

The Straits Trading Company Limited
and its Subsidiaries
(Company Registration No.: 188700008D)

Condensed Interim Financial Statements
For the six months and full year ended 31 December 2023

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A. Condensed Interim Consolidated Income Statement

Group	Note	6 months	6 months	+ / (-) %	12 months	12 months	+ / (-) %
		ended 31 December 2023 \$'000	ended 31 December 2022 \$'000		ended 31 December 2023 \$'000	ended 31 December 2022 \$'000	
Revenue							
Tin mining and smelting revenue		222,734	227,116	(1.9)	424,844	472,588	(10.1) (i)
Property revenue		33,118	30,347	9.1	66,815	55,032	21.4 (ii)
Total revenue		255,852	257,463	(0.6)	491,659	527,620	(6.8)
Other items of income/(loss)							
Dividend income		5,387	8,110	(33.6)	11,422	12,366	(7.6)
Interest income		15,978	8,022	99.2	25,424	15,131	68.0 (iii)
Net fair value changes in investment properties	9	(35,097)	(79,662)	(55.9)	(25,796)	(75,421)	(65.8) (iv)
Other income/(losses)	4	7,600	(19,833)	NM	23,741	635,373	(96.3) (v)
		249,720	174,100	43.4	526,450	1,115,069	(52.8)
Other items of expense							
Costs of tin mining and smelting		(197,721)	(210,910)	(6.3)	(358,767)	(398,651)	(10.0)
Employee benefits expense		(20,624)	(20,828)	(1.0)	(42,097)	(39,289)	7.1
Depreciation expense		(3,142)	(2,941)	6.8	(6,509)	(6,073)	7.2
Amortisation expense		(150)	(107)	40.2	(303)	(328)	(7.6)
Reversal of land under development write-down to net realisable value		8,601	–	NM	8,601	–	NM
Finance costs		(43,739)	(26,757)	63.5	(84,296)	(43,993)	91.6 (vi)
Other expenses	5	(21,291)	(28,767)	(26.0)	(33,409)	(49,730)	(32.8)
Total expenses		(278,066)	(290,310)	(4.2)	(516,780)	(538,064)	(4.0)
Share of results of associates and joint ventures		(17,937)	(29,311)	(38.8)	(21,303)	(14,021)	51.9 (vii)
(Loss)/profit before tax		(46,283)	(145,521)	(68.2)	(11,633)	562,984	NM
Income tax credit/(expense)	6	7,311	22,985	(68.2)	(512)	6,287	NM
(Loss)/profit after tax		(38,972)	(122,536)	(68.2)	(12,145)	569,271	NM
(Loss)/profit attributable to:							
Owners of the Company		(43,466)	(121,762)	(64.3)	(28,567)	551,259	NM
Non-controlling interests		4,494	(774)	NM	16,422	18,012	(8.8)
		(38,972)	(122,536)	(68.2)	(12,145)	569,271	NM
Earnings before interest expense, tax, depreciation and amortisation ("EBITDA")							
		748	(115,716)	NM	79,475	613,378	(87.0)

A. Condensed Interim Consolidated Income Statement (cont'd)

Group (cont'd)	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	+ / (-) %	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000	+ / (-) %
Earnings per share (cents per share)						
Basic	(9.7)	(28.5)	(66.0)	(6.4)	127.0	NM
Diluted	(9.7)	(28.5)	(66.0)	(6.4)	127.0	NM

NM – Not meaningful

Explanatory Notes to the Condensed Interim Consolidated Income Statement

- (i) The lower tin mining and smelting revenue in 2H2023 was mainly due to currency translation impact from weaker Malaysian Ringgit against Singapore Dollar.
- (ii) The increase in property revenue in 2H2023 was mainly due to full year revenue contribution from the investment properties in the United Kingdom which were acquired in December 2022.
- (iii) The increase in interest income in 2H2023 was attributable to higher income from fixed deposits and investment in the notes issued by a joint venture in Australia.
- (iv) The net fair value changes in investment properties for 2H2023 was mainly due to higher capitalisation rates which led to the reduction in fair values of investment properties in Australia and the United Kingdom.
- (v) The other income in 2H2023 was mainly due to fair value gain from the embedded derivative portion of Exchangeable Bonds issued.
- (vi) The increase in finance cost was mainly due to Exchangeable Bonds issued, additional borrowings related to investment properties in the United Kingdom and higher interest rates.
- (vii) The decrease in share of loss from associates and joint ventures was mainly due to lower net fair value losses in investment properties held by associates and joint ventures.

B. Condensed Interim Consolidated Statement of Comprehensive Income

Group	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000	
(Loss)/profit after tax	(38,972)	(122,536)	(12,145)	569,271	
Other comprehensive income					
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")	(84,107)	(218,177)	(168,474)	(356,563)	(i)
Share of net fair value changes in equity securities carried at FVOCI of associates	–	–	–	655	
Net revaluation surplus on property, plant and equipment	1,487	427	1,487	427	
Share of net revaluation surplus on property, plant and equipment of associates	2,456	1,386	2,623	2,488	
	(80,164)	(216,364)	(164,364)	(352,993)	
Items that may be reclassified subsequently to profit or loss:					
Net fair value changes in cash flow hedges	(10,915)	3,629	(4,874)	4,824	(ii)
Currency translation reserve	(12,947)	(67,848)	(37,032)	(92,672)	(iii)
Share of reserves of associates and joint ventures	(4,479)	(12,749)	(11,178)	(33,005)	(iv)
Reclassification of foreign currency translation reserve to profit or loss	166	421	200	18,191	
	(28,175)	(76,547)	(52,884)	(102,662)	
Other comprehensive income after tax for the period/year	(108,339)	(292,911)	(217,248)	(455,655)	
Total comprehensive income for the period/year	(147,311)	(415,447)	(229,393)	113,616	
Total comprehensive income attributable to:					
Owners of the Company	(149,996)	(409,156)	(238,495)	105,741	
Non-controlling interests	2,685	(6,291)	9,102	7,875	
Total comprehensive income for the period/year	(147,311)	(415,447)	(229,393)	113,616	

B. Condensed Interim Consolidated Statement of Comprehensive Income (cont'd)

Explanatory Notes to the Condensed Interim Consolidated Statement of Comprehensive Income

- (i) Net fair value changes in equity securities were attributable to changes in the market value of quoted equity securities that are not held for trading and measured at FVOCI.
- (ii) The movement in net fair value changes in cash flow hedges were attributable to changes in the fair value of hedging instruments that are designated to offset cash flow risks.
- (iii) The movement in currency translation reserve was attributable to exchange differences arising from foreign operations.
- (iv) The movement in share of reserves of associates and joint ventures was attributable to share of foreign currency translation reserves of associates and joint ventures.

C. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Assets					
Non-current assets					
Property, plant and equipment	7	63,404	52,529	570	609
Land under development	8	102,776	95,780	26,405	28,127
Investment properties ⁽ⁱ⁾	9	1,355,589	1,312,915	5,037	5,274
Goodwill	10(a)	15,523	16,323	–	–
Other intangible assets	10(b)	44,591	47,302	–	–
Subsidiaries		–	–	133,029	123,535
Associates and joint ventures ⁽ⁱⁱ⁾	11	636,828	701,212	144	144
Deferred tax assets	12	25,211	11,848	–	–
Other non-current receivables		–	–	20,000	30,000
Derivative financial instruments		6,852	13,203	1,263	1,863
Investment securities ⁽ⁱⁱⁱ⁾		406,549	591,040	–	–
Total non-current assets		2,657,323	2,842,152	186,448	189,552
Current assets					
Inventories ^(iv)	13	169,917	173,541	–	–
Income tax recoverable		1,616	5,357	–	24
Other prepayments		2,876	2,102	14	8
Trade related prepayments		9,037	20,222	–	–
Trade and other receivables ^(a)		83,533	107,913	1,747,227	1,695,519
Investment securities ⁽ⁱⁱⁱ⁾		49,892	75,363	–	–
Derivative financial instruments		7,301	23,198	2,018	2,583
Cash and bank balances ^{(v)(b)}		458,053	251,688	208,550	129,791
Total current assets		782,225	659,384	1,957,809	1,827,925
Total assets		3,439,548	3,501,536	2,144,257	2,017,477

C. Condensed Interim Statements of Financial Position (cont'd)

	Note	Group		Company	
		31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Equity and liabilities					
Equity					
Share capital	14	686,309	686,317	686,309	686,317
Treasury shares	15	(6,933)	(4,085)	(6,933)	(4,085)
Retained earnings		1,314,852	1,396,875	130,809	99,378
Other reserves ^(vii)		(534,193)	(341,664)	(11,238)	(4,467)
Equity attributable to owners of the Company					
		1,460,035	1,737,443	798,947	777,143
Non-controlling interests		137,426	137,055	–	–
Total equity					
		1,597,461	1,874,498	798,947	777,143
Non-current liabilities					
Provisions	16	20,029	14,700	–	–
Deferred tax liabilities	12	64,950	70,107	639	670
Borrowings ^{(vii)(c)}	17	1,329,034	1,054,071	739,198	442,387
Derivative financial instruments ^(d)		22,907	376	22,545	–
Other non-current liabilities		3,309	3,317	–	–
Lease liabilities		4,995	1,258	–	–
Total non-current liabilities					
		1,445,224	1,143,829	762,382	443,057
Current liabilities					
Provisions	16	469	4,347	–	–
Income tax payable		7,495	3,871	1,372	1,023
Trade and other payables ^(e)		90,097	135,400	536,702	653,052
Borrowings ^{(vii)(c)}	17	292,490	336,672	44,833	143,202
Derivative financial instruments		3,744	1,696	21	–
Lease liabilities		2,568	1,223	–	–
Total current liabilities					
		396,863	483,209	582,928	797,277
Total liabilities					
		1,842,087	1,627,038	1,345,310	1,240,334
Total equity and liabilities					
		3,439,548	3,501,536	2,144,763	2,017,477

