

The Straits Trading Company Limited (Company Registration No. : 188700008D)
First Quarter Financial Statements Announcement for the Period Ended 31 March 2019

**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 1st quarter ended 31 March 2019 are as follow:

GROUP	Note	1st Quarter (1Q) Ended 31 March		+ / (-) %
		2019 \$'000	2018 \$'000	
Revenue				
Tin mining and smelting revenue	A	101,442	119,432	(15.1)
Property revenue	B	9,548	4,471	113.6
Total revenue		110,990	123,903	(10.4)
Other items of income/(loss)				
Dividend income		2,954	3,563	(17.1)
Interest income		3,198	4,310	(25.8)
Fair value changes in investment properties		–	4,608	NM
Fair value changes in financial assets		4,874	(705)	NM
Other income		1,198	2,386	(49.8)
		123,214	138,065	(10.8)
Other items of expense				
Employee benefits expense		(8,011)	(7,452)	7.5
Depreciation expense		(1,489)	(1,534)	(2.9)
Amortisation expense		(175)	(161)	8.7
Costs of tin mining and smelting		(89,797)	(108,769)	(17.4)
Finance costs		(6,932)	(6,450)	7.5
Other expenses		(6,722)	(5,579)	20.5
Exchange losses		(1,429)	(852)	67.7
Total expenses		(114,555)	(130,797)	(12.4)
Share of results of associates and joint ventures	C	13,597	5,864	131.9
Profit before tax		22,256	13,132	69.5
Income tax expense		(3,646)	(2,109)	72.9
Profit after tax		18,610	11,023	68.8
Profit attributable to:				
Owners of the Company		17,260	9,692	78.1
Non-controlling interests		1,350	1,331	(1.4)
		18,610	11,023	68.8

NM – Not meaningful

Notes to the Income Statement:

- (A) The decrease was due to lower sales quantity of refined tin.
- (B) Higher property revenue for 1Q2019 was due to the increase in rental from the additions to the overseas portfolio.
- (C) The better results for 1Q2019 were largely due to improved contribution from ARA Asset Management Limited.

1(a)(ii) Statement of comprehensive income for the 1st quarter ended 31 March 2019.

<u>GROUP</u>	1st Quarter (1Q) Ended	
	31 March	
	2019	2018
	\$'000	\$'000
Profit after tax	18,610	11,023
Items that will not be reclassified to profit or loss:		
Net fair value changes in equity securities carried at fair value through other comprehensive income ("FVOCI")	16,753	(29,445)
Share of net fair value changes in equity securities carried at FVOCI of associates	3,732	(7,212)
	20,485	(36,657)
Items that may be reclassified subsequently to profit or loss:		
Net fair value changes in cash flow hedges	939	370
Currency translation reserve	1,306	8,063
Share of reserves of associates and joint ventures	(2,164)	1,138
Realisation of foreign currency translation reserve to profit or loss	(72)	(34)
	9	9,537
Other comprehensive income after tax for the period	20,494	(27,120)
Total comprehensive income for the period	39,104	(16,097)
Total comprehensive income attributable to:		
Owners of the Company	36,411	(17,306)
Non-controlling interests	2,693	1,209
Total comprehensive income for the period	39,104	(16,097)

