

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

Condensed Interim Financial Statements
For the six months ended 30 June 2022

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A. Condensed Interim Consolidated Income Statement

	Note	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000	+ / (-) %	
Revenue					
Tin mining and smelting revenue		245,472	195,555	25.5	(i)
Property revenue		24,685	23,468	5.2	
Total revenue		270,157	219,023	23.3	
Other items of income					
Dividend income		4,256	4,006	6.2	
Interest income		7,109	15,175	(53.2)	(ii)
Fair value changes in investment properties	9	4,241	47,112	(91.0)	(iii)
Other income	4	655,206	14,330	>100	
		940,969	299,646	>100	
Other items of expense					
Employee benefits expense		(18,461)	(16,086)	14.8	
Depreciation expense		(3,132)	(3,641)	(14.0)	
Amortisation expense		(221)	(207)	6.8	
Impairment losses		–	(9,817)	NM	(iv)
Costs of tin mining and smelting		(187,741)	(158,617)	18.4	
Finance costs		(17,236)	(17,276)	(0.2)	
Other expenses	5	(20,963)	(12,589)	66.5	
Total expenses		(247,754)	(218,233)	13.5	
Share of results of associates and joint ventures		15,290	84,332	(81.9)	(v)
Profit before tax		708,505	165,745	>100	
Income tax expense	6	(16,698)	(24,155)	(30.9)	
Profit after tax		691,807	141,590	>100	
Profit attributable to:					
Owners of the Company		673,021	122,607	>100	
Non-controlling interests		18,786	18,983	(1.0)	
		691,807	141,590	>100	
Earnings before interest, tax, depreciation and amortisation ("EBITDA")					
		729,094	186,869	>100	
Earnings per share (cents per share)					
Basic		155.5	30.1	>100	
Diluted		155.5	30.1	>100	

NM – Not meaningful

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

Explanatory Notes to the Condensed Interim Consolidated Income Statement

- (i) The increase in tin mining and smelting revenue for 1H2022 was due to higher average tin prices.
- (ii) The decrease in interest income for 1H2022 was due to lower interest income from the notes issued by a joint venture.
- (iii) The decrease in fair value gain in investment properties for 1H2022 was due to lower fair value gains for the logistics portfolio in Australia. The fair value gain was mitigated by fair value losses of investment properties in the United Kingdom.
- (iv) Impairment in 1H2021 was related to land under development (note 8), land mining rights and mine properties (note 10) in the resources segment.
- (v) The decrease in share of results of associates and joint ventures was due to lower valuation of the investment properties and lower contribution from ARA Asset Management Limited ("ARA"), the Group's 22.1% owned associate, following the completion of disposal of ARA in January 2022.

B. Condensed Interim Consolidated Statement of Comprehensive Income

	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000
Profit after tax	691,807	141,590
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")	(138,386)	6,908 (i)
Share of net fair value changes in equity securities carried at FVOCI of associates	655	10,796
Share of net revaluation surplus on property, plant and equipment of associates	1,102	1,337
	(136,629)	19,041
Items that may be reclassified subsequently to profit or loss:		
Net fair value changes in cash flow hedges	1,195	1,107
Currency translation reserve	(24,824)	(1,935) (ii)
Share of reserves of associates and joint ventures	(20,256)	(7,435) (iii)
Realisation of foreign currency translation reserve to profit or loss	17,770	(556) (iv)
	(26,115)	(8,819)
Other comprehensive (loss)/income after tax for the period	(162,744)	10,222
Total comprehensive income for the period	529,063	151,812
Attributable to:		
Owners of the Company	514,897	129,588
Non-controlling interests	14,166	22,224
Total comprehensive income for the period	529,063	151,812

Explanatory Notes to the Condensed Interim Consolidated Statement of Comprehensive Income

- (i) Net fair value movement in equity securities were attributable to changes in the market value of quoted equity securities that are not held for trading.
- (ii) The movement in currency translation reserve was related to exchange differences arising from foreign operations.
- (iii) Share of reserves of associates and joint venture was related to share of foreign currency translation reserves of associates and joint ventures.
- (iv) This was related to the reclassification of cumulative exchange differences in relation to ARA from other comprehensive income in equity to profit or loss upon disposal of the stake in ARA.

C. Condensed Interim Balance Sheets

	Note	Group		Company	
		30 June	31 December	30 June	31 December
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Assets					
Non-current assets					
Property, plant and equipment	7	49,602	51,860	632	600
Land under development	8	87,690	79,208	29,163	29,982
Investment properties	9	1,194,394	1,039,646	5,469	5,622
Goodwill	10(a)	16,921	17,366	–	–
Other intangible assets	10(b)	5,301	5,616	–	–
Subsidiaries		–	–	123,535	123,535
Associates and joint ventures ⁽ⁱ⁾	11	772,856	1,205,964	144	144
Deferred tax assets	12	6,215	5,376	–	–
Other non-current receivables ^(a)		–	–	57,379	107,013
Derivative financial instruments		4,477	895	1,481	180
Investment securities ⁽ⁱⁱ⁾		986,163	198,048	–	–
Other non-current assets ⁽ⁱⁱⁱ⁾		22,213	–	–	–
Total non-current assets		3,145,832	2,603,979	217,803	267,076
Current assets					
Inventories	13	254,455	256,018	–	–
Income tax recoverable		3,605	5,719	25	25
Prepayments and accrued income		2,362	2,106	6	62
Trade related prepayments		13,204	11,832	–	–
Trade receivables		6,654	5,368	–	7
Other receivables ^(a)		88,187	81,692	1,613,314	1,382,714
Investment securities		63,244	78,092	–	–
Derivative financial instruments		8,062	1,485	247	–
Cash and cash equivalents ^{(iv)(b)}		341,374	141,615	148,016	17,205
Total current assets		781,147	583,927	1,761,608	1,400,013
Total assets		3,926,979	3,187,906	1,979,411	1,667,089

