

The Straits Trading Company Limited (Company Registration No. : 188700008D)**Fourth Quarter and Full Year Financial Statements and Dividend Announcement for the Year Ended 31 December 2016****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (1Q, 2Q & 3Q), HALF-YEAR AND FULL YEAR RESULTS****1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

The unaudited results for the 4th quarter and full year ended 31 December 2016 are as follow:

GROUP	Note	4 th Quarter (4Q) Ended 31 December			Full Year Ended 31 December		
		2016 \$'000	2015 \$'000	+ / (-) %	2016 \$'000	2015 \$'000	+ / (-) %
Revenue							
Tin mining and smelting revenue		114,979	122,457	(6.1)	495,165	528,493	(6.3)
Property revenue		5,077	4,264	19.1	18,310	11,456	59.8
Total revenue		120,056	126,721	(5.3)	513,475	539,949	(4.9)
Other items of income/(loss)							
Dividend income		5,707	7,262	(21.4)	24,684	25,407	(2.8)
Interest income		3,348	2,842	17.8	12,740	10,485	21.5
Fair value changes in investment properties		(317)	(5,113)	(93.8)	932	(4,819)	NM
Fair value changes in financial assets	A	(4,506)	(508)	787.0	4,899	(15,594)	NM
Other income/(loss)	B	24,504	621	3,845.9	27,933	(4,343)	NM
		148,792	131,825	12.9	584,663	551,085	6.1
Other items of expense							
Employee benefits expense		(11,218)	(6,711)	67.2	(31,088)	(26,613)	16.8
Depreciation expense		(1,144)	(759)	50.7	(4,063)	(3,187)	27.5
Amortisation expense		(161)	(157)	2.5	(644)	(687)	(6.3)
Impairment losses		(226)	(294)	(23.1)	(226)	(294)	(23.1)
Costs of tin mining and smelting		(105,875)	(112,807)	(6.1)	(447,000)	(481,112)	(7.1)
Finance costs		(5,018)	(4,446)	12.9	(19,420)	(15,714)	23.6
Other expenses		(11,118)	(7,421)	49.8	(30,111)	(22,501)	33.8
Exchange losses	C	(11,322)	(1,876)	503.5	(2,153)	(18,576)	(88.4)
Total expenses		(146,082)	(134,471)	8.6	(534,705)	(568,684)	(6.0)
Share of results of associates and joint ventures	D	30,582	16,236	88.4	44,980	28,475	58.0
Profit before tax		33,292	13,590	145.0	94,938	10,876	772.9
Income tax expense	E	(8,309)	(1,747)	375.6	(16,359)	(3,391)	382.4
Profit after tax		24,983	11,843	111.0	78,579	7,485	949.8

NM – Not Meaningful

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

The unaudited results for the 4th quarter and full year ended 31 December 2016 are as follow (cont'd):

<u>GROUP</u>	4 th Quarter (4Q) Ended 31 December			Full Year Ended 31 December		
	2016	2015	+ / (-)	2016	2015	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit/(Loss) attributable to:						
Owners of the Company	21,333	11,354	87.9	67,291	8,549	687.1
Non-controlling interests	3,650	489	646.4	11,288	(1,064)	NM
	24,983	11,843	111.0	78,579	7,485	949.8

NM – Not Meaningful

Notes to the Income Statement:

- (A) These were related to mark-to-market valuation from marketable securities.
- (B) The other income in 2016 was primarily the gain on disposal of an investment property in Australia.
- (C) Exchange losses were mainly a result of movements of US Dollar against the Malaysian Ringgit from the resources operations.
- (D) Associates and joint ventures reported better overall results in 2016.
- (E) The higher tax expense was due to the capital gains tax from the disposal of a property in Australia.

1(a)(ii) Statement of comprehensive income for the 4th quarter and full year ended 31 December 2016.