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 31 March 2019

	Note	GROUP		Note	COMPANY	
		31 Mar 2019 \$'000	31 Dec 2018 \$'000		31 Mar 2019 \$'000	31 Dec 2018 \$'000
Assets						
Non-current assets						
Property, plant and equipment		40,005	38,317		606	602
Land under development		63,557	62,958		30,718	30,445
Investment properties	1	894,280	910,356		5,619	5,569
Goodwill		17,775	17,611		–	–
Other intangible assets		6,206	6,272		–	–
Subsidiaries		–	–		124,237	124,237
Associates and joint ventures	2	744,223	773,742		144	144
Deferred tax assets		10,180	10,665		–	–
Other non-current receivables		–	–		56,525	56,525
Derivative financial instruments		1,444	779		457	–
Investment securities	3	217,654	200,301		–	–
Total non-current assets		1,995,324	2,021,001		218,306	217,522
Current assets						
Inventories		159,058	162,723		–	–
Income tax receivables		6,030	6,000		173	171
Prepayments and accrued income		2,350	2,051		86	17
Trade related prepayments		4,490	6,243		–	–
Trade receivables		15,858	8,795		3	10
Other receivables		70,676	74,158		1,101,956	1,117,029
Investment securities	4	65,376	48,781		–	–
Derivative financial instruments		554	185		–	–
Cash and short-term deposits		309,266	244,862	1a	125,758	71,610
		633,658	553,798		1,227,976	1,188,837
Assets classified as held for sale	1	16,569	1,535		–	–
Total current assets		650,227	555,333		1,227,976	1,188,837
Total assets		2,645,551	2,576,334		1,446,282	1,406,359
Equity and liabilities						
Equity						
Share capital		568,968	568,968		568,968	568,968
Treasury shares		(708)	(598)		(708)	(598)
Retained earnings		863,877	876,119		44,585	45,240
Other reserves		41,687	22,444		2,665	1,445
Reserve of assets classified as held for sales		360	360		–	–
Equity attributable to owners of the Company		1,474,184	1,467,293		615,510	615,055
Non-controlling interests		133,914	131,310		–	–
Total equity		1,608,098	1,598,603		615,510	615,055

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 31 March 2019 (cont'd)

	<u>Note</u>	GROUP		<u>Note</u>	COMPANY	
		31 Mar 2019 \$'000	31 Dec 2018 \$'000		31 Mar 2019 \$'000	31 Dec 2018 \$'000
<u>Non-current liabilities</u>						
Provisions		8,637	7,789		–	–
Deferred tax liabilities		12,863	13,094		712	705
Borrowings	5	665,618	617,311	1a	199,635	149,598
Derivative financial instruments		544	549		–	–
Other non-current liabilities		8,326	8,337		–	–
Lease liabilities		2,216	–		–	–
Total non-current liabilities		698,204	647,080		200,347	150,303
<u>Current liabilities</u>						
Provisions		912	1,726		–	–
Income tax payable		7,330	6,486		1,577	1,562
Trade and other payables		73,503	75,266	1b	604,382	639,439
Borrowings		232,975	247,152		–	–
Lease liabilities		42	–		–	–
Dividend payable		24,466	–		24,466	–
		339,228	330,630		630,425	641,001
Liabilities directly associated with assets classified as held for sale		21	21		–	–
Total current liabilities		339,249	330,651		630,425	641,001
Total liabilities		1,037,453	977,731		830,772	791,304
Total equity and liabilities		2,645,551	2,576,334		1,446,282	1,406,359

Notes to Balance Sheets:

Group

- (1) The decrease in investment properties was due to reclassification to assets held for sale.
- (2) The decrease in associates and joint ventures was due to distributions received from associates.
- (3) The increase in value of long-term investment securities followed the higher share prices.
- (4) The increase in value of short-term investment securities followed the purchase and higher share prices.
- (5) Loan was drawn for impending investments.

Company

- (1a) The increase in cash and short-term deposits was due to drawdown of loan facility for impending investments.
- (1b) The decrease in trade and other payable was due to settlement of intercompany advances from subsidiaries.

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

As at 31/03/2019		As at 31/12/2018	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
154,607	78,368	166,894	80,258

Amount repayable after one year:

As at 31/03/2019		As at 31/12/2018	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
449,791	215,827	451,528	165,783

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 1st quarter ended 31 March 2019

	1 st Quarter (1Q) Ended 31 March	
	2019	2018
	\$'000	\$'000
<u>Cash flows from operating activities</u>		
Profit before tax	22,256	13,132
<u>Adjustments</u>		
Depreciation of property, plant and equipment	1,489	1,534
Amortisation of other intangible assets	175	161
Dividend income	(2,954)	(3,563)
Interest income	(3,198)	(4,310)
Finance costs	6,932	6,450
Currency realignment	1,960	1,158
Fair value changes in investment properties and financial assets	(4,874)	(3,903)
Net loss/(gain) on disposal of property, plant and equipment, investment properties and other investments	90	(1,559)
Share of results of associates and joint ventures	(13,597)	(5,864)
Operating cash flows before changes in working capital	8,279	3,236
Decrease/(Increase) in inventories	5,124	(6,924)
Increase in short-term investment securities	(11,001)	(40,231)
(Increase)/Decrease in trade and other receivables	(1,879)	1,251
Increase in trade and other payables	2,074	1,778
Cash flows from/(used in) operations	2,597	(40,890)
Income taxes paid	(2,230)	(2,777)
Finance costs paid	(3,924)	(3,571)
Interest received	2,199	751
Dividend income from short-term investment securities	421	543
Net cash flows used in operating activities	(937)	(45,944)
<u>Cash flows from investing activities</u>		
Proceeds from disposal of property, plant and equipment and investment properties	–	16,427
Cost incurred on property, plant and equipment	(790)	(788)
Cost incurred on investment properties	(2,120)	(127,298)
Cost incurred on land under development	(35)	–
Loan to a third party	–	(30,072)
Return of capital from associates	19,192	1,853
Payment for deferred mine exploration and evaluation expenditure and mine properties and other intangible assets	(55)	(13)
Dividend income from investment securities and associates	21,894	3,904
Income taxes paid	–	(27)
Net cash flows from/(used in) investing activities	38,086	(136,014)

