

The Straits Trading Company Limited (Company Registration No. : 188700008D)
First Quarter Financial Statements Announcement for the Period Ended 31 March 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 1st quarter ended 31 March 2017 are as follow:

<u>GROUP</u>	<u>Note</u>	1st Quarter (1Q) Ended 31 March		
		2017	2016	+/(-)
		\$'000	\$'000	%
<u>Revenue</u>				
Tin mining and smelting revenue		130,018	136,496	(4.7)
Property revenue		3,456	4,037	(14.4)
Total revenue		133,474	140,533	(5.0)
<u>Other items of income/(loss)</u>				
Dividend income	A	4,441	7,725	(42.5)
Interest income		3,442	3,297	4.4
Fair value changes in financial assets		4,440	3,849	15.4
Other (loss)/ income		(126)	191	NM
		145,671	155,595	(6.4)
<u>Other items of expense</u>				
Employee benefits expense		(7,310)	(6,287)	16.3
Depreciation expense		(1,129)	(886)	27.4
Amortisation expense		(153)	(161)	(5.0)
Costs of tin mining and smelting		(115,833)	(122,854)	(5.7)
Finance costs		(5,478)	(5,214)	5.1
Other expenses	B	(10,324)	(5,907)	74.8
Exchange gains		3,491	6,011	(41.9)
Total expenses		(136,736)	(135,298)	1.1
Share of results of associates and joint ventures	C	19,848	10,506	88.9
Profit before tax		28,783	30,803	(6.6)
Income tax expense		(2,765)	(3,399)	(18.7)
Profit after tax		26,018	27,404	(5.1)
Profit attributable to:				
Owners of the Company		21,946	22,556	(2.7)
Non-controlling interests		4,072	4,848	(16.0)
		26,018	27,404	(5.1)

NM – Not meaningful

Notes to the Income Statement:

- (A) Dividend income for 1Q2017 was lower mainly due to decrease in marketable securities portfolio.
- (B) The higher other expenses were mainly due to loss on deemed disposal as a result of a decrease in shareholding in an associate.
- (C) The higher share of results for 1Q2017 was largely due to marking distressed investment properties acquired by an associate to their valuations.

1(a)(ii) Statement of comprehensive income for the 1st quarter ended 31 March 2017.**GROUP**

	1 st Quarter (1Q) Ended 31 March	
	2017	2016
	\$'000	\$'000
Profit after tax	26,018	27,404
Items that will not be reclassified to profit or loss:		
Net fair value changes in equity securities carried at fair value through other comprehensive income ("FVOCI")	14,751	12,528
Share of net fair value changes in equity securities carried at FVOCI of associates	6,662	2,999
	21,413	15,527
Items that may be reclassified subsequently to profit or loss:		
Net fair value changes in cash flow hedges	(220)	2,578
Currency translation reserve	(4,153)	540
Shares of reserves of associates and joint ventures	(18)	1,293
Realisation of foreign currency translation reserve to profit or loss	(3,023)	—
	(7,414)	4,411
Other comprehensive income after tax for the period	13,999	19,938
Total comprehensive income for the period	40,017	47,342
Total comprehensive income attributable to:		
Owners of the Company	36,074	39,347
Non-controlling interests	3,943	7,995
Total comprehensive income for the period	40,017	47,342

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 March 2017

	Note	GROUP		Note	COMPANY	
		31 Mar 2017	31 Dec 2016		31 Mar 2017	31 Dec 2016
		\$'000	\$'000		\$'000	\$'000
<u>Assets</u>						
<u>Non-current assets</u>						
Property, plant and equipment		50,879	52,737		133	143
Investment properties	1	572,983	554,337		31,600	32,314
Goodwill		16,914	17,298		—	—
Other intangible assets		6,854	7,100		—	—
Subsidiaries		—	—		125,237	125,237
Associates and joint ventures		651,811	639,379		2,623	2,708
Deferred tax assets		3,351	3,731		—	—
Derivative financial instruments		709	551		—	—
Investment securities	2	303,157	256,179		—	—
Other non-current assets		1,020	970		—	—
Total non-current assets		1,607,678	1,532,282		159,593	160,402
<u>Current assets</u>						
Assets classified as held for sale		17,078	17,464		17,078	17,464
Development properties for sale		—	66		—	—
Inventories	3	102,395	119,554		—	—
Income tax receivables		3,261	3,611		—	—
Prepayments and accrued income		3,124	2,409		167	15
Trade related prepayments		15,301	13,685		—	—
Trade receivables		37,579	37,565		22	50
Other receivables		83,813	74,027	1a	1,047,401	837,184
Marketable securities		106,251	112,548		—	—
Derivative financial instruments		48	313		—	—
Cash and short-term deposits		195,590	291,091	1b	62,123	99,374
Total current assets		564,440	672,333		1,126,791	954,087
Total assets		2,172,118	2,204,615		1,286,384	1,114,489
<u>Equity and liabilities</u>						
<u>Equity</u>						
Share capital		568,968	568,968		568,968	568,968
Retained earnings		829,682	832,222		63,686	73,372
Other reserves		(22,554)	(36,682)		(20,987)	(19,404)
Equity attributable to owners of the Company		1,376,096	1,364,508		611,667	622,936
Non-controlling interests		94,780	94,240		—	—
Total equity		1,470,876	1,458,748		611,667	622,936

