

**The Straits Trading Company Limited (Company Registration No. : 188700008D)**

**Third Quarter and Nine Months Financial Statements Announcement for the Period Ended 30 September 2018**

**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 3<sup>rd</sup> quarter and nine months ended 30 September 2018 are as follow:

<b>GROUP</b>	<b>Note</b>	<b>3<sup>rd</sup> Quarter (3Q) Ended 30 September</b>			<b>Nine Months (9M) Ended 30 September</b>		
		<b>2018 \$'000</b>	<b>2017 \$'000</b>	<b>+ / (-) %</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>	<b>+ / (-) %</b>
							(restated)
<b>Revenue</b>							
Tin mining and smelting revenue	A	104,073	128,803	(19.2)	333,745	357,190	(6.6)
Property revenue	B	7,054	3,330	111.8	17,547	9,977	75.9
Total revenue		111,127	132,133	(15.9)	351,292	367,167	(4.3)
<b>Other items of income/(loss)</b>							
Dividend income		2,827	3,084	(8.3)	9,919	11,008	(9.9)
Interest income	C	16,044	5,976	168.5	40,320	12,856	213.6
Fair value changes in investment properties	D	2,038	2,002	1.8	21,254	1,410	1,407.4
Fair value changes in financial assets		(1,235)	(183)	574.9	(1,866)	7,958	(123.4)
Other income		2,671	1,740	53.5	7,024	1,116	529.4
		133,472	144,752	(7.8)	427,943	401,515	6.6
<b>Other items of expense</b>							
Employee benefits expense		(7,557)	(7,401)	2.1	(21,847)	(22,239)	(1.8)
Depreciation expense		(1,576)	(1,444)	9.1	(4,670)	(3,751)	24.5
Amortisation expense		(169)	(146)	15.8	(491)	(456)	7.7
Impairment losses		(602)	–	NM	(602)	–	NM
Costs of tin mining and smelting		(91,707)	(116,877)	(21.5)	(299,310)	(322,526)	(7.2)
Finance costs		(6,847)	(6,229)	9.9	(20,119)	(16,531)	21.7
Other expenses		(5,736)	(5,983)	(4.1)	(17,304)	(17,982)	(3.8)
Exchange (losses)/gains	E	(5,220)	2,098	(348.8)	(7,423)	3,163	(334.7)
Total expenses		(119,414)	(135,982)	(12.2)	(371,766)	(380,322)	(2.2)
Share of results of associates and joint ventures	F	7,734	7,718	0.2	21,511	33,318	(35.4)
<b>Profit before tax</b>		<b>21,792</b>	<b>16,488</b>	<b>32.2</b>	<b>77,688</b>	<b>54,511</b>	<b>42.5</b>
Income tax expense		(5,467)	(2,557)	113.8	(13,812)	(5,839)	136.5
<b>Profit after tax</b>		<b>16,325</b>	<b>13,931</b>	<b>17.2</b>	<b>63,876</b>	<b>48,672</b>	<b>31.2</b>
<b>Profit attributable to:</b>							
<b>Owners of the Company</b>		<b>14,010</b>	<b>11,860</b>	<b>18.1</b>	<b>57,600</b>	<b>41,235</b>	<b>39.7</b>
<b>Non-controlling interests</b>		<b>2,315</b>	<b>2,071</b>	<b>11.8</b>	<b>6,276</b>	<b>7,437</b>	<b>(15.6)</b>
		<b>16,325</b>	<b>13,931</b>	<b>17.2</b>	<b>63,876</b>	<b>48,672</b>	<b>31.2</b>

NM – Not meaningful

The results for the 9M ended 30 September 2017 are restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) (“SFRS(I)s”). Please refer to paragraph 5 for the details on the financial impact from the adoption of SFRS(I)s.

Notes to the Income Statement:

- (A) Higher tin mining and smelting revenues in 2017 were due to higher sales volume of refined tin.
- (B) Higher rental income from 2018 was due to additions to the overseas portfolio.
- (C) The increase was mainly due to higher interest income from the notes issued by the joint venture.
- (D) Net fair value gain in investment properties for 9M2018 arose mainly from properties in Singapore, Japan and China.
- (E) The exchange losses in 2018 were mainly due to a weaker Australian Dollar arising from our investments in debt instruments.
- (F) The higher share of results of associates and joint ventures for 9M2017 was largely due to fair value gains from investment properties.

