



THE STRAITS TRADING COMPANY LIMITED

Company Registration No.: 188700008D

The Straits Trading Group

Financial Highlights

- The Group's net earnings almost trebled at \$194.0 million in 2006 as compared to \$70.0 million in 2005. The substantial increase in profit was due to exceptional gain of \$145.8 million, and arose from (a) the increase in profit due to the adoption of FRS 40 on the change in the fair value of the Group's investment properties, (b) gains on disposal of properties, (c) write back of impairment loss on hotel property, and (d) surplus on sale of investments as well as a subsidiary.
- The Group's full year profit before exceptional items however was lower at \$78.7 million in 2006 as compared to \$82.3 million in 2005 due to lower property rental and investment income, lower earnings from Malaysia Smelting Corporation Berhad and a much reduced contribution from associates.
- Net Asset Value (NAV) per share rose from \$3.45 in December 2005 to \$3.96 in December 2006. In addition to current year's earnings, NAV per share rose mainly because of (a) increase in fair values of investment properties and financial investments and (b) reduced share capital after the selective capital reduction in April 2006.

\$ million	Q4 2006	Q4 2005 (Restated)	+ / (-) %	YTD 2006 (12 mths)	YTD 2005 (12 mths)	+ / (-) %
Total Revenues	317.2	217.4	45.9	921.6	744.4	23.8
Profit Before Taxation	112.1	32.4	246.1	224.5	91.2	146.3
Profit Before Exceptional Items	31.6	23.0	37.5	78.7	82.3	(4.3)
Profit Attributable to Equity Holders of the Company	98.6	26.7	269.8	194.0	70.0	177.2

Earnings per Share	30.3 cents	7.5 cents		57.9 cents	19.6 cents	
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	As at 31.12.2006	As at 31.12.2005
Equity Attributable to Equity Holders of the Company	\$1,289,322,000	\$1,229,443,000
Net Asset Value per Share	\$3.96	\$3.45

N.B.: All in Singapore dollars.

The Straits Trading Company Limited (Company Registration No. : 188700008D)
Fourth Quarter and Full Year Financial Statement And Dividend Announcements for the Period Ended 31 December 2006
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS
1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

The unaudited results of the Group for the 4th quarter and full year ended 31 December 2006 are as follows :-

	4th Quarter (Q4)		Full Year Ended 31 December	
	2006 \$'000	2005 \$'000 (Restated)	2006 \$'000	2005 \$'000
Revenues				
Tin mining and smelting revenue	239,524	159,919	705,753	552,952
Hotel revenue	36,912	22,097	108,068	72,145
Property revenue	16,206	11,101	55,592	65,679
Proceeds from sale of trading securities	-	-	1,786	4,585
Investment income, gross	14,571	18,684	27,948	36,834
Fair value changes of financial assets	7,125	537	10,445	3,950
Other revenues including interest income	2,835	5,065	12,028	8,219
Total Revenues	317,173	217,403	921,620	744,364
Costs and Expenses				
Employee benefits expenses	(23,964)	(15,078)	(70,176)	(44,839)
Depreciation and amortisation	(6,443)	(5,042)	(20,928)	(18,565)
Exchange losses	(1,389)	(591)	(3,979)	(253)
Cost of tin mining and smelting	(200,516)	(141,701)	(611,785)	(501,970)
Costs of trading securities sold	-	-	(1,768)	(4,442)
Impairment of financial assets	-	(2,430)	-	(2,835)
Other operating expenses	(49,085)	(22,095)	(123,798)	(83,947)
Total Costs and Expenses	(281,397)	(186,937)	(832,434)	(656,851)
Profit from Operations	35,776	30,466	89,186	87,513
Finance costs	(4,519)	(4,533)	(12,909)	(14,350)
Share of results of joint ventures	10	37	43	166
Share of results of associates	336	(2,990)	2,393	8,932
Profit Before Exceptional Items	31,603	22,980	78,713	82,261
Exceptional items	80,468	9,397	145,822	8,918
Profit Before Taxation	112,071	32,377	224,535	91,179
Taxation	(12,857)	(5,871)	(26,662)	(18,583)
Profit for the period	99,214	26,506	197,873	72,596
Attributable to :				
Equity holders of the Company	98,588	26,663	194,018	70,003
Minority interests	626	(157)	3,855	2,593
	99,214	26,506	197,873	72,596