C. Condensed Interim Statements of Financial Position (cont'd)

Explanatory Notes to the Condensed Interim Statements of Financial Position

Group

- (i) The increase in investment properties was mainly due to acquisition of industrial land in Australia, fair value gains of properties in Singapore and Korea, and capital expenditure on the logistics property in South Korea, partially offset by the disposal of a property in the United Kingdom and fair value losses of certain properties in Australia and the United Kingdom.
- (ii) The decrease in associates and joint ventures was mainly due to capital distributions and foreign currency translation losses.
- (iii) The decrease in investment securities was mainly due to decrease in ESR Group Limited's share price, disposal of investments in Suntec REIT and redemption of a secured note invested in Australia.
- (iv) The decrease in inventories was contributed by lower tin-in-concentrates and tin-in-process, partially offset by higher refined tin metal.
- (v) The increase in cash and bank balances was mainly due to Exchangeable Bonds issued, cash received from the partial disposal of investments in Suntec REIT, the redemption of the secured note and the net proceeds from disposal of a property in the United Kingdom, partially offset by cash used for the repayment of borrowings and payment of dividend.
- (vi) The decrease in other reserves was due to the market value changes of investment securities carried at FVOCI and lower foreign currency translation reserves.
- (vii) The increase in borrowings was mainly due to Exchangeable Bonds issued, partially offset by repayment of existing loans.

Company

- (a) The increase in trade and other receivables was due to the increase in amounts due from subsidiaries.
- (b) The increase in cash and bank balances was mainly due to Exchangeable Bonds issued, partially offset by repayment of borrowings and payment of dividend.
- (c) The increase in borrowings was mainly due to the Exchangeable Bonds issued, partially offset by repayment of bank loans.
- (d) Derivative financial instrument of \$22.5 million is relating to the embedded derivative portion of Exchangeable Bonds issued.
- (e) The decrease in trade and other payables was mainly due to decrease in amount due to a subsidiary.

D. Condensed Interim Statements of Changes in Equity

Group

	Total equity \$'000	Equity attributable to owners of the Company \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	FVOCI reserve \$'000	Hedging reserve \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Share-based compensation reserve \$'000	Other reserves \$'000	Non-controlling interests \$'000
Opening balance at 1 January 2023	1,874,498	1,737,443	686,317	(4,085)	1,396,875	(280,093)	6,421	42,174	(109,183)	1,554	(2,537)	137,055
Total comprehensive income for the year	(229,393)	(238,495)	–	–	(28,567)	(168,948)	(5,218)	3,397	(39,159)	–	–	9,102
<u>Contributions by and distributions to owners</u>												
Share based payment	1,572	1,572	–	–	–	–	–	–	–	1,572	–	–
Treasury share reissued pursuant to share-based compensation plan	–	–	(8)	237	–	–	–	–	–	(229)	–	–
Dividend on ordinary shares	(35,996)	(35,996)	–	–	(35,996)	–	–	–	–	–	–	–
Contribution of capital by non-controlling interests	766	–	–	–	–	–	–	–	–	–	–	766
Dividend paid to non-controlling interests	(10,901)	–	–	–	–	–	–	–	–	–	–	(10,901)
Purchase of treasury shares	(3,085)	(3,085)	–	(3,085)	–	–	–	–	–	–	–	–
Total contributions by and distributions to owners	(47,644)	(37,509)	(8)	(2,848)	(35,996)	–	–	–	–	1,343	–	(10,135)
<u>Others</u>												
Reclassification of FVOCI reserve	–	(1,404)	–	–	(17,584)	16,180	–	–	–	–	–	1,404
Share of reserve of associate	–	–	–	–	124	–	–	(124)	–	–	–	–
Total others	–	(1,404)	–	–	(17,460)	16,180	–	(124)	–	–	–	1,404
Closing balance at 31 December 2023	1,597,461	1,460,035	686,309	(6,933)	1,314,852	(432,861)	1,203	45,447	(148,342)	2,897	(2,537)	137,426

D. Condensed Interim Statements of Changes in Equity (cont'd)

Group (cont'd)

	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares	Retained earnings	FVOCI reserve	Hedging reserve	Revaluation reserve	Foreign currency translation reserve	Share-based compensation reserve	Other reserves	Non-controlling interests
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 January 2022	1,934,850	1,771,382	568,968	(2,682)	1,163,514	9,516	60	39,466	(10,598)	–	3,138	163,468
Total comprehensive income for the year	113,616	105,741	–	–	551,259	(356,419)	6,792	2,708	(98,599)	–	–	7,875
<u>Contributions by and distributions to owners</u>												
Issuance of ordinary shares	80,860	80,860	80,860	–	–	–	–	–	–	–	–	–
Expenses on issuance of ordinary shares	(2,599)	(2,599)	(2,599)	–	–	–	–	–	–	–	–	–
Share based payment	1,554	1,554	–	–	–	–	–	–	–	1,554	–	–
Dividend on ordinary shares	(34,626)	(34,626)	–	–	(34,626)	–	–	–	–	–	–	–
Issuance of special dividend via distribution <i>in-specie</i>	(121,339)	(121,339)	39,088	–	(160,427)	–	–	–	–	–	–	–
Writeback on unclaimed dividend	506	506	–	–	506	–	–	–	–	–	–	–
Dividend paid to non-controlling interests	(11,178)	–	–	–	–	–	–	–	–	–	–	(11,178)
Purchase of treasury shares	(1,403)	(1,403)	–	(1,403)	–	–	–	–	–	–	–	–
Total contributions by and distributions to owners	(88,225)	(77,047)	117,349	(1,403)	(194,547)	–	–	–	–	1,554	–	(11,178)
<u>Changes in ownership interests in subsidiaries</u>												
Change in ownership interests in subsidiaries	(18,640)	4,470	–	–	10,558	–	–	–	–	–	(6,088)	(23,110)
Total changes in ownership interests in subsidiaries	(18,640)	4,470	–	–	10,558	–	–	–	–	–	(6,088)	(23,110)
<u>Others</u>												
Reclassification of FVOCI reserve	–	–	–	–	(84,767)	84,767	–	–	–	–	–	–
Reclassification of reserve upon disposal of an associate	–	–	–	–	(47,128)	(19,915)	(431)	–	(1,494)	–	68,968	–
Share of reserve of associate	–	–	–	–	(1,958)	1,958	–	–	–	–	–	–
Share of other changes in equity of an associate	(67,047)	(67,047)	–	–	–	–	–	–	1,508	–	(68,555)	–
Others	(56)	(56)	–	–	(56)	–	–	–	–	–	–	–
Total others	(67,103)	(67,103)	–	–	(133,909)	66,810	(431)	–	14	–	413	–
Closing balance at 31 December 2022	1,874,498	1,737,443	686,317	(4,085)	1,396,875	(280,093)	6,421	42,174	(109,183)	1,554	(2,537)	137,055

D. Condensed Interim Statements of Changes in Equity (cont'd)

Company

	Total equity \$'000	Equity attributable to owners of the Company \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Revaluation reserve \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	Share-based compensation reserve \$'000
Opening balance at 1 January 2023	777,143	777,143	686,317	(4,085)	99,378	579	1,548	(8,148)	1,554
Total comprehensive income for the year	59,313	59,313	–	–	67,427	6	(1,000)	(7,120)	–
<u>Contributions by and distributions to owners</u>									
Share based payment	1,572	1,572	–	–	–	–	–	–	1,572
Treasury share reissued pursuant to share-based compensation plan	–	–	(8)	237	–	–	–	–	(229)
Dividend on ordinary shares	(35,996)	(35,996)	–	–	(35,996)	–	–	–	–
Purchase of treasury shares	(3,085)	(3,085)	–	(3,085)	–	–	–	–	–
Total contributions by and distributions to owners	(37,509)	(37,509)	(8)	(2,848)	(35,996)	–	–	–	1,343
Total transactions with owners in their capacity as owners	(37,509)	(37,509)	(8)	(2,848)	(35,996)	–	–	–	1,343
Closing balance at 31 December 2023	798,947	798,947	686,309	(6,933)	130,809	585	548	(15,268)	2,897

D. Condensed Interim Statements of Changes in Equity (cont'd)

Company (cont'd)

