



THE STRAITS TRADING COMPANY LIMITED

(Incorporated in Singapore)

NOTICE IS HEREBY GIVEN THAT

- (a) The Directors have declared a first interim dividend of 2 cents per share (2000: 2 cents), less Singapore income tax at 24.5%, in respect of the year ending 31st December 2001, payable on 8th October 2001 to shareholders on the share register on 26th September 2001.

- (b) The share register of the Company will be closed from 25th September to 26th September 2001, both dates inclusive, for the preparation of warrants. 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 24th September 2001 will be registered before entitlements to the dividend are determined.

The unaudited results of the Company and Group for the half year ended 30th June 2001 are as follows:-

	COMPANY			GROUP		
	2001	2000	+or(-)	2001	2000	+or(-)
	\$'000	\$'000	%	\$'000	(restated)# \$'000	%
TURNOVER	275	188	46.3	53,129	75,415	(29.6)
	=====	=====	=====	=====	=====	=====
OPERATING PROFIT	459	960	(52.2)	19,592	26,406	(25.8)
	=====	=====	=====	=====	=====	=====
INVESTMENT INCOME	4,615	3,303	39.7	14,779	10,213	44.7
	=====	=====	=====	=====	=====	=====
Profit before charging the following:-	3,040	2,864	6.1	32,882	37,410	(12.1)
Interest on Borrowings	(333)	(577)	(42.3)	(550)	(577)	(4.7)
Depreciation and Amortisation	(25)	(22)	13.6	(3,912)	(4,051)	(3.4)
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	2,682	2,265	18.4	28,420	32,782	(13.3)
Share of Profits of Associated Companies	-	-	-	6,476	5,032	28.7
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Profit before Exceptional Items	2,682	2,265	18.4	34,896	37,814	(7.7)
Exceptional Items	-	1,670		56	3	
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Profit before Taxation	2,682	3,935	(31.8)	34,952	37,817	(7.6)
Taxation	(1,272)	(1,061)	19.9	(7,569)	(8,598)	(12.0)
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Profit after Taxation	1,410	2,874	(50.9)	27,383	29,219	(6.3)
Minority Interests	-	-	-	(2)	(43)	(95.3)
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Profit attributable to Members of the Company	1,410	2,874	(50.9)	27,381	29,176	(6.2)
	=====	=====		=====	=====	

Profit after Taxation as a percentage of Turnover

Basic and Diluted:-

Earnings per share

Net Tangible Assets Backing per share

	2001	2000
	Group	Group
Profit after Taxation as a percentage of Turnover	51.54%	38.74%
Earnings per share	7.7¢	8.2¢ *
Net Tangible Assets Backing per share	\$2.91	\$2.83 *

* Adjusted for Bonus Issue in July 2000.

GROUP SEGMENTAL INFORMATION

	<u>Turnover</u>		<u>Profit before Taxation</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
By Business Activities	\$'000	\$'000	\$'000	\$'000
Property	19,276	11,577	9,775	5,027
Hotel	22,094	24,773	2,135	4,110
Securities trading	11,759	39,065	11,500	18,848
Investment holding	-	-	13,017	9,075
Corporate expenses	-	-	(1,619)	(808)
Net interest (expenses)/income	-	-	(437)	367
Exchange differences	-	-	525	1,195
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	53,129	75,415	34,896	37,814
Exceptional items	-	-	56	3
	-----	-----	-----	-----
	53,129	75,415	34,952	37,817
	=====	=====	=====	=====

By Geographical Location

	<u>Turnover</u>		<u>Profit before Taxation</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Singapore	35,791	54,932	26,148	26,140
Malaysia	426	371	6,230	5,439
Australia	16,912	20,112	2,397	4,641
Other countries	-	-	33	32
Net interest (expenses)/income	-	-	(437)	367
Exchange differences	-	-	525	1,195
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	53,129	75,415	34,896	37,814
Exceptional items	-	-	56	3
	-----	-----	-----	-----
	53,129	75,415	34,952	37,817
	=====	=====	=====	=====