C. Condensed Interim Balance Sheets (cont'd)

	Note	Group		Company	
		30 June	31 December	30 June	31 December
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Equity and liabilities					
Equity					
Share capital	14	647,229	568,968	647,229	568,968
Treasury shares	15	(2,682)	(2,682)	(2,682)	(2,682)
Retained earnings		1,757,783	1,163,514	140,385	38,107
Other reserves		(138,299)	41,582	(856)	52
Equity attributable to owners of the Company		2,264,031	1,771,382	784,076	604,445
Non-controlling interests		172,283	163,468	–	–
Total equity		2,436,314	1,934,850	784,076	604,445
Non-current liabilities					
Provisions	16	16,818	17,004	–	–
Deferred tax liabilities	12	92,094	91,178	694	713
Borrowings ^{(v)(c)}	17	709,005	505,249	441,929	336,287
Derivative financial instruments		23	651	–	–
Other non-current liabilities		6,123	6,167	–	–
Lease liabilities		1,312	2,298	–	–
Total non-current liabilities		825,375	622,547	442,623	337,000
Current liabilities					
Income tax payable		18,121	14,236	531	206
Trade and other payables		79,595	70,629	639,129	645,717
Borrowings ^{(v)(c)}	17	565,013	540,747	113,052	79,721
Derivative financial instruments		229	2,294	–	–
Lease liabilities		2,332	2,603	–	–
Total current liabilities		665,290	630,509	752,712	725,644
Total liabilities		1,490,665	1,253,056	1,195,335	1,062,644
Total equity and liabilities		3,926,979	3,187,906	1,979,411	1,667,089

C. Condensed Interim Balance Sheets (cont'd)

Explanatory Notes to the Condensed Interim Balance Sheets

Group

- (i) The decrease in associates and joint ventures was mainly due to the disposal of the stake in ARA. The decrease was partially offset by capital injections into certain associates and joint ventures.
- (ii) The increase in investment securities was mainly due to the ESR Group Limited (formerly known as ESR Cayman Limited) ordinary shares received upon completion of the disposal of the stake in ARA in January 2022.
- (iii) Other non-current assets relate to the initial payment for the acquisition of a portfolio of properties within the Gloucester Business Park in the United Kingdom.
- (iv) The increase in cash and cash equivalents was mainly due to net cash inflow from operating and financing activities, offset by net cash used in investing activities.
- (v) The increase in borrowings was mainly due to the drawdown of loan facilities for investments and the \$170 million 4.1% notes issued in May 2022. The increase was partially offset by repayment of loan facilities.

Company

- (a) Net increase in other receivables was due to the increase in amounts due from subsidiaries.
- (b) The increase in cash and cash equivalents was mainly due to the net drawdown of loan facilities. The increase was partially offset by funding to the subsidiaries for investments.
- (c) The increase in borrowings was mainly due to the drawdown of borrowings and the \$170 million 4.1% notes issued in May 2022. The increase was partially offset by repayment of loan facilities.

D. Condensed Interim Statements of Changes in Equity

GROUP

	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares	Retained earnings	FVOCI reserve	Hedging reserve	Revaluation reserve	Translation reserve	Performance share plan 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 period	529,063	514,897	–	–	673,021	(138,272)	3,020	1,102	(23,974)	–	–	14,166
<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	1,165	1,165	–	–	–	–	–	–	–	1,165	–	–
Dividend on ordinary shares	(34,626)	(34,626)	–	–	(34,626)	–	–	–	–	–	–	–
Dividend to non-controlling interests	(5,351)	–	–	–	–	–	–	–	–	–	–	(5,351)
Total contributions by and distributions to owners	39,449	44,800	78,261	–	(34,626)	–	–	–	–	1,165	–	(5,351)
<u>Others</u>												
Share of transfer of statutory reserve of an associate	–	–	–	–	(1,958)	1,958	–	–	–	–	–	–
Share of other changes in equity of an associate	(67,048)	(67,048)	–	–	–	–	–	–	1,507	–	(68,555)	–
Realisation of FVOCI	–	–	–	–	4,960	(4,960)	–	–	–	–	–	–
Realisation of reserve upon disposal of an associate	–	–	–	–	(47,128)	(19,915)	(431)	–	(1,494)	–	68,968	–
Total others	(67,048)	(67,048)	–	–	(44,126)	(22,917)	(431)	–	13	–	413	–
Closing balance at 30 June 2022	2,436,314	2,264,031	647,229	(2,682)	1,757,783	(151,673)	2,649	40,568	(34,559)	1,165	3,551	172,283

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

GROUP (cont'd)

	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	Translation reserve \$'000	Other reserves \$'000	Non-controlling interests \$'000
Opening balance at 1 January 2021	1,726,938	1,537,998	568,968	(2,682)	961,506	(36,601)	(3,973)	32,390	13,849	4,541	188,940
Total comprehensive income for the period	151,812	129,588	–	–	122,607	13,971	3,566	1,337	(11,893)	–	22,224
<u>Contributions by and distributions to owners</u>											
Dividend on ordinary shares	(24,409)	(24,409)	–	–	(24,409)	–	–	–	–	–	–
Dividend to non-controlling interests	(3,534)	–	–	–	–	–	–	–	–	–	(3,534)
Contribution of capital by non-controlling interests	5,657	–	–	–	–	–	–	–	–	–	5,657
Return of capital to non-controlling interests	(7,921)	–	–	–	–	–	–	–	–	–	(7,921)
Total contributions by and distributions to owners	(30,207)	(24,409)	–	–	(24,409)	–	–	–	–	–	(5,798)
<u>Changes in ownership interests in subsidiaries</u>											
Change in ownership interests in subsidiaries	(86,295)	(3,486)	–	–	–	–	–	–	–	(3,486)	(82,809)
Total changes in ownership interests in subsidiaries	(86,295)	(3,486)	–	–	–	–	–	–	–	(3,486)	(82,809)
<u>Others</u>											
Share of associate's realisation of FVOCI reserve	–	–	–	–	(2,015)	2,015	–	–	–	–	–
Share of transfer of statutory reserve of an associate	–	–	–	–	609	–	–	–	–	(609)	–
Share of other changes in equity of an associate	742	742	–	–	–	–	–	–	–	742	–
Others	(146)	(146)	–	–	(146)	–	–	–	–	–	–
Total others	596	596	–	–	(1,552)	2,015	–	–	–	133	–
Closing balance at 30 June 2021	1,762,844	1,640,287	568,968	(2,682)	1,058,152	(20,615)	(407)	33,727	1,956	1,188	122,557

