		3,755	3,916		–	–
Deferred tax liabilities		4,524	6,051		2,941	3,291
Borrowings	7	294,805	243,276		–	–
Derivative financial instruments		169	181		–	–
Other non-current liabilities		245	320		–	–
<b>Total non-current liabilities</b>		<b>303,498</b>	<b>253,744</b>		<b>2,941</b>	<b>3,291</b>

**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 June 2015 (cont'd)

	<u>Note</u>	<b>GROUP</b>		<u>Note</u>	<b>COMPANY</b>	
		<b>30 June 2015</b>	31 Dec 2014		<b>30 June 2015</b>	31 Dec 2014
		<b>\$'000</b>	\$'000		<b>\$'000</b>	\$'000
<b><u>Current liabilities</u></b>						
Liabilities directly associated with disposal group classified as held for sale		–	27		–	–
Provisions		<b>24,612</b>	28,134		<b>20,094</b>	23,477
Income tax payable		<b>1,083</b>	1,682		<b>389</b>	199
Trade and other payables		<b>69,101</b>	77,480	5a	<b>581,908</b>	534,510
Borrowings	8	<b>173,218</b>	222,996		–	–
Derivative financial instruments		<b>8,943</b>	2,142		–	–
<b>Total current liabilities</b>		<b>276,957</b>	332,461		<b>602,391</b>	558,186
<b>Total liabilities</b>		<b>580,455</b>	586,205		<b>605,332</b>	561,477
<b>Total equity and liabilities</b>		<b>1,951,795</b>	1,992,103		<b>1,240,554</b>	1,211,340

Notes to Balance Sheets:

**Group**

**Non-current assets**

- (1) The decrease in investment properties was mainly due to sale of certain investment properties in Singapore.
- (2) The increase in other non-current receivables was due to loan made to an associate.
- (3) The increase in other non-current assets was due to further payment made for the retail development in Chongqing, China.

**Current assets**

- (4) This was related to investment properties and assets of a subsidiary where sales have been completed in 1H2015.
- (5) The increase in marketable securities was due to purchase of listed securities.

**Equity**

- (6) The loss in other reserves increased mainly due to decrease in the value of long term securities.

Notes to Balance Sheets (cont'd):

**Group (cont'd)**

**Non-current liabilities**

(7) The increase in borrowings was mainly due to drawdown of bank loans.

**Current liabilities**

(8) The decrease in borrowings was mainly due to repayment of bank loans.

**Company**

**Non-current assets**

(1a) Other non-current receivables relates to loan made to an associate.

**Current assets**

(2a) The increase in trade and other receivables was related to intercompany advances to subsidiaries.

(3a) The decrease in cash and short-term deposits was mainly due to net intercompany advances to subsidiaries.

**Equity**

(4a) The loss in other reserves was due to translation loss from foreign operations.

**Current liabilities**

(5a) The increase in trade and other payables was mainly related 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:**

<b>As at 30/06/2015</b>		<b>As at 31/12/2014</b>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
42,000	131,218	80,004	142,992

**Amount repayable after one year:**

<b>As at 30/06/2015</b>		<b>As at 31/12/2014</b>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
294,805	–	219,030	24,246

**Details of any collaterals:**

Secured borrowings are generally secured by mortgages on the subsidiaries' properties or other assets.