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 March 2017

	Note	GROUP		Note	COMPANY	
		31 Mar 2017	31 Dec 2016		31 Mar 2017	31 Dec 2016
		\$'000	\$'000		\$'000	\$'000
<u>Non-current liabilities</u>						
Provisions		8,534	8,644		–	–
Deferred tax liabilities		5,911	5,672		2,691	2,751
Borrowings	4	328,380	185,770		–	–
Derivative financial instruments		859	374		–	–
Other non-current liabilities		1,405	1,265		–	–
Total non-current liabilities		345,089	201,725		2,691	2,751
<u>Current liabilities</u>						
Provisions		3,806	3,116		–	–
Income tax payable		14,002	13,426		83	75
Trade and other payables		76,059	92,445		577,457	488,727
Borrowings	4	236,322	434,041		70,000	–
Derivative financial instruments		1,478	1,114		–	–
Dividend payable		24,486	–		24,486	–
Total current liabilities		356,153	544,142		672,026	488,802
Total liabilities		701,242	745,867		674,717	491,553
Total equity and liabilities		2,172,118	2,204,615		1,286,384	1,114,489

Notes to Balance Sheets:

Group

- (1) The increase in investment properties was mainly due to acquisition of a residential building in Osaka, Japan.
- (2) The increase in investment securities was mainly due to subscription of units in NikkoAM-StraitsTrading Asia ex Japan REIT ETF and fair value gains.
- (3) The decrease in inventories was mainly due to lower stock quantity of tin inventory held.
- (4) 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 decrease in cash and short-term deposits was mainly due to net intercompany advances to 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 31/03/2017		As at 31/12/2016	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
92,531	143,791	340,518	93,523

Amount repayable after one year:

As at 31/03/2017		As at 31/12/2016	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
312,163	16,217	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 1st quarter ended 31 March 2017

	1 st Quarter (1Q) Ended 31 March	
	2017	2016
	\$'000	\$'000
<u>Cash flows from operating activities</u>		
Profit before tax	28,783	30,803
<u>Adjustments</u>		
Depreciation of property, plant and equipment	1,129	886
Amortisation of intangible assets	153	161
Dividend income	(4,441)	(7,725)
Interest income	(3,442)	(3,297)
Finance costs	5,478	5,214
Currency realignment	(4,124)	(5,342)
Fair value changes in financial assets	(4,440)	(3,849)
Net loss/(gain) on disposal of property, plant and equipment, investment properties and associates	4,521	(19)
Negative goodwill from acquisition of subsidiaries	(198)	–
Favourable valuation adjustment on tin inventory	–	(3,369)
Impairment of receivables	–	182
Share of results of associates and joint ventures	(19,848)	(10,506)
Operating cash flows before changes in working capital	3,571	3,139
Decrease in development properties for sale	66	–
Decrease in inventories	14,843	2,532
Decrease in marketable securities	10,168	15,935
Increase in trade and other receivables	(1,648)	(10,226)
Decrease in trade and other payables	(17,211)	(22,977)
Cash flows from/(used in) operations	9,789	(11,597)
Income taxes paid	(1,666)	(1,396)
Finance costs paid	(5,694)	(4,741)
Interest received	773	1,099
Dividend income from marketable securities	1,629	4,925
Net cash flows from/(used in) operating activities	4,831	(11,710)
<u>Cash flows from investing activities</u>		
Proceeds from disposal of property, plant and equipment	58	28
Cost incurred on property, plant and equipment	(579)	(705)
Cost incurred on investment properties	(143)	(1,781)
Purchase of investment securities	(28,400)	(14,880)
Investment in an associate	–	(7,851)
Return of capital from an associate	86	–
Payment for deferred mine exploration and evaluation expenditure and mine properties and other intangible assets	(63)	(174)
Net cash outflow on acquisition of subsidiaries	(2,212)	–
Dividend income from investment securities and associates	3,602	2,800
Currency realignment	(164)	197
Net cash flows used in investing activities	(27,815)	(22,366)