- Exceptional Items comprise :-

	4th Quarter (Q4)		Full Year Ended 31 December	
	2006 \$'000	2005 \$'000 (Restated)	2006 \$'000	2005 \$'000
(a) Net surplus on disposal of investments	9,197	-	27,267	22,758*
(b) Net surplus on dilution of interest in an associate	-	-	-	7,399*
(c) Exchange loss on redemption of preference shares in an associate	-	-	-	(1,646)
(d) Net surplus on disposal of a subsidiary	-	-	11,856	-
(e) Net surplus on disposal of minority interests	908	-	908	-
(f) Reversal of impairment on hotel property	7,259	4,743	7,259	4,743
(g) Net fair value changes of investment properties	64,099	-	71,056	-
(h) Net deficit on revaluation of properties	-	(15,200)	-	(15,214)
(i) Net gain on disposal of properties	213	6,674	28,590	22,698
(j) Compensation award on land acquired	-	-	94	-
(k) Reversal/(Provision) for impairment on property	-	13,250	-	(31,750)
(l) Provision for impairment on plant and equipment	(500)	(70)	(500)	(70)
(m) Impairment on goodwill	(708)	-	(708)	-
	<u>80,468</u>	<u>9,397</u>	<u>145,822</u>	<u>8,918</u>

- * Included net surplus on the divestment of the entire stake in Straits Lion Asset Management Limited in Q3 2005 which was formerly an associate of the Group until interest dilution occurred in Q2 2005.

1(b)(i) A balance sheet (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 December 2006

	GROUP		COMPANY	
	31 December 2006	31 December 2005	31 December 2006	31 December 2005
	\$'000	\$'000	\$'000	\$'000
Non-Current Assets				
Property, plant and equipment	211,564	219,355	105	646
Investment properties	416,353	435,901	76,575	39,042
Base inventory	1,303	1,320	-	-
Investments in subsidiaries	-	-	120,191	119,877
Amounts due from subsidiaries	-	-	171,853	483,737
Joint ventures	460	457	-	-
Associates	18,908	14,210	3,585	1,123
Investments	304,128	334,068	212,106	250,234
Mining rights	3,076	5,048	-	-
Management rights	940	1,135	-	-
Deferred tax assets	8,626	1,166	-	-
Goodwill on consolidation	23,249	21,410	-	-
Other financial assets	-	45	-	-
Other non-current assets	6,358	12,630	-	-
	<u>994,965</u>	<u>1,046,745</u>	<u>584,415</u>	<u>894,659</u>
Current Assets				
Properties held for sale	23,681	32,859	-	-
Inventories	132,267	168,671	-	-
Marketable securities	69,236	56,415	-	-
Trade and other receivables	85,896	58,981	1,171	1,097
Tax recoverables	8,928	14,838	5	9
Other financial assets	835	207	-	-
Cash at bank and on deposit	335,199	159,719	261,428	111,685
	<u>656,042</u>	<u>491,690</u>	<u>262,604</u>	<u>112,791</u>
Assets classified as held for sale	7,020	367,479	-	36
	<u>663,062</u>	<u>859,169</u>	<u>262,604</u>	<u>112,827</u>
Current Liabilities				
Borrowings	(148,831)	(257,855)	-	-
Trade and other payables	(67,946)	(50,918)	(3,458)	(3,805)
Other financial liabilities	(4,044)	(3,534)	(70)	-
Provision for taxation	(16,911)	(13,437)	(2,044)	(1,165)
Provisions	(36)	(37)	-	-
	<u>(237,768)</u>	<u>(325,781)</u>	<u>(5,572)</u>	<u>(4,970)</u>
Liabilities directly associated with assets classified as held for sale	-	(220,000)	-	-
	<u>(237,768)</u>	<u>(545,781)</u>	<u>(5,572)</u>	<u>(4,970)</u>
Net Current Assets	<u>425,294</u>	<u>313,388</u>	<u>257,032</u>	<u>107,857</u>
Non-Current Liabilities				
Borrowings	(32)	(27,161)	-	-
Provisions	(6,056)	(5,999)	-	-
Other non-current liabilities	(44,514)	(26,462)	-	-
Deferred tax liabilities	(28,687)	(13,037)	(2,242)	(254)
Other financial liabilities	-	(1,611)	-	-
	<u>(79,289)</u>	<u>(74,270)</u>	<u>(2,242)</u>	<u>(254)</u>
NET ASSETS	<u>1,340,970</u>	<u>1,285,863</u>	<u>839,205</u>	<u>1,002,262</u>
Equity attributable to equity holders of the Company				
Share capital	265,928	356,400	265,928	356,400
Reserves	1,023,394	873,043	573,277	645,862
	<u>1,289,322</u>	<u>1,229,443</u>	<u>839,205</u>	<u>1,002,262</u>
Minority interests	51,648	56,420	-	-
TOTAL EQUITY	<u>1,340,970</u>	<u>1,285,863</u>	<u>839,205</u>	<u>1,002,262</u>

(Certain comparative figures have been adjusted to conform with current period's presentation.)