<u>GROUP</u>	4th Quarter (4Q) Ended 31 December		Full Year Ended 31 December	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Profit after tax	24,983	11,843	78,579	7,485
Items that will not be reclassified to profit or loss:				
Net revaluation surplus on property, plant and equipment	925	1,460	925	1,460
Share of revaluation surplus on property, plant and equipment of associates	7,863	4,849	8,399	6,750
Net fair value changes in equity securities carried at Fair Value through Other Comprehensive Income ("FVOCI")	(5,609)	—	12,805	—
Share of net fair value changes in equity securities carried at FVOCI of associates	(2,042)	—	3,420	—
	1,137	6,309	25,549	8,210
Items that may be reclassified subsequently to profit or loss:				
Net fair value changes in available-for- sale investment securities	—	4,161	—	(42,319)
Net fair value changes in cash flow hedges	853	3,476	1,733	(812)
Currency translation reserve	(3,000)	2,077	(10,882)	(15,296)
Share of reserves of associates and joint ventures	490	5,698	(194)	(9,573)
Realisation of foreign currency translation reserve to profit or loss	2,218	—	2,295	—
	561	15,412	(7,048)	(68,000)
Other comprehensive income after tax for the period	1,698	21,721	18,501	(59,790)
Total comprehensive income for the period	26,681	33,564	97,080	(52,305)
Total comprehensive income attributable to:				
Owners of the Company	24,984	30,364	85,677	(44,162)
Non-controlling interests	1,697	3,200	11,403	(8,143)
Total comprehensive income for the period	26,681	33,564	97,080	(52,305)

1(b)(i) A statement of financial position (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 2016

	Note	GROUP		Note	COMPANY	
		31 Dec 2016	31 Dec 2015		31 Dec 2016	31 Dec 2015
		\$'000	\$'000		\$'000	\$'000
Assets						
<u>Non-current assets</u>						
Property, plant and equipment		52,737	34,434		143	174
Investment properties	1	554,337	606,010		32,314	32,371
Goodwill		17,298	17,604		–	–
Other intangible assets		7,100	6,655		–	–
Subsidiaries		–	–		125,237	125,237
Associates and joint ventures	2	639,379	558,616		2,708	2,708
Deferred tax assets		3,731	1,599		–	–
Other non-current receivables		–	1,855		–	–
Derivative financial instruments		551	–		–	–
Investment securities	3	256,179	201,576		–	–
Other non-current assets		970	987		–	–
Total non-current assets		1,532,282	1,429,336		160,402	160,490
<u>Current assets</u>						
Assets classified as held for sale		17,464	17,771		17,464	17,771
Development properties for sale		66	70		–	–
Inventories	4	119,554	88,820		–	–
Income tax receivables		3,611	3,526		–	–
Prepayments and accrued income		2,409	1,854		15	1
Trade related prepayments		13,685	34,180		–	–
Trade receivables		37,565	19,335		50	30
Other receivables		74,027	72,782		837,184	866,233
Marketable securities	5	112,548	178,282		–	–
Derivative financial instruments		313	200		–	–
Cash and short-term deposits		291,091	239,325		99,374	105,579
Total current assets		672,333	656,145		954,087	989,614
Total assets		2,204,615	2,085,481		1,114,489	1,150,104
<u>Equity and liabilities</u>						
<u>Equity</u>						
Share capital		568,968	568,968		568,968	568,968
Retained earnings		832,222	782,253		73,372	86,250
Other reserves		(36,682)	(54,057)		(19,404)	(18,079)
Equity attributable to owners of the Company		1,364,508	1,297,164		622,936	637,139
Non-controlling interests		94,240	73,049		–	–
Total equity		1,458,748	1,370,213		622,936	637,139

1(b)(i) A statement of financial position (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 2016 (cont'd)

	Note	GROUP		Note	COMPANY	
		31 Dec 2016	31 Dec 2015		31 Dec 2016	31 Dec 2015
		\$'000	\$'000		\$'000	\$'000
<u>Non-current liabilities</u>						
Provisions		8,644	5,923		—	—
Deferred tax liabilities		5,672	5,654		2,751	2,806
Borrowings	6	185,770	373,985		—	—
Derivative financial instruments		374	24		—	—
Other non-current liabilities		1,265	465		—	—
Total non-current liabilities		201,725	386,051		2,751	2,806
<u>Current liabilities</u>						
Provisions	7	3,116	22,756		—	19,585
Income tax payable		13,426	2,083		75	442
Trade and other payables		92,445	122,962		488,727	490,132
Borrowings	6	434,041	177,682		—	—
Derivative financial instruments		1,114	3,734		—	—
Total current liabilities		544,142	329,217		488,802	510,159
Total liabilities		745,867	715,268		491,553	512,965
Total equity and liabilities		2,204,615	2,085,481		1,114,489	1,150,104