	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares	Retained earnings	Revaluation reserve	Hedging reserve	Foreign currency translation reserve	Share-based compensation reserve
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 January 2022	604,445	604,445	568,968	(2,682)	38,107	575	180	(703)	–
Total comprehensive income for the year	249,745	249,745	–	–	255,818	4	1,368	(7,445)	–
<u>Contributions by and distributions to owners</u>									
Issuance on ordinary shares	80,860	80,860	80,860	–	–	–	–	–	–
Expenses on issuance of ordinary shares	(2,599)	(2,599)	(2,599)	–	–	–	–	–	–
Share based payment	1,554	1,554	–	–	–	–	–	–	1,554
Writeback on unclaimed dividend	506	506	–	–	506	–	–	–	–
Dividend on ordinary shares	(34,626)	(34,626)	–	–	(34,626)	–	–	–	–
Issuance of special dividend via distribution <i>in-specie</i>	(121,339)	(121,339)	39,088	–	(160,427)	–	–	–	–
Purchase of treasury shares	(1,403)	(1,403)	–	(1,403)	–	–	–	–	–
Total contributions by and distributions to owners	(77,047)	(77,047)	117,349	(1,403)	(194,547)	–	–	–	1,554
Total transactions with owners in their capacity as owners	(77,047)	(77,047)	117,349	(1,403)	(194,547)	–	–	–	1,554
Closing balance at 31 December 2022	777,143	777,143	686,317	(4,085)	99,378	579	1,548	(8,148)	1,554

E. Condensed Interim Consolidated Statement of Cash Flows

	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Cash flows from operating activities		
(Loss)/profit before tax	(11,633)	562,984
<u>Adjustments</u>		
Depreciation of property, plant and equipment	6,509	6,073
Amortisation of other intangible assets	303	328
Dividend income	(11,422)	(12,366)
Interest income	(25,424)	(15,131)
Finance costs	84,296	43,993
Share based payment	1,572	1,833
Net fair value changes in investment properties	25,796	75,421
Fair value changes in financial assets and liabilities	(17,986)	12,704
Net loss on disposal of investment properties, property, plant and equipment and investment securities	3,728	2,148
Net gain on disposal of an associate	(427)	(642,190)
Reversal of land under development write-down	(8,601)	–
Property, plant and equipment written off	18	5
Share of results of associates and joint ventures	21,303	14,021
Unrealised foreign currency translation	(14,584)	3,160
Operating cash flows before changes in working capital	53,448	52,983
Decrease in inventories	3,624	82,477
Increase in short-term investment securities	(4,336)	(4,824)
Decrease/(increase) in trade, other receivables and prepayments	23,813	(18,190)
Decrease in trade, other payables and provisions	(31,354)	(3,110)
Cash flows from operations	45,195	109,336
Income taxes paid	(8,271)	(22,988)
Finance costs paid	(31,404)	(24,962)
Interest received	31,981	3,307
Dividend received from short-term investment securities	1,187	1,039
Net cash flows from operating activities ⁽ⁱ⁾	38,688	65,732

E. Condensed Interim Consolidated Statement of Cash Flows (cont'd)

	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment and investment properties	37,803	7,088
Proceeds from redemption of debt instrument	31,130	17,200
Proceeds from disposal of investment securities	56,286	56,136
Proceeds from disposal of associates	649	142,458
Proceeds from/(payment for) settlement of derivatives	20,425	(488)
Expenditure on property, plant and equipment	(9,966)	(6,210)
Expenditure on investment properties	(122,102)	(427,948)
Expenditure on land under development	(10,409)	(15,263)
Purchase of investment securities	(57,121)	(31,891)
Investment in associates and joint ventures	(2,021)	(60,630)
Return of capital from associates	21,314	11,688
Expenditure on deferred mine exploration and evaluation expenditure, mine properties, and other intangible assets	(488)	(188)
Payment for acquisition of a subsidiary from non-controlling shareholder	–	(61,734)
Dividend received from investment securities, associates and joint ventures	16,435	19,699
Interest received	1,638	685
Income taxes paid	(515)	(1,567)
Net cash flows used in investing activities ⁽ⁱⁱ⁾	(16,942)	(350,965)
Cash flows from financing activities		
Dividend paid on ordinary shares (Note 18)	(35,996)	(34,626)
Carried interest paid to General Partner of a subsidiary	–	(56)
Dividend paid to non-controlling shareholders of subsidiaries	(10,901)	(11,178)
Net proceeds from issuance of shares	–	78,261
Purchase of treasury shares (Note 15)	(3,085)	(1,403)
Net proceeds from issuance of shares by subsidiaries to non-controlling shareholders	766	–
Repayment of short-term borrowings	(181,969)	(37,237)
Proceeds from long-term borrowings	528,807	553,764
Repayment of long-term borrowings	(74,747)	(125,579)
Finance costs paid	(35,688)	(21,884)
Payment of principal portion of lease liabilities	(2,433)	(2,578)
Net cash flows from financing activities ⁽ⁱⁱⁱ⁾	184,754	397,484
Net increase in cash and bank balances	206,500	112,251
Effect of exchange rate changes on cash and bank balances	(135)	(2,178)
Cash and bank balances, at beginning of year	251,688	141,615
Cash and bank balances, at end of year	458,053	251,688

E. Condensed Interim Consolidated Statement of Cash Flows (cont'd)

Explanatory Notes to the Condensed Interim Consolidated Cash Flow Statement

- (i) Net cash generated from operating activities for FY2023 was mainly attributable to the property-related income and cash receipts from tin sales.
- (ii) Net cash used in investing activities for FY2023 was mainly due to payments for acquisition and capital expenditure on investment properties, offset by the proceeds from divestment of investment properties, redemption of debt instrument and settlement of derivative financial instruments.
- (iii) Net cash generated from financing activities for FY2023 was mainly attributable to proceeds from issuance of Exchangeable Bonds and drawdown of loan facilities, partially offset by cash used for repayment of borrowings and dividends paid to shareholders.

F. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

The Straits Trading Company Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on Singapore Exchange Securities Trading Limited (“SGX-ST”). The registered office and principal place of business of the Company is located at 1 Wallich Street #15-01, Guoco Tower, Singapore 078881.

The immediate holding company is The Cairns Pte. Ltd. and the ultimate holding company is Tan Chin Tuan Pte. Ltd.. Both companies are incorporated in Singapore.

The principal activity of the Company is investment holding. These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2023 comprise the Company and its subsidiaries (referred to as the “Group”) and the Group’s interests in associates and joint ventures.

2. Basis of preparation

The condensed interim financial statements of the Group for the six months ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollars (“SGD” or “\$”) and all values are rounded to the nearest thousand (\$’000) except when otherwise indicated. The financial statements of the Company include the operations of its Malaysia branch.

2.1 New and amended standards adopted by the Group

The accounting policies adopted by the Group in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group’s Annual Report for the financial year ended 31 December 2022, except for the adoption of new and revised standards effective as of 1 January 2023.

The following are the new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s, that are relevant to the Group:

- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies
- Amendments to SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to SFRS(I) 1-12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to SFRS(I) 1-12 Income taxes: International Tax Reform – Pillar Two Model Rules
- Amendments to SFRS(I) 17 Insurance Contracts

The adoption of the above new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the condensed interim consolidated financial statements of the Group.

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Notes 6 and 12 – Determination of capital allowance, reinvestment allowance, mining allowance, group-wide provision for income taxes and deferred tax provisions
- Note 21 – Impairment of financial assets

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 7 – Depreciation of property, plant and equipment
- Notes 7, 8 and 9 – Revaluation of properties
- Note 10 – Impairment test of goodwill: key assumptions underlying recoverable amounts
- Note 13 – Inventories: valuation of tin-in-concentrates, tin-in-process and refined tin metal
- Note 16 – Provision for retrenchment compensation and mine restoration costs: compensation and estimates for ore reserve and mineral resource

3. Seasonal operations

The Group's businesses are not significantly affected by seasonal or cyclical factors during the financial period/year.

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

4. Other income/(losses)

	Group			
	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Net loss on disposal of investment properties	(3,728)	(223)	(3,728)	(223)
Net gain on disposal of property, plant and equipment	-	-	-	19
Net (loss)/gain on disposal of subsidiaries, associates and joint ventures	-	(16,421)	-	642,190
Net loss on disposal of equity securities at fair value through profit and loss ("FVPL")	-	-	-	(1,943)
Net gain from settlement of forward tin contracts	2,648	1,279	4,114	3,591
Fair value changes in financial instruments:				
- Held-for-trading equity securities at FVPL	(5,309)	(3,675)	(10,896)	(14,402)
- Derivative financial instruments at FVPL	12,137	(3,560)	29,171	1,244
- Ineffective portion of derivatives designated as hedging instruments in cash flow hedge	-	452	(289)	454
Net foreign exchange gains	-	-	555	-
Others	1,852	2,315	4,814	4,443
	7,600	(19,833)	23,741	635,373

5. Other expenses

	Group			
	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Administrative expenses	6,332	6,042	10,430	10,825
Marketing and distribution expenses	717	661	1,365	1,486
Property related management fees	1,856	1,880	3,733	2,869
Property upkeep and maintenance expenses	5,782	5,612	11,282	9,510
Property related taxes	1,960	2,676	4,155	4,247
Brokerage fees	92	83	211	440
Allowance for expected credit losses	91	43	115	218
Net foreign exchange losses	3,083	7,401	-	15,108
Other expenses	1,378	4,369	2,118	5,027
	21,291	28,767	33,409	49,730