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

As at 31/12/2006		As at 31/12/2005	
Secured	Unsecured	Secured	Unsecured
\$13,000	\$148,818,000	\$328,012,000	\$149,843,000

Amount repayable after one year

As at 31/12/2006		As at 31/12/2005	
Secured	Unsecured	Secured	Unsecured
\$32,000	\$0	\$45,000	\$27,116,000

Details of any collateral

The \$45,000 secured borrowing is secured by a motor vehicle acquired under a finance lease.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Cash Flow Statement for the 4th quarter and full year ended 31 December 2006

	4th Quarter (Q4)		Full Year Ended 31 December	
	2006 S'000	2005 S'000 (Restated)	2006 S'000	2005 S'000
Cash flow from operating activities :-				
Profit from operations	35,776	30,466	89,186	87,513
Adjustments for :-				
Interest income	(2,862)	(1,267)	(9,478)	(4,048)
Investment income	(14,571)	(18,684)	(27,948)	(36,834)
Depreciation of property, plant and equipment	4,626	4,571	15,960	17,247
Loss/(Gain) on disposal of property, plant and equipment	33	(252)	(59)	(246)
Property, plant and equipment written off	145	63	817	137
Amortisation of mining rights	395	352	1,631	1,055
Amortisation of management rights	47	46	185	190
Amortisation of exploration and development cost	1,373	73	3,145	73
Amortisation of deferred income	965	-	(2,719)	-
Amortisation of club membership	2	-	7	-
Changes in fair value on financial assets	(7,125)	(537)	(10,445)	(3,950)
Provision for mine reclamation	472	(327)	953	55
Provision/(Write back) of employee benefit	2,351	(342)	3,133	(368)
Provision/(Write back) of doubtful debts	4,255	(1,496)	4,255	(1,496)
Exploration costs written off	3,785	-	4,387	-
Share-based payments	-	75	-	75
Operating profit before working capital changes	29,667	12,741	73,010	59,403
Decrease in properties held for sale	2,991	612	9,178	12,672
Decrease/(Increase) in inventories	13,806	(15,337)	36,404	(50,782)
Increase in marketable securities	(2,033)	(245)	(1,940)	(1,874)
Decrease/(Increase) in receivables	22,395	32,186	(29,948)	10,087
Increase/(Decrease) in payables	14,572	(707)	12,594	4,674
Cash generated from operations	81,398	29,250	99,298	34,180
Interest expense	(4,532)	(4,014)	(11,725)	(14,062)
Income tax paid	(5,345)	(5,730)	(12,308)	(20,126)
Investment income	14,571	18,684	27,948	36,834
Dividends from associates	-	-	15	4,755
Interest income	2,331	1,242	9,022	3,767
Net cash flow from operating activities	88,423	39,432	112,250	45,348
Cash flow from investing activities :-				
Proceeds from sale of property, plant and equipment	23,027	5,926	56,188	54,163
Proceed received on sale of property	-	-	390,000	-
Net cash flow (used in)/from acquisition of subsidiaries	-	(33)	-	2,169
Acquisition of minority interest	(52)	-	(46,063)	-
Proceeds from disposal of minority interests	32,480	-	32,480	-
Net cash flow from disposal of a subsidiary (see note)	-	-	17,270	-
Cost incurred on property, plant and equipment	(3,190)	(9,249)	(17,058)	(26,051)
Sale proceeds from investments	16,598	-	69,726	43,249
Purchase of investments	(13)	(12)	(455)	(10,637)
Purchase of management rights	-	(61)	-	(61)
Payment of deferred mine development and exploration expenditure	(633)	(1,293)	(1,833)	(7,183)
Cost incurred on investment properties	(1,059)	-	(1,398)	-
Purchase of club membership	-	-	(139)	-
Compensation award on land acquired	-	-	94	-
Proceeds from redemption of preference shares in an associate	-	-	-	6,207
Subscription of shares in an associate	-	-	(2,473)	-
Net cash flow from/(used in) investing activities	67,158	(4,722)	496,339	61,856
Cash flow from financing activities :-				
(Loan repayment)/increase in borrowings	(28,279)	7,042	(248,153)	19,417
Increase in amount due to minority shareholder of a subsidiary	-	245	-	4,850
(Increase)/Decrease in amount due from a joint venture	(21)	76	40	178
Payment of dividends to minority shareholders of a subsidiary	-	(1,807)	(2,589)	(5,663)
Payment of dividends to shareholders	-	-	(84,733)	(21,384)
Payment pursuant to selective capital reduction and related expenses	-	-	(90,690)	-
Net cash flow (used in)/from financing activities	(28,300)	5,556	(426,125)	(2,602)
Net increase in cash and cash equivalents	127,281	40,266	182,464	104,602
Cash and cash equivalents at beginning of financial period	212,629	121,636	159,719	55,980
Effect of exchange rate changes on balances held in foreign currencies	(4,711)	(2,183)	(6,984)	(863)
Cash and cash equivalents at 31 December	335,199	159,719	335,199	159,719
Cash and cash equivalents at 31 December consist of :-				
Cash at bank and on deposit	335,199	159,719	335,199	159,719

Note :