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

COMPANY

	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares	Retained earnings	Revaluation reserve	Hedging reserve	Translation reserve	Performance share plan 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	574	180	(702)	–
Total comprehensive income for the period	134,831	134,831	–	–	136,904	–	1,195	(3,268)	–
<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	1,165	1,165	–	–	–	–	–	–	1,165
Dividend on ordinary shares	(34,626)	(34,626)	–	–	(34,626)	–	–	–	–
Total contributions by and distributions to owners	44,800	44,800	78,261	–	(34,626)	–	–	–	1,165
Total transactions with owners in their capacity as owners	44,800	44,800	78,261	–	(34,626)	–	–	–	–
Closing balance at 30 June 2022	784,076	784,076	647,229	(2,682)	140,385	574	1,375	(3,970)	1,165

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	Translation reserve
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 January 2021	606,198	606,198	568,968	(2,682)	39,885	561	(779)	245
Total comprehensive income for the period	2,655	2,655	–	–	2,873	–	1,107	(1,325)
<u>Contributions by and distributions to owners</u>								
Dividend on ordinary shares	(24,409)	(24,409)	–	–	(24,409)	–	–	–
Total contributions by and distributions to owners	(24,409)	(24,409)	–	–	(24,409)	–	–	–
Total transactions with owners in their capacity as owners	(24,409)	(24,409)	–	–	(24,409)	–	–	–
Closing balance at 30 June 2021	584,444	584,444	568,968	(2,682)	18,349	561	328	(1,080)

E. Condensed Interim Consolidated Cash Flow Statement

	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000
Cash flows from operating activities		
Profit before tax	708,505	165,745
<u>Adjustments</u>		
Depreciation of property, plant and equipment	3,132	3,641
Amortisation of other intangible assets	221	207
Dividend income	(4,256)	(4,006)
Interest income	(7,109)	(15,175)
Finance costs	17,236	17,276
Share based payment	1,165	–
Currency realignment	5,466	(1,430)
Fair value changes in investment properties and financial assets	1,680	(55,766)
Net loss/(gain) on disposal of property, plant and equipment, investment properties and other investments	1,924	(7,417)
Net gain on disposal of subsidiaries and associates	(658,611)	–
Reversal of write down of inventories	–	(7,822)
Impairment losses of land under development and other intangible assets	–	9,817
Property, plant and equipment written off	4	4
Share of results of associates and joint ventures	(15,290)	(84,332)
Operating cash flows before changes in working capital	54,067	20,742
Decrease/(Increase) in inventories	1,563	(6,003)
(Increase)/Decrease in short-term investment securities	(4,685)	4,951
Increase in trade and other receivables	(4,209)	(2,933)
Decrease in trade and other payables	(16,637)	(21,651)
Cash flows from/(used in) operations	30,099	(4,894)
Income taxes paid	(6,620)	(3,510)
Finance costs paid	(5,885)	(4,407)
Interest received	1,232	1,379
Dividend income from short-term investment securities	482	551
Net cash flows from/(used in) operating activities ⁽ⁱ⁾	19,308	(10,881)

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

	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment and investment properties	19	64,570
Proceeds from redemption of debt instrument	1,000	2,500
Proceeds from disposal of investment securities	56,136	–
Proceeds from disposal of an associate	142,458	–
Cost incurred on property, plant and equipment	(1,907)	(1,913)
Cost incurred on investment properties	(205,837)	(41,682)
Cost incurred on land under development	(5,419)	(3,899)
Purchase of investment securities	(31,195)	(17,020)
Investment in associates and joint ventures	(55,810)	(45,144)
Return of capital from associates	2,040	617
Additions to deferred mine exploration and evaluation expenditure and mine properties	(56)	(215)
Payment for acquisition of a subsidiary from non-controlling shareholder	–	(86,295)
Dividend income from investment securities and associates	7,715	9,692
Interest received	268	25
Income taxes paid	(339)	(8,860)
Net cash flows used in investing activities ⁽ⁱⁱ⁾	(90,927)	(127,624)
Cash flows from financing activities		
Dividend paid to shareholders (note 18)	(34,626)	(24,409)
Carried interest paid to General Partner of a subsidiary	–	(146)
Dividend paid to non-controlling shareholders of subsidiaries	(5,351)	(3,534)
Net proceeds from issuance of shares	78,261	–
Net proceeds from issuance of shares by subsidiaries to non-controlling shareholders	–	5,657
Repayment of loan to non-controlling shareholder of a subsidiary	(219)	(18,469)
Return of capital to non-controlling shareholders	–	(7,921)
Repayment of short-term borrowings	(32,481)	(19,347)
Proceeds from long-term borrowings	139,261	91,588
Repayment of long-term borrowings	(31,231)	(111,493)
Net proceeds from issuance of fixed rate notes	168,500	–
Finance costs paid	(8,737)	(11,564)
Payment of lease liabilities	(1,281)	(1,768)
Net cash flows from/(used in) financing activities ⁽ⁱⁱⁱ⁾	272,096	(101,406)
Net increase/(decrease) in cash and cash equivalents	200,477	(239,911)
Effect of exchange rate changes on cash and cash equivalents	(718)	(5,194)
Cash and cash equivalents, beginning balance	141,615	456,332
Cash and cash equivalents, ending balance	341,374	211,227

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

Explanatory Notes to the Condensed Interim Consolidated Cash Flow Statement

- (i) Net cash generated from operating activities for 1H2022 was mainly attributable to the property-related income and cash receipts from tin sales.
- (ii) Net cash used in investing activities for 1H2022 was mainly due to payments for acquisition and/or development expenditure on investment properties, offset by the proceeds from disposal of ARA and investment securities.
- (iii) Net cash generated from financing activities for 1H2022 was mainly due to proceeds from issuance of shares and drawdown of loan facilities and the \$170 million 4.1% notes, partially offset by 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. The registered office of the Company is located at 1 Wallich Street #15-01, Guoco Tower, Singapore 078881. The Company is listed on the Singapore Exchange.