**1(a)(ii) Statement of comprehensive income for the 3<sup>rd</sup> quarter and nine months ended 30 September 2018.**

<b>GROUP</b>	3rd Quarter (3Q) Ended 30 September		3rd Quarter (3Q) Ended 30 September	
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
				(restated)
<b>Profit after tax</b>	<b>16,325</b>	13,931	<b>63,876</b>	48,672
<b>Items that will not be reclassified to profit or loss:</b>				
Net revaluation surplus on property, plant and equipment	<b>9,882</b>	–	<b>9,882</b>	–
Share of net revaluation surplus on property, plant and equipment of associates	<b>(52)</b>	–	<b>1,722</b>	1,106
Net fair value changes in equity securities carried at fair value through other comprehensive income ("FVOCI")	<b>19,171</b>	190	<b>(27,290)</b>	25,446
Share of net fair value changes in equity securities carried at FVOCI of associates	<b>5,447</b>	5,959	<b>(10,561)</b>	16,950
	<b>34,448</b>	6,149	<b>(26,247)</b>	43,502
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Net fair value changes in cash flow hedges	<b>1,072</b>	473	<b>1,681</b>	(768)
Currency translation reserve	<b>(13,133)</b>	(3,817)	<b>(2,064)</b>	(5,298)
Shares of reserves of associates and joint ventures	<b>(5,410)</b>	(297)	<b>(4,523)</b>	(2,650)
Realisation of foreign currency translation reserve to profit or loss	<b>1,150</b>	459	<b>1,186</b>	(1,494)
	<b>(16,321)</b>	(3,182)	<b>(3,720)</b>	(10,210)
<b>Other comprehensive income after tax for the period</b>	<b>18,127</b>	2,967	<b>(29,967)</b>	33,292
<b>Total comprehensive income for the period</b>	<b>34,452</b>	16,898	<b>33,909</b>	81,964
<b>Total comprehensive income attributable to:</b>				
<b>Owners of the Company</b>	<b>29,272</b>	15,421	<b>25,599</b>	73,591
<b>Non-controlling interests</b>	<b>5,180</b>	1,477	<b>8,310</b>	8,373
<b>Total comprehensive income for the period</b>	<b>34,452</b>	16,898	<b>33,909</b>	81,964

**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 2018

	Note	GROUP			Note	COMPANY		
		30 Sep 2018 \$'000	31 Dec 2017 \$'000 (restated)	1 Jan 2017 \$'000 (restated)		30 Sep 2018 \$'000	31 Dec 2017 \$'000 (restated)	1 Jan 2017 \$'000 (restated)
<b>Assets</b>								
<b>Non-current assets</b>								
Property, plant and equipment	1	40,403	55,777	52,737		103	112	143
Investment properties	2	934,768	586,694	554,337		36,125	33,110	32,314
Goodwill		17,670	17,629	17,298		–	–	–
Other intangible assets		6,311	6,718	7,100		–	–	–
Subsidiaries		–	–	–		124,237	124,237	125,237
Associates and joint ventures		822,456	789,409	639,379		144	1,997	2,708
Deferred tax assets		10,346	7,750	3,731		–	–	–
Derivative financial instruments		1,854	–	551		–	–	–
Investment securities	3	197,039	264,395	256,179		–	–	–
Other non-current assets		2,993	2,985	970		–	–	–
<b>Total non-current assets</b>		<b>2,033,840</b>	<b>1,731,357</b>	<b>1,532,282</b>		<b>160,609</b>	<b>159,456</b>	<b>160,402</b>
<b>Current assets</b>								
Assets classified as held for sale		–	5,000	17,464		–	–	17,464
Development properties for sale		–	–	66		–	–	–
Inventories		163,107	154,880	119,554		–	–	–
Income tax receivables		5,603	6,734	3,611		534	297	–
Prepayments and accrued income		2,081	1,132	2,409		55	14	15
Trade related prepayments		7,411	16,377	13,685		–	–	–
Trade receivables		15,734	5,282	37,565		8	23	50
Other receivables		72,340	73,315	74,027	1a	1,178,988	979,031	837,184
Investment securities		74,092	76,879	112,548		–	–	–
Derivative financial instruments		–	255	313		–	–	–
Cash and short-term deposits		226,968	362,438	291,091	1b	55,652	258,760	99,374
<b>Total current assets</b>		<b>567,336</b>	<b>702,292</b>	<b>672,333</b>		<b>1,235,237</b>	<b>1,238,125</b>	<b>954,087</b>
<b>Total assets</b>		<b>2,601,176</b>	<b>2,433,649</b>	<b>2,204,615</b>		<b>1,395,846</b>	<b>1,397,581</b>	<b>1,114,489</b>
<b>Equity and liabilities</b>								
<b>Equity</b>								
Share capital		568,968	568,968	568,968		568,968	568,968	568,968
Retained earnings		862,306	822,467	782,346		44,500	44,958	53,765
Other reserves		46,614	86,147	13,194		1,362	1,639	203
<b>Equity attributable to owners of the Company</b>		<b>1,477,888</b>	<b>1,477,582</b>	<b>1,364,508</b>		<b>614,830</b>	<b>615,565</b>	<b>622,936</b>
Non-controlling interests		113,112	93,312	94,240		–	–	–
<b>Total equity</b>		<b>1,591,000</b>	<b>1,570,894</b>	<b>1,458,748</b>		<b>614,830</b>	<b>615,565</b>	<b>622,936</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 September 2018 (cont'd)