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 1st quarter ended 31 March 2017 (cont'd)

	1 st Quarter (1Q) Ended 31 March	
	2017	2016
	\$'000	\$'000
<u>Cash flows from financing activities</u>		
Dividend paid to non-controlling shareholders of subsidiaries	(2,503)	(61)
Net proceeds from issuance of shares by subsidiaries to non-controlling shareholders	–	2,850
Return of capital to non-controlling shareholders of a subsidiary	(1,161)	–
Drawdown/(Repayment) of short-term borrowings	22,418	(10,827)
Drawdown of long-term borrowings	129,163	412
Repayment of long-term borrowings	(220,000)	(2,068)
Currency realignment	(300)	1,120
Net cash flows used in financing activities	(72,383)	(8,574)
Net decrease in cash and cash equivalents	(95,367)	(42,650)
Effect of exchange rate changes on cash and cash equivalents	(134)	1,678
Cash and cash equivalents, beginning balance	291,091	239,325
Cash and cash equivalents, ending balance	195,590	198,353

Notes to the Cash Flow Statement:

(i) First Quarter

Net cash inflow from operating activities for 1Q2017 was mainly due to sale of marketable securities.

Net cash outflow from investing activities for 1Q2017 was mainly due to purchase of investment securities.

Net cash outflow from financing activities for 1Q2017 was mainly due to repayment of borrowings.

(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 31 March 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
Opening balance at 1 January 2017	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	40,017	36,074	—	21,946	20,360	(511)	—	(5,721)	3,943
<u>Contributions by and distributions to owners</u>									
Dividend for FY2016, payable	(24,486)	(24,486)	—	(24,486)	—	—	—	—	—
Dividend to non- controlling interests	(2,242)	—	—	—	—	—	—	—	(2,242)
Return of capital to non-controlling interests	(1,161)	—	—	—	—	—	—	—	(1,161)
Total contributions by and distributions to owners	(27,889)	(24,486)	—	(24,486)	—	—	—	—	(3,403)
Total transactions with owners in their capacity as owners	(27,889)	(24,486)	—	(24,486)	—	—	—	—	(3,403)
Closing balance at 31 March 2017	1,470,876	1,376,096	568,968	829,682	10,182	(1,183)	24,044	(55,597)	94,780

Statements of changes in equity for the period ended 31 March 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	Reval- uation reserve	Translat- ion reserve	Non- controll- ing 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	(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 period	47,342	39,347	—	22,556	—	14,721	1,300	—	770	7,995
<u>Contributions by and distributions to owners</u>										
Dividend for FY2015, payable	(16,324)	(16,324)	—	(16,324)	—	—	—	—	—	—
Contribution of capital by non-controlling interests	2,850	—	—	—	—	—	—	—	—	2,850
Total contributions by and distributions to owners	(13,474)	(16,324)	—	(16,324)	—	—	—	—	—	2,850
<u>Changes in ownership interests in subsidiaries</u>										
Dilution of ownership interests in subsidiaries that do not result in a loss of control	—	(2)	—	(2)	—	—	—	—	—	2
Total changes in ownership interests in subsidiaries	—	(2)	—	(2)	—	—	—	—	—	2
Total transactions with owners in their capacity as owners	(13,474)	(16,326)	—	(16,326)	—	—	—	—	—	2,852
<u>Others</u>										
Share of associate's realisation of revaluation reserve	—	—	—	438	—	—	—	(438)	—	—
Total others	—	—	—	438	—	—	—	(438)	—	—
Closing balance at 31 March 2016	1,400,672	1,318,326	568,968	787,635	—	(9,774)	(511)	15,140	(43,132)	82,346

Statements of changes in equity for the period ended 31 March 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
Opening balance at 1 January 2017	622,936	622,936	568,968	73,372	203	(19,607)
Total comprehensive income for the period	13,217	13,217	—	14,800	—	(1,583)
<u>Contributions by and distributions to owners</u>						
Dividend for FY 2016, payable	(24,486)	(24,486)	—	(24,486)	—	—
Total transactions with owners in their capacity as owners	(24,486)	(24,486)	—	(24,486)	—	—
Closing balance at 31 March 2017	611,667	611,667	568,968	63,686	203	(21,190)

	Total equity	Equity attributable to owners of the Company	Share capital	Retained earnings	Revaluation reserve	Translation reserve
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 January 2016	637,139	637,139	568,968	86,250	202	(18,281)
Total comprehensive income for the period	3,636	3,636	—	419	—	3,217
<u>Contributions by and distributions to owners</u>						
Dividend for FY 2015, payable	(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 March 2016	624,451	624,451	568,968	70,345	202	(15,064)

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.