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 that of an investment company. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 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 30 June 2022 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 annual financial statements for the year ended 31 December 2021.

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 2021, except for the adoption of new and revised standards effective as of 1 January 2022.

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:

- Amendment to SFRS(I) 16: Leases – COVID-19-Related Rent Concessions beyond 30 June 2021
- Amendments to SFRS(I) 3 Reference to the Conceptual Framework
- Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to SFRS(I) 1-37 Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to SFRS(I)s 2018-2020 1 January 2022

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 consolidated interim 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 2021.

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 affected significantly by seasonal or cyclical factors during the financial period.

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

4. Other income

	Group	
	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000
Net gain on disposal of investment properties	–	5,739
Net gain on disposal of property, plant and equipment	19	–
Net gain/(loss) on disposal of subsidiaries, associates and joint ventures:		
- Associate	658,079	–
- Foreign exchange impact on capital reduction	–	565
- Others	532	(2)
Net (loss)/gain on disposal of equity securities at fair value through profit and loss (“FVTPL”)	(1,943)	1,114
Net gain/(loss) from settlement of forward tin contracts	2,312	(9,894)
Fair value changes in financial assets:		
- Held-for-trading equity securities at FVTPL	(10,727)	7,623
- Derivatives at FVTPL	4,804	1,467
- Ineffective portion of derivatives designated as hedging instruments in cash flow hedge	2	(436)
Fund related fees	1,095	1,155
Other operating income	1,033	6,999
	655,206	14,330

5. Other expenses

	Group	
	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000
Administrative expenses	4,783	3,590
Marketing and distribution expenses	825	652
Property related management fees	989	1,356
Upkeep and maintenance expenses of properties	3,898	3,788
Property related taxes	1,571	1,078
Operating lease expenses	–	4
Brokerage fees	357	76
Impairment/(Reversal of impairment) of trade receivables	175	(8)
Exchange losses	7,707	966
Other expenses	658	1,087
	20,963	12,589

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

6. Income tax 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 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000
<i>Income tax</i>		
- Current income tax	15,042	7,164
- Adjustments in respect of prior years	(500)	(5)
	<hr/> 14,542	7,159
<i>Deferred tax</i>		
- Originating and reversal of temporary differences	2,156	17,167
- Adjustments in respect of prior years	-	(171)
	<hr/> 2,156	16,996
	<hr/> 16,698	24,155

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

7. Property, plant and equipment

	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					
Group									
At cost or valuation									
At 31 December 2021	146	10,730	9,047	50,822	3,418	10,615	12,919	195	97,892
Additions	–	–	–	503	1,404	–	–	–	1,907
Disposals	–	–	–	(97)	–	–	–	–	(97)
Write-offs	–	–	–	(41)	–	–	–	–	(41)
Transfer	–	–	–	531	(531)	–	–	–	–
Reclassification	–	–	–	–	261	–	–	–	261
Exchange adjustment	(4)	(293)	(247)	(1,273)	(115)	(290)	(161)	–	(2,383)
At 30 June 2022	142	10,437	8,800	50,445	4,437	10,325	12,758	195	97,539
Accumulated depreciation									
At 31 December 2021	–	–	–	32,938	–	5,159	7,881	54	46,032
Depreciation charge for the period	–	66	174	1,425	–	222	1,231	14	3,132
Disposals	–	–	–	(97)	–	–	–	–	(97)
Write-offs	–	–	–	(37)	–	–	–	–	(37)
Exchange adjustment	–	(1)	(1)	(834)	–	(143)	(114)	–	(1,093)
At 30 June 2022	–	65	173	33,395	–	5,238	8,998	68	47,937
Net carrying amount									
At 30 June 2022	142	10,372	8,627	17,050	4,437	5,087	3,760	127	49,602
At 31 December 2021	146	10,730	9,047	17,884	3,418	5,456	5,038	141	51,860

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 31 December 2021	49	551	106	706
Additions	–	–	53	53
Exchange adjustment	(1)	(15)	(3)	(19)
At 30 June 2022	48	536	156	740
Accumulated depreciation				
At 31 December 2021	–	–	106	106
Depreciation charge for the period	–	3	2	5
Exchange adjustment	–	–	(3)	(3)
At 30 June 2022	–	3	105	108
Net carrying amount				
At 30 June 2022	48	533	51	632
At 31 December 2021	49	551	–	600

8. Land under development

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
At cost				
At 1 January	88,948	72,634	29,982	30,254
Additions	10,938	16,901	–	–
Reclassification	(261)	–	–	–
Exchange adjustment	(2,461)	(587)	(819)	(272)
At 30 June/31 December	97,164	88,948	29,163	29,982
Accumulated impairment				
At 1 January	9,740	–	–	–
Allowance for impairment loss ⁽¹⁾	–	9,615	–	–
Exchange adjustment	(266)	125	–	–
At 30 June/31 December	9,474	9,740	–	–
Net carrying amount				
At 30 June/31 December	87,690	79,208	29,163	29,982

⁽¹⁾ Impairment relating to Lot No. 20502, section 4 Town of Butterworth, North Seberang Perai District, Penang pursuant to the revaluation of the property under development.

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

9. Investment properties

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Balance sheets				
At fair value				
Balance as at 1 January	1,039,646	932,199	5,622	5,534
Fair value changes recognised in profit or loss	4,241	133,390	–	137
Addition to properties	183,072	64,508	–	–
Disposal during the period/year	–	(87,400)	–	–
Exchange adjustment	(32,565)	(3,051)	(153)	(49)
Balance as at 30 June/31 December	1,194,394	1,039,646	5,469	5,622

Investment properties are stated at fair value. Valuations of investment properties have been determined based on valuations at the end of the reporting period. Valuations are performed by accredited independent valuers with recent experience in the location and category of the properties being valued.

