STRAITS TRADING
ESTABLISHED 1887
A MEMBER OF THE TECITY GROUP

FIR-ST™

Annual Report 2023

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▲ *Straits City (Artist Impression)*

CORPORATE PROFILE

Established in 1887, The Straits Trading Company Limited is a conglomerate-investment company with operations and financial interests in resources, property, and hospitality. These include majority or strategic stakes in Malaysia Smelting Corporation Berhad, ESR Group, and Far East Hospitality Holdings. These holdings also include a diversified property portfolio and real estate investment that are wholly-owned.

▲ *Vibe Hotel Adelaide*

▲ *Mining Site in Klian Intan, Perak.*

At The Straits Trading Company, we recognise the evolving demands – both present and future – of our investors and shareholders.

Some of our initiatives include the digitalisation or fractionalisation of assets e.g FIR-ST™, the launch of innovative investment products, and projects to meet the challenges of climate change.

We are confident in navigating an ever-changing world with resilience and a commitment to sustainability.

Company Structure

TECITY GROUP

67.2%

STRAITS TRADING
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RESOURCES	PROPERTY				HOSPITALITY
Malaysia Smelting Corporation Berhad ("MSC")	Straits Developments Private Limited ("SDPL")	STC Property Management Sdn. Bhd. ("STCPM")	Straits Investment Management Pte. Ltd. ("SIM")	Straits Real Estate Pte. Ltd. ("SRE")	Far East Hospitality Holdings Pte. Ltd. ("FEHH")
52% Stake	**100% Stake**	**100% Stake**	**100% Stake**	**100% Stake**	**30% Stake**
Largest independent custom tin smelter in the world	Corporate and operational arm for the Group; new business and property business, excluding SRE	Developer of Straits City Project Penang	Fund management specialising in global real estate securities	Investment vehicle seeking out real estate related opportunities globally	An established international hospitality owner and operator in ten countries with close to 16,500 rooms under management
	ESR Group ("ESR")	SDAX Financial			
	3.9% Stake	**14.3% Stake**			
	APAC's largest real estate and real assets fund manager	An integrated digital financial services platform			

Transformation Milestones

STRAITS 1.0 | 1880s

80 Years

+ The world's largest tin producer, renowned for its finest grade tin
+ Resources business is today known as Malaysia Smelting Corporation (MSC)

STRAITS 2.0 | 1960s

30 Years

Diversified into investment and property development having purchased colonial properties back in 1923

STRAITS 3.0 | 1990s

20 Years

+ Ventured into hospitality in 1994; trading as Rendezvous Hospitality Group in the Asia Pacific market
+ MSC listed on Bursa Malaysia in 1994

STRAITS 4.0 | 2010s

10 Years

Refocused the businesses into scalable assets and sustainable growth engines after the Tecity Group completed a successful takeover of Straits Trading in 2008

STRAITS 5.0 | 2020s

+ Converting assets into investment products and platforms for new growth engines
+ Engaging shareholders actively via Shareholders' Club
+ Creating investment opportunities to broaden investor base (e.g. FIR-ST™)

Chairman's Statement

DEAR SHAREHOLDERS,

2023 was a challenging year for Straits Trading.

Inflation stayed in the spotlight in 2023, as global monetary policy remained tight for developed economies. Whilst the US regional banking crisis was averted by the Fed's immediate response with the bank term funding programme, rising rates were a greater threat to the global economy and real estate assets in particular. The US Federal Reserve delivered three rate hikes with the short-end rates peaking at 5.5% in July. While inflationary pressures subsequently moderated, the Fed remained on hold as it wanted to ensure that it had taken sufficient action to tackle inflation.

Despite supportive fiscal action by Beijing, China's economy continued to struggle with the problems caused by its over-supplied and over-leveraged residential property market. We think that China will continue with sub-par growth for years to come as it works out the excessive leverage and inventory levels while avoiding financial systemic stresses emanating from developers, banks or local government financing vehicles, all the while managing the weak consumption sentiment of households whose fortunes are closely tied to the sector.

Under this challenging backdrop, global short-term rates stayed high, affecting funding costs, while the rise in longer-dated bond yields adversely impacted valuations and caused transactional volumes in our key markets of Australia and UK to fall significantly. This affected our ability to actively recycle real assets and turn capital efficiently.

Profit after tax and non-controlling interests (PATNCI) declined year-on-year from S$551.3 million to -S$28.6 million, as FY2023 was affected by further impairments to property asset valuations, the absence of gains from the ARA divestments in 2022, rising interest costs and a 17% decline in the tin price.

Despite the challenges, we opportunistically raised S$370 million in exchangeable bonds with an interest cost of 3.25%. We further tapped on the MTN market in January 2024 after long bond yields came off significantly to raise another S$130 million, raising medium term liquidity at a reasonable cost of 4.70%. Thus, despite reporting a higher interest expense of S$84 million in 2023, Straits Trading has more than sufficient liquidity and balance sheet strength to ride out the difficult operating environment in 2023 and into 2024. We believe that this will give our business units the necessary time and space to resume their normal activity of capital recycling and asset enhancements.

MSC

Despite a 17% decline in tin prices, Straits Trading's 52% stake in MSC was one of the two segments to deliver a positive PATNCI for the Group in FY2023, at S$12.8 million. MSC's tin mining activities remained comfortably profitable even with tin prices at US$25,908/t for the year. With the improved profitability and strengthening of its balance sheet, MSC delivered a dividend payout amounting to 69% of its FY2023 net profit. MSC plays a pivotal role in the global tin industry through both its tin mining and custom tin smelting businesses. With the Pulau Indah plant operational, we can expect higher efficiency, and lower operational and manpower costs, while reducing its overall carbon footprint.

Despite the challenges, we opportunistically raised S$370 million in exchangeable bonds with an interest cost of 3.25%. We further tapped on the MTN market in January 2024 after long bond yields came off significantly to raise another S$130 million, raising medium term liquidity at a reasonable cost of 4.70%. Thus, despite reporting a higher interest expense of S$84 million in 2023, Straits Trading has more than sufficient liquidity and balance sheet strength to ride out the difficult operating environment in 2023 and into 2024.

PROPERTY

Despite the difficult operating environment for real estate in FY2023, our thematic investment into the Australian logistics space panned out well in a year that was challenging for commercial offices. This sector bucked the trend in overall real estate with the strong occupancies delivering steady income for the group, and helped to partially offset the S$25.8 million impairment hit to valuations.

Despite far and few transactions in FY2023, the group managed to realise a mezzanine debt investment in a residential development in Melbourne CBD. We realised net proceeds of S$46.8 million in November 2023, and delivered an equity multiple of 1.6X in SGD terms after hedging.

Straits City, Straits Trading's 40-acre integrated development project in Penang, Malaysia, has crossed key milestones over the year. We look forward to the targeted opening of this hotel in the 1st half of 2024.

FIR-ST™

Following the launch of a pilot scheme three years ago, we have innovated the traditional process of investing in residential properties into Fractional Investment in Real estate by Straits Trading - or FIR-ST™.

This initiative affords eligible investors to own a fraction of prime real estate without the hassle associated with physical ownership, rental, and maintenance. We are currently working with like-minded stakeholders under FIR-ST™.

FUND MANAGEMENT

Straits Investment Management Pte Ltd (SIM), our 100% owned subsidiary, is a global fund management firm with capabilities that span equities, fixed income and real estate alternatives. As at end December 2023, SIM's assets under management and advisory crossed S$500 million.

ESR

ESR's share price fell 34% in 2023, outpacing the decline of 14% in the Hang Seng Index as it was grouped with the Hang Seng Mainland Properties index (-40%). Despite the sharp decline, we believe in the long-term fundamental attractiveness of the company, and its current share price significantly undervalues the company. ESR is Asia Pacific's leading real asset manager powered by the new economy. ESR has a fully integrated fund management and development platform that extends across key APAC markets, comprising Greater China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia. We believe it can continue to grow its businesses, driven by both fees from assets under management and development of new economy assets. We remain committed in our efforts to realising the full potential value of our 3.9% stake in ESR.

FEHH

The hospitality business delivered better operating performance as international travel continued to recover strongly. The key markets that performed well year-on-year were the Singapore and Australian segments, with PATNCI improving from S$0.5 million to S$2.5 million.

In 2023, our 30%-owned joint venture Far East Hospitality grew its hospitality management portfolio with the opening of six new hotels, totalling more than 650 rooms, across Austria, Australia, Japan and Switzerland.

PATIENT CAPITAL

As the management team worked to see how we can best realise the full potential of our investment in ESR, we were reminded that Straits Trading's investing activities are often in situations that require patient capital. Our investment in ESR had been borne out of our foray into ARA in Nov 2013, and to date, we have only partially realised some of the investment through capital return/dividends received of S$246 million and a dividend in specie of 48.5 million ESR shares. We continue to work hard towards the realisation of ESR's full potential value for the remaining 166.2 million shares that will ultimately determine the returns we garner on this investment for Straits Trading.

Whilst FY2023 was a difficult year, as an investment conglomerate with a longer-term horizon, we are mindful that earnings will continue to be lumpy, particularly for the realisation of longer-duration, less liquid assets. We remain committed to delivering a sustainable payout to shareholders. The board has decided to declare an interim tax-exempt dividend of 8 cents per share. As our share price has fallen significantly, we also decided to offer shareholders the option of scrip to participate in the long-term future of the company at this attractive price level.

ACKNOWLEDGEMENT

Mr Timothy Chia Chee Ming stepped down as Lead Independent Director in April 2023. I would like to thank him for his wise counsel, leadership and invaluable contributions over his eight-year tenure with Straits Trading. I would also like to welcome our new directors, Mr Lee Chuan Seng and Mr Ho Tian Yee.

Finally and importantly, we thank our colleagues for their hard work and dedication, and our shareholders who have placed their faith in the company's long-term future, even as we navigate this difficult period.

CHEW GEK KHIM, PJG
Executive Chairman
28 March 2024

Board of Directors

CHEW GEK KHIM, PJG, 62
Executive Chairman
First appointed: 20 March 2008
Last re-elected: 30 April 2021

Ms Chew Gek Khim is a lawyer by training. She has been Executive Chairman of The Straits Trading Company Limited since 24 April 2008.

Ms Chew is also Executive Chairman of the Tecity Group. In addition, she is Chairman of Malaysia Smelting Corporation Berhad and ARA Trust Management (Suntec) Limited, and also Deputy Chairman of the Tan Chin Tuan Foundation. Prior to this, Ms Chew was a Director of Singapore Exchange Limited.

She is a Member of the Board of Governors of S. Rajaratnam School of International Studies, NUS Board of Trustees and the Governing Board of Lee Kuan Yew School of Public Policy.

Ms Chew graduated from the National University of Singapore in 1984. She was awarded the Chevalier de l'Ordre National du Mérite in 2010, the Singapore Businessman of the Year 2014 at the Singapore Business Awards in 2015, and the Meritorious Service Medal at the National Day Awards in 2016. Ms Chew was conferred an Honorary Degree of Doctor of Letters (honoris causa) by the Nanyang Technology University in 2021.

CHEW GEK HIANG, 60
Non-Independent and Non-Executive Director
First appointed: 30 April 2008
Last re-elected: 28 April 2022

Ms Chew Gek Hiang, an accountant by training, has been with the Tecity Group, the parent company of The Straits Trading Company Limited, since 1991. As Executive Director and Head of Finance, she is actively involved in investment activities of the Tecity Group and is responsible for its securities trading portfolio. Ms Chew also oversees the human resource and administrative functions of the Tecity Group. She is also a Director of Tecity Asset Management Pte Ltd.

Ms Chew is a Council Member of Tan Chin Tuan Foundation in Singapore and is the President of the Breast Cancer Foundation and Noah's Ark CARES ("Companion Animal Rescue and Education Society"). She also currently serves the Advisory Board of the Academy of Chinese Medicine, Singapore.

After graduating from the National University of Singapore in 1986, Ms Chew worked with Ernst & Whinney in Singapore for a year. She then joined Ernst & Young (London) in 1987 to pursue chartered accountancy, and was admitted to the Institute of Chartered Accountants in England and Wales in October 1990.

GOH KAY YONG DAVID, 62
Non-Independent and Non-Executive Director
First appointed: 30 April 2008
Last re-elected: 28 April 2022

Mr David Goh has been the Chief Investment Officer and Chief Strategist of the Tecity Group since 1997. As Chief Investment Officer and Chief Strategist, he is responsible for providing strategic focus in the investment decision-making process, and assists the Executive Chairman in developing the Tecity Group's long-term investment policy and asset allocation strategy. Mr Goh also oversees a team of investment managers and analysts within the Tecity Group.

Mr Goh started his investment career as an Investment Analyst with Great Eastern Life in 1986, and subsequently taught and coordinated the Bachelor of Business Financial Analyst programme at the Nanyang Technological University ("NTU"), Singapore, in 1991. After joining the Tecity Group in 1997, Mr Goh remained from 1997 to 2003, as Adjunct Associate Professor of Finance at NTU. He is Non-Independent Non-Executive Director of Straits Trading Company Limited since 2008, and also serves as Founding Director of Stewardship Equity Pte Ltd (2000), Commonwealth Capital Pte. Ltd. (2010) and Project Chulia Street Limited (2016).

Mr Goh holds a Bachelor of Arts (Hons) degree in Economics from York University, Canada; a Master of Science in Management (System Dynamics, Finance and Strategy) from Massachusetts Institute of Technology's Sloan School of Management, as well as a CFA Charter.

TAN CHIAN KHONG, 68
Lead Independent Director
First appointed: 1 January 2018
Last re-elected: 28 April 2022

Mr Tan Chian Khong has about 35 years of experience in the audit industry in Singapore. He retired from Ernst & Young LLP in June 2016. Mr Tan currently serves as an Independent Non-Executive Director of Alliance Bank Malaysia Berhad, Hong Leong Asia Ltd, CSE Global Limited and Banyan Tree Holdings Ltd. He is a Board member of the Gambling Regulatory Authority of Singapore and SMRT Corporation Ltd.

Mr Tan holds a Bachelor of Accountancy from the National University of Singapore, and a Master of International Environmental Management from the University of Adelaide. He is a Member of the American Institute of Certified Public Accountants, a Fellow of CPA Australia and the Institute of Singapore Chartered Accountants.

Board of Directors

CHUA TIAN CHU, 64

Independent and Non-Executive Director

First appointed: 1 January 2018
Last re-elected: 28 April 2023

Mr Chua Tian Chu was the Deputy Chief Executive Officer of Meritus Hotels & Resorts from 2012 to 2013. Prior to this, Mr Chua held the positions of Executive Vice President of International Sector and Greater China Region, as well as Head, Global Financial Institutions Group of United Overseas Bank Limited, and Managing Director and Head of Investment Finance of Citigroup Private Bank (Asia Pacific Region) as well as Head of Citigroup Corporate Banking in Singapore. He was also formerly the Managing Director and Group Chief Executive Officer of Far East Orchard Limited (then known as Orchard Parade Holdings Limited).

Mr Chua holds a Master in Business Administration and a Bachelor Degree in Civil Engineering from the National University of Singapore. He has also attended the Advanced Management Program of Harvard Business School.

LAU CHENG SOON, 68

Independent and Non-Executive Director

First appointed: 1 July 2022
Last re-elected: 28 April 2023

Mr Lau Cheng Soon sits on the board of United Overseas Land and is an Independent Advisory Board Member of the Pro-invest Group's Funds I/II/III.

Mr Lau has held senior management roles in the Asia Pacific real estate investment business for over 30 years. Mr Lau was the Managing Director of Asia Pacific for Invesco Real Estate and had overall responsibility for the management of the Asia Pacific real estate business. He was the Chairman of the Asia Pacific Executive Committee and the Asia Pacific Investment Committee. He also served as a member of the Global Executive Committee and the Global Remuneration Committee. Prior to Invesco Real Estate, he was a Managing Director of Ayala International, a member of the Ayala Group. He was previously an executive director and board member of Tuan Sing Holdings Ltd. (listed on the main board of the Singapore Stock Exchange). He has directed numerous real estate investment and development projects across all major markets in the Asia Pacific region. He began his career as an engineer with Shell and was also a management consultant with Booz Allen and Hamilton in both the US and Asia.

Mr Lau earned a Master of Business Administration degree from the University of Chicago and a Bachelor of Science (Chemical Engineering) degree from Oregon State University.

LEE CHUAN SENG, 68

Independent and Non-Executive Director

First appointed: 28 April 2023

Mr Lee Chuan Seng is currently Chairman of the National Environment Agency, a trustee of a philanthropic trust, and an advisor to a number of public and private sector organisations.

As a professional engineer, Mr Lee has worked and lived in New Zealand, Philippines, Indonesia, and Singapore. He helped lead the growth of Beca Asia, a leading engineering consultancy in the region based in Singapore across Asia into China, Indonesia, Malaysia, Myanmar, Vietnam, and the Middle East. He retired from active practice in 2013 but continued the linkage as Emeritus Chairman, Beca Asia until August 2022.

Mr Lee graduated from the University of Auckland, New Zealand with a Bachelor of Engineering (1st class honours). Among his awards are the Public Service Medal in 2010 for his services to the engineering profession and the Public Service Star in 2018 for his service to sustainability and the environment by the Singapore Government; the NZ-ASEAN Award in 2015 by the New Zealand Government for his services to NZ trade and enterprise; the inaugural Green Visionary Award in 2015 by BCA-SGBC for his contributions to green buildings and sustainability. He was made a BCA iBuildSG Distinguished Fellow for his contributions to the construction industry and given the PEB Distinguished Professional Engineer Award for his services to the engineering profession in 2020. He was given the President's Award for the Environment in 2023.

HO TIAN YEE, 71

Independent and Non-Executive Director

First appointed: 1 July 2023

Mr Ho Tian Yee is the Chairman of the Board of Fullerton Fund Management. He has over 30 years' experience in serving on boards of various institutions including financial services, F&B and publishing.

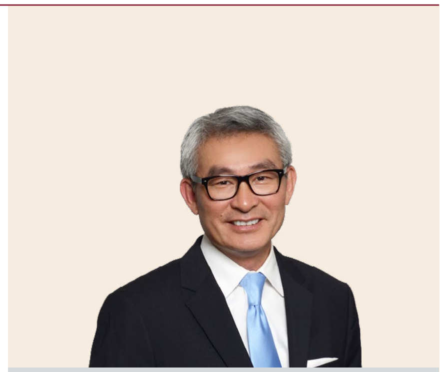
Tian Yee started his career with Bankers Trust Company, where his last position was MD and Head of South East Asia. He was also responsible for the bank's markets strategy in Asia. Currently, Tian Yee serves as Chairman of Mount Alvernia Hospital and DBS Foundation. He is an independent Director of Straits Trading Company Limited, an investment advisor to Blue Edge Advisors Pte Ltd. Additionally, Tian Yee is Deputy Chairman of Pavilion Capital and a director of Seviora Holdings.

Mr Ho holds BA (Hons) in Economics from Portsmouth University and MBA from the University of Chicago.

Key Management

CHEW GEK KHIM, PJG
Executive Chairman

Please refer to profile of Ms Chew under "Board of Directors" section for more information.



ERIC TENG, BBM, PBM
Group Chief Operating Officer
CEO, Straits Developments Private Limited

Mr Eric Teng's responsibilities as the Group Chief Operating Officer ("GCOO") includes driving organisational vision, operations strategies, managing capital market activities and the "Co-Invest" platform, implementing business strategies and plans to align with the Group's long and short-term objectives.

As Chief Executive Officer ("CEO") of Straits Developments Private Limited, he is responsible for the Group's property (except for properties under Straits Real Estate Pte. Ltd.) and hospitality businesses, new business opportunities and leads the Group's corporate functions.

Mr Teng joined the Tecity Group in 2005 and was CEO of Tan Chin Tuan Foundation from 2006 to 2010. Between 2009 to 2015, he held key appointments at Straits Trading, including CEO for the Property and Hospitality divisions from 2010 and 2013. He was Executive Director and CEO of SGX-listed Heeton Holdings Limited before rejoining Straits Trading in October 2019.

Mr Teng is an Advisor to the Tecity Group and Tan Chin Tuan Foundation. He holds an MBA from the National University of Singapore.

DESMOND TANG
CEO, Straits Real Estate Pte. Ltd.

Mr Desmond Tang has been CEO of Straits Real Estate Pte. Ltd. ("Straits Real Estate") since February 2014. He drives the business growth and investment strategies of Straits Real Estate.

Mr Tang has more than 30 years of experience in real estate investment and management. Prior to joining Straits Real Estate, he was Managing Director and Co-Head at Alpha Investment Partners and Managing Director at GrowthPath Capital Private Limited which he co-founded.

Mr Tang holds a Bachelor of Science (Honours) in Real Estate from the National University of Singapore and a Master of Applied Finance from Macquarie University.

DATO' DR. (IR.) PATRICK YONG MIAN THONG
Group CEO & Executive Director,
Malaysia Smelting Corporation Berhad

Dato' Dr. (Ir.) Patrick Yong Mian Thong joined Malaysia Smelting Corporation Berhad ('MSC") in 2016. As the Group CEO and Executive Director, he leads in the strategic development, policies and business operations of MSC.

Dato' Yong started his career as an engineer with the National Electricity Board of Malaysia in 1976, fulfilling his scholarship contractual obligations. He joined Tai Kwang Yokohama Industries Bhd as CEO from 2007 to 2010 and was subsequently appointed as Group CEO of Yokohama Industries involving SLI battery manufacturing and secondary lead smelting from 2010 to 2015.

He holds a Bachelor of Science (Honours) in Electrical and Electronics Engineering and a PhD in Electrical Engineering, specialising in the field of efficiency in energy conversion and storage.

MANISH BHARGAVA
CEO, Straits Investment Management Pte. Ltd.

Mr Manish Bhargava has been the CEO of Straits Investment Management Pte. Ltd ("SIM") since February 2019. With more than 20 years of real estate investment experience, Mr Bhargava is a seasoned fund manager who has been responsible for investing in global real estate securities.

Prior to joining SIM, he was the Head of Asia at APN's Asian Real Estate Securities and the dedicated Fund Manager for APN's Asian REIT strategies. Mr Bhargava has also worked at Tiedemann Investment Group, Starwood Capital Group and European Investors Inc.

Mr Bhargava holds a Master of Science in Accounting/Management Information Systems from Oklahoma State University.

TAN HWEI YEE
CEO, STC Property Management Sdn. Bhd.
Head, Property, Straits Developments Private Limited

Ms Tan Hwei Yee has been the CEO of STC Property Management Sdn. Bhd. since July 2019. She is responsible for the development of Straits City at Penang, Butterworth, a 40-acre integrated master-planned development.

As Head of Property at Straits Developments, Ms Tan manages the Group's owned property assets (excluding those owned, operated or managed by Straits Real Estate Pte. Ltd.) as well as other properties which are outsourced to the Group to manage.

Ms Tan has more than 18 years of experience in developing and managing properties in Singapore and Malaysia. She graduated from the Nanyang Technological University with a Bachelor of Civil Engineering and holds a Master of Science in Environmental Engineering, a Master of Science in Real Estate, and a Master of Business Administration from the National University of Singapore.

YEO ENG KWANG
Deputy Chief Investment Officer

Mr Yeo Eng Kwang is the Deputy Chief Investment Officer for the Straits Trading Company as of June 2023. As Deputy Chief Investment Officer, Mr Yeo heads the investment office, which reports to the executive chairman and board of directors on matters relating to capital allocation, the capital structure of the group, and corporate-related activities. He also oversees treasury and financing matters.

Before joining Straits Trading, Mr Yeo founded and ran a MAS-registered fund management company from 2018 to 2023. Prior to that, he was a senior portfolio manager for the Tecity Group, the single family office of the late Tan Sri (Dr) Tan Chin Tuan, and worked in corporate banking at DBS. He had also served as a non-independent, non-executive director on the board of Malaysia Smelting Corp.