(a) Disposal of a subsidiary company

The values of assets and liabilities of the subsidiary company recorded in the consolidated financial statements as at 1 January 2006, and the cash flow effect of the disposal were :

	\$'000
Property, plant and equipment	7
Investment property	120,000
Trade and other debtors	414
Cash at bank and on deposit	348

	120,769
Borrowings	(108,000)
Trade and other creditors	(1,264)
Amount due to :	
- holding company	(13,312)
- minority shareholder	(12,997)
Minority interests	7,254

	(7,550)
Net surplus on disposal	11,856

Net consideration	4,306
Repayment of amount due from subsidiary company	13,312
Net cash at bank and on deposit in the subsidiary company disposed	(348)

Net cash inflow from disposal of a subsidiary company	17,270
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(b) The net cash effect arising from the acquisition of subsidiaries in Q1 and Q4 2006 is nil.

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 capitalization 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 year ended 31 December 2006

GROUP

	Attributable to equity holders of the Company								
	Share capital \$'000	Revaluation reserve \$'000	Exchange translation reserve \$'000	Fair value reserve \$'000	Share-based payment reserve \$'000	Revenue reserve \$'000	Total reserves \$'000	Minority interests \$'000	Total equity \$'000
At 31 December 2005 as previously reported	356,400	77,590	(17,982)	148,156	33	665,246	873,043	56,420	1,285,863
Effect of adopting :									
<u>FRS 40</u>									
Transfer of revaluation reserve arising from investment properties to revenue reserve	-	(76,443)	-	-	-	76,443	-	-	-
Net revaluation surplus arising from properties reclassified to investment properties	-	-	-	-	-	34,687	34,687	-	34,687
At 1 January 2006 as restated	356,400	1,147	(17,982)	148,156	33	776,376	907,730	56,420	1,320,550
Exchange adjustment	-	-	(3,690)	-	-	-	(3,690)	(2,569)	(6,259)
Exchange loss transferred to profit and loss account	-	-	11,021	-	-	-	11,021	-	11,021
Impairment of plant and equipment	-	(220)	-	-	-	-	(220)	-	(220)
Net fair value changes on available-for-sale investments	-	-	-	45,061	-	-	45,061	(37)	45,024
Net fair value changes transferred to profit and loss account	-	-	-	(45,801)	-	-	(45,801)	-	(45,801)
Net fair value changes on cash flow hedges	-	-	-	226	-	-	226	1,044	1,270
Net income recognised directly in equity	-	(220)	7,331	(514)	-	-	6,597	(1,562)	5,035
Profit for the year	-	-	-	-	-	194,018	194,018	3,855	197,873
Total recognised income and expenses for the year	-	(220)	7,331	(514)	-	194,018	200,615	2,293	202,908

Statements of Changes in Equity for the year ended 31 December 2006 (cont'd)

GROUP

	Attributable to equity holders of the Company								Total equity \$'000
	Share capital \$'000	Revaluation reserve \$'000	Exchange translation reserve \$'000	Fair value reserve \$'000	Share-based payment reserve \$'000	Revenue reserve \$'000	Total reserves \$'000	Minority interests \$'000	
Reduction of share capital pursuant to selective capital reduction and related expenses	(90,472)	-	-	-	-	(218)	(218)	-	(90,690)
Dividend on ordinary shares									
- 2nd interim dividend for 2005, paid	-	-	-	-	-	(13,036)	(13,036)	-	(13,036)
- Special dividend for 2005, paid	-	-	-	-	-	(65,179)	(65,179)	-	(65,179)
- 1st interim dividend for 2006, paid	-	-	-	-	-	(6,518)	(6,518)	-	(6,518)
Dividend to minority shareholders of a subsidiary	-	-	-	-	-	-	-	(2,589)	(2,589)
Acquisition of minority interests, net	-	-	-	-	-	-	-	(11,730)	(11,730)
Minority interest on disposal of a subsidiary	-	-	-	-	-	-	-	7,254	7,254
At 31 December 2006	265,928	927	(10,651)	147,642	33	885,443	1,023,394	51,648	1,340,970

Statements of Changes in Equity for the year ended 31 December 2006 (cont'd)

