

**The Straits Trading Company Limited (Company Registration No. : 188700008D)**

**Second Quarter and Half Year Financial Statements Announcement for the Period Ended 30 June 2017**

**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 2<sup>nd</sup> quarter and half year ended 30 June 2017 are as follow:

<b>GROUP</b>	Note	2 <sup>nd</sup> Quarter (2Q) Ended		+ / (-)	Half Year (1H) Ended		+ / (-)
		30 June			30 June		
		2017	2016		2017	2016	
		\$'000	\$'000	%	\$'000	\$'000	%
<b>Revenue</b>							
Tin mining and smelting	A	98,369	135,547	(27.4)	228,387	272,043	(16.0)
Property revenue		3,191	3,956	(19.3)	6,647	7,993	(16.8)
Total revenue		101,560	139,503	(27.2)	235,034	280,036	(16.1)
<b>Other items of income/(loss)</b>							
Dividend income	B	3,483	5,401	(35.5)	7,924	13,126	(39.6)
Interest income		3,438	3,095	11.1	6,880	6,392	7.6
Fair value changes in investment properties		(592)	1,249	NM	(592)	1,249	NM
Fair value changes in financial assets		3,701	1,827	102.6	8,141	5,676	43.4
Other income		1,660	761	118.1	1,534	952	61.1
		113,250	151,836	(25.4)	258,921	307,431	(15.8)
<b>Other items of expense</b>							
Employee benefits expense		(7,528)	(6,827)	10.3	(14,838)	(13,114)	13.1
Depreciation expense		(1,178)	(987)	19.4	(2,307)	(1,873)	23.2
Amortisation expense		(157)	(161)	(2.5)	(310)	(322)	(3.7)
Costs of tin mining and smelting	A	(89,816)	(121,806)	(26.3)	(205,649)	(244,660)	(15.9)
Finance costs		(4,824)	(4,663)	3.5	(10,302)	(9,877)	4.3
Other expenses		(6,219)	(5,965)	4.3	(16,543)	(11,872)	39.3
Exchange gains		1,030	2,091	(50.7)	4,521	8,102	(44.2)
Total expenses		(108,692)	(138,318)	(21.4)	(245,428)	(273,616)	(10.3)
Share of results of associates and joint ventures	C	5,752	(4,009)	NM	25,600	6,497	294.0
<b>Profit before tax</b>		10,310	9,509	8.4	39,093	40,312	(3.0)
Income tax expense		(517)	(3,715)	(86.1)	(3,282)	(7,114)	(53.9)
<b>Profit after tax</b>		9,793	5,794	69.0	35,811	33,198	7.9
<b>Profit attributable to:</b>							
<b>Owners of the Company</b>		8,499	6,604	28.7	30,445	29,160	4.4
<b>Non-controlling interests</b>		1,294	(810)	NM	5,366	4,038	32.9
		9,793	5,794	69.0	35,811	33,198	7.9

NM – Not meaningful

Notes to the Income Statement:

- (A) Lower tin mining and smelting revenue and costs in 2017 were due to lower sales volume of tin metal due to lower production.
- (B) Dividend income for 2017 was lower mainly due to the decrease in short-term investment securities portfolio following the redemption of units in SRE Asian Asset Income Fund ("SAAIF"), which ceased to be a subsidiary of the Group with effect from 1 June 2017.
- (C) The higher share of results for 2Q2017 was largely due to the absence of additional provision for prior year taxes from a joint venture of Malaysia Smelting Corporation Berhad.

