



# THE STRAITS TRADING COMPANY LIMITED

Company Registration No.: 188700008D

## The Straits Trading Group

### Financial Highlights

- Full year 2004 operating profit before exceptional items increased 24.7% to \$81.1 million. The improvement was attributable to better operating results from all the Group's core businesses, including a strong contribution from the Group's tin mining and smelting associate.
- Net earnings for the year rose 33.7% to \$55.3 million despite a loss in Q4 2004 which was due mainly to write-downs in the capital values of some of the Group's commercial investment properties.
- Excluding these write-downs in Q4 2004, net earnings of the Group would have been \$87.1 million as compared to \$64.9 million in 2003.

\$ million	Q4 2004	Q4 2003	+/(-) %	YTD 2004 (12 mths)	YTD 2003 (12 mths)	+/(-) %
Total Revenues	<b>69.3</b>	76.4	(9.4)	<b>237.7</b>	184.1	29.1
Operating Profit Before Exceptional Items	<b>22.5</b>	27.4	(17.6)	<b>81.1</b>	65.1	24.7
(Loss)/Profit Before Taxation	<b>(14.2)</b>	6.7	(313.1)	<b>72.6</b>	49.0	48.1
Total Attributable (Loss)/Profit	<b>(16.6)</b>	6.8	(345.4)	<b>55.3</b>	41.4	33.7

(Loss)/Earnings per Share	<b>(4.7) cents</b>	1.9 cents		<b>15.5 cents</b>	11.6 cents	
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	As at 31.12.2004	As at 31.12.2003
Shareholders' Funds	<b>\$1,094,369,000</b>	\$1,065,834,000
Net Asset Value per Share	<b>\$3.07</b>	\$2.99

N.B.: All in Singapore dollars.

**The Straits Trading Company Limited (Company Registration No. : 188700008D)****Fourth Quarter and Full Year Financial Statement And Dividend Announcement for the Period Ended 31 December 2004****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 the full year ended 31 December 2004 are as follows :-

	4th Quarter (Q4)		Full Year Ended 31 December	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Revenues</b>				
Property revenue	15,426	10,605	54,735	41,106
Hotel revenue	19,197	18,746	65,178	58,556
Proceeds from sale of trading securities	32,381	42,465	101,671	69,220
Investment income, gross	2,051	4,543	15,584	14,942
Other revenues including interest income	201	56	520	249
<b>Total Revenues</b>	<b>69,256</b>	<b>76,415</b>	<b>237,688</b>	<b>184,073</b>
<b>Costs and Expenses</b>				
Staff costs	(7,754)	(6,767)	(28,293)	(22,742)
Depreciation and amortisation	(2,650)	(2,217)	(9,831)	(8,212)
Exchange (losses)/gains	(271)	80	(29)	55
Costs of trading securities sold	(25,339)	(29,703)	(81,102)	(51,330)
Other operating expenses	(18,717)	(14,736)	(61,707)	(50,648)
<b>Total Costs and Expenses</b>	<b>(54,731)</b>	<b>(53,343)</b>	<b>(180,962)</b>	<b>(132,877)</b>
<b>Profit from Operations</b>	<b>14,525</b>	<b>23,072</b>	<b>56,726</b>	<b>51,196</b>
Finance costs	(2,111)	(1,999)	(8,142)	(8,412)
Share of results of joint venture companies	(18)	-	1	-
Share of results of associated companies	10,135	6,286	32,533	22,291
<b>Profit from Operations Before Exceptional Items</b>	<b>22,531</b>	<b>27,359</b>	<b>81,118</b>	<b>65,075</b>
Exceptional items	(36,730)	(20,697)	(8,551)	(16,087)
<b>(Loss)/Profit from Operations Before Taxation and Minority Interests</b>	<b>(14,199)</b>	<b>6,662</b>	<b>72,567</b>	<b>48,988</b>
Taxation	(7,419)	(3,584)	(22,455)	(12,237)
<b>(Loss)/Profit from Operations After Taxation</b>	<b>(21,618)</b>	<b>3,078</b>	<b>50,112</b>	<b>36,751</b>
Minority interests	5,015	3,687	5,207	4,630
<b>(Loss)/Profit Attributable to Members of the Company</b>	<b>(16,603)</b>	<b>6,765</b>	<b>55,319</b>	<b>41,381</b>

