

The Straits Trading Company Limited (Company Registration No. : 188700008D)**Third Quarter and Nine Months Financial Statements Announcement for the Period Ended 30 September 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 3rd quarter and nine months ended 30 September 2016 are as follow:

GROUP	Note	3rd Quarter (3Q) Ended 30 September			Nine Months (9M) Ended 30 September		
		2016	2015	+ / (-)	2016	2015	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
<u>Revenue</u>							
Tin mining and smelting revenue	A	108,143	134,892*	(19.8)	380,186	406,036*	(6.4)
Property revenue	B	5,240	3,313	58.2	13,233	7,192	84.0
Total revenue		113,383	138,205	(18.0)	393,419	413,228	(4.8)
<u>Other items of income/(loss)</u>							
Dividend income		5,851	7,198	(18.7)	18,977	18,145	4.6
Interest income		3,000	3,025	(0.8)	9,392	7,643	22.9
Fair value changes in investment properties		—	—	—	1,249	294	324.8
Fair value changes in financial assets	C	3,729	(8,878)	NM	9,405	(15,086)	NM
Other income/(loss)		2,477	(6,016)	NM	3,429	(4,964)	NM
		128,440	133,534	(3.8)	435,871	419,260	4.0
<u>Other items of expense</u>							
Employee benefits expense		(6,756)	(5,865)	15.2	(19,870)	(19,902)	(0.2)
Depreciation expense		(1,046)	(803)	30.3	(2,919)	(2,428)	20.2
Amortisation expense		(161)	(168)	(4.2)	(483)	(530)	(8.9)
Costs of tin mining and smelting		(96,465)	(109,320)*	(11.8)	(341,125)	(368,305)*	(7.4)
Finance costs		(4,525)	(4,423)	2.3	(14,402)	(11,268)	27.8
Other expenses		(7,121)	(5,136)	38.6	(18,993)	(15,080)	26.0
Exchange gains/(losses)		1,067	(13,731)	NM	9,169	(16,700)	NM
Total expenses		(115,007)	(139,446)	(17.5)	(388,623)	(434,213)	(10.5)
Share of results of associates and joint ventures	D	7,901	4,809	64.3	14,398	12,239	17.6
Profit/(Loss) before tax		21,334	(1,103)	NM	61,646	(2,714)	NM
Income tax expense		(936)	(4,035)	(76.8)	(8,050)	(1,644)	(389.7)
Profit/(Loss) after tax		20,398	(5,138)	NM	53,596	(4,358)	NM

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 3rd quarter and nine months ended 30 September 2016 are as follow (cont'd):

GROUP	3 rd Quarter (3Q) Ended 30 September			Nine Months (9M) Ended 30 September		
	2016 \$'000	2015 \$'000	+ / (-) %	2016 \$'000	2015 \$'000	+ / (-) %
Profit/(Loss) attributable to:						
Owners of the Company	16,798	(7,048)	NM	45,958	(2,805)	NM
Non-controlling interests	3,600	1,910	88.5	7,638	(1,553)	NM
	20,398	(5,138)	NM	53,596	(4,358)	NM

NM – Not Meaningful

Notes to the Income Statement:

- (A) Lower tin mining and smelting revenue in 2016 was due to lower production of refined tin arising from lower receipt of feed materials and weaker Malaysian Ringgit on translation to Singapore Dollar.
- (B) Higher property revenue was due to rental income from the Group's properties in Australia and Japan.
- (C) These were related to mark-to-market gains from marketable securities.
- (D) Associates and joint ventures reported better overall results.

* Restatement of revenue and costs of tin mining and smelting from the resources operations:

	2015			
	1Q \$'000	2Q \$'000	3Q \$'000	9M ended 30 September \$'000
<u>Tin mining and smelting revenue</u>				
As reported	143,510	167,836	195,786	507,132
Adjustments	–	(40,202)	(60,894)	(101,096)
As Restated	143,510	127,634	134,892	406,036
<u>Costs of tin mining and smelting</u>				
As reported	(132,323)	(166,864)	(170,214)	(469,401)
Adjustments	–	40,202	60,894	101,096
As Restated	(132,323)	(126,662)	(109,320)	(368,305)

These adjustments had no financial impact to the profit or loss for the affected quarters in 2015.