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 1st quarter ended 31 March 2019 (cont'd)

	1 st Quarter (1Q) Ended 31 March	
	2019	2018
	\$'000	\$'000
<u>Cash flows from financing activities</u>		
Dividend paid to non-controlling shareholders of subsidiaries	(1)	(270)
Purchase of treasury shares	(110)	–
Net proceeds from issuance of shares by subsidiaries to non-controlling shareholders	243	2,537
(Repayment to)/Loans from non-controlling shareholders of subsidiaries	(1,850)	8,966
Return of capital to non-controlling shareholders of a subsidiary	(331)	–
(Repayment)/Drawdown of short-term borrowings	(9,923)	10,835
Drawdown of long-term borrowings	50,202	79,364
Repayment of long-term borrowings	(5,000)	(21,745)
Finance cost paid	(4,599)	(4,591)
Payment of lease liabilities	(634)	–
Net cash flows from financing activities	27,997	75,096
Net increase/(decrease) in cash and cash equivalents	65,146	(106,862)
Effect of exchange rate changes on cash and cash equivalents	(742)	1,007
Cash and cash equivalents, beginning balance	244,862	362,438
Cash and cash equivalents, ending balance	309,266	256,583

Notes to the Cash Flow Statement:

(i) First Quarter

Net cash outflow from operating activities for 1Q2019 was due to the purchase of short-term quoted securities.

Net cash inflow from investing activities for 1Q2019 was due to the distributions from associates.

Net cash inflow from financing activities for 1Q2019 was due to the drawdown of borrowings.

(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 31 March 2019

GROUP

	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares	Retained earnings	FVOCI reserve	Hedging reserve	Revaluation reserve	Translation reserve	Other reserves	Reserve of assets classified as held for sale	Non-controlling interests
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 January 2019												
(As previously stated)	1,598,603	1,467,293	568,968	(598)	876,119	8,358	(947)	27,525	(16,331)	3,839	360	131,310
Effects of adoption of SFRS(I) 16	(4,944)	(4,944)	–	–	(4,944)	–	–	–	–	–	–	–
Opening balance at 1 January 2019												
(As restated)	1,593,659	1,462,349	568,968	(598)	871,175	8,358	(947)	27,525	(16,331)	3,839	360	131,310
Total comprehensive income for the period	39,104	36,411	–	–	17,260	19,349	754	–	(952)	–	–	2,693
Contributions by and distributions to owners												
Dividend for FY2018, payable	(24,466)	(24,466)	–	–	(24,466)	–	–	–	–	–	–	–
Dividend to non-controlling interests	(1)	–	–	–	–	–	–	–	–	–	–	(1)
Contribution of capital by non-controlling interests	243	–	–	–	–	–	–	–	–	–	–	243
Shares buy back	(110)	(110)	–	(110)	–	–	–	–	–	–	–	–
Return of capital to non-controlling interests	(331)	–	–	–	–	–	–	–	–	–	–	(331)
Total contributions by and distributions to owners	(24,665)	(24,576)	–	(110)	(24,466)	–	–	–	–	–	–	(89)
Others												
Share of an associate's realisation of FVOCI reserve	–	–	–	–	(92)	92	–	–	–	–	–	–
Total others	–	–	–	–	(92)	92	–	–	–	–	–	–
Closing balance at 31 March 2019	1,608,098	1,474,184	568,968	(708)	863,877	27,799	(193)	27,525	(17,283)	3,839	360	133,914