**1(a)(ii) Statement of comprehensive income for the 2<sup>nd</sup> quarter and half year ended 30 June 2017.**

<b>GROUP</b>	<b>2<sup>nd</sup> Quarter (2Q) Ended</b>		<b>Half Year (1H) Ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Profit after tax</b>	<b>9,793</b>	5,794	<b>35,811</b>	33,198
<b>Items that will not be reclassified to profit or loss:</b>				
Share of revaluation surplus on property, plant and equipment of associates	<b>1,106</b>	536	<b>1,106</b>	536
Net fair value changes in equity securities carried at fair value through other comprehensive income ("FVOCI")	<b>10,505</b>	11,291	<b>25,256</b>	23,819
Share of net fair value changes in equity securities carried at FVOCI of associates	<b>4,329</b>	2,286	<b>10,991</b>	5,285
	<b>15,940</b>	14,113	<b>37,353</b>	29,640
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Net fair value changes in cash flow hedges	<b>(1,021)</b>	(1,002)	<b>(1,241)</b>	1,576
Currency translation reserve	<b>2,672</b>	(9,565)	<b>(1,481)</b>	(9,025)
Shares of reserves of associates and joint ventures	<b>(2,335)</b>	(4,942)	<b>(2,353)</b>	(3,649)
Realisation of foreign currency translation reserve to profit or loss	<b>–</b>	–	<b>(3,023)</b>	–
	<b>(684)</b>	(15,509)	<b>(8,098)</b>	(11,098)
<b>Other comprehensive income after tax for the period</b>	<b>15,256</b>	(1,396)	<b>29,255</b>	18,542
<b>Total comprehensive income for the period</b>	<b>25,049</b>	4,398	<b>65,066</b>	51,740
<b>Total comprehensive income attributable to:</b>				
<b>Owners of the Company</b>	<b>22,096</b>	5,678	<b>58,170</b>	45,025
<b>Non-controlling interests</b>	<b>2,953</b>	(1,280)	<b>6,896</b>	6,715
<b>Total comprehensive income for the period</b>	<b>25,049</b>	4,398	<b>65,066</b>	51,740

**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 30 June 2017

	Note	<b>GROUP</b>		Note	<b>COMPANY</b>	
		<b>30 June 2017</b>	31 Dec 2016		<b>30 June 2017</b>	31 Dec 2016
		\$'000	\$'000		\$'000	\$'000
<b>Assets</b>						
<b><u>Non-current assets</u></b>						
Property, plant and equipment		52,087	52,737		131	143
Investment properties	1	573,654	554,337		32,004	32,314
Goodwill		17,289	17,298		–	–
Other intangible assets		6,894	7,100		–	–
Subsidiaries		–	–		125,237	125,237
Associates and joint ventures	2	609,758	639,379		2,462	2,708
Deferred tax assets		5,612	3,731		–	–
Derivative financial instruments		885	551		–	–
Investment securities	3	321,747	256,179		–	–
Other non-current assets		1,333	970		–	–
<b>Total non-current assets</b>		<b>1,589,259</b>	<b>1,532,282</b>		<b>159,834</b>	<b>160,402</b>
<b><u>Current assets</u></b>						
Assets classified as held for sale		17,456	17,464		17,456	17,464
Development properties for sale		–	66		–	–
Inventories		123,769	119,554		–	–
Income tax receivables		4,139	3,611		–	–
Prepayments and accrued income		1,645	2,409		91	15
Trade related prepayments		12,718	13,685		–	–
Trade receivables	4	9,688	37,565		54	50
Other receivables		85,383	74,027	1a	963,013	837,184
Investment securities	4	30,986	112,548		–	–
Derivative financial instruments		–	313		–	–
Cash and short-term deposits		356,105	291,091	1b	123,600	99,374
<b>Total current assets</b>		<b>641,889</b>	<b>672,333</b>		<b>1,104,214</b>	<b>954,087</b>
<b>Total assets</b>		<b>2,231,148</b>	<b>2,204,615</b>		<b>1,264,048</b>	<b>1,114,489</b>
<b><u>Equity and liabilities</u></b>						
<b><u>Equity</u></b>						
Share capital		568,968	568,968		568,968	568,968
Retained earnings		838,216	832,222		65,383	73,372
Other reserves		(8,957)	(36,682)		(19,432)	(19,404)
<b>Equity attributable to owners of the Company</b>		<b>1,398,227</b>	<b>1,364,508</b>		<b>614,919</b>	<b>622,936</b>
Non-controlling interests		91,266	94,240		–	–
<b>Total equity</b>		<b>1,489,493</b>	<b>1,458,748</b>		<b>614,919</b>	<b>622,936</b>