- Exceptional Items comprise :-

	4th Quarter (Q4)		Full Year Ended 31 December	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
(a) Net surplus on disposal of investments	-	16,342	<b>38,017</b>	20,670
(b) Potential tax liability from prior years' sale of investments	-	-	<b>(6,165)</b>	-
(c) Provision for impairment of investments	-	(10,000)	-	(10,000)
(d) Net deficit on revaluation of commercial investment properties	<b>(36,304)</b>	(27,037)	<b>(39,977)</b>	(27,037)
(e) Provision for impairment of hotel property	<b>(426)</b>	-	<b>(426)</b>	-
(f) Net gain on disposal of property	-	(2)	-	280
	<b>(36,730)</b>	(20,697)	<b>(8,551)</b>	(16,087)

**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 2004

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31 December 2004</b>	31 December 2003	<b>31 December 2004</b>	31 December 2003
	\$'000	\$'000	\$'000	\$'000
<b>Non-Current Assets</b>				
Property, plant and equipment, net	155,824	160,813	1,465	1,520
Investment properties, net	877,545	927,554	41,748	43,815
Subsidiary companies, net	-	-	597,068	619,352
Joint venture companies, net	469	-	-	-
Associated companies, net	67,058	82,922	37,102	49,882
Investments, net	174,054	162,059	113,490	116,513
Properties under development, net	80,110	75,813	-	-
Management rights, net	1,309	1,501	-	-
Deferred tax assets	1,325	1,499	-	-
Other non-current assets, net	20	720	-	-
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	<b>1,357,714</b>	1,412,881	<b>790,873</b>	831,082
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<b>Current Assets</b>				
Properties held for sale	45,531	51,780	-	-
Stocks	1,148	1,017	-	-
Marketable securities, net	40,961	110,428	-	-
Trade debtors, net	18,898	7,221	45	32
Other debtors	21,084	30,186	3,438	12,458
Cash at bank and on deposit	55,980	23,066	40,145	10,259
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	<b>183,602</b>	223,698	<b>43,628</b>	22,749
<b>Current Liabilities</b>				
Short-term loans	(270,000)	(125,740)	-	(47,840)
Trade creditors	(6,443)	(9,005)	(434)	(410)
Other creditors	(34,303)	(25,131)	(3,040)	(2,888)
Provision for taxation	(6,225)	(2,847)	-	-
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	<b>(316,971)</b>	(162,723)	<b>(3,474)</b>	(51,138)
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<b>Net Current (Liabilities)/Assets</b>	<b>(133,369)</b>	60,975	<b>40,154</b>	(28,389)
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<b>Non-Current Liabilities</b>				
Long-term loans	(108,000)	(390,000)	-	-
Other non-current liabilities	(30,067)	(20,683)	-	-
Deferred tax liabilities	(9,452)	(9,550)	(151)	(107)
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	<b>(147,519)</b>	(420,233)	<b>(151)</b>	(107)
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<b>NET ASSETS</b>	<b>1,076,826</b>	1,053,623	<b>830,876</b>	802,586
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<b>Equity</b>				
Share capital	356,400	356,400	356,400	356,400
Reserves	737,969	709,434	474,476	446,186
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	<b>1,094,369</b>	1,065,834	<b>830,876</b>	802,586
Minority interests	(17,543)	(12,211)	-	-
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<b>EQUITY &amp; MINORITY INTERESTS</b>	<b>1,076,826</b>	1,053,623	<b>830,876</b>	802,586
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(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**

<b>As at 31/12/2004</b>		<b>As at 31/12/2003</b>	
Secured	Unsecured	Secured	Unsecured
\$270,000,000	\$0	\$39,400,000	\$86,340,000

**Amount repayable after one year**

<b>As at 31/12/2004</b>		<b>As at 31/12/2003</b>	
Secured	Unsecured	Secured	Unsecured
\$108,000,000	\$0	\$390,000,000	\$0

**Details of any collateral**

The secured loans in current year are secured by, inter alia, legal mortgages over the land and buildings erected on 18/20/22 Cross Street and 3 Pickering Street, China Square Central, Singapore and debentures over all the assets of the borrowing subsidiary companies.