**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 2<sup>nd</sup> quarter and half year ended 30 June 2015

	2 <sup>nd</sup> Quarter (2Q) Ended 30 June		Half Year (1H) Ended 30 June	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b><u>Cash flows from operating activities</u></b>				
(Loss)/Profit before tax from continuing operations	(4,037)	(3,050)	(1,611)	8,736
Loss before tax from discontinued operations	–	(6,358)	–	(7,704)
(Loss)/Profit before tax	(4,037)	(9,408)	(1,611)	1,032
<b><u>Adjustments</u></b>				
Depreciation of property, plant and equipment	854	737	1,625	1,467
Amortisation of intangible assets	179	166	362	315
Dividend income	(6,564)	(985)	(10,947)	(2,023)
Interest income	(2,653)	(1,126)	(4,618)	(2,202)
Finance costs	3,215	4,612	6,845	8,964
Currency realignment	(7,138)	2,004	(8,880)	3,313
Fair value changes in investment properties and financial assets	3,904	2,097	5,914	1,499
Net (gain)/loss on disposal of property, plant and equipment, investment properties and subsidiaries	(110)	10,490	(764)	10,393
Unfavourable valuation adjustment on tin inventory	8,102	–	12,869	–
Provision for liabilities	–	3,749	–	3,749
(Write back)/provision for employee benefits and receivables	(7)	1,986	23	1,935
Share of results of equity-accounted associates and joint ventures	(3,919)	(4,248)	(7,430)	(9,857)
<b>Operating cash flows before changes in working capital</b>	<b>(8,174)</b>	<b>10,074</b>	<b>(6,612)</b>	<b>18,585</b>
Decrease/(Increase) in development properties for sale	38	(9)	61	(15)
Increase in inventories	(5,340)	(13,455)	(12,082)	(25)
Increase in marketable securities	(36,804)	(24,105)	(79,537)	(24,105)
(Increase)/Decrease in trade and other receivables	(3,707)	(15,148)	598	(42,530)
Increase/(Decrease) in trade and other payables	2,241	(1,794)	(1,778)	(2,343)
<b>Cash flow used in operations</b>	<b>(51,746)</b>	<b>(44,437)</b>	<b>(99,350)</b>	<b>(50,433)</b>
Income taxes paid	(2,748)	(5,346)	(5,059)	(7,545)
Payment of finance costs	(3,126)	(4,754)	(6,370)	(9,037)
Interest received	2,555	433	3,747	1,069
Dividend income	4,294	–	6,053	–
<b>Net cash flows used in operating activities</b>	<b>(50,771)</b>	<b>(54,104)</b>	<b>(100,979)</b>	<b>(65,946)</b>

**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 2<sup>nd</sup> quarter and half year ended 30 June 2015 (cont'd)

	2 <sup>nd</sup> Quarter (2Q) Ended 30 June		Half Year (1H) Ended 30 June	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b><u>Cash flows from investing activities</u></b>				
Proceeds from disposal of property, plant and equipment and investment properties	6,370	337	43,040	8,510
Cost incurred on property, plant and equipment	(665)	(815)	(1,421)	(2,515)
Cost incurred on investment properties	–	(1,204)	(119)	(4,190)
Proceeds from disposal of investment securities	–	46,830	–	46,830
Purchase of investment securities	(36,387)	(160,922)	(36,387)	(160,922)
Payment on property	(62,693)	–	(62,693)	–
Increase in deferred mine development and exploration expenditure and other intangible assets	(278)	(362)	(492)	(617)
Net cash outflow on acquisition of a subsidiary	–	(89)	–	(89)
Net cash inflow from sale of subsidiaries	53,407	208	53,030	208
Purchase of club membership	–	(84)	–	(84)
Proceeds from partial return of capital from an associate	–	–	–	877
Dividend income from investment securities, associates and joint ventures	6,857	13,116	9,933	17,989
<b>Net cash flows (used in)/from investing activities</b>	<b>(33,389)</b>	<b>(102,985)</b>	<b>4,891</b>	<b>(94,003)</b>
<b><u>Cash flows from financing activities</u></b>				
Dividends paid to shareholders	(16,324)	(16,324)	(16,324)	(16,324)
Loan from a non-controlling shareholder of a subsidiary	–	–	–	20,950
Loan to an associate	(60,000)	–	(60,000)	–
Drawdown/(Repayment) of short-term borrowings	9,453	39,838	(473)	42,726
Drawdown of long-term borrowings	75,584	–	75,584	–
Repayment of long-term borrowings	(41,995)	(2,019)	(65,676)	(3,859)
Net proceeds from issuance of shares by a subsidiary to a non-controlling shareholder	2,100	–	14,500	–
<b>Net cash flows (used in)/from financing activities</b>	<b>(31,182)</b>	<b>21,495</b>	<b>(52,389)</b>	<b>43,493</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(115,342)</b>	<b>(135,594)</b>	<b>(148,477)</b>	<b>(116,456)</b>
Effect of exchange rate changes on cash and cash equivalents	(1,870)	306	(2,733)	799
Cash and cash equivalents, beginning balance	450,674	293,985	484,672	274,354
<b>Cash and cash equivalents, ending balance</b>	<b>333,462</b>	<b>158,697</b>	<b>333,462</b>	<b>158,697</b>

Notes to the Cash Flow Statement:

(i) Second Quarter and Half Year

Net cash outflow from operating activities for 2Q2015 and 1H2015 was mainly from purchase of marketable securities.