**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 30 June 2017 (cont'd)

	Note	<b>GROUP</b>		Note	<b>COMPANY</b>	
		<b>30 June 2017</b>	31 Dec 2016		<b>30 June 2017</b>	31 Dec 2016
		<b>\$'000</b>	\$'000		<b>\$'000</b>	\$'000
<b><u>Non-current liabilities</u></b>						
Provisions		8,805	8,644		-	-
Deferred tax liabilities		5,945	5,672		2,795	2,751
Borrowings	5	416,668	185,770		-	-
Derivative financial instruments		1,939	374		-	-
Other non-current liabilities		1,529	1,265		-	-
<b>Total non-current liabilities</b>		<b>434,886</b>	201,725		<b>2,795</b>	2,751
<b><u>Current liabilities</u></b>						
Provisions		3,890	3,116		-	-
Income tax payable		5,811	13,426		66	75
Trade and other payables		76,668	92,445	1c	626,268	488,727
Borrowings	5	220,335	434,041		20,000	-
Derivative financial instruments		65	1,114		-	-
<b>Total current liabilities</b>		<b>306,769</b>	544,142		<b>646,334</b>	488,802
<b>Total liabilities</b>		<b>741,655</b>	745,867		<b>649,129</b>	491,553
<b>Total equity and liabilities</b>		<b>2,231,148</b>	2,204,615		<b>1,264,048</b>	1,114,489

Notes to Balance Sheets:

**Group**

- (1) The increase in investment properties was mainly due to the acquisition of a residential building in Osaka, Japan.
- (2) The decrease in associates and joint ventures was mainly due to the return of capital following the privatisation of an associate.
- (3) The increase in investment securities was mainly due to subscription of units in NikkoAM-StraitsTrading Asia ex Japan REIT ETF and fair value gains.
- (4) The decreases were mainly due to the exclusion of SAAIF's balance sheet as it ceased to be a subsidiary with effect from 1 June 2017.
- (5) Long-term loans were drawn down to refinance borrowings due within the next 12 months.

**Company**

- (1a) The increase in other receivables was mainly due to advances to subsidiaries.
- (1b) The increase in cash and short-term deposits was mainly due to net intercompany advances from subsidiaries.
- (1c) The increase in trade and other payables was mainly due to advances from subsidiaries.

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

As at 30/06/2017		As at 31/12/2016	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
108,728	111,607	340,518	93,523

**Amount repayable after one year:**

As at 30/06/2017		As at 31/12/2016	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
400,359	16,309	169,509	16,261