**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 the full year ended 31 December 2004

	4th Quarter (Q4)		Full Year Ended 31 December	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Cash flow from operating activities :-</b>				
Profit from operations	14,525	23,072	56,726	51,196
Adjustments for :-				
Interest income	(179)	(29)	(419)	(119)
Investment income	(2,051)	(4,543)	(15,584)	(14,942)
Depreciation of property, plant and equipment	2,602	2,171	9,644	8,040
(Gain)/Loss on disposal of property, plant and equipment	(46)	11	(32)	(284)
Property, plant and equipment written off	2	55	31	184
Amortisation of management rights	48	46	187	172
<b>Operating profit before working capital changes</b>	<b>14,901</b>	<b>20,783</b>	<b>50,553</b>	<b>44,247</b>
Decrease in properties held for sale	2,011	636	6,249	2,507
Increase in stocks	(253)	(174)	(131)	(268)
Decrease/(Increase) in marketable securities, net	24,902	(9,251)	69,467	134
Decrease/(Increase) in debtors	18,817	2,476	(12,056)	(2,560)
Increase in creditors	10,052	4,410	9,869	4,137
<b>Cash generated from operations</b>	<b>70,430</b>	<b>18,880</b>	<b>123,951</b>	<b>48,197</b>
Interest expense	(1,971)	(1,949)	(7,442)	(8,362)
Income tax (paid)/refund, net	(2,489)	(732)	915	(9,837)
Investment income	2,051	4,543	15,584	14,942
Dividends from associated companies	-	4,069	4,800	6,473
Interest income	179	29	419	119
<b>Net cash flow from operating activities</b>	<b>68,200</b>	<b>24,840</b>	<b>138,227</b>	<b>51,532</b>
<b>Cash flow from investing activities :-</b>				
Proceeds from sale of property, plant and equipment	55	3	79	653
Net deposits received on sale of properties	6,626	-	7,209	-
Purchase of property, plant and equipment	(1,464)	(373)	(5,210)	(3,632)
Sale proceeds/Capital repayment from investments	-	17,392	54,935	25,334
Purchase of investments	-	(15,660)	-	(16,153)
Purchase of management rights	-	(622)	-	(665)
Expenditures incurred on properties under development	(2,995)	(3,096)	(10,967)	(9,427)
Tax paid on prior years' sale of investments	-	-	-	(3,688)
Tax refund on prior years' sale of investments	-	-	-	1,724
Proceeds from sale of a commercial building	-	38,332	-	38,332
<b>Net cash flow from investing activities</b>	<b>2,222</b>	<b>35,976</b>	<b>46,046</b>	<b>32,478</b>
<b>Cash flow from financing activities :-</b>				
Repayment of loans, net	(37,480)	(44,064)	(137,740)	(78,641)
Payment of premium on interest rate cap	-	-	-	(770)
Net proceeds from issuance of share capital by subsidiary companies to minority shareholders	-	(1)	-	4,899
Increase in amount due to minority shareholder of a subsidiary company	-	1,272	5,184	14,502
Decrease/(Increase) in amount due from a joint venture company	3	-	(468)	-
Payment of dividend to minority shareholders of a subsidiary company	-	-	(120)	-
Payment of dividends to shareholders	-	(5,132)	(18,177)	(13,472)
<b>Net cash flow used in financing activities</b>	<b>(37,477)</b>	<b>(47,925)</b>	<b>(151,321)</b>	<b>(73,482)</b>
<b>Net increase in cash and cash equivalents</b>	<b>32,945</b>	<b>12,891</b>	<b>32,952</b>	<b>10,528</b>
Cash and cash equivalents at beginning of financial period	22,756	9,785	23,066	11,382
Effect of exchange rate changes on balances held in foreign currencies	279	390	(38)	1,156
<b>Cash and cash equivalents at end of financial period</b>	<b>55,980</b>	<b>23,066</b>	<b>55,980</b>	<b>23,066</b>
<b>Cash and cash equivalents at end of financial period consist of :-</b>				
<b>Cash at bank and on deposit</b>	<b>55,980</b>	<b>23,066</b>	<b>55,980</b>	<b>23,066</b>