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

6. Income tax (credit)/expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated income statement are:

	Group			
	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
<i>Income tax</i>				
- Current income tax	4,370	2,704	13,726	17,746
- Under/(over) provision in prior years	171	(8)	1,593	(508)
	4,541	2,696	15,319	17,238
<i>Deferred tax</i>				
- Origination and reversal of temporary differences	(11,321)	(25,411)	(13,091)	(23,255)
- Over provision in prior years	(531)	(270)	(1,716)	(270)
	(11,852)	(25,681)	(14,807)	(23,525)
Income tax (credit)/expense recognised in profit or loss	(7,311)	(22,985)	512	(6,287)

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

7. Property, plant and equipment

Group	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Plant, equipment, vehicles and furniture \$'000	Capital work-in- progress \$'000	Right-of-use assets			Total \$'000
						Mine restoration \$'000	Land and buildings \$'000	Motor vehicles \$'000	
	At valuation			At cost					
At cost or valuation									
At 1 January 2023	143	10,065	8,625	49,773	7,687	12,192	12,690	195	101,370
Additions	–	–	16	943	9,182	1,435	7,405	–	18,981
Disposals	–	–	–	(227)	–	–	–	–	(227)
Write-offs	–	–	–	(724)	–	–	–	–	(724)
Reclassification	–	–	136	5,819	(5,955)	–	–	–	–
Revaluation surplus, net	3	1,607	347	–	–	–	–	–	1,957
Remeasurement of lease liability	–	–	–	–	–	–	(155)	–	(155)
Elimination of accumulated depreciation on revaluation	–	(118)	(321)	–	–	–	–	–	(439)
Adjustment	–	–	–	4,505	–	–	(3,895)	–	610
Exchange differences	(9)	(620)	(529)	(3,195)	(560)	(750)	(119)	–	(5,782)
At 31 December 2023	137	10,934	8,274	56,894	10,354	12,877	15,926	195	115,591
Accumulated depreciation									
At 1 January 2023	–	–	–	33,438	–	5,221	10,100	82	48,841
Depreciation charge for the year	–	122	329	3,013	–	538	2,479	28	6,509
Disposals	–	–	–	(105)	–	–	–	–	(105)
Write-offs	–	–	–	(706)	–	–	–	–	(706)
Elimination of accumulated depreciation on revaluation	–	(118)	(321)	–	–	–	–	–	(439)
Adjustment	–	–	–	4,505	–	–	(3,895)	–	610
Exchange differences	–	(4)	(8)	(2,156)	–	(334)	(21)	–	(2,523)
At 31 December 2023	–	–	–	37,989	–	5,425	8,663	110	52,187
Net carrying amount									
At 31 December 2023	137	10,934	8,274	18,905	10,354	7,452	7,263	85	63,404

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

7. Property, plant and equipment (cont'd)

Group	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Plant, equipment, vehicles and furniture \$'000	Capital work-in- progress \$'000	Right-of-use assets			Total \$'000
						Mine restoration \$'000	Land and buildings \$'000	Motor vehicles \$'000	
	At valuation			At cost					
At cost or valuation									
At 1 January 2022	146	10,730	9,047	50,822	3,418	10,615	12,919	195	97,892
Additions	–	–	–	809	5,726	2,253	138	–	8,926
Disposals	–	–	–	(153)	–	–	–	–	(153)
Write-offs	–	–	–	(111)	–	–	–	–	(111)
Reclassifications	–	48	–	1,358	(1,146)	–	–	–	260
Revaluation surplus, net	6	79	476	–	–	–	–	–	561
Elimination of accumulated depreciation on revaluation	–	(128)	(337)	–	–	–	–	–	(465)
Exchange differences	(9)	(664)	(561)	(2,952)	(311)	(676)	(367)	–	(5,540)
At 31 December 2022	143	10,065	8,625	49,773	7,687	12,192	12,690	195	101,370
Accumulated depreciation									
At 1 January 2022	–	–	–	32,938	–	5,159	7,881	54	46,032
Depreciation charge for the year	–	130	345	2,697	–	394	2,479	28	6,073
Disposals	–	–	–	(153)	–	–	–	–	(153)
Write-offs	–	–	–	(106)	–	–	–	–	(106)
Elimination of accumulated depreciation on revaluation	–	(128)	(337)	–	–	–	–	–	(465)
Exchange differences	–	(2)	(8)	(1,938)	–	(332)	(260)	–	(2,540)
At 31 December 2022	–	–	–	33,438	–	5,221	10,100	82	48,841
Net carrying amount At 31 December 2022	143	10,065	8,625	16,335	7,687	6,971	2,590	113	52,529

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

7. Property, plant and equipment (cont'd)

	Freehold land \$'000 At valuation	Buildings \$'000	Plant, equipment, vehicles and furniture \$'000 At cost	Total \$'000
Company				
At cost or valuation				
At 1 January 2023	46	517	97	660
Revaluation surplus	3	5	–	8
Elimination of accumulated depreciation on revaluation	–	(5)	–	(5)
Exchange differences	(3)	(32)	(6)	(41)
At 31 December 2023	46	485	91	622
Accumulated depreciation				
At 1 January 2023	–	–	51	51
Depreciation charge for the year	–	5	5	10
Elimination of accumulated depreciation on revaluation	–	(5)	–	(5)
Exchange differences	–	–	(4)	(4)
At 31 December 2023	–	–	52	52
Net carrying amount				
At 31 December 2023				
	46	485	39	570
At cost or valuation				
At 1 January 2022	49	551	106	706
Additions	–	–	53	53
Disposals	–	–	(55)	(55)
Revaluation surplus	–	5	–	5
Elimination of accumulated depreciation on revaluation	–	(5)	–	(5)
Exchange differences	(3)	(34)	(7)	(44)
At 31 December 2022	46	517	97	660
Accumulated depreciation				
At 1 January 2022	–	–	106	106
Depreciation charge for the year	–	5	4	9
Disposals	–	–	(54)	(54)
Elimination of accumulated depreciation on revaluation	–	(5)	–	(5)
Exchange differences	–	–	(5)	(5)
At 31 December 2022	–	–	51	51
Net carrying amount				
At 31 December 2022				
	46	517	46	609

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

8. Land under development

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At cost				
At 1 January	104,918	88,948	28,127	29,982
Additions	4,380	22,270	–	–
Reclassifications	–	(260)	–	–
Exchange differences	(6,522)	(6,040)	(1,722)	(1,855)
At 31 December	102,776	104,918	26,405	28,127
Accumulated write-down				
At 1 January	9,138	9,740	–	–
Reversal of write-down to net realisable value ⁽¹⁾	(8,601)	–	–	–
Exchange differences	(537)	(602)	–	–
At 31 December	–	9,138	–	–
Net carrying amount At 31 December	102,776	95,780	26,405	28,127

⁽¹⁾ Reversal of write-down to net realisable value relating to Lot No.20502, section 4 Town of Butterworth, North Seberang Perai District, Penang pursuant to the revaluation of the property under development.

9. Investment properties

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At fair value				
At 1 January	1,312,915	1,039,646	5,274	5,622
Net fair value changes recognised in profit or loss	(25,796)	(75,421)	86	–
Additions	112,241	447,678	–	–
Disposals	(41,408)	(7,293)	–	–
Exchange differences	(2,363)	(91,695)	(323)	(348)
At 31 December	1,355,589	1,312,915	5,037	5,274

Investment properties are stated at fair value, which is determined based on valuations at the end of the reporting period. The Group determines the fair value of investment properties with the assistance of accredited professional valuers with recent experience and takes into consideration prevailing market conditions in respective location and category of the properties being valued.

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

10. Goodwill/Other intangible assets

(a) Goodwill arising on consolidation

	Group	
	2023	2022
	\$'000	\$'000
At cost		
At 1 January	16,323	17,366
Exchange differences	(800)	(1,043)
	<hr/> 15,523	<hr/> 16,323
At 31 December	<hr/> 15,523	<hr/> 16,323

The carrying amount of goodwill is allocated to the Group's resources segment.

For purpose of impairment testing, goodwill acquired in a business combination is from the acquisition date, allocated to the Group's cash-generating units ("CGU") that are expected to benefit from the synergies of the combination.

The recoverable amount of the resource subsidiary in Malaysia is determined based on value in use calculations using 5-year cash flow projections based on finance budgets and forecasts approved by management. Management has considered and determined the factors applied in these financial budgets, which included tin prices, exchange rates and fuel costs. The Group performed its annual impairment test in December 2023.

The pre-tax discount rates applied to the cash flow projections at 13.0% (2022: 13.0%) and 12.0% (2022: 11.8%) for Mining and Smelting segments respectively, were based on the estimated weighted average cost of capital. The terminal growth rate applied to the cash flow projections was 2.3% (2022: 2.2%) for Smelting segment. There is no impairment in the carrying amount of goodwill arising from this review.

With regard to the assessment of value in use for the recoverable amount of the resource subsidiary in Malaysia, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying amount of goodwill to materially exceed its recoverable amount.