**Details of any collaterals:**

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

**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 2<sup>nd</sup> quarter and half year ended 30 June 2017

	2 <sup>nd</sup> Quarter (2Q) Ended 30 June		Half Year (1H) Ended 30 June	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b><u>Cash flows from operating activities</u></b>				
Profit before tax	10,310	9,509	39,093	40,312
<b>Adjustments</b>				
Depreciation of property, plant and equipment	1,178	987	2,307	1,873
Amortisation of intangible assets	157	161	310	322
Dividend income	(3,483)	(5,401)	(7,924)	(13,126)
Interest income	(3,438)	(3,095)	(6,880)	(6,392)
Finance costs	4,824	4,663	10,302	9,877
Currency realignment	(515)	(1,203)	(4,639)	(6,545)
Fair value changes in investment properties and financial assets	(3,109)	(3,076)	(7,549)	(6,925)
Net (gain)/loss on disposal of property, plant and equipment, investment properties and associates	(1)	1	4,520	(18)
Negative goodwill from acquisition of subsidiaries	–	–	(198)	–
Unfavourable/(Favourable) valuation adjustment on tin inventory	125	(2,234)	125	(5,603)
Impairment of receivables	–	–	–	182
Share of results of associates and joint ventures	(5,752)	4,009	(25,600)	(6,497)
<b>Operating cash flows before changes in working capital</b>	<b>296</b>	<b>4,321</b>	<b>3,867</b>	<b>7,460</b>
Decrease in development properties for sale	–	–	66	–
Increase in inventories	(19,239)	(4,912)	(4,396)	(2,380)
Decrease in short-term investment securities	64,784	2,464	74,952	18,399
(Increase)/Decrease in trade and other receivables	(57,884)	35,199	(59,532)	24,973
Increase/(Decrease) in trade and other payables	19,675	(16,106)	2,464	(39,083)
<b>Cash flows from operations</b>	<b>7,632</b>	<b>20,966</b>	<b>17,421</b>	<b>9,369</b>
Income taxes paid	(11,686)	(2,065)	(13,352)	(3,461)
Finance costs paid	(4,802)	(4,340)	(10,496)	(9,081)
Interest received	506	691	1,279	1,790
Dividend income from short-term investment securities	1,184	2,551	2,813	7,476
<b>Net cash flows (used in)/from operating activities</b>	<b>(7,166)</b>	<b>17,803</b>	<b>(2,335)</b>	<b>6,093</b>

**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 2<sup>nd</sup> quarter and half year ended 30 June 2017 (cont'd)

	2 <sup>nd</sup> Quarter (2Q) Ended 30 June		Half Year (1H) Ended 30 June	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b><u>Cash flows from investing activities</u></b>				
Proceeds from disposal of property, plant and equipment	2	–	60	28
Cost incurred on property, plant and equipment	(1,282)	(336)	(1,861)	(1,041)
Cost incurred on investment properties	(2,974)	(85,622)	(3,117)	(87,403)
Initial payment on a joint venture	(11,543)	–	(11,543)	–
Purchase of investment securities	(5,378)	–	(33,778)	(14,880)
Investment in an associate	–	–	–	(7,851)
Return of capital from associates	59,610	–	59,696	–
Payment for deferred mine exploration and evaluation expenditure and mine properties and other intangible assets	(47)	(471)	(110)	(645)
Net cash outflow on acquisition of subsidiaries	–	–	(2,212)	–
Net cash inflow from sale of a subsidiary	75,689	–	75,689	–
Dividend income from investment securities and associates	4,710	8,699	8,312	11,499
Currency realignment	271	2,418	107	2,615
<b>Net cash flows from/(used in) investing activities</b>	<b>119,058</b>	<b>(75,312)</b>	<b>91,243</b>	<b>(97,678)</b>
<b><u>Cash flows from financing activities</u></b>				
Dividend paid to shareholders	(24,486)	(16,324)	(24,486)	(16,324)
Dividend paid to non-controlling shareholders of subsidiaries	–	–	(2,503)	(61)
Repayment of loan to a non-controlling shareholder of a subsidiary	(400)	–	(400)	–
Net proceeds from issuance of shares by subsidiaries to non-controlling shareholders	1,720	7,144	1,720	9,994
Return of capital to non-controlling shareholders of a subsidiary	–	–	(1,161)	–
Repayment of short-term borrowings	(32,380)	(48,617)	(9,962)	(59,444)
Drawdown of long-term borrowings	104,497	77,013	233,660	77,425
Repayment of long-term borrowings	–	–	(220,000)	(2,068)
Currency realignment	(123)	2,798	(423)	3,918
<b>Net cash flows from/(used in) financing activities</b>	<b>48,828</b>	<b>22,014</b>	<b>(23,555)</b>	<b>13,440</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>160,720</b>	<b>(35,495)</b>	<b>65,353</b>	<b>(78,145)</b>
Effect of exchange rate changes on cash and cash equivalents	(205)	(1,394)	(339)	284
Cash and cash equivalents, beginning balance	195,590	198,353	291,091	239,325
<b>Cash and cash equivalents, ending balance</b>	<b>356,105</b>	<b>161,464</b>	<b>356,105</b>	<b>161,464</b>