Mr Yeo graduated from Nanyang Technological University with a business degree (2nd Class Upper Honours) and is a CFA charterholder.

Management Team

THE STRAITS TRADING COMPANY LIMITED

SELINA HO
Head, Investor Relations & Shareholders' Club

CHIANG JOON-ARN
Head, FIR-ST™ Corporate Ventures

JOANNE SONG
Financial Controller

YANG HEJIA
Financial Controller

STRAITS REAL ESTATE PTE. LTD.

PAUL YI
Deputy Chief Executive Officer
Chief Investment Officer

ADELINE FONG
Deputy Chief Executive Officer
Head of Asset Management

LIM QUEE EE
Director of Finance

MALAYSIA SMELTING CORPORATION BERHAD

NICOLAS CHEN SEONG LEE
Deputy Chief Executive Officer (Administration)

LAM HOI KHONG
Group Chief Financial Officer

MADZLAN ZAM
Executive Director & Senior General Manager, Rahman Hydraulic Tin Sdn. Bhd.

Financial Highlights

	2023 $'000	2022 $'000	2021 $'000	2020 $'000	2019 $'000
Total revenue	**491,659**	527,620	396,559	308,891	363,637
Earnings before interest, tax, depreciation and amortisation	**79,475**	613,378	401,045	133,848	165,081
Earnings before interest and tax	**72,663**	606,977	394,176	125,726	157,005
Profit before tax	**(11,633)**	562,984	362,070	95,957	129,320
Profit attributable to owners of the Company	**(28,567)**	551,259	234,254	51,483	84,371
Shareholders' funds	**1,460,035**	1,737,443	1,771,382	1,537,998	1,519,121
PER SHARE					
Earnings per share (cents)	**(6.4)**	127.0	57.6	12.7	20.7
Dividend per share (cents)	**8.0**	* 58.0	8.0	6.0	6.0
Net asset value per share ($)	**3.26**	3.86	4.35	3.78	3.73
FINANCIAL RATIOS					
Return on equity (%)	**(1.8)**	31.4	14.2	3.4	5.7
Net gearing (%)	**72.8**	60.8	46.7	42.4	33.5

* In addition to the cash dividend of 8.0 cents per share, the Company also distributed Special dividend via distribution *in-specie* in 2022, comprising 17,686,975 ordinary shares of Straits Trading and 48,510,280 ordinary shares of ESR Group Limited.

	2023 $'000	2022 $'000	2021 $'000	2020 $'000	2019 $'000
STATEMENT OF FINANCIAL POSITION					
Total non-current assets	**2,657,323**	2,842,152	2,603,979	2,260,346	2,006,809
Total current assets	**782,225**	659,384	583,927	825,600	642,385
TOTAL ASSETS	**3,439,548**	3,501,536	3,187,906	3,085,946	2,649,194
Equity attributable to owners of the Company	**1,460,035**	1,737,443	1,771,382	1,537,998	1,519,121
Non-controlling interests	**137,426**	137,055	163,468	188,940	150,195
TOTAL EQUITY	**1,597,461**	1,874,498	1,934,850	1,726,938	1,669,316
Total non-current liabilities	**1,445,224**	1,143,829	622,547	684,790	705,649
Total current liabilities	**396,863**	483,209	630,509	674,218	274,229
TOTAL LIABILITIES	**1,842,087**	1,627,038	1,253,056	1,359,008	979,878
TOTAL EQUITY AND LIABILITIES	**3,439,548**	3,501,536	3,187,906	3,085,946	2,649,194

Year in Review

MALAYSIA SMELTING CORPORATION BERHAD

Straits Trading holds a strategic position in the tin industry through its 52%-owned resources subsidiary, Malaysia Smelting Corporation Berhad ("MSC" together with its subsidiaries, "MSC Group"). MSC Group plays a pivotal role in the global tin industry, involved in tin mining and smelting activities, and continues to be a significant refined tin producer in the world, operating in both the upstream and downstream sectors of the tin value chain. MSC Group is also recognised as the world's largest custom toll smelter providing tolling services to smelt third-party tin ores from customers.

In 2023, the global tin market witnessed significant movements with prices falling sharply from approximately US$30,000/ metric tonne ("MT") to around US$22,000/ MT in the first quarter of 2023 amid sluggish tin consumption, following weaker demand for electronic products, particularly in industries heavily reliant on tin, such as consumer electronics.

As the year progressed, tin prices rebounded on the back of growing supply fears in anticipation of Indonesia's impending ban on tin ingot exports, and Myanmar's mining halt, which started in August 2023. Towards the end of 2023, demand for tin also recovered with the electronics sector driving consumption, which further supported tin prices.

Against a challenging operating landscape, mired by economic uncertainties, inflationary pressures, and lingering geopolitical tensions, MSC Group delivered a resilient performance with increased tin output in FY2023.

During the year, MSC Group adopted a dividend policy to distribute at least 30% of its net profit, reflecting its commitment to reward shareholders.

For FY2023, MSC Group declared an interim dividend of 7 sen per share, and proposed a final dividend 7 sen per share, subject to shareholders' approval at the upcoming annual general meeting. Total dividend per share for FY2023 amounts to 14 sen per share, representing a 69% payout based on FY2023 net profit, exceeding MSC Group's dividend policy to distribute at least 30% of its net profit attributable to owners.

▲ Pulau Indah Smelter

OPERATIONAL PERFORMANCE

MSC Group's current tin smelting activities are primarily undertaken at the Pulau Indah smelter, while the old smelter in Butterworth will be utilised for tin extraction from leftover intermediates and clean up remaining tin-bearing slags and seepages. The Butterworth smelter has been in operations since 1902 using ageing reverberatory furnaces, and is currently being phased out in stages with full decommissioning by 2025.

As the Butterworth plant is being decommissioned, tin smelting activities for MSC Group have transitioned to a new, state-of-the-art smelter in Pulau Indah. This facility is equipped with the cutting-edge Top Submerged Lance ("TSL") furnace which utilises a single-stage smelting process, as compared to the multi-stage processes in the reverberatory furnaces at Butterworth. This enables MSC Group to maximise tin recovery, leading to greater resource optimisation, extraction yield and lower operating cost.

The TSL furnace also streamlines smelting and ancillary processes through automation, managed from the operations control room. This translates to reduced manpower and improved cost efficiency for MSC Group.

The Pulau Indah plant utilises natural gas, which mitigates MSC Group's carbon footprint. To further minimise carbon emissions, MSC Group harnesses renewable energy for operations; 1.26MWp photovoltaic solar panels have been installed on the rooftop of the premises at Pulau Indah, contributing to higher energy efficiency and lower energy costs.

In FY2023, the average utilisation of the TSL furnace was approximately 60% - 70% of its designed capacity. This resulted in MSC producing higher production of refined tin of 20,722 tonnes for the year, against 19,385 tonnes in FY2022.

RAHMAN HYDRAULIC TIN SDN. BHD.

Separately, MSC Group's tin mining activities are undertaken by its subsidiary, Rahman Hydraulic Tin Sdn. Bhd. ("RHT"), which operates Malaysia's largest hard-rock open-pit tin mine, located at Klian Intan, Perak ("RHT Tin Mine"). Throughout the year, RHT focused on enhancing mining yield and efficiencies. As a result, production of tin-in-concentrates expanded to 2,598 tonnes in FY2023, as compared to 2,542 tonnes a year earlier.

FINANCIAL PERFORMANCE

For FY2023, MSC Group's revenue amounted to RM1,435.7 million, as compared to RM1,503.6 million in FY2022. The slightly lower revenue reflects the impact of lower average tin prices, despite higher sales of refined tin during the year. Average tin prices fell by 13.6% to RM118,100/MT from RM136,700/MT in FY2022. Consequently, MSC Group's FY2023 pre-tax profit and net profit stood at RM128.6 million, and RM85.1 million, respectively.

MSC Group's smelter at Pulau Indah underwent an annual scheduled maintenance of 2 months from mid-June to mid-August 2023. Despite this downtime, MSC Group's international tin smelting operations achieved improved performance for FY2023, rebounding from a net loss of RM5.5 million in FY2022, to a net profit of RM36.0 million. The turnaround was on the back of higher profits from sale of refined tin derived from tin intermediates, as well as higher sales of by-products, and smelting revenue.

Net profit for MSC Group's tin mining segment stood at RM64.4 million, as compared to RM95.1 million in FY2022, affected by less favourable tin price movements in FY2023.

▲ *Mining Site in Klian Intan, Perak*

OUTLOOK

The global tin market faces a dynamic landscape in 2024, shaped by geopolitical tensions, economic challenges, and a surge in technological innovation. Ongoing conflicts, particularly in the Middle East and Europe, along with Myanmar's mining halt, and Indonesia's potential export ban may disrupt supply chains and contribute to market uncertainty. Nonetheless, tin's critical role in various rapidly developing sectors offer significant potential for demand growth.

Tin's versatility is the key strength. As a crucial component in electric vehicles, and solar energy systems, its demand is linked to advancements in these transformative industries. Driven by the push for clean transportation, the rise of electric vehicles also means increased demand for tin used in lithium-ion batteries. Similarly, tin's conductivity and reliability make it vital for the seamless operation of technological systems. Tin's significance extends to the renewable energy sector with its use in solar panels, and energy storage solutions, aligning with the global shift towards sustainability. These trends are expected to play a major role in shaping the tin market, stimulating demand for the metal in years to come.

At MSC Group, we recognise the immense potential within the tin market, and are positioning the company to capitalise on these arising opportunities. For the smelting business, the planned shutdown of the Butterworth smelter by 2025 will enable us to cut costs by approximately 30%. At the same time, we aim to increase the utilisation of the TSL furnace to achieve optimal economies of scale.

As for the tin mining operations, RHT remains steadfast in increasing mining productivity. Alongside this, exploration efforts to expand RHT's mining landbank are ongoing. To ensure long-term mining continuity, RHT is in the midst of developing new waste areas and tailing ponds on the lands adjacent to the RHT Tin Mine to expand its mining pit further.

With our strategic initiatives in place, MSC Group is poised to navigate the dynamic tin market and capitalise on its long-term growth potential. Our commitment to operational efficiency, and sustainable practices positions us favourably within an industry underpinned by strong technological and environmental trends.

Year in Review

STRAITS REAL ESTATE PTE. LTD.

In a year of waning business conditions and global uncertainties, Straits Real Estate's ("SRE") main focus was on stabilising the performance of its portfolio. Proactive cash flow management was key in navigating the unusually high capital cost environment, and a combination of pragmatic asset and treasury management ensured SRE delivered a stable operational performance in 2023.

Notwithstanding the lacklustre market sentiment, SRE continued to actively evaluate opportunities for capital recycling and exited several matured investments in the year. Capital was reinvested into new opportunities in the Australia logistics property sector, and into certain office properties to enhance their market competitiveness. At the same time, SRE continued to grow recurring income from its portfolio of investment properties with rental income rising 22.1% to $63.9 million in 2023.

Operationally, net profit attributable to recurring income was S$26.8 million for full year 2023. This was in spite of higher financing costs in key markets, demonstrating SRE's effective interest hedging regime and the stable quality of income generating assets in its portfolio. The higher interest rate environment also resulted in higher cap rates and pressure on asset valuation. SRE's assets under management ("AUM") stands at S$2,099.0 million as at end 2023.

AUSTRALIA

To curb stubbornly high inflation rates, the Reserve Bank of Australian resumed its rate hike regime early in 2023, raising the cash rate to 3.35% in February. This hawkish approach continued for the next nine months and brought rates to 4.35% by November 2023. The deteriorating high interest rate environment increased financing cost for property investors further and was a significant dampener for general business sentiment.

Nevertheless, SRE's portfolio of logistics assets in Australia performed well, delivering strong occupancy and steady income. The Nexus North Industrial Estate in South Australia is 100% pre-leased. Committed tenants include Noumed Life Sciences, Maxispan, CoolDrive and Entech Electronics, among others. The buildings feature energy efficient lighting and natural light, solar panels and water recycling systems. To capitalise on its experience in the sector, SRE made further investments to expand its portfolio of logistics and industrial assets in Australia in 2023. The company completed the purchase of a plot of development land at 23-45 Stock Road in South Australia, with a plan for it to be developed into a warehouse/manufacturing facility (named Cavan Connect) with approximately 22,950 sqm of lettable area when completed. Additionally, SRE also entered into an agreement to purchase a parcel of development land in the established industry area of Melbourne East Precinct. The land parcel, which was acquired jointly with a co-investment partner, will potentially yield 20,500 sqm of lettable area when fully developed.

At 885 Mountain Highway at Bayswater Victoria, SRE successfully converted 4,412 sqm of office space, creating a cluster for biomedical research, clinical trials and other specialised uses.

At 320 Pitt Street, the lease with the Commonwealth Government of Australia has commenced. The building is now 100% occupied notwithstanding that the office market sector in Sydney has generally stayed weak.

▲ 1010 La Trobe

The upgrading programme at 1010 La Trobe, which cost A$8.6 million, was completed in the year. New additions included an enhanced ground floor lobby, business lounge, café and a fully-equipped gymnasium for tenants. A new end-of-trip facility with 50 bike spaces and showers also serves to encourage active commute and reduce carbon footprint. The refreshed property is attracting healthy interest from potential tenants despite market conditions as the property's Dockland location appeals to those who want to relocate to central Melbourne but do not want to be at the heart of the central business district.

UNITED KINGDOM

The UK was marked by both muted economic growth and persistent inflation that stayed above 6% for the first three quarters of 2023. The Bank of England opted to prioritise the latter, and raised interest rate from 4.0% in the beginning of year to 5.25% over seven months. While interest rate has stabilised in the second half of the year (albeit still high) and may have peaked, the economy remains lacklustre.

At the Bourne Business Park in Surrey, the redevelopment of Building 100 was completed in October 2023. SRE adopted an environmentally sensitive back-to-frame approach in the development process, which effectively reduced embodied carbon by 30%. The new building has a lettable area of 23,950 sqft, 65% higher than the old building and has more efficient layout. Building 100 which had been designed to achieve BREEAM Excellent and NABERS 5.5 star, is a best-in-class office building that is powered by electricity only. It has photovoltaic panels to generate renewable energy on-site, an end-of-trip facility and EV charging stations for tenants.

The Gloucester Business Park in Gloucestershire, England, secured several lease renewals and achieved average rent reversion increase of 36% in 2023.

The portfolio of five retail parks that SRE has invested also performed well in the year. The discount formats of these parks are particularly popular with consumers at these times of increasing cost of living and low consumer confidence. Occupancies have stayed well over 90%.

CHINA

The strong economic rebound many expected in the beginning of the year when China emerged from the pandemic did not happen as the country suffered from the impact of deflationary pressure, deepening property crisis, dwindling export volume, and weak consumer sentiments. Notwithstanding the state of its economy, SRE's retail malls in China performed well operationally in 2023. My Place Mall in Chongqing, for example, achieved sales and footfall that surpassed the previous height of 2021. This Platinum LEED-EB certified mall has gone from strength to strength, and was awarded the 2023 Outstanding Retail Property Operator Prize (2023 年度商业地产优秀运营商奖) at the 11th China Retail Real Estate South-Western Summit.

LOOKING AHEAD

SRE will continue to stay focused on enhancing resilience through growing recurring income and capital recycling at the right opportunity. This will allow the Group to deliver greater value and sustainable returns to our shareholders.

STC PROPERTY MANAGEMENT SDN BHD – STRAITS CITY FUTURE CITY

▲ Artist Impression of Straits City.

STC Property Management Sdn. Bhd. ("STCPM") is a wholly-owned subsidiary of Straits Trading that spearheads the development of Straits City - a smart and sustainable integrated development in Butterworth, Penang. Co-owned by Straits Trading and Malaysia Smelting Corporation Berhad, this 40-acre prime seafront mixed-development seamlessly weaves together residential, retail, and commercial elements to create a dynamic and innovative urban ecosystem.

Strategically located in the Central Business District of Butterworth, just 2km from the transport node of the region, Penang Sentral, Straits City enjoys unparalleled connectivity with easy access to well-established transportation modes such as trains, public cars/buses and ferries.

Straits City catalyses the rejuvenation of the historic Butterworth, transforming the locale into a vibrant hub. It envisions to shape the future of work, live and play, foster a thriving community and to leave an indelible mark on the cityscape.

The phase 1 of Straits City marks a significant milestone in our endeavour to redefine hospitality and retail in Butterworth. Anchored by a 343-room Crowne Plaza Hotel and a 42,000 square feet retail podium – Straits Galleria, it is slated for opening in 1H of 2024. The Straits Galleria will offer a diverse range of F&B and services curated to both international visitors and local patrons. Complementing the completion of Phase 1 is the Straits City Concept Centre, which features a 10,000 square feet concept gallery that serves as a nexus for inspiration, innovation, and fostering creativity within the community.

▲ Phase 1 of Straits City, Crowne Plaza Penang Straits City (left) and Concept Centre (right), Butterworth, Penang.

OUTLOOK

In 2023, Malaysia's economic growth stabilised at 3.7%, marking a notable normalisation following the remarkable 22-year high of 8.7% recorded in 2022. Despite global and domestic challenges, the country experienced a historic milestone in foreign direct investment approvals, reaching a new height of RM329.5 billion in investment value. Penang emerged as one of the top five states, recording a significant investment value of RM44.9 billion (January to September 2023).

In addition to the influx of foreign direct investment, the tourism sector has also played a pivotal role in strengthening the economic growth. Penang's tourism sector witnessed a remarkable surge of 64.5% in international airport passenger movements in 2023.The offer of visa-free entry for citizens of China and India spurred a substantial increase in tourist arrivals to Malaysia, stimulating the tourism industry and contributing to overall economic growth.

As the only 5-star accommodation in the vicinity, the tourism sector's resurgence bodes well for our hotel's occupancy. Straits City anticipates to emerge as the premier destination catering to both international and domestic tourists.

Year in Review

STRAITS INVESTMENT MANAGEMENT PTE. LTD.

Straits Investment Management Pte. Ltd. ("SIM"), a wholly owned subsidiary of Straits Trading, is a licensed fund management company regulated by the Monetary Authority of Singapore. The firm, incorporated in February 2019, invests globally in equities, fixed income, and real estate alternatives.

OVERVIEW

2023 could be described as nothing short of a rollercoaster. Headlines were negative for real estate throughout the year, either through debt defaults, a lack of return to office, or higher interest rates. Sentiment in commercial real estate turned incrementally negative following the collapse of Credit Suisse in March and concerns about a tightening lending environment increased.

The most significant headwind was the rapid rise in interest rates, which increased borrowing costs for REITs and made acquisitions more expensive. Going into 2023, the market had anticipated only two interest rate hikes, and that the Fed would be 'done' by March. Instead, there were four hikes, and the Fed didn't 'pause' until September. Ultimately, the US 10-year bond yields peaked in October at around 5% - the highest since 2007. To mitigate the impact of rising rates, REIT managers prioritized prudent debt management, extending maturities and locking in fixed-rate financing where possible. This helped to cushion the blow of rising rates in the latter half of the year. Long-term bond yields decreased meaningfully in the fourth quarter, with the US 10-year Treasury falling from 4.57% to 3.88% and the 30-year from 4.70% to 4.03%.

As rates started to reverse in November, the global real estate sector staged a strong rally over eight weeks to close the year with a gain of 9.8%. While there were undeniable challenges posed by rising interest rates, global economic uncertainty, and geopolitical tensions, the sector demonstrated remarkable resilience and adaptability. As of 31 December 2023, the global real estate sector was trading at an 11% discount to NAV and offered a dividend yield of 3.9%.

OUTLOOK

As we move into 2024, cautious optimism prevails, with a focus on navigating uncertainties while capitalizing on opportunities for growth and innovation. The economy has remained resilient, fuelled by excess savings from Covid and continued job growth. The Fed believes inflation has come down faster than they had previously expected, and that the inflation created during Covid was due to supply demand imbalances rather than the typical wage price spiral in the past. The Fed is potentially done hiking interest rates, and the market is expecting several interest rate cuts for the calendar year, but we will need to see more benign inflation prints and a subdued labour market for this to happen. Lower interest rates generally increase the attractiveness of REITs as income generating investments, potentially leading to higher stock prices. Fed rate cuts could provide a boost to public real estate, but their timing and broader economic context will determine the precise impact. While the likelihood of a soft landing is higher than it was a year ago, it is too early to declare a complete victory as inflation is not yet at the Fed's 2% target.

Industrial and logistics, fuelled by e-commerce and supply chain complexities, stand poised for continued growth. Residential markets, with varying dynamics across regions, offer pockets of opportunity. Office and retail sectors will need to adapt to evolving work patterns and consumer preferences. The growing need for computing power and data storage driven by Artificial Intelligence advancements will likely increase demand for data centre space.

Embracing innovation, staying informed, and focusing on long-term strategies will be key for navigating the year ahead. At SIM, we believe it is more important than ever to stay disciplined and continue to buy good businesses with strong balance sheets at attractive valuations while keeping dry powder for when markets become fearful, which invariably happens from time to time.

ESR GROUP LIMITED

ESR Group Limited ("ESR") is Asia Pacific's ("APAC") leading real asset manager powered by the New Economy. ESR's total assets under management ("AUM") grew 7.3% year-on-year to US$156 billion[1], and it is one of the largest listed real estate investment managers globally. ESR is listed on the Mainboard of The Stock Exchange of Hong Kong, and is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

ESR has a fully integrated fund management and development platform that extends across key APAC markets, comprising Australia/New Zealand, Japan, South Korea, Greater China, Singapore, Southeast Asia and India, with global reach into Europe and the United States. As a leader in New Economy, ESR delivers both quality and scale in logistics, data centres and in new emerging areas of growth such as life sciences and high-tech industrials. ESR is co-founded and led by an experienced senior management team each with over 20 years of experience and a strong track record in generating value for investors across multiple cycles.

NEW ECONOMY ASSETS

Straits Trading believes that ESR is well-positioned to benefit from the APAC New Economy, which in our view is amongst the largest secular growth opportunity. ESR's fully integrated fund management and development platform, focused on its growth pillars of New Economy, Alternatives and REITs in APAC, offers investors a comprehensive suite of public and private investment solutions in its closed-loop ecosystem. This unique and scalable platform allows global capital partners to increase their allocation to New Economy real assets in key markets, representing over 95% of GDP in the APAC region. As one of the largest managers of listed and private REITs in APAC, ESR is also poised to benefit from the increasing financialisation of New Economy real estate in the region. REITs and core capital funds which provide a stable source of recurring fee income across market cycles, accounted for approximately 61% of ESR's fee-related AUM of US$81 billion[1] as at 31 December 2023.

▲ *ESR Kawanishi Distribution and Techno Park (Artist Impression)*

Some notable projects that are in various stages of development include:

- US$1.5 billion multi-phase ESR Kawanishi Distribution and Techno Park in Greater Osaka;
- US$800 million Busan New Port logistics park in Greater Busan, at South Korea's largest container terminal;
- Two data center developments in Japan and South Korea offering 144MW capacity, which are seeded into ESR Data Centre Fund; and
- Development of Australia's largest intermodal logistics precinct, the Moorebank Intermodal Precinct in southwestern Sydney with an estimated value of A$4.2 billion when fully developed.

OUTLOOK

ESR is focused on the ongoing syndication of balance sheet assets into funds or perpetual vehicles under its management, with a target to deliver US$1.5 to 2.0 billion of divestments to reduce ESR's gearing over the medium term towards the low end of the gearing target of 20-30%. In August 2023, ESR announced the disposal of a portfolio of six assets in China to its largest-ever onshore RMB income fund, with fund size of up to RMB10 billion. In December 2023, ESR announced that China Securities Regulatory Commission and the Shanghai Stock Exchange have received its application for the listing of its inaugural ESR China REIT. Should ESR China REIT successfully list, we believe ESR will benefit given ESR's China portfolio, development work-in-progress, and China's rapidly expanding REIT regime, presenting ESR with the opportunity to recycle capital, as well as capture the large growth opportunity from financialisation of real assets in China.