	Note	GROUP			Note	COMPANY		
		30 Sep 2018 \$'000	31 Dec 2017 \$'000 (restated)	1 Jan 2017 \$'000 (restated)		30 Sep 2018 \$'000	31 Dec 2017 \$'000 (restated)	1 Jan 2017 \$'000 (restated)
<b><u>Non-current liabilities</u></b>								
Provisions		9,462	9,196	8,644		–	–	–
Deferred tax liabilities		12,757	5,421	5,672		1,713	1,692	2,751
Borrowings	4	702,205	552,904	185,770		149,556	149,694	–
Derivative financial instruments		109	899	374		–	–	–
Other non-current liabilities		1,461	461	1,265		–	–	–
<b>Total non-current liabilities</b>		<b>725,994</b>	<b>568,881</b>	<b>201,725</b>		<b>151,269</b>	<b>151,386</b>	<b>2,751</b>
<b><u>Current liabilities</u></b>								
Provisions		885	4,058	3,116		–	–	–
Income tax payable		2,552	3,166	13,426		216	197	75
Trade and other payables		80,529	70,083	92,445		629,531	630,433	488,727
Borrowings		198,800	215,757	434,041		–	–	–
Derivative financial instruments		1,416	810	1,114		–	–	–
<b>Total current liabilities</b>		<b>284,182</b>	<b>293,874</b>	<b>544,142</b>		<b>629,747</b>	<b>630,630</b>	<b>488,802</b>
<b>Total liabilities</b>		<b>1,010,176</b>	<b>862,755</b>	<b>745,867</b>		<b>781,016</b>	<b>782,016</b>	<b>491,553</b>
<b>Total equity and liabilities</b>		<b>2,601,176</b>	<b>2,433,649</b>	<b>2,204,615</b>		<b>1,395,846</b>	<b>1,397,581</b>	<b>1,114,489</b>

Notes to Balance Sheets:

**Group**

- (1) Following the Memorandum of Understanding signed between the Company and its subsidiary, Malaysia Smelting Corporation Berhad, certain land identified for redevelopment has been reclassified to investment properties.
- (2) The increase in investment properties was due to acquisition of buildings in Japan and Australia. In addition, there were fair value gains from the residential properties in both Japan and Singapore. Furthermore, certain land identified for redevelopment was reclassified from property, plant equipment.
- (3) The decrease in the value of investment securities was due to the disposal of as well as a decline in the fair value of strategic holdings.
- (4) Long-term loans were drawn to finance the acquisition of investment properties.

**Company**

- (1a) The increase in other receivables was due to advances to subsidiaries.
- (1b) The decrease in cash and short-term deposits was due to net intercompany advances to subsidiaries.

**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 30/09/2018</b>		<b>As at 31/12/2017</b>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
<b>74,290</b>	<b>124,510</b>	60,409	155,348

**Amount repayable after one year:**

<b>As at 30/09/2018</b>		<b>As at 31/12/2017</b>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
<b>552,650</b>	<b>149,555</b>	403,210	149,694

**Details of any collaterals:**

Secured borrowings are generally secured by mortgages on certain subsidiaries' properties, other assets and shares held in certain subsidiaries.

