



THE STRAITS TRADING COMPANY LIMITED

Company Registration No.: 188700008D

The Straits Trading Group

Financial Highlights

- Profit before exceptional items increased from \$14.3 million in Q3 2006 to \$16.0 million in Q3 2007 due to better operational results from all core businesses except for property with the absence of sale of condominium units. Net earnings, however, were lower at \$9.8 million in Q3 2007 compared with \$31.1 million in Q3 2006 as the latter included an exceptional gain of \$27.1 million from the disposal of properties in Singapore and Malaysia.
- Year to date, the Group reported substantially higher net earnings of \$300.6 million compared with \$95.4 million in the previous corresponding period contributed mainly by the recognition of substantial fair value surpluses recorded in Q2 2007. The higher earnings were also boosted by better operational results from all business units except for investment income which had declined slightly.
- Net Asset Value per share rose from \$3.96 in December 2006 to \$5.07 in September 2007, aided further by the increase in fair value of the Group's financial investments.

| \$ million | Q3 2007 | Q3 2006 | + / (-) % | YTD 2007 (9 mths) | YTD 2006 (9 mths) | + / (-) % |
|--|--------------|---------|--------------|----------------------|----------------------|--------------|
| Total Revenues | 269.9 | 219.5 | 23.0 | 727.0 | 608.1 | 19.6 |
| Profit from Operations Before Taxation | 16.0 | 41.4 | (61.3) | 344.1 | 112.5 | 206.0 |
| Profit from Operations Before Exceptional Items | 16.0 | 14.3 | 11.8 | 73.9 | 47.1 | 56.8 |
| Profit Attributable to Equity Holders of the Company | 9.8 | 31.1 | (68.5) | 300.6 | 95.4 | 214.9 |

| | | | | | | |
|--------------------|------------------|-----------|--|-------------------|------------|--|
| Earnings per Share | 3.0 cents | 9.5 cents | | 92.2 cents | 28.2 cents | |
|--------------------|------------------|-----------|--|-------------------|------------|--|

| | As at 30.9.2007 | As at 31.12.2006 |
|--|------------------------|---------------------|
| Equity Attributable to Equity Holders of the Company | \$1,652,278,000 | \$1,289,322,000 |
| Net Asset Value per Share | \$5.07 | \$3.96 |

N.B.: All in Singapore dollars.

The Straits Trading Company Limited (Company Registration No. : 188700008D)**Third Quarter and Nine Months Financial Statement for the Period Ended 30 September 2007****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 3rd quarter and nine months ended 30 September 2007 are as follows :-

| | 3rd Quarter (Q3) | | Nine Months Ended 30 September | |
|--|------------------|------------------|-----------------------------------|------------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| Revenues | | | | |
| Tin mining and smelting revenue | 214,015 | 170,352 | 517,857 | 466,229 |
| Hotel revenue | 39,026 | 25,183 | 111,968 | 71,156 |
| Property revenue | 10,349 | 15,117 | 56,710 | 39,386 |
| Proceeds from sale of trading securities | 1,166 | - | 4,189 | 1,786 |
| Investment income, gross | 4,122 | 2,350 | 11,894 | 13,377 |
| Fair value changes of financial assets | (1,997) | 2,195 | 14,904 | 3,320 |
| Other revenues including interest income | 3,245 | 4,291 | 9,518 | 12,877 |
| Total Revenues | 269,926 | 219,488 | 727,040 | 608,131 |
| Costs and Expenses | | | | |
| Employee benefits expenses | (20,446) | (16,265) | (63,728) | (46,212) |
| Depreciation and amortisation | (4,232) | (5,437) | (13,930) | (14,485) |
| Exchange (losses)/gains | (614) | 107 | (1,545) | (2,590) |
| Cost of tin mining and smelting | (178,219) | (152,868) | (432,912) | (411,269) |
| Costs of trading securities sold | (1,108) | - | (3,803) | (1,768) |
| Other operating expenses | (47,320) | (28,721) | (132,420) | (78,397) |
| Total Costs and Expenses | (251,939) | (203,184) | (648,338) | (554,721) |
| Profit from Operations | 17,987 | 16,304 | 78,702 | 53,410 |
| Finance costs | (2,121) | (2,306) | (5,369) | (8,390) |
| Share of results of joint ventures | 21 | (59) | 83 | 33 |
| Share of results of associates | 114 | 368 | 435 | 2,057 |
| Profit from Operations Before Exceptional Items | 16,001 | 14,307 | 73,851 | 47,110 |
| Exceptional items | 32 | 27,087 | 270,239 | 65,354 |
| Profit from Operations Before Taxation | 16,033 | 41,394 | 344,090 | 112,464 |
| Taxation | (5,095) | (9,243) | (39,791) | (13,805) |
| Profit for the period | 10,938 | 32,151 | 304,299 | 98,659 |
| Attributable to : | | | | |
| Equity holders of the Company | 9,776 | 31,063 | 300,551 | 95,430 |
| Minority interests | 1,162 | 1,088 | 3,748 | 3,229 |
| | 10,938 | 32,151 | 304,299 | 98,659 |

