



**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 (2001: 2 cents), less Singapore income tax at 22%, in respect of the year ending 31st December 2002, payable on 8th October 2002 to shareholders on the share register on 25th September 2002.
  
- (b) The share register of the Company will be closed on 24th September and 25th September 2002 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 23rd September 2002 will be registered before entitlements to the dividend are determined.

**The Directors are pleased to make the following announcement of the unaudited results for the half year ended 30th June 2002:-**

	<b>GROUP</b>			<b>COMPANY</b>		
	<b>2002</b>	2001 (restated)	+or(-)	<b>2002</b>	2001	+or(-)
	<b>\$'000</b>	\$'000	%	<b>\$'000</b>	\$'000	%
Turnover	<b>45,918</b>	51,569	(11.0)	<b>568</b>	275	106.5
Cost of sales and expenses	<b>(28,942)</b>	(27,641)	4.7	<b>(941)</b>	(1,269)	(25.8)
Gross profit/(loss)	<b>16,976</b>	23,928	(29.1)	<b>(373)</b>	(994)	(62.5)
Investment income	<b>6,521</b>	8,303	(21.5)	<b>4,776</b>	4,615	3.5
Other income including interest income	<b>2,223</b>	126		<b>1,507</b>	1,811	(16.8)
Profit before charging/(crediting) the following:-	<b>25,720</b>	32,357	(20.5)	<b>5,910</b>	5,432	8.8
Interest on borrowings	<b>(1,896)</b>	(550)	244.7	<b>(33)</b>	(333)	(90.1)
Depreciation and amortisation	<b>(3,523)</b>	(3,912)	(9.9)	<b>(33)</b>	(25)	32.0
Exchange (loss)/gain	<b>(1,518)</b>	525		<b>3,053</b>	(2,392)	
Exceptional items	<b>7,892</b>	56		<b>70</b>	-	
	<b>26,675</b>	28,476	(6.3)	<b>8,967</b>	2,682	234.3
Share of profits of associated companies	<b>8,972</b>	6,476	38.5	-	-	
Profit before taxation	<b>35,647</b>	34,952	2.0	<b>8,967</b>	2,682	234.3
Taxation	<b>(9,572)</b>	(7,474)	28.1	<b>(1,408)</b>	(1,272)	10.7
Profit after taxation	<b>26,075</b>	27,478	(5.1)	<b>7,559</b>	1,410	436.1
Minority interests	<b>(354)</b>	(2)		-	-	
Profit attributable to Members of the Company	<b>25,721</b>	27,476	(6.4)	<b>7,559</b>	1,410	436.1
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Profit after Taxation as a percentage of Turnover  
 Profit attributable to Members as a percentage of the  
 Issued Capital and Reserves at end of period  
 Earnings per share  
 Net Tangible Assets Backing per share

<b>2002</b>	<b>2001</b>
<b>Group</b>	Group
<b>56.79%</b>	53.28%
<b>2.47%</b>	2.65%
<b>7.2¢</b>	7.7¢
<b>\$2.92</b>	\$2.91

Group's exceptional items of \$7.89 million comprise:-

	\$ million
(a) Net surplus on sale of long-term investments	7.37
(b) Net gain on sale of commercial property	0.48
(c) Compensation award for land	0.04
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	7.89
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## GROUP SEGMENTAL INFORMATION

	<u>Turnover</u>		<u>Profit before Taxation</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
<b>By Business Activities</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Property	<b>17,607</b>	19,276	<b>9,185</b>	9,775
Hotel	<b>22,642</b>	22,094	<b>2,468</b>	2,135
Securities trading	<b>5,669</b>	10,199	<b>4,658</b>	11,500
Investment holding	-	-	<b>13,927</b>	13,017
Corporate expenses	-	-	<b>(1,274)</b>	(1,619)
Net interest income/(expenses)	-	-	<b>309</b>	(437)
Exchange differences	-	-	<b>(1,518)</b>	525
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	<b>45,918</b>	51,569	<b>27,755</b>	34,896
Exceptional items	-	-	<b>7,892</b>	56
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	<b>45,918</b>	51,569	<b>35,647</b>	34,952
	=====	=====	=====	=====

## By Geographical Location

	<u>Turnover</u>		<u>Profit before Taxation</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
<b>By Geographical Location</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Singapore	<b>26,090</b>	34,231	<b>17,660</b>	26,148
Malaysia	<b>729</b>	426	<b>7,535</b>	6,230
Australia	<b>19,099</b>	16,912	<b>3,736</b>	2,397
Other countries	-	-	<b>33</b>	33
Net interest income/(expenses)	-	-	<b>309</b>	(437)
Exchange differences	-	-	<b>(1,518)</b>	525
	-----	-----	-----	-----
	<b>45,918</b>	51,569	<b>27,755</b>	34,896
Exceptional items	-	-	<b>7,892</b>	56
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	<b>45,918</b>	51,569	<b>35,647</b>	34,952
	=====	=====	=====	=====