1(a)(ii) Statement of comprehensive income for the 3rd quarter and nine months ended 30 September 2016.

GROUP	3rd Quarter (3Q) Ended 30 September		Nine Months (9M) Ended 30 September	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Profit/(Loss) after tax	20,398	(5,138)	53,596	(4,358)
Items that will not be reclassified to profit or loss:				
Share of revaluation surplus on property, plant and equipment of associates	–	1,630	536	1,901
Net fair value changes in equity securities at Fair Value through Other Comprehensive Income ("FVOCI")	(5,405)	–	18,414	–
Share of net fair value changes in equity securities at FVOCI of associates	177	–	5,462	–
	(5,228)	1,630	24,412	1,901
Items that may be reclassified subsequently to profit or loss:				
Net fair value changes in available-for-sale investment securities	–	(22,985)	–	(46,480)
Net fair value changes in cash flow hedges	(696)	(5,294)	880	(4,288)
Currency translation reserve	1,143	(10,187)	(7,882)	(17,373)
Share of reserves of associates and joint ventures	2,965	(11,161)	(684)	(15,271)
Realisation of foreign currency translation reserve to profit or loss	77	–	77	–
	3,489	(49,627)	(7,609)	(83,412)
Other comprehensive income after tax for the period	(1,739)	(47,997)	16,803	(81,511)
Total comprehensive income for the period	18,659	(53,135)	70,399	(85,869)
Total comprehensive income attributable to:				
Owners of the Company	15,668	(47,963)	60,693	(74,526)
Non-controlling interests	2,991	(5,172)	9,706	(11,343)
Total comprehensive income for the period	18,659	(53,135)	70,399	(85,869)

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 September 2016

	Note	GROUP		Note	COMPANY	
		30 Sep 2016	31 Dec 2015		30 Sep 2016	31 Dec 2015
		\$'000	\$'000		\$'000	\$'000
<u>Assets</u>						
<u>Non-current assets</u>						
Property, plant and equipment		33,257	34,434		154	174
Investment properties	1	546,494	606,010		32,539	32,371
Goodwill		17,696	17,604		—	—
Other intangible assets		7,203	6,655		—	—
Subsidiaries		—	—		125,237	125,237
Associates and joint ventures		577,455	558,616		2,708	2,708
Deferred tax assets		1,879	1,599		—	—
Other non-current receivables		—	1,855		—	—
Investment securities	2	242,747	201,576		—	—
Other non-current assets		992	987		—	—
Total non-current assets		1,427,723	1,429,336		160,638	160,490
<u>Current assets</u>						
Assets classified as held for sale	1	157,643	17,771		17,863	17,771
Development properties for sale		72	70		—	—
Inventories	3	107,651	88,820		—	—
Income tax receivables		2,518	3,526		—	—
Prepayments and accrued income		2,448	1,854		83	1
Trade and other receivables	4	91,635	126,297	1a	819,794	866,263
Marketable securities		159,836	178,282		—	—
Derivative financial instruments		35	200		—	—
Cash and short-term deposits		265,303	239,325		130,110	105,579
Total current assets		787,141	656,145		967,850	989,614
Total assets		2,214,864	2,085,481		1,128,488	1,150,104
<u>Equity and liabilities</u>						
<u>Equity</u>						
Share capital		568,968	568,968		568,968	568,968
Retained earnings		810,945	782,253		70,267	86,250
Other reserves		(40,333)	(54,057)		(17,789)	(18,079)
Equity attributable to owners of the Company		1,339,580	1,297,164		621,446	637,139
Non-controlling interests		91,011	73,049		—	—
Total equity		1,430,591	1,370,213		621,446	637,139
<u>Non-current liabilities</u>						
Provisions		6,133	5,923		—	—
Deferred tax liabilities		6,229	5,654		2,820	2,806
Borrowings	5	246,605	373,985		—	—
Derivative financial instruments		1,354	24		—	—
Other non-current liabilities		950	465		—	—
Total non-current liabilities		261,271	386,051		2,820	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 30 September 2016 (cont'd)