**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 3<sup>rd</sup> quarter and nine months ended 30 September 2018

	3 <sup>rd</sup> Quarter (3Q) Ended 30 September		Nine Months (9M) Ended 30 September	
	2018 \$'000	2017 \$'000 (restated)	2018 \$'000	2017 \$'000 (restated)
<b><u>Cash flows from operating activities</u></b>				
Profit before tax	<b>21,792</b>	16,488	<b>77,688</b>	54,511
<b><u>Adjustments</u></b>				
Depreciation of property, plant and equipment	<b>1,576</b>	1,444	<b>4,670</b>	3,751
Amortisation of other intangible assets	<b>169</b>	146	<b>491</b>	456
Dividend income	<b>(2,827)</b>	(3,084)	<b>(9,919)</b>	(11,008)
Interest income	<b>(16,044)</b>	(5,976)	<b>(40,320)</b>	(12,856)
Finance costs	<b>6,847</b>	6,229	<b>20,119</b>	16,531
Currency realignment	<b>3,312</b>	(5,766)	<b>4,688</b>	(9,006)
Fair value changes in investment properties and financial assets	<b>(803)</b>	(1,819)	<b>(19,388)</b>	(9,368)
Net loss/(gain) on disposal of property, plant and equipment, investment properties and other investments	<b>630</b>	(193)	<b>(866)</b>	3,682
Negative goodwill from acquisition of subsidiaries	–	–	–	(198)
Unfavourable valuation adjustment on tin inventory	–	(125)	–	–
Impairment losses of property, plant and equipment	<b>602</b>	–	<b>602</b>	–
Share of results of associates and joint ventures	<b>(7,734)</b>	(7,718)	<b>(21,511)</b>	(33,318)
<b>Operating cash flows before changes in working capital</b>	<b>7,520</b>	(374)	<b>16,254</b>	3,177
Decrease in development properties for sale	–	–	–	66
Decrease/(Increase) in inventories	<b>1,124</b>	(5,486)	<b>(7,898)</b>	(9,882)
Decrease/(Increase) in short-term investment securities	<b>8,164</b>	(3,653)	<b>(18,664)</b>	71,299
Decrease/(Increase) in trade and other receivables	<b>1,525</b>	1,988	<b>(696)</b>	(57,544)
Increase in trade and other payables	<b>6,763</b>	6,002	<b>6,934</b>	8,466
<b>Cash flows from/(used in) operations</b>	<b>25,096</b>	(1,523)	<b>(4,070)</b>	15,582
Income taxes paid <sup>1</sup>	<b>(2,775)</b>	(5,361)	<b>(8,013)</b>	(9,481)
Finance costs paid <sup>2</sup>	<b>(3,486)</b>	(3,069)	<b>(10,909)</b>	(8,561)
Interest received <sup>3</sup>	<b>1,887</b>	731	<b>5,922</b>	2,010
Dividend income from short-term investment securities	<b>497</b>	191	<b>1,684</b>	3,004
<b>Net cash flows from/(used in) operating activities</b>	<b>21,219</b>	(9,031)	<b>(15,386)</b>	2,554

**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 3<sup>rd</sup> quarter and nine months ended 30 September 2018  
(cont'd)

	3 <sup>rd</sup> Quarter (3Q) Ended 30 September		Nine Months (9M) Ended 30 September	
	2018 \$'000 (restated)	2017 \$'000 (restated)	2018 \$'000 (restated)	2017 \$'000 (restated)
<b><u>Cash flows from investing activities</u></b>				
Proceeds from disposal of property, plant and equipment and investment properties	–	1,629	16,443	1,689
Proceeds from redemption of a debt instrument	15,121	36,412	15,121	36,412
Proceeds from disposal of investment securities	40,331	–	40,331	–
Cost incurred on property, plant and equipment	(3,468)	(1,296)	(5,700)	(3,157)
Cost incurred on investment properties	(111,553)	(18,528)	(316,249)	(21,645)
Investment in an associate and a joint venture	–	(139,872)	(16,899)	(151,415)
Purchase of investment securities	–	(4,997)	–	(38,775)
Return of capital from associates	2,165	–	7,727	59,696
Proceeds from disposal of a joint venture	656	–	656	–
Payment for deferred mine exploration and evaluation expenditure and mine properties and other intangible assets	(23)	(33)	(61)	(143)
Net cash outflow on acquisition of subsidiaries	–	–	–	(2,212)
Net cash inflow from sale of a subsidiary	–	–	–	75,689
Dividend income from investment securities and associates	3,204	3,767	19,370	12,079
Interest received <sup>3</sup>	5,994	14,015	5,994	14,015
Income taxes paid <sup>1</sup>	(539)	(487)	(1,104)	(9,719)
<b>Net cash flows used in investing activities</b>	<b>(48,112)</b>	<b>(109,390)</b>	<b>(234,371)</b>	<b>(27,486)</b>
<b><u>Cash flows from financing activities</u></b>				
Dividend paid to shareholders	–	–	(24,486)	(24,486)
Dividend paid to non-controlling shareholders of subsidiaries	(1,103)	(1,175)	(1,966)	(3,678)
Net proceeds from issuance of shares by subsidiaries to non-controlling shareholders	710	85	3,454	1,805
Loan from/(repayment to) non-controlling shareholders of subsidiaries	2,686	(1,197)	13,344	(1,597)
Return of capital to non-controlling shareholders of a subsidiary	–	–	–	(1,161)
Repayment of short-term borrowings	(14,380)	(52,200)	(29,157)	(62,162)
Drawdown of long-term borrowings	63,603	39,813	193,756	274,113
Repayment of long-term borrowings	(5,000)	(20,673)	(26,954)	(241,313)
Proceeds from issuance of fixed rate notes	–	150,000	–	150,000
Finance costs paid <sup>2</sup>	(6,818)	(2,163)	(13,726)	(7,167)
<b>Net cash flows from financing activities</b>	<b>39,698</b>	<b>112,490</b>	<b>114,265</b>	<b>84,354</b>
<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>12,805</b>	<b>(5,931)</b>	<b>(135,492)</b>	<b>59,422</b>
Effect of exchange rate changes on cash and cash equivalents	(1,547)	28	22	(311)
Cash and cash equivalents, beginning balance	215,710	356,105	362,438	291,091
<b>Cash and cash equivalents, ending balance</b>	<b>226,968</b>	<b>350,202</b>	<b>226,968</b>	<b>350,202</b>
<sup>1</sup> Total income taxes paid	(3,314)	(5,848)	(9,117)	(19,200)
<sup>2</sup> Total finance costs paid	(10,304)	(5,232)	(24,635)	(15,728)
<sup>3</sup> Total interest received	7,881	14,746	11,916	16,025