**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 year ended 31 December 2004

**GROUP**

	Issued Capital \$'000	Revaluation Reserve \$'000	Exchange Translation Reserve \$'000	Reserve on Consolidation \$'000	Revenue Reserve \$'000	Dividend Reserve \$'000	Total \$'000
At 1 January 2004	356,400	154,650	(15,045)	2,634	555,790	11,405	1,065,834
Net deficit on revaluation of residential properties	-	(5,392)	-	-	-	-	(5,392)
Exchange adjustment	-	-	(2,817)	-	-	-	(2,817)
Share of reserves movement of associated companies	-	-	-	-	(398)	-	(398)
Profit for 2004	-	-	-	-	55,319	-	55,319
Dividend on ordinary shares							
- 2nd interim dividend for 2003, paid	-	-	-	-	-	(11,405)	(11,405)
- 1st interim dividend for 2004, paid	-	-	-	-	(6,772)	-	(6,772)
- 2nd interim dividend for 2004, proposed	-	-	-	-	(14,256)	14,256	-
<b>At 31 December 2004</b>	<b>356,400</b>	<b>149,258</b>	<b>(17,862)</b>	<b>2,634</b>	<b>589,683</b>	<b>14,256</b>	<b>1,094,369</b>
At 1 January 2003	356,400	168,786	(34,420)	2,634	530,810	8,340	1,032,550
Net deficit on revaluation of properties	-	(14,136)	-	-	-	-	(14,136)
Exchange adjustment	-	-	19,375	-	-	-	19,375
Share of reserves movement of associated companies	-	-	-	-	136	-	136
Profit for 2003	-	-	-	-	41,381	-	41,381
Dividend on ordinary shares							
- 2nd interim dividend for 2002, paid	-	-	-	-	-	(8,340)	(8,340)
- 1st interim dividend for 2003, paid	-	-	-	-	(5,132)	-	(5,132)
- 2nd interim dividend for 2003, proposed	-	-	-	-	(11,405)	11,405	-
<b>At 31 December 2003</b>	<b>356,400</b>	<b>154,650</b>	<b>(15,045)</b>	<b>2,634</b>	<b>555,790</b>	<b>11,405</b>	<b>1,065,834</b>

**COMPANY**

	Issued Capital \$'000	Revaluation Reserve \$'000	Revenue Reserve \$'000	Dividend Reserve \$'000	Total \$'000
At 1 January 2004	356,400	31,143	403,638	11,405	802,586
Net deficit on revaluation of properties	-	(2,067)	-	-	(2,067)
Profit for 2004	-	-	48,534	-	48,534
Dividend on ordinary shares					
- 2nd interim dividend for 2003, paid	-	-	-	(11,405)	(11,405)
- 1st interim dividend for 2004, paid	-	-	(6,772)	-	(6,772)
- 2nd interim dividend for 2004, proposed	-	-	(14,256)	14,256	-
<b>At 31 December 2004</b>	<b>356,400</b>	<b>29,076</b>	<b>431,144</b>	<b>14,256</b>	<b>830,876</b>
At 1 January 2003	356,400	32,929	382,825	8,340	780,494
Net deficit on revaluation of properties	-	(1,786)	-	-	(1,786)
Profit for 2003	-	-	37,350	-	37,350
Dividend on ordinary shares					
- 2nd interim dividend for 2002, paid	-	-	-	(8,340)	(8,340)
- 1st interim dividend for 2003, paid	-	-	(5,132)	-	(5,132)
- 2nd interim dividend for 2003, proposed	-	-	(11,405)	11,405	-
At 31 December 2003	356,400	31,143	403,638	11,405	802,586



- 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.

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

The figures for the 4th quarter and the full year ended 31 December 2004 have not been audited but have been reviewed by the Company's auditors in accordance with the Singapore Statement of Auditing Practice 11, Review of Interim Financial Information.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Review Report by the Auditors, Ernst & Young, Certified Public Accountants, Singapore :-

"We have been engaged by The Straits Trading Company Limited (the "Company") to review the interim financial information for the fourth quarter and year ended 31 December 2004.