	Note	GROUP		Note	COMPANY	
		30 Sep 2016	31 Dec 2015		30 Sep 2016	31 Dec 2015
		\$'000	\$'000		\$'000	\$'000
<u>Current liabilities</u>						
Provisions		14,910	22,756		11,723	19,585
Income tax payable		2,513	2,083		44	442
Trade and other payables		86,264	122,962		492,455	490,132
Borrowings	6	418,463	177,682		–	–
Derivative financial instruments		852	3,734		–	–
Total current liabilities		523,002	329,217		504,222	510,159
Total liabilities		784,273	715,268		507,042	512,965
Total equity and liabilities		2,214,864	2,085,481		1,128,488	1,150,104

Notes to Balance Sheets:

Group

Non-current assets

- (1) The decrease in investment properties was mainly due to the reclassification of certain properties to assets held for sale.
- (2) The increase in investment securities was mainly due to mark-to-market gain and investment in financial assets.

Current assets

- (3) The increase in inventories was mainly due to higher tin price.
- (4) The decrease in trade and other receivables was mainly due to lower provisional advance given to customers.

Non-current liabilities

- (5) The decrease in borrowings was mainly due to reclassification of borrowings due in the next 12 months to current liabilities.

Current liabilities

- (6) The increase in borrowings was mainly due to reclassification of borrowings from non-current liabilities.

Company

Current assets

- (1a) The decrease in trade and other receivables was mainly due to repayment 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 30/09/2016		As at 31/12/2015	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
344,277	74,186	48,663	129,019

Amount repayable after one year:

As at 30/09/2016		As at 31/12/2015	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
246,605	–	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 3rd quarter and nine months ended 30 September 2016

	3 rd Quarter (3Q) Ended 30 September		Nine Months (9M) Ended 30 September	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Cash flows from operating activities</u>				
Profit/(Loss) before tax	21,334	(1,103)	61,646	(2,714)
<u>Adjustments</u>				
Depreciation of property, plant and equipment	1,046	803	2,919	2,428
Amortisation of intangible assets	161	168	483	530
Dividend income	(5,851)	(7,198)	(18,977)	(18,145)
Interest income	(3,000)	(3,025)	(9,392)	(7,643)
Finance costs	4,525	4,423	14,402	11,268
Currency realignment	(2,415)	10,971	(8,960)	18,093
Fair value changes in investment properties and financial assets	(3,729)	8,878	(10,654)	14,792
Net gain on disposal of property, plant and equipment, investment properties, subsidiaries and a joint venture	(710)	(1)	(728)	(765)
Favourable valuation adjustment on tin inventory	(252)	(12,800)	(5,855)	(1,073)
Provision/(write back) for receivables	6	(4)	188	19
Share of results of equity-accounted associates and joint ventures	(7,901)	(4,809)	(14,398)	(12,239)
Operating cash flows before changes in working capital	3,214	(3,697)	10,674	4,551
Decrease in development properties for sale	–	95	–	156
(Increase)/Decrease in inventories	(10,133)	4,698	(12,513)	(12,909)
Decrease/(Increase) in marketable securities	9,438	(42,792)	27,837	(122,329)
Decrease/(Increase) in trade and other receivables	7,430	(15,122)	32,403	(16,495)
Increase/(Decrease) in trade and other payables	7,878	56,165	(31,205)	56,126
Cash flow from/(used in) operations	17,827	(653)	27,196	(90,900)
Income taxes paid	(3,620)	(402)	(7,081)	(5,461)
Payment of finance costs	(4,228)	(4,079)	(13,309)	(10,449)
Interest received	629	3,168	2,419	6,915
Dividend income from marketable securities	2,615	4,652	10,091	10,705
Net cash flows from/(used in) operating activities	13,223	2,686	19,316	(89,190)

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 3rd quarter and nine months ended 30 September 2016
(cont'd)