Notes to Balance Sheets:

Group

Assets

- (1) The decrease in investment properties was due to the sale of a property in Australia.
- (2) The increase in associates and joint ventures was due to additional capital injection into an associate and higher contribution from associates.
- (3) The increase in investment securities was mainly due to mark-to-market gains and additional purchase of financial instruments.
- (4) The increase in inventories was mainly due to higher stock quantity on hand and higher tin price.
- (5) The decrease in marketable securities was mainly due to disposals during the year.

Liabilities

- (6) There was a reclassification of long-term borrowings to current liabilities.
- (7) Certain provisions had been utilised and written back.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand:**

As at 31/12/2016		As at 31/12/2015	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
340,518	93,523	48,663	129,019

Amount repayable after one year:

As at 31/12/2016		As at 31/12/2015	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
169,509	16,261	373,985	—

Details of any collaterals:

Secured borrowings are generally secured by mortgages on the subsidiaries' properties, other assets and shares held in a subsidiary.

1(c) A statement of cash flows (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 full year ended 31 December 2016

	4 th Quarter (4Q) Ended 31 December		Full Year Ended 31 December	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
<u>Cash flows from operating activities</u>				
Profit before tax	33,292	13,590	94,938	10,876
<u>Adjustments</u>				
Depreciation of property, plant and equipment	1,144	759	4,063	3,187
Amortisation of intangible assets	161	157	644	687
Dividend income	(5,707)	(7,262)	(24,684)	(25,407)
Interest income	(3,348)	(2,842)	(12,740)	(10,485)
Finance costs	5,018	4,446	19,420	15,714
Currency realignment	9,953	(6,714)	993	11,379
Fair value changes in investment properties and financial assets	4,823	5,621	(5,831)	20,413
Net gain on disposal of property, plant and equipment, investment properties, subsidiaries, associates and joint ventures	(24,737)	–	(25,466)	(770)
Unfavourable/(Favourable) valuation adjustment on tin inventory	–	5,771	(5,855)	4,698
Impairment losses of investments, property, plant and equipment	226	294	226	294
(Write back) of provision/provision for liabilities	(2,172)	2,439	(2,171)	2,444
Impairment of receivables	2,988	800	3,176	819
Share of results of associates and joint ventures	(30,582)	(16,236)	(44,980)	(28,475)
Operating cash flows before changes in working capital	(8,941)	823	1,733	5,374
Decrease in development properties for sale	–	–	–	156
(Increase)/Decrease in inventories	(13,901)	2,963	(26,414)	(9,946)
Decrease/(Increase) in marketable securities	42,608	7,721	70,445	(114,608)
Increase in trade and other receivables	(35,827)	(2,064)	(3,424)	(18,559)
Increase/(Decrease) in trade and other payables	7,252	(19,779)	(23,953)	36,347
Cash flows (used in)/from operations	(8,809)	(10,336)	18,387	(101,236)
Income taxes paid	(880)	(348)	(7,961)	(5,809)
Payment of finance costs	(4,855)	(5,256)	(18,164)	(15,705)
Interest received	546	2,542	2,965	9,457
Dividend income from marketable securities	3,187	4,695	13,278	15,400
Net cash flows (used in)/from operating activities	(10,811)	(8,703)	8,505	(97,893)

1(c) A statement of cash flows (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 full year ended 31 December 2016
(cont'd)

