

The Straits Trading Company Limited (Company Registration No. : 188700008D)
First Quarter Financial Statements Announcement for the Period Ended 31 March 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 1st quarter ended 31 March 2016 are as follow:

<u>GROUP</u>	<u>Note</u>	1st Quarter (1Q) Ended		
		31 March		
		2016	2015	+ / (-)
		\$'000	\$'000	%
<u>Revenue</u>				
Tin mining and smelting revenue		136,496	143,510	(4.9)
Property revenue	A	4,037	2,047	97.2
Total revenue		140,533	145,557	(3.5)
<u>Other items of income/(loss)</u>				
Dividend income	B	7,725	4,383	76.2
Interest income	C	3,297	1,965	67.8
Fair value changes in financial assets	D	3,849	(2,010)	NM
Other income		191	728	(73.8)
		155,595	150,623	3.3
<u>Other items of expense</u>				
Employee benefits expense		(6,287)	(7,101)	(11.5)
Depreciation expense		(886)	(771)	14.9
Amortisation expense		(161)	(183)	(12.0)
Costs of tin mining and smelting		(122,854)	(132,323)	(7.2)
Finance costs	E	(5,214)	(3,630)	43.6
Other expenses	F	(5,907)	(4,045)	46.0
Exchange gains/(losses)	G	6,011	(3,655)	NM
Total expenses		(135,298)	(151,708)	(10.8)
Share of results of associates and joint ventures	H	10,506	3,511	199.2
Profit before tax		30,803	2,426	1,169.7
Income tax expense	I	(3,399)	(503)	575.7
Profit after tax		27,404	1,923	1,325.1
Profit attributable to:				
Owners of the Company		22,556	2,437	825.6
Non-controlling interests		4,848	(514)	NM
		27,404	1,923	1,325.1

NM – Not Meaningful

Notes to the Income Statement:

- (A) Higher property revenue for 1Q2016 was mainly due to rent from the office building in Melbourne, Australia acquired in August 2015.
- (B) Dividend income for 1Q2016 was higher mainly due to increase in investment in marketable securities compared with the corresponding period in the previous year.
- (C) Interest income for 1Q2016 was higher mainly due to investment in financial assets.
- (D) These were related to mark-to-market gains from marketable securities.
- (E) Finance costs were higher in 1Q2016 due to draw down of bank loans to finance new investments.
- (F) Other expenses for 1Q2016 were higher mainly due to higher property related expenses.
- (G) Exchange gains for 1Q2016 were mainly from the favourable exchange movement of US Dollar against Malaysian Ringgit on the net US Dollar liabilities of the resources operations.
- (H) The higher share of results for 1Q2016 was mainly from Far East Hospitality Holdings Pte. Ltd. and Greater Tokyo Office Fund (Jersey) L.P..
- (I) The tax expense was mainly due to certain non-tax deductible expenses.

1(a)(ii) Statement of comprehensive income for the 1st quarter ended 31 March 2016.

<u>GROUP</u>	1 st Quarter (1Q) Ended 31 March	
	2016	2015
	\$'000	\$'000
Profit after tax	27,404	1,923
Items that will not be reclassified to profit or loss:		
Net fair value changes in equity securities shares at Fair Value through Other Comprehensive Income ("FVOCI")	12,528	–
Share of net fair value changes in equity securities at FVOCI of associates	2,999	–
	15,527	–
Items that may be reclassified subsequently to profit or loss:		
Net fair value changes in available-for-sale investment securities	–	(10,892)
Net fair value changes in cash flow hedges	2,578	780
Currency translation reserve	540	370
Shares of reserves of associates and joint ventures	1,293	(1,566)
Other comprehensive income after tax for the period	4,411	(11,308)
Total comprehensive income for the period	47,342	(9,385)
Total comprehensive income attributable to:		
Owners of the Company	39,347	(8,220)
Non-controlling interests	7,995	(1,165)
Total comprehensive income for the period	47,342	(9,385)