ESR has progressed the LOGOS integration following its merger with ARA, and with its completion, delivered on cost and revenue synergies and solidify its market leadership in Australia as it scales. We continue to look forward to further cost-savings as ESR further integrates the various aspects of the business and creates additional synergies. Straits Trading has faith in ESR's management execution capabilities and is confident that ESR is headed in the right direction by maintaining its asset-light trajectory via proactive asset recycling along the value chain. As the business scales, ESR is well-positioned to realise the benefits of economies of scale.

Straits Trading believes that ESR continues to be an attractive investment for exposure to APAC's New Economy real assets. The platform and its suite of private real estate fund and REIT products, coupled with its network of superior logistics, data centers and commercial assets globally could present synergistic opportunities for Straits Trading, and enhance the growth and value of the Group.

▲ *Moorebank Logistics Estate*

1 Based on ESR's FY 2023 Financial Results

Year in Review

FAR EAST HOSPITALITY HOLDINGS PTE. LTD.

Far East Hospitality Holdings Pte. Ltd. ("Far East Hospitality"), Straits Trading's 30%-owned joint venture formed in 2013 with Far East Orchard Limited, is a premier hospitality assets owner and operator. In the same year of its formation, Far East Hospitality and Australia's Toga Group formed a 50-50 joint venture, Toga Far East Hotels ("TFE Hotels"). Today, Far East Hospitality has a combined portfolio of over 16,500 rooms under management across close to 100 hotels and serviced residences in 10 countries – Australia, Austria, Denmark, Germany, Hungary, Japan, Malaysia, New Zealand, Singapore, and Switzerland.

Far East Hospitality has a stable of 10 unique and complementary brands, including Oasia, Quincy, Rendezvous, Village, Far East Collection, A by Adina, Adina Hotels, Vibe Hotels, Travelodge Hotels and Collection by TFE Hotels.

KEY DEVELOPMENTS

The hospitality business delivered better operating performance as international travel continued to recover strongly, driving higher occupancies and room rates, which in turn contributed to higher fees and operating profit. Straits Trading's hospitality segment delivered S$2.7 million profit before tax for FY2023, against S$0.8 million profit before tax for FY2022. This improvement is achieved despite the absence of certain one-off gain and government grants that our investee received in FY2022. In 2023, Far East Hospitality grew its hospitality management portfolio with the opening of six hotels comprising more than 650 rooms in Austria, Australia, Japan and Switzerland.

OUTLOOK

Far East Hospitality continues to see improvement in hotel occupancies and room rates across its portfolio as the tourism sector rebounds.

According to United Nations World Tourism Organization ("UNWTO"), international tourism ended 2023 at 88% of pre-pandemic levels[1]. The unleashing of remaining pent-up demand, increased air connectivity, and a stronger recovery of Asian markets and destinations are expected to underpin a full recovery by the end of 2024. However, UNWTO noted that staff shortages could be an issue as tourism business face a shortfall in labour to cope with the high demand.

The International Air Transport Association ("**IATA**") reported[2] that industry-wide air traffic recovery continued in December 2023 and total 2023 traffic reached 94.1% of 2019 levels. Domestic traffic set new highs in 2023 with revenue passenger-kilometers (RPKs) at 3.9% above 2019 levels. International traffic rose 41.6% YoY and reached 88.6% of pre-pandemic levels. Asia Pacific airlines more than doubled their RPKs, growing 126.1% YoY, but remained 27.3% below 2019 levels. This demonstrates the potential for further traffic recovery in the Asia Pacific region.

In Singapore, international tourist arrivals reached 13.6 million in 2023. This is 71% of 2019 levels at 19.1 million. Singapore Tourism Board expects the tourism sector to continue its growth momentum this year, on the back of increasing flight connectivity and capacity, as well as the implementation of the mutual visa-free travel between China and Singapore. International visitor arrivals are expected to reach around 15 to 16 million in 2024. In terms of hotel statistics, average occupancy increased 4.9% YoY to 80.1% with RevPAR increasing 19.5% to S$225.77. This compares favourably with 2019's average occupancy of 86.9% and RevPAR of S$191.96.

Far East Hospitality is well-positioned to benefit from the continued recovery in international as well as domestic travels.

While the tourism outlook appears optimistic, uncertainty in the international economic environment could pose headwinds to the recovery of the sector. The main factors weighing on the recovery include geopolitical tensions, labour shortages, persistent inflation, higher interest rates and high oil prices, resulting in higher cost of operations and slower recovery in demand.

STRATEGY

Far East Hospitality will actively take steps to position its business to capture opportunities as the market recovers to pre-pandemic levels and beyond. The management is working to enhance selected assets to position the portfolio for the full recovery. Coupled with marketing efforts to drive corporate business growth, we believe Far East Hospitality is poised to achieve increased revenue and profit. At the same time, the management will maintain a prudent capital structure and drive growth via the asset light management contract model, leveraging on its brand equity. Our investment in Far East Hospitality has weathered the pandemic well, given its robust balance sheet. As our hospitality platform, we aim to continue to support its growth, its strategy to transform its brands and offerings, and its push towards its goal of having 25,000 rooms under management by 2025. This is a scalable platform that Straits Trading will look to capitalise when suitable opportunities arise.

▲ *Adina Serviced Apartments Vienna*

1 Based on UNWTO report, https://www.unwto.org/news/international-tourism-to-reach-pre-pandemiclevels-in-2024
2 Based on IATA report, IATA - Global Air Travel Demand Continued Its Bounce Back in 2023

Investor Relations

At Straits Trading, we prioritise building strong relationships with our stakeholders and the investment community.

We place a high priority on engagement with investors and providing them with access to our senior management and investor relations team. We maintained our efforts to reach out to investors locally and internationally through non-deal roadshows and meetings. In addition, since 2019, we have been actively engaging shareholders through the Straits Trading Shareholders' Club ("Shareholders' Club") via various events and communication materials. Through the engagements, the company focused on understanding investors' needs and expectations in order to foster stronger relationship between shareholders and the company. The three main objectives of Shareholders' Club are to deepen engagement, enhance knowledge and enable co-investment opportunities for shareholders.

Shareholders who had registered with the Shareholders' Club had the opportunity to attend events in FY2023 such as:

- Dine with Straits Trading: An Evening of Knowledge on Real Estate
- Sustainability Forum – Navigating Challenges and Opportunities in Asia's Business Landscape
- Botanic Gardens Gallop Extension Guided Tour
- Tan Chin Tuan Mansion Tour
- Mastering Retirement Planning

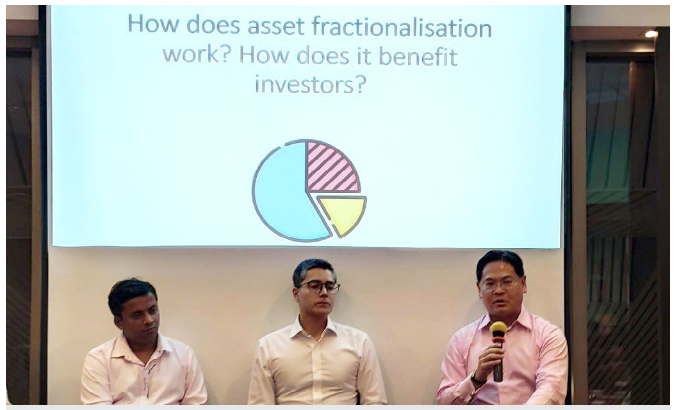
Overall, Straits Trading believes the Shareholders' Club is a holistic way to engage, interact and build strong relationship with its shareholders and create value for them in addition to just financial returns.

To register with the Shareholders' Club, shareholders of Straits Trading can register themselves at https://shareholdersclub.sg to be part of the community. Registration is free and voluntary.

Share Price (S$)	2019	2020	2021	2022	2023
As at last trading day of the year	2.12	2.06	3.31	2.33	1.81
High	2.37	2.15	3.78	3.49	2.43
Low	2.01	1.49	2.01	2.03	1.76
Average	2.10	2.05	3.32	3.00	2.08

Source: Bloomberg

▲ *Shareholders Taking Part in Dine with Straits Trading*



▲ *Panellist Discussion with Vijay (RHB), Manish and J.A. Chiang*

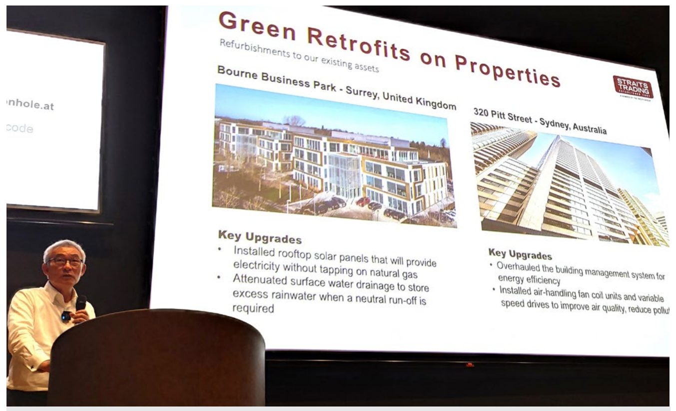
▲ *Shareholders Visit to Tan Chin Tuan Mansion*

Investor Relations

LIST OF INVESTOR RELATIONS ACTIVITIES

DATE	ACTIVITY
16-18 Jan 2023	Investor Non-deal Roadshow (Hong Kong)
2 Mar 2023	FY2022 Results Briefing
15 Mar 2023	Webinar – Is Real Estate Tokenisation a Way to Optimise the Portfolio (Collaboration with SDAX)
28 Apr 2023	Annual General Meeting
6 May, 24 Jun, 22 & 29 Jul 2023	Tan Chin Tuan Mansion Tour
13 Jun 2023	Sustainability Forum – Navigating Challenges and Opportunities in Asia's Business Landscape
22 Jun 2023	Noah's Ark CARES Charity Dog Cruise Dinner
15 Jul 2023	EdgeProp Property Investment Festival 2023
18 Aug 2023	1H FY2023 Results Briefing
19 Aug, 16 Sep & 21 Oct 2023	Botanic Gardens Gallop Extension Guided Tour
30 Aug 2023	Dine with Straits Trading: An Evening of Knowledge on Real Estate
14 Oct 2023	Mastering Retirement Planning

▲ *Sustainability Forum Panel Discussion with Moderator, Jovi Ho (The Edge), Eric Teng (STC), Melissa Moi (UOB) and En Lee (LGT)*



▲ *Sharing of STC's Initiatives at Sustainability Forum*

▲ *Shareholders attending the sustainability forum*

▲ *Mastering Retirement Planning Talk with Lorna Tan*

Sustainability Report

STATEMENT FROM THE BOARD

For Straits Trading, the stability of our operating markets and communities is vital for sustained growth and prosperity.

Dear valued stakeholders,

The Board of Directors ("the Board") is pleased to present The Straits Trading Company Limited's ("Straits Trading") eighth Sustainability Report, covering the financial year ending on 31 December 2023 ("FY2023"). This comprehensive report provides a detailed overview of our holistic sustainability approach, including corporate governance, stakeholder engagement, environmental initiatives, and social programmes. It encompasses all significant aspects of our sustainability efforts and responsible business practices.

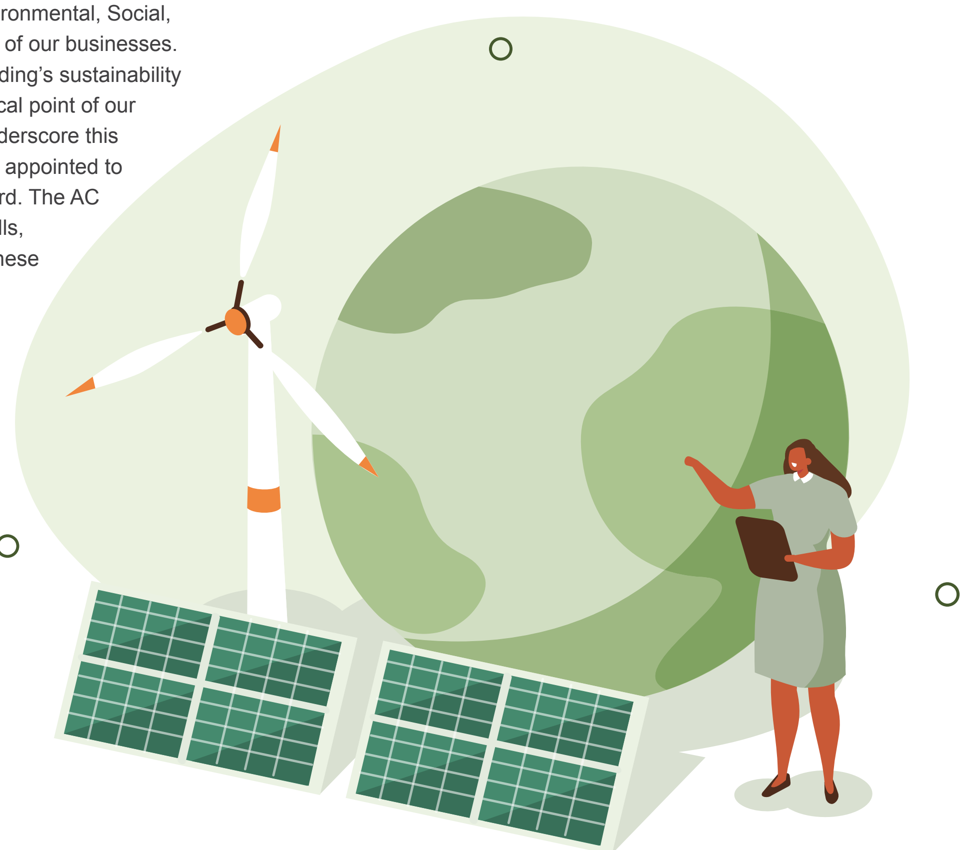
For Straits Trading, the stability of our operating markets and communities is vital for sustained growth and prosperity. The following sections in this report details the advancements of our sustainability journey.

MAINTAINING OUR CLIMATE COMMITMENTS

As a conglomerate with significant exposure in the resources, property, and hospitality sectors, we are strategically positioned to enact our sustainability visions through robust Environmental, Social, and Governance ("ESG") efforts across all aspects of our businesses. The Board plays a pivotal role in driving Straits Trading's sustainability initiatives, ensuring that sustainability remains a focal point of our strategic decision-making processes. To further underscore this commitment, the Audit Committee ("AC") has been appointed to oversee ESG matters, reporting directly to the Board. The AC comprises members with diverse expertise and skills, enabling them to effectively monitor and manage these critical issues. In addition, during the year, Straits Trading have formed a Sustainability Taskforce ("STF") led by the AC to streamline and enhance our sustainability endeavours.

As we progress in our sustainability journey, we continue to enhance our climate risk management framework. In FY2023, we conducted a thorough assessment to identify the impacts of climate risks and opportunities across our operations, assets, liabilities, and financial performance, aligning with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). In view of the Singapore Exchange's ("SGX") recommendations, we have started identifying climate risks for our selected portfolios. This proactive approach demonstrates our commitment to effectively manage climate-related risks and opportunities within our investment strategies.

We maintain our adherence to the global sustainability reporting standard set by the Global Reporting Initiatives ("GRI"). This ensures that our ESG disclosures are thorough, transparent, and in line with the expectations of both the market and our stakeholders. Our goal is to provide stakeholders with a clear understanding of our sustainability efforts and their impact on our businesses and the broader ecosystem.



Sustainability Report

STATEMENT FROM THE BOARD

EMBEDDING SUSTAINABILITY INTO OUR BUSINESS DNA

We recognise the importance of setting a long-term unified sustainability vision to guide our ESG efforts. Our vision emphasises our duty to enhance resilience within our operations and the broader community, playing a significant role in our overall business accomplishments. During the year, we solidified this enduring strategy into our sustainability vision, reaffirming our commitment to realising value for all stakeholders.

We firmly believe that our greatest influence lies in effecting change across four key areas: investment, corporate governance, management environmental risks in our assets, and employee engagement. These areas shape the strategic decisions and actions undertaken by the Board, which drives our commitment to enhance sustainability across all operations at Straits Trading.

We are dedicated to taking a balanced approach, emphasising sustainability endeavours alongside our pursuits across diverse business lines. As part of this commitment, we rigorously examined our business ventures and operations, as well as refreshed our material ESG factors, ensuring their relevance to both our stakeholders and the business. The Board leads and provides oversight over the development of these factors. Together with the management team, the Board also monitors these factors closely and drives sustainability actions to mitigate ESG risks. We are confident that these proactive measures will elevate our understanding of our environmental footprint, and further empowering us to make informed decisions aimed at greening our business operations.

GREENING OUR PORTFOLIO

In our real estate business, we have adopted a comprehensive approach to seize sustainability-related opportunities, enhancing the resilience of our real estate development and investment endeavours. Within Straits Real Estate ("SRE"), significant emphasis has been placed on integrating green building design features into our real estate portfolio across China, Australia, and the United Kingdom. These features improve our energy efficiency and reduce carbon emissions. These efforts were recognised by numerous green certifications over the years, demonstrating our commitment to support green development in the real estate sector.

Meanwhile, in Malaysia, STC Property Management ("STCPM") is spearheading the development of Straits City, a state-of-the-art integrated seafront project spanning 40 acres in the historic city of Butterworth, Penang. The development master plan includes the integration of Internet-of-Things ("IoT") and innovative technology features for environmental monitoring and management. In previous years, STCPM partnered with Nanyang Technological University's Earth Observatory of Singapore to conduct a comprehensive sea modelling assessment, focusing on understanding climate impacts such as flooding risks in Straits City. As a result of this study, STCPM implemented an improved drainage infrastructure, which included the installation of a monsoon drain to further mitigate flooding risk at our property.

We firmly believe that our comprehensive strategies for integrating sustainability and climate risk mitigation efforts into our business will prepare Straits Trading well for the challenges ahead. Furthermore, we are confident that these initiatives will position us to unlock new business opportunities.

GIVING BACK TO COMMUNITY AND STRENGTHENING STAFF ENGAGEMENT

At Straits Trading, we believe that the socio-economic upliftment of the local community is not only essential for the well-being of our employees but also a cornerstone for the growth of our business. During the year, our commitment to community development was manifested through tangible support for a diverse array of local causes and community groups. Our initiatives, marked by volunteerism and staff donations, showcased our unwavering dedication to making a meaningful impact.

Tackling social and environmental issues will be a key component of our forthcoming sustainability phase. This will help us make a significant difference in promoting a sustainable future at our firm.

On behalf of the Board and the management team, we extend our heartfelt gratitude to all stakeholders for their support as we progress on this transformative journey. Straits Trading remains committed to its vision and mission in its course to create long term sustainable value for our stakeholders.

Yours faithfully,
Board of Directors
The Straits Trading Company Limited

OVERVIEW

The Straits Trading Company Limited boasts a rich history dating back to its establishment in 1887 as a tin smelting and trading enterprise. Today, it stands as an investment conglomerate with diverse financial interests spanning resources, property, and hospitality sectors.

Our resources business comprises of 52% stake in Malaysia Smelting Corporation Berhad ("MSC"), one of the leading tin smelters in the world, listed on both Bursa Malaysia and the Singapore Exchange Securities Trading Limited.

Under the property business, Straits Trading develops, invests, and operates a diversified property portfolio. Our property portfolio is held under the following entities:

- Straits Developments Private Limited ("SDPL")
- Straits Investment Management Pte. Ltd. ("SIM")
- Straits Real Estate Pte. Ltd. ("SRE")
- STC Property Management Sdn. Bhd. ("STCPM")

Additionally, we hold 30% interest in Far East Hospitality Holdings.

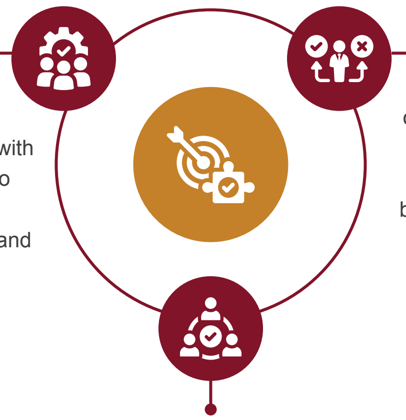
Headquartered in Singapore, our reach extends internationally. As of 31 December 2023, our workforce comprises 127 employees. Among them, 59 are based in Singapore, 14 in Malaysia, and 54 in China.[1]

SUSTAINABILITY AT STRAITS TRADING COMPANY

VISION

To create sustainable value for our stakeholders and an equitable future.

MISSION



Foster a culture of innovation, with adaptation to progressive technology and ideas.

Uphold our governance standard with integrity and business ethics.

Prioritise the safety, well-being, and professional development of our employees.

SUSTAINABILITY PLEDGE

We aim to achieve green certifications for all of our buildings by 2030 and achieve net zero emissions for Scope 1 and 2 greenhouse gas ("GHG") by 2050.

SUSTAINABILITY AT ITS CORE

Our sustainability vision is rooted in our history as a resilient conglomerate that has weathered world wars and economic downturns over the last 136 years. We have overcome our challenges by demonstrating our commitment to pursuing business growth, generating social and environmental benefits for our local communities. We adapt to unique ESG factors for each business in alignment with our sustainability vision. This fortifies our conglomerate's resilience to meet evolving sector expectations.

In FY2022, we have identified relevant ESG factors for our businesses.[2] To strengthen our commitment in balancing ESG risks and opportunities against our business needs, we conducted a comprehensive qualitative climate scenario analysis for selected properties in FY2023. This exercise allowed us to systematically identify and evaluate climate-related risks within our portfolio. The analysis followed TCFD recommendations and takes into consideration the International Sustainability Standards Board ("ISSB") guidelines. We are currently in the process of integrating the identified climate risks into our enterprise risk management report.

1 In previous years, the ESG data of our 52%-owned subsidiary, Malaysia Smelting Corporation Berhad ("MSC"), was included in our sustainability reports. Upon a thorough review of our organisational boundaries in accordance with the GHG Protocol Corporate Standards using the Operational Control Approach and the Global Reporting Initiative (GRI) standards, we note that we do not have control over daily operations at MSC. The subsidiary is not within our operational control as it is governed by its own governing committee for business planning and ESG strategies. Based on this analysis, MSC's ESG data including employee numbers will not be included in our report. MSC's ESG data can be found in their respective reports and website.

2 We strive to provide comprehensive information of all our subsidiaries and associates. Where relevant, we have disclosed ESG data on our subsidiaries and associates in this report or provided references to our subsidiaries and associates' reports and websites for further information.

Sustainability Report

SCOPE OF THE REPORT

In FY2023, we expanded our disclosure to cover three Scope 3 emission categories: Fuel and Energy (not in Scope 1 and 2), Waste Management, and Employee Commute. We are also evaluating the materiality for additional Scope 3 categories, with findings to be disclosed in future reports.

We have also started developing our decarbonisation strategies and roadmap, underscoring our dedication to supporting global climate goals of achieving net zero by 2050. The ESG initiatives will be guided by our sustainability vision, thereby fostering resilience across our operations, contributing to the broader community, and ultimately enhancing our business success.

This Sustainability Report, an integral part of our Annual Report, serves as a comprehensive overview of our commitments, governance structures, policies, and performance in managing the ESG impacts in FY2023.

We strive to ensure that comprehensive and transparent disclosures of all subsidiaries and associates (also collectively known as "group of entities") under Straits Trading are made available to stakeholders, taking reference from internationally recognised reporting frameworks such as the GRI standards.[3] We work closely with our subsidiaries and associates to manage emissions and environmental impacts, actively monitoring the environmental and social impacts of our group of entities.