10. Goodwill/Other intangible assets

(a) Goodwill arising on consolidation

	Group	
	2022	2021
	\$'000	\$'000
At cost		
At 1 January	17,366	17,516
Exchange adjustment	(445)	(150)
At 30 June/31 December	16,921	17,366

The carrying amount of goodwill is allocated to 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 that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

No impairment indicators were identified as at 30 June 2022 based on the cash-generating units' business performance. The Group performed its annual impairment test in December 2021. The key assumptions used to determine the recoverable amount for the cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2021.

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

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

(b) Other intangible assets

	Group	
	30 June 2022	31 December 2021
	\$'000	\$'000
(i) Mining rights	968	1,022
Corporate club memberships	138	143
	1,106	1,165
(ii) Deferred mine exploration and evaluation expenditure	359	342
Mine properties	3,836	4,109
	4,195	4,451
	5,301	5,616

(i) Mining rights and corporate club memberships

	Mining rights	Corporate club	Total
	\$'000	memberships	\$'000
	\$'000	\$'000	\$'000
Group			
At cost			
At 31 December 2021	3,855	186	4,041
Exchange adjustment	(106)	(5)	(111)
At 30 June 2022	3,749	181	3,930
Accumulated amortisation and impairment			
At 31 December 2021	2,833	43	2,876
Amortisation charge	27	1	28
Exchange adjustment	(79)	(1)	(80)
At 30 June 2022	2,781	43	2,824
Net carrying amount			
At 30 June 2022	968	138	1,106
At 31 December 2021	1,022	143	1,165

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 and mine properties

	Deferred mine exploration and evaluation expenditure \$'000	Mine properties \$'000	Total \$'000
Group			
At 31 December 2021	342	4,109	4,451
Additions	27	29	56
Amortisation charge	–	(193)	(193)
Exchange adjustment	(10)	(109)	(119)
	<hr/>	<hr/>	<hr/>
At 30 June 2022	359	3,836	4,195
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2021	342	4,109	4,451

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.

11. Associates and joint ventures

On 20 January 2022, the Group completed the disposal in its shareholding of ARA Asset Management Limited (“ARA Shares”), an associated company of the Group. Following the disposal of ARA Shares, the Group through its subsidiary, Straits Equities Holdings (One) Pte. Ltd., received S\$1,076.5 million in a combination of US\$105.7 million (equivalent to S\$142.5 million) cash and 214,674,500 ESR Group Limited (formerly known as ESR Cayman Limited) ordinary shares (equivalent to S\$934.0 million).

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

12. Deferred tax assets and liabilities

	Group		Company	
	30 June 2022 \$'000	31 December 2021 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Deferred tax assets	6,215	5,376	–	–
Deferred tax liabilities	(92,094)	(91,178)	(694)	(713)
	(85,879)	(85,802)	(694)	(713)
	Group		Company	
	30 June 2022 \$'000	31 December 2021 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Provisions	2,009	2,083	–	–
Fair value changes on forward currency contracts and interest rate swap contracts	52	–	–	–
Revaluation of property, plant and equipment	(1,825)	(1,876)	(153)	(157)
Difference in depreciation	(2,496)	(1,896)	1	1
Fair value changes on investment properties	(42,783)	(42,907)	(542)	(557)
Unremitted foreign income and profits	(42,039)	(42,535)	–	–
Impairment of intangible assets	197	–	–	–
Others	1,006	1,329	–	–
	(85,879)	(85,802)	(694)	(713)

13. Inventories

	Group	
	30 June 2022 \$'000	31 December 2021 \$'000
At lower of cost or net realisable value:		
Inventories of:		
– Tin-in-concentrates	13,433	5,792
– Tin-in-process	169,449	171,114
– Refined tin metal	66,029	74,275
Other inventories (stores, spares, fuels, coal and saleable by-products)	5,544	4,837
	254,455	256,018

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

14. Share capital

	Group and Company			
	2022		2021	
	Number of shares	\$'000	Number of shares	\$'000
Ordinary shares issued and fully paid (excluding treasury shares)				
At 1 January	406,819,572	568,968	406,819,572	568,968
Issue for cash ⁽¹⁾	26,000,000	80,860	–	–
Share issuance expense ⁽¹⁾	–	(2,599)	–	–
At 30 June/31 December	432,819,572	647,229	406,819,572	568,968

⁽¹⁾ The issuance of ordinary shares and expenses on issuance of ordinary shares are in connection with the private placement of 26,000,000 new ordinary shares at an issue price of \$3.11 per ordinary share that were issued and allotted on 25 January 2022.

15. Treasury shares

	Group and Company			
	2022		2021	
	Number of shares	\$'000	Number of shares	\$'000
At 1 January	(1,276,200)	(2,682)	(1,276,200)	(2,682)
At 30 June/31 December	(1,276,200)	(2,682)	(1,276,200)	(2,682)

As at 30 June 2022, the Company held 1,276,200 treasury shares (31 December 2021: 1,276,200) which represents 0.3% (31 December 2021: 0.3%) of the total number of issued shares (excluding treasury shares).

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

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 31 December 2021	13,173	3,831	17,004
Discount adjustment on provision	239	40	279
Exchange adjustment	(360)	(105)	(465)
	<hr/>	<hr/>	<hr/>
At 30 June 2022	13,052	3,766	16,818
	<hr/>	<hr/>	<hr/>
Non-current	13,052	3,766	16,818
	<hr/>	<hr/>	<hr/>

17. Borrowings

	Group		Company	
	30 June 2022 \$'000	31 December 2021 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Amount repayable within one year or on demand				
Secured	358,882	361,088	33,336	35,000
Unsecured	206,131	179,659	79,716	44,721
Amount repayable after one year				
Secured	265,176	201,547	–	33,284
Unsecured	443,829	303,702	441,929	303,003

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

On 4 May 2022, the Company issued \$170 million of unsecured fixed rate notes under its \$500 million multicurrency debt issuance programme which was established on 13 October 2011 and updated on 3 July 2017. The notes will mature in May 2026 and bear an interest of 4.1% per annum payable semi-annually in arrears.