	4 th Quarter (4Q) Ended 31 December		Full Year Ended 31 December	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Cash flows from investing activities</u>				
Proceeds from disposal of property, plant and equipment and investment properties	167,098	—	174,927	43,046
Cost incurred on property, plant and equipment	(17,066)	(3,313)	(18,703)	(4,990)
Cost incurred on investment properties	(8,185)	(2,007)	(114,595)	(197,994)
Purchase of investment securities	(16,319)	—	(31,199)	(38,924)
Investment in associates	(48,051)	(30,582)	(55,902)	(114,983)
Payment for deferred mine exploration and evaluation expenditure and mine properties	(216)	(36)	(1,217)	(678)
Net cash inflow from sale of subsidiaries	—	—	—	53,030
Dividend income from investment securities, associates and joint ventures	3,466	3,993	23,003	20,379
Currency realignment	349	115	1,684	154
Net cash flows from/(used in) investing activities	81,076	(31,830)	(22,002)	(240,960)
<u>Cash flows from financing activities</u>				
Dividends paid to shareholders	—	—	(16,324)	(16,324)
Dividend paid to non-controlling shareholders of subsidiaries	(600)	—	(1,443)	—
Proceeds from loan to an associate	—	60,000	—	—
Drawdown of short-term borrowings	19,190	22,935	34,865	17,599
Drawdown of long-term borrowings	22,253	2,152	117,154	152,294
Repayment of long-term borrowings	(79,680)	(1,728)	(81,748)	(69,086)
Net proceeds from issuance of shares by subsidiaries to non-controlling shareholders	2,337	1,101	12,831	30,345
Currency realignment	(7,421)	1,895	457	(15,522)
Net cash flows (used in)/from financing activities	(43,921)	86,355	65,792	99,306
Net increase/(decrease) in cash and cash equivalents	26,344	45,822	52,295	(239,547)
Effect of exchange rate changes on cash and cash equivalents	(556)	1,140	(529)	(5,800)
Cash and cash equivalents, beginning balance	265,303	192,363	239,325	484,672
Cash and cash equivalents, ending balance	291,091	239,325	291,091	239,325

Notes to the Cash Flow Statement:

(i) Fourth Quarter

Net cash outflow from operating activities for 4Q2016 was mainly due to purchase of inventories.

Net cash inflow from investing activities for 4Q2016 was mainly due to proceeds from disposal of a property in Australia.

Net cash outflow from financing activities for 4Q2016 was mainly due to repayment of borrowings.

(ii) Full Year

Net cash inflow from operating activities for FY2016 was mainly due to sale of marketable securities.

Net cash outflow from investing activities for FY2016 was mainly due to purchase of properties in Japan, payment of asset enhancement works for the retail mall in China and capital injection into a fund.

Net cash inflow for FY2016 from financing activities was mainly due to drawdown of borrowings.

(iii) Significant non-cash transactions

There were no material non-cash transactions other than those disclosed in the cash flow statement.

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 2016

GROUP

	Total equity	Equity attributable to owners of the Company	Share capital	Retained earnings	AFS reserve	FVOCI reserve	Hedging reserve	Revaluation reserve	Translation reserve	Non- controlling Interests
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 January 2016 (As previously stated)	1,370,213	1,297,164	568,968	782,253	(23,922)	—	(1,811)	15,578	(43,902)	73,049
Effect of adoption of FRS 109 (refer to item 5)	(3,409)	(1,859)	—	(1,286)	23,922	(24,495)	—	—	—	(1,550)
Opening balance at 1 January 2016 (As restated)	1,366,804	1,295,305	568,968	780,967	—	(24,495)	(1,811)	15,578	(43,902)	71,499
Total comprehensive income for the year	97,080	85,677	—	67,291	—	14,317	1,139	8,904	(5,974)	11,403
<u>Contributions by and distributions to owners</u>										
Dividend on ordinary shares	(16,324)	(16,324)	—	(16,324)	—	—	—	—	—	—
Dividend to non- controlling interests	(1,643)	—	—	—	—	—	—	—	—	(1,643)
Contribution of capital by non-controlling interests	12,831	—	—	—	—	—	—	—	—	12,831
Total contributions by and distributions to owners	(5,136)	(16,324)	—	(16,324)	—	—	—	—	—	11,188
<u>Changes in ownership interests in subsidiaries</u>										
Dilution of ownership interests in subsidiaries that do not result in a loss of control	—	(150)	—	(150)	—	—	—	—	—	150
Total changes in ownership interests in subsidiaries	—	(150)	—	(150)	—	—	—	—	—	150
Total transactions with owners in their capacity as owners	(5,136)	(16,474)	—	(16,474)	—	—	—	—	—	11,338
<u>Others</u>										
Share of associate's realisation of revaluation reserve	—	—	—	438	—	—	—	(438)	—	—
Total others	—	—	—	438	—	—	—	(438)	—	—
Closing balance at 31 December 2016	1,458,748	1,364,508	568,968	832,222	—	(10,178)	(672)	24,044	(49,876)	94,240