- Exceptional Items comprise :-

| | 3rd Quarter (Q3) | | Nine Months Ended 30 September | |
|--|------------------------------|----------------|-----------------------------------|----------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| (a) Net surplus on disposal of investments | - | 20 | 6,119 | 18,070 |
| (b) Net surplus on disposal of a subsidiary | - | - | - | 11,856 |
| (c) Net gain on disposal of properties | 32 | 27,067 | 2,037 | 28,377 |
| (d) Fair value changes of investment properties | - | - | 262,083 | 6,957 |
| (e) Compensation award on land acquired | - | - | - | 94 |
| | 32 | 27,087 | 270,239 | 65,354 |

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 30 September 2007

| | GROUP | | COMPANY | |
|---|--------------------------|----------------------|--------------------------|----------------------|
| | 30 September 2007 | 31 December 2006 | 30 September 2007 | 31 December 2006 |
| | \$'000 | \$'000 (Restated) | \$'000 | \$'000 (Restated) |
| Non-Current Assets | | | | |
| Property, plant and equipment | 207,917 | 211,564 | 172 | 105 |
| Investment properties | 695,875 | 416,353 | 101,430 | 76,575 |
| Base inventory | 1,309 | 1,303 | - | - |
| Investments in subsidiaries | - | - | 120,470 | 120,191 |
| Amounts due from subsidiaries | - | - | 82,135 | 75,920 |
| Joint ventures | 307 | 204 | - | - |
| Associates | 11,435 | 18,908 | 3,585 | 3,585 |
| Investments | 385,735 | 304,128 | 286,284 | 212,106 |
| Mining rights | 1,985 | 3,076 | - | - |
| Management rights | 865 | 940 | - | - |
| Deferred tax assets | 8,400 | 8,626 | - | - |
| Goodwill on consolidation | 23,342 | 23,249 | - | - |
| Other non-current assets | 11,820 | 6,358 | - | - |
| | ----- | ----- | ----- | ----- |
| | 1,348,990 | 994,709 | 594,076 | 488,482 |
| | ----- | ----- | ----- | ----- |
| Current Assets | | | | |
| Properties held for sale | 13,677 | 23,681 | - | - |
| Inventories | 142,099 | 132,267 | - | - |
| Marketable securities | 90,058 | 69,236 | - | - |
| Trade and other receivables | 102,873 | 86,152 | 2,515 | 1,171 |
| Amounts due from subsidiaries | - | - | 348,833 | 381,049 |
| Tax recoverables | 9,703 | 8,928 | - | 5 |
| Other financial assets | 901 | 835 | - | - |
| Cash at bank and on deposit | 346,519 | 335,199 | 266,433 | 261,428 |
| | ----- | ----- | ----- | ----- |
| | 705,830 | 656,298 | 617,781 | 643,653 |
| Assets classified as held for sale | 305 | 7,020 | 305 | - |
| | ----- | ----- | ----- | ----- |
| | 706,135 | 663,318 | 618,086 | 643,653 |
| Current Liabilities | | | | |
| Borrowings | (159,456) | (148,831) | - | - |
| Trade and other payables | (61,962) | (67,946) | (3,471) | (3,458) |
| Amounts due to subsidiaries | - | - | (254,971) | (285,116) |
| Other financial liabilities | (2,646) | (4,044) | (147) | (70) |
| Provision for taxation | (20,108) | (16,911) | (1,650) | (2,044) |
| Provisions | (39) | (36) | - | - |
| | ----- | ----- | ----- | ----- |
| | (244,211) | (237,768) | (260,239) | (290,688) |
| | ----- | ----- | ----- | ----- |
| Net Current Assets | 461,924 | 425,550 | 357,847 | 352,965 |
| | ----- | ----- | ----- | ----- |
| Non-Current Liabilities | | | | |
| Borrowings | (4,581) | (32) | - | - |
| Provisions | (6,382) | (6,056) | - | - |
| Other non-current liabilities | (40,531) | (44,514) | - | - |
| Deferred tax liabilities | (52,504) | (28,687) | (354) | (2,242) |
| | ----- | ----- | ----- | ----- |
| | (103,998) | (79,289) | (354) | (2,242) |
| | ----- | ----- | ----- | ----- |
| NET ASSETS | 1,706,916 | 1,340,970 | 951,569 | 839,205 |
| | ===== | ===== | ===== | ===== |
| Equity attributable to equity holders of the Company | | | | |
| Share capital | 265,928 | 265,928 | 265,928 | 265,928 |
| Reserves | 1,386,350 | 1,023,394 | 685,641 | 573,277 |
| | ----- | ----- | ----- | ----- |
| | 1,652,278 | 1,289,322 | 951,569 | 839,205 |
| Minority Interests | 54,638 | 51,648 | - | - |
| | ----- | ----- | ----- | ----- |
| TOTAL EQUITY | 1,706,916 | 1,340,970 | 951,569 | 839,205 |
| | ===== | ===== | ===== | ===== |