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

18. Dividends

	Group and Company	
	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000
Declared and paid during the period		
<i>Dividends on ordinary shares</i>		
2021 Interim dividend paid in 2022: 8 cents per share tax exempt (one-tier tax)		
(2020 Interim dividend paid in 2021: 6 cents per share tax exempt (one-tier tax))	34,626	24,409

19. Related party disclosures

Sale and purchase of goods and services

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

	Group	
	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000
<i>Associates/Joint ventures</i>		
Sales of goods	388	2,198
Interest income	2,663	11,298
<i>Other related parties</i>		
Office leases	408	410
Accounting and other service income	176	176
Accounting and other service expense	(41)	(238)

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 30 June 2022 and 31 December 2021.

	Fair value through profit and loss \$'000	Fair value through other comprehensive income \$'000	Amortised cost \$'000	Total \$'000
Group				
At 30 June 2022				
Financial assets				
Investment securities	46,000	951,685	51,722	1,049,407
Trade and other receivables	–	–	94,841	94,841
Derivative financial instruments	10,811	1,728	–	12,539
Cash and cash equivalents	–	–	341,374	341,374
Financial liabilities				
Trade and other payables	–	–	77,182	77,182
Other non-current liabilities	–	–	6,123	6,123
Lease liabilities	–	–	3,644	3,644
Loans and borrowings	–	–	1,274,018	1,274,018
Derivative financial instruments	252	–	–	252
At 31 December 2021				
Financial assets				
Investment securities	59,786	162,720	53,634	276,140
Trade and other receivables	–	–	87,060	87,060
Derivative financial instruments	2,200	180	–	2,380
Cash and cash equivalents	–	–	141,615	141,615
Financial liabilities				
Trade and other payables	–	–	68,449	68,449
Other non-current liabilities	–	–	6,167	6,167
Lease liabilities	–	–	4,901	4,901
Loans and borrowings	–	–	1,045,996	1,045,996
Derivative financial instruments	2,945	–	–	2,945
Company				
At 30 June 2022				
Financial assets				
Trade and other receivables	–	–	1,670,693	1,670,693
Derivative financial instruments	353	1,375	–	1,728
Cash and cash equivalents	–	–	148,016	148,016
Financial liabilities				
Trade and other payables	–	–	639,129	639,129
Loans and borrowings	–	–	554,981	554,981

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 comprehensive income \$'000	Amortised cost \$'000	Total \$'000
Company				
At 31 December 2021				
Financial assets				
Trade and other receivables	–	–	1,489,734	1,489,734
Derivative financial instruments	–	180	–	180
Cash and cash equivalents	–	–	17,205	17,205
<hr/>				
Financial liabilities				
Trade and other payables	–	–	645,708	645,708
Loans and borrowings	–	–	416,008	416,008
<hr/>				

21. Fair value of assets and liabilities

A. Fair value hierarchy

The Group categories 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)

21. 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 30 June 2022 \$'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	–	–	19,141	19,141
Investment properties (note 9)	–	–	1,194,394	1,194,394
Non-financial assets as at 30 June 2022				
	–	–	1,213,535	1,213,535
Financial assets				
<u>Financial assets at FVTPL</u>				
Equity securities				
- Quoted equity securities	29,321	16,679	–	46,000
<u>Financial assets at FVOCI</u>				
Equity securities				
- Quoted equity securities	931,610	20,075	–	951,685
<u>Derivatives</u>				
Forward currency contracts	–	10,811	–	10,811
Interest rate swap contracts	–	1,375	–	1,375
Cross currency swap contracts	–	353	–	353
Financial assets as at 30 June 2022				
	960,931	49,293	–	1,010,224
Financial liabilities				
<u>Derivatives</u>				
Forward currency contracts	–	110	–	110
Forward commodity contracts	–	142	–	142
Total derivatives	–	252	–	252
Financial liabilities as at 30 June 2022				
	–	252	–	252

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

21. 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 31 December 2021 \$'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	–	–	19,923	19,923
Investment properties (note 9)	–	–	1,039,646	1,039,646
Non-financial assets as at 31 December 2021				
	–	–	1,059,569	1,059,569
Financial assets				
<u>Financial assets at FVTPL</u>				
Equity securities				
- Quoted equity securities	39,163	20,623	–	59,786
<u>Financial assets at FVOCI</u>				
Equity securities				
- Quoted equity securities	140,088	22,632	–	162,720
<u>Derivatives</u>				
Forward currency contracts	–	2,200	–	2,200
Cross currency swap contracts	–	180	–	180
Financial assets as at 31 December 2021				
	179,251	45,635	–	224,886
Financial liabilities				
<u>Derivatives</u>				
Forward currency contracts	–	2,945	–	2,945
Financial liabilities as at 31 December 2021				
	–	2,945	–	2,945

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

21. 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 30 June 2022 \$'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	–	–	581	581
Investment properties (note 9)	–	–	5,469	5,469
Non-financial assets as at 30 June 2022	–	–	6,050	6,050

	Company 31 December 2021 \$'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	–	–	600	600
Investment properties (note 9)	–	–	5,622	5,622
Non-financial assets as at 31 December 2021	–	–	6,222	6,222

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

22. Segment 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 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 are in 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 (formerly known as ESR Cayman Limited), and 100% stake in Straits Real Estate Pte. Ltd. (89.5% up to 9 April 2021).
- (c) The Hospitality business includes 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)