Net cash outflow from investing activities for 2Q2015 was mainly due to further payment for the retail development in Chongqing, China and other overseas investment, reduced by the receipt from sale of subsidiaries. Receipt from sale of investment properties in the preceding quarter resulted in a net cash inflow for 1H2015. Net cash outflow from financing activities for 2Q2015 and 1H2015 was mainly due to loan to an associate and dividend paid to shareholders.

(ii) 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 June 2015

**GROUP**

	Total Equity	Equity attributable to owners of the Company	Share capital	Retained earnings	AFS reserve	Hedging reserve	Revaluation reserve	Translation reserve	Reserve of disposal group classified as held for sale	Non- controlling interests
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance at 1 January 2015</b>	1,405,898	1,354,997	568,968	787,375	19,102	(1,367)	8,034	(27,365)	250	50,901
Total comprehensive income/(expenses) for the period	(32,734)	(26,563)	–	4,243	(24,394)	568	271	(6,955)	(296)	(6,171)
<u>Contributions by and distributions to owners</u>										
Dividend on ordinary shares	(16,324)	(16,324)	–	(16,324)	–	–	–	–	–	–
Contribution of capital by non-controlling interests	14,500	–	–	–	–	–	–	–	–	14,500
<b>Total contributions by and distributions to owners</b>	(1,824)	(16,324)	–	(16,324)	–	–	–	–	–	14,500
<b>Total transactions with owners in their capacity as owners</b>	(1,824)	(16,324)	–	(16,324)	–	–	–	–	–	14,500
<u>Others</u>										
Reserve attributable to disposal group classified as held for sale	–	–	–	–	–	–	–	(46)	46	–
<b>Total others</b>	–	–	–	–	–	–	–	(46)	46	–
<b>Closing balance at 30 June 2015</b>	<b>1,371,340</b>	<b>1,312,110</b>	<b>568,968</b>	<b>775,294</b>	<b>(5,292)</b>	<b>(799)</b>	<b>8,305</b>	<b>(34,366)</b>	<b>–</b>	<b>59,230</b>

## Statements of changes in equity for the period ended 30 June 2015 (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
<b>Opening balance at 1 January 2014</b>	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	21,249	20,186	–	131	10,024	452	1,013	2,917	5,649	1,063
<u>Contributions by and distributions to owners</u>										
Dividend on ordinary shares	(16,324)	(16,324)	–	(16,324)	–	–	–	–	–	–
<b>Total contributions by and distributions to owners</b>	(16,324)	(16,324)	–	(16,324)	–	–	–	–	–	–
<b>Total transactions with owners in their capacity as owners</b>	(16,324)	(16,324)	–	(16,324)	–	–	–	–	–	–
<u>Others</u>										
Reserve attributable to disposal group classified as held for sale	–	–	–	–	–	–	–	(511)	511	–
Sale of disposal group classified as held for sale	7,940	–	–	927	–	–	–	–	(927)	7,940
Sale of a subsidiary	–	–	–	41	–	–	(41)	–	–	–
Acquisition of a subsidiary	117	–	–	–	–	–	–	–	–	117
<b>Total others</b>	8,057	–	–	968	–	–	(41)	(511)	(416)	8,057
<b>Closing balance at 30 June 2014</b>	<b>1,365,225</b>	<b>1,320,447</b>	<b>568,968</b>	<b>768,920</b>	<b>3,100</b>	<b>89</b>	<b>2,865</b>	<b>(23,495)</b>	<b>–</b>	<b>44,778</b>

## Statements of changes in equity for the period ended 30 June 2015 (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
<b>Opening balance at 1 January 2015</b>	649,863	649,863	568,968	89,069	208	(8,382)
Total comprehensive income/(expenses) for the period	1,683	1,683	–	5,850	–	(4,167)
<u>Contributions by and distributions to owners</u>						
Dividend on ordinary shares	(16,324)	(16,324)	–	(16,324)	–	–
<b>Total transactions with owners in their capacity as owners</b>	(16,324)	(16,324)	–	(16,324)	–	–
<b>Closing balance at 30 June 2015</b>	<b>635,222</b>	<b>635,222</b>	<b>568,968</b>	<b>78,595</b>	<b>208</b>	<b>(12,549)</b>