Statements of changes in equity for the year ended 31 December 2016 (cont'd)

GROUP (cont'd)

	Total equity \$'000	Equity attributable to owners of the Company \$'000	Share capital \$'000	Retained earnings \$'000	AFS reserve \$'000	Hedging reserve \$'000	Revaluation reserve \$'000	Translation reserve \$'000	Reserve of disposal group classified as held for sale \$'000	Non- controlling interests \$'000
Opening balance at 1 January 2015	1,405,898	1,354,997	568,968	787,375	19,102	(1,367)	8,034	(27,365)	250	50,901
Total comprehensive income for the year	(52,305)	(44,162)	—	8,549	(43,024)	(444)	7,544	(16,491)	(296)	(8,143)
<u>Contributions by and distributions to owners</u>										
Dividend on ordinary shares	(16,324)	(16,324)	—	(16,324)	—	—	—	—	—	—
Dividend paid to non- controlling interests	(61)	—	—	—	—	—	—	—	—	(61)
Unclaimed dividends written back	2,660	2,660	—	2,660	—	—	—	—	—	—
Contribution of capital by non-controlling interests	30,345	—	—	—	—	—	—	—	—	30,345
Total contributions by and distributions to owners	16,620	(13,664)	—	(13,664)	—	—	—	—	—	30,284
<u>Changes in ownership interests in subsidiaries</u>										
Dilution of ownership interests in subsidiaries that do not result in a loss of control	—	(7)	—	(7)	—	—	—	—	—	7
Total changes in ownership interests in subsidiaries	—	(7)	—	(7)	—	—	—	—	—	7
Total transactions with owners in their capacity as owners	16,620	(13,671)	—	(13,671)	—	—	—	—	—	30,291
<u>Others</u>										
Reserve attributable to disposal group classified as held for sale	—	—	—	—	—	—	—	(46)	46	—
Total others	—	—	—	—	—	—	—	(46)	46	—
Closing balance at 31 December 2015	1,370,213	1,297,164	568,968	782,253	(23,922)	(1,811)	15,578	(43,902)	—	73,049

Statements of changes in equity for the year ended 31 December 2016 (cont'd)

COMPANY

	Total equity \$'000	Equity attributable to owners of the Company \$'000	Share capital \$'000	Retained earnings \$'000	Revaluation reserve \$'000	Translation reserve \$'000
Opening balance at 1 January 2016	637,139	637,139	568,968	86,250	202	(18,281)
Total comprehensive income for the year	2,121	2,121	—	3,446	1	(1,326)
<u>Contributions by and distributions to owners</u>						
Dividend on ordinary shares	(16,324)	(16,324)	—	(16,324)	—	—
Total transactions with owners in their capacity as owners	(16,324)	(16,324)	—	(16,324)	—	—
Closing balance at 31 December 2016	622,936	622,936	568,968	73,372	203	(19,607)

	Total equity \$'000	Equity attributable to owners of the Company \$'000	Share capital \$'000	Retained earnings \$'000	Revaluation reserve \$'000	Translation reserve \$'000
Opening balance at 1 January 2015	649,863	649,863	568,968	89,069	208	(8,382)
Total comprehensive income for the year	940	940	—	10,845	(6)	(9,899)
<u>Contributions by and distributions to owners</u>						
Dividend on ordinary shares	(16,324)	(16,324)	—	(16,324)	—	—
Unclaimed dividends written back	2,660	2,660	—	2,660	—	—
Total transactions with owners in their capacity as owners	(13,664)	(13,664)	—	(13,664)	—	—
Closing balance at 31 December 2015	637,139	637,139	568,968	86,250	202	(18,281)

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31 December 2016	31 December 2015
Total number of ordinary shares in issue	408,095,772	408,095,772

There were no treasury shares as at 31 December 2016 and 31 December 2015.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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

These figures had not been audited or reviewed by the Company's auditors.