	3 rd Quarter (3Q) Ended 30 September		Nine Months (9M) Ended 30 September	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
<u>Cash flows from investing activities</u>				
Proceeds from disposal of property, plant and equipment and investment properties	7,801	6	7,829	43,046
Cost incurred on property, plant and equipment	(596)	(256)	(1,637)	(1,677)
Cost incurred on investment properties	(19,007)	(133,175)	(106,410)	(195,987)
Purchase of investment securities	–	(2,537)	(14,880)	(38,924)
Investment in associates	–	(84,401)	(7,851)	(84,401)
Payment for deferred mine exploration and evaluation expenditure and mine properties	(356)	(150)	(1,001)	(642)
Net cash inflow from sale of subsidiaries	–	–	–	53,030
Dividend income from investment securities, associates and joint ventures	8,038	6,453	19,537	16,386
Currency realignment	(1,280)	1,308	1,335	39
Net cash flows used in investing activities	(5,400)	(212,752)	(103,078)	(209,130)
<u>Cash flows from financing activities</u>				
Dividends paid to shareholders	–	–	(16,324)	(16,324)
Dividend paid to non-controlling shareholders of a subsidiary	(782)	–	(843)	–
Loan to an associate	–	–	–	(60,000)
Drawdown/(Repayment) of short-term borrowings	75,119	(4,863)	15,675	(5,336)
Drawdown of long-term borrowings	17,498	74,558	96,081	150,142
Repayment of long-term borrowings	–	(1,682)	(2,068)	(67,358)
Net proceeds from issuance of shares by subsidiaries to non-controlling shareholders	500	14,744	10,494	29,244
Currency realignment	3,938	(9,583)	6,698	(17,417)
Net cash flows from financing activities	96,273	73,174	109,713	12,951
Net increase/(decrease) in cash and cash equivalents	104,096	(136,892)	25,951	(285,369)
Effect of exchange rate changes on cash and cash equivalents	(257)	(4,207)	27	(6,940)
Cash and cash equivalents, beginning balance	161,464	333,462	239,325	484,672
Cash and cash equivalents, ending balance	265,303	192,363	265,303	192,363

Notes to the Cash Flow Statement:

(i) Third Quarter and Nine Months

Net cash inflow from operating activities for 3Q2016 and 9M2016 was mainly due to sale of marketable securities and net receipt from trade facilities.

Net cash outflow from investing activities for 3Q2016 was mainly due to payments for the Chongqing mall property, mitigated by proceeds from disposal of investment properties and dividend income. Net cash outflow for 9M2016 was mainly due to purchase of investment properties in Japan.

Net cash inflow from financing activities for 3Q2016 and 9M2016 was mainly due to drawdown 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 30 September 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	70,399	60,693	—	45,958	—	21,958	109	536	(7,868)	9,706
<u>Contributions by and distributions to owners</u>										
Dividend on ordinary shares	(16,324)	(16,324)	—	(16,324)	—	—	—	—	—	—
Dividend to non- controlling interests	(782)	—	—	—	—	—	—	—	—	(782)
Contribution of capital by non-controlling interests	10,494	—	—	—	—	—	—	—	—	10,494
Total contributions by and distributions to owners	(6,612)	(16,324)	—	(16,324)	—	—	—	—	—	9,712
<u>Changes in ownership interests in subsidiary</u>										
Dilution of ownership interests in subsidiaries that do not result in a loss of control	—	(94)	—	(94)	—	—	—	—	—	94
Total changes in ownership interests in subsidiaries	—	(94)	—	(94)	—	—	—	—	—	94
Total transactions with owners in their capacity as owners	(6,612)	(16,418)	—	(16,418)	—	—	—	—	—	9,806
<u>Others</u>										
Share of associate's realisation of revaluation reserve	—	—	—	438	—	—	—	(438)	—	—
Total others	—	—	—	438	—	—	—	(438)	—	—
Closing balance at 30 September 2016	1,430,591	1,339,580	568,968	810,945	—	(2,537)	(1,702)	15,676	(51,770)	91,011