	Total equity \$'000	Equity attributable to owners of the Company \$'000	Share capital \$'000	Retained earnings \$'000	Revaluation reserve \$'000	Translation reserve \$'000
<b>Opening balance at 1 January 2014</b>	578,426	578,426	568,968	16,579	202	(7,323)
Total comprehensive income/(expenses) for the period	100,551	100,551	–	99,983	–	568
<u>Contributions by and distributions to owners</u>						
Dividend on ordinary shares	(16,324)	(16,324)	–	(16,324)	–	–
<b>Total transactions with owners in their capacity as owners</b>	(16,324)	(16,324)	–	(16,324)	–	–
<b>Closing balance at 30 June 2014</b>	<b>662,653</b>	<b>662,653</b>	<b>568,968</b>	<b>100,238</b>	<b>202</b>	<b>(6,755)</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 2015</b>	31 December 2014
Total number of ordinary shares in issue	<b>408,095,772</b>	408,095,772

There were no treasury shares as at 30 June 2015 and 31 December 2014.

**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 2014.

**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 new and revised Financial Reporting Standards ("FRS") that are effective for the financial period beginning 1 January 2015:

Amendments to FRS 19 Defined Benefit Plans: Employee Contributions  
Improvements to FRSs (January 2014)  
Improvements to FRSs (February 2014)

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.**

	2 <sup>nd</sup> Quarter (2Q) Ended 30 June		Half Year (1H) Ended 30 June	
	2015	2014	2015	2014
Basic and diluted earnings/(loss) per share from continuing operations attributable to owners of the Company:	<b>0.4 cents</b>	(1.1) cents	<b>1.0 cents</b>	0.5 cents
Basic and diluted earnings/(loss) per share for the period based on Group profit/(loss) attributable to owners of the Company:	<b>0.4 cents</b>	(1.4) cents	<b>1.0 cents</b>	0.0 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 2015</b>	31 December 2014
The Group	<b>\$3.22</b>	\$3.32
The Company	<b>\$1.56</b>	\$1.59

**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 2Q2015 operating results by business segments and comparables for 2Q2014 and the 1H2015 operating results by business segments and comparables for 1H2014.

**2Q2015 Operating Segment Results**

	<b>Resources</b>	<b>Real Estate</b> <small>(Note)</small>	<b>Hospitality</b> <small>(Note)</small>	<b>Others</b> <small>(Note)</small>	<b>Elimination</b>	<b>Consolidated</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>						
External revenue	167,836	1,832	–	–	–	169,668
Inter-segment revenue	–	72	–	–	(72)	–
Total revenue	167,836	1,904	–	–	(72)	169,668
<b>Segment results</b>						
Operating profit/(loss)	(5,771)	(2,071)	137	2,670	–	(5,035)
Fair value changes in investment properties	–	294	–	–	–	294
Finance costs	(1,318)	(1,897)	–	–	–	(3,215)
Share of results of associates and joint ventures	(141)	2,900	1,160	–	–	3,919
Profit/(Loss) before tax	(7,230)	(774)	1,297	2,670	–	(4,037)
Income tax (expense)/credit	1,582	(925)	(56)	2,293	–	2,894
Profit/(Loss) after tax	(5,648)	(1,699)	1,241	4,963	–	(1,143)
<b>Profit/(Loss) attributable to:</b>						
Owners of the Company	(3,141)	(1,257)	1,241	4,963	–	1,806
Non-controlling interests	(2,507)	(442)	–	–	–	(2,949)
	(5,648)	(1,699)	1,241	4,963	–	(1,143)