	31 March 2017	31 December 2016
Total number of ordinary shares in issue	408,095,772	408,095,772

There were no treasury shares as at 31 March 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.

	1 st Quarter Ended 31 March	
	2017	2016
Basic and diluted earnings per share for the period based on Group's profit attributable to owners of the Company	5.4 cents	5.5 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 March 2017	31 December 2016
The Group	\$3.37	\$3.34
The Company	\$1.50	\$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 1Q2017 operating results by business segments and comparables for 1Q2016.

1Q2017 Operating Segment Results

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	130,018	3,456	–	–	–	133,474
Inter-segment revenue	–	25	–	–	(25)	–
Total revenue	130,018	3,481	–	–	(25)	133,474
Segment results						
Operating profit/(loss)	7,427	7,086	478	(578)	–	14,413
Finance costs	(1,037)	(4,195)	–	(246)	–	(5,478)
Share of results of associates and joint ventures	80	18,781	987	–	–	19,848
Profit/(Loss) before tax	6,470	21,672	1,465	(824)	–	28,783
Income tax expense	(2,023)	(503)	(55)	(184)	–	(2,765)
Profit/(Loss) after tax	4,447	21,169	1,410	(1,008)	–	26,018
Profit/(Loss) attributable to:						
Owners of the Company	2,376	19,168	1,410	(1,008)	–	21,946
Non-controlling interests	2,071	2,001	–	–	–	4,072
	4,447	21,169	1,410	(1,008)	–	26,018

1Q2016 Operating Segment Results

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	136,496	4,037	–	–	–	140,533
Inter-segment revenue	–	64	–	–	(64)	–
Total revenue	136,496	4,101	–	–	(64)	140,533
Segment results						
Operating profit	12,335	11,557	17	1,602	–	25,511
Finance costs	(1,463)	(3,734)	–	(17)	–	(5,214)
Share of results of associates and joint ventures	116	5,288	5,102	–	–	10,506
Profit before tax	10,988	13,111	5,119	1,585	–	30,803
Income tax expense	(2,612)	(565)	(56)	(166)	–	(3,399)
Profit after tax	8,376	12,546	5,063	1,419	–	27,404
Profit attributable to:						
Owners of the Company	4,622	11,452	5,063	1,419	–	22,556
Non-controlling interests	3,754	1,094	–	–	–	4,848
	8,376	12,546	5,063	1,419	–	27,404

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 a profit after tax and non-controlling interests of \$21.9 million for 1Q2017 largely contributed by its real estate segment.

Resources

The resources segment reported a lower profit after tax and non-controlling interests for 1Q2017 compared with 1Q2016. This was due to a favourable inventory valuation adjustment in 1Q2016 and a higher foreign exchange loss in 1Q 2017.

Real Estate

The Group's real estate revenue for 1Q2017 was lower compared with 1Q2016 mainly due to the absence of rental income from the office building in Australia after completion of the sale in November 2016.

The segment recorded a profit after tax and non-controlling interests of \$19.2 million for 1Q2017 mainly due to marking distressed investment properties acquired by an associate to their valuations.

Hospitality

The hospitality segment recorded a profit after tax of \$1.4 million in 1Q2017. The higher profit in 1Q2016 was 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 2016 full year financial results announcement made on 28 February 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 28 February, SRE Capital, the Group's asset management company, was appointed as Investment Advisor to Nikko Asset Management Asia Limited for the NikkoAM-StraitsTrading Asia ex Japan REIT ETF which was listed and traded on the SGX-ST on 29 March. As seed investor in the ETF, the Group stands to gain long-term recurring income and attractive risk-adjusted returns.

The privatisation and delisting of ARA Asset Management Limited ("ARA") from the SGX-ST via a Scheme of Arrangement was completed on 12 April. The Group has received cash of \$48.2 million and now owns 20.95% stake in the privatised ARA and will be the only publicly-listed entity in Singapore to hold a significant stake in ARA.

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.

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 first quarter ended 31 March 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 first 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

15 May 2017
Singapore

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