Statements of changes in equity for the period ended 31 March 2019 (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
Opening balance at 1 January 2018	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	(16,097)	(17,306)	–	9,692	(34,615)	393	–	7,224	1,209
<u>Contributions by and distributions to owners</u>									
Dividend for FY2017, payable	(24,486)	(24,486)	–	(24,486)	–	–	–	–	–
Dividend to non-controlling interests	(270)	–	–	–	–	–	–	–	(270)
Contribution of capital by non-controlling interests	2,537	–	–	–	–	–	–	–	2,537
Total contributions by and distributions to owners	(22,219)	(24,486)	–	(24,486)	–	–	–	–	2,267
Total transactions with owners in their capacity as owners	(22,219)	(24,486)	–	(24,486)	–	–	–	–	2,267
<u>Others</u>									
Share of associate's realisation of FVOCI reserve	–	–	–	16	(16)	–	–	–	–
Total others	–	–	–	16	(16)	–	–	–	–
Closing balance at 31 March 2018	1,532,578	1,435,790	568,968	807,689	30,697	(649)	28,066	1,019	96,788

Statements of changes in equity for the period ended 31 March 2019 (cont'd)

COMPANY

	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares	Retained earnings	Revaluation reserve	Hedging reserve	Translation reserve
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 January 2019	615,055	615,055	568,968	(598)	45,240	555	–	890
Total comprehensive income for the period	25,031	25,031	–	–	23,811	–	457	763
<u>Contributions by and distributions to owners</u>								
Dividend for FY2018, payable	(24,466)	(24,466)	–	–	(24,466)	–	–	–
Shares buy back	(110)	(110)	–	(110)	–	–	–	–
Total contributions by and distributions to owners	(24,576)	(24,576)	–	(110)	(24,466)	–	–	–
Total transactions with owners in their capacity as owners	(24,576)	(24,576)	–	(110)	(24,466)	–	–	–
Closing balance at 31 March 2019	615,510	615,510	568,968	(708)	44,585	555	457	1,653

	Total equity	Equity attributable to owners of the Company	Share capital	Retained earnings	Revaluation reserve	Translation reserve
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 January 2018	615,565	615,565	568,968	44,958	213	1,426
Total comprehensive income for the period	(217)	(217)	–	(1,374)	–	1,157
<u>Contributions by and distributions to owners</u>						
Dividend for FY2017, payable	(24,486)	(24,486)	–	(24,486)	–	–
Total transactions with owners in their capacity as owners	(24,486)	(24,486)	–	(24,486)	–	–
Closing balance at 31 March 2018	590,862	590,862	568,968	19,098	213	2,583

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.

During the quarter ended 31 March 2019, the changes in the Company's issued share capital were as follows:

	<u>No. of Shares</u>
As at 1 January 2019	407,804,572
Purchase of treasury shares	<u>(52,300)</u>
As at 31 March 2019	<u>407,752,272</u>

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.

Ordinary share capital

	31 March 2019	31 December 2018
Total number of ordinary shares in issue (excluding treasury shares)	407,752,272	407,804,572

Treasury share

Movements in the Company's treasury shares were as follows:

	<u>No. of Shares</u>
As at 1 January 2019	291,200
Purchase of treasury shares	<u>52,300</u>
As at 31 March 2019	<u>343,500</u>

As at 31 March 2019, the Company held 343,500 treasury shares (31 December 2018: 291,200) which represents 0.084% of the total number of issued shares (excluding treasury shares).

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 31 March 2019.

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 2018.

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.

During the current financial year, the Group has adopted the following new Singapore Financial Reporting Standards (International) (“SFRS(I)”) effective for the financial period beginning 1 January 2019 as follows:

Adoption of SFRS(I) 16 Leases

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The nature of expenses related to such leases has changed as the principles under SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities. The Group applied the modified retrospective method of adoption in which the cumulative effect of initially applying the standard is recognised at the date of initial application of 1 January 2019 and comparative information is not restated.