Appendix 7.2 of the Singapore Exchange Securities and Trading Limited Listing Manual ("Listing Manual") requires the preparation of interim financial information to be in compliance with the relevant provisions thereof. The accompanying financial information comprise the balance sheet of the Company and the consolidated balance sheet of the Company and its subsidiaries (the "Group") as at 31 December 2004, the statements of changes in equity of the Company and of the Group and statements of income and cash flows of the Group for the fourth quarter and year ended on that date (collectively, the "financial information"). The financial information reviewed by us are those set out in paragraphs 1, 6 and 7 of this announcement. The interim financial information is the responsibility of, and has been approved by, the Company's directors. Our responsibility is to issue a report, solely for the use of the directors, on the financial information based on our review.

We conducted our review in accordance with the Singapore Statement of Auditing Practice 11, Review of Interim Financial Information. A review of interim financial information consists principally of applying analytical procedures to the financial data and making inquiries of, and having discussions with, persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with Singapore Standards on Auditing and does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that there are any material modifications that should be made to the accompanying interim financial information for it to be in accordance with Appendix 7.2 of the Listing Manual.”

**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 same accounting policies and methods of computation are followed in the financial statements for the current financial year as compared with the audited financial statements for the year ended 31 December 2003.

**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.**

Not applicable.

**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	
	2004	2003	2004	2003
Basic and Diluted (Loss)/Earnings per share for the period based on Group profit attributable to Members of the Company :-	<b>(4.7) cents</b>	1.9 cents	<b>15.5 cents</b>	11.6 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.**

	<b>31 December 2004</b>	31 December 2003
Net asset value per share based on issued share capital at the end of :-		
The Group	<b>\$3.07</b>	\$2.99
The Company	<b>\$2.33</b>	\$2.25

**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 Group's core businesses comprise (a) tin mining and smelting, (b) hotel development and management, (c) financial investments and fund management, (d) property development and investment and (e) media advertising.

For the full year 2004, the Group's operating profit before exceptional items rose 24.7% or \$16.0 million from \$65.1 million in 2003 to \$81.1 million. This was attributable mainly to (a) better results from the Group's property and hotel businesses and (b) strong contribution from the Group's tin mining and smelting associate, Malaysia Smelting Corporation Berhad (MSC).

In 2004, property revenue rose 33% to \$54.7 million from \$41.1 million in 2003. The rise was mainly attributable to the higher rental income resulted from higher occupancy at China Square Central, full occupancy throughout the year at the Gallop Green condominium. Based on professional valuation as at 31 December 2004, the Group decided to prudently write-down the capital values of some of its commercial investment properties. The write-downs have resulted in a net revaluation deficit of \$40 million (before deducting minority interest's share of \$4.9 million) and was charged against the profit and loss account.

The revenue from hotel operations improved 11% from \$58.6 million in 2003 to \$65.2 million in 2004. Hotel profit improved by 13% for the year on the back of a better performance from the hotels in Australia with rises from both occupancies and room rates. The strong Australian dollar is also a contributor to the higher reported earnings of the hotels. In Singapore, room rates have gradually picked up towards the end of 2004 with higher occupancy rates compared with 2003. Rendezvous Merry Hotel in Shanghai has continued to make positive contribution since its opening in March 2004, due to a strong inbound tourism market and increased domestic travel.

Profit from securities trading rose from \$17.9 million in 2003 to \$20.6 million in 2004. Dividend income from the Group's investments had also increased by 4.3% from \$14.9 million in 2003 to \$15.6 million in 2004 with increased dividend payouts from a number of the Group's long-term investments.

Despite the fact that the Group has ceased equity accounting the associate's profit from Killinghall (Malaysia) Berhad since January 2004, total contribution from associated companies increased 46% from \$22.3 million to \$32.5 million. MSC contributed higher profits as a result of improved operational efficiency and firm tin prices. Johan Kekal Sdn Bhd also recorded substantial profits based on percentage of completion method from the sale of its residential properties at Federal Hill, Kuala Lumpur.

For the full year 2004, the Group registered an exceptional loss of \$8.6 million after the write-downs of property values in Q4 2004 notwithstanding an exceptional gain from the exchange of shares in Great Eastern Holdings Limited for shares in Oversea-Chinese Banking Corporation Limited under a voluntary general offer by the latter in mid-2004.