22. Segment information (cont'd)

Operating segments for 6 months ended 30 June 2022

	Resources \$'000	Real Estate \$'000	Hospitality \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
Revenue						
Sale of tin, at a point in time	240,538	-	-	-	-	240,538
Smelting revenue, at a point in time	3,717	-	-	-	-	3,717
Sale of by-product, at a point in time	1,051	-	-	-	-	1,051
Other resources revenue, at a point in time	166	-	-	-	-	166
Rental and related income, over time	-	24,685	-	-	-	24,685
Inter-segment revenue	-	6	-	-	(6)	-
Total revenue	245,472	24,691	-	-	(6)	270,157
Segment results						
Operating profit	49,112	668,919	658	(12,479)	-	706,210
Fair value changes in investment properties	-	4,241	-	-	-	4,241
Finance costs	(2,737)	(6,709)	-	(7,790)	-	(17,236)
Share of results of associates and joint ventures	230	15,416	340	(696)	-	15,290
Profit/(Loss) before tax	46,605	681,867	998	(20,965)	-	708,505
Income tax expense	(13,231)	(2,912)	(112)	(443)	-	(16,698)
Profit/(Loss) after tax	33,374	678,955	886	(21,408)	-	691,807
Profit/(Loss) attributable to:						
Owners of the Company	17,402	676,141	886	(21,408)	-	673,021
Non-controlling interests	15,972	2,814	-	-	-	18,786
	33,374	678,955	886	(21,408)	-	691,807
Segment Assets	454,178	3,056,434	157,643	258,724	-	3,926,979
Segment Liabilities	217,457	691,563	-	581,644	-	1,490,664
Other information:						
Dividend income	609	3,165	-	482	-	4,256
Interest income	269	5,951	658	231	-	7,109
Depreciation	1,641	1,489	-	2	-	3,132
Amortisation	221	-	-	-	-	221
Other material non-cash items:						
Associates and joint ventures	9,435	660,162	91,093	12,166	-	772,856
Additions to non-current assets ⁽¹⁾	1,676	217,153	-	-	-	218,829

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

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

22. Segment information (cont'd)

Operating segments for 6 months ended 30 June 2021

	Resources	Real Estate	Hospitality	Others	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
Sale of tin, at a point in time	189,675	–	–	–	–	189,675
Smelting revenue, at a point in time	3,915	–	–	–	–	3,915
Sale of by-product, at a point in time	1,189	–	–	–	–	1,189
Other resources revenue, at a point in time	776	–	–	–	–	776
Rental and related income, over time	–	23,468	–	–	–	23,468
Inter-segment revenue	–	6	–	–	(6)	–
Total revenue	195,555	23,474	–	–	(6)	219,023
Segment results						
Operating profit	12,634	40,627	658	7,475	–	61,394
Fair value changes in investment properties	–	47,112	–	–	–	47,112
Impairment losses	(202)	(9,615)	–	–	–	(9,817)
Finance costs	(2,089)	(6,974)	–	(8,213)	–	(17,276)
Share of results of associates and joint ventures	686	89,339	(5,738)	45	–	84,332
Profit/(Loss) before tax	11,029	160,489	(5,080)	(693)	–	165,745
Income tax expense	(2,897)	(19,625)	(112)	(1,521)	–	(24,155)
Profit/(Loss) after tax	8,132	140,864	(5,192)	(2,214)	–	141,590
Profit/(Loss) attributable to:						
Owners of the Company	4,626	125,387	(5,192)	(2,214)	–	122,607
Non-controlling interests	3,506	15,477	–	–	–	18,983
	8,132	140,864	(5,192)	(2,214)	–	141,590
Segment Assets	371,399	2,304,339	162,587	217,279	–	3,055,604
Segment Liabilities	188,348	580,507	–	523,905	–	1,292,760
Other information:						
Dividend income	–	3,455	–	551	–	4,006
Interest income	26	14,256	658	235	–	15,175
Depreciation	2,180	1,458	–	3	–	3,641
Amortisation	207	–	–	–	–	207
Other material non-cash items:						
Impairment of mining rights	49	–	–	–	–	49
Impairment of mine properties	153	–	–	–	–	153
Impairment of land under development	–	9,615	–	–	–	9,615
Associates and joint ventures	8,831	1,016,090	96,080	67	–	1,121,068
Additions to non-current assets ⁽¹⁾	2,793	48,041	–	–	–	50,834
Inventories written back	(7,822)	–	–	–	–	(7,822)

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

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

22. Segment information (cont'd)

Geographical information

Revenues attributable to geographic areas are based on the location for which the revenue is earned or where the business is transacted.

Geographical information for 6 months ended 30 June 2022

	Singapore \$'000	Malaysia \$'000	Australia \$'000	Japan \$'000	China \$'000	United Kingdom \$'000	Consolidated \$'000
Segment revenue							
Revenue from external parties	1,224	245,550	14,054	-	4,864	4,465	270,157

Geographical information for 6 months ended 30 June 2021

	Singapore \$'000	Malaysia \$'000	Australia \$'000	Japan \$'000	China \$'000	United Kingdom \$'000	Consolidated \$'000
Segment revenue							
Revenue from external parties	1,261	195,640	13,353	90	4,050	4,629	219,023

23. Net asset value

	Group		Company	
	30 June 2022 \$	31 December 2021 \$	30 June 2022 \$	31 December 2021 \$
Net asset value per ordinary share	5.23	4.35	1.81	1.49

24. Performance share plan

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.

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 and non-vesting 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.

As at 30 June 2022, the number of shares comprised in contingent awards granted under the PSP which has not been released were 1,830,600. Under the PSP, the final number of shares to be released will depend on the achievement of predetermined targets over a three-year 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.

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

25. Events after the reporting period

Acquisition of Asas Baiduri Sdn. Bhd. (“ABSB”)

On 4 July 2022, Malaysia Smelting Corporation Berhad (“MSC”), the Group’s 52% owned subsidiary, announced that Rahman Hydraulic Tin Sdn. Bhd. (“RHT”), a wholly-owned subsidiary of MSC, has completed its previously announced acquisition of ABSB.

RHT entered into a conditional sale and purchase agreement with Tin International Sdn. Bhd. (“TISB”) on 3 June 2022 for the acquisition of the entire equity interest in ABSB (the “Proposed Acquisition”). The Proposed Acquisition entails the acquisition by RHT of 250,000 ordinary shares in ABSB, representing the entire equity interest in ABSB, from TISB. The consideration for the Proposed Acquisition shall be 272,250 new ordinary shares in RHT, representing approximately 20% of the enlarged share capital of RHT.

With the completion of the Proposed Acquisition, (i) ABSB has become a wholly-owned subsidiary of RHT and form part of MSC; and (ii) RHT would cease to be a wholly-owned subsidiary of MSC and become an 80% owned subsidiary of MSC.