**2Q2014 Operating Segment Results**

	<b>Resources</b>	<b>Real Estate</b> <small>(Note)</small>	<b>Hospitality</b> <small>(Note)</small>	<b>Others</b> <small>(Note)</small>	<b>Elimination</b>	<b>Consolidated</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>						
External revenue	167,585	5,478	–	–	–	173,063
Inter-segment revenue	–	14	–	–	(14)	–
Total revenue	167,585	5,492	–	–	(14)	173,063
<b>Segment results</b>						
Operating profit/(loss)	(3,508)	1,159	(4,254)	(1,409)	–	(8,012)
Fair value changes in investment properties	–	(1,032)	–	–	–	(1,032)
Finance costs	(1,588)	(419)	–	(2,605)	–	(4,612)
Share of results of associates and joint ventures	522	4,011	(285)	–	–	4,248
Profit/(Loss) before tax	(4,574)	3,719	(4,539)	(4,014)	–	(9,408)
Income tax (expense)/credit	(2,247)	34	(218)	710	–	(1,721)
Profit/(Loss) after tax	(6,821)	3,753	(4,757)	(3,304)	–	(11,129)
<b>Profit/(Loss) attributable to:</b>						
Owners of the Company	(1,628)	3,930	(4,757)	(3,304)	–	(5,759)
Non-controlling interests	(5,193)	(177)	–	–	–	(5,370)
	(6,821)	3,753	(4,757)	(3,304)	–	(11,129)

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.

**1H2015 Operating Segment Results**

	<b>Resources</b>	<b>Real Estate</b> <small>(Note)</small>	<b>Hospitality</b> <small>(Note)</small>	<b>Others</b> <small>(Note)</small>	<b>Elimination</b>	<b>Consolidated</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>						
External revenue	311,346	3,879	–	–	–	315,225
Inter-segment revenue	–	86	–	–	(86)	–
Total revenue	311,346	3,965	–	–	(86)	315,225
<b>Segment results</b>						
Operating profit/(loss)	(5,507)	(945)	435	3,527	–	(2,490)
Fair value changes in investment properties	–	294	–	–	–	294
Finance costs	(3,014)	(3,831)	–	–	–	(6,845)
Share of results of associates and joint ventures	133	6,220	1,077	–	–	7,430
Profit/(Loss) before tax	(8,388)	1,738	1,512	3,527	–	(1,611)
Income tax (expense)/credit	1,219	(1,221)	(112)	2,505	–	2,391
Profit/(Loss) after tax	(7,169)	517	1,400	6,032	–	780
<b>Profit/(Loss) attributable to:</b>						
Owners of the Company	(4,180)	991	1,400	6,032	–	4,243
Non-controlling interests	(2,989)	(474)	–	–	–	(3,463)
	(7,169)	517	1,400	6,032	–	780

**1H2014 Operating Segment Results**

	<b>Resources</b>	<b>Real Estate</b> <small>(Note)</small>	<b>Hospitality</b> <small>(Note)</small>	<b>Others</b> <small>(Note)</small>	<b>Elimination</b>	<b>Consolidated</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>						
External revenue	332,338	11,058	–	–	–	343,396
Inter-segment revenue	–	28	–	–	(28)	–
Total revenue	332,338	11,086	–	–	(28)	343,396
<b>Segment results</b>						
Operating profit/(loss)	5,597	2,192	(2,889)	(3,729)	–	1,171
Fair value changes in investment properties	–	(1,032)	–	–	–	(1,032)
Finance costs	(3,104)	(701)	–	(5,159)	–	(8,964)
Share of results of associates and joint ventures	512	7,430	1,915	–	–	9,857
Profit/(Loss) before tax	3,005	7,889	(974)	(8,888)	–	1,032
Income tax (expense)/credit	(4,495)	4	(450)	1,123	–	(3,818)
Profit/(Loss) after tax	(1,490)	7,893	(1,424)	(7,765)	–	(2,786)
<b>Profit/(Loss) attributable to:</b>						
Owners of the Company	1,200	8,120	(1,424)	(7,765)	–	131
Non-controlling interests	(2,690)	(227)	–	–	–	(2,917)
	(1,490)	7,893	(1,424)	(7,765)	–	(2,786)

## 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.

## **Group**

### **Revenue**

The Group reported lower revenue for 2Q2015 as a result of lower property revenue. Lower revenue for 1H2015 was mainly due to lower average tin price for the resources business.

### **Results**

#### **2Q2015 vs 2Q2014**

For 2Q2015, the Group reported a profit after tax and non-controlling interests of \$1.8 million. Profits from hospitality and reversal of tax provisions relating to discontinued operations no longer required were reduced by losses from resources and real estate.

For 2Q2014, the loss was mainly due to costs suffered on the exit from Indonesia by resources and disposal and mark-to-market losses on Far East Hospitality Trust (“FEHT”) units.