**BALANCE SHEETS (UNAUDITED) AS AT 30TH JUNE 2002**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30th June 2002</b>	31st December 2001 (restated)	<b>30th June 2002</b>	31st December 2001
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-Current Assets</b>				
Property, plant and equipment, net	<b>160,372</b>	180,408	<b>1,657</b>	1,690
Investment properties	<b>782,980</b>	307,719	<b>49,290</b>	49,290
Subsidiary companies	-	-	<b>676,861</b>	667,860
Joint venture company	-*	-*	-	-
Associated companies	<b>80,877</b>	79,625	<b>49,882</b>	49,882
Investments	<b>148,980</b>	150,288	<b>106,387</b>	106,421
Properties under development	<b>261,778</b>	658,498	-	-
Other non-current assets	<b>1,299</b>	316	-	-
	<b>1,436,286</b>	1,376,854	<b>884,077</b>	875,143
<b>Current Assets</b>	<b>245,343</b>	570,343	<b>10,794</b>	12,698
<b>Current Liabilities</b>	<b>(615,449)</b>	(367,095)	<b>(171,029)</b>	(163,860)
<b>Net Current (Liabilities)/Assets</b>	<b>(370,106)</b>	203,248	<b>(160,235)</b>	(151,162)
<b>Non-Current Liabilities</b>				
Long-term loans	-	(533,976)	-	-
Other non-current liabilities	<b>(23,159)</b>	(23,338)	-	-
	<b>(23,159)</b>	(557,314)	-	-
<b>NET ASSETS</b>	<b>1,043,021</b>	1,022,788	<b>723,842</b>	723,981
<b>Equity</b>				
Share capital	<b>356,400</b>	356,400	<b>356,400</b>	356,400
Reserves	<b>684,444</b>	664,578	<b>367,442</b>	367,581
<b>TOTAL EQUITY</b>	<b>1,040,844</b>	1,020,978	<b>723,842</b>	723,981
<b>Minority Interests</b>	<b>2,177</b>	1,810	-	-
	<b>1,043,021</b>	1,022,788	<b>723,842</b>	723,981

\* related to cost of investment of \$1.

**BORROWINGS**

Group's borrowings are as follows:-	<u>As at 30th June 2002</u> \$'000	<u>As at 31st December 2001</u> \$'000
Repayable within one year		
secured #	499,478	280,000
unsecured	53,270	40,469
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	<u>552,748</u>	<u>320,469</u>
	=====	=====
Repayable after one year		
secured	-	533,976
	=====	=====

# \$270 million of the existing loan facilities are in the process of being refinanced to a 3-year secured term loan, expiring in September 2005.

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

**Accounting Policies and Methods of Computation**

Except as disclosed below, the same accounting policies and methods of computations are followed in the financial statements as compared with the audited financial statements as at 31st December 2001.

With effect from 1st January 2002, the Group has adopted the revised Statement of Accounting Standard 12 on Income Taxes. The effects of the change on the previous periods' comparatives with respect to the net profit and opening revenue reserve are as follows:-

	<u>Increase/(Decrease)</u> \$'000
Net profit for the period ended 30th June 2001	95
Opening revenue reserve at 1st January 2001	(2,341)
Opening revenue reserve at 1st January 2002	(240)

## **REVIEW OF RESULTS**

Group turnover decreased by 11.0% compared to the previous corresponding period, mainly due to lower gains from sales of short-term securities and drop in property revenue. However, Group's profit before taxation was slightly higher by 2% at \$35.65 million.

Property income was lower due to less residential units being sold during the current period. Rental income for both commercial and residential properties was comparable to that of the previous corresponding period, reflecting stable occupancies and rental rates.

Hotel income increased marginally due to additional revenue from managing new hotels and a stronger Australian dollar vis-à-vis the Singapore dollar.

Despite lower dividend income from investments, overall income from equity investments increased due to higher contributions from associated companies.

During the period, the Group sold one of its commercial buildings in Australia and realised a net gain of approximately \$0.48 million.

On 9th January 2002, the shareholders of the Company approved the sale of the commercial building at Land Parcel G, China Square Central at an estimated price of \$389.70 million. Following the execution of the sale and purchase agreement dated 7th February 2002, 90% of the estimated price was received on 21st February 2002 and was used for repayment of the Group's borrowings. The remaining 10% is expected to be settled by the second half of 2003 in accordance with the provisions of the Sale of Commercial Properties Act.

The property development at Land Parcel F, China Square Central was completed in June 2002. In accordance with the Group's accounting policy, it has been classified as an Investment Property on completion and the borrowing costs associated with this development are charged against the profit and loss account.

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 Group or the Company between the date to which this announcement refers and the date on which this announcement is issued.

### **CURRENT YEAR PROSPECTS**

Despite signs of recovery in the Singapore economy in the second half of 2002, the outlook for the property market in Singapore remains cautious and the growth of global economies is uncertain. Nevertheless, the Group expects to maintain a reasonable level of profitability from its hotel operations. However, property income will be lower as rentals from commercial and residential properties are expected to remain weak. Investment trading activities would continue to be affected by the weak global equity markets.

Overall, the Board expects that the Group profit attributable to the members for the full year will be slightly lower than that of the previous year.

### **BY ORDER OF THE BOARD**

**Emily Teo (Ms)**

**Secretary**

28th August 2002

Singapore