(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 30/9/2007 | | As at 31/12/2006 | |
|------------------------|---------------|-------------------------|---------------|
| Secured | Unsecured | Secured | Unsecured |
| - | \$159,456,000 | \$13,000 | \$148,818,000 |

Amount repayable after one year

| As at 30/9/2007 | | As at 31/12/2006 | |
|------------------------|-------------|-------------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| - | \$4,581,000 | \$32,000 | - |

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 3rd quarter and nine months ended 30 September 2007

| | 3rd Quarter (Q3) | | Nine Months Ended 30 September | |
|---|------------------|-----------------|-----------------------------------|------------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| Cash flow from operating activities : | | | | |
| Profit from operations | 17,987 | 16,304 | 78,702 | 53,410 |
| Adjustments for : | | | | |
| Interest income | (2,241) | (2,365) | (6,795) | (6,616) |
| Investment income | (4,122) | (2,350) | (11,894) | (13,377) |
| Depreciation of property, plant and equipment | 3,799 | 3,892 | 11,110 | 11,334 |
| Gain on disposal of property, plant and equipment | (15) | - | (53) | (92) |
| Property, plant and equipment written off | 1 | 642 | 11 | 672 |
| Amortisation of mining rights | 331 | 408 | 1,012 | 1,236 |
| Amortisation of management rights | 49 | 46 | 145 | 138 |
| Amortisation of exploration and development cost | 49 | 1,086 | 1,654 | 1,772 |
| Amortisation of deferred income | (907) | (1,679) | (2,719) | (3,684) |
| Amortisation of club membership | 2 | 5 | 7 | 5 |
| Changes in fair value on financial assets | 1,997 | (2,195) | (14,904) | (3,320) |
| Provision for mine reclamation cost | 334 | - | 1,009 | 481 |
| Provision for employee benefits | 745 | 109 | 2,252 | 782 |
| Write back of doubtful debts | (55) | (21) | (429) | (325) |
| Exploration costs written off | - | 246 | - | 602 |
| Share-based payments | - | 40 | - | 40 |
| Operating profit before working capital changes | 17,954 | 14,168 | 59,108 | 43,058 |
| Decrease in properties held for sale | 32 | 2,730 | 10,004 | 6,187 |
| (Increase)/Decrease in inventories | (10,937) | (9,467) | (9,832) | 22,598 |
| (Increase)/Decrease in marketable securities | (5,146) | (527) | (4,348) | 93 |
| Increase in trade and other receivables | (11,565) | (8,636) | (17,434) | (52,343) |
| (Decrease)/Increase in trade and other payables | (1,619) | 8,284 | (9,553) | (1,699) |
| Cash (used in)/generated from operations | (11,281) | 6,552 | 27,945 | 17,894 |
| Interest expense | (1,508) | (1,866) | (5,469) | (7,193) |
| Income tax (paid)/refund | (5,696) | 2,576 | (15,885) | (6,963) |
| Investment income | 4,122 | 2,350 | 11,894 | 13,377 |
| Dividends from associates | 8,005 | - | 8,005 | 21 |
| Interest income | 2,219 | 2,366 | 7,320 | 6,691 |
| Net cash flow (used in)/from operating activities | (4,139) | 11,978 | 33,810 | 23,827 |