The impact arising from the adoption of the principles of SFRS(I) 16 on the Group’s financial statements on 1 January 2019 are as follows:

	Higher/(Lower)
	\$’000
Property, plant and equipment	2,232
Investment in associates	(4,890)
Lease liabilities	2,286
Retained earnings	<u>(4,944)</u>

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 2019:

SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*

Amendments to SFRS(I) 9 *Prepayment Features with Negative Compensation*

Amendments to SFRS(I) 1-28 *Long-term Interests in Associates and Joint Ventures*

Annual Improvements to SFRS(I)s 2015-2017 Cycle

There were no significant impact to the financial statements of the Group arising from the adoption of above standards and interpretation of SFRS(I)s.

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.**

	1 st Quarter Ended 31 March	
	2019	2018
Basic and diluted earnings per share for the period based on Group's profit attributable to owners of the Company	4.2 cents	2.4 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 (excluding treasury shares) at the end of:	31 March 2019	31 December 2018
The Group	\$3.62	\$3.60
The Company	\$1.51	\$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 1Q2019 operating results by business segments and comparatives for 1Q2018.

1Q2019 Operating Segment Results

	Resources	Real Estate	Hospitality	Others	Elimination	Consolidated
		(Note)	(Note)	(Note)		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	101,442	9,548	–	–	–	110,990
Inter-segment revenue	–	3	–	–	(3)	–
Total revenue	101,442	9,551	–	–	(3)	110,990
Segment results						
Operating profit	5,630	4,187	1,744	4,030	–	15,591
Finance costs	(1,058)	(4,269)	–	(1,605)	–	(6,932)
Share of results of associates and joint ventures	(10)	13,367	240	–	–	13,597
Profit before tax	4,562	13,285	1,984	2,425	–	22,256
Income tax expense	(2,376)	(474)	(56)	(740)	–	(3,646)
Profit after tax	2,186	12,811	1,928	1,685	–	18,610
Profit attributable to:						
Owners of the Company	1,297	12,350	1,928	1,685	–	17,260
Non-controlling interests	889	461	–	–	–	1,350
	2,186	12,811	1,928	1,685	–	18,610

1Q2018 Operating Segment Results

	Resources	Real Estate	Hospitality	Others	Elimination	Consolidated
		(Note)	(Note)	(Note)		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	119,432	4,471	–	–	–	123,903
Inter-segment revenue	–	33	–	–	(33)	–
Total revenue	119,432	4,504	–	–	(33)	123,903
Segment results						
Operating profit	4,069	4,758	121	162	–	9,110
Fair value changes in investment properties	–	4,608	–	–	–	4,608
Finance costs	(1,564)	(3,464)	–	(1,422)	–	(6,450)
Share of results of associates and joint ventures	(61)	5,182	743	–	–	5,864
Profit/(Loss) before tax	2,444	11,084	864	(1,260)	–	13,132
Income tax (expense)/credit	(955)	(1,661)	(56)	563	–	(2,109)
Profit/(Loss) after tax	1,489	9,423	808	(697)	–	11,023
Profit/(Loss) attributable to:						
Owners of the Company	772	8,809	808	(697)	–	9,692
Non-controlling interests	717	614	–	–	–	1,331
	1,489	9,423	808	(697)	–	11,023

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 \$17.3 million for 1Q2019 with improved performance across all business segments. Its real estate segment continues to be the main drivers of profitability.

Resources

The resources segment reported a higher profit after tax and non-controlling interests for 1Q2019. This was due to better yields from tin smelting and higher profits from sale of by-products.

Real Estate

The Group's real estate segment recorded a higher profit after tax and non-controlling interests for 1Q2019. This was due to the improved contribution from ARA Asset Management Limited.

Hospitality

The results of hospitality segment was lifted by fair value gains from the Group's holdings in Far East Hospitality Trust units.

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 2018 full year financial results announcement made on 28 February 2019.

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.

2019 is set to be yet another challenging year as geopolitical uncertainties and unease over the state of the global economy continue to cast a shadow on the business environment. However, there remains pockets of opportunities for us to capture.

We will be cautious and especially selective with our investment opportunities. We will continue to take a disciplined approach in making investments with a deliberate longer term view, which may result in slightly more muted returns in 2019.

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.

Malaysia Smelting Corporation Berhad ("MSC"), the Group's 54.8%-owned resource 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.

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 first quarter ended 31 March 2019.

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 first quarter 2019 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 May 2019
Singapore

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