



THE STRAITS TRADING COMPANY LIMITED

(Incorporated in Singapore)

NOTICE IS HEREBY GIVEN THAT

- (a) The Directors have declared a second interim dividend of 3 cents per share, less Singapore income tax at 24.5% in respect of the year ended 31st December 2000, payable on 3rd May 2001 to shareholders on the share register on 20th April 2001. No further dividend is recommended in respect of the year ended 31st December 2000.
- (b) The share register of the Company will be closed from 19th April to 20th April 2001, both dates inclusive.
- (c) The Annual General Meeting of The Straits Trading Company Limited will be held at 65 Chulia Street, #50-00 OCBC Centre, Singapore 049513, on Thursday, 26th April 2001 at 11.30 a.m.

The unaudited results of the Company and Group for the year ended 31st December 2000 are as follows:-

	COMPANY			GROUP		
	2000 \$'000	1999 \$'000	+ or (-) %	2000 \$'000	1999 \$'000	+ or (-) %
TURNOVER	368	850	(56.7)	121,386	105,821	14.7
OPERATING PROFIT	2,138	669	219.6	40,237	37,616	7.0
INVESTMENT INCOME	20,509	15,678	30.8	17,594	12,403	41.9
Profit before charging the following:-	17,678	20,308	(13.0)	61,052	55,361	10.3
Interest on Borrowings	(1,030)	(2,626)	(60.8)	(1,030)	(2,723)	(62.2)
Depreciation and Amortisation	(45)	(40)	12.5	(8,104)	(8,939)	(9.3)
	16,603	17,642	(5.9)	51,918	43,699	18.8
Share of Profits of Associated Companies	-	-	-	8,726	4,778	82.6
Profit before Taxation	16,603	17,642	(5.9)	60,644	48,477	25.1
Taxation	(5,582)	(3,633)	53.6	(13,625)	(7,252)	87.9
Profit after Taxation	11,021	14,009	(21.3)	47,019	41,225	14.1
Minority Interests	-	-	-	(38)	(111)	(65.8)
Profit before Extraordinary Items	11,021	14,009	(21.3)	46,981	41,114	14.3
Extraordinary Items	1,681	59		(413)	9,377	
Profit attributable to Members of the Company	12,702	14,068	(9.7)	46,568	50,491	(7.8)
Turnover reported for:-						
First half year	188	360	(47.8)	75,415	47,779	57.8
Second half year	180	490	(63.3)	45,971	58,042	(20.8)
Profit after Taxation for:-						
First half year	1,204	3,259	(63.1)	27,909	17,137	62.9
Second half year	9,817	10,750	(8.7)	19,110	24,088	(20.7)

	<u>2000</u> Group	<u>1999</u> Group
Profit after Taxation as a percentage of Turnover	38.74%	38.96%
Profit before Extraordinary Items as a percentage of the Issued Capital and Reserves at end of year	4.62%	4.16%
Basic and Diluted :-		
Earnings per share before extraordinary items	13.2¢	11.5¢ *
Earnings per share after extraordinary items	13.1¢	14.2¢ *
Net Tangible Asset Backing per share	\$2.85	\$2.77 *

* Adjusted for Bonus Issue in July 2000.

GROUP SEGMENTAL INFORMATION

	<u>Turnover</u>		<u>Profit before Taxation</u>	
	<u>2000</u> \$'000	<u>1999</u> \$'000	<u>2000</u> \$'000	<u>1999</u> \$'000
By Business Activities				
Property	23,355	23,362	12,912	12,568
Hotel	47,458	49,505	7,393	7,116
Securities trading	50,573	32,954	25,195	22,363
Investment holding	-	-	15,076	9,934
Corporate expenses	-	-	(1,838)	(1,571)
Net interest expenses	-	-	(907)	(391)
Exchange differences	-	-	2,813	(1,542)
	----- 121,386 =====	----- 105,821 =====	----- 60,644 =====	----- 48,477 =====

By Geographical Location

Singapore	83,571	61,689	42,266	33,579
Malaysia	708	1,270	8,268	6,701
Australia	37,107	42,862	8,144	10,086
Other countries	-	-	60	44
Net interest expenses	-	-	(907)	(391)
Exchange differences	-	-	2,813	(1,542)
	----- 121,386 =====	----- 105,821 =====	----- 60,644 =====	----- 48,477 =====