GROUP

	Attributable to equity holders of the Company								Total equity \$'000
	Share capital \$'000	Revaluation reserve \$'000	Exchange translation reserve \$'000	Fair value reserve \$'000	Share-based payment reserve \$'000	Revenue reserve \$'000	Total reserves \$'000	Minority interests \$'000	
At 1 January 2005	356,400	76,443	(17,862)	63,850	-	614,979	737,410	(17,543)	1,076,267
Exchange adjustment	-	-	(1,766)	-	-	-	(1,766)	685	(1,081)
Exchange loss transferred to the profit and loss account	-	-	1,646	-	-	-	1,646	-	1,646
Share of reserves movement of associates	-	-	-	-	-	245	245	-	245
Net fair value changes on available-for-sale investments	-	-	-	106,911	-	-	106,911	(100)	106,811
Net fair value changes transferred to the profit and loss account	-	-	-	(20,493)	-	-	(20,493)	-	(20,493)
Net fair value changes on cash flow hedges	-	-	-	(2,112)	-	-	(2,112)	(1,853)	(3,965)
Net revaluation surplus on a subsidiary acquired	-	1,147	-	-	-	1,403	2,550	-	2,550
Net income recognised directly in equity	-	1,147	(120)	84,306	-	1,648	86,981	(1,268)	85,713
Profit for the year	-	-	-	-	-	70,003	70,003	2,593	72,596
Total recognised income and expenses for the year	-	1,147	(120)	84,306	-	71,651	156,984	1,325	158,309
Dividend on ordinary shares									
- 2nd interim dividend for 2004, paid	-	-	-	-	-	(14,256)	(14,256)	-	(14,256)
- 1st interim dividend for 2005, paid	-	-	-	-	-	(7,128)	(7,128)	-	(7,128)
Dividends to minority shareholders of subsidiaries	-	-	-	-	-	-	-	(5,663)	(5,663)
Fair value of options issued by a subsidiary	-	-	-	-	33	-	33	42	75
Capital injection by minority interest of a subsidiary	-	-	-	-	-	-	-	11,760	11,760

Statements of Changes in Equity for the year ended 31 December 2006 (cont'd)

GROUP

	Attributable to equity holders of the Company							Minority interests	Total equity
	Share capital	Revaluation reserve	Exchange translation reserve	Fair value reserve	Share-based payment reserve	Revenue reserve	Total reserves		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Minority interests arising from acquisition of subsidiaries	-	-	-	-	-	-	-	66,499	66,499
At 31 December 2005	356,400	77,590	(17,982)	148,156	33	665,246	873,043	56,420	1,285,863

Statements of Changes in Equity for the period ended 31 December 2006 (cont'd)

COMPANY

	Share Capital \$'000	Revaluation reserve \$'000	Exchange translation reserve \$'000	Fair value reserve \$'000	Revenue reserve \$'000	Total \$'000
At 31 December 2005 as previously reported	356,400	26,010	(468)	131,681	488,639	1,002,262
FRS 40 Transfer of revaluation reserve arising from investment properties to revenue reserve	-	(26,010)	-	-	26,010	-
Net revaluation surplus arising from properties reclassified to investment properties	-	-	-	-	29,718	29,718
At 1 January 2006 as restated	356,400	-	(468)	131,681	544,367	1,031,980
Exchange adjustment	-	-	(764)	-	-	(764)
Fair value changes on available-for-sale investments	-	-	-	37,567	-	37,567
Net fair value changes transferred to profit and loss account	-	-	-	(61,409)	-	(61,409)
Net income recognised directly in equity	-	-	(764)	(23,842)	-	(24,606)
Profit for the year	-	-	-	-	126,912	126,912
Cancellation of subsidiaries' indebtedness	-	-	-	-	(119,658)	(119,658)
Total recognised income and expenses for the year	-	-	(764)	(23,842)	7,254	(17,352)
Reduction of share capital pursuant to selective capital reduction and related expenses	(90,472)	-	-	-	(218)	(90,690)
Dividend on ordinary shares						
- 2nd interim dividend for 2005, paid	-	-	-	-	(13,036)	(13,036)
- Special dividend for 2005, paid	-	-	-	-	(65,179)	(65,179)
- 1st interim dividend for 2006, paid	-	-	-	-	(6,518)	(6,518)
At 31 December 2006	265,928	-	(1,232)	107,839	466,670	839,205

Statements of Changes in Equity for the year ended 31 December 2006 (cont'd)

COMPANY

	Share capital \$'000	Revaluation reserve \$'000	Exchange translation reserve \$'000	Fair value reserve \$'000	Revenue reserve \$'000	Total \$'000
At 1 January 2005	356,400	29,076	-	63,970	445,270	894,716
Exchange adjustment	-	-	(468)	-	-	(468)
Net deficit on revaluation of properties	-	(3,066)	-	-	-	(3,066)
Fair value changes on available- for-sale investments	-	-	-	96,075	-	96,075
Net fair value changes transferred to profit and loss account	-	-	-	(28,364)	-	(28,364)
Net income recognised directly in equity	-	(3,066)	(468)	67,711	-	64,177
Profit for the year	-	-	-	-	64,753	64,753
Total recognised income and expenses for the year	-	(3,066)	(468)	67,711	64,753	128,930
Dividend on ordinary shares						
- 2nd interim dividend for 2004, paid	-	-	-	-	(14,256)	(14,256)
- 1st interim dividend for 2005, paid	-	-	-	-	(7,128)	(7,128)
At 31 December 2005	356,400	26,010	(468)	131,681	488,639	1,002,262

- 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 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 have been no changes to the Company's issued share capital since 30 June 2006.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have 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.**

The Group has 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 2005, except for the early adoption of Financial Reporting Standard (FRS) 40 – Investment Property.