Notes to the Cash Flow Statement:

(i) Second Quarter and Half Year

Net cash outflow from operating activities for 2017 was mainly due to payment of capital gains tax in relation to the property in Australia disposed in 4Q2016.

Net cash inflow from investing activities for 2017 was mainly due to the return of capital from associates and redemption of units in SAAIF.

Net cash inflow from financing activities for 2Q2017 was mainly due to the drawdown of borrowings. For 1H2017, the cash outflow was mainly due to dividends paid to shareholders.

(ii) 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 period ended 30 June 2017**

**GROUP**

	Total equity	Equity attributable to owners of the Company	Share capital	Retained earnings	FVOCI reserve	Hedging reserve	Revaluation reserve	Translation reserve	Non-controlling interests
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance at 1 January 2017</b>	1,458,748	1,364,508	568,968	832,222	(10,178)	(672)	24,044	(49,876)	94,240
Total comprehensive income for the period	65,066	58,170	–	30,445	34,333	(1,307)	1,106	(6,407)	6,896
<b><u>Contributions by and distributions to owners</u></b>									
Dividend on ordinary shares	(24,486)	(24,486)	–	(24,486)	–	–	–	–	–
Dividend to non-controlling interests	(3,417)	–	–	–	–	–	–	–	(3,417)
Contribution of capital by non-controlling interests	1,720	–	–	–	–	–	–	–	1,720
Return of capital to non-controlling interests	(1,161)	–	–	–	–	–	–	–	(1,161)
<b>Total contributions by and distributions to owners</b>	<b>(27,344)</b>	<b>(24,486)</b>	<b>–</b>	<b>(24,486)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(2,858)</b>
<b><u>Changes in ownership interests in subsidiaries</u></b>									
Disposal of a subsidiary	(6,977)	–	–	–	–	–	–	–	(6,977)
Increase in ownership in a subsidiary	–	35	–	35	–	–	–	–	(35)
<b>Total changes in ownership interests in subsidiaries</b>	<b>(6,977)</b>	<b>35</b>	<b>–</b>	<b>35</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(7,012)</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>(34,321)</b>	<b>(24,451)</b>	<b>–</b>	<b>(24,451)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(9,870)</b>
<b>Closing balance at 30 June 2017</b>	<b>1,489,493</b>	<b>1,398,227</b>	<b>568,968</b>	<b>838,216</b>	<b>24,155</b>	<b>(1,979)</b>	<b>25,150</b>	<b>(56,283)</b>	<b>91,266</b>