| Cash flow from investing activities : | | | | |
| Proceeds from sale of property, plant and equipment | 983 | 13,819 | 9,250 | 33,161 |
| Proceed from sale of property | - | - | - | 390,000 |
| Net cash flow from disposal of a subsidiary | - | - | - | 17,270 |
| Cost incurred on property, plant and equipment | (6,019) | (6,611) | (14,303) | (13,868) |
| Sale proceeds from investments | - | 112 | 8,197 | 53,128 |
| Purchase of investments | - | (248) | (908) | (442) |
| Net cash outflow on acquisition of a subsidiary (see note) | - | - | (182) | - |
| Payment of deferred mine development and exploration expenditure | (3,732) | (734) | (6,941) | (1,200) |
| Cost incurred on investment properties | (4,053) | (198) | (6,236) | (339) |
| Purchase of club membership | - | - | - | (139) |
| Acquisition of minority interests | - | (46,011) | - | (46,011) |
| Compensation award on land acquired | - | 94 | - | 94 |
| Subscription of shares in an associate | - | (2,473) | - | (2,473) |
| Net cash flow (used in)/from investing activities | (12,821) | (42,250) | (11,123) | 429,181 |
| Cash flow from financing activities : | | | | |
| Increase in borrowings/(loan repayment) | 32,314 | (837) | 15,174 | (219,874) |
| (Increase)/Decrease in amount due from a joint venture | (3) | (1) | 141 | 61 |
| Payment of dividends to minority shareholders of subsidiaries | - | (946) | (806) | (2,589) |
| Payment of dividends to shareholders | (5,948) | (6,518) | (24,980) | (84,733) |
| Payment pursuant to selective capital reduction and related expenses | - | - | - | (90,690) |
| Net cash flow from/(used in) financing activities | 26,363 | (8,302) | (10,471) | (397,825) |
| Net increase/(decrease) in cash and cash equivalents | 9,403 | (38,574) | 12,216 | 55,183 |
| Cash and cash equivalents at beginning of financial period | 340,259 | 251,483 | 335,199 | 159,719 |
| Effects of exchange rate changes on balances held in foreign currencies | (3,143) | (280) | (896) | (2,273) |
| Cash and cash equivalents at 30 September | 346,519 | 212,629 | 346,519 | 212,629 |
| Cash and cash equivalents at 30 September consist of : | | | | |
| Cash at bank and on deposit | 346,519 | 212,629 | 346,519 | 212,629 |

Note: Acquisition of a Subsidiary

The fair value of the identifiable assets and liabilities of the subsidiary as at the date of acquisition was :

| | <u>Recognised on acquisition</u> \$'000 | <u>Carrying amount before combination</u> \$'000 |
|---------------------------------|--|---|
| Other receivable | 304 | 304 |
| Net identifiable asset | 304 | 304 |
| Minority interests | (122) | |
| Total purchase consideration | 182 | |
| Cash outflow on acquisition : | | |
| Cash paid | (182) | |
| Net cash at bank acquired | - | |
| Net cash outflow on acquisition | (182) | |

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 period ended 30 September 2007