Notes to the Cash Flow Statement:

(i) Third Quarter and Nine Months

Net cash inflow from operating activities for 3Q2018 was mainly from operations and disposal of short-term quoted securities.

For 9M2018, the net cash outflow was due to the purchase of short-term quoted securities.

Net cash outflow from investing activities for 3Q and 9M2018 was due to the purchase of investment properties in Japan and Australia.

Net cash inflow from financing activities for 3Q and 9M2018 was due to the drawdown of borrowings.

(ii) Significant non-cash transactions

Certain investment properties were contributed by a non-controlling shareholder in exchange for shares issued in an Australian subsidiary.

Except for the above, there were no other material non-cash transactions 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 2018**

**GROUP**

	Total equity	Equity attributable to owners of the Company	Share capital	Retained earnings	FVOCI reserve	Hedging reserve	Revaluation reserve	Translation reserve	Other reserves	Non-controlling interests
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance at 1 January 2018 (As previously stated)</b>	1,570,894	1,477,582	568,968	874,014	65,328	(1,042)	28,066	(57,752)	–	93,312
Effects of adoption of SFRS(I)	–	–	–	(51,547)	–	–	–	51,547	–	–
<b>Opening balance at 1 January 2018 (As restated)</b>	1,570,894	1,477,582	568,968	822,467	65,328	(1,042)	28,066	(6,205)	–	93,312
Total comprehensive income for the period	33,909	25,599	–	57,600	(35,567)	1,741	7,137	(5,312)	–	8,310
<b>Contributions by and distributions to owners</b>										
Dividend on ordinary shares	(24,486)	(24,486)	–	(24,486)	–	–	–	–	–	–
Dividend to non-controlling interests	(1,966)	–	–	–	–	–	–	–	–	(1,966)
Contribution of capital by non-controlling interests	13,456	–	–	–	–	–	–	–	–	13,456
<b>Total contributions by and distributions to owners</b>	(12,996)	(24,486)	–	(24,486)	–	–	–	–	–	11,490
<b>Total transactions with owners in their capacity as owners</b>	(12,996)	(24,486)	–	(24,486)	–	–	–	–	–	11,490
<b>Others</b>										
Realisation of FVOCI reserve	–	–	–	1,039	(1,039)	–	–	–	–	–
Realisation of revaluation reserve	–	–	–	10,384	–	–	(10,384)	–	–	–
Share of associate's realisation of FVOCI reserve	–	–	–	(53)	53	–	–	–	–	–
Issuance of ordinary shares pursuant to bonus issue by a subsidiary	–	–	–	(4,645)	–	–	–	–	4,645	–
Share of other changes in equity of associates	(807)	(807)	–	–	–	–	–	–	(807)	–
<b>Total others</b>	(807)	(807)	–	6,725	(986)	–	(10,384)	–	3,838	–
<b>Closing balance at 30 September 2018</b>	1,591,000	1,477,888	568,968	862,306	28,775	699	24,819	(11,517)	3,838	113,112