**Statements of changes in equity for the period ended 30 June 2017 (cont'd)**
**GROUP** (cont'd)

	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
<b>Opening balance at 1 January 2016 (As previously stated)</b>	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	(3,409)	(1,859)	–	(1,286)	23,922	(24,495)	–	–	–	(1,550)
<b>Opening balance at 1 January 2016 (As restated)</b>	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 period	51,740	45,025	–	29,160	–	26,879	557	536	(12,107)	6,715
<b>Contributions by and distributions to owners</b>										
Dividend on ordinary shares	(16,324)	(16,324)	–	(16,324)	–	–	–	–	–	–
Dividend to non-controlling interests	(182)	–	–	–	–	–	–	–	–	(182)
Contribution of capital by non-controlling interests	9,994	–	–	–	–	–	–	–	–	9,994
<b>Total contributions by and distributions to owners</b>	(6,512)	(16,324)	–	(16,324)	–	–	–	–	–	9,812
<b>Changes in ownership interests in subsidiaries</b>										
Dilution of ownership interests in subsidiaries that do not result in a loss of control	–	(77)	–	(77)	–	–	–	–	–	77
<b>Total changes in ownership interests in subsidiaries</b>	–	(77)	–	(77)	–	–	–	–	–	77
<b>Total transactions with owners in their capacity as owners</b>	(6,512)	(16,401)	–	(16,401)	–	–	–	–	–	9,889
<b>Others</b>										
Share of associate's realisation of revaluation reserve	–	–	–	438	–	–	–	(438)	–	–
<b>Total others</b>	–	–	–	438	–	–	–	(438)	–	–
<b>Closing balance at 30 June 2016</b>	<b>1,412,032</b>	<b>1,323,929</b>	<b>568,968</b>	<b>794,164</b>	<b>–</b>	<b>2,384</b>	<b>(1,254)</b>	<b>15,676</b>	<b>(56,009)</b>	<b>88,103</b>

## Statements of changes in equity for the period ended 30 June 2017 (cont'd)

**COMPANY**

	Total equity	Equity attributable to owners of the Company	Share capital	Retained earnings	Revaluation reserve	Translation reserve
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance at 1 January 2017</b>	622,936	622,936	568,968	73,372	203	(19,607)
Total comprehensive income for the period	16,469	16,469	–	16,497	–	(28)
<u>Contributions by and distributions to owners</u>						
Dividend on ordinary shares	(24,486)	(24,486)	–	(24,486)	–	–
<b>Total transactions with owners in their capacity as owners</b>	(24,486)	(24,486)	–	(24,486)	–	–
<b>Closing balance at 30 June 2017</b>	<b>614,919</b>	<b>614,919</b>	<b>568,968</b>	<b>65,383</b>	<b>203</b>	<b>(19,635)</b>

	Total equity	Equity attributable to owners of the Company	Share capital	Retained earnings	Revaluation reserve	Translation reserve
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance at 1 January 2016</b>	637,139	637,139	568,968	86,250	202	(18,281)
Total comprehensive income for the period	775	775	–	(396)	–	1,171
<u>Contributions by and distributions to owners</u>						
Dividend on ordinary shares	(16,324)	(16,324)	–	(16,324)	–	–
<b>Total transactions with owners in their capacity as owners</b>	(16,324)	(16,324)	–	(16,324)	–	–
<b>Closing balance at 30 June 2016</b>	<b>621,590</b>	<b>621,590</b>	<b>568,968</b>	<b>69,530</b>	<b>202</b>	<b>(17,110)</b>

**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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

	<b>30 June 2017</b>	31 December 2016
Total number of ordinary shares in issue	<b>408,095,772</b>	408,095,772

There were no treasury shares as at 30 June 2017 and 31 December 2016.

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

Not applicable.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 2016.

**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.**

The Group adopted the following new and revised FRS that are effective for the financial period beginning 1 January 2017:

Amendments to FRS 7 Disclosure Initiative  
 Amendments to FRS 12 Recognition of Deferred Tax Assets for Unrealised Losses  
 Improvements to FRSs (December 2016)  
 - Amendments to FRS 112 Disclosure of interests in other entities

The adoption of these FRSs did not have any significant financial impact on the financial position or performance of the Group.

**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.**

	2 <sup>nd</sup> Quarter (2Q) Ended 30 June		Half Year (1H) Ended 30 June	
	2017	2016	2017	2016
Basic and diluted earnings per share for the period based on Group's profit attributable to owners of the Company	<b>2.1 cents</b>	1.6 cents	<b>7.5 cents</b>	7.1 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:	<b>30 June 2017</b>	31 December 2016
The Group	<b>\$3.43</b>	\$3.34
The Company	<b>\$1.51</b>	\$1.53

**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 2Q2017 operating results by business segments and comparatives for 2Q2016 and the 1H2017 operating results by business segments and comparatives for 1H2016.