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 1 January 2007 | 265,928 | 927 | (10,651) | 147,642 | 33 | 885,443 | 1,023,394 | 51,648 | 1,340,970 |
| Exchange adjustment | - | - | 1,668 | - | - | - | 1,668 | 364 | 2,032 |
| Profit for 1st quarter | - | - | - | - | - | 55,446 | 55,446 | 721 | 56,167 |
| Net fair value changes on available-for-sale investments | - | - | - | 54,500 | - | - | 54,500 | (7) | 54,493 |
| Net fair value changes transferred to profit and loss account | - | - | - | (495) | - | - | (495) | - | (495) |
| Net fair value changes on cash flow hedges | - | - | - | (216) | - | - | (216) | (46) | (262) |
| Dividend on ordinary shares - 2nd interim dividend for 2006, payable | - | - | - | - | - | (9,516) | (9,516) | - | (9,516) |
| At 31 March 2007 | 265,928 | 927 | (8,983) | 201,431 | 33 | 931,373 | 1,124,781 | 52,680 | 1,443,389 |
| Exchange adjustment | - | - | 5,721 | - | - | - | 5,721 | 360 | 6,081 |
| Profit for 2nd quarter | - | - | - | - | - | 235,329 | 235,329 | 1,865 | 237,194 |
| Net fair value changes on available-for-sale investments | - | - | - | 48,846 | - | - | 48,846 | (15) | 48,831 |
| Net fair value changes transferred to profit and loss account | - | - | - | (3,380) | - | - | (3,380) | - | (3,380) |
| Net fair value changes on cash flow hedges | - | - | - | 1,155 | - | - | 1,155 | 776 | 1,931 |
| Dividend on ordinary shares - Special dividend for 2006, paid | - | - | - | - | - | (9,516) | (9,516) | - | (9,516) |
| Dividend to minority shareholders of a subsidiary | - | - | - | - | - | - | - | (806) | (806) |
| Minority interests arising from acquisition of a subsidiary | - | - | - | - | - | - | - | 122 | 122 |
| Shares issued to a minority shareholder by a subsidiary | - | - | - | - | - | - | - | 49 | 49 |
| At 30 June 2007 | 265,928 | 927 | (3,262) | 248,052 | 33 | 1,157,186 | 1,402,936 | 55,031 | 1,723,895 |

Statements of Changes in Equity for the period ended 30 September 2007 (cont'd)

GROUP

| | Attributable to equity holders of the Company | | | | | | Total reserves \$'000 | Minority interests \$'000 | 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 | | | |
| Exchange adjustment | - | - | (2,558) | - | - | - | (2,558) | (994) | (3,552) |
| Profit for 3rd quarter | - | - | - | - | - | 9,776 | 9,776 | 1,162 | 10,938 |
| Net fair value changes on available-for-sale investments | - | - | - | (18,053) | - | - | (18,053) | 24 | (18,029) |
| Net fair value changes on cash flow hedges | - | - | - | 197 | - | - | 197 | (64) | 133 |
| Dividend on ordinary shares - 1 st interim dividend for 2007, paid | - | - | - | - | - | (5,948) | (5,948) | - | (5,948) |
| Dividend to minority shareholders of a subsidiary, payable | - | - | - | - | - | - | - | (521) | (521) |
| At 30 September 2007 | 265,928 | 927 | (5,820) | 230,196 | 33 | 1,161,014 | 1,386,350 | 54,638 | 1,706,916 |

Statements of Changes in Equity for the period ended 30 September 2007 (cont'd)

GROUP

| | Attributable to equity holders of the Company | | | | | | | | |
|---|---|---------------------|------------------------------|--------------------|-----------------------------|-----------------|----------------|--------------------|--------------|
| | Share capital | Revaluation reserve | Exchange translation reserve | Fair value reserve | Share-based payment reserve | Revenue reserve | Total reserves | Minority interests | Total equity |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'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 : | | | | | | | | | |
| FRS 40 | | | | | | | | | |
| 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 | - | - | (3,354) | - | - | - | (3,354) | (392) | (3,746) |
| Exchange loss transferred to profit and loss account | - | - | 10,977 | - | - | - | 10,977 | - | 10,977 |
| Profit for 1st quarter | - | - | - | - | - | 42,938 | 42,938 | 1,474 | 44,412 |
| Net fair value changes on available-for-sale investments | - | - | - | 76,568 | - | - | 76,568 | (13) | 76,555 |
| Net fair value changes transferred to profit and loss account | - | - | - | (25,400) | - | - | (25,400) | - | (25,400) |
| Net fair value changes on cash flow hedges | - | - | - | 1,234 | - | - | 1,234 | 1,612 | 2,846 |
| Minority interest on disposal of a subsidiary | - | - | - | - | - | - | - | 7,254 | 7,254 |
| Dividend to minority shareholders of subsidiary | - | - | - | - | - | - | - | (1,643) | (1,643) |
| Dividend on ordinary shares - 2nd interim dividend for 2005, payable | - | - | - | - | - | (13,036) | (13,036) | - | (13,036) |
| At 31 March 2006 | 356,400 | 1,147 | (10,359) | 200,558 | 33 | 806,278 | 997,657 | 64,712 | 1,418,769 |