(b) Other intangible assets

	Group	
	2023	2022
	\$'000	\$'000
(i) Mining rights	40,537	43,062
Corporate club memberships	121	132
	<hr/> 40,658	<hr/> 43,194
(ii) Deferred mine exploration and evaluation expenditure	439	403
Mine properties	3,468	3,705
	<hr/> 3,907	<hr/> 4,108
(iii) Trademark	26	–
	<hr/> 44,591	<hr/> 47,302

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

10. Goodwill/Other intangible assets (cont'd)

(b) Other intangible assets

(i) Mining rights and corporate club memberships

	Mining rights \$'000	Corporate club memberships \$'000	Total \$'000
Group			
At cost			
At 1 January 2023	45,767	173	45,940
Additions	157	–	157
Exchange differences	(2,806)	(11)	(2,817)
	<hr/>	<hr/>	<hr/>
At 31 December 2023	43,118	162	43,280
Accumulated amortisation and impairment loss			
At 1 January 2023	2,705	41	2,746
Amortisation charge for the year	43	2	45
Exchange differences	(167)	(2)	(169)
	<hr/>	<hr/>	<hr/>
At 31 December 2023	2,581	41	2,622
Net carrying amount			
At 31 December 2023	<hr/> 40,537	<hr/> 121	<hr/> 40,658
At cost			
At 1 January 2022	3,855	186	4,041
Additions	21	–	21
Acquisition of subsidiary	42,489	–	42,489
Exchange differences	(598)	(13)	(611)
	<hr/>	<hr/>	<hr/>
At 31 December 2022	45,767	173	45,940
Accumulated amortisation and impairment loss			
At 1 January 2022	2,833	43	2,876
Amortisation charge for the year	49	3	52
Exchange differences	(177)	(5)	(182)
	<hr/>	<hr/>	<hr/>
At 31 December 2022	2,705	41	2,746
Net carrying amount			
At 31 December 2022	<hr/> 43,062	<hr/> 132	<hr/> 43,194

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

10. Goodwill/Other intangible assets (cont'd)

(b) Other intangible assets (cont'd)

(ii) Deferred mine exploration and evaluation expenditure

	Deferred mine exploration and evaluation expenditure \$'000	Mine properties \$'000	Total \$'000
Group			
At cost			
At 1 January 2023	403	43,021	43,424
Additions	148	157	305
Reclassifications	(87)	87	–
Exchange differences	(25)	(2,640)	(2,665)
At 31 December 2023	439	40,625	41,064
Accumulated amortisation and impairment loss			
At 1 January 2023	–	39,316	39,316
Amortisation charge for the year	–	258	258
Exchange differences	–	(2,417)	(2,417)
At 31 December 2023	–	37,157	37,157
Net carrying amount At 31 December 2023	439	3,468	3,907
At cost			
At 1 January 2022	342	45,737	46,079
Additions	51	116	167
Acquisition of subsidiary	33	–	33
Exchange differences	(23)	(2,832)	(2,855)
At 31 December 2022	403	43,021	43,424
Accumulated amortisation and impairment loss			
At 1 January 2022	–	41,628	41,628
Amortisation charge for the year	–	276	276
Exchange differences	–	(2,588)	(2,588)
At 31 December 2022	–	39,316	39,316
Net carrying amount At 31 December 2022	403	3,705	4,108

The deferred mine exploration and evaluation expenditures and mine properties are incurred on several areas of interest. The costs are only carried forward to the extent that they are expected to be recovered through the successful development of the areas or where activities in the areas have yet to reach a stage that permits a reasonable assessment of the existence of the economically recoverable ore resources.

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

11. Associates and joint ventures

In 2H2023, there were capital distributions received from associates in Japan and the United Kingdom, and certain capital injection into an associate in Singapore.

12. Deferred tax assets and liabilities

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Deferred tax assets	25,211	11,848	–	–
Deferred tax liabilities	(64,950)	(70,107)	(639)	(670)
	(39,739)	(58,259)	(639)	(670)
	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Provisions	3,722	1,693	–	–
Revaluation of property, plant and equipment	(2,245)	(1,893)	(141)	(148)
Differences in depreciation	(4,105)	(2,871)	1	1
Net fair value changes on investment properties	(8,818)	(22,110)	(499)	(523)
Unremitted foreign sourced income	(29,291)	(34,051)	–	–
Others	998	973	–	–
	(39,739)	(58,259)	(639)	(670)

13. Inventories

	Group	
	2023 \$'000	2022 \$'000
Balance sheet		
Inventories of:		
– Tin-in-concentrates	4,177	11,614
– Tin-in-process	128,341	136,023
– Refined tin metal	30,784	19,484
Other inventories (stores, spares, fuels, coal and saleable by-products)	6,615	6,420
	169,917	173,541
Income statement		
Inventories recognised as an expense in cost of sales	358,767	398,651

The carrying amount of tin inventories include allowance of tin loss of \$1,162,000 (2022: \$1,450,000).

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

14. Share capital

	Group and Company			
	2023 Number of shares	\$'000	2022 Number of shares	\$'000
Ordinary shares issued and fully paid (including treasury shares)				
At 1 January	451,782,747	686,317	408,095,772	568,968
Issue for cash	–	–	26,000,000	80,860
Share issuance expenses	–	–	–	(2,599)
Issue for distribution <i>in-specie</i>	–	–	17,686,975	39,088
Vesting of shares under share-based compensation plan	–	(8)	–	–
At 31 December	451,782,747	686,309	451,782,747	686,317

In 2022, the Company issued 26,000,000 new ordinary shares for cash at \$3.11 per ordinary share by way of private placement and incurred share issuance expenses of \$2,599,000. The Company also issued 17,686,975 new ordinary shares at \$2.21 per ordinary share pursuant to a special dividend via distribution *in-specie*.

15. Treasury shares

	Group and Company			
	2023 Number of shares	\$'000	2022 Number of shares	\$'000
At 1 January	(1,832,300)	(4,085)	(1,276,200)	(2,682)
Purchase of treasury shares	(1,584,900)	(3,085)	(556,100)	(1,403)
Share reissued pursuant to share- based compensation plan	107,375	237	–	–
At 31 December	(3,309,825)	(6,933)	(1,832,300)	(4,085)

As at 31 December 2023, the Company held 3,309,825 treasury shares (2022: 1,832,300) which represents 0.7% (2022: 0.4%) of the total number of issued shares 448,472,922 (2022: 449,950,447) (excluding treasury shares).

Treasury shares relate to ordinary shares of the Company that are held by the Company.

During the year, the Company acquired 1,584,900 (2022: 556,100) of its own shares through purchases on the SGX-ST. The total amount paid to acquire the shares was \$3,085,000 (2022: \$1,403,000) and this was presented as a component within the shareholders' equity.

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

16. Provisions

	Provision for mine restoration \$'000	Provision for retrenchment compensation \$'000	Total \$'000
Group			
At 1 January 2023	15,052	3,995	19,047
Provision made during the year	1,435	481	1,916
Discount adjustment on provision	601	132	733
Exchange differences	(943)	(255)	(1,198)
	16,145	4,353	20,498
At 31 December 2023	16,145	4,353	20,498
Non-current	15,893	4,136	20,029
Current	252	217	469
	16,145	4,353	20,498
At 1 January 2022	13,173	3,831	17,004
Provision made during the year	2,254	326	2,580
Discount adjustment on provision	473	80	553
Exchange differences	(848)	(242)	(1,090)
	15,052	3,995	19,047
At 31 December 2022	15,052	3,995	19,047
Non-current	14,700	–	14,700
Current	352	3,995	4,347
	15,052	3,995	19,047

17. Borrowings

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Amount repayable within one year or on demand				
Secured	164,624	148,447	–	33,388
Unsecured	127,866	188,225	44,833	109,814
Total	292,490	336,672	44,833	143,202
Amount repayable after one year				
Secured	908,143	609,084	328,234	–
Unsecured	420,891	444,987	410,964	442,387
Total	1,329,034	1,054,071	739,198	442,387

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

On 13 February 2023, the Company issued 3.25% secured Exchangeable Bonds (the "Bonds") denominated in Singapore Dollars with a nominal value of S\$370.0 million. The Bonds are due for repayment five years from the issue date at their nominal value or may be exchangeable into ordinary shares of ESR Group Limited at an initial exchange price of HKD22.00 and initial exchange ratio of a pro rate share of 67,738.6364 shares for each S\$250,000 principal amount of the Bonds.

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

18. Dividends

	Group and Company	
	2023	2022
	\$'000	\$'000
Declared and paid during the year		
<i>Dividends on ordinary shares:</i>		
2022 Special dividend via distribution <i>in-specie</i> comprising 17,686,975 ordinary shares of the Company and 48,510,280 ordinary shares of ESR Group Limited	–	160,427
2022 Interim dividend paid in 2023: 8 cents per share tax exempt (one-tier tax)		
(2021 Interim dividend paid in 2022: 8 cents per share tax exempt (one-tier tax))	35,996	34,626

19. Related party disclosures

Sale and purchase of goods and services

In addition to related party information disclosed elsewhere in the interim financial statements, the significant transactions with related parties on terms agreed between the parties are as follows:

	Group	
	2023	2022
	\$'000	\$'000
Associates/Joint ventures		
Sale of goods	11,983	2,991
Interest income	7,218	4,571
Other related parties		
Rental income	807	815
Accounting and other service fee income	353	353
Accounting and other service fee expense	–	(41)

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

20. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities as at 31 December 2023 and 31 December 2022.