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 2016

	Note	GROUP		Note	COMPANY	
		31 Mar 2016 \$'000	31 Dec 2015 \$'000		31 Mar 2016 \$'000	31 Dec 2015 \$'000
Assets						
Non-current assets						
Property, plant and equipment		35,669	34,434		175	174
Investment properties		604,004	606,010		33,847	32,371
Goodwill		18,410	17,604		–	–
Other intangible assets		6,965	6,655		–	–
Subsidiaries		–	–		125,237	125,237
Associates and joint ventures		581,842	558,616		2,708	2,708
Deferred tax assets		1,553	1,599		–	–
Other non-current receivables		–	1,855		–	–
Investment securities	1	231,954	201,576		–	–
Other non-current assets		1,032	987		–	–
Total non-current assets		1,481,429	1,429,336		161,967	160,490
Current assets						
Assets classified as held for sale	2	18,581	17,771	1a	18,581	17,771
Development properties for sale		82	70		–	–
Inventories		93,708	88,820		–	–
Income tax receivables		1,902	3,526		–	–
Prepayments and accrued income		2,114	1,854		152	1
Trade and other receivables		136,656	126,297		882,694	866,263
Marketable securities		165,757	178,282		–	–
Derivative financial instruments		786	200		–	–
Cash and short-term deposits		198,353	239,325		87,168	105,579
Total current assets		617,939	656,145		988,595	989,614
Total assets		2,099,368	2,085,481		1,150,562	1,150,104
Equity and liabilities						
Equity						
Share capital		568,968	568,968		568,968	568,968
Retained earnings		787,635	782,253		70,345	86,250
Other reserves	3	(38,277)	(54,057)		(14,862)	(18,079)
Equity attributable to owners of the Company		1,318,326	1,297,164		624,451	637,139
Non-controlling interests		82,346	73,049		–	–
Total equity		1,400,672	1,370,213		624,451	637,139
Non-current liabilities						
Provisions		6,256	5,923		–	–
Deferred tax liabilities		6,376	5,654		2,934	2,806
Borrowings		372,915	373,985		–	–
Derivative financial instruments		338	24		–	–
Other non-current liabilities		572	465		–	–
Total non-current liabilities		386,457	386,051		2,934	2,806

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 2016 (cont'd)

	Note	GROUP		Note	COMPANY	
		31 Mar	31 Dec		31 Mar	31 Dec
		2016	2015		2016	2015
		\$'000	\$'000		\$'000	\$'000
<u>Current liabilities</u>						
Provisions		21,118	22,756		17,802	19,585
Income tax payable		2,246	2,083		455	442
Trade and other payables		101,820	122,962		488,596	490,132
Borrowings		170,718	177,682		–	–
Derivative financial instruments		13	3,734		–	–
Dividend payable		16,324	–		16,324	–
Total current liabilities		312,239	329,217		523,177	510,159
Total liabilities		698,696	715,268		526,111	512,965
Total equity and liabilities		2,099,368	2,085,481		1,150,562	1,150,104

Notes to Balance Sheets:

Group

Non-current assets

- (1) The increase in investment securities was mainly due to mark-to-market gain and investment in financial assets.

Current assets

- (2) This relates to an investment property reclassified as held for sale.

Equity

- (3) The decrease in the deficit in other reserves was mainly due to increase in the market value of certain long-term securities.

Company

Current assets

- (1a) This relates to an investment property reclassified as held for sale.

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

As at 31/03/2016		As at 31/12/2015	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
44,052	126,666	48,663	129,019

Amount repayable after one year:

As at 31/03/2016		As at 31/12/2015	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
372,915	–	373,985	–

Details of any collaterals:

Secured borrowings are generally secured by mortgages on the subsidiaries' properties or other assets.