The impact of the change in accounting policy is as follows:-

The adoption of FRS 40 has resulted in an increase in equity as at 1 January 2006 of \$34.7 million at Group level. This is after adjusting for the related deferred taxes. In accordance with the transitional provisions, there is no restatement of the profit and loss account of the Group and the Company for the corresponding periods.

Further, in accordance with the transitional provisions of FRS 40, the revaluation reserve of \$76.4 million at Group level, as at 1 January 2006, arising from investment properties, was adjusted to opening revenue reserve.

- 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.**

Please refer to paragraph 4.

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.**

	4th Quarter (Q4)		Full Year Ended 31 December	
	2006	2005 (Restated)	2006	2005
Basic and Diluted Earnings per share for the period based on Group profit attributable to Equity Holders of the Company :-	30.3 cents	7.5 cents	57.9 cents	19.6 cents

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital 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 :-	31 December 2006	31 December 2005
The Group	\$3.96	\$3.45
The Company	\$2.58	\$2.81

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.

Overall review

The Group's core businesses comprise (a) metals and mineral resources, (b) hotel investment and management, (c) property operations and (d) financial investments.

The Group reported a net profit of \$194.0 million in 2006 compared with \$70.0 million in 2005. The significant improvement was attributable primarily to exceptional gains totalling \$145.8 million in 2006 mainly, from the increase in fair value of the Group's investment properties as well as the divestment of Killinghall (Malaysia) Berhad (Killinghall) and residential properties in Singapore and Malaysia.

Profit before exceptional items however was lower by 4.3% at \$78.7 million in 2006 compared to \$82.3 million in 2005 due to a drop in property rental and dividend income from the Group's investments, lower earnings from Malaysia Smelting Corporation Berhad (MSC) and a much reduced contribution from associates.

Segmental review

Metals and mineral resources

Net earnings of MSC Group fell from RM55.9 million in 2005 to RM41.5 million in 2006. Despite a turnaround in the performance of PT Koba Tin in H2 2006, year-to-date lower production volume and unrealized foreign exchange translation differences due to the strengthening of the Ringgit had resulted in lower overall earnings of MSC Group.

Hotel investment and management

Hotel revenue increased 49.8% from \$72.1 million in 2005 to \$108.1 million in 2006 due to the addition of a number of hotels such as (a) Melbourne, Broome and Port Douglas, Australia in Q4 2005; (b) Auckland, New Zealand in Q3 2006; and (c) 3 contemporary boutique hotels under the Marque brand in Sydney, Brisbane and Canberra, Australia in Q4 2006.

Higher room yields and occupancy rates in Singapore and Perth have also lifted the Group's hotel revenue. However, profit margins for the hotel in Perth were lower due to fixed assets write-off after the closure of two food and beverage outlets.

Property operations

Property revenue fell 15.4% from \$65.7 million in 2005 to \$55.6 million in 2006. Rental income has fallen after the divestments of Australia Place in mid-2005 and China Square Central in early 2006 and the Group's Straits Trading Building was vacated since February 2006 for redevelopment work. In addition, although the Group sold same number of residential units each in 2005 and 2006, the units sold in 2006 were generally smaller in size than in 2005 and lower profits were recorded in 2006.

Straits Media's advertising profit increased substantially to \$0.64 million in 2006 from \$0.17 million in 2005 as market conditions improved. The new site at Keppel Distripark is also generating healthy cash flow.

Financial investments

There was hardly any trading activity in the Group's trading portfolio during the year. The Group however benefited from the rise in equity prices and recorded a \$10.4 million increase in fair value in 2006 compared to \$4.0 million in 2005.

With respect to the Group's long term investments, dividend incomes fell substantially from \$36.8 million in 2005 to \$27.9 million in 2006. The fall was partly due to the disposal of Killinghall and the absence and lower special dividend payouts by some of the Group's investments.

Share of results of associates

Earning contributions from associates were insignificant in 2006 as most profits from Johan Kekal's Federal Hill residential development have been recognized in previous years. The new residential project in Ipoh, Malaysia through Taiko-Straits Developments Sdn Bhd is still at its early stage of development. There were also no contributions from Straits Lion Asset Management Limited (SLAM) and MSC following the Group's divestment in SLAM in Q3 2005 and MSC became a subsidiary of the Group in Q2 2005.

Exceptional Items

The net exceptional gain of \$145.8 million for the current year consisted mainly of the following:

- (a) recognition of fair value increase on the investment properties in the profit and loss account consequent to the adoption of FRS 40 by the Group on 1 January 2006,
- (b) the sale of residential properties and land in Singapore and Malaysia,
- (c) write back of impairment loss on the Singapore hotel property,
- (d) divestment of the Group's investment in Killinghall, interest in a subsidiary which owns the No. 3 Pickering Street property and the disposal of the Group's holding in Raffles Holdings Ltd.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The full year results ended 31 December 2006 are consistent with the prospect statement disclosed in the 2006 3rd quarter financial statements announcement of 10 November 2006.