This report provides comprehensive disclosures of key subsidiaries where our ownership exceeds the controlling threshold of 50% shares, and where we exercise control over their daily operations and practices. ESG data for other subsidiaries and associates, in which we hold minority stakes or have no control over their daily operations and practices, can be found separately in their respective reports or on their websites.[4] To enhance our ESG's practices and performances, we will enhance the policies and the standard operating procedures that we already have in place.

Based on the above scope, the ESG information disclosed in this Sustainability Report focus primarily on entities that are majority-owned and directly controlled by Straits Trading as listed below,[5] unless otherwise stated:

- Straits Developments Private Limited ("SDPL")
- Straits Investment Management Pte. Ltd. ("SIM")
- Straits Real Estate Pte. Ltd. ("SRE")
- STC Property Management Sdn. Bhd. ("STCPM")

Whilst Straits Trading holds 52%-stake in Malaysia Smelting Corporation Berhad ("MSC"), it is separately listed and governed by its independent committees, and oversees their own financial, business, governance, and ESG matters. As such, MSC is excluded from this report. However, we engage closely with MSC's board and management, having frequent discussions to develop green solutions and adapt sustainable technologies aimed at reducing emissions across their tin mining and smelting operations.

Our goal is to provide stakeholders with a comprehensive understanding of our ESG initiatives, performance metrics, and the impact of our operations on the environment and society. We present this information in the spirit of accountability and transparency, further reinforcing our commitment to responsible corporate practices.

3 The group of entities addressed here include all material subsidiaries and associates covered in our financial reporting scope.
4 Information on associates and subsidiaries in which we have minority stakes or have no control over their operations and practices can be found in their respective reports and websites.
5 In previous years, the ESG data of our 52%-owned subsidiary, MSC, was included in our sustainability reports. Upon a thorough review of our organisational boundaries in accordance with the GHG Protocol Corporate Standards using the Operational Control Approach, we note that we do not have operational control over MSC. The subsidiary is not within our operational control as it is governed by its own governing committee for business planning and ESG strategies. Based on this analysis, MSC's emissions will be accounted for within our value chain emissions (Scope 3 emissions – Category 15: investments). We are in the process of collecting MSC's emission data and will disclose them in our future sustainability reports.

SCOPE OF THE REPORT

DEFINING THE CONTENT OF THE REPORT

We adopt a balanced approach to managing our risks and opportunities throughout our businesses and investment lines, considering the expectations of our stakeholders, and acknowledging our impacts on the wider society and the environment. We have also carefully analysed the extent to which Straits Trading has control and influence over the various ESG impacts of our business activities to identify the most effective management opportunities.

We believe we have the most control in the following four areas:

- Investing in a responsible manner
- Practising good corporate governance
- Managing climate and environmental risks in our portfolio of assets
- Engaging and developing our employees

Being capital partners, we have a certain extend of influence with our business associates. As investors in various funds, we have some influence over how capital is invested by fund managers or how our properties are managed by asset managers. We aim to select managers who demonstrate responsible conduct and maintain regular communication with them to remain informed.

REPORTING FRAMEWORK

The sustainability practices outlined in this report follow the GRI Sustainability Reporting Standards ("GRI Standards 2021") that comply with the SGX Listing Rule 711A and 711B. More information on these references can be found in the GRI Content Index on pages 47-50 of this Report.

Our ESG framework highlights our heritage as a resilient conglomerate with diverse business lines and unique ESG considerations. We construct our ESG approach by disclosing relevant material ESG factors that align with the GRI standards and SGX's 27 metrics. To further strengthen our ESG approach and bolster resilience, we are integrating the TCFD recommendations in this report. Additionally, we will be assessing other relevant climate-related disclosures for inclusion in future reports.

In FY2023, we also proudly endorse and contribute to the United Nations ("UN") Sustainable Development Goals ("SDGs"). This report highlighted our endeavours and achievements in supporting these essential SDGs.

REPORT REVIEW AND ASSURANCE

Adhering to the listing rules established by the SGX, the Group has undertaken an internal review of the critical elements of the Sustainability Report 2023. This review aims to ensure the sufficiency and efficacy of Straits Trading's internal controls governing sustainability reporting processes.

In the forthcoming years, the Group intends to obtain external assurance specifically for key sustainability reporting metrics and performance against predetermined targets. This strategic step aligns with our dedication to transparency and accountability, reinforcing our commitment to robust and reliable sustainability practices. The potential engagement of external assurance will further enhance stakeholders' confidence in the accuracy and integrity of our sustainability disclosures.

FEEDBACK CHANNEL

Feedback from our stakeholders is invaluable for the ongoing enhancement of our reporting and sustainability practices. We encourage and appreciate your views, comments, or feedback, which can be directed to: contactus@stc.com.sg.

SUSTAINABILITY STRATEGY

We aspire to contribute to building a future that is healthier, more sustainable, and equitable, especially in Singapore, where the commitment is towards achieving net-zero emissions by 2050. As demand for sustainable products and alternatives continues to rise in response to evolving climate action, we have reviewed our strategies and implemented innovative initiatives and technologies.

Sustainability Report

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

STAKEHOLDER ENGAGEMENT

At Straits Trading, we understand the importance of involving various stakeholders to achieve our sustainability goals. Maintaining regular and meaningful engagement with our stakeholders is crucial for the alignment of ESG factors that address emerging risks, and ensuring the long-term resilience of the business. We value insights and feedback from both internal and external stakeholders, which moulds our sustainability initiatives, and the development of comprehensive reports and disclosures.

We have identified a total of five (5) key stakeholder groups, based on their relevance and impact on our business, as well as the impact our business has on them. The table below offers a summary of our stakeholder engagement approach.

STAKEHOLDER GROUP	DESCRIPTION	MODE OF ENGAGEMENT
EMPLOYEES	We hold the belief that our most valuable asset is our workforce. The collective experience, skills, and knowledge of our employees serve as a substantial differentiator for our company. We acknowledge that our people play a critical role in our long-term success. At Straits Trading, our commitment goes beyond compliance with all applicable health and safety laws; we are devoted to conducting business in a way that prioritises the inherent safety of our employees. Additionally, we aim to cultivate a work environment that is free from discrimination, intimidation, and harassment to empower every individual to contribute to the success of our company.	• Employee Intranet • Employee Handbook • Regular email communication
GOVERNMENT/ REGULATIONS	We actively engage with government entities and regulators to effectively communicate our perspectives to policymakers who influence our business. Our primary emphasis is on ensuring compliance with statutory laws and regulations.	• Regulation update seminars and briefings
BUSINESS PARTNERS/ THIRD-PARTY SERVICE PROVIDERS	We have implemented the Business Code of Conduct and expect our suppliers to adhere to it. In our pursuit of quality equipment, we have also established stringent vendor evaluation and quality control processes, supported by the implementation of a comprehensive procurement policy. Our procurement policy prioritises the acquisition of low-carbon materials for refurbishment and developmental projects. We also give additional consideration to locally sourced and environmentally friendly options.	• Regular management meetings
INVESTORS/ SHAREHOLDERS	Straits Trading is committed to communicating our strategic objectives, operational updates, and financial performance effectively through our engagement activities.	• Annual General Meeting • Annual Report • Company website • Roadshows/ Analyst briefings • Straits Trading Shareholders' Club
LOCAL COMMUNITIES	At Straits Trading, fostering strong relationships with local communities is paramount. We actively engage with them to comprehend their needs, collaborate on initiatives, and make positive contributions. Transparent communication and accountability are pillars that help build trust, nurture mutual understanding, and create meaningful partnerships. Together, we cultivate shared value that enhances both our business and the communities we serve.	• Sustainability-related conferences/forums • Integrated Sustainability Report • Company website • Collaborations with charities and NGOs for community development

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

MATERIALITY ASSESSMENT

In FY2022, we conducted a comprehensive materiality assessment. The objective was to identify the material ESG factors that has the most significant impacts on both our stakeholders and the business. To refine our materiality assessment process in FY2023, we incorporated the latest market best practices and insights derived from engagements with internal and external stakeholders.
The assessment involved in-depth interviews and discussions with both management and operational staff. The aim was to gain a comprehensive understanding of the aspects within our business that are influenced by these ESG factors. This approach allowed us to gather diverse viewpoints on their current expectations for the Group in terms of managing these ESG factors, enabling us to pinpoint key governance, economic, environmental, and social trends with significant impacts on our business.

In FY2023, we re-validated the continued relevance of our existing ESG factors to our business and the industries in which we operate and invest. Additionally, we have expanded our list to include 4 new ESG factors under Environment, which are Energy, Emissions, Waste, and Water. We have added these new factors to provide more detailed data for the tracking of our environmental performance.

LIST OF ESG FACTORS IDENTIFIED

ENVIRONMENT	SOCIAL	GOVERNANCE
Energy*	Training and Education	Ethics and Compliance
Emissions*	Safety and Health	Economic Impact
Waste*	Diversity and Inclusion	Investing Responsibly
Water*	Human Rights	

* New for FY2023

STRAITS TRADING'S CONTRIBUTION TO THE SDGS

At Straits Trading, we ensure that our efforts contribute to the global Sustainable Development Goals ("SDGs"). In FY2023, we began reviewing and aligning our ESG efforts to specific SDGs. The table below outlines the core SDGs relevant to Straits Trading, demonstrating their connection with our material topics. We are in the process of reviewing the relevant metrics to further demonstrate our contributions to the SDGs in the coming years.

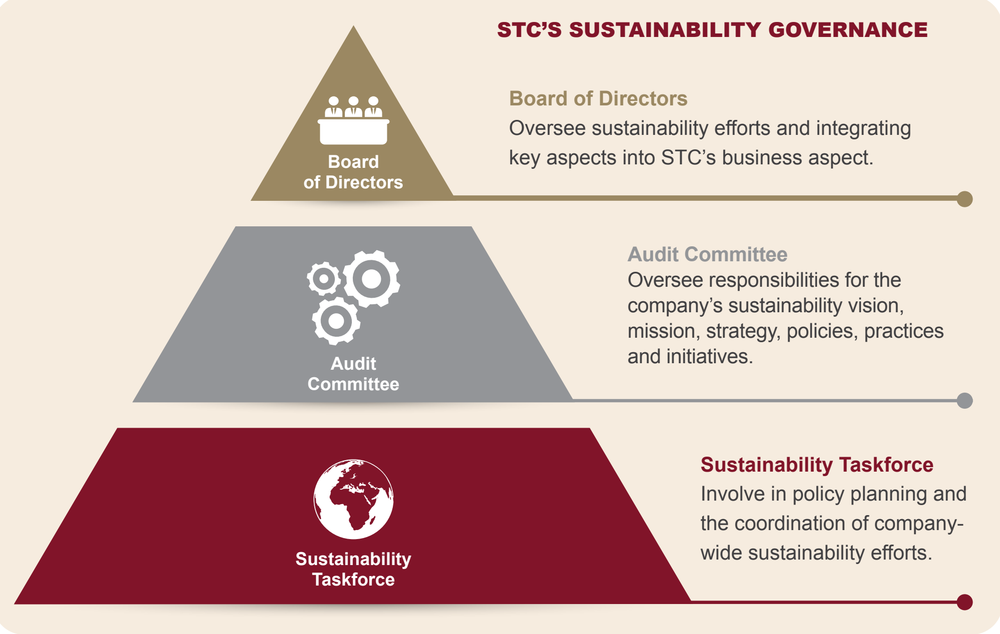
ENVIRONMENT	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
MATERIAL TOPICS	Energy	Emissions	Waste	Water
SOCIAL	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	10 REDUCED INEQUALITIES	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
MATERIAL TOPICS	Training and Education	Safety and Health	Diversity and Inclusion	Human Rights
GOVERNANCE	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
MATERIAL TOPICS	Ethics and Compliance	Economic Impact	Investing Responsibly	

Sustainability Report

GOVERNANCE

OUR SUSTAINABILITY GOVERNANCE APPROACH

The Board plays a pivotal role in steering the overall sustainability direction of the Group.[6] The AC is tasked with authorising and overseeing management while also monitoring material ESG factors. Furthermore, the AC periodically evaluates the adequacy of the Group's internal controls to enhance the integrity and credibility of its sustainability reporting. In FY2023, the Board participated in a sustainability training programme to stay abreast with current and future ESG issues. Additionally, the Board has taken active steps to ensure that the Group adheres to mandatory ESG reporting obligations in FY2023. This underscores the Board's commitment to address sustainability-related matters and fulfil all necessary reporting requirements.



The Sustainability Governance Organisational Structure also consists of the STF led by the AC. This taskforce comprises of members from respective business units and departments. Meetings of the STF are held regularly to address organisation-wide issues, including a comprehensive review of sustainability data and performance against sustainability metrics, targets, and ESG frameworks. The STF plays a crucial role in deploying, implementing, and continuously improving initiatives within the scope of sustainability-related policies and procedures.

ETHICS AND COMPLIANCE POLICIES

At Straits Trading, we attain ethical and transparency excellence by establishing our foundation on robust internal governance policies and procedures:

WHISTLEBLOWER POLICY

Our commitment extends to creating a workplace that encourages open communication on business practices and safeguards employees from unlawful retaliation and discrimination when properly disclosing or reporting illegal or unethical conduct. Our Whistleblower Policy helps uphold this commitment and is available to all staff.

BUSINESS ETHICS AND INTEGRITY

We are committed to upholding the highest ethical standards in our interactions with all stakeholders, particularly governments and their representatives. We follow all applicable laws and regulations, including special requirements for communication with government bodies that may have regulatory authority over its products and operations, such as government contracts and transactions.

BUSINESS CODE OF CONDUCT

We have established a strong code of conduct for our employees, which is outlined in our Employee Handbook. Straits Trading is committed to conducting our operations fairly and transparently.

6 Subsidiaries and associates where Straits Trading have minority stakes or have no control over their daily operations and practices have separate governance structure and bodies that oversee ESG, business and financial planning. These disclosures are available separately in their own reports or websites.

GOVERNANCE

Anti-Corruption and Bribery

At Straits Trading, we regard anti-corruption as an integral aspect of our organisational culture. This commitment is not only driven by our desire to be responsible corporate citizens but also stems from our awareness of the potential harm that corruption can inflict on our reputation and business operations. To ensure that all employees are well-versed in our ethical standards, we have established an Employee Handbook outlining appropriate work ethics, particularly when addressing potential conflicts of interest. This Handbook is readily accessible to all employees and includes procedures for mitigating corruption and bribery incidents, aligning with our Whistleblower Policy.

Our Whistleblower Policy serves as a comprehensive framework, offering guidelines and procedures for addressing complaints related to unethical business practices, internal controls, fraud, and accounting. Both employees and third parties can submit these complaints, and we handle them in accordance with the Policy's stipulated guidelines. Moreover, we provide quarterly updates to the AC on whistleblowing matters, ensuring transparency and accountability in our commitment to combatting corruption.

Compliance with Relevant Local Laws and Regulations

We view compliance with applicable laws and regulations not merely as a legal obligation but as an integral part of our responsibilities towards investors and other stakeholders. Recognising that ensuring compliance demands effective management and regular monitoring, we consistently review our Board Assurance Framework to maintain its relevance amidst a dynamic legal and regulatory environment.

Our business activities are subject to a myriad of laws and regulations governing various aspects, including our business practices, the use of products and services, and environmental regulations across all operating locations. To guide our employees' actions and behaviours, we have instituted internal rules and policies detailed in our Employee Handbook. These encompass work ethics, employee behaviour, the management of regulatory compliance, and conflicts of interest. Moreover, we strictly adhere to the Personal Data Protection Act ("PDPA") and have implemented a comprehensive PDPA compliance manual and policy to ensure employee understanding and adherence to the legislation. In line with this commitment, we mandate all employees, consultants, and suppliers to sign the appropriate PDPA consent form.

INVESTING RESPONSIBLY

As investors, we acknowledge the presence of systemic risks, which can include uncertainties related to the industry, geopolitical and social stability, currency fluctuations, or rising interest rates. These factors, though not exhaustive, can significantly influence the valuation of investments. As conscientious investors, we are also attentive to how ESG indicators can either magnify or mitigate these risks.

At Straits Trading, we have set up a Market Risk Committee that consists of executive key management personnel who are experienced and competent in risk assessment, risk monitoring and risk management. This committee will report to the Board who provides guidance and oversight of the committee. The Market Risk Committee, along with the external expertise we have engaged, is tasked with evaluating potential new areas of risk.

In line with our commitment to consistently deliver long-term sustainable returns to shareholders, we advocate for the holistic integration of ESG factors into our investment decisions. The inclusion of ESG considerations as part of our investment criteria has been a longstanding practice, and we remain dedicated to continuing this approach in the future.

As responsible investors, we conduct risk assessments covering:

- Energy and building sustainability shortcomings
- Monitoring for fraudulent transactions and illegal activities
- Scope of contingency plans for business continuity and operational resilience during emergencies
- Know-your-customer checks, which also encompass anti-money laundering assessments

By incorporating these considerations into our investment strategy, we aim to make informed and responsible decisions that align with our commitment to long-term sustainability.

Investment Criteria

During the acquisition phase, we will assess the sustainability risks of an investment. This involves a thorough examination of risks related to the funds or real estate properties as part of the due diligence stage. The due diligence process incorporates multiple levels of screening for potential investment risks, along with procedures for monitoring these risks and defining exit strategies. To support the investment team in due diligence, we engage advisers based on their market experience and track record.

Our active collaboration with top-tier local partners is integral to ensuring the realisation of our intended outcomes for our investments throughout the investment terms.

We have also implemented various policies, including the Financial Authority Limits ("FAL"), the Operations Handbook, the Hedging Policy, the Trading Compliance Manual, and the Treasury Policy of the Straits Trading Group.

Additionally, we actively monitor and assess concentration risk within both geographical regions and asset classes. This evaluation is conducted when exploring new opportunities within our established markets, which include Australia, China, Japan, Malaysia, Singapore, South Korea, and the United Kingdom. This ongoing diligence is a fundamental aspect of our commitment to effectively manage sustainability risks throughout the entire investment lifecycle.

Sustainability Report

TCFD DISCLOSURE

MANAGING OUR CLIMATE RISK

Mitigating the climate risks to the assets and the sectors that we operate in, we are committed to enhancing our resiliency of our business and buildings in response to climate change. We are pleased to share our progress in understanding and managing the impacts of climate change, aligning with the Task Force on Climate-related Financial Disclosures ("TCFD") framework.

In FY2023, we engaged an external consultant to deliver a series of training sessions covering climate risk and opportunities identification, assessment, reporting, and other ESG topics for the Board, management, and employees. This initiative aims to further develop our expertise and enhance our understanding in relation to the development of relevant TCFD-related disclosures.

We also conducted a qualitative scenario analysis to understand the climate-related impacts on our property portfolio and to inform future business and financial decisions (see table below for more details). In addition, we undertook a thorough examination of our value chain to identify key entities, assets, and operational activities where we have operational control. This approach enables us to allocate ownership and responsibilities over emission sources, particularly distinguishing between the roles of landlord (i.e., Straits Trading) and tenants. By adopting this approach, we can effectively mitigate the risk of double-counting emissions as we develop our first GHG emission inventory. In our assessment, we have identified specific emission streams and sources falling under our direct operational control, encompassing our Scope 1 and 2 emissions. This category notably includes all investment properties under our direct management. As of FY2023, we oversee the operations of 16 investment properties located across Singapore, Malaysia, Australia, China, and the United Kingdom. We have also reviewed our upstream and downstream value chain and further identified material Scope 3 categories.

This section provides a summary of the organisation's responses to TCFD's recommendations across the key pillars of Governance, Strategy, Risk Management, and Metrics & Targets. The information aims to effectively address climate-related risks and opportunities, offering stakeholders a transparent view of the organisation's progress in this crucial area.

TCFD PILLAR	RECOMMENDED DISCLOSURES	STRAITS TRADING COMPANY APPROACH
GOVERNANCE	a) Describe the Board's oversight of climate-related risks and opportunities	The Board holds a crucial role in guiding the overall sustainability direction of the Group. The Board is supported by the AC, which assists in fulfilling its oversight responsibilities. The AC's primary duties include aiding the Board in overseeing the company's sustainability vision, mission, strategy, policies, practices, and initiatives.
	b) Describe Management's role in assessing and managing climate-related risks and opportunities	The STF regularly updates the AC and the Board on climate-related issues. Once updated, the Board and AC have clearly stated roles and responsibilities to assess and manage any material climate-related risks and opportunities that could impact Straits Trading, and they will take appropriate action accordingly.
STRATEGY	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	We conducted a qualitative climate scenario analysis on two of its properties in Australia and the United Kingdom. Through this analysis, the following climate-related risks were identified. **PHYSICAL RISK:** • **Heat stress** entails the escalation in frequency and severity of extreme heat events stemming from the planet's escalating temperatures. As global temperatures rise, primarily attributed to human-induced factors such as GHG emissions, heat waves become more frequent and intense. • **Flooding** risk refers to the likelihood of encountering flooding on an annual basis, considering existing flood mitigation measures. • **Water stress** is determined by assessing the ratio of total water consumption to the renewable water resources accessible. Elevated values in this metric indicate heightened competition among various stakeholders for water resources. The exposure signifies a challenge in managing water resources efficiently and sustainably, considering the competing demands from various stakeholders and potential constraints on water availability.

TCFD DISCLOSURE

TCFD PILLAR	RECOMMENDED DISCLOSURES	STRAITS TRADING COMPANY APPROACH
STRATEGY		**TRANSITION RISK:** • **Policy and regulations** –Policy and regulation risk associated with shifts in governmental policies, regulations, and legal frameworks aimed at addressing climate change. These risks encompass factors such as the implementation of carbon pricing mechanisms, changes in building codes to promote energy efficiency, and shifts in environmental standards, which can significantly affect the operational landscape and financial performance of real estate entities. We note that while carbon taxes are currently absent in both Australia and United Kingdom, the potential implementation of such regulations in the future, could pose challenges by increasing operational costs. Moreover, we acknowledge the emergence of stricter building design requirements aimed at curbing carbon emissions and enhancing energy efficiencies. Adapting to these evolving regulatory landscapes requires proactive measures, including the adoption of sustainable building practices, investment in renewable energy technologies, and strategic partnerships to navigate potential compliance challenges effectively. In our assessment, we also noted the following potential transitional opportunity for our Australian and United Kingdom assets: • **Technology** – Technology opportunity under transitional climate risks refers to the potential benefits and competitive advantages arising from the adoption and integration of innovative technologies aimed at mitigating climate change impacts. This includes leveraging advancements in renewable energy, energy efficiency solutions, smart building technologies, and sustainable infrastructure to enhance operational efficiency, reduce environmental footprint, and position real estate entities as leaders in sustainability. Our integration of various green technologies has facilitated the attainment of green building certifications. This strategic initiative not only enhances our energy efficiencies but also significantly reduces our environmental footprint. Furthermore, by incorporating green technologies, we effectively mitigate our exposure to utility price fluctuations, thereby enhancing the long-term sustainability and financial resilience of our real estate assets.
	b) Describe the impacts of climate-related risks and opportunities on the organisation's business strategy, and financial planning	We recognise that climate-related risks such as heat stress, flooding, water stress, and policy regulations, present significant challenges to our real estate operations, with implications for our business and financial performance. We have identified 2 business impacts from the climate-related risks: • **Adaptation and Mitigation Activities**: Implementing adaptation and mitigation activities incurs significant upfront costs, impacting our capital expenditure and financial planning. • **Operations**: Physical risks can influence property maintenance and overall business continuity. Higher operating costs may also be incurred due to flood protection and increasing cooling demand. Additionally, water stress may affect water-dependent amenities, impacting the functionality of our properties.