BALANCE SHEETS (UNAUDITED) AS AT 30TH JUNE 2001

	COMPANY		GROUP	
	30th June 2001	30th June 2000	30th June 2001	30th June 2000 (restated)#
	\$'000	\$'000	\$'000	\$'000
Non-Current Assets				
Property, plant and equipment, net	1,713	6,935	222,797	244,443
Investment properties	49,369	42,930	283,808	272,211
Subsidiary companies	674,458	844,707	-	-
Associated companies	49,905	49,884	72,443	61,331
Investments	106,421	105,522	150,279	151,611
Properties under development	-	-	1,003,018	868,717
Other non-current assets	-	-	356	465
	881,866	1,049,978	1,732,701	1,598,778
Current Assets	10,398	17,152	182,652	173,163
Current Liabilities	(48,985)	(15,106)	(103,749)	(39,620)
Net Current (Liabilities)/Assets	(38,587)	2,046	78,903	133,543
Non-Current Liabilities				
Long-term loans	(130,000)	(337,712)	(734,408)	(692,157)
Other non-current liabilities	-	-	(37,598)	(32,847)
	(130,000)	(337,712)	(772,006)	(725,004)
NET ASSETS	713,279	714,312	1,039,598	1,007,317
Equity				
Share capital	356,400	297,000	356,400	297,000
Reserves	356,879	417,312	682,460	709,930
TOTAL EQUITY	713,279	714,312	1,038,860	1,006,930
Minority Interests	-	-	738	387
	713,279	714,312	1,039,598	1,007,317

BORROWINGS

Group's borrowings are as follows:-	<u>As at 30th June 2001</u> \$'000	<u>As at 31st December 2000</u> \$'000
Repayable within one year unsecured	65,822 =====	44,536 =====
Repayable after one year secured	734,408	716,677
unsecured	- -----	5,330 -----
	734,408 =====	722,007 =====

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

Change in Accounting Policies #

In compliance with the latest applicable Statements of Accounting Standard, the Group has made the following modifications to its accounting policies:-

- (a) Items outside the normal operations are now disclosed as 'exceptional' instead of 'extraordinary' and are presented before 'Profit before Taxation'.
- (b) Pre-operating expenses which were previously treated as deferred expenditure are now written off in the year in which they are incurred instead of being amortised over an appropriate period.

In consequence, deferred expenditure as at 1st January 2000 was adjusted against reserves and minority interests. The comparative figures in the profit statement for the six months to 30th June 2000 have also been restated accordingly, resulting in the attributable profit at Group level for that period, \$29.18 million, being \$0.19 million higher than previously reported.

REVIEW OF RESULTS

Turnover of the Group decreased by 29.6% to \$53.13 million for the first half year under review. This was mainly due to lower proceeds from the sale of short-term securities and a weaker performance from the hotel operations. However, Group's profit after taxation and minority interests was only slightly lower by 6.2% at \$27.38 million compared to the previous corresponding period of \$29.18 million.

For the period under review, the slowdown in the tourism market in the region affected the performance of the hotel operations, resulting in generally lower occupancy and room rates, especially in Australia, exacerbated by the weaker Australian dollar vis-à-vis the Singapore dollar. The softening of the global equity markets also led to a lower contribution from the sale of the Group's short-term securities amid the equity markets' lacklustre performance. The drop in earnings by these two operations was partially offset by a better performance from the Group's property activities, increased contributions from its associated companies and higher investment income received during the period.

Despite the weak sentiments in the commercial and residential property markets in Singapore, the Group managed to maintain a relatively high property income contribution from the high occupancy in its office and residential properties and the sale of a number of residential units. Higher dividend income contributed to the increase in investment income from \$10.21 million to \$14.78 million. Share of profits from the associated companies increased from \$5.03 million to \$6.48 million, principally as a result of an improved contribution from the tin smelting operation.

The exceptional item comprises net surplus on the sale of long-term investments.

There was no pre-acquisition profit during the period.

There was no material adjustment for income tax in respect of prior years.

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

With the difficult economic background, the Group will continue to adopt a cautious stance in its investment strategy. Although the Group will continue to benefit from higher income from its properties and tin smelting operation, the Board expects the profit attributable to the members of the Company to be lower than that of the previous year amid the slowdown of the world economy and the continuing uncertainty in the global equity markets.

BY ORDER OF THE BOARD

Emily Teo (Ms)

Secretary

27th August 2001

Singapore