BALANCE SHEETS (UNAUDITED) AS AT 31ST DECEMBER 2000

	<u>COMPANY</u>		<u>GROUP</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Assets Employed:-				
FIXED ASSETS	1,545	3,508	230,855	248,807
INVESTMENT PROPERTIES	49,369	42,930	283,808	272,211
SUBSIDIARY COMPANIES	906,522	851,878	-	-
ASSOCIATED COMPANIES	49,904	47,178	69,345	56,126
INVESTMENTS	106,421	105,640	152,574	153,830
PROPERTIES UNDER DEVELOPMENT	-	-	931,097	827,886
DEFERRED EXPENDITURE	-	-	1,639	2,117
NET CURRENT (LIABILITIES)/ASSETS	(39,482)	(183,618)	104,435	(241,239)
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	1,074,279	867,516	1,773,753	1,319,738
	=====	=====	=====	=====
Financed By:-				
ISSUED CAPITAL	356,400	297,000	356,400	297,000
RESERVES	355,469	419,748	659,844	691,128
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	711,869	716,748	1,016,244	988,128
MINORITY INTERESTS	-	-	401	366
LONG-TERM LOANS	362,410	150,768	722,007	300,768
OTHER NON-CURRENT LIABILITIES	-	-	35,101	30,476
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	1,074,279	867,516	1,773,753	1,319,738
	=====	=====	=====	=====

BORROWINGS

Group's borrowings are as follows:-	<u>As at 31st December 2000</u>	<u>As at 30th June 2000</u>
	<u>\$'000</u>	<u>\$'000</u>
Repayable within one year		
unsecured	44,536	6,170
	=====	=====
Repayable after one year		
secured	716,677	684,993
unsecured	5,330	7,712
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	722,007	692,705
	=====	=====

(Certain comparative figures have been reclassified to conform with current year's presentation.)

REVIEW OF RESULTS

Group's operating profit before taxation rose by 25.1% from \$48.5 million to \$60.6 million. This was largely due to higher gains from trading of securities and increased contributions from fund management activities. All core activities contributed to the improvement. However, the Group's profit after tax increased by 14.1% from \$41.2 million to \$47.0 million mainly on account of the payment of Malaysian income tax after a tax-free 1999.

The Group managed to realise substantial gains from its trading portfolio despite writing down the values of some of the short-term securities.

The hotel operation performed better notwithstanding a weaker Australian dollar and the temporary closure of two major food and beverage outlets in the Rendezvous Observation City Hotel in Perth.

The Group's residential properties performed better and continued to enjoy high occupancy and stable rental rates throughout the year. This has partially offset lower property earnings from the office rental market.

Share of associated companies' results increased from \$4.8 million to \$8.7 million principally as a result of the first time contribution from the fund management activities of Straits Lion Asset Management Private Limited. The Group's tin smelting associate, Malaysia Smelting Corporation Bhd., despite higher fuel costs, continued to perform well by expanding its activities into the processing of by-products.

There was no pre-acquisition profit during the year.

There was an adjustment of \$0.7 million in the underprovision of tax in respect of prior years.

The Group's extraordinary items include an additional compensation award for a portion of the Company's land at Butterworth that was acquired by the Malaysian Government in 1997, a share of an associated company's extraordinary gain and an additional tax provision by a subsidiary company on its previous years' assessments.

No item, transaction or event of a material and unusual nature has arisen which would affect substantially the results of the Company or the Group between the date to which this announcement refers and the date on which this announcement is issued.

CURRENT YEAR PROSPECTS

The Group's securities trading and investment holding activities will continue to be a major source of its earnings. Although the global equity markets continue to be subject to a high degree of uncertainty, the Group expects these activities to remain profitable.

With the improved performance of the Group's Rendezvous Hotel in Singapore and the re-opening of the major food and beverage outlets in Rendezvous Observation City Hotel in Perth, the Group expects higher earnings from its hotel operation. Rendezvous Hotel group continues to focus on growth through joint ventures and management contracts in major Asia Pacific cities.

Property income is expected to be higher with the improved occupancy and rental rates from the Group's commercial and residential properties.

Overall, the Group expects to continue to perform satisfactorily.

DIVIDEND

(a) The first interim dividend of 2 cents per share was paid on 3rd November 2000.

	<u>2000</u>	<u>1999</u>
(b) Annual dividend per share (cents)	5.0	5.0
(c) Total annual dividend, net (\$'000)	13,383	11,034
(d) Registrable transfers received by the Company's Registrars, PricewaterhouseCoopers, at 8 Cross Street, #11-00 PWC Building, Singapore 048424, up to 5.00 p.m. on 18th April 2001 will be registered before entitlements to the dividend are determined.		

BY ORDER OF THE BOARD

Emily Teo (Ms)
Secretary

26th February 2001
Singapore