Sustainability Report

TCFD DISCLOSURE

TCFD PILLAR	RECOMMENDED DISCLOSURES	STRAITS TRADING COMPANY APPROACH
STRATEGY	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	As part of our climate scenario analysis, we have chosen two representative concentration pathways ("RCP") alignments that represent 2°C and 4°C. We specifically utilised two RCP (2.6 and 8.5) to simulate scenarios ranging from low to high GHG concentration trajectories. RCP 2.6 is considered the most optimistic among the RCPs used for climate predictions. It outlines a scenario where extensive efforts are made to curb global warming. In this pathway, the level of radiative forcing peaks around year 2050 and then declines by year 2100. RCP 8.5 is characterised as "business-as-usual" scenario, depicting a future with minimal efforts to reduce GHG emissions. This trajectory is based on the expectation of continuous reliance on fossil fuels without significant progress in renewable energy technologies or substantial policy changes geared towards environmental sustainability. Both scenarios were selected to represent the extreme boundaries of physical and transitional risks that Straits Trading may face in the future.
RISK MANAGEMENT	a) Describe the organisation's processes for identifying, assessing, and managing climate-related risks	We employ a comprehensive approach to identify and assess climate-related risks. Our approach starts with qualitative scenario analysis, where we utilise two distinct time horizons to capture both short-term and long-term risks. This approach allowed us to model potential outcomes under varying degrees of climate change severity and policy responses. The climate scenario analysis helped us understand the scope of risks under differing global response scenarios and to help us strategise our process for implementing adaptive and mitigation risk measures effectively.
	b) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	In FY2023, Straits Trading conducted an exercise to identify and assess climate change risks and opportunities through a qualitative scenario analysis, which considers emerging regulations, market trends, and feedback from employees and management. Further details on Straits Trading's risk management processes and internal controls can be found in the Corporate Governance Report in Annual Report 2023 (pages 61-64).
METRICS	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Please refer to the Environment section for details of our environmental performance.
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	We have implemented a robust approach to GHG emissions reporting, adhering to the GHG Protocol Corporate Standard. In FY2023, we have successfully developed our GHG inventory, encompassing Scope 1, 2, and 3. This commitment underscores our dedication to precise GHG accounting and transparency in reporting. Please refer to our Environment section for further details on our GHG emission approach and methodology, as well as our performance.
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	We are currently assessing the feasibility of adopting additional carbon reduction targets. For more detailed information on our existing GHG emissions inventory and progress against current goals, please refer to the Energy and GHG Emissions section below.

ENVIRONMENT

OUR ENVIRONMENTAL COMMITMENT AND STRATEGIES

There is a clear need to continue to innovate and create sustainable solutions in order to secure a liveable future for all. As a conglomerate with significant operations in real estate, we are keenly aware of our environmental impacts and responsibilities. The built environment[7] makes up nearly 40% of carbon emissions. Of these emissions, 70% comes from building operations and 30% from construction.

At Straits Trading, we are dedicated to play our part in mitigating environmental risks across our business operations. We are committed to develop innovative solutions across the value chain – from development, construction to investment and end-of-life management – to minimise environmental impacts.

We also have significant investments in the resources industry.[8] Our subsidiary, MSC, is involved in tin mining and smelting operations. We work closely with MSC's governing committees and respective operational teams to explore opportunities to decarbonise the tin mining and smelting operations, including the use of renewable energy generation on site.

We believe that our environmental initiatives within our operations and investments will contribute to the Group's long-term resilience, secure our competitive advantage and unlock value for stakeholders. To guide our environmental strategies, we have established robust internal policies[9] which we review regularly to ensure adherence and compliance with relevant laws and regulations in our operating markets.

Recently, we updated our Sustainability Policy to provide clear guidelines for embedding sustainability considerations in our business operations. For instance, we have identified Environmental Risk and included it into our Enterprise Risk Management ("ERM") framework. We also plan to incorporate additional climate-related risks into the ERM framework in the future, as and when applicable. Lastly, for all our environmental initiatives, we have designated personnel to manage, monitor, and report the environmental performance across the Group.

Our policy also sets out environmental best practices for employees in their daily operations that impact our business. Some of these practices include:

- Prioritise procurement of low-carbon materials in refurbishment and developmental projects
- Consider locally sourced and environmentally friendly options in procurement exercises
- Prioritise water and energy efficient technologies in refurbishment and developmental projects
- Build capacity across the real estate industry through public and private sector partnerships

DEVELOPING GHG INVENTORY (SCOPE 1, 2 AND 3) AND SETTING TARGETS

To strengthen our commitment to mitigate environmental risks in our organisation and in the sector, we believe the first step is to understand our environmental footprint. We developed our first GHG inventory in FY2023 in collaboration with an external partner. We believe this is a crucial step in which the inventory will form a baseline for us to set our future environmental and climate targets, as well as to track performance against targets over time.

We also collated data to understand our electricity and water consumption, as well as waste generated across assets and operations that we have control over. In the coming years, we will continue to track our environmental footprints, and develop rigorous and comprehensive environmental management plans to effectively reduce our impacts.

In line with this, we are currently in the process of developing a robust decarbonisation strategy. We also plan to establish and disclose quantitative targets in due course. In the meantime, we will continue to actively pursue decarbonisation solutions and innovative technologies that can help us to optimise our energy efficiency.

7 For more details on emissions from buildings, please see https://www.architecture2030.org/why-the-built-environment/.

8 We own a 52%-stake in MSC, in which makes up a material portion of our Scope 3 emissions. We are in the process of consolidating the emission data of MSC and will disclose in due course.

9 Straits Trading complies with all local regulations in its operating markets. We adhere to the local property and environmental standards, which includes safety, health, and environmental regulations. In addition, we also have a group-wide sustainability policy to provide guidance to incorporate environmental consideration in business planning as well as to set out best practices for employees. Our subsidiary's, MSC, regulatory compliance information can be found in its respective sustainability reports.

Sustainability Report

ENVIRONMENT

GHG Inventory

Our GHG inventory (Scope 1, 2 and 3) is developed in accordance with the GHG Protocol Corporate Standards, which is the leading global standards for emission accounting. We undertook extensive internal stakeholder discussions and fact-finding sessions to accurately define our organisation and operational boundaries. In addition, we examined the value chain of our business to identify key entities, assets, and operations that we have operational control. This approach allowed us to effectively delineate ownership and responsibilities over emission sources, especially between the landlord (i.e., Straits Trading) and tenants. This approach also helps us to reduce the risk of double counting of emissions.

To develop our GHG inventory, we identified the emission streams and sources where we have control over daily operations (Scope 1 and 2). This included all our investment properties[10] that we manage in Singapore, Malaysia, Australia, China, and the United Kingdom as of FY2023.

We have also preliminarily identified key material Scope 3 categories related to our operations based on their relevance to our core operations, global best practices, and the availability of reliable and credible data. In FY2023, we will disclose three Scope 3 emission categories: "Fuel and Energy (not in Scope 1 and 2)", "Waste", and "Employee Commute". We are in the process of collecting data for the remaining material categories, including emissions (Scope 3) from our resource-based subsidiary, and will strive to disclose additional categories that falls within our scope in due course.

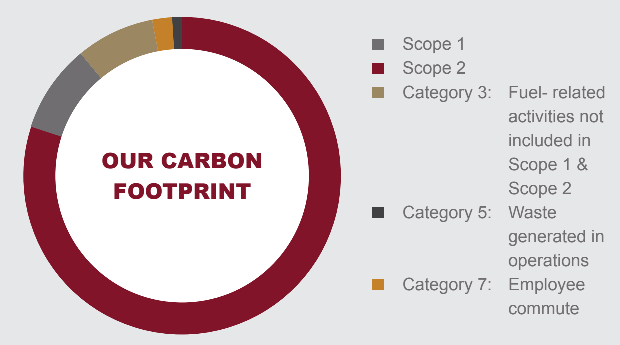
Decarbonisation Target Setting

In FY2023, we initiated the development of our first decarbonisation target for our own operations (Scope 1 and 2 GHG emissions). While we collate and review relevant environmental data for our owned and managed properties, we will explore practical and impactful solutions that can help reduce our emissions over time. We aim to disclose our decarbonisation targets and strategies in our next report (FY2024) using the baseline year FY2023.

OUR ENVIRONMENTAL PERFORMANCE

Emissions and Energy[11,12]

In FY2023, we measured our GHG emissions (Scope 1 and 2) at 6,599 tCO_2e. Our primary source of emissions came from our investment properties. As a result of our continuous efforts to adopt green technologies in our properties, the electricity intensity for our retail buildings were within the top 25th percentile and our offices within the top 50th percentile of commercial buildings based on the benchmark data provided by the BCA Building Energy Benchmarking Report (Statistics and Figures) 2023.[13]



CARBON EMISSIONS

	FY2023
Scope 1 (tCO_2e)[14]	596
Scope 2 (tCO_2e)[15]	6,003
Scope 3 (tCO_2e)[16]	599
Total (tCO_2e)	7,199
Carbon intensity (Scope 1 and 2 only) (tCO_2e/ GFA)	0.09

ENERGY

	FY2023
Purchased electricity (kWh)	9,955,296
Electricity intensity (kWh/m^2)	132

10 As landlord, we account for emissions in common areas, facilities, and equipment (e.g., backup generator owned by landlord and refrigerant, gas and electricity used in common areas or areas controlled by Straits Trading) in our investment properties (16 properties). We do not have control over the daily activities in our properties under development as these are developed and managed by third-party contractors. The embodied emissions from properties will be accounted for under our value chain emissions (Scope 3). We are in the process of collecting this data and will disclose in our future sustainability reports.
11 Our GHG inventory is developed in accordance with the GHG Protocol Standards in which the Operational Control Approach is used to define our organisational boundaries. Our emission factors are derived from the United kingdom's Department for Environment, Food & Rural Affairs ("DEFRA") environmental reporting database, which is aligned to the Intergovernmental Panel on Climate Change ("IPCC") methodology.
12 The difference between the total sums and components of a sum is due to rounding.
13 As there are limited data points globally on building efficiency performance, we have benchmarked the performance of our global portfolio against the data provided by the Building and Construction Authority of Singapore ("BCA") to provide a preliminary view of our performance.
14 Scope 1 includes direct emissions from fuel used in back-up generators, gas used for heating in common areas and other facilities controlled by Straits Trading, loss of refrigerant, and petrol for corporate vehicles.
15 Scope 2 includes indirect emissions from purchased electricity in our investment properties. Scope 2 is disclosed based on location-based approach. In FY2023, we did not purchase renewable energy products.
16 Scope 3 includes upstream emissions and transmission losses, waste generated in investment properties and employee commute. However, as this was the first year that we are collating the data, we were only able to account for limited number of properties and scopes. We will continue to strengthen and improve our data quality.

ENVIRONMENT

Scope 3 emissions made up 8% of total Straits Trading's emissions in FY2023 as we have only begun to account for a few material categories. We will continue to strengthen our Scope 3 data quality over time and take concerted efforts to reduce emissions through collaborations and discussions with our suppliers and customers.

SCOPE 3 EMISSIONS

	FY2023
Category 3: Fuel- related activities not included in Scope 1 & Scope 2 (tCO_2e)	436
Category 5: Waste generated in operations (tCO_2e)[17]	53
Category 7: Employee commute (tCO_2e)	109
Total (tCO_2e)	599

At Straits Trading, we place strong emphasis to provide a safe, inclusive, and environmentally sustainable built environment by exploring innovative solutions to increase building efficiency, reduce environmental risks and create a conducive environment for tenants, visitors, and customers. We take a hands-on approach across the built environment value chain, from partnerships with contractors and suppliers, as well as our own development of green designs and solutions in our investment and development properties. As a results of our efforts across the years, we achieved the following green building certifications[18] for our investment properties, including during refurbishment and in developmental phases:

- NABERS Energy 5 stars and 4 stars for Buildings 1 and 2 at 1010 La Trobe Street respectively
- NABERS Energy 4 stars and NABERS Water 4.5 stars for 45 St Georges Terrace
- NABERS Energy 4.5 stars for the office component of the Mawson Lakes asset in Adelaide
- LEED-EB Platinum for My Place Chongqing
- BREEAM Excellent for Building 200, Building 300 and Building 400 at Bourne Business Park
- BREEAM Very Good for Benefact House, Javelin House and Valiant Court at Gloucester Business Park

In FY2023, we have introduced the following energy efficiency improvements to our buildings:

- Completed the Building Management System ("BMS") upgrade and calibration works for the 320 Pitt Street building, optimising our building operations and reducing energy consumption.
- Installed new LED lightings across 5 floors at 1010 La Trobe Street, further reducing our electricity usage.
- In Malaysia, our flagship development, Straits City, leverages on smart energy systems and green building solutions including LED lights, energy monitoring system, and motion sensor system. In addition, we have implemented high efficiency heating, ventilation, and air-conditioning system to further optimise our energy consumption. We also introduced a green wall to reduce heating load. In the coming years, we plan to implement solar hoarding lights, which are known for their high efficiency and low maintenance requirements.

Our current goal is to achieve green certifications for all our buildings within our portfolio by the year 2030.

Water

In FY2023, our water consumption was 53,634 m^3 for all properties we owned and managed. Straits Trading strongly believes that implementing robust water management practices will help enhance the long-term value of our assets and developments. We regularly conduct reviews on the water usage and management practices for all our properties, implementing new water-saving initiatives wherever applicable.

17 For this year, our calculation of waste data only includes general and organic waste. Additionally, our calculations do not include waste data from our logistics hubs in Adelaide and Melbourne, as we are still refining our waste data collection methodology at those sites.
18 Green building certification standards and awarding bodies differ across geographies. We aim to obtain green building certificates from relevant authorities in our operating markets.

Sustainability Report

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We have consistently implemented water-efficient practices and technologies to decrease water consumption at our properties. Additionally, we actively promote water conservation practices among our tenants and employees. In FY2023, we undertook the following initiatives to enhance water efficiency and manage our wastewater discharge:

- We installed Wels-rated[19] bathroom fittings at 320 Pitt Street to increase water efficiency.
- We installed a 900L-capacity rainwater tank at the Straits City Concept Centre in Malaysia to harvest rainwater and reduce consumption from national taps.
- We installed smart toilets at the Straits City Concept Centre in Malaysia to increase water efficiency.
- We implemented waste and grease traps to prevent environmental pollution from our wastewater discharge.

We will continue to track our performance and review our initiatives to further reduce our consumption.

WATER

	FY2023
Water withdrawal (m^3)	53,634
Water withdrawal intensity (m^3/ m^2)	0.7

Waste

In FY2023, our total general waste amounted to 2,517 tonnes, with 76 tonnes being recycled. The majority of our waste generation is attributed to operational waste from investment properties and construction waste in our developmental projects. We maintain robust internal policies and procedures to ensure proper waste disposal in accordance with local regulations. During FY2023, we implemented the following initiatives to reduce waste generation:

- We started tracking waste data twice a day at our investment properties using a weighing scale in Singapore and Malaysia. This approach provides detailed insights, allowing us to identify hotspots and implement proactive measures to minimise waste generation.
- We have extended our waste tracking efforts to our properties in Australia. Notably, our 1010 La Trobe Street property achieved a NABERS rating of 3-stars for our effective waste management practices. Additionally, we ensure the recycling of food waste wherever feasible.
- Recycling bins at our properties have been strategically repositioned to promote recycling practices.
- We have provided company-wide educational materials to encourage employees to reduce waste generation and practice recycling habits.
- To reduce resource consumption in our operations, we actively discourage the one-time use of office supplies.

Waste from operations in our investment properties:

WASTE

	FY2023
Waste generated (tonnes)	2,517
Waste recycled (tonnes)	76

We will continue to track our waste generation and explore practical options to reduce waste from our properties.

19 Wels water rating uses the same scale as Australian Energy Ratings. It is widely used globally to indicate efficiency of water equipment.

SOCIAL[20]

OUR STRATEGIES TO DEVELOP A FAIR, INCLUSIVE, AND SAFE SOCIETY

At Straits Trading, we believe the continuous support and engagement of our employees and the local community is an important contributing factor to the success of the company. As a commitment to contributing positively to the development of our communities, we have implemented strong policies and social initiatives to improve the well-being of our employees and communities. In addition, we also work closely with our subsidiaries and associates to support their efforts to improve the livelihood of staff and contribute to the local communities.

At Straits Trading, we refer to our firm-wide sustainability policy as guiding principles for our commitment to social responsibility. Our sustainability policy includes the following guidelines related to social responsibility:

- Maintain fair and ethical employment practices, ensuring the well-being, health, and safety of our employees.
- Conduct regular safety training to educate our employees on the risks and means to minimise risks at work.
- Foster a workplace that values diversity and promotes an inclusive environment, promoting equal opportunities and respect for all employees.
- Seek to engage with local communities via corporate volunteering initiatives.

We strive to create a safe and hazard-free working environment, while fostering diversity and inclusivity in our workplace. Our focus extends to talent development, career advancement, and skills training initiatives. We also prioritise local socioeconomic development by enhancing the well-being of our employees. These efforts help lay the groundwork for us to continue building a sustainable, equitable, and resilient firm.

COMMITTED TO A SAFE AND HEALTHY WORKPLACE

Policies

To create a safe and healthy workplace, we adhere to all safety and health regulations in all our building operations. The workers on our construction sites are managed by third-party contractors. On our end, we work closely with these contractors to minimise hazards and ensure a safe working environment for everyone. Additionally, we require major contractors to have a comprehensive Occupational Safety and Health ("OSH") policy. This may include evidence of insurance coverage, training, and safety protocols on site which include the handling of electrical equipment, and risk assessment. We also regularly review these policies to ensure that we maintain a high safety standard that is aligned with all OSH requirements in all our operating markets.

We work closely with all our stakeholders, including our contractors, subcontractors, customers, and suppliers to maintain high Health, Safety, and Environment standards. We have also recently updated our OSH policy and Emergency Response Plan, making them readily available to our employees.

20 Social disclosures of our subsidiaries and associates that are not majority-owned by Straits Trading or where we do not have control over their operations can be found in their respective reports or websites. For MSC's data, please refer to its FY2023 Annual Report, which will contain their Integrated Sustainability Report. The website link is included here: Malaysia Smelting Corporation Berhad (msmelt.com).

Sustainability Report

SOCIAL

At Straits Trading, we prioritise our employees' career goals alongside business success.

As safety and health excellence are integral components of all our business processes, we are committed to continuously uphold high safety standards for the well-being of our employees. In addition, we actively share any identified best practices across the Group.

Straits Trading employees are insured under a Group Term Life Insurance which covers death or total & permanent disability. In addition, the Group Personal Accident Insurance also provides coverage for death and disablement under certain conditions. Through these policies, our aim is to ensure that in the event of an unforeseen workplace accident, our employees and their families will receive comprehensive financial support during their time of need.

Human Rights

We ensure that all our subsidiaries operate in accordance with the local manpower regulations. The majority of our employees are based in Singapore, an active participant in the United Nations Global Compact ("UNGC"), which provides international guidelines on human rights which we continuously abide by.

Hazard Identification and Management

At Straits Trading, we require our key contractors to conduct a general risk assessment prior to the commencement of work, which will be reviewed by us. All the Group's operational entities also have procedures in place to monitor and investigate any occurrences of occupational health hazards. Based on its current operations, there are no OSH risks identified at our construction sites. In FY2023, our business did not record any incident of injury or health issue.

WORKPLACE INCIDENTS

	TOTAL	% CHANGE FROM FY2022
No. of fatalities	0	0%
No. of high consequence injuries	0	0%
No. of work-related ill health	0	0%
No. of injuries	0	0%
Injury rate	0	0%

BUILDING A DIVERSE AND INCLUSIVE COMMUNITY

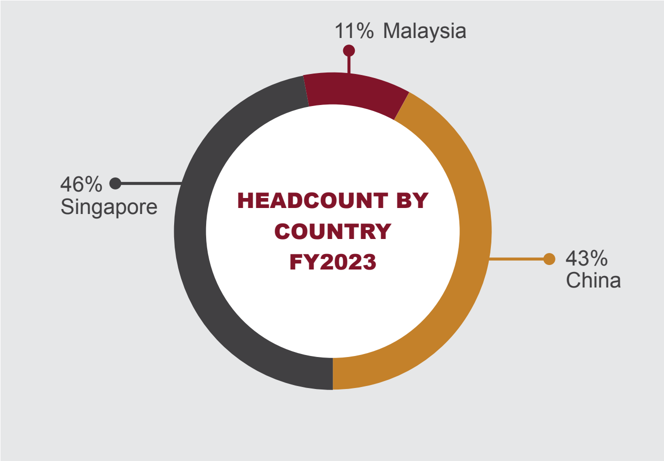
Workforce Diversity and Inclusivity

At Straits Trading, we are committed to maintaining a diverse and inclusive workforce as we believe it is essential for cultivating innovation and creativity. We strive to ensure that equal opportunities are given to all staff in the areas of work assignments, personal development, and progress within the organisation, regardless of their race, ethnicity, gender, age, or belief; so that everyone has the opportunity for personal growth at our company.

In line with our commitment to the local communities where we operate, we have prioritised hiring local talent for the socio-economic development of our operating markets. Nearly 80% of all our employees[21] for our businesses are residents or citizens of their respective operating markets.

21 Employees here are defined as individuals directly employed by Straits Trading (across SDPL, SIM, SRE and STCPM). The majority of employees in Singapore and Malaysia are permanent employees, while most employees in China are contract staff. The Group occasionally engages advisers, consultants, and contractors for advising or ad hoc initiatives, but the permanent employees conduct the majority of the organisation's work.

SOCIAL

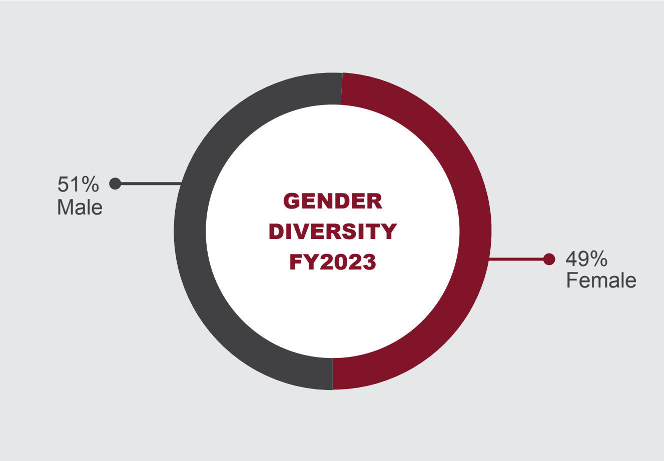


HEADCOUNT BY COUNTRY

	FY2023	TOTAL	% CHANGE FROM FY2022
Singapore	46%	59	- 2%
Malaysia	11%	14	+40%
China	43%	54	- 5%
	100%	**127**	**+2%**

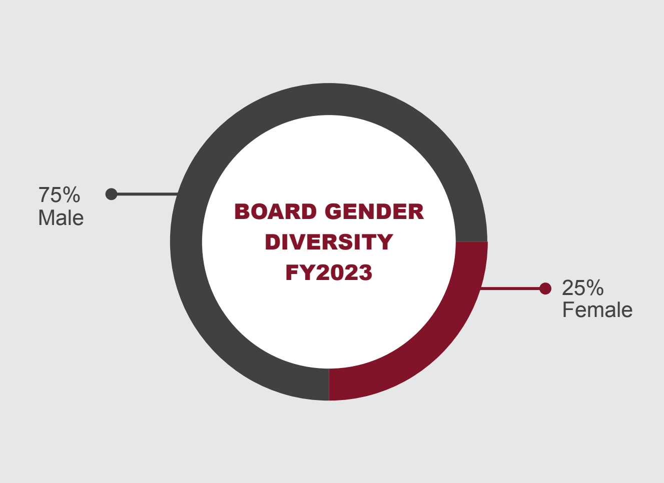
At Straits Trading, we prioritise gender and age diversity and seek continuous progress towards an equitable distribution across our diversity categories. We also actively review our diversity metrics to consider including other measures that would be contextually relevant to our operational markets in the future.

In FY2023, we had an improvement in the proportionate balance between male and female employees from FY2022. In terms of age diversity, 77% of our employees are between the ages of 30 and 50.