**2Q2017 Operating Segment Results**

	Resources	Real Estate	Hospitality	Others	Elimination	Consolidated
		(Note)	(Note)	(Note)		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>						
External revenue	98,369	3,191	–	–	–	101,560
Inter-segment revenue	–	23	–	–	(23)	–
Total revenue	98,369	3,214	–	–	(23)	101,560
<b>Segment results</b>						
Operating profit/(loss)	2,838	6,225	1,401	(490)	–	9,974
Fair value changes in investment properties	–	(592)	–	–	–	(592)
Finance costs	(1,132)	(3,550)	–	(142)	–	(4,824)
Share of results of associates and joint ventures	89	6,413	(750)	–	–	5,752
Profit/(Loss) before tax	1,795	8,496	651	(632)	–	10,310
Income tax (expense)/credit	(431)	446	(57)	(475)	–	(517)
Profit/(Loss) after tax	1,364	8,942	594	(1,107)	–	9,793
<b>Profit/(Loss) attributable to:</b>						
Owners of the Company	768	8,244	594	(1,107)	–	8,499
Non-controlling interests	596	698	–	–	–	1,294
	1,364	8,942	594	(1,107)	–	9,793

**2Q2016 Operating Segment Results**

	Resources	Real Estate	Hospitality	Others	Elimination	Consolidated
		(Note)	(Note)	(Note)		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>						
External revenue	135,547	3,956	–	–	–	139,503
Inter-segment revenue	–	65	–	–	(65)	–
Total revenue	135,547	4,021	–	–	(65)	139,503
<b>Segment results</b>						
Operating profit	10,427	5,946	206	353	–	16,932
Fair value changes in investment properties	–	1,249	–	–	–	1,249
Finance costs	(1,007)	(3,640)	–	(16)	–	(4,663)
Share of results of associates and joint ventures	(10,358)	9,288	(2,939)	–	–	(4,009)
(Loss)/Profit before tax	(938)	12,843	(2,733)	337	–	9,509
Income tax expense	(2,503)	(877)	(57)	(278)	–	(3,715)
(Loss)/Profit after tax	(3,441)	11,966	(2,790)	59	–	5,794
<b>(Loss)/Profit attributable to:</b>						
Owners of the Company	(1,928)	11,263	(2,790)	59	–	6,604
Non-controlling interests	(1,513)	703	–	–	–	(810)
	(3,441)	11,966	(2,790)	59	–	5,794

Note:

Real Estate – This comprises the property portfolio, investments in Straits Real Estate Pte. Ltd. (“SRE”), Suntec REIT 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.

**1H2017 Operating Segment Results**

	<b>Resources</b>	<b>Real Estate</b>	<b>Hospitality</b>	<b>Others</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>\$'000</b>	<b>(Note)</b>	<b>(Note)</b>	<b>(Note)</b>		
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>						
External revenue	228,387	6,647	–	–	–	235,034
Inter-segment revenue	–	48	–	–	(48)	–
Total revenue	228,387	6,695	–	–	(48)	235,034
<b>Segment results</b>						
Operating profit/(loss)	10,265	13,311	1,879	(1,068)	–	24,387
Fair value changes in investment properties	–	(592)	–	–	–	(592)
Finance costs	(2,169)	(7,745)	–	(388)	–	(10,302)
Share of results of associates and joint ventures	169	25,194	237	–	–	25,600
Profit/(Loss) before tax	8,265	30,168	2,116	(1,456)	–	39,093
Income tax expense	(2,454)	(57)	(112)	(659)	–	(3,282)
Profit/(Loss) after tax	5,811	30,111	2,004	(2,115)	–	35,811
<b>Profit/(Loss) attributable to:</b>						
Owners of the Company	3,144	27,412	2,004	(2,115)	–	30,445
Non-controlling interests	2,667	2,699	–	–	–	5,366
	5,811	30,111	2,004	(2,115)	–	35,811