	Fair value through profit and loss \$'000	Fair value through other comprehensive income \$'000	Amortised cost \$'000	Total \$'000
Group				
At 31 December 2023				
Financial assets				
Investment securities	80,824	374,617	1,000	456,441
Trade and other receivables	–	–	83,533	83,533
Derivative financial instruments	10,985	3,168	–	14,153
Cash and bank balances	–	–	458,053	458,053
<hr/>				
Financial liabilities				
Trade and other payables	–	–	85,481	85,481
Other non-current liabilities	–	–	3,309	3,309
Lease liabilities	–	–	7,563	7,563
Borrowings	–	–	1,621,524	1,621,524
Derivative financial instruments	26,300	351	–	26,651
<hr/>				
At 31 December 2022				
Financial assets				
Investment securities	41,712	591,040	33,651	666,403
Trade and other receivables	–	–	107,913	107,913
Derivative financial instruments	33,198	3,203	–	36,401
Cash and bank balances	–	–	251,688	251,688
<hr/>				
Financial liabilities				
Trade and other payables	–	–	131,723	131,723
Other non-current liabilities	–	–	3,317	3,317
Lease liabilities	–	–	2,481	2,481
Borrowings	–	–	1,390,743	1,390,743
Derivative financial instruments	156	1,916	–	2,072
<hr/>				
Company				
At 31 December 2023				
Financial assets				
Trade and other receivables	–	–	1,747,227	1,747,227
Derivative financial instruments	2,733	548	–	3,281
Cash and bank balances	–	–	208,550	208,550
<hr/>				
Financial liabilities				
Trade and other payables	–	–	536,702	536,702
Derivative financial instruments	22,566	–	–	22,566
Borrowings	–	–	784,031	784,031
<hr/>				

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

20. Financial assets and financial liabilities (cont'd)

	Fair value through profit and loss \$'000	Fair value through other comprehensiv e income \$'000	Amortised cost \$'000	Total \$'000
Company				
At 31 December 2022				
Financial assets				
Trade and other receivables	–	–	1,725,519	1,725,519
Derivative financial instruments	2,390	2,056	–	4,446
Cash and bank balances	–	–	129,791	129,791
Financial liabilities				
Trade and other payables	–	–	653,052	653,052
Borrowings	–	–	585,589	585,589

21. Fair value of assets and liabilities

A. Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers.

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

22. Fair value of assets and liabilities (cont'd)

B. Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group \$'000			
	Fair value measurement at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Non-financial assets				
Land and buildings (Note 7)	–	–	19,345	19,345
Investment properties (Note 9)	–	–	1,355,589	1,355,589
Non-financial assets as at 31 December 2023	–	–	1,374,934	1,374,934
Financial assets				
<u>Financial assets at FVPL</u>				
Quoted equity securities	64,229	16,595	–	80,824
<u>Financial assets at FVOCI</u>				
Quoted equity securities	342,753	31,864	–	374,617
<u>Derivatives</u>				
Derivative financial instruments	–	14,153	–	14,153
Financial assets as at 31 December 2023	406,982	62,612	–	469,594
Financial liabilities				
<u>Derivatives</u>				
Derivative financial instruments	–	26,651	–	26,651
Financial liabilities as at 31 December 2023	–	26,651	–	26,651

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

22. Fair value of assets and liabilities (cont'd)

B. Assets and liabilities measured at fair value (cont'd)

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period (cont'd):

	Group \$'000			
	Fair value measurement at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Non-financial assets				
Land and buildings (Note 7)	–	–	18,833	18,833
Investment properties (Note 9)	–	–	1,312,915	1,312,915
Non-financial assets as at 31 December 2022	–	–	1,331,748	1,331,748
Financial assets				
<u>Financial assets at FVPL</u>				
Quoted equity securities	26,335	15,377	–	41,712
<u>Financial assets at FVOCI</u>				
Quoted equity securities	571,840	19,200	–	591,040
<u>Derivatives</u>				
Derivative financial instruments	–	36,401	–	36,401
Financial assets as at 31 December 2022	598,175	70,978	–	669,153
Financial liabilities				
<u>Derivatives</u>				
Derivative financial instruments	–	2,072	–	2,072
Financial liabilities as at 31 December 2022	–	2,072	–	2,072

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

22. Fair value of assets and liabilities (cont'd)

B. Assets and liabilities measured at fair value (cont'd)

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period (cont'd):

	Company \$'000			
	Fair value measurement at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Non-financial assets				
Land and buildings (Note 7)	–	–	531	531
Investment properties (Note 9)	–	–	5,037	5,037
Non-financial assets as at 31 December 2023	–	–	5,568	5,568
Non-financial assets				
Land and buildings (Note 7)	–	–	563	563
Investment properties (Note 9)	–	–	5,274	5,274
Non-financial assets as at 31 December 2022	–	–	5,837	5,837

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

23. Segment and revenue information

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment chief executives and responsible for the performance of the respective segments under their charge. All operating segments' operating results are reviewed regularly by the Group's Executive Chairman to make decisions about resources to be allocated to the segment and assess its performance, for which discrete financial information is available.

The four reportable operating segments are as follows:

- (a) The Resources segment's principal activities comprise the smelting of tin concentrates and tin bearing materials, the production of various grades of refined tin metal and the sale and delivery of refined tin metal and by-products, as well as investments in other metals and mineral resources.
- (b) The Real Estate segment comprises property investment, sales and leasing, property development, as well as property and real estate fund management. This includes the Group's 22.1% stake in ARA Asset Management Limited (up to 20 January 2022), investment in ESR Group Limited, 100% stake in STC Property Management Sdn. Bhd. and 100% stake in Straits Real Estate Pte. Ltd..
- (c) The Hospitality business comprises hotel ownership and hotel management under Far East Hospitality Holdings Pte. Ltd. ("FEHH"), the Group's 30% associate.
- (d) The segment for Others comprises Group-level corporate and treasury services, and securities and other investments, including the Group's investment in SDAX Financial Pte. Ltd. ("SDAX").

Management monitors the operating results of each business unit separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit, as explained in the following table.

Transactions between operating segments are based on terms agreed between the parties.

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

23. Segment and revenue information (cont'd)

Operating segments for 6 months ended 31 December 2023

	Resources \$'000	Real Estate \$'000	Hospitality \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
Revenue						
Sale of tin, at a point in time	218,323	–	–	–	–	218,323
Smelting revenue, at a point in time	4,159	–	–	–	–	4,159
Sale of by-product, at a point in time	9	–	–	–	–	9
Other resources revenue, at a point in time	243	–	–	–	–	243
Rental and related income, over time	–	33,118	–	–	–	33,118
Inter-segment revenue	–	6	–	–	(6)	–
Total revenue	222,734	33,124	–	–	(6)	255,852
Segment results						
Operating profit	12,498	14,199	669	14,523	–	41,889
Net fair value changes in investment properties	–	(35,097)	–	–	–	(35,097)
Reversal of land under development write-down	–	8,601	–	–	–	8,601
Finance costs	(2,591)	(20,684)	–	(20,464)	–	(43,739)
Share of results of associates and joint ventures	95	(19,772)	2,353	(613)	–	(17,937)
Profit/(loss) before tax	10,002	(52,753)	3,022	(6,554)	–	(46,283)
Income tax (expense)/credit	(2,124)	10,857	(113)	(1,309)	–	7,311
Profit/(loss) after tax	7,878	(41,895)	2,909	(7,864)	–	(38,972)
Profit/(loss) attributable to:						
Owners of the Company	3,043	(41,554)	2,909	(7,864)	–	(43,466)
Non-controlling interests	4,835	(341)	–	–	–	4,494
	7,878	(41,895)	2,909	(7,864)	–	(38,972)
Segment Assets	412,494	2,542,243	154,234	330,577	–	3,439,548
Segment Liabilities	164,897	857,742	–	819,448	–	1,842,087
Other information						
Dividend income	343	4,348	–	696	–	5,387
Interest income	1,010	10,681	669	3,618	–	15,978
Depreciation	1,646	1,495	–	1	–	3,142
Amortisation	150	–	–	–	–	150
Reversal of land under development write-down	–	(8,601)	–	–	–	(8,601)
Other material non-cash items	–	–	–	–	–	–
Associates and joint ventures	(10)	(40,450)	1,733	(636)	–	(39,363)
Additions to non-current assets ⁽¹⁾	2,956	56,257	–	–	–	59,213

⁽¹⁾ Additions to non-current assets exclude associates and joint ventures.