**Statements of changes in equity for the period ended 30 September 2018 (cont'd)****GROUP** (cont'd)

	Total equity	Equity attributable to owners of the Company	Share capital	Retained earnings	FVOCI reserve	Hedging reserve	Revaluation reserve	Translation reserve	Non- controlling interests
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance at 1 January 2017 (As previously stated)</b>	1,458,748	1,364,508	568,968	832,222	(10,178)	(672)	24,044	(49,876)	94,240
Effects of adoption of SFRS(I)	–	–	–	(49,876)	–	–	–	49,876	–
<b>Opening balance at 1 January 2017 (As restated)</b>	1,458,748	1,364,508	568,968	782,346	(10,178)	(672)	24,044	–	94,240
Total comprehensive income for the period	81,964	73,591	–	41,235	40,335	(788)	1,106	(8,297)	8,373
<b>Contributions by and distributions to owners</b>									
Dividend on ordinary shares	(24,486)	(24,486)	–	(24,486)	–	–	–	–	–
Dividend to non-controlling interests	(3,417)	–	–	–	–	–	–	–	(3,417)
Contribution of capital by non-controlling interests	1,805	–	–	–	–	–	–	–	1,805
Return of capital to non-controlling interests	(1,161)	–	–	–	–	–	–	–	(1,161)
<b>Total contributions by and distributions to owners</b>	<b>(27,259)</b>	<b>(24,486)</b>	<b>–</b>	<b>(24,486)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(2,773)</b>
<b>Changes in ownership interests in subsidiaries</b>									
Disposal of a subsidiary	(6,977)	–	–	–	–	–	–	–	(6,977)
Increase in ownership in a subsidiary	–	35	–	35	–	–	–	–	(35)
<b>Total changes in ownership interests in subsidiaries</b>	<b>(6,977)</b>	<b>35</b>	<b>–</b>	<b>35</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(7,012)</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>(34,236)</b>	<b>(24,451)</b>	<b>–</b>	<b>(24,451)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(9,785)</b>
<b>Closing balance at 30 September 2017</b>	<b>1,506,476</b>	<b>1,413,648</b>	<b>568,968</b>	<b>799,130</b>	<b>30,157</b>	<b>(1,460)</b>	<b>25,150</b>	<b>(8,297)</b>	<b>92,828</b>

## Statements of changes in equity for the period ended 30 September 2018 (cont'd)

**COMPANY**

	Total equity	Equity attributable to owners of the Company	Share capital	Retained earnings	Revaluation reserve	Translation reserve
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance at 1 January 2018 (As previously stated)</b>	615,565	615,565	568,968	64,565	213	(18,181)
Effects of adoption of SFRS(I)	–	–	–	(19,607)	–	19,607
<b>Opening balance at 1 January 2018 (As restated)</b>	615,565	615,565	568,968	44,958	213	1,426
Total comprehensive income for the period	23,751	23,751	–	24,028	–	(277)
<u>Contributions by and distributions to owners</u>						
Dividend on ordinary shares	(24,486)	(24,486)	–	(24,486)	–	–
<b>Total transactions with owners in their capacity as owners</b>	(24,486)	(24,486)	–	(24,486)	–	–
<b>Closing balance at 30 September 2018</b>	614,830	614,830	568,968	44,500	213	1,149

	Total equity	Equity attributable to owners of the Company	Share capital	Retained earnings	Revaluation reserve	Translation reserve
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance at 1 January 2017 (As previously stated)</b>	622,936	622,936	568,968	73,372	203	(19,607)
Effects of adoption of SFRS(I)	–	–	–	(19,607)	–	19,607
<b>Opening balance at 1 January 2017 (As restated)</b>	622,936	622,936	568,968	53,765	203	–
Total comprehensive income for the period	14,720	14,720	–	15,132	–	(412)
<u>Contributions by and distributions to owners</u>						
Dividend on ordinary shares	(24,486)	(24,486)	–	(24,486)	–	–
<b>Total transactions with owners in their capacity as owners</b>	(24,486)	(24,486)	–	(24,486)	–	–
<b>Closing balance at 30 September 2017</b>	613,170	613,170	568,968	44,411	203	(412)

**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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

There was no change in the Company's issued share capital during the three months ended 30 September 2018.

**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 September 2018</b>	31 December 2017
Total number of ordinary shares in issue	<b>408,095,772</b>	408,095,772

There were no treasury shares as at 30 September 2018 and 31 December 2017.

**1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the three months ended 30 September 2018.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 2017.

**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's financial statements for the financial period beginning 1 January 2018 is prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") issued by the Accounting Standards Council.

In adopting the new SFRS(I) framework with effect from 1 January 2018, the Group is required to apply the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International).