**1H2016 Operating Segment Results**

	<b>Resources</b>	<b>Real Estate</b>	<b>Hospitality</b>	<b>Others</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>\$'000</b>	<b>(Note)</b>	<b>(Note)</b>	<b>(Note)</b>		
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>						
External revenue	272,043	7,993	–	–	–	280,036
Inter-segment revenue	–	129	–	–	(129)	–
Total revenue	272,043	8,122	–	–	(129)	280,036
<b>Segment results</b>						
Operating profit	22,762	17,503	223	1,955	–	42,443
Fair value changes in investment properties	–	1,249	–	–	–	1,249
Finance costs	(2,470)	(7,374)	–	(33)	–	(9,877)
Share of results of associates and joint ventures	(10,242)	14,576	2,163	–	–	6,497
Profit before tax	10,050	25,954	2,386	1,922	–	40,312
Income tax expense	(5,115)	(1,442)	(113)	(444)	–	(7,114)
Profit after tax	4,935	24,512	2,273	1,478	–	33,198
<b>Profit attributable to:</b>						
Owners of the Company	2,694	22,715	2,273	1,478	–	29,160
Non-controlling interests	2,241	1,797	–	–	–	4,038
	4,935	24,512	2,273	1,478	–	33,198

Note:

Real Estate – This comprises the property portfolio, investments in Straits Real Estate Pte. Ltd. (“SRE”), Suntec REIT 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 \$8.5 million and \$30.4 million for 2Q2017 and 1H2017 respectively, largely contributed by its real estate segment.

### **Resources**

The Group's resources revenue for 2017 was lower mainly due to lower sales volume of tin metal due to lower production.

The resources segment recorded a profit after tax and non-controlling interests of \$0.8 million and \$3.1 million for 2Q2017 and 1H2017 respectively. The results in 2016 were affected by share of losses from a joint venture arising from the provision of additional prior year tax liabilities.

### **Real Estate**

The Group's real estate revenue for 2017 was lower compared with 2016 mainly due to the absence of rental income from the office building in Australia after completion of the sale in November 2016.

For 2Q2017, the segment reported a lower profit after tax and non-controlling interests mainly due to lower share of results from associates compared to 2Q2016. For 1H2017, the higher profit after tax and non-controlling interests was mainly due to marking distressed investment properties acquired by an associate to their valuations.

### **Hospitality**

The hospitality segment recorded a profit after tax of \$0.6 million and \$2.0 million for 2Q2017 and 1H2017 respectively. The profits in 2017 were mainly from mark-to-market gains from the Group's holdings in Far East Hospitality Trust units. The profits in 1H2016 were mainly from gain on sale of a hotel.

**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 first quarter 2017 financial results announcement made on 15 May 2017.

**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 21 July 2017, SRE, through its joint venture with a consortium comprising funds managed by ARA Asset Management Limited, completed the acquisition of an office building located in Sydney, Australia. SRE's investment in the joint venture is approximately AUD119 million.

Malaysia Smelting Corporation Berhad, the Group's 54.8%-owned resources arm, continues to face challenging market conditions as the foreign exchange, global commodity and metal prices in resources sectors are still volatile. However, it will continue to focus on operational efficiencies to seek to mitigate these challenges.

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.

On 19 July 2017, the Company issued \$150 million, 3.73% fixed rate notes due in 2021 under its \$500 million multicurrency debt issuance programme which was established on 13 October 2011 and updated on 3 July 2017. The net proceeds will be used for general corporate purposes of the Group, including the refinancing of existing borrowings and the financing of working capital and capital expenditure.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared for the second quarter ended 30 June 2017.

**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).**

The Board of Directors of the Company hereby confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the second quarter 2017 financial results to be false or misleading in any material aspect.

**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 format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**  
**Aldric Tan Jee Wei**  
**Secretary**

14 August 2017  
Singapore

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