



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 \$1 stock unit, less Singapore income tax at 25.5% in respect of the year ended 31st December 1999, payable on 1st June 2000 to stockholders on the stock register on 19th May 2000. No further dividend is recommended in respect of the year ended 31st December 1999.
- (b) The stock register of the Company will be closed from 17th May to 19th May 2000, both dates inclusive.
- (c) The Annual General Meeting of The Straits Trading Company Limited will be held at 9 Battery Road, #21-00 Straits Trading Building, Singapore 049910, on a later date to be announced by the Directors.

The unaudited results of the Company and Group for the year ended 31st December 1999 are as follows:-

	COMPANY			GROUP		
	1999 \$'000	1998 \$'000	+ or (-) %	1999 \$'000	1998 \$'000	+ or (-) %
TURNOVER	850	852	(0.2)	105,821	65,052	62.7
OPERATING PROFIT	669	1,810	(63.0)	37,616	16,974	121.6
INVESTMENT INCOME	15,678	18,065	(13.2)	12,403	14,768	(16.0)
Profit before charging the following:-	20,308	19,551	3.9	55,361	38,732	42.9
Interest on Borrowings	(2,626)	(2,844)	(7.7)	(2,723)	(4,925)	(44.7)
Depreciation and Amortisation	(40)	(41)	(2.4)	(8,939)	(5,791)	54.4
	17,642	16,666	5.9	43,699	28,016	56.0
Share of Profits of Associated Companies	-	-	-	4,778	3,880	23.1
Profit before Taxation	17,642	16,666	5.9	48,477	31,896	52.0
Taxation	(3,633)	(5,056)	(28.1)	(7,252)	(6,679)	8.6
Profit after Taxation	14,009	11,610	20.7	41,225	25,217	63.5
Minority Interests	-	-	-	(111)	(139)	(20.1)
Profit before Extraordinary Items	14,009	11,610	20.7	41,114	25,078	63.9
Extraordinary Items	59	(918)		9,377	3,771	148.7
Profit attributable to Members of the Company	14,068	10,692	31.6	50,491	28,849	75.0
Turnover reported for:-						
First half year	360	425	(15.3)	47,779	29,210	63.6
Second half year	490	427	14.8	58,042	35,842	61.9
Profit after Taxation for:-						
First half year	3,259	945	244.9	17,137	10,479	63.5
Second half year	10,750	10,665	0.8	24,088	14,738	63.4

	<u>1999</u> Group	<u>1998</u> Group
Profit after Taxation as a percentage of Turnover	38.96%	38.76%
Profit before Extraordinary Items as a percentage of the Issued Capital and Reserves at end of year	4.16%	2.66%
Earnings per stock unit for the year	13.84¢	8.44¢
Net Tangible Asset Backing per stock unit	\$3.33	\$3.17

GROUP SEGMENTAL INFORMATION

	<u>Turnover</u>		<u>Profit before Taxation</u>	
	<u>1999</u> \$'000	<u>1998</u> \$'000	<u>1999</u> \$'000	<u>1998</u> \$'000
By Business Activities				
Property	23,362	23,678	12,568	13,871
Hotel	49,505	36,682	7,116	5,651
Investment trading	32,954	4,692	22,363	4,250
Investment holding	-	-	9,934	11,519
Corporate expenses	-	-	(1,571)	(1,261)
Net interest expenses	-	-	(391)	(2,288)
Exchange differences	-	-	(1,542)	154
	----- 105,821 =====	----- 65,052 =====	----- 48,477 =====	----- 31,896 =====

By Geographical Location

Singapore	61,689	22,328	33,579	16,724
Malaysia	1,270	1,386	6,701	6,136
Australia	42,862	41,338	10,086	11,139
Other countries	-	-	44	31
Net interest expenses	-	-	(391)	(2,288)
Exchange differences	-	-	(1,542)	154
	----- 105,821 =====	----- 65,052 =====	----- 48,477 =====	----- 31,896 =====