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in item 5 below, the Group had applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2015.

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.**

(i) New and revised Financial Reporting Standards (“FRS”)

The Group adopted the following new and revised FRS that are relevant to its operations and effective for the financial period beginning 1 January 2016 with no material impact:

Improvements to FRSs (November 2014)
 Amendments to FRS 27 Equity Method in Separate Financial Statements
 Amendments to FRS 16 and FRS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
 Amendments to FRS 111 Accounting for Acquisitions of Interests in Joint Operations
 Amendments to FRS 1 Disclosure Initiative
 Amendments to FRS 110, FRS 112 and FRS 28 Investment Entities: Applying the Consolidation Exception

(ii) Early adoption of FRS 109 Financial Instruments (“FRS 109”)

The Group has elected to early adopt FRS 109 which is applied retrospectively from 1 January 2016 to better reflect the Group’s strategy on its financial assets. We have elected not to adjust the comparative information as permitted under FRS 109 transitional provision.

The early adoption of FRS 109 has no significant financial impact on the financial performance or position of the Group and Company.

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.**

	4 th Quarter (4Q) Ended 31 December		Full Year Ended 31 December	
	2016	2015	2016	2015
Basic and diluted earnings per share for the period based on Group profit attributable to owners of the Company:	5.2 cents	2.8 cents	16.5 cents	2.1 cents

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

(a) current financial period reported on; and

(b) immediately preceding financial year.

Net asset value per share based on
issued share capital at the end of:

	31 December 2016	31 December 2015
The Group	\$3.34	\$3.18
The Company	\$1.53	\$1.56

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 following tables summarise the 4Q2016 operating results by business segments and comparables for 4Q2015 and the FY2016 operating results by business segments and comparables for FY2015.

4Q2016 Operating Segment Results

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	114,979	5,077	–	–	–	120,056
Inter-segment revenue	–	63	–	–	(63)	–
Total revenue	114,979	5,140	–	–	(63)	120,056
Segment results						
Operating profit/(loss)	(6,454)	12,112	418	2,195	–	8,271
Fair value changes in investment properties	–	(317)	–	–	–	(317)
Impairment losses	(226)	–	–	–	–	(226)
Finance costs	(966)	(4,051)	–	(1)	–	(5,018)
Share of results of associates and joint ventures	9,531	21,424	(373)	–	–	30,582
Profit before tax	1,885	29,168	45	2,194	–	33,292
Income tax (expense)/credit	(328)	(8,082)	(57)	158	–	(8,309)
Profit/(Loss) after tax	1,557	21,086	(12)	2,352	–	24,983
Profit/(Loss) attributable to:						
Owners of the Company	(96)	19,089	(12)	2,352	–	21,333
Non-controlling interests	1,653	1,997	–	–	–	3,650
	1,557	21,086	(12)	2,352	–	24,983

4Q2015 Operating Segment Results

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	122,457	4,264	–	–	–	126,721
Inter-segment revenue	–	185	–	–	(185)	–
Total revenue	122,457	4,449	–	–	(185)	126,721
Segment results						
Operating profit	544	5,765	765	133	–	7,207
Fair value changes in investment properties	–	(5,113)	–	–	–	(5,113)
Impairment losses	(294)	–	–	–	–	(294)
Finance costs	(1,334)	(3,090)	–	(22)	–	(4,446)
Share of results of associates and joint ventures	65	15,113	1,058	–	–	16,236
Profit/(Loss) before tax	(1,019)	12,675	1,823	111	–	13,590
Income tax (expense)/credit	(1,107)	(1,217)	(56)	633	–	(1,747)
Profit/(Loss) after tax	(2,126)	11,458	1,767	744	–	11,843
Profit/(Loss) attributable to:						
Owners of the Company	(1,132)	9,975	1,767	744	–	11,354
Non-controlling interests	(994)	1,483	–	–	–	489
	(2,126)	11,458	1,767	744	–	11,843

Note:

Real Estate – This comprises the property portfolio, investments in Straits Real Estate Pte. Ltd. ("SRE"), Suntec REIT units and ARA Asset Management Limited ("ARA").