Statements of changes in equity for the period ended 30 September 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	(85,869)	(74,526)	—	(2,805)	(51,585)	(2,474)	1,901	(19,267)	(296)	(11,343)
<u>Contributions by and distributions to owners</u>										
Dividend on ordinary shares	(16,324)	(16,324)	—	(16,324)	—	—	—	—	—	—
Contribution of capital by non-controlling interests	29,244	—	—	—	—	—	—	—	—	29,244
Total contributions by and distributions to owners	12,920	(16,324)	—	(16,324)	—	—	—	—	—	29,244
<u>Changes in ownership interests in subsidiaries</u>										
Dilution of ownership interests in subsidiaries that do not result in a loss of control	—	68	—	68	—	—	—	—	—	(68)
Total changes in ownership interests in subsidiaries	—	68	—	68	—	—	—	—	—	(68)
Total transactions with owners in their capacity as owners	12,920	(16,256)	—	(16,256)	—	—	—	—	—	29,176
<u>Others</u>										
Reserve attributable to disposal group classified as held for sale	—	—	—	—	—	—	—	(46)	46	—
Total others	—	—	—	—	—	—	—	(46)	46	—
Closing balance at 30 September 2015	1,332,949	1,264,215	568,968	768,314	(32,483)	(3,841)	9,935	(46,678)	—	68,734

Statements of changes in equity for the period ended 30 September 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	631	631	—	341	—	290
<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 30 September 2016	621,446	621,446	568,968	70,267	202	(17,991)

	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	(5,582)	(5,582)	—	6,159	—	(11,741)
<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 30 September 2015	627,957	627,957	568,968	78,904	208	(20,123)

- 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.**

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

There were no treasury shares as at 30 September 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.**

	3 rd Quarter (3Q) Ended 30 September		Nine Months (9M) Ended 30 September	
	2016	2015	2016	2015
Basic and diluted earnings/(loss) per share for the period based on Group profit/(loss) attributable to owners of the Company:	4.1 cents	(1.7) cents	11.3 cents	(0.7) 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:

	30 September 2016	31 December 2015
The Group	\$3.28	\$3.18
The Company	\$1.52	\$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 3Q2016 operating results by business segments and comparables for 3Q2015 and the 9M2016 operating results by business segments and comparables for 9M2015.

3Q2016 Operating Segment Results

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	108,143	5,240	—	—	—	113,383
Inter-segment revenue	—	64	—	—	(64)	—
Total revenue	108,143	5,304	—	—	(64)	113,383
Segment results						
Operating profit	6,131	10,282	403	1,142	—	17,958
Finance costs	(798)	(3,719)	—	(8)	—	(4,525)
Share of results of associates and joint ventures	236	6,023	1,642	—	—	7,901
Profit before tax	5,569	12,586	2,045	1,134	—	21,334
Income tax credit/(expense)	167	(678)	(56)	(369)	—	(936)
Profit after tax	5,736	11,908	1,989	765	—	20,398
Profit attributable to:						
Owners of the Company	3,100	10,944	1,989	765	—	16,798
Non-controlling interests	2,636	964	—	—	—	3,600
	5,736	11,908	1,989	765	—	20,398

3Q2015 Operating Segment Results

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	134,892	3,313	—	—	—	138,205
Inter-segment revenue	—	186	—	—	(186)	—
Total revenue	134,892	3,499	—	—	(186)	138,205
Segment results						
Operating profit/(loss)	10,210	(7,974)	(1,263)	(2,462)	—	(1,489)
Finance costs	(1,008)	(3,337)	—	(78)	—	(4,423)
Share of results of associates and joint ventures	402	4,242	165	—	—	4,809
Profit/(Loss) before tax	9,604	(7,069)	(1,098)	(2,540)	—	(1,103)
Income tax expense	(2,913)	(960)	(57)	(105)	—	(4,035)
Profit/(Loss) after tax	6,691	(8,029)	(1,155)	(2,645)	—	(5,138)
Profit/(Loss) attributable to:						
Owners of the Company	3,491	(6,739)	(1,155)	(2,645)	—	(7,048)
Non-controlling interests	3,200	(1,290)	—	—	—	1,910
	6,691	(8,029)	(1,155)	(2,645)	—	(5,138)

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.