Statements of Changes in Equity for the period ended 30 September 2007 (cont'd)

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 |
| Exchange adjustment | - | - | (1,937) | - | - | - | (1,937) | (974) | (2,911) |
| Profit for 2nd quarter | - | - | - | - | - | 21,429 | 21,429 | 667 | 22,096 |
| Net fair value changes on available-for-sale investments | - | - | - | (57,202) | - | - | (57,202) | (8) | (57,210) |
| Net fair value changes transferred to profit and loss account | - | - | - | (231) | - | - | (231) | - | (231) |
| Net fair value changes on cash flow hedges | - | - | - | 936 | - | - | 936 | 832 | 1,768 |
| Reduction of share capital pursuant to selective capital reduction and related expenses | (90,472) | - | - | - | - | (218) | (218) | - | (90,690) |
| Dividend on ordinary shares - Special dividend for 2005, paid | - | - | - | - | - | (65,179) | (65,179) | - | (65,179) |
| At 30 June 2006 | 265,928 | 1,147 | (12,296) | 144,061 | 33 | 762,310 | 895,255 | 65,229 | 1,226,412 |
| Exchange adjustment | - | - | (598) | - | - | - | (598) | (468) | (1,066) |
| Profit for 3rd quarter | - | - | - | - | - | 31,063 | 31,063 | 1,088 | 32,151 |
| Net fair value changes on available-for-sale investments | - | - | - | (4,119) | - | - | (4,119) | (10) | (4,129) |
| Net fair value changes on cash flow hedges | - | - | - | (593) | - | - | (593) | (443) | (1,036) |
| Fair value of options issued by a subsidiary company | - | - | - | - | 17 | - | 17 | 23 | 40 |
| Acquisition of minority interest | - | - | - | - | - | - | - | (37,283) | (37,283) |
| Dividend to minority shareholders of a subsidiary company | - | - | - | - | - | - | - | (946) | (946) |
| Dividend on ordinary shares - 1 st interim dividend for 2006, paid | - | - | - | - | - | (6,518) | (6,518) | - | (6,518) |
| At 30 September 2006 | 265,928 | 1,147 | (12,894) | 139,349 | 50 | 786,855 | 914,507 | 27,190 | 1,207,625 |

Statements of Changes in Equity for the period ended 30 September 2007 (cont'd)

COMPANY

| | Share capital \$'000 | Exchange translation reserve \$'000 | Fair value reserve \$'000 | Revenue reserve \$'000 | Total \$'000 |
|---|-------------------------------------|--|--|---------------------------------------|-------------------------|
| At 1 January 2007 | 265,928 | (1,232) | 107,839 | 466,670 | 839,205 |
| Exchange adjustment | - | 456 | - | - | 456 |
| Fair value changes on available-for-sale investments | - | - | 45,569 | - | 45,569 |
| Profit for 1st quarter | - | - | - | 6,348 | 6,348 |
| Dividend on ordinary shares - 2nd interim dividend for 2006, payable | - | - | - | (9,516) | (9,516) |
| At 31 March 2007 | 265,928 | (776) | 153,408 | 463,502 | 882,062 |
| Exchange adjustment | - | 528 | - | - | 528 |
| Fair value changes on available-for-sale investments | - | - | 40,199 | - | 40,199 |
| Fair value changes transferred to profit and loss account | - | - | (2,639) | - | (2,639) |
| Profit for 2nd quarter | - | - | - | 42,855 | 42,855 |
| Dividend on ordinary shares - Special dividend for 2006, paid | - | - | - | (9,516) | (9,516) |
| At 30 June 2007 | 265,928 | (248) | 190,968 | 496,841 | 953,489 |
| Exchange adjustment | - | (737) | - | - | (737) |
| Fair value changes on available-for-sale investments | - | - | (8,065) | - | (8,065) |
| Profit for 3rd quarter | - | - | - | 12,830 | 12,830 |
| Dividend on ordinary shares - 1st interim dividend for 2007, paid | - | - | - | (5,948) | (5,948) |
| At 30 September 2007 | 265,928 | (985) | 182,903 | 503,723 | 951,569 |