#### **1H2015 vs 1H2014**

For 1H2015, the Group reported a profit after tax and non-controlling interests of \$4.2 million. Real estate and hospitality businesses were profitable but the resources business was affected by the low tin price.

For 1H2014, profits from resources and real estate were reduced by loss from hospitality, corporate costs and interest expense.

## **Resources**

The Group’s resources revenue for 2Q2015 and 1H2015 was impacted by the low average tin price. Average tin price for 1H2015 decreased by 25% to USD17,100 per tonne compared with USD22,800 per tonne in 1H2014.

For 2Q2015 and 1H2015, the loss after tax and non-controlling interests was \$3.1 million and \$4.2 million respectively. The operation at Butterworth was adversely impacted by the unfavourable valuation adjustment on tin inventory due to further slide in tin price at the end of the quarter and higher foreign currency translation losses. The operation at Rahman Hydraulic for 1H2015 remains profitable.

## **Real Estate**

The Group’s real estate revenue for 2Q2015 and 1H2015 was lower compared with 2Q2014 and 1H2014 as there was no rental revenue from the Straits Trading Building after completion of the sale in December 2014.

For 2Q2015, real estate operations reported a loss after tax and non-controlling interests of \$1.3 million due to mark-to-market losses from trading securities and no contribution from the Straits Trading Building. Sale proceeds from Straits Trading Building are in the process of being deployed by Straits Real Estate into new property opportunities globally. Straits Real Estate has invested in China, Japan, Australia and has other projects in the pipeline in the Asia Pacific region.

For 1H2015, real estate operations reported a profit after tax and non-controlling interests of \$1.0 million. Contribution from ARA was reduced by lower property rental income and mark-to-market losses from the trading securities.

### **Hospitality**

The hospitality segment recorded a profit after tax of \$1.2 million and \$1.4 million for 2Q2015 and 1H2015 respectively, mainly from Far East Hospitality Holdings Pte. Ltd. ("FEHH") due to profit from sale of a hotel in Australia.

The losses in 2Q2014 and 1H2014 were mainly due to loss on disposal of FEHT units.

### **Others**

Profit after tax for 2Q2015 and 1H2015 was \$5.0 million and \$6.0 million respectively compared with a loss in 2Q2014 and 1H2014. This was mainly due to lower corporate costs and interest expense as well as higher interest income. The reversal of tax provisions relating to discontinued operations no longer required also contributed to the higher profit.

**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 2015 financial results announcement made on 15 May 2015.

**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 making good progress in executing on its real estate platform. Its stakes in ARA and Suntec REIT continue to make stable contributions. During the first six months of 2015, its 89.5% owned real estate investment vehicle, Straits Real Estate ("SRE"), has undertaken a number of initiatives, to deploy capital into higher yielding real estate opportunities in the Asia Pacific region.

- In April, SRE Capital, a wholly-owned subsidiary of SRE which invests in publicly-listed real estate and infrastructure related securities within the Asia Pacific region, successfully launched the SRE Asian Asset Income Fund.
- In June, SRE committed to investing in the first close of Cordea Savills' Greater Tokyo Office Fund, as the Anchor Limited Partner, with a focus on acquiring distressed office assets in Greater Tokyo area.
- In June, it also committed to acquiring a 40% stake in ARA Harmony Fund III, that owns a portfolio of five high-quality income-producing properties located across prominent locations in Malaysia.
- In July, SRE signed an agreement to acquire an office building in Melbourne that will be upgraded and enhanced.

FEHH, its 30% owned hospitality business will continue to grow by increasing the number of management contracts, acquiring strategic assets and divesting properties to recycle capital for re-deployment towards higher yielding growth opportunities when appropriate.

The Group's 54.8% owned resources business, Malaysia Smelting Corporation Berhad, will continue to focus its efforts on cost management and capital discipline, given the challenging market conditions and dismal outlook for the resource sector.

The investments in these platforms will take time to bear fruit, but are expected to create strong and sustainable value for the Group over the long term.

The Group will continue to execute on its platforms and target opportunities that can create value.

**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 second quarter ended 30 June 2015.

**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 second quarter 2015 financial results to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**  
**Aldric Tan Jee Wei**  
**Secretary**

14 August 2015  
Singapore

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