GENDER DIVERSITY

	FY2022	FY2023	TOTAL
Male	52%	51%	65
Female	48%	49%	62
	100%	**100%**	**127**

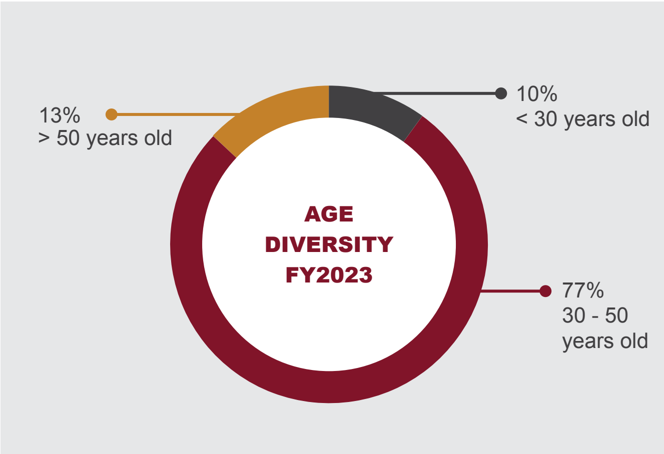


BOARD GENDER DIVERSITY

	FY2022	FY2023	TOTAL
Male	75%	75%	6
Female	25%	25%	2
	100%	**100%**	**8**

Sustainability Report

SOCIAL



AGE DIVERSITY

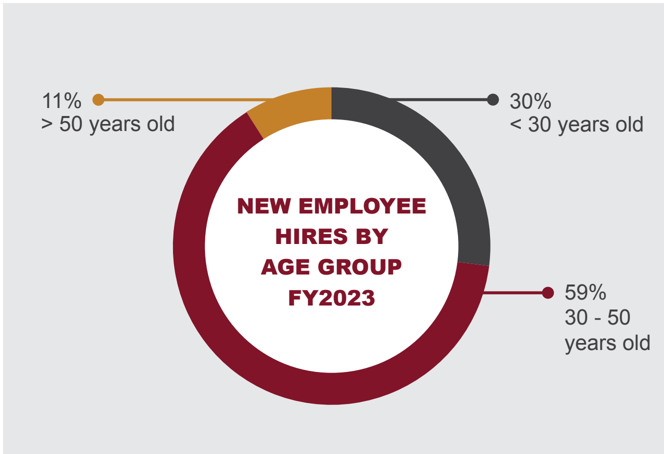
	FY2022	FY2023	TOTAL
< 30 years old	9%	10%	12
30 - 50 years old	78%	77%	98
> 50 years old	13%	13%	17
	100%	**100%**	**127**

In addition to our commitment to gender and age diversity, we actively seek to introduce diverse perspectives across all our operations. In FY2023, leveraging on our conglomerate structure, we facilitated cross-subsidiary collaborations to integrate varied viewpoints during brainstorming sessions for both ongoing and new projects.

In FY2023, STC had a total of 44 new employee hires and 42 employee turnovers. Given our total number of employees of 125[22] at the beginning of FY2023, this gives us our total rate of turnover of 34%. At Straits Trading, we emphasise providing competitive compensation and comprehensive benefits to all full-time employees to maintain our current talent pool and to recruit new professionals.

NEW EMPLOYEE HIRES BY GENDER

	FY2023	TOTAL
Male	36%	16
Female	64%	28
	100%	**44**



NEW EMPLOYEE HIRES BY AGE GROUP

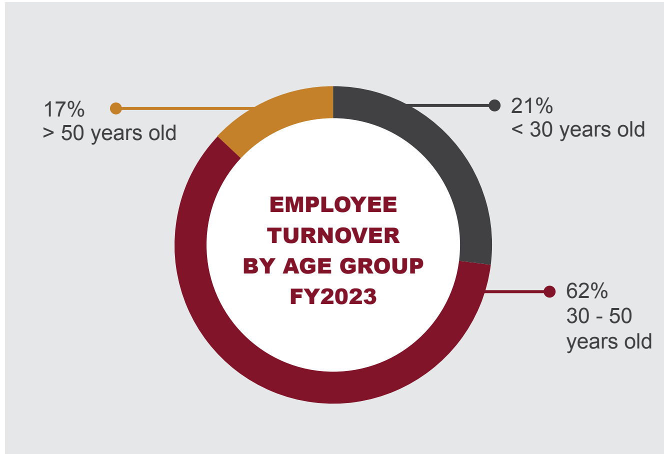
	FY2023	TOTAL
< 30 years old	30%	13
30 - 50 years old	59%	26
> 50 years old	11%	5
	100%	**44**

22 The total number of employment has been restated from last year's reporting for accuracy and consistency.

SOCIAL

EMPLOYEE TURNOVER BY GENDER

	FY2023	TOTAL
Male	40%	17
Female	60%	25
	100%	**42**



EMPLOYEE TURNOVER BY AGE GROUP

	FY2023	TOTAL
< 30 years old	21%	9
30 - 50 years old	62%	26
> 50 years old	17%	7
	100%	**42**

Fair and Competitive Remuneration

At Straits Trading, we prioritise our employees' career goals alongside business success. To do so, we align these principles with competitive fixed and variable compensation. Individuals will receive performance bonuses for their efforts and accomplishments. We also conduct a monthly pay benchmarking exercise, utilising updated market data from various sources to ensure that we provide competitive pay packages and benefits for our employees.

Anti-Harassment and Discrimination

We maintain a firm stance on our zero-tolerance policy towards harassment, bullying, and discrimination. We believe every employee has a right to be assessed based on merit and to be free from harassment or discrimination in the workplace. We are committed to rewarding employees fairly based on merit, ability, and experience for comparable roles across the company's hierarchy. Our incentive system focuses on performance holistically and is gender-agnostic.

In line with our commitment towards anti-discrimination, we have strict policies on these matters which are detailed in our Employee Handbook and our Recruitment Policy.[23] These policies help us conduct a fair hiring process, which focuses on the merit of the candidate and helps to reduce bias. We also have clear definitions of harassment and detailed actions that should be taken by employees if an incident occurs. Employees are urged to report any incidents related to harassment and discrimination to the Human Resources or Head of Departments ("HODs"). All reports will be held confidential in line with our grievance policy.[24]

We are happy to announce that there were no reported incidents of discrimination in FY2023. We intend to maintain this for the upcoming year.

Employee Benefits

Straits Trading employees in Singapore and overseas are provided with a comprehensive range of benefits which include paid annual leave, medical benefits and group insurance plans. We ensure that our employees are provided with employment benefits that are in accordance with local regulations. These include not just healthcare and insurance coverage, but also maternity and childcare-related leave, work injury compensation, and work-related reimbursements.[25]

To ensure our employees' health and well-being, employees are provided with 'Flexible Benefits' of up to S$2,000 per year, it can be used for health screenings, childcare, elder care, personal development classes, fitness memberships, vacations, or personal insurance. On top of the Flexible Benefits, our employees are eligible for outpatient, specialist medical and dental consultation of up to S$2,500 per year. This benefit also extends to cover an employee's children who are 12 years old and below.

We receive employee's feedback through regular feedback and performance discussion between the employees and their reporting managers. These sessions encompass discussions on benefits and complement performance reviews.

23 This refers to the Straits Trading's Employee Handbook and Recruitment Policy. Straits Trading's employee handbook and Recruiting Policy applies to SDPL, SIM, SRE and STCPM.
24 At Straits Trading, we have a structured and clear grievance procedure where employees can escalate any complaints or issues to their superior. If the case is not resolved, the issue can be further escalated to HODs, HR and Senior Management.
25 These benefits are applicable to all employees across SDPL, SIM, SRE and STCPM.

Sustainability Report

SOCIAL

We aim to equip our staff with up-to-date knowledge.

Inclusive Community Engagement

At Straits Trading, we actively engage in the development of our local communities for all our operating markets. We firmly believe that the socio-economic development of local communities contributes to the well-being of our employees and the growth of our business. Straits Trading actively participates in activities and events organised by the Tan Chin Tuan Foundation ("TCTF"), which was founded in 1976 by our late Chairman, Tan Sri (Dr) Tan Chin Tuan. TCTF's mission is to render assistance to the deserving and provide services to uplift the less fortunate.

Besides the activities and events organised by TCTF, Straits Trading collaborates on opportunities for employees to volunteer through an extensive range of programs. In FY2023, we supported a diverse range of local causes and community groups through initiatives such as volunteering efforts and donations facilitated by our staff. Our volunteer initiatives in FY2023 included:

1. The Beach Clean-up initiative is part of a series of efforts aimed at raising awareness and educating our employees on the importance of reducing plastic waste. Employees volunteered to remove litter and debris at East Coast Park, effectively reducing plastic pollution in the ocean and helping to protect marine ecosystems.

▲ *Group Photo with Volunteers after the Beach Clean-up*

▲ *Volunteers at East Coast Park Beach Clean-up*

2. Project "Gift from the Heart", where Straits Trading staff donated a total sum of S$8,000 to help purchase groceries for senior citizens at the Lions Befrienders Active Ageing Centre (Bendemeer). Our employees also helped volunteers to pack each grocery bag and distribute them to seniors by going from house to house.

▲ *Group Photo of Colleagues after the Distribution of Grocery Bags*

▲ *Volunteers with Senior during the Distribution of Grocery Bags*

SOCIAL

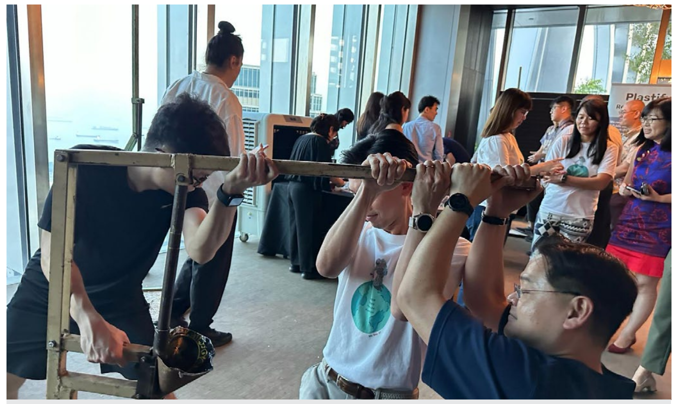
UNLOCKING POTENTIAL OF OUR PEOPLE

At Straits Trading, we believe that having a skilled workforce is crucial to the success of our business. The corporate environment has undergone significant evolution in recent years, with a focus on digital transformation acting as a key catalyst to drive economic growth, and ESG considerations playing an increasingly significant role in our endeavours to provide social and environmental value for our stakeholders. We believe in harnessing the opportunities at the intersection of digitisation and ESG to create new company growth opportunities and increase our competitive advantage.

To illustrate an example of one of our training initiatives, Straits Trading engaged Plastify to conduct an environmental workshop for our employees. The environmental workshop helped raise awareness about plastic pollution, while also strengthening the sustainability knowledge of our employees.

▲ *Employees during the Plastify's Educational Briefing*

▲ *Employee Gaining Hands-on Experience Making Coasters from Recycled Plastic Pellets*



▲ *Employees Gaining Hands-on Experience Making Coasters from Recycled Plastic Pellets*

At Straits Trading, we constantly review these new opportunities and identify relevant programmes for our employees to capitalise on these trends. To take it a step further in FY2023, we have been promoting our training and development scheme as a key initiative to support the following employee development goals for the year 2024:

1. We adhere to SGX sustainability reporting rules by conducting sustainability training for directors and senior management, as well as by continuously enhancing our sustainability governance throughout the Group.

2. We plan to increase sustainability and safety awareness among employees.

In line with these goals for FY2024, Straits Trading is working on the development of a training course software that will enable easy access to all our employees. Once it is ready, the Company encourages employees to take up relevant courses to broaden their knowledge and skills to continue their professional development journey while contributing to the Group's success.

We also set aside annual budgets to send our employees for external training and development programmes. Our HODs analyse the training needs of their teams by considering global trends, existing knowledge gaps, and employee career goals. Periodic discussions between HODs and employees help to align individual career aspirations with the Group's business needs. Subsequently, we enrol employees in relevant courses to address both our business requirements and foster the career growth of our employees.

Sustainability Report

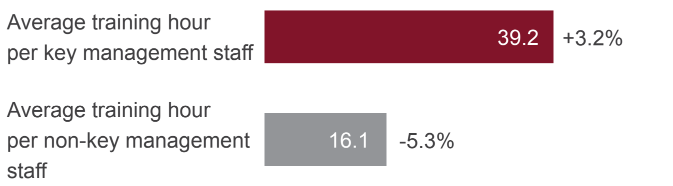
SOCIAL

In FY2023, our employees completed an average of 18.92 hours of structured training programmes, including digitalisation courses, ESG, technical trainings, and communication programmes. Through these initiatives, we aim to equip our staff with up-to-date knowledge, including upcoming regulatory requirements on sustainability reporting.

In line with our commitment of supporting the career goals of our employees, we also assisted employees in pursuing relevant professional and postgraduate courses, such as ACCA, CFA, and postgraduate programmes. We also provide employees with time off to support their learning journey. We also ensure that our people will have ready access to human resource policies and feedback forms so that they can participate in any polls or surveys to provide helpful feedback as well. This helps them communicate their development goals to their managers and helps HR stay updated on the most relevant certifications for our people in our sectors.

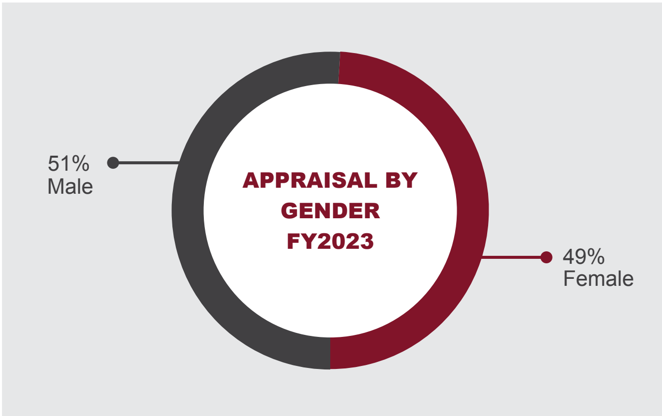
TRAINING HOURS BY GENDER (HOURS)

TRAINING HOURS BY EMPLOYEE CATEGORY (HOURS)



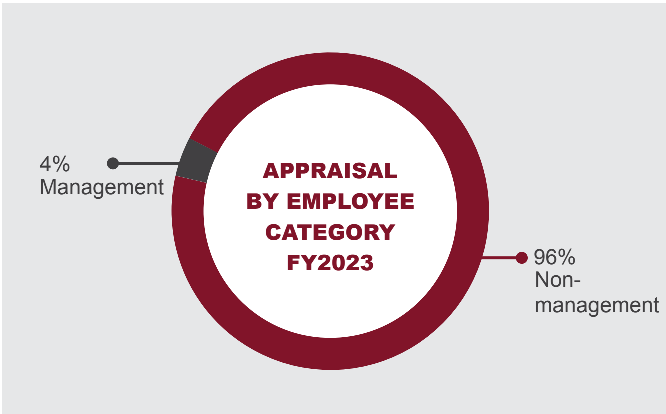
In FY2023, the difference in training hours between male and female employees was due to job-specific training requirements in the year. We endeavour to continue encouraging employees at all levels to take up relevant courses to broaden their knowledge & skills while contributing to the Group's success.

At Straits Trading, we also have a structured and transparent performance review process detailed in the Employee Handbook[26]. We review our appraisal process regularly and incorporate employee feedback to ensure that it is consistent with our commitment to meeting company needs as well as employee goals. Our evaluation method focuses on three main areas: contributions to the team and the Group's strategic goals, development and skill requirements, and career development ambitions. In FY2023, 100% of employees who fall under the performance review cycle successfully underwent a performance review.



APPRAISAL BY GENDER

	FY2022	FY2023
● Male	52%	51%
● Female	48%	49%
Overall	**100%**	**100%**



APPRAISAL BY EMPLOYEE CATEGORY

	FY2022	FY2023
● Management	10%	4%
● Non-management	90%	96%
Overall	**100%**	**100%**

26 Straits Trading's Employee Handbook is readily available to all employees.

GRI CONTENT INDEX

Statement of use	Straits Trading has reported with reference to the GRI standards for FY2023
GRI used	GRI 1: Foundation 2021

GRI STANDARDS	DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION
GENERAL DISCLOSURES			
GRI 2 (2021): General Disclosures	Organisation and its Reporting Practices		
	2-1	Organisational details	Company Structure, Page 2, Overview, Page 25
	2-2	Entities included in the organisation's sustainability reporting	Scope of the report, Page 26
	2-3	Reporting period, frequency, and contact point	Reporting Framework, Page 27
	2-4	Restatements of information	Not applicable as there were no restatements of information
	2-5	External assurance	Not applicable as we have not sought external assurance on this report
	Activities and workers		
	2-6	Activities, value chain and other business relationships	Company Structure, Page 2, Overview, Page 25
	2-7	Employees	Social, Page 41
	2-8	Workers who are not employees	Social, Page 40
	Governance		
	2-9	Governance structure and composition	Board of Directors, Page 6, Governance, Page 30
	2-10	Nomination and selection of the highest governance body	Report on Corporate Governance, Page 57
	2-11	Chair of the highest governance body	Report on Corporate Governance, Page 52-53
	2-12	Role of the highest governance body in overseeing the management of impacts	Statement from Board, Page 23, Governance, Page 30
	2-13	Delegation of responsibility for managing impacts	Statement from Board, Page 23
	2-14	Role of the highest governance body in sustainability reporting	Statement from Board, Page 23 Governance, Page 30
	2-15	Conflicts of interest	Governance, Page 31
	2-16	Communication of critical concerns	Governance, Page 31
	2-17	Collective knowledge of the highest governance body	Report on Corporate Governance, Page 52-55
	2-18	Evaluation of the performance of the highest governance body	Report on Corporate Governance, Page 58
	2-19	Remuneration policies	Report on Corporate Governance, Page 59-60
	2-20	Process to determine remuneration	Report on Corporate Governance, Page 59-60
	2-21	Annual total compensation ratio	Not applicable

Sustainability Report

GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION
GENERAL DISCLOSURES			
GRI 2 (2021): General Disclosures	Strategy, Policies and Practices		
	2-22	Statement on sustainable development strategy	Statement from Board, Page 23, Sustainability Strategy, Page 27
	2-23	Policy commitments	Governance Page 31, Social Page 40
	2-24	Embedding policy commitments	Governance Page 31, Social Page 40
	2-25	Processes to remediate negative impacts	Governance Page 31
	2-26	Mechanisms for seeking advice and raising concerns	Governance Page 31
	2-27	Compliance with laws and regulations	Governance Page 31
	2-28	Membership associations	Not applicable
	Stakeholder Engagement		
	2-29	Approach to stakeholder engagement	Stakeholder engagement, Page 28
	2-30	Collective bargaining agreements	Not applicable
MATERIAL TOPICS			
GRI 3 (2021): Material Topics	3-1	Process to determine material topics	Materiality Assessment, Page 29
	3-2	List of material topics	Materiality Assessment, Page 29
	3-3	Management of material topics	Materiality Assessment, Page 29
MATERIAL TOPIC: ECONOMIC CONTRIBUTION			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Materiality Assessment, Page 29
	201-1	Direct economic value generated and distributed	Financial Highlights, Page 13
	201-2	Financial implications and other risks and opportunities due to climate change	In FY2023, we conducted a qualitative climate scenario analysis to understand our climate-related risks and opportunities. This provides a preliminary overview of our potential financial impacts resulting from climate-related risks and opportunities. Please refer to pages 33-35 for details.
	201-3	Defined benefit plan obligations and other retirement plans	Straits Trading complies to all regulatory requirements in our operating markets on benefit and retirement plan obligations. Please refer to page 96 for details in Employee benefits.
	201-4	Financial assistance received from government	Confidentiality constraints

GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION
MATERIAL TOPIC: ENERGY AND EMISSIONS			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Materiality Assessment, Page 29
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Emissions and Energy, Page 36
	302-2	Energy consumption outside of the organisation	Not applicable
	302-3	Energy intensity	Emissions and Energy, Page 36
	302-4	Reduction of energy consumption	Emissions and Energy, Page 37
	302-5	Reduction in energy requirements of products and services	Emissions and Energy, Page 37
GRI 3 (2021): Material Topics	3-3	Management of material topics	Materiality Assessment, Page 29
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Emissions and Energy, Page 36
	305-2	Energy indirect (Scope 2) GHG emissions	Emissions and Energy, Page 36
	305-3	Other indirect (Scope 3) GHG emissions	Emissions and Energy, Pages 36-37
	305-4	GHG emissions intensity	Emissions and Energy, Page 36
	305-5	Reduction of GHG emissions	Emissions and Energy, Page 37
	305-6	Emissions of ozone- depleting substances (ODS)	Not applicable
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable
MATERIAL TOPIC: WATER			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Materiality Assessment, Page 29
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water, Page 37
	303-2	Management of water discharge-related impacts	Water, Page 37
	303-3	Water withdrawal	Water, Page 38
	303-4	Water discharge	Water, Page 38
	303-5	Water consumption	Water, Page 37
MATERIAL TOPIC: WASTE			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Materiality Assessment, Page 29
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste, Page 38
	306-2	Management of waste-related impacts	Waste, Page 38
	306-3	Waste generated	Waste, Page 38
	306-4	Waste diverted from disposal	Waste, Page 38
	306-5	Waste diverted to disposal	Waste, Page 38
MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITY			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Materiality Assessment, Page 29

Sustainability Report

GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION
MATERIAL TOPIC: HEALTH AND SAFETY			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Materiality Assessment, Page 29
GRI 403 (2018): Occupational Health and Safety	403-1	Occupational health and safety management system	Hazard Identification and Management, page 40
	403-2	Hazard identification, risk assessment, and incident investigation	Hazard Identification and Management, page 40
	403-3	Occupational health services	Social, Page 40 & 43
	403-4	Worker participation, consultation, and communication on occupational health and safety	Policies, Page 39
	403-5	Worker training on occupational health and safety	Policies, Page 39
	403-6	Promotion of worker health	Employee Benefits, Page 43
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Hazard Identification and Management, page 40
	403-8	Workers covered by an occupational health and safety management system	Policies, Page 40
	403-9	Work-related injuries	Workplace Incidents, Page 40
	403-10	Work-related ill health	Workplace Incidents, Page 40
MATERIAL TOPIC: TRAINING AND DEVELOPMENT			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Materiality Assessment, Page 29
GRI 404 (2016): Training and Education	404-1	Average hours of training per year per employee	Social, Page 46
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Social, Page 46
	404-3	Percentage of employees receiving regular performance and career development reviews	Social, Page 46
MATERIAL TOPIC: EMPLOYMENT			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Materiality Assessment, Page 29
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Social, Page 42 & 43
	401-2	Benefits provided to fulltime employees that are not provided to temporary or part-time employees	Employee benefits, Page 43
	401-3	Parental leave	Employee benefits, Page 43
MATERIAL TOPIC: ETHICS AND COMPLIANCE			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Materiality Assessment, Page 29
GRI 205 (2016): Anti-corruption	205-1	Operations assessed for risks related to corruption	Not applicable
	205-2	Communication and training about anti-corruption policies and procedures	Anti-Corruption and Bribery, Page 31
	205-3	Confirmed incidents of corruption and actions taken	Not applicable

Report on Corporate Governance

The Straits Trading Company Limited (the "Company", together with its subsidiaries, the "Group") is committed to the highest standards of corporate governance. This report describes the Company's corporate governance policies and practices during the financial year ended 31 December 2023 ("FY2023") with specific reference to the Code of Corporate Governance 2018 (the "Code"). The Company has complied in all material aspects with the principles and provisions set out in the Code, where applicable. Explanations have been provided where there are deviations from the Code.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board provides policy direction and entrepreneurial leadership and approves the development and implementation of corporate strategies that focuses on value creation, innovation and sustainability. It also ensures that the necessary financial and human resources are in place for the Group to meet its strategic objectives. In addition, the Board has established a framework of prudent and effective controls to effectively monitor and manage risks to achieve an appropriate balance between risks and the performance of the Group.