Although the Group suffered a net loss of \$16.6 million in Q4 2004 after the property write-downs, the full year 2004 net earnings attributable to members increased to \$55.3 million from \$41.4 million in 2003. Excluding these write-downs in Q4, net earnings of the Group would have been \$87.1 million as compared to \$64.9 million in 2003.

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

This current announced results are broadly in line with the prospect statement disclosed in the 2004 3rd quarter financial statements announcement made on 12 November 2004.

**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.**

Although rental markets are generally improving, rental income from the Group's investment properties is expected to be stable since China Square Central and the Gallop Green condominium are already near full occupancy. Rental from the Straits Trading Building, Singapore, however, is expected to be lower in 2005 because of the Group's decision to either dispose of it or to undertake a major refurbishment of the building.

Outlook for the Group's hotel business remains positive. Appropriate strategies have been put in place to enhance yield and to gradually increase room rates to a sustainable long-term level. All the Group's hotels in Australia and China are expected to continue to perform well, benefiting from the strong economies and their popularity for both commercial and leisure activities. Earlier this month, the Group announced the signing of agreements to provide technical consultancy services in upgrading a hotel in Chongqing, China to a 4-star hotel and to manage the same hotel subsequently when it reopens in 2006/7 as Rendezvous Lanko Hotel. The Group is actively looking into new contracts to manage more hotels in China and Australia, capitalising on the Rendezvous' brand name.

The Group's long-term investments will continue to generate a stable stream of dividend income. However, profit from securities trading is expected to be much lower in 2005 as the short-term equity portfolio has been reduced substantially during the year 2004.

In November 2004, the Group announced the signing of an agreement to acquire a further 8.19% shareholding in MSC and to make a mandatory general offer for the remaining shares in MSC. The Group has received all the approvals from the relevant authorities and has completed the purchase of the 8.19% shareholding in MSC on 21 February 2005 and the draft mandatory take-over document has been submitted to the Securities Commission in Malaysia for clearance. Contributions from tin mining and smelting earnings are expected to increase in 2005.

Overall, barring any unforeseen circumstances, the Group is confident that its operations will be profitable in 2005.

## 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
<i>Dividend Type</i>	Cash	Cash	Cash
<i>Dividend Amount per Share (in cents)</i>	0.5 cents per ordinary share (less tax)	1.5 cents per ordinary share (one-tier tax)	4.0 cents per ordinary share (one-tier tax)
<i>Par value of shares</i>	\$1.0	\$1.0	\$1.0
<i>Tax Rate</i>	20%	N.A.	N.A.

\* The first interim dividend of 2 cents per share comprised 0.5 cent per share, less Singapore income tax at 20%, followed immediately by a one-tier tax exempt dividend of 1.5 cents per share on the same day.

### (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
<i>Dividend Type</i>	Cash	Cash
<i>Dividend Amount per Share (in cents)</i>	2.0 cents per ordinary share (less tax)	4.0 cents per ordinary share (less tax)
<i>Par value of shares</i>	\$1.0	\$1.0
<i>Tax Rate</i>	28% (Malaysian tax)	20%

**(c) Date payable**

3 May 2005.

**(d) Books closure date**

The share register of the Company will be closed from 19 to 20 April 2005, both dates inclusive, for the preparation of warrants. Registrable transfers received by the Company's Registrars, Barbinder & Co Pte Ltd, at 8 Cross Street, #11-00 PWC Building, Singapore 048424, up to 5.00 pm on 18 April 2005 will be registered before entitlements to the dividend are determined.

The Directors have declared a second interim dividend of a one-tier tax exempt dividend of 4 cents per share in respect of the year ended 31 December 2004, payable on 3 May 2005 to shareholders on the share register on 20 April 2005. No further dividend is recommended in respect of the year ended 31 December 2004.