For more details, please refer to announcement made by MSC on 3 June 2022.

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 30 June 2022 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 nor reviewed.

2. Review of performance of the Group

Group

The Group reported a profit after tax and non-controlling interests ("PATNCI") of \$673.0 million and \$122.6 million for 1H2022 and 1H2021 respectively. Its real estate segment remained the main contributor to the Group's profit.

Resources

The resources segment reported a higher PATNCI for 1H2022 compared with the previous corresponding period.

The better performance was mainly due to higher average tin prices as compared to the previous corresponding period.

Real Estate

The real estate segment reported a higher PATNCI for 1H2022 compared with the previous corresponding period.

The higher profit for 1H2022 was mainly contributed by net gain on disposal of ARA Asset Management Limited ("ARA"), a 22.1% owned associate of the Group, partially offset by lower net fair value gains from investment properties, and lower share of profits from associates and joint ventures.

Hospitality

The hospitality segment reported a PATNCI for 1H2022 compared with a loss for the previous corresponding period.

The segment showed an improvement in performance with stronger demand from corporate and leisure customers as more countries reopen their borders.

Others

The net expenses for 1H2022 were higher mainly due to mark-to-market losses from short-term investment securities.

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 full year 2021 financial results announcement made on 24 February 2022.

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 headwinds from inflationary and interest rate pressures, global supply chain disruptions, rising geopolitical tensions between global powers, and new COVID-19 variants continue to create uncertainty around the world with fears over recessions taking centre stage as monetary policymakers across the world look to aggressively raise borrowing costs. The Group remains cautious about volatility in the market as the world grapples with inflation and the prospect of a global recession. Despite the challenges, the Group's balance sheet remains strong for the first half of 2022. The Group will continue to maintain discipline in deploying capital and focus on achieving sustainable growth and converting assets into investment products and platforms for new growth engines to improve return on shareholders' capital.

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, South Korea, Malaysia and the United Kingdom. Riding on last year's resilient performance, SRE has continued its steadfast investment in logistics development portfolio in Australia and South Korea, which contributed both recurring rental incomes and meaningful valuation uplift. In addition, the recent acquisition of a portfolio of office and industrial buildings and several plots of development land in Gloucester Business Park, a leading business park in the United Kingdom, will help generate a balanced blend of recurring income at an attractive yield, while providing upsized return opportunities through development of logistics warehouses. Following the acquisition of this portfolio of high-quality business assets in Gloucester Business Park which is in line with SRE's overall investment focus on New Economy assets, SRE continues on track to grow its Assets under Management ("AUM") to S\$3.5 billion in the next few years.

The Group received S\$142.5 million in cash and 214,674,500 ESR Group Limited (formerly known as ESR Cayman Limited) ("ESR") ordinary shares upon completion of its disposal of shareholding in ARA Asset Management Limited, the Group's 22.1% owned associate. ESR is APAC's largest real asset manager powered by New Economy assets like logistics and data centres with a total AUM of over US\$140 billion. ESR is a strategic investment for the Group, and we will evaluate options involving our stake when other investment opportunities arise.

Malaysia Smelting Corporation Berhad ("MSC"), the Group's 52% owned resources arm continues to focus on its operational efficiencies and improve on all areas of operations, technology, manpower and logistics. The current slowdown in the world economy, and exceptionally high global inflation have affected major/broad industries and commodities market, including tin. This is further worsened by changes in world trades, supply and consumption patterns of major commodities from the effects of the war in Ukraine. Tin price has recently eased to its current support level of US\$25,000 per tonne. The Group is expected to continue benefiting from the current tin price, despite inflationary pressures, higher logistics, and operating costs in its smelting and tin mining businesses. The operation in the Pulau Indah ("PI") plant, using newer and more efficient technology is expected to achieve full capacity in 4QFY2022. With the PI plant at full commission, the Group expects higher operational efficiency, lower operational and manpower costs, while improving its overall carbon footprint. For the tin mining segment, the Group continues to focus on increasing daily mining output and overall mining productivity. In line with its ESG program, the Group has taken steps to upgrade the mini hydro plant which is currently generating 0.75MW to 5.00MW. This will provide zero-carbon energy to the existing mine.

Far East Hospitality Holdings Pte. Ltd. ("FEHH"), the Group's 30% owned hospitality arm, continues to face operating headwinds from the Omicron variant, supply chain bottlenecks, rising inflation, and tighter labour market, but encouraging recovery has been observed since March 2022 with more countries reopening their borders. FEHH will continue to focus on the transformation of the brands and operations to enhance business resilience and grow its hospitality footprint, while gearing up to recapture the pent-up travel demand.

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?

No dividend has been declared for the six months ended 30 June 2022.

The Company does not have a standing practice of declaring dividend in the first half of the financial year.

(b) Corresponding period of the immediate 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.

6. Interested person transactions

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

7. 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.

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

8. Use of Proceeds Raised from the Private Placement

On 25 January 2022, the Company completed the private placement of 26,000,000 new ordinary shares in the capital of the Company (the "Private Placement") at an issue price of \$3.11 per ordinary share and raised gross proceeds of \$80.9 million.

The utilisation of the gross proceeds from the Private Placement is set out as follows:

(\$ million) Purposes	Allocation of Gross Proceeds (as announced on 18 January 2022)	Amount utilised as at 11 August 2022	Balance of Net Proceeds (as at 11 August 2022)
Acquisitions and/or business opportunities available	78.0	(78.3) ^(a)	(0.3) ^(b)
Payments of professional and other fees and expenses in connection with the Private Placement	2.9	(2.6)	0.3 ^(b)
Total	80.9	(80.9)	–

(a) The proceeds have been used to fund the acquisition of real estate investments.

(b) The unutilised proceeds for professional and other fees and expenses have been redeployed for the acquisition of real estate investments.

Following the above-mentioned use of proceeds, the proceeds from the Private Placement have been fully utilised.

By Order of the Board

Ngiam May Ling
Company Secretary

11 August 2022
Singapore

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

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Chew Gek Khim
Director

Tan Chian Khong
Director

11 August 2022
Singapore