Statements of Changes in Equity for the period ended 30 September 2007 (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 |
| <u>FRS 40</u> 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 | - | - | (25) | - | - | (25) |
| Fair value changes on available-for-sale investments | - | - | - | 49,756 | - | 49,756 |
| Net fair value changes transferred to profit and loss account | - | - | - | (41,498) | - | (41,498) |
| Profit for 1st quarter | - | - | - | - | 44,436 | 44,436 |
| Cancellation of subsidiaries' indebtedness | - | - | - | - | (119,658) | (119,658) |
| Dividend on ordinary shares - 2nd interim dividend for 2005, payable | - | - | - | - | (13,036) | (13,036) |
| At 31 March 2006 | 356,400 | - | (493) | 139,939 | 456,109 | 951,955 |
| Exchange adjustment | - | - | (715) | - | - | (715) |
| Profit for 2nd quarter | - | - | - | - | 9,850 | 9,850 |
| Fair value changes on available- for-sale investments | - | - | - | (36,216) | - | (36,216) |
| Reduction of share capital pursuant to selective capital reduction and related expenses | (90,472) | - | - | - | (218) | (90,690) |
| Dividend on ordinary shares - Special dividend for 2005, paid | - | - | - | - | (65,179) | (65,179) |
| At 30 June 2006 | 265,928 | - | (1,208) | 103,723 | 400,562 | 769,005 |
| Exchange adjustment | - | - | (458) | - | - | (458) |
| Profit for 3rd quarter | - | - | - | - | 12,584 | 12,584 |
| Fair value changes on available- for-sale investments | - | - | - | (3,584) | - | (3,584) |
| Dividend on ordinary shares - 1 st interim dividend for 2006, paid | - | - | - | - | (6,518) | (6,518) |
| At 30 September 2006 | 265,928 | - | (1,666) | 100,139 | 406,628 | 771,029 |

- 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.**

Not applicable.

- 1(e) Negative assurance confirmation on interim financial results pursuant to Rule 705(4) of the SGX's Listing Manual.**

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the third quarter 2007 financial results to be false or misleading in any material aspect.

- 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 2006, as well as adoption of various relevant new or revised Financial Reporting Standard (FRS) and Interpretations to FRS (INT FRS) which become effective for the financial year beginning on or after 1 January 2007.

- 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 adoption of the new or revised FRS or INT FRS does not have any material financial impact on the Group and the Company.

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.**

| | 3rd Quarter (Q3) | | Nine Months Ended 30 September | |
|--|------------------|-----------|-----------------------------------|------------|
| | 2007 | 2006 | 2007 | 2006 |
| Basic and Diluted Earnings per share for the period based on Group profit attributable to Equity Holders of the Company :- | 3.0 cents | 9.5 cents | 92.2 cents | 28.2 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 :- | 30 September 2007 | 31 December 2006 |
|--|-------------------|------------------|
| The Group | \$5.07 | \$3.96 |
| The Company | \$2.92 | \$2.58 |

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.

Profit before exceptional items increased from \$14.3 million in Q3 2006 to \$16.0 million in Q3 2007 due to better operational results from all core businesses except for property with the absence of sale of condominium units. Net earnings, however, were lower at \$9.8 million in Q3 2007 compared with \$31.1 million in Q3 2006 as the latter included an exceptional gain of \$27.1 million from the disposal of properties in Singapore and Malaysia.

Year to date, the Group reported substantially higher net earnings of \$300.6 million compared with \$95.4 million in the previous corresponding period contributed mainly by the recognition of substantial fair value surpluses recorded in Q2 2007. The higher earnings were also boosted by better operational results from all business units except for investment income which had declined slightly.

Segmental review

Metals and mineral resources

Malaysia Smelting Corporation Berhad (MSC) reported a slightly higher net profit of RM7.5 million in Q3 2007 compared with RM7.3 million in Q3 2006 due to higher tin prices. The improvement however was offset by lower production and higher tax charge. Although MSC's principal subsidiary, PT Koba Tin had resumed operations in August 2007, its small scale mining activity within its Contract of Work area (COW) was much lower under a new sub-contracting arrangement. The latest revision in the provincial forestry boundary resulting in an enlarged production forest area within the COW's boundary had also restricted small scale mining operations. MSC Group incurred an unrealised loss of \$2.1 million arising from the changes in fair value in the hedging of the future sale of tin contracts compared with a \$0.5 million loss in Q3 2006.