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.

Metals and mineral resources

Tin prices have increased substantially to beyond US\$13,000 per tonne currently following the clamp-down of small-scale smelters/miners in Bangka Island since October 2006. PT Koba Tin, a 75%-owned subsidiary of MSC and a licenced tin smelter in Bangka Island, benefited from the high tin prices and reported significant improvement in operating results in Q4 2006. Pending the current investigation by the Indonesian authorities (please refer to announcements made by the Company on 24 January 2007 and 12 February 2007), production volume of PT Koba Tin is expected to be affected in Q1 2007.

Hotel investment and management

Hotel profits are expected to rise with new hotels added. The Group's strategy is to continue expanding the portfolio of hotels under both the Rendezvous and the Marque brand names. The Group currently manages 14 hotels, mainly in Australia and New Zealand. Going forward, the expansion will focus on Asia, particularly China.

Property operations

Given the sale of China Square Central and the re-development of Straits Trading Building in Q1 2006, property rental income will continue to be low. The Group will increasingly focus on fee-based property management and property development in the region. In 2007, a majority of the Group's property profits will continue to come from the sale of the Group's residential properties in Singapore.

Financial investments

Activities from our trading portfolio are expected to remain low. Dividend income from our long term investments is expected to be lower than 2006 due to the divestment of a few substantial investments and less special dividend payments from the Group's investment portfolio.

Overall Earnings

The overall earnings of the Group in 2007 are expected to be lower than in 2006 due to the substantial exceptional gains recorded in 2006.

Contingent Liabilities

Since the Company's last announcement on 10 November 2006 of its Q3 interim financial statement, there was no new development on the following outstanding material litigations against the subsidiary, MSC :

- (1) A Writ of Claim for RM45 million plus interest at 8% per annum and legal costs was filed against MSC for an alleged breach of a Share Subscription Agreement made between the Plaintiff and MSC. The breach was in fact committed by the Plaintiff, entitling MSC to terminate the agreement. MSC has filed its Statement of Defence disputing liability. To-date, the Plaintiff has not proceeded further on the case.
- (2) A Writ of Claim was filed against MSC by a system provider for RM1.28 million plus interest at 8% per annum and legal costs for alleged cost overruns in the implementation of an Enterprise Resource Planning System. The Claim came after more than a year following the completion of the implementation. MSC has filed its Statement of Defence disputing liability.

11. Dividend**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Yes.

<i>Name of Dividend</i>	First Interim	Second Interim	Special
<i>Dividend Type</i>	Cash	Cash	Cash
<i>Dividend Amount per Share (in cents)</i>	2 cents per ordinary share (one-tier tax)	4 cents per ordinary share less tax	4 cents per ordinary share less tax
<i>Tax Rate</i>	N.A.	27% (Malaysian tax)	27% (Malaysian tax)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

<i>Name of Dividend</i>	First Interim	Second Interim	Special
<i>Dividend Type</i>	Cash	Cash	Cash
<i>Dividend Amount per Share (in cents)</i>	2 cents per ordinary share (one-tier tax)	4 cents per ordinary share (one-tier tax)	20 cents per ordinary share (one-tier tax)
<i>Tax Rate</i>	N.A.	N.A.	N.A.

(c) Date payableSecond Interim Dividend

The Directors have declared a second interim dividend of 4 cents per share, less Malaysian income tax at 27% in respect of the year ended 31 December 2006, payable on 8 May 2007 to those shareholders on the share register on 25 April 2007.

Special Dividend

The Directors recommended payment of a special dividend of 4 cents per share, less Malaysian income tax at 27% payable on 1 June 2007 to those shareholders on the share register on 23 May 2007, if sanctioned at the forthcoming Annual General Meeting.

(d) Books closure date

Second Interim Dividend

The share register of the Company will be closed from 24 April and 25 April 2007, both dates inclusive, for the preparation of warrants. Registrable transfers received by the Company's Registrars, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), at 8 Cross Street, #11-00 PWC Building, Singapore 048424, up to 5.00 p.m. on 23 April 2007 will be registered before entitlements to the dividend are determined.

Special Dividend

If payment of the special dividend is sanctioned at the Annual General Meeting, the share register of the Company will be closed from 22 May and 23 May 2007, both dates inclusive, for the preparation of warrants. Registrable transfers received by the Company's Registrars, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), at 8 Cross Street, #11-00 PWC Building, Singapore 048424, up to 5.00 p.m. on 21 May 2007 will be registered before entitlements to the dividend are determined.