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

23. Segment and revenue information (cont'd)

Operating segments for 6 months ended 31 December 2022

	Resources \$'000	Real Estate \$'000	Hospitality \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
Revenue						
Sale of tin, at a point in time	220,973	–	–	–	–	220,973
Smelting revenue, at a point in time	4,566	–	–	–	–	4,566
Sale of by-product, at a point in time	1,366	–	–	–	–	1,366
Other resources revenue, at a point in time	211	–	–	–	–	211
Rental and related income, over time	–	30,347	–	–	–	30,347
Inter-segment revenue	–	5	–	–	(5)	–
Total revenue	227,116	30,352	–	–	(5)	257,463
Segment results						
Operating profit	2,390	(5,757)	707	(7,131)	–	(9,791)
Net fair value changes in investment properties	–	(79,662)	–	–	–	(79,662)
Finance costs	(2,713)	(13,005)	–	(11,039)	–	(26,757)
Share of results of associates and joint ventures	(360)	(27,067)	(943)	(941)	–	(29,311)
Profit/(loss) before tax	(683)	(125,491)	(236)	(19,111)	–	(145,521)
Income tax (expense)/credit	(314)	24,046	(113)	(634)	–	22,985
Profit/(loss) after tax	(997)	(101,445)	(349)	(19,745)	–	(122,536)
Profit/(loss) attributable to:						
Owners of the Company	(1,085)	(100,583)	(349)	(19,745)	–	(121,762)
Non-controlling interests	88	(862)	–	–	–	(774)
	(997)	(101,445)	(349)	(19,745)	–	(122,536)
Segment Assets	413,498	2,712,074	153,974	221,990	–	3,501,536
Segment Liabilities	160,145	837,811	–	629,082	–	1,627,038
Other information						
Dividend income	368	7,184	–	558	–	8,110
Interest income	428	5,682	669	1,243	–	8,022
Depreciation	1,408	1,533	–	1	–	2,942
Amortisation	106	–	–	–	–	106
Other material non-cash items						
Associates and joint ventures ⁽¹⁾	(671)	(66,361)	(3,671)	(941)	–	(71,644)
Additions to non-current assets ⁽²⁾	6,466	252,742	–	–	–	259,208

⁽¹⁾ Includes the fair value loss of an investment property held by a joint venture.

⁽²⁾ Additions to non-current assets exclude associates and joint ventures.

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

23. Segment and revenue information (cont'd)

Operating segments for 12 months ended 31 December 2023

	Resources \$'000	Real Estate \$'000	Hospitality \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
Revenue						
Sale of tin, at a point in time	410,233	–	–	–	–	410,233
Smelting revenue, at a point in time	9,876	–	–	–	–	9,876
Sale of by-product, at a point in time	3,648	–	–	–	–	3,648
Other resources revenue, at a point in time	513	–	–	574	–	1,087
Rental and related income, over time	–	66,815	–	–	–	66,815
Inter-segment revenue	–	11	–	–	(11)	–
Total revenue	424,270	66,826	–	574	(11)	491,659
Segment results						
Operating profit	43,270	32,150	1,327	34,414	–	111,161
Net fair value changes in investment properties	–	(25,796)	–	–	–	(25,796)
Reversal of land under development write-down	–	8,601	–	–	–	8,601
Finance costs	(5,306)	(39,412)	–	(39,578)	–	(84,296)
Share of results of associates and joint ventures	199	(21,567)	1,360	(1,295)	–	(21,303)
Profit/(loss) before tax	38,163	(46,024)	2,687	(6,459)	–	(11,633)
Income tax (expense)/credit	(9,489)	10,996	(225)	(1,794)	–	(512)
Profit/(loss) after tax	28,674	(35,028)	2,462	(8,253)	–	(12,145)
Profit/(loss) attributable to:						
Owners of the Company	12,826	(35,602)	2,462	(8,253)	–	(28,567)
Non-controlling interests	15,848	574	–	–	–	16,422
	28,674	(35,028)	2,462	(8,253)	–	(12,145)
Segment Assets	412,494	2,542,243	154,234	330,577	–	3,439,548
Segment Liabilities	164,897	857,742	–	819,448	–	1,842,087
Other information						
Dividend income	685	9,550	–	1,187	–	11,422
Interest income	1,676	15,180	1,327	7,241	–	25,424
Depreciation	3,517	2,990	–	2	–	6,509
Amortisation	303	–	–	–	–	303
Reversal of land under development write-down	–	(8,601)	–	–	–	(8,601)
Other material non-cash items						
Associates and joint ventures	8,453	530,786	87,682	9,907	–	636,828
Additions to non-current assets ⁽¹⁾	6,439	126,564	–	–	–	133,003

⁽¹⁾ Additions to non-current assets exclude associates and joint ventures.

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

23. Segment and revenue information (cont'd)

Operating segments for 12 months ended 31 December 2022

	Resources \$'000	Real Estate \$'000	Hospitality \$'000.	Others \$'000.	Elimination \$'000	Consolidated \$'000
Revenue						
Sale of tin, at a point in time	461,511	–	–	–	–	461,511
Smelting revenue, at a point in time	8,283	–	–	–	–	8,283
Sale of by-product, at a point in time	2,417	–	–	–	–	2,417
Other resources revenue, at a point in time	377	–	–	–	–	377
Rental and related income, over time	–	55,032	–	–	–	55,032
Inter-segment revenue	–	11	–	–	(11)	–
Total revenue	472,588	55,043	–	–	(11)	527,620
Segment results						
Operating profit	51,502	663,162	1,365	(19,610)	–	696,419
Net fair value changes in investment properties	–	(75,421)	–	–	–	(75,421)
Finance costs	(5,450)	(19,714)	–	(18,829)	–	(43,993)
Share of results of associates and joint ventures	(130)	(11,651)	(603)	(1,637)	–	(14,021)
Profit/(loss) before tax	45,922	556,376	762	(40,076)	–	562,984
Income tax (expense)/credit	(13,545)	21,134	(225)	(1,077)	–	6,287
Profit/(loss) after tax	32,377	577,510	537	(41,153)	–	569,271
Profit/(loss) attributable to:						
Owners of the Company	16,317	575,558	537	(41,153)	–	551,259
Non-controlling interests	16,060	1,952	–	–	–	18,012
	32,377	577,510	537	(41,153)	–	569,271
Segment Assets	413,498	2,712,074	153,974	221,990	–	3,501,536
Segment Liabilities	160,145	837,811	–	629,082	–	1,627,038
Other information						
Dividend income	977	10,349	–	1,040	–	12,366
Interest income	697	11,633	1,327	1,474	–	15,131
Depreciation	3,049	3,021	–	4	–	6,074
Amortisation	327	–	–	–	–	327
Other material non-cash items						
Associates and joint ventures ⁽¹⁾	8,764	593,801	87,422	11,225	–	701,212
Additions to non-current assets ⁽²⁾	8,142	469,895	–	–	–	478,037

⁽¹⁾ Includes the fair value loss of an investment property held by a joint venture.

⁽²⁾ Additions to non-current assets exclude associates and joint ventures.

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

23. Segment and revenue information (cont'd)

Geographical information

Revenue and non-current assets information are based on the geographical location of the business operation.

Geographical information for 6 months ended 31 December 2023

	Singapore \$'000	Malaysia \$'000	Australia \$'000	China \$'000	United Kingdom \$'000	Consolidated \$'000
Segment revenue						
Revenue from external parties	1,313	222,817	16,635	4,634	10,453	255,852

Geographical information for 6 months ended 31 December 2022

	Singapore \$'000	Malaysia \$'000	Australia \$'000	China \$'000	United Kingdom \$'000	Consolidated \$'000
Segment revenue						
Revenue from external parties	1,285	227,193	20,248	3,691	5,046	257,463

Geographical information for 12 months ended 31 December 2023

	Singapore \$'000	Malaysia \$'000	Australia \$'000	China \$'000	United Kingdom \$'000	Consolidated \$'000
Segment revenue						
Revenue from external parties	3,284	424,441	34,439	9,036	20,459	491,659

Geographical information for 12 months ended 31 December 2022

	Singapore \$'000	Malaysia \$'000	Australia \$'000	China \$'000	United Kingdom \$'000	Consolidated \$'000
Segment revenue						
Revenue from external parties	2,509	472,743	34,302	8,555	9,511	527,620

24. Net asset value

	Group		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Net asset value per ordinary share*	3.26	3.86	1.78	1.73

* Based on share capital of 448,472,922 ordinary shares (excluding treasury shares) as at the end of the financial period (2022: 449,950,447 ordinary shares (excluding treasury shares)).

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

25. Performance share plan ("PSP")

The PSP is a performance-based incentive plan for key management executives approved by shareholders of the Company at the Annual General Meeting held on 26 April 2019.

On 19 January 2022, the Company granted a total number of 1,830,600 share awards (the "Awards") to certain employees of the Company under the Performance Share Plan (the "PSP") as consideration for services rendered. The Awards will be vested upon achievement of certain performance conditions pursuant to the PSP.

On 31 December 2023, the number of shares comprised in the Awards that has not been released was 1,830,600. The final number of shares to be released will depend on the achievement of predetermined targets over the performance period. The actual number of shares to be released will be decided by the Remuneration Committee ("RC"), depending on RC's satisfaction of the extent of achievement of the Performance Conditions.

On 8 May 2023, the Company granted 429,500 share awards to certain employees of the Company pursuant to the PSP for financial year ended 31 December 2022 (the "FY2022 Plan") and 637,200 for financial year ended 31 December 2023 (the "FY2023 Plan"), which will be vested in equal tranches across four years from FY2022 and FY2023 respectively.