The Board also sets the Company's values and standards and ensures that its obligations to all stakeholders are met and understood. Whilst the Board remains responsible for providing oversight in the preparation and presentation of the financial statements, it has delegated to the Management the task of ensuring that the financial statements are drawn up and presented in compliance with the relevant provisions of the Companies Act 1967 (the "Companies Act") and the Singapore Financial Reporting Standards (International).

In discharging their fiduciary duties, the Directors act objectively in the best interests of the Company and hold the Management accountable for performance. The Board has appointed the Executive Chairman to oversee the Management, and the Lead Independent Director to ensure continued good governance. Supported by the Board Committees, namely the Audit Committee ("AC") (formerly known as Audit and Risk Committee ("ARC") until 26 February 2024), Remuneration Committee ("RC"), Nominating Committee ("NC") and Board Risk Committee ("BRC"), the Board also approves the appointment of Board members, key business initiatives, major investments and funding decisions, and interested person transactions. Where there is a conflict of interest, the Director in question will recuse himself/herself from the discussions and abstain from participating in any Board decisions. For FY2023, the Board confirms that no individual Director had participated in any decision-making in relation to any interest that conflicts with any of the Group's businesses.

In November 2023, a new board committee, namely the BRC (formerly known as Market Risk Committee) was formed with its own written Terms of Reference setting out its purpose, membership and duties. The Chairman of the BRC is Mr Ho Tian Yee and its members are Mr Chua Tian Chu and Mr Lau Cheng Soon, all of whom are Independent Directors.

The Company has in place the Financial Authority Limit Policy ("FAL") which was approved by the Board as the mechanism through which the Board or its delegate approves transactions and financial commitments within the Group. It is the responsibility of the Management to ensure that transactions presented to the Board for approval have satisfied all other Group policies and procedures. The FAL covers the authorisation limits of the Group's activities such as investment activities, financing and debt management, foreign exchange and interest rate risk management, and capital and operating expenditure.

For the Group's various projects, the Board has from time to time delegated authority to certain adhoc committees of the Board comprising two or more Directors, to provide detailed supervision and strategic oversight of such projects. Such adhoc committees provide strategic direction to the Management in the conduct of the projects.

The Management provides the Board with complete, adequate and timely information for its meetings and on an on-going basis to enable them to make informed decisions. Such information includes board papers, updates and supporting documents. As regards the Group's budgets, the Management provides explanations for any material variance between the projections and actual results.

Report on Corporate Governance

The Board met five times in FY2023. Meetings by means of a conference telephone or similar communication equipment are permitted in the Company's Constitution. The Board's calendar for the financial year, which consists of the schedule of meetings of the Board, the Board Committees and the Annual General Meeting of the Company ("AGM"), is finalised before the start of the year. The Directors' attendance at the general meetings, Board and Board Committees meetings during FY2023 are as follows:

Name of Director	Board	Audit Committee (formerly known as Audit and Risk Committee until 26 February 2024)	Nominating Committee	Remuneration Committee	Board Risk Committee	Annual General Meeting	Extraordinary General Meeting
Attendance							
Ms Chew Gek Khim	5/5		1/1			1/1	1/1
Ms Chew Gek Hiang	5/5	4/4				1/1	1/1
Mr Goh Kay Yong David	5/5			2/2		1/1	1/1
Mr Chia Chee Ming, Timothy(1)	1/1	1/1	1/1				
Mr Tan Chian Khong	4/5	4/4				1/1	1/1
Mr Chua Tian Chu	5/5		1/1	2/2	1/1	1/1	1/1
Mr Lau Cheng Soon	4/5			2/2	1/1	1/1	1/1
Mr Lee Chuan Seng(2)	4/4						
Mr Ho Tian Yee(3)	2/2	2/2			1/1		

Note: (1) Mr Chia Chee Ming, Timothy retired as a Director with effect from 28 April 2023 and co-terminus with his retirement, he resigned as Chairman of the NC and member of the AC (formerly known as ARC until 26 February 2024).
(2) Mr Lee Chuan Seng appointed as a Director and a member of the NC with effect from 28 April 2023.
(3) Mr Ho Tian Yee appointed as a Director and a member of the AC (formerly known as ARC until 26 February 2024) with effect from 1 July 2023. Mr Ho was appointed as the Chairman of the BRC in November 2023.

The non-executive Directors also met without the presence of the Management from time to time and provided feedback to the Chairman on various matters.

Information is important to the Board's understanding of the Group's businesses and essential to preparing the Board members for effective meetings. Where required, the Management supplements the meeting papers with presentations on active operations and strategic issues to provide the Directors with a better understanding of the Group's operations. The Management has provided the Board with balanced and understandable accounts of the Group's performance, financial position and business prospects on a periodic basis. The Management is invited to attend the meetings to answer enquiries from the Directors.

The Directors have separate and independent access to the Management and the services of the Company Secretary, who is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with. The Company Secretary also assists the Chairman by ensuring good information flows within the Board and Board Committees, and between the Management and the non-executive Directors. The Company Secretary attends all Board and Board Committees' meetings and her appointment or removal is subject to the Board's approval.

In the furtherance of their duties and if the Management's explanations are not satisfactory, the Directors may seek independent professional advice at the Company's expense.

The NC ensures that new Directors are made aware of their duties and obligations. Upon appointment, new Directors will be provided with a briefing on a director's duties and obligations under applicable laws and the Listing Manual (the "Listing Manual") of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). They will also be briefed on the Group's operations and furnished with information and updates on the Group's corporate governance practices at the time of appointment, as well as the latest updates in laws and regulations affecting the Group's business.

Report on Corporate Governance

Unless the NC is of the view that training is not required because he or she has other relevant experience, a new Director appointed who has no prior experience as a director of an issuer listed on the SGX-ST will be required to undergo training in his or her roles and responsibilities. Mr Lee Chuan Seng, who joined the Board on 28 April 2023 and is a first-time listed company director, completed the requisite mandatory training prescribed by the SGX-ST within one year of his appointment. Mr Ho Tian Yee, who joined the Board on 1 July 2023 is not required to attend such training as he has experience as a listed company director.

Directors are encouraged to attend seminars, workshops and receive training in areas such as directors' duties and responsibilities, changes in regulations and regulatory framework (including financial reporting standards and the Listing Manual) which are relevant to the Group's business and operations, so as to enable them to perform effectively as Directors. The Company arranges and funds the training of Directors. During FY2023, the Directors had participated in courses, seminars and discussion forums covering topics such as environmental, social and governance and its key reporting standards and frameworks and cybersecurity.

Non-Executive Directors are routinely briefed by the Executive Directors and/or the Management at Board meetings or separate sessions, and provided with all necessary updates on regulatory and policy changes as well as developments affecting the Group. All Directors are provided with quarterly performance reports. In addition, site visits are arranged as and when necessary to enable the Directors to better understand the Group's business operations.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Board currently comprises eight Directors, five of whom are non-executive and are considered independent. Independent and non-executive members of the Board provide balance within the workings of the Board and oversight for minority shareholders' interests. There are no material relationships (including immediate family relationships) between each independent Board member and the other Board members, the Company, its related corporations, its substantial shareholders or its officers, that could interfere, or be reasonably perceived to interfere, with the exercise of the independent Board member's independent business judgement in the best interests of the Company. The independent Non-Executive Directors are namely Mr Tan Chian Khong, Mr Chua Tian Chu, Mr Lau Cheng Soon, Mr Lee Chuan Seng and Mr Ho Tian Yee.

The independence of each independent Non-Executive Director is reviewed by the NC. Under the Listing Manual, a Director will not be deemed independent if he is employed by the Company or its related corporations for the current or any of the past three financial years, or if he has an immediate family member who is employed or has been employed by the Company or its related corporations for the current or any of the past three financial years, and whose remuneration is or was determined by the RC, or he has been a director of the Company for an aggregate period of more than nine years (whether before or after listing). Consequently, Mr Tan Chian Khong, Mr Chua Tian Chu, Mr Lau Chee Soon, Mr Lee Chuan Seng and Mr Ho Tian Yee, are considered independent under the Listing Manual.

The Directors provide objective and independent judgement to the decision-making of the Board. The non-executive Directors participate constructively and reviewed the Group's operations, budgets and strategies. They also assess the effectiveness of the Board's processes and activities in meeting set objectives and corporate governance standards. Directors may request for further explanations or informal discussions on any aspect of the Company's businesses or operations from the Management. The non-executive Directors, if required, meet regularly without the presence of the Management and provide feedback to the Board as appropriate.

Since 2021, the Board has adopted a board diversity policy which requires the NC to discuss and agree the relevant measurable objectives for promoting and achieving adequate diversity on the Board and make recommendations for consideration and approval by the Board. The NC will monitor and implement this policy, and will take the principles of the policy into consideration when determining the optimal composition of the Board, and when recommending any proposed changes to the Board. On the recommendation of the NC, the Board may set certain measurable objectives and specific diversity targets, with a view to achieving an optimal Board composition, and these objectives and specific diversity targets may be reviewed by the NC from time to time to ensure their appropriateness.

Report on Corporate Governance

The Board endeavours to achieve the balance and diversity necessary to maximise its effectiveness as part of its Board diversity policy which endorses the principle that its Board should have the balance in the age spread, length of services as as the Company's Director, gender diversity, board independence, expertise and experience by geography, educational and professional background, skills set, and the knowledge and years of experience and other aspects of diversity that support the Company in the pursuit of its strategic and business objectives, and its sustainable development. The policy seeks to promote the inclusion of different perspectives, ideas and insights and ensure that the Company can benefit from all available sources of talent.

In determining the optimum composition and size of the Board and each Board committee, the Board diversity policy provides for the NC to consider a combination of factors such as skills, knowledge, professional experience, educational background, gender, age, and length of service. The skills, knowledge and experience to be considered is listed in the section below.

A skills matrix is used to help identify the gaps. The skills matrix classifies the skills, knowledge and professional experience of existing Directors into several broad categories such as leadership and corporate management; banking and finance; accounting, auditing and taxation; legal and arbitration; risk management and internal controls; real estate and hospitality; investment and fund management; family office; public policies and government relations; environmental, social and governance (ESG); information technology and cybersecurity; regulation and compliance; people management and organisational transformation, and also where such skills, knowledge and professional experience were acquired or utilised geographically. Suitable candidates will then be identified.

Following its assessment of the candidates, the NC will then interview the short-listed candidates. The NC will thereafter make its recommendations to the Board including appointments to the appropriate Board committee(s) after matching the candidates' skills-set to the needs of each Board committee. The Board, taking into account the views of the NC, will consider if its Directors meet the criteria under its Board diversity policy and possess the necessary competencies to govern the Company effectively.

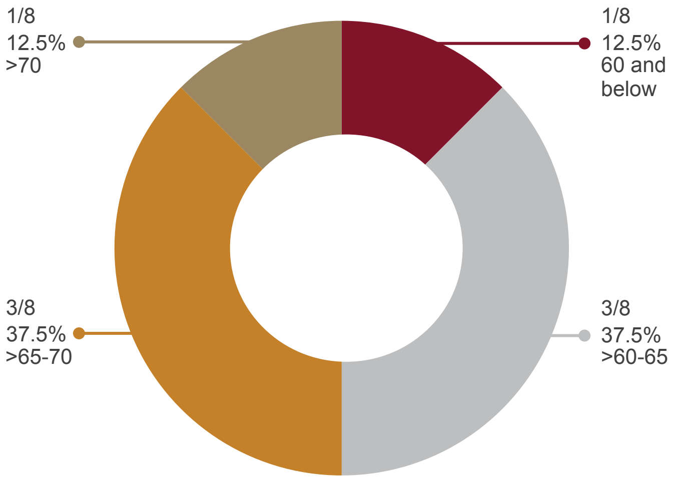
The Company remains committed to implementing its Board diversity policy and any further progress made towards the implementation of such policy will be disclosed in future Corporate Governance Reports, as appropriate.

The Board, in concurrence with the NC, is of the view that the current Board comprises persons who, as a group, provide an appropriate level of independence and diversity of skills, experience and knowledge of the Company, as well as the necessary core competencies and that the current Board size is appropriate, taking into consideration the nature and scope of the Group's operations.

Report on Corporate Governance

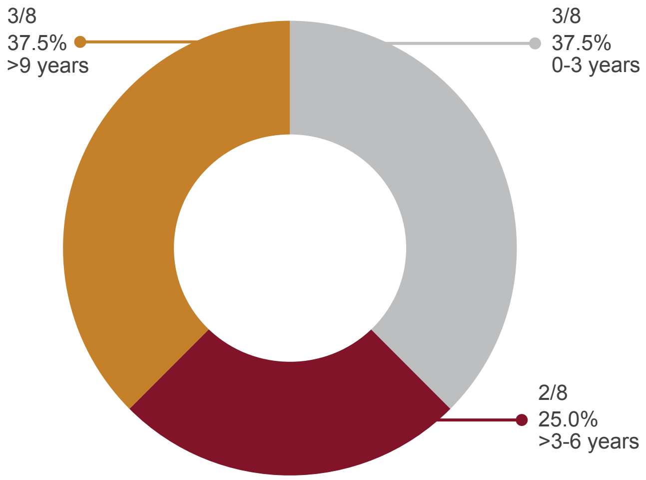
The following charts set out the Company's Board Diversity indicators as at the end of FY2023:

AGE SPREAD



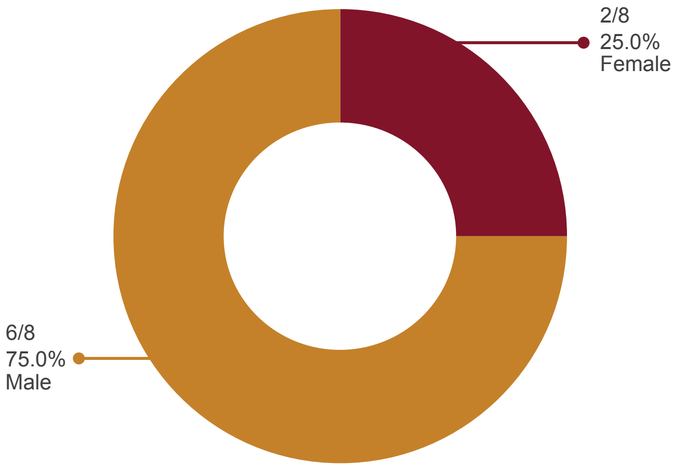
Target : No category shall be more than 50% (**Met**)

LENGTH OF SERVICE AS STC DIRECTOR



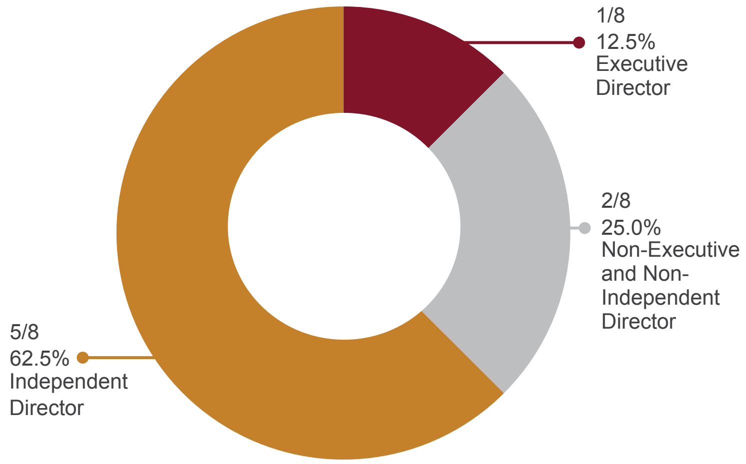
Target : No category shall be more than 50% (**Met**)

GENDER DIVERSITY



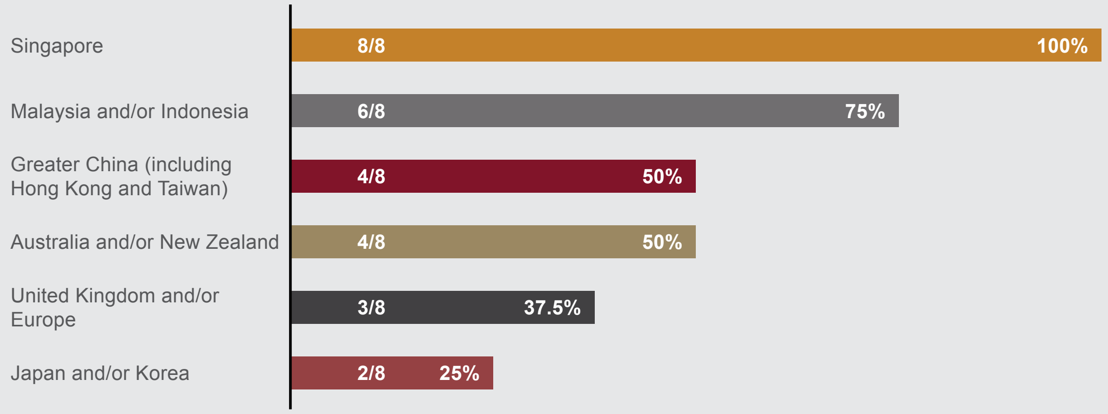
Target: No category shall be more than 80% (**Met**)

BOARD INDEPENDENCE



Target: Independent directors shall not be less than 55% (**Met**)

EXPERTISE AND EXPERIENCE BY GEOGRAPHY



Target: No less than 5 regions in Experience and Expertise by Geography (**Met**)

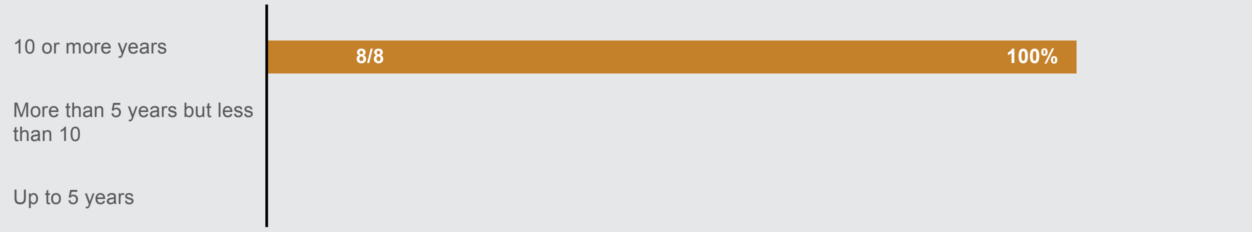
Report on Corporate Governance

Education and Professional Background

Skills Matrix	Chew Gek Khim	Chew Gek Hiang	David Goh	Tan Chian Khong	Chua Tian Chu	Lau Cheng Soon	Lee Chuan Seng	Ho Tian Yee
Leadership and Corporate Management	✓	✓	✓	✓	✓	✓	✓	✓
Banking and Finance			✓	✓	✓	✓		✓
Accounting/Auditing/Taxation		✓		✓		✓		
Legal/Arbitration	✓					✓		
Risk Management /Internal Control		✓	✓	✓	✓	✓	✓	✓
Real Estate/Hospitality	✓		✓		✓	✓	✓	
Investment /Fund Management	✓	✓	✓		✓	✓		✓
Family Office	✓	✓	✓		✓			✓
Public Policies/Government Relation	✓						✓	
Environmental, Social and Governance (ESG)	✓			✓		✓	✓	✓
Corporate Planning/ Restructuring					✓	✓	✓	✓
Information Technology/Cyber Security								
Regulation/ Compliance		✓		✓	✓	✓	✓	✓
People Management/Organizational Transformation	✓	✓		✓	✓	✓	✓	✓

Target: Not less than 12 out of 14 Skills Matrix listed (**Met**)

YEARS OF SERVICE AS A DIRECTOR IN EITHER A LISTED COMPANY AND/OR PUBLIC INSTITUTION



Target: Not less than 50% of the number of Directors with 10 or more years' experience as a director in a listed company and/or public institution (**Met**)

Report on Corporate Governance

Executive Chairman

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Board is led by Ms Chew Gek Khim as the Executive Chairman. Ms Chew assumed the Chair on 24 April 2008 and was appointed Executive Chairman on 1 November 2009.

As Chairman of the Board, Ms Chew's duties include leading the Board, setting the Board agenda and ensuring that all Directors receive sufficient relevant information (both financial and non-financial) to enable them to participate and contribute effectively in Board discussions and decisions. She aims to promote openness and constructive relations between the Board members, and between the Board and the Management, and ensures effective communication with shareholders. Ms Chew also advocates high standards of corporate governance.

As the Executive Chairman, Ms Chew takes on executive oversight of the Management of the business segments. The Management is responsible for the daily management of the businesses and implementation of the Board's policies and decisions as well as ensuring compliance with the corporate governance policies of the Company as these relate to the respective business segments. The Management reports to the Board and is managed through the strategies adopted and monitored through the key performance indicators set for them.

In line with the recommendations set out in the Code, the Company has appointed a Lead Independent Director. With the retirement of Mr Chia Chee Ming, Timothy as an Independent Non-Executive Director and the Lead Independent Director of the Company on 28 April 2023, Mr Tan Chian Khong was appointed as the Lead Independent Director on 28 April 2023.

The Lead Independent Director's role includes being available to shareholders to address any of their concerns and acting as the principal liaison between the independent Directors and the Executive Chairman on critical issues.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC comprises four Directors, the majority of whom, including the NC Chairman, are independent. The NC is currently chaired by Mr Chua Tian Chu and the other members of the NC are Ms Chew Gek Khim, Mr Tan Chian Khong and Mr Lee Chuan Seng.

The Company has adopted a formal and transparent process for the appointment of new Directors through the NC which reviews the background of and conducts interviews with all candidates and makes recommendations accordingly to the Board for approval. Before a new Director is appointed, suitable candidates are identified. Candidates may be put forward or sought through contacts and recommendations. Candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender, age and skill sets. The Company endeavours to include female candidates in its search pool. The NC looks for candidates who possess qualities that would complement the Board's core competencies and are able to contribute to the current and mid-term needs and goals of the Group. The independence of each Director is reviewed upon appointment, and thereafter annually and if circumstances require, by the NC. Independent Directors are required to notify the NC promptly of any relationships or circumstances which arise that are likely to affect, or could appear to affect, the Director's independence.

In recommending a Director for re-election to the Board, the NC considers, his or her performance and contributions to the Board (including attendance and participation at meetings, and time and effort accorded to the Group's business and affairs). The Company's Constitution requires that newly appointed Directors by the Board retire at the next AGM following his appointment. One-third of the Board (or if their number is not a multiple of three, the number nearest to but not less than one-third) is to retire from office by rotation at every subsequent AGM. All Directors are required to submit themselves for re-election at regular intervals and at least once every three years. The Directors to retire by rotation shall be those longest in office since their last re-election or appointment, or have been in office for at least three years, whichever is the earlier.

The key responsibilities of the NC include the evaluation of the effectiveness of the Board and Board Committees and each Director's contributions and independence, reviewing the succession plans for the Board and key management personnel, as well as making recommendations on the appointment and re-nomination of Directors for the Board. The role and functions of the NC are set out in its Terms of Reference.

Report on Corporate Governance

The NC reviews and assesses the independence of the Directors at least once a year. The Directors are required to submit declarations of independence annually and report to the Company immediately on any changes to their external appointments, interest in shares and other relevant information. For FY2023, the Board, having taken into account the views of the NC, considered Mr Tan Chian Khong, Mr Chua Tian Chu, Mr Lau Cheng Soon, Mr Lee Chuan Seng and Mr Ho Tian Yee to be independent.

None of the Directors has an alternate Director. As a director is expected to be able to commit time to the affairs of the Company, the NC will generally not support the appointment of an alternate Director.