(e) Annual General Meeting

The Annual General Meeting of the Company will be held at Straits Ballroom, Level 2, Rendezvous Hotel, Singapore, 9 Bras Basah Road, Singapore 189559, on Thursday, 26 April 2007 at 10.00 a.m.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Segment Revenue and Results for the year ended 31 December 2006

2006 Business Segments

	Resources \$'000	Hotel \$'000	Property \$'000	Securities Trading \$'000	Investment Holding \$'000	Corporate/ Others \$'000	Elimination \$'000	Consolidated \$'000
Segment Revenue								
Revenue from external	705,753	108,068	55,592	4,419	25,315	-	-	899,147
Inter-segment revenue	-	-	734	-	-	-	(734)	-
Other revenues	3,733	-	(6)	10,881	-	7,865	-	22,473
Total revenues	709,486	108,068	56,320	15,300	25,315	7,865	(734)	921,620
Segment result	25,774	5,867	13,034	12,771	25,177	8,006	-	90,629
Unallocated expenses								(1,443)
Profit from operations								89,186
Finance costs	(11,127)		(1,782)					(12,909)
Share of results of joint ventures		43						43
Share of results of associates	305		2,088					2,393
Profit before exceptional items								78,713
Exceptional items	28	7,329	98,434		27,267	12,764		145,822
Profit before taxation								224,535
Taxation								(26,662)
Profit for the year								197,873
Attributable to :								
Equity holders of the Company								194,018
Minority interests								3,855
								197,873

2006 Geographical Segments

	Singapore \$'000	Malaysia \$'000	Indonesia \$'000	Australia \$'000	Corporate/ Others \$'000	Elimination \$'000	Consolidated \$'000
Segment Revenue							
Revenue from external	117,748	713,656	1,421	80,110	8,685	-	921,620
Inter-segment revenue	793	566	274,918	-	-	(276,277)	-
Total revenues	118,541	714,222	276,339	80,110	8,685	(276,277)	921,620

Segment Revenue and Results for the year ended 31 December 2006 (cont'd)

2005 Business Segments

	Resources \$'000	Hotel \$'000	Property \$'000	Securities Trading \$'000	Investment Holding \$'000	Corporate/ Others \$'000	Elimination \$'000	Consolidated \$'000
Segment Revenue								
Revenue from external	552,952	72,145	65,679	6,864	34,555	-	-	732,195
Inter-segment revenue	-	-	639	-	-	-	(639)	-
Other revenues	6,423	-	24	3,822	-	1,900	-	12,169
Total revenues	559,375	72,145	66,342	10,686	34,555	1,900	(639)	744,364
Segment result	18,164	2,475	29,593	4,902	31,829	1,900	-	88,863
Unallocated expenses								(1,350)
Profit from operations								87,513
Finance costs	(4,526)		(9,822)			(2)		(14,350)
Share of results of joint ventures		166						166
Share of results of associates	3,785		2,793			2,354		8,932
Profit before exceptional items								82,261
Exceptional items		4,673	(24,266)		22,758	5,753		8,918
Profit before taxation								91,179
Taxation								(18,583)
Profit for the year								72,596
Attributable to :								
Equity holders of the Company								70,003
Minority interests								2,593
								72,596

2005 Geographical Segments

	Singapore \$'000	Malaysia \$'000	Indonesia \$'000	Australia \$'000	Corporate/ Others \$'000	Elimination \$'000	Consolidated \$'000
Segment Revenue							
Revenue from external	115,287	563,507	6,067	58,701	802	-	744,364
Inter-segment revenue	807	-	197,673	-	-	(198,480)	-
Total revenues	116,094	563,507	203,740	58,701	802	(198,480)	744,364

14. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8.

15. **A breakdown of revenues and profit after tax.**

	2006 \$'000	2005 \$'000 (Restated)	+ or (-) %
(a) <i>Total revenues reported for first half year</i>	386,638	270,170	43.1
(b) <i>Profit after tax before deducting minority interests reported for first half year</i>	66,508	55,182	20.5
(c) <i>Total revenues reported for second half year</i>	534,982	474,194	12.8
(d) <i>Profit after tax before deducting minority interests reported for second half year</i>	131,365*	17,414	654.4

* Included net fair value increase on investment properties consequent to the adoption of FRS 40 on 1 January 2006.

16. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details)

	<i>Latest Full Year (\$'000)</i>	<i>Previous Full Year (\$'000)</i>
<i>Ordinary</i>	25,550 [∅]	85,343 [#]
<i>Total:</i>	25,550 [∅]	85,343 [#]

[∅] Including special dividend of 4 cents per share (totalling \$9.516 million, net of 27% tax) payable on 1 June 2007, if sanctioned at the forthcoming Annual General Meeting.

[#] Included special dividend of 20 cents per share (totalling \$65.179 million) paid on 1 June 2006.

BY ORDER OF THE BOARD

Emily Teo (Ms)
Secretary

22 February 2007
Singapore