107,375 ordinary shares of the Company under the FY2022 Plan had vested during the year.

The cost of these equity-settled share-based payment transactions with employees is measured by reference to the fair value at the date on which the share awards are granted which takes into account market conditions. This cost is recognised in profit or loss, with a corresponding increase in the performance share plan reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of share awards that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Movement of share awards during the financial period

Grant	Grant Date	Number of Share Awards			Balance at 31 December 2023
		Balance at 1 January 2023	Granted	Vested	
PSP					
Awards	19 January 2022	1,830,600	–	–	1,830,600
FY2022 Plan	8 May 2023	–	429,500	(107,375)	322,125
FY2023 Plan	8 May 2023	–	637,200	–	637,200

26. Events after the reporting period

Issuance of Medium Term Note

On 24 January 2024, the Company issued \$130 million of unsecured fixed rate notes under its \$500 million multicurrency debt issuance program which was established on 13 October 2011 and updated on 3 July 2017. The notes will mature on 24 January 2029 and bear an interest of 4.70% per annum.

G. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of The Straits Trading Company Limited (the "Company") and its subsidiaries as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

2H2023 vs. 2H2022

Group

The Group reported a loss after tax and non-controlling interests of \$43.5 million and \$121.7 million for 2H2023 and 2H2022 respectively. Its real estate segment remained the main contributor to the Group's performance.

Resources

The resources segment reported a higher PATNCI for 2H2023 compared with the previous corresponding period.

The better performance was mainly due to cost-control initiatives and optimization of production processes.

Real Estate

The real estate segment reported a lower loss for 2H2023 compared with the previous corresponding period.

The better performance in 2H2023 was mainly due to lower fair value loss from certain investment properties in Australia, China, South Korea and the United Kingdom.

Hospitality

The hospitality segment reported a profit for 2H2023, as compared to loss reported in the previous corresponding period.

The better performance was due to stronger operating performance driven by positive demand from international travels, partially offset by higher operating expenses due to inflation and higher staff costs.

Others

The better result was mainly due to fair value gain from derivative component of Exchangeable Bonds, mark-to-market gains from short term investment securities in 2H2023 against losses in 2H2022, partially offset by higher interest expenses.

G. Other information required by Listing Rule Appendix 7.2 (cont'd)

2. Review of performance of the Group (cont'd)

FY2023 vs. FY2022

Group

The Group reported a loss after tax and non-controlling interests of \$28.6 million for FY2023 and a PATNCI of \$551.3 million for FY2022, respectively. The decline was primarily attributable to the absence of gain from the disposal of ARA, partially mitigated by lower net fair value losses from investment properties.

Resources

The resources segment reported a PATNCI of \$12.8 million for FY2023, down from \$16.3 million in FY2022.

The weaker performance was contributed by lower average tin prices despite higher sales quantity and weaker Malaysian Ringgit against Singapore Dollar in FY2023 as compared to last year.

Real Estate

The real estate segment reported a loss after tax and non-controlling interests of \$35.6 million in FY2023, down from a PATNCI of \$575.6 million in FY2022.

The loss in FY2023 was mainly due to the absence of gain from the disposal of ARA, offset by lower net fair value losses from investment properties.

Hospitality

The hospitality segment reported a PATNCI of \$2.5 million for FY2023, up from \$0.5 million in FY2022.

The improved performance was contributed by stronger operating performance derived from higher travel demand, partially offset by higher operating expenses due to inflation and higher staff costs.

Others

Net expense for FY2023 was lower at \$8.3 million, decrease from \$41.2 million in FY2022, mainly due to fair value gain from derivative component of Exchangeable Bonds, mark-to-market gains from short term securities against losses in FY2022, partially offset by higher interest expenses.

3. 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 half year FY2023 financial results announcement made on 14 August 2023.

G. Other information required by Listing Rule Appendix 7.2 (cont'd)

4. 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 operating period and the next 12 months

The global economic environment remains challenging and uncertain due to geopolitical tensions. Whilst inflationary pressures have eased, and developed world bond markets are increasingly factoring in lower interest rates, we remain mindful that cost of funding in certain markets remained elevated. US Fed chairman also guided that it is premature to speculate when policy rates may ease. Against this backdrop, the Group will continue to exercise prudence in managing capital and focus on achieving sustainable growth and improving shareholders' return.

Straits Real Estate Pte. Ltd. ("SRE"), the Group's wholly-owned real estate investment vehicle, has a well-diversified income-producing portfolio spanning multiple real estate asset classes. The investment portfolio is also geographically diversified across Australia, China, Japan, Korea, Malaysia and the United Kingdom. SRE has adjusted the fair values of certain investments downward, in consideration of higher capitalisation rates in respective countries. SRE will continue to recycle capital, enhance assets and make adjustments to its portfolio of investment properties to achieve optimal risk-adjusted returns.

Straits City has witnessed a substantial increase in tourism arrivals in Penang during 1H 2023 compared to the same period last year. This growth is partly attributable to the recovery in travel demand and the rise in the number of direct flights to Penang as a result of visa-free entry to Malaysia from China and India. Concurrently, state government agencies are committed to raise Penang on the international stage in aligning with the Penang 2030 Vision. The anticipated opening of Crowne Plaza Penang Straits City in 1H 2024 can leverage on the positive momentum created with the implementation of these policies and on the revival of the high-speed rail project between Malaysia and Singapore.

Malaysia Smelting Corporation Berhad ("MSC") will continue to focus on operational efficiencies and improvements in its smelting and mining business. With the operation in the Pulau Indah plant, MSC expects higher efficiency from lower operational and manpower costs while reducing its overall carbon footprint. MSC is also taking steps to expand its mining activities and tin mines resources.

Far East Hospitality Holdings Pte. Ltd. ("FEHH") is on the path of recovery towards pre-COVID levels on the back of improved demand for business and leisure travels. Despite macroeconomic headwinds arising from an elevated inflationary and interest rate environment, FEHH will remain focused on actively managing its hospitality portfolio to capitalise on the tourism sector's rebound while pursuing growth opportunities.

G. Other information required by Listing Rule Appendix 7.2 (cont'd)

5. Dividend information

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	Interim
Dividend Type	In cash and/or scrip
Dividend Amount per Share (in cents)	8 cents per ordinary share (one-tier tax)
Tax Rate	N.A.

For the interim dividend, Shareholders may be given the option of receiving the interim dividend wholly in the form of an allotment and issuance of scrip shares, or wholly in cash (the “**Scrip Dividend Scheme**”). The application of the Scrip Dividend Scheme to the interim dividend is subject to the receipt of the requisite approvals for the issuance of scrip shares, including without limitation the SGX-ST’s approval for the listing and quotation of scrip shares. In the event that the said approvals are not obtained for the Scrip Dividend Scheme, the interim dividend will be satisfied and paid to the Shareholders in the form of cash only.

(b) Corresponding period of the immediate preceding financial year

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

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	8 cents per ordinary share (one-tier tax)
Tax Rate	N.A.

(c) Date payable

2 July 2024

(d) Books closure date

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 10 May 2024 for the purpose of preparing dividend warrants for the interim dividend payable on 2 July 2024. Duly completed transfers received by the Company’s Share Registrar, Tricor Barbinder Share Registration Services, at 9 Raffles Place, #26-01 Republic Plaza, Tower 1, Singapore 048619, up to 5.00 p.m. on 10 May 2024 will be registered to determine shareholders’ entitlements to the interim dividend. In respect of shares held in securities accounts with The Central Depository (Pte) Limited (“CDP”), the interim dividend will be paid by the Company to CDP, which will in turn distribute the dividend entitlement to the holders of such shares in accordance with its practice.

(e) Annual General Meeting

The Annual General Meeting of the Company will be held physically on Tuesday, 30 April 2024 at 10.30 a.m. Further details of the meeting will be disclosed in the notice of Annual General Meeting.

6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

G. Other information required by Listing Rule Appendix 7.2 (cont'd)

7. Interested person transactions

The Company has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

9. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 2 of Section G for review of actual performance.

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

	Group		
	2023	2022	+ / (-)
	\$'000	\$'000	%
(a) Total revenue reported for first half year	235,807	270,157	(12.7)
(b) Profit after tax before deducting non-controlling interests reported for first half year	26,827	691,807	(96.1)
(c) Total revenue reported for second half year	255,852	257,463	(0.6)
(d) Loss after tax before deducting non-controlling interests reported for second half year	(38,972)	(122,536)	(68.2)

11. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend

	Latest Full Year	Previous Full Year
	\$'000	\$'000
Ordinary	35,996	34,626
Special	—	160,427
Total	<u>35,996</u>	<u>195,053</u>

Distribution

No special dividend issued in FY2023. During FY2022, the Company issued special dividend via distribution *in-specie* with the listing and quotation of an aggregate of 17,686,975 new Straits shares for S\$39.1 million and 48,510,280 ESR shares for HK\$674.3 million (equivalent to S\$121.3 million).

12. Negative confirmation pursuant to Rule 705(5)

Not applicable.

G. Other information required by Listing Rule Appendix 7.2 (cont'd)

13. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder.

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

By Order of the Board

**Ngiam May Ling
Company Secretary**

**27 February 2024
Singapore**

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