The Annual General Meeting of The Straits Trading Company Limited will be held at 9 Battery Road, #03-05 Straits Trading Building, Singapore 049910, on Wednesday, 27 April 2005 at 11.30 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 2004

<b><u>2004 Business Segments</u></b>	Property \$'000	Hotel \$'000	Securities Trading \$'000	Investment Holding \$'000	Corporate/ Others \$'000	Elimination \$'000	Consolidated \$'000
Segment Revenue							
Revenue from external	54,735	65,178	104,812	12,443	-	-	237,168
Inter-segment revenue	528	-	-	-	-	(528)	-
Unallocated revenue	-	-	-	-	520	-	520
<b>Total revenues</b>	<b>55,263</b>	<b>65,178</b>	<b>104,812</b>	<b>12,443</b>	<b>520</b>	<b>(528)</b>	<b>237,688</b>
Segment result	20,173	3,385	22,436	12,163	520	-	58,677
Unallocated expenses							(1,951)
Profit from operations							56,726
Finance costs							(8,142)
Share of results of joint venture companies		1					1
Share of results of associated companies	7,538				24,995		32,533
Profit from operations before exceptional items							81,118
Exceptional items	(39,977)	(426)		31,852			(8,551)
Profit from operations before taxation and minority interests							72,567
Taxation							(22,455)
Minority interests							5,207
Profit attributable to Members of the Company							55,319

<b><u>2004 Geographical Segments</u></b>	Singapore \$'000	Malaysia \$'000	Australia \$'000	Corporate/ Others \$'000	Elimination \$'000	Consolidated \$'000
Segment Revenue						
Revenue from external	173,194	6,391	57,668	435	-	237,688
Inter-segment revenue	36	-	769	-	(805)	-
<b>Total revenues</b>	<b>173,230</b>	<b>6,391</b>	<b>58,437</b>	<b>435</b>	<b>(805)</b>	<b>237,688</b>

## Segment Revenue and Results for the year ended 31 December 2004 (cont'd)

<b><u>2003 Business Segments</u></b>	Property \$'000	Hotel \$'000	Securities Trading \$'000	Investment Holding \$'000	Corporate/ Others \$'000	Elimination \$'000	Consolidated \$'000
Segment Revenue							
Revenue from external	41,106	58,556	73,133	11,029	-	-	183,824
Inter-segment revenue	502	-	-	-	-	(502)	-
Unallocated revenue	-	-	-	-	249	-	249
<b>Total revenues</b>	<b>41,608</b>	<b>58,556</b>	<b>73,133</b>	<b>11,029</b>	<b>249</b>	<b>(502)</b>	<b>184,073</b>
Segment result	17,243	3,018	21,126	10,835	249	-	52,471
Unallocated expenses							(1,275)
Profit from operations							51,196
Finance costs							(8,412)
Share of results of joint venture companies							-
Share of results of associated companies	2,825				19,466		22,291
Profit from operations before exceptional items							65,075
Exceptional items	(26,757)			20,670	(10,000)		(16,087)
Profit from operations before taxation and minority interests							48,988
Taxation							(12,237)
Minority interests							4,630
Profit attributable to Members of the Company							41,381
<b><u>2003 Geographical Segments</u></b>					Corporate/ Others \$'000	Elimination \$'000	Consolidated \$'000
Segment Revenue							
Revenue from external	127,037	3,758	53,254		24	-	184,073
Inter-segment revenue	36	-	826		-	(862)	-
<b>Total revenues</b>	<b>127,073</b>	<b>3,758</b>	<b>54,080</b>		<b>24</b>	<b>(862)</b>	<b>184,073</b>



**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 sales.**

	<b>2004</b>	2003	+ or (-)
	<b>\$'000</b>	\$'000	%
(a) <i>Total revenues reported for first half year</i>	<b>107,332</b>	56,752	89.1
(b) <i>Profit after tax before deducting minority interests reported for first half year</i>	<b>57,580</b>	17,774	224.0
(c) <i>Total revenues reported for second half year</i>	<b>130,356</b>	127,321	2.4
(d) <i>(Loss)/profit after tax before deducting minority interests reported for second half year</i>	<b>(7,468)*</b>	18,977	(139.4)

\* After \$37 million write-downs of asset values in Q4 2004.

**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 (S\$'000)</i>	<i>Previous Full Year (S\$'000)</i>
<i>Ordinary</i>	21,028	16,537
<i>Preference</i>	0	0
<i>Total:</i>	21,028	16,537

**BY ORDER OF THE BOARD**

**Emily Teo (Ms)**  
**Secretary**

25 February 2005  
Singapore