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 2016

	1 st Quarter (1Q) Ended 31 March	
	2016	2015
	\$'000	\$'000 (restated)
<u>Cash flows from operating activities</u>		
Profit before tax	30,803	2,426
<u>Adjustments</u>		
Depreciation of property, plant and equipment	886	771
Amortisation of intangible assets	161	183
Dividend income	(7,725)	(4,383)
Interest income	(3,297)	(1,965)
Finance costs	5,214	3,630
Currency realignment	(8,552)	3,001
Fair value changes in financial assets	(3,849)	2,010
Net gain on disposal of property, plant and equipment, investment properties and a subsidiary	(19)	(654)
(Favourable)/unfavourable valuation adjustment on tin inventory	(3,369)	4,767
Provision for receivables	182	30
Share of results of associates and joint ventures	(10,506)	(3,511)
Operating cash flows before changes in working capital	(71)	6,305
Decrease in development properties for sale	–	23
Decrease/(Increase) in inventories	2,532	(8,798)
Decrease/(Increase) in marketable securities	15,935	(42,733)
(Increase)/Decrease in trade and other receivables	(10,226)	3,436
Decrease in trade and other payables	(19,815)	(3,367)
Cash flow used in operations	(11,645)	(45,134)
Income taxes paid	(1,396)	(2,311)
Payment of finance costs	(7,903)	(3,244)
Interest received	1,099	1,192
Dividend income	4,925	1,759
Net cash flows used in operating activities	(14,920)	(47,738)
<u>Cash flows from investing activities</u>		
Proceeds from disposal of property, plant and equipment and investment properties	28	36,670
Cost incurred on property, plant and equipment	(705)	(756)
Cost incurred on investment properties	(1,781)	(119)
Purchase of investment securities	(14,880)	–
Investment in an associate	(7,851)	–
Payment for deferred mine exploration and evaluation expenditure and mine properties	(174)	(214)
Net cash outflow from disposal of a subsidiary	–	(377)
Dividend income from investment securities, associates and joint ventures	2,800	3,076
Currency realignment	197	17
Net cash flows (used in)/from investing activities	(22,366)	38,297

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 2016 (cont'd)

	1 st Quarter (1Q) Ended 31 March	
	2016	2015
	\$'000	\$'000 (restated)
<u>Cash flows from financing activities</u>		
Dividend paid to non-controlling shareholders of a subsidiary	(61)	–
Net proceeds from issuance of shares by subsidiaries to non-controlling shareholders	2,850	12,400
Repayment of short-term borrowings	(10,827)	(9,926)
Drawdown of long-term borrowings	412	–
Repayment of long-term borrowings	(2,068)	(23,681)
Currency realignment	4,330	(2,487)
Net cash flows used in financing activities	(5,364)	(23,694)
Net decrease in cash and cash equivalents	(42,650)	(33,135)
Effect of exchange rate changes on cash and cash equivalents	1,678	(863)
Cash and cash equivalents, beginning balance	239,325	484,672
Cash and cash equivalents, ending balance	198,353	450,674
Cash and cash equivalents comprise the following:		
Cash and short-term deposits	198,353	450,549
Disposal group classified as held for sale	–	125
	198,353	450,674

Notes to the Cash Flow Statement:

(i) First Quarter

Net cash outflow from operating activities for 1Q2016 was mainly due to settlement of trade and other payables and receipts that cross over to the following month.

Net cash outflow from investing activities for 1Q2016 was mainly due to purchase of investment securities and additional investment in a fund.

Net cash outflow from financing activities for 1Q2016 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 2016

GROUP

	Total equity \$'000	Equity attributable to owners of the Company \$'000	Share capital \$'000	Retained earnings \$'000	AFS reserve \$'000	FVOCI reserve \$'000	Hedging reserve \$'000	Revaluation reserve \$'000	Translation reserve \$'000	Non-controlling interests \$'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 period	47,342	39,347	–	22,556	–	14,721	1,300	–	770	7,995
<u>Contributions by and distributions to owners</u>										
Dividend for FY 2015, 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 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 period	(9,385)	(8,220)	–	2,437	(10,709)	426	–	(78)	(296)	(1,165)
<u>Contributions by and distributions to owners</u>										
Dividend for FY 2014, payable	(16,324)	(16,324)	–	(16,324)	–	–	–	–	–	–
Contribution of capital by non-controlling interests	12,400	–	–	–	–	–	–	–	–	12,400
Total contributions by and distributions to owners	(3,924)	(16,324)	–	(16,324)	–	–	–	–	–	12,400
Total transactions with owners in their capacity as owners	(3,924)	(16,324)	–	(16,324)	–	–	–	–	–	12,400
<u>Others</u>										
Reserve attributable to disposal group classified as held for sale	–	–	–	–	–	–	–	(46)	46	–
Total others	–	–	–	–	–	–	–	(46)	46	–
Closing balance at 31 March 2015	1,392,589	1,330,453	568,968	773,488	8,393	(941)	8,034	(27,489)	–	62,136