9M2016 Operating Segment Results

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	380,186	13,233	–	–	–	393,419
Inter-segment revenue	–	193	–	–	(193)	–
Total revenue	380,186	13,426	–	–	(193)	393,419
Segment results						
Operating profit	28,893	27,785	626	3,097	–	60,401
Fair value changes in investment properties	–	1,249	–	–	–	1,249
Finance costs	(3,268)	(11,093)	–	(41)	–	(14,402)
Share of results of associates and joint ventures	(10,006)	20,599	3,805	–	–	14,398
Profit before tax	15,619	38,540	4,431	3,056	–	61,646
Income tax expense	(4,948)	(2,120)	(169)	(813)	–	(8,050)
Profit after tax	10,671	36,420	4,262	2,243	–	53,596
Profit attributable to:						
Owners of the Company	5,794	33,659	4,262	2,243	–	45,958
Non-controlling interests	4,877	2,761	–	–	–	7,638
	10,671	36,420	4,262	2,243	–	53,596

9M2015 Operating Segment Results

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	406,036	7,192	–	–	–	413,228
Inter-segment revenue	–	272	–	–	(272)	–
Total revenue	406,036	7,464	–	–	(272)	413,228
Segment results						
Operating profit/(loss)	4,703	(8,919)	(828)	1,065	–	(3,979)
Fair value changes in investment properties	–	294	–	–	–	294
Finance costs	(4,022)	(7,168)	–	(78)	–	(11,268)
Share of results of associates and joint ventures	535	10,462	1,242	–	–	12,239
Profit/(Loss) before tax	1,216	(5,331)	414	987	–	(2,714)
Income tax (expense)/credit	(1,694)	(2,181)	(169)	2,400	–	(1,644)
(Loss)/Profit after tax	(478)	(7,512)	245	3,387	–	(4,358)
(Loss)/Profit attributable to:						
Owners of the Company	(689)	(5,748)	245	3,387	–	(2,805)
Non-controlling interests	211	(1,764)	–	–	–	(1,553)
	(478)	(7,512)	245	3,387	–	(4,358)

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 \$16.8 million for 3Q2016 and \$46.0 million for 9M2016 with improved performance across all business segments year-to-date.

Resources

Lower revenue in 2016 was due to lower production of refined tin arising from lower receipt of feed materials and weaker Malaysian Ringgit on translation to Singapore Dollar.

For 3Q2016, profit after tax and non-controlling interests was lower compared with 3Q2015. This was mainly due to lower revenue and lower favourable valuation adjustment on tin inventory.

For 9M2016, profit after tax and non-controlling interests was higher compared with 9M2015. This was mainly due to higher tin prices, better profit margin, a favourable valuation adjustment on tin inventory and a positive impact from foreign currency translations.

Real Estate

The Group's real estate revenue for 2016 was higher compared with 2015 primarily due to rental income from properties in Australia and Japan.

For 3Q2016 and 9M2016, real estate operations reported a profit after tax and non-controlling interests of \$10.9 million and \$33.7 million respectively. The profits were from mark-to-market gains from trading securities and higher contributions from associates and joint ventures.

Hospitality

The hospitality segment recorded a profit after tax of \$2.0 million for 3Q2016 and \$4.3 million for 9M2016 mainly from gain on sale of a hotel 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 second quarter 2016 financial results announcement made on 12 August 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, has announced the proposed divestment of its office building in Melbourne, Australia. The property was sold for A\$161.5 million in October 2016 against its purchase price of A\$125 million, which yielded a net profit of approximately A\$14 million.

On 8 November 2016, the Group announced that it is part of a consortium, comprising affiliates of the Group, JL Investment Group Limited and Cheung Kong Property Holdings Limited, affiliates of Warburg Pincus LLC and AVIC Trust Co. ("Consortium"), which has proposed the privatisation and de-listing of ARA Asset Management Limited ("ARA") from the SGX-ST.

On completion of the transaction, the Group will receive cash of approximately \$48.2 million and own 20.95% stake in ARA .

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

Far East Hospitality Holdings Pte. Ltd. ("FEHH"), the Group's 30% owned hospitality arm, commenced management of a 140-room serviced residence – Oasia Residence, Singapore in October 2016, its third Oasia-branded property launched this year. FEHH will 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.

The Group will continue to nurture and invest in its various platforms to create long-term value for shareholders.

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 third quarter ended 30 September 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 its knowledge, nothing has come to the attention of the Board of Directors which may render the third 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 form set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Aldric Tan Jee Wei
Secretary

11 November 2016
Singapore

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