Hotel investment and management

Hotel revenue increased 55.0% from \$25.2 million in Q3 2006 to \$39.0 million in Q3 2007 as a number of Rendezvous and Marque hotels were added only in the later part of 2006. Significant increase in room rates have boosted revenue of Perth and Singapore hotels. Average room rates in Singapore increased as strong tourist arrivals led to tight room supply. Perth Hotel had also seen a higher volume of group inbound and aircrew sales and room rates had increased across all market segments.

Hotel earnings for Q3 2007, from Singapore, Perth, Broome and Melbourne were substantially higher than Q3 2006. Total hotel contribution was higher compared with Q3 2006 despite losses incurred by the hotel in Auckland. The Group took over the management of the Auckland hotel in September 2006 under a lease contract. The hotel losses reflected room sales that were below expectation partly due to a weaker corporate and leisure market.

Property operations

Property revenue fell 31.5% from \$15.1 million in Q3 2006 to \$10.3 million in Q3 2007 as there was no sale of residential units in Singapore. Rental income however improved with higher rates for new/renewal leases.

Financial investments

Similar to Q3 2006, minimal profit was reported from the sale of trading securities in Q3 2007. The Group continued to record a small \$0.1 million increase in fair value on its trading securities in Q3 2007 while the increase in Q3 2006 was \$2.7 million.

On the other hand, dividend income from Group's investments increased by 75.4% from \$2.4 million in Q3 2006 to \$4.1 million in Q3 2007, mainly due to higher and special dividend payouts from some of the Group's investments.

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 2007 2nd quarter financial statements announcement made on 14 August 2007.

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

With the reduction in PT Koba Tin's production to about 1,000 tonnes per month, PT Koba Tin is in the process of undertaking a major cost rationalization programme to improve its operating efficiency. Performance of PT Koba Tin is expected to improve progressively as the benefits of the on-going rationalization programme are being realised.

The Group's investment focus remains in tin, coal and gold. Recently, MSC entered into (a) an agreement to collaborate with Metal Resources Capital Limited and expand the Group's tin operations in Indonesia, and (b) a Joint Venture Agreement with Guangxi Guilin Jinwei Realty Co., Ltd. and Vertex Metals Incorporation to smelt and refine tin, and produce and sell tin and tin-based products in the People's Republic of China.

Hotel investment and management

Measures have been put in place, including the refurbishment of the banquet facilities, to ensure the turnaround of the Auckland hotel and to improve the performance of the Broome and Port Douglas hotels. These included taking sales and marketing initiatives with strong yield and cost controls. Room yield is expected to improve further once refurbishments are completed at Port Douglas and the three new Marque hotels.

Hotel operations are expected to further improve when the new hotels in Guilin and Christchurch commence operations in 2008.

Property operations

The Group's rental income is expected to continue to improve in tandem with the rising rental market for residential and commercial properties in Singapore.

The Group is also exploring some development projects outside Singapore. In certain strategic cities, the Group's property team may partner with the hotel operation to embark on hotel /mixed development work to expand the Group's hotel portfolio.

Financial investments

Activities from the trading securities are expected to remain low and dividend income from investments is likely to be lower for 2007 due to the smaller investment portfolio. The Group is expected to report a substantial exceptional gain in Q4 2007 arising from the mergers of Sime Darby Berhad and Golden Hope Plantations Bhd in which the Group has investments in.

Contingent Liabilities

Since the Company's last announcement on 14 August 2007 of its Q2 interim financial statement, there was no new development on the following outstanding material litigations against the subsidiary, MSC :

- (a) A claim from a party against MSC and three others, seeking a declaration that the award for the sale of 100% issued shares of Rahman Hydraulic Tin Sdn. Bhd. (RHT) to MSC pursuant to an open tender process, be declared null and void. The party also filed an injunction to restrain the Administrator of RHT from proceeding with the sale. Both the claim and the injunction were dismissed by the High Court with costs. The party had filed an appeal on 8 March 2005 and no date has been fixed for hearing.
- (b) A statement 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 had filed its Statement of Defence on 18 November 2005 disputing liability. To-date, the Plaintiff had not proceeded further on the case.
- (c) On 7 February 2006, MSC received a statement of claim from 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 had 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?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared for the third quarter ended 30 September 2007.

BY ORDER OF THE BOARD

Victoria Tse (Mrs)

Secretary

9 November 2007

Singapore