Adoption of SFRS(I) 1

The Group has elected for the optional exemption to reset its cumulative translation differences for all foreign operations to nil at the date of transition at 1 January 2017. As a result, cumulative translation losses of \$49,876,000 and \$19,607,000 were reclassified from translation reserves to retained earnings as at 1 January 2017 for the Group and the Company respectively. The Group also reduced a gain of \$1,070,000 and \$1,671,000 arising from foreign exchange impact on disposal of subsidiaries and associates in 9M2017 and FY2017 respectively from other income.

Adoption of SFRS(I)s

In addition, during the current financial year, the Group has adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from financial period beginning 1 January 2018:

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration

Except for SFRS(I) 1 as disclosed above, the adoption of these SFRS(I) and interpretation of SFRS(I) did not have any significant impact on the financial statements of the Group.

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 <sup>rd</sup> Quarter (3Q) Ended 30 September		Nine Months (9M) Ended 30 September	
	2018	2017	2018	2017 (restated)
Basic and diluted earnings per share for the period based on Group's profit attributable to owners of the Company	<b>3.4 cents</b>	2.9 cents	<b>14.1 cents</b>	10.1 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 2018	31 December 2017
The Group	<b>\$3.62</b>	\$3.62
The Company	<b>\$1.51</b>	\$1.51

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 3Q2018 operating results by business segments and comparatives for 3Q2017 and the 9M2018 operating results by business segments and comparatives for 9M2017.

**3Q2018 Operating Segment Results**

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>						
External revenue	104,073	7,054	–	–	–	111,127
Inter-segment revenue	–	48	–	–	(48)	–
Total revenue	104,073	7,102	–	–	(48)	111,127
<b>Segment results</b>						
Operating profit/(loss)	7,810	11,743	470	(554)	–	19,469
Fair value changes in investment properties	–	2,038	–	–	–	2,038
Impairment losses	(602)	–	–	–	–	(602)
Finance costs	(1,482)	(3,904)	–	(1,461)	–	(6,847)
Share of results of associates and joint ventures	(58)	8,073	(281)	–	–	7,734
Profit/(Loss) before tax	5,668	17,950	189	(2,015)	–	21,792
Income tax expense	(1,814)	(3,465)	(57)	(131)	–	(5,467)
Profit/(Loss) after tax	3,854	14,485	132	(2,146)	–	16,325
<b>Profit/(Loss) attributable to:</b>						
Owners of the Company	2,072	13,952	132	(2,146)	–	14,010
Non-controlling interests	1,782	533	–	–	–	2,315
	3,854	14,485	132	(2,146)	–	16,325

**3Q2017 Operating Segment Results**

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>						
External revenue	128,803	3,330	–	–	–	132,133
Inter-segment revenue	–	23	–	–	(23)	–
Total revenue	128,803	3,353	–	–	(23)	132,133
<b>Segment results</b>						
Operating profit/(loss)	5,113	7,605	465	(186)	–	12,997
Fair value changes in investment properties	–	2,002	–	–	–	2,002
Finance costs	(1,195)	(3,863)	–	(1,171)	–	(6,229)
Share of results of associates and joint ventures	(203)	7,729	192	–	–	7,718
Profit/(Loss) before tax	3,715	13,473	657	(1,357)	–	16,488
Income tax expense	(1,305)	(1,016)	(57)	(179)	–	(2,557)
Profit/(Loss) after tax	2,410	12,457	600	(1,536)	–	13,931
<b>Profit/(Loss) attributable to:</b>						
Owners of the Company	1,298	11,498	600	(1,536)	–	11,860
Non-controlling interests	1,112	959	–	–	–	2,071
	2,410	12,457	600	(1,536)	–	13,931

Note:

- Real Estate – This comprises the property portfolio, investments in Straits Real Estate Pte. Ltd. (“SRE”), Suntec REIT 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.



**9M2018 Operating Segment Results**

	<b>Resources</b>	<b>Real Estate</b>	<b>Hospitality</b>	<b>Others</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>\$'000</b>	<b>(Note)</b>	<b>(Note)</b>	<b>(Note)</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>						
External revenue	333,745	17,547	–	–	–	351,292
Inter-segment revenue	–	130	–	–	(130)	–
Total revenue	333,745	17,677	–	–	(130)	351,292
<b>Segment results</b>						
Operating profit	15,590	37,621	239	2,194	–	55,644
Fair value changes in investment properties	–	21,254	–	–	–	21,254
Impairment losses	(602)	–	–	–	–	(602)
Finance costs	(4,551)	(11,208)	–	(4,360)	–	(20,119)
Share of results of associates and joint ventures	(146)	22,193	(536)	–	–	21,511
Profit/(Loss) before tax	10,291	69,860	(297)	(2,166)	–	77,688
Income tax (expense)/credit	(4,095)	(9,554)	(169)	6	–	(13,812)
Profit/(Loss) after tax	6,196	60,306	(466)	(2,160)	–	63,876
<b>Profit/(Loss) attributable to:</b>						
Owners of the Company	3,317	56,909	(466)	(2,160)	–	57,600
Non-controlling interests	2,879	3,397	–	–	–	6,276
	6,196	60,306	(466)	(2,160)	–	63,876