BALANCE SHEETS (UNAUDITED) AS AT 31ST DECEMBER 1999

	<u>COMPANY</u> <u>1999</u> \$'000	<u>GROUP</u> <u>1999</u> \$'000
Assets Employed:-		
FIXED ASSETS	3,508	248,807
INVESTMENT PROPERTIES	42,930	272,211
SUBSIDIARY COMPANIES	851,878	-
ASSOCIATED COMPANIES	47,178	56,126
INVESTMENTS	105,640	153,830
PROPERTIES UNDER DEVELOPMENT	-	821,683
DEFERRED EXPENDITURE	-	2,117
NET CURRENT LIABILITIES	(183,618)	(238,841)
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	867,516	1,315,933
	=====	=====
Financed By:-		
ISSUED CAPITAL	297,000	297,000
RESERVES	419,748	691,128
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	716,748	988,128
MINORITY INTERESTS	-	366
LONG-TERM LOANS	150,768	300,768
DEFERRED ACCOUNTS	-	26,671
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	867,516	1,315,933
	=====	=====

BORROWINGS

Group's borrowings are as follows:-	<u>As at 31st December 1999</u> \$'000	<u>As at 30th June 1999</u> \$'000
Repayable within one year unsecured	190,080	501,025
	=====	=====
Repayable after one year secured	280,000	-
unsecured	20,768	23,520
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	300,768	23,520
	=====	=====

REVIEW OF RESULTS

As compared to 1998, Group turnover increased by 62.7% to \$105.8 million and profit before extraordinary items by 63.9% to \$41.1 million. Income from sale of marketable securities and hotel operations contributed to the improvement while property income was slightly lower in 1999 as demand for office and commercial space remained weak.

Contributions from the associated companies in Malaysia were also higher as a result of a one-off tax exemption on profits earned for the year 1999.

The Group's extraordinary net gain includes \$9.3 million due mainly to the disposal of long-term investments.

There was no pre-acquisition profit during the year.

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

During the year, the Group had refinanced part of its short-term borrowings with medium term financing. As at 31st December 1999, total net borrowings of the Group were \$483.0 million which represent a gearing ratio of 48.9% (1998 : 56.1%) of the Group's net asset values.

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 for the period from the end of the financial year to the date of this announcement.

CURRENT YEAR PROSPECTS

With the general improvement in the regional economies, prospects for the Group's businesses in property and hotel operations are expected to be better. The Group will focus on growing its hotel operations through management contracts and strategic alliances with operators in the Asia Pacific region. Investment income will remain an important contributor to the Group's total profit. Tin smelting income is expected to see a slight decline as increased fuel costs may erode the profit margins.

YEAR 2000 (“Y2K”)

The Group had performed extensive tests to ensure that all the critical computers and electronic systems were Y2K compliant and contingency plans were in place to cope with any unexpected technical problem that might have arisen. The Group did not encounter any Y2K problem in crossing over to 1st January 2000 and also on 29th February 2000.

DIVIDEND

- (a) The first interim dividend of 2 cents per \$1 stock unit was paid on 5th November 1999.

	<u>1999</u>	<u>1998</u>
(b) Annual dividend per stock unit (cents)	5.0	5.0
(c) Total annual dividend, net (\$'000)	11,034	10,989
(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 16th May 2000 will be registered before entitlements to the dividend are determined.		

PROPOSED RECONVERSION OF STOCK INTO SHARES AND PROPOSED BONUS ISSUE

Subject to the approvals of the relevant authorities and the stockholders of the Company at an extraordinary general meeting to be convened, the Directors are pleased to propose:-

- (1) a reconversion of all the Company's existing stock in issue into issued and fully paid-up shares on the basis of one share of \$1 for every nominal amount of \$1 stock, and
- (2) subject to and contingent upon the said reconversion taking effect, a bonus issue of one bonus share for every five existing shares of \$1 each held by the shareholders of the Company, fractional entitlements to be disregarded,

both as at a date to be determined by the Directors.

The proposed reconversion will simplify the procedure for the allotment and issue of new shares in the future, since there will no longer be any need for the Company to convert newly issued and fully paid-up shares into stock.

The proposed bonus issue will increase the capital base of the Company to reflect its expanded scale of businesses and future growth, as well as to enhance the liquidity of the Company's shares. The bonus shares shall rank *pari passu* in all respects with the existing shares of the Company except that they will not rank for the second interim dividend in respect of the financial year 1999.

Barring any unforeseen circumstances, the Directors are of the opinion that the Company will be able to maintain the same dividend rate in the financial year 2000 on the enlarged share capital.

BY ORDER OF THE BOARD
Emily Teo (Ms)
Secretary

29th March 2000
Singapore