Statements of changes in equity for the period ended 31 March 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 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)

	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 period	(219)	(219)	–	1,114	–	(1,333)
<u>Contributions by and distributions to owners</u>						
Dividend for FY 2014, 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 2015	633,320	633,320	568,968	73,859	208	(9,715)

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 March 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 March 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.

	1 st Quarter Ended 31 March	
	2016	2015
Basic and diluted earnings per share for the period based on Group profit attributable to owners of the Company	5.5 cents	0.6 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 2016	31 December 2015
The Group	\$3.23	\$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 1Q2016 operating results by business segments and comparables for 1Q2015.

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

1Q2015 Operating Segment Results

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	143,510	2,047	–	–	–	145,557
Inter-segment revenue	–	14	–	–	(14)	–
Total revenue	143,510	2,061	–	–	(14)	145,557
Segment results						
Operating profit	264	1,126	298	857	–	2,545
Finance costs	(1,696)	(1,934)	–	–	–	(3,630)
Share of results of associates and joint ventures	274	3,320	(83)	–	–	3,511
Profit/(Loss) before tax	(1,158)	2,512	215	857	–	2,426
Income tax (expense)/credit	(363)	(296)	(56)	212	–	(503)
Profit/(Loss) after tax	(1,521)	2,216	159	1,069	–	1,923
Profit/(Loss) attributable to:						
Owners of the Company	(1,039)	2,248	159	1,069	–	2,437
Non-controlling interests	(482)	(32)	–	–	–	(514)
	(1,521)	2,216	159	1,069	–	1,923

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 higher profit after tax and non-controlling interests of \$22.6 million for 1Q2016 with higher contribution across all business segments.

Resources

Although revenue in Malaysian Ringgit (“RM”) term was higher due to higher sales quantity of refined tin, the weaker RM against Singapore Dollar (“SGD”) resulted in lower revenue in SGD term.

For 1Q2016, the profit after tax and non-controlling interests was \$4.6 million mainly due to higher sales quantity of refined tin, a favourable valuation adjustment on tin inventory arising from higher closing tin price and a positive impact from foreign currency translations.

Real Estate

The Group’s real estate revenue for 1Q2016 was higher compared with 1Q2015 primarily due to rent from the property in Melbourne, Australia.

The segment recorded a profit after tax and non-controlling interests of \$11.5 million for 1Q2016. The higher net profit was mainly due to higher dividends and interest income from investments as well as higher contribution from associates and joint ventures.

Hospitality

The hospitality segment recorded a profit after tax of \$5.1 million, largely from the gain on sale of a hotel in Australia.

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 2015 full year financial results announcement made on 25 February 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., the Group’s 89.5% owned real estate investment vehicle, will continue to seek out new and attractive investment opportunities. Its approach to investing will be one of prudence, with an emphasis on assets that offer strong immediate cash flow, with longer term value-adding opportunities.

Far East Hospitality Holdings Pte. Ltd. (“FEHH”), the Group’s 30% owned hospitality arm opened Oasia Suites Kuala Lumpur, Malaysia and Oasia Hotel Downtown, Singapore on 18 April 2016 and will be opening a new serviced residence (Oasia Residence, Singapore) later this year. FEHH will continue to grow its hospitality 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.

For the Group’s 54.8% owned resources arm, Malaysia Smelting Corporation Berhad, although tin prices have improved, market conditions remain challenging. The global commodity and resources sectors are still unstable amid volatility in commodity and metal prices including tin.

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/recommendeded, a statement to that effect.

No dividend has been declared for the first quarter ended 31 March 2016.

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 2016 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

13 May 2016
Singapore

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