**9M2017 Operating Segment Results (restated)**

	<b>Resources</b>	<b>Real Estate</b>	<b>Hospitality</b>	<b>Others</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>\$'000</b>	<b>(Note)</b>	<b>(Note)</b>	<b>(Note)</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>						
External revenue	357,190	9,977	–	–	–	367,167
Inter-segment revenue	–	71	–	–	(71)	–
Total revenue	357,190	10,048	–	–	(71)	367,167
<b>Segment results</b>						
Operating profit/(loss)	15,378	19,846	2,344	(1,254)	–	36,314
Fair value changes in investment properties	–	1,410	–	–	–	1,410
Finance costs	(3,364)	(11,608)	–	(1,559)	–	(16,531)
Share of results of associates and joint ventures	(34)	32,923	429	–	–	33,318
Profit/(Loss) before tax	11,980	42,571	2,773	(2,813)	–	54,511
Income tax expense	(3,759)	(1,073)	(169)	(838)	–	(5,839)
Profit/(Loss) after tax	8,221	41,498	2,604	(3,651)	–	48,672
<b>Profit/(Loss) attributable to:</b>						
Owners of the Company	4,442	37,840	2,604	(3,651)	–	41,235
Non-controlling interests	3,779	3,658	–	–	–	7,437
	8,221	41,498	2,604	(3,651)	–	48,672

Note:

- Real Estate – This comprises the property portfolio, investments in Straits Real Estate Pte. Ltd. (“SRE”), Suntec REIT 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**

The Group reported a profit after tax and non-controlling interests of \$14.0 million and \$57.6 million for 3Q2018 and 9M2018 respectively largely contributed by its real estate segment.

### **Resources**

The resources operations in Malaysia reported higher profit after tax and non-controlling interests in 3Q2018 compared with 3Q2017 due to non-recurring exceptional income.

The results for 9M2018 were lower compared with 9M2017 mainly due to higher operating expenses.

### **Real Estate**

The Group's real estate segment reported a higher profit after tax and non-controlling interests for 3Q2018 and 9M2018 compared with the previous corresponding periods.

The higher results for 3Q2018 were mainly due to higher interest income from the notes issued by the joint venture and a fair value gain from the property in China.

In addition, the fair value gains of residential properties in Singapore and Japan have contributed to the higher results for 9M2018.

**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 2018 financial results announcement made on 14 August 2018.

**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.**

Straits Real Estate Pte. Ltd. ("SRE"), the Group's 89.5%-owned real estate investment vehicle, now has a geographically diverse portfolio of investments across China, Malaysia, Australia and Japan spanning different real estate asset classes. It will continue to pursue new and attractive investment opportunities in the Asia Pacific region.

As part of its commitment to grow the Australian portfolio, SRE has invested in its first operating platform in Australia by partnering with Commercial & General, a well-established Australian property development and investment management business that has more than AUD2 billion in projects delivered or under development. The logistics platform has since acquired three properties in 3Q2018 and a further two properties in October 2018.

Malaysia Smelting Corporation Berhad ("MSC"), the Group's 54.8%-owned resources arm, continues to face challenging market conditions due to volatility in both the foreign exchange and global commodity markets. Nevertheless, it will continue to focus on operational efficiencies to mitigate these challenges. MSC is undertaking efforts to improve on all areas of operations, technology, manpower and logistics.

Straits Trading signed a non-binding Memorandum of Understanding with MSC on 27 September 2018. Both parties will jointly explore options on unlocking the value of the land owned in Butterworth, Penang. Options for the combined 40.1 acres of freehold site may include working with joint venture partners, development the land on our own, or even land sale.

Far East Hospitality Holdings Pte. Ltd. ("FEHH"), the Group's 30%-owned hospitality arm will continue to grow its businesses by increasing the number of management contracts, acquiring strategic assets, and opportunities to deliver higher returns on divestments 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 third quarter ended 30 September 2018.

**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 2018 financial results to be false or misleading in any material aspect.

**15. Confirmation of Undertakings from Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual**

The Company has procured undertakings from all its Directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

**Aldric Tan Jee Wei**  
**Secretary**

14 November 2018  
Singapore

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