Hospitality – This comprises the investments in Far East Hospitality Holdings Pte. Ltd. ("FEHH") and Far East Hospitality Trust ("FEHT").

Others – This comprises Group-level corporate and treasury services.

FY2016 Operating Segment Results

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Revenue</u>						
External revenue	495,165	18,310	–	–	–	513,475
Inter-segment revenue	–	256	–	–	(256)	–
Total revenue	495,165	18,566	–	–	(256)	513,475
<u>Segment results</u>						
Operating profit	22,439	39,897	1,044	5,292	–	68,672
Fair value changes in investment properties	–	932	–	–	–	932
Impairment losses	(226)	–	–	–	–	(226)
Finance costs	(4,234)	(15,144)	–	(42)	–	(19,420)
Share of results of associates and joint ventures	(475)	42,023	3,432	–	–	44,980
Profit before tax	17,504	67,708	4,476	5,250	–	94,938
Income tax expense	(5,276)	(10,202)	(226)	(655)	–	(16,359)
Profit after tax	12,228	57,506	4,250	4,595	–	78,579
<u>Profit attributable to:</u>						
Owners of the Company	5,698	52,748	4,250	4,595	–	67,291
Non-controlling interests	6,530	4,758	–	–	–	11,288
	12,228	57,506	4,250	4,595	–	78,579

FY2015 Operating Segment Results

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Revenue</u>						
External revenue	528,493	11,456	–	–	–	539,949
Inter-segment revenue	–	457	–	–	(457)	–
Total revenue	528,493	11,913	–	–	(457)	539,949
<u>Segment results</u>						
Operating profit/(loss)	5,247	(3,154)	(63)	1,198	–	3,228
Fair value changes in investment properties	–	(4,819)	–	–	–	(4,819)
Impairment losses	(294)	–	–	–	–	(294)
Finance costs	(5,356)	(10,258)	–	(100)	–	(15,714)
Share of results of associates and joint ventures	600	25,575	2,300	–	–	28,475
Profit before tax	197	7,344	2,237	1,098	–	10,876
Income tax (expense)/credit	(2,801)	(3,398)	(225)	3,033	–	(3,391)
Profit/(Loss) after tax	(2,604)	3,946	2,012	4,131	–	7,485
<u>Profit/(Loss) attributable to:</u>						
Owners of the Company	(1,821)	4,227	2,012	4,131	–	8,549
Non-controlling interests	(783)	(281)	–	–	–	(1,064)
	(2,604)	3,946	2,012	4,131	–	7,485

Note:

Real Estate – This comprises the property portfolio, investments in Straits Real Estate Pte. Ltd. ("SRE"), Suntec REIT units and ARA Asset Management Limited ("ARA").

Hospitality – This comprises the investments in Far East Hospitality Holdings Pte. Ltd. ("FEHH") and Far East Hospitality Trust ("FEHT").

Others – This comprises Group-level corporate and treasury services.

Group

The Group reported profit after tax and non-controlling interests of \$21.3 million for 4Q2016 and \$67.3 million for FY2016, with improved performance across all business segments for the full year.

Resources

The resources segment recorded better results for 4Q2016 and FY2016 compared with the previous corresponding periods.

The results for 4Q2016 were adversely affected by higher impairment of receivables. This was mitigated by better share of results of associates and joint ventures arising from reversal of overprovision for prior years' tax liabilities.

The profit after tax and non-controlling interests for FY2016 was mainly due to higher tin prices and lower foreign exchange losses.

Real Estate

The Group's real estate revenue for FY2016 was higher due to higher rental income from its overseas properties.

For 4Q2016 and FY2016, the real estate operations reported a profit after tax and non-controlling interests of \$19.1 million and \$52.7 million respectively. The profits in 2016 were lifted by higher contribution from associates and joint ventures and a net gain from the sale of a property in Australia.

Hospitality

The hospitality segment recorded a small loss for 4Q2016 mainly due to the Group's share of the revaluation loss of a hotel property and impairment of intangible assets by the associate. The profit after tax of \$4.3 million for FY2016 was mainly from gain on sale of a hotel by the associate in 1Q2016.

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

No prospect statement was disclosed in the third quarter 2016 financial results announcement made on 11 November 2016.

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.

Straits Real Estate Pte. Ltd. ("SRE"), the Group's 89.5%-owned real estate investment vehicle, now has a geographically diverse portfolio of investments across China, Malaysia, Australia and Japan spanning different real estate asset classes. It will continue to seek out new and attractive investment opportunities in the Asia Pacific region.

On 31 January 2017, the Group announced the completion of its acquisition of a freehold 14 storey rental residential property in Osaka, Japan. This will complement SRE's existing investments in the Asia Pacific region and is in line with its strategy of tapping into higher yielding real estate investment opportunities.

The Group is part of a consortium which has proposed the privatisation and delisting of ARA Asset Management Limited ("ARA") from the SGX-ST via a Scheme of Arrangement ("Scheme"). As at 9 February 2017, ARA has obtained all the regulatory approvals for its privatisation. The privatisation is conditional upon the approval of ARA shareholders. A meeting of ARA shareholders to consider the Scheme has been scheduled on 23 March 2017.

Malaysia Smelting Corporation Berhad, the Group's 54.8%-owned resources arm, has seen recovery in tin prices, but market conditions remain challenging. The global commodity and resources sectors are still volatile.

Far East Hospitality Holdings Pte. Ltd. ("FEHH"), the Group's 30%-owned hospitality arm plans to continue to grow its businesses by increasing the number of management contracts, acquiring strategic assets, and divesting properties to recycle capital for re-deployment towards higher yielding growth opportunities when appropriate.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	6 cents per ordinary share (one-tier tax)
Tax Rate	N.A.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	4 cents per ordinary share (one-tier tax)
Tax Rate	N.A.

(c) Date payable

5 May 2017

(d) Books closure date

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 20 April 2017 for the purpose of determining shareholders' entitlement to the interim dividend payable on 5 May 2017. Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road #02-00, Singapore 068898, up to 5.00 p.m. on 19 April 2017 will be registered to determine shareholders' entitlements to the interim dividend. In respect of shares held in securities accounts with The Central Depository (Pte) Limited ("CDP"), the interim dividend will be paid by the Company to CDP, which will in turn distribute the dividend entitlement to the holders of such shares in accordance with its practice.

(e) Annual General Meeting

The Annual General Meeting of the Company will be held at Meeting Rooms 303 and 304, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 27 April 2017 at 11.00 a.m.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company did not seek and does not have a general mandate from shareholders pursuant to Rule 920 of the Listing Manual.

- 14. Negative confirmation pursuant to Rule 705(5).**

Not applicable.

- 15. Confirmation of Undertakings from Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual**

The Company has procured undertakings from all its Directors and executive officers (in the form set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 16. 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.**

Please refer to item 8 for the segmented revenue and results of the various businesses of the Group.

2016 Geographical Information

	Singapore \$'000	Malaysia \$'000	Australia \$'000	Others \$'000	Consolidated \$'000
Segment Revenue					
Revenue from external parties	4,078	497,031	9,571	2,795	513,475

2015 Geographical Information

	Singapore \$'000	Malaysia \$'000	Australia \$'000	Others \$'000	Consolidated \$'000
Segment Revenue					
Revenue from external parties	5,062	531,589	3,298	—	539,949

17. 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 item 8.

18. A breakdown of revenue and profit after tax for continuing operations are as follows:

	2016	2015	+ / (-)
	\$'000	\$'000	%
(a) Total revenue reported for first half year	280,036	275,023	1.8
(b) Profit after tax before deducting non-controlling interests reported for first half year	33,198	780	4,156.2
(c) Total revenue reported for second half year	233,439	264,926	(11.9)
(d) Profit after tax before deducting non-controlling interests reported for second half year	45,381	6,705	576.8

19. 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

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Ordinary	24,486	16,324
Total:	24,486	16,324

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or substantial shareholder of the Company.

BY ORDER OF THE BOARD
Aldric Tan Jee Wei
Secretary

28 February 2017
 Singapore

This Announcement will be available at the Company's website at
<http://www.stc.com.sg/>