As the Directors have given sufficient time and effort to the Company's matters, notwithstanding their multiple directorships and appointments, the Board was of the view that there was no necessity to regulate the maximum number of listed company board representations that the Directors may hold. The key information (includes the listed company directorships and principal commitments) of the Directors is as set out in pages 6 to 9.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC administers annually, the formal process adopted by the Board for evaluation of the Board's performance as a whole, including Board Committees and the contributions of individual directors to the effectiveness of the Board. The performance criteria include assessment of the Board's size and composition, access to information, processes and accountability and the performance of Board Committees in relation to discharging their responsibilities set out in their respective terms of reference, while individual directors are assessed on the director's attendance record, preparedness for meetings, participation level and contribution at meetings, analytical skills, knowledge as well as overall contribution to the Board and the Board Committees, as appropriate.

In order to assess the effectiveness of the Board, Board Committees and individual director, each Director is required to complete assessment forms to evaluate the Board, Board Committees and individual Directors. The Company Secretary collates the forms and prepares a consolidated report for the NC. The NC discusses the report and concludes the performance results during the NC meeting before tabling the same to the Board. In consultation with the NC, the Chairman of the Board will act on the results of the performance evaluation.

The Board is of the view that while financial indicators such as share price performance and return-on-equity allow for benchmarking of the Board's performance relative to that of competitors and industry peers, non-financial indicators such as feedback received from investors (institutional and/or retail) and market analysts also serve as useful qualitative analysis by external parties. For the long-term success and value creation of the Company, the Board believes that its performance and that of individual Board members are reflected in, and evidenced by, proper guidance, diligent oversight and able leadership of the Company, and the support that it lends to the Management in steering the Company and the Group to achieve strategic goals. Having regard to its composition and mix, the Board has endeavoured through each Director's unique contributions and diversity of experience, to ensure that balanced and well-considered decisions are made in the best interests of the Company.

For FY2023, based on the completed assessment forms submitted by all Directors, the Board is of the view that the Board, Board Committees and individual Directors have fared well against the performance criteria and is satisfied with the performance of the Board, Board Committees and individual Directors and is able to conclude that each Director is contributing to the overall effectiveness of the Board.

The NC has access to professional advice to facilitate the evaluation process whenever there is a need to consult externally. There was no necessity for external advice to be obtained during the financial year.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Board has an RC comprising three non-executive Directors, the majority of whom, including the RC Chairman, are independent. The RC is chaired by Mr Lau Cheng Soon, and Mr Goh Kay Yong David and Mr Chua Tian Chu are the other members of the RC.

Report on Corporate Governance

The functions of the RC include the recommendation of a framework of remuneration for the Board and key management personnel, and the recommendation of specific remuneration packages for the Executive Chairman and key management personnel for the Board's approval. The role and functions of the RC are set out in the Terms of Reference of the RC.

The RC may seek expert advice on remuneration matters within the Company or engage professional remuneration consultants, where necessary.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The Company has adopted a performance-based approach to compensation where employees' remuneration is linked to individual and corporate performances. The RC sees the importance of a market competitive remuneration strategy to attract, retain and motivate employees to high performance levels that creates value for the shareholders. Remuneration is determined according to the following general components: salary, contractual bonus and performance bonus.

The Company obtained the approval of shareholders for the adoption of the Performance Share Plan (the "PSP") in FY2019. The PSP aims to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding participants who have contributed to the growth of the Group. The principal rules of the PSP are set out in the Company's circular to shareholders dated 10 April 2019.

Further details on the share awards granted under the PSP can be found in the Directors' Statement and Notes to the Financial Statements.

Taking into account the performance of the Group and the responsibilities and performance of the Directors, Directors' fees (for the Board and various Board Committees) were set in accordance with a remuneration framework comprising responsibility fees and attendance fees. The Executive Chairman does not receive any Director's fees. Non-executive Directors are paid Director's fees, subject to approval at the annual general meeting. The non-executive Directors have no service contracts. No individual Director fixes his or her own remuneration.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The summary remuneration table for the Directors of the Company in all capacities for FY2023 is as follows:

Name of Director	Salary	Variable Incentives	Benefits in kind	Directors' fees	Total
Ms Chew Gek Khim	S$840,000	S$158,936	S$92,792	-	S$1,091,728
Ms Chew Gek Hiang	-	-	-	S$93,000	S$93,000
Mr Goh Kay Yong David	-	-	-	S$78,000	S$78,000
Mr Chia Chee Ming, Timothy(1)	-	-	-	S$34,611	S$34,611
Mr Tan Chian Khong	-	-	-	S$119,910	S$119,910
Mr Chua Tian Chu	-	-	-	S$162,578*	S$162,578
Mr Lau Cheng Soon	-	-	-	S$180,021*	S$180,021
Mr Lee Chuan Seng(2)	-	-	-	S$51,485	S$51,485
Mr Ho Tian Yee(3)	-	-	-	S$52,345	S$52,345

* Includes directors' fees payable by subsidiaries.

Note: (1) Pro-rated. Ceased as Director, Chairman of NC and member of AC on 28 April 2023.
(2) Pro-rated. Appointed as a Director and a member of the NC with effect from 28 April 2023.
(3) Pro-rated. Appointed as a Director, member of AC (formerly known as ARC until 26 February 2024) and Chairman of BRC (formerly known as Market Risk Committee until 26 February 2024).

Report on Corporate Governance

Ms Chew Gek Khim is the daughter of Dr Tan Kheng Lian, a substantial shareholder of the Company, and the sister of Ms Chew Gek Hiang, a Director of the Company. Save for this disclosure, there are no employees of the Group who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000.

Key Management Personnel

The Company has considered and identified the following personnel as key management personnel who are not directors or the CEO of the Group:

1. Mr Eric Teng
2. Mr Desmond Tang
3. Dato' Dr. (IR.) Patrick Yong Mian Thong
4. Ms Joyce Tan Wei Tze
5. Ms Goh Yah Huay
6. Ms Tan Hwei Yee
7. Mr Manish Bhargava
8. Mr Yeo Eng Kwang

Although a Key Management Personnel, the remuneration for Dato' Dr. (IR.) Patrick Yong Mian Thong, Group CEO and Executive Director, Malaysia Smelting Corporation Berhad ('MSC") is excluded from disclosure as MSC is separately listed and has its own Board and RC to review and approve Dato' Dr. (IR.) Patrick Yong's remuneration. The profiles of the key management personnel are set out on pages 10 and 11.

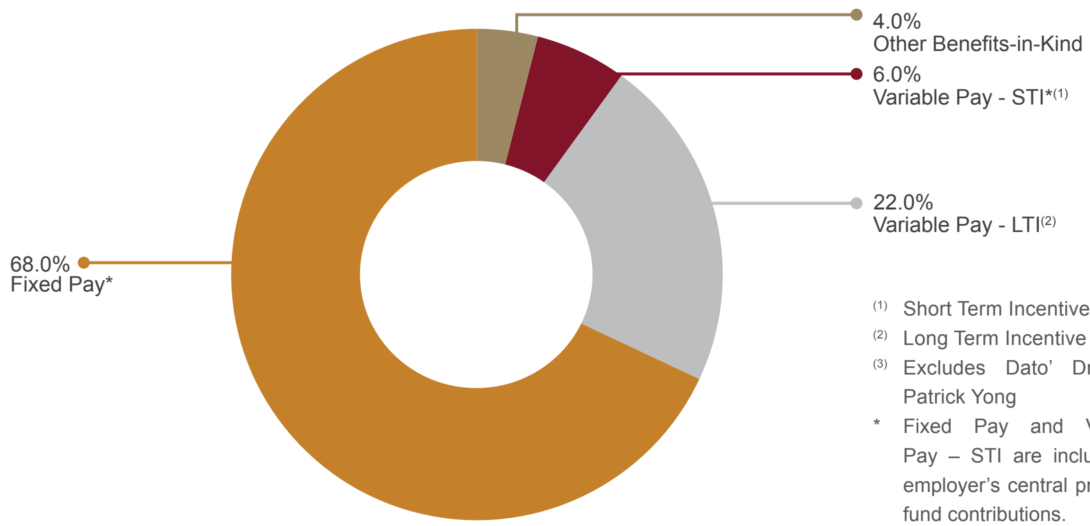
Given the sensitive nature of employee remuneration, as well as possible pressures from both within and outside the Group upon disclosing such information, the RC has recommended and the Board has decided that the detailed disclosure of each key management personnel's (who are not directors or the CEO) remuneration may give rise to recruitment and talent retention issues and is not in the best interest of the Company.

The total remuneration paid to the seven key management personnel (who are not directors or the CEO) in FY2023 amounted to S$4,458,362. These included the remuneration paid to Ms Joyce Tan Wei Tze (formerly, Group Financial Controller till 27 June 2023) and Ms Goh Yah Huay (formerly, Group Treasurer and CFO, Straits Real Estate Pte. Ltd. till 31 December 2023).

The Company has disclosed above the policies and practices adopted by the Company in arriving at the remuneration packages of Directors and key management personnel, which is a performance-based approach linking rewards to individual and corporate performances and is aligned with the interests of the stakeholders and promotes the long-term success of the Company.

The Company believes that shareholders' interest will not be prejudiced as a result of non-disclosure of the remuneration of key management personnel and that the disclosures above provide sufficient insight into the remuneration paid and as such is consistent with the intent of Principle 8 of the Code.

The following chart shows the mix of fixed and variable pay of the key management personnel[3] for FY2023:



[1] Short Term Incentive ("STI")
[2] Long Term Incentive ("LTI")
[3] Excludes Dato' Dr. (IR.) Patrick Yong
* Fixed Pay and Variable Pay – STI are inclusive of employer's central provident fund contributions.

Report on Corporate Governance

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls to safeguard the interests of the company and its shareholders.

The Board recognises that it is responsible for risk governance and ensuring that the Management maintains a sound system of risk management and internal controls to safeguard the interests of the Company and its shareholders. The Board appreciates that risk management is an on-going process in which the Management continuously participates to evaluate, monitor and report to the Board and AC on significant risks.

The AC under its Terms of Reference as delegated by the Board, has the responsibility to oversee the Group's risk management framework and policies.

With the formation of the BRC, oversight of the Group's risks is now subsumed under the BRC and removed from the purview of the ARC. Therefore, the Board had, on 26 February 2024, approved the renaming of the ARC to "Audit Committee" to better reflect the AC's revised scope of responsibilities.

The BRC, which was formed in November 2023, principally provides guidance and oversight to the appointed key management personnel in dealing with the risks facing the Group. The key responsibilities of the BRC include assessing what are the potential new areas of market risks (in addition to the key market risks that are currently monitored), reporting on a monthly basis (or at a frequency as otherwise directed) on the market risk metrics of the various market risk factors, and highlighting any areas that require further action by the appointed key management personnel to address market risks. The role and functions of the BRC are set out in its Terms of Reference.

The Group has engaged KPMG Services Pte. Ltd. to develop and implement a Board Assurance Framework which includes an enterprise risk management framework to identify the significant risks facing each major business segment, the potential impact and likelihood of those risks occurring, the control effectiveness and action plans taken to mitigate those risks. The Group has also developed a risk governance structure, which provides details on the roles and responsibilities for the Board and Management in risk monitoring, escalation, mitigation and reporting.

The Group has established key risks indicators with tolerance limits to monitor movements in its significant risks and to proactively manage them within acceptable levels. These key risk indicators have been reviewed and approved by the Board and they are also monitored on a quarterly basis.

The internal auditors regularly review all significant controls, policies and procedures and highlight all significant matters to the Management and the AC.

During FY2023, the Board and AC reviewed the adequacy and effectiveness of the Group's internal controls in relation to the significant risks, including financial, operational, compliance and information technology controls, and risk management systems.

Based on the work performed by the external and internal auditors, the Management's representations and the Board's enquiries and discussions, the Board is assured that the Group's risk management and internal controls systems are adequate and effective. In addition, the Board has received assurance from the Executive Chairman and Financial Controller that the financial records have been properly maintained and the financial statements have been properly drawn up, in accordance with the Companies Act and Singapore Financial Reporting Standards (International), to give a true and fair view of the Group's operations and finances that are not misleading in any material aspect. The Board has also received assurance from the Executive Chairman, the Group Chief Operating Officer and the Financial Controller that the Group's risk management and internal control systems were adequate and effective.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by and assurance from the Executive Chairman, Group Chief Operating Officer and Financial Controller, the Board, with the concurrence of the AC, is of the opinion that the Group's system of risk management and internal controls, addressing financial, operational, compliance and information technology risks, were adequate and effective as at 31 December 2023.

Report on Corporate Governance

However, the Board is also aware that such a system can only provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no system of internal controls and risk management can provide a complete assurance against human error, poor judgement in decision-making, losses, fraud or other irregularities.

Audit Committee (formerly known as Audit and Risk Committee until 26 February 2024)

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The Audit Committee ("AC") comprises three non-executive Directors, the majority of whom are independent. The AC is chaired by Mr Tan Chian Khong, and the other members of the AC are Ms Chew Gek Hiang and Mr Ho Tian Yee.

The Board is of the view that the AC members have the relevant expertise to discharge the functions of an AC. All members of the AC are financially literate and have accounting or related financial management expertise or experience. None of the AC members was a former partner or director of the Company's existing external auditor, Ernst & Young LLP, within the previous two years or has any financial interest in Ernst & Young LLP.

The roles of the AC are documented in the Terms of Reference approved by the Board. For FY2023, the duties of the AC include:

- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to its financial performance;
- reviewing and evaluating annually the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls and processes for assessing significant risks or exposures and the procedures the Management has taken to monitor, control and minimise such risks or exposures to the Company;
- reviewing the assurance from the Executive Chairman and the Financial Controller on the financial records and financial statements;
- making recommendations to the Board on the appointment and re-appointment of the external auditor, and reviewing the terms of engagement of the external auditor, including their compensation, performance evaluation and independence;
- reviewing annually the external audit scope, audit plans and relevant processes, and the results of the external audit work with regard to the adequacy, cost effectiveness, and appropriateness of the accounting and financial controls of the Company;
- reviewing annually and as may be necessary from time to time, the internal audit scope, internal audit plans, relevant processes and the focus on risk;
- oversight responsibilities for the Company's sustainability vision, mission, strategy, policies, practices and initiatives;
- reviewing interested person transactions from time to time to determine if they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders; and
- reviewing the whistleblowing policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up.

The AC has the power to conduct or authorise investigations into any matters within its scope of responsibilities. The Board is updated by the AC Chairman on the significant issues discussed at the AC meetings.

In performing its functions, the AC reviews the overall scope of both internal and external audits and the assistance given by the Company's officers to the internal and external auditors. The AC also meets with the internal and external auditors on a quarterly basis to review their audit findings.

To discharge its functions, the AC is provided with adequate resources, has full access to and co-operation of the Management and internal auditors, and has full discretion to invite any Director or executive officer to attend its meetings. All major findings and recommendations are brought to the attention of the Board.

Report on Corporate Governance

The AC reviews interested person transactions to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. The AC also reviews the consolidated financial statements and the auditors' report, as well as related announcements to shareholders and the SGX-ST before submission to the Board.

The AC has reviewed and is satisfied that the independence and objectivity of the external auditors have not been compromised by the provision of non-audit services. Accordingly, it has recommended to the Board the nomination of the external auditors, Ernst & Young LLP, for re-appointment at the forthcoming AGM to be held on 30 April 2024. In FY2023, the AC met the external auditors and internal auditors once without the presence of the Management.

The details of the remuneration paid to the external auditors for FY2023 are as follows:

	S$'000
Audit fees paid/payable to:	
– Auditor of the Company	558
– Overseas affiliates of the auditor of the Company	586
Non-audit fees paid/payable to:	
– Auditor of the Company	224
– Overseas affiliates of the auditor of the Company	41

The AC, having reviewed the nature and quantum of the non-audit fees, was satisfied that the independence of the external auditors had not been compromised by the provision of the non-audit services.

In appointing the audit firms for the Group, the AC is satisfied that the Company has complied with the Listing Rules 712, 715 and 716.

The Company's internal audit function has been outsourced to KPMG Services Pte. Ltd. Its personnel assigned to perform the internal audit function are expected to be suitably qualified professionals with the requisite experience and necessary skill sets. In carrying out its duties, the internal auditors have adopted the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The internal auditor's primary line of reporting is to the Chairman of the AC. All internal audit reports are submitted to the AC for consideration, with copies of those reports extended to senior management. In order to ensure timely and adequate closure of internal audit findings, the status of implementation of the actions as agreed by senior management is tracked and discussed with the AC.

For FY2023, the AC reviewed and approved the annual internal audit plans. The internal auditors have unrestricted direct access to the AC and unfettered access to documents, records, properties and personnel within the Group to carry out its duties effectively. The AC is satisfied that the internal audit function is independent, effective and adequately resourced.

The Company has a whistleblowing procedure in place for employees to raise, in confidence, possible improprieties in matters of financial reporting or other matters. The policy, available on the Company's intranet and employee handbook, aims to foster a workplace conducive to open communication regarding the Company's business practices and to protect the employees from unlawful retaliation and discrimination for the proper disclosing or reporting of illegal or unethical conduct in good faith. In the policy, it has designated an independent function to investigate whistle-blowing reports made in good faith and ensures that the identity of the whistleblower is kept confidential and the Company is committed to ensuring protection of the whistleblower against reprisal.

Complaints may be made to the designated officers by telephone, email or under confidential mail. All cases reported will be investigated objectively and thoroughly and appropriate action will be taken where warranted. A summary of the reports received, investigation results and subsequent actions taken are reported to the AC on a quarterly basis. Under certain circumstances, the AC will be informed of any complaint, as soon as practicable. There was one whistleblowing report received in FY2023.

Report on Corporate Governance

Key Audit Matters

The external auditors have set out the key audit matters in respect of FY2023, which were reviewed and discussed by the AC with the Management and the external auditors, in the Independent Auditor's Report on pages 71 to 75 of the Annual Report.

Following the review and discussions, the AC was satisfied with the approach and appropriateness of methodologies used by the Management, as adopted and disclosed in the financial statements, and recommendation was made by the AC to the Board to approve the financial statements.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meeting and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company treats all shareholders fairly and equitably to enable them to exercise their rights and to be given the opportunity to communicate their views on matters affecting the Company. The Company takes a serious view of maintaining full and adequate disclosure, in a timely manner, of material events and matters concerning its businesses. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects through the publication of half-yearly financial statements, media releases, annual reports, circulars to shareholders and corporate information updates through SGXNET and the Company's website.

In addition, shareholders and the public can access information pertaining to the Company's businesses, media releases and other corporate information via its website. The Company also facilitated effective and unbiased communications with shareholders, analysts, fund managers and the media through Company presentations, and non-deal roadshows and investment conference organised by major banks and brokerage firms. The Company's website provides the contact details for investors to submit their feedback and queries.

The Company endeavours to provide as much and as prompt information as is possible to its shareholders, taking into account the legal and regulatory framework governing the release of material and price-sensitive information. The Company releases all price-sensitive information through SGXNET.

Shareholders are encouraged to ask questions both about the resolutions being proposed at the AGM and about the Group's operations in general. In addition, for the upcoming AGM to be held on 30 April 2024, shareholders are allowed to submit questions ahead of the AGM within a timeframe and the substantial and relevant questions will be responded by the Company. The Constitution of the Company permits a member of the Company to appoint not more than two proxies to attend the AGM and vote instead of the member.

On 15 December 2022, the Ministry of Law announced that the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 will cease with effect from 1 July 2023 as Singapore has progressively transitioned towards living with Covid-19 and meetings can take place physically

Report on Corporate Governance

Separately, pursuant to legislative amendments (with effect from 1 July 2023) to the Companies Act, as read with Listing Rule 730A and practice guidance issued by the SGX-ST on the conduct of general meetings by issuers on and after 1 July 2023, listed companies are required to hold all their general meetings either at a physical place in Singapore, or at a physical place in Singapore and using virtual meeting technology. Listed companies are guided by the SGX-ST to have regard to the size and needs of their shareholder base and to facilitate shareholder engagement. In this regard, the Company's upcoming AGM in respect of FY2023 will be held on 30 April 2024 in a wholly physical format at a place in Singapore.

Shareholders (themselves or through duly appointed proxies) will be able to attend the upcoming AGM in person. Details of the arrangements are provided in the Notice of the AGM. The Company's usual practice for the conduct of general meetings (that is, with in-person participation by shareholders) is otherwise set out below.

The Company ensures that separate resolutions are proposed at general meetings on each distinct issue. The external auditors, the chairpersons of the various Board Committees and where necessary, the legal advisers are present to assist the Directors in addressing any relevant queries by shareholders.

Provision 11.4 of the Code provides that a company's constitution should allow for absentia voting at general meetings of shareholders (such as via mail, email or fax). As the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, e-mail or fax.

To enhance participation by shareholders, the Company puts all resolutions at general meetings to vote by poll and announces the detailed results showing the number of votes cast for and against each resolution and the respective percentages. The polling results are also announced on the SGXNET and the Company's website. The minutes of general meetings are available at the Company's website at https://straitstrading.listedcompany.com/sgx_announcements.html.

The Company does not distribute a fixed amount or fixed percentage of earnings by way of dividend in any financial year. Rather, in fixing a dividend for any year, the Board considers a number of factors, including current and forecast earnings, capital expenditure requirements, growth options and the Company's debt/equity position. As a matter of policy, the Company aims to pay consistent and sustainable dividends to shareholders over the long term by balancing growth and prudent capital management. Declarations of dividends are announced on the SGXNET.

The Company has in place an Investor Relations Policy which sets out the principles and practices that the Company applies to provide shareholders and prospective investors with information necessary to make well-informed investment decisions and to ensure a level playing field.

We have established the Straits Trading Shareholders' Club in 2019 to better connect with shareholders and strengthen ties with them in a constructive manner. The Shareholders' Club organises talks, activities, investment product launches etc., to engage active shareholders as a community, enhance the level of knowledge in the company's businesses and enable co-investment opportunities. This initiative is part of the "Straits 5.0" transformation that will provide opportunities for all stakeholders to participate in the continued growth story of Straits Trading.

MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has adopted an inclusive approach by considering and balancing the needs and interests of the key stakeholder groups as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company has identified the key stakeholders and the engagement methods with the stakeholders in addressing the material factors that may have an impact on the long-term sustainability of the Company. Further details on the materiality assessment and stakeholder engagement can be found in the sustainability report on pages 23 to 50.

Report on Corporate Governance

Investor Relations Practices

The Company holds briefings to present its financial results for the media and analysts on a half-yearly basis. Outside of the financial announcement periods, when necessary and appropriate, the Management will meet investors and analysts who wish to seek a better understanding of the Group's business and operations. This enables the Group to solicit feedback from the investment community on a range of strategic and topical issues which provide valuable insights to the Company on investors' views. When opportunities arise, the Company conducts media interviews to give its shareholders and the public a better perspective of the Group's business, operations and prospects.

Enquiries and/or views from the stakeholders such as shareholders, analysts and the press are handled by the Company's Investor Relations Department together with specifically designated members of senior Management. The list of Investor Relations activities are on pages 21 to 22 of the Annual Report.

Dealings in Securities

Based on the Listing Rule 1207(19), the Group issues internal guidelines on dealings in the securities of the Company to the Directors and employees of the Company and its subsidiaries, advising them, amongst others, not to deal in the securities of the Company on short-term considerations. The Directors and employees are advised of the prohibitions in dealings in the securities of the Company during the period commencing one month before the announcement of the Group's half-year and full-year financial statements, and ending on the respective announcement dates, and while they are in possession of material price-sensitive information which is generally not available.

Directors are required to report to the Company Secretary whenever they deal in the Company's shares. Thereafter, the Company Secretary will update the Register of Directors' Shareholdings and make the necessary announcements on SGXNET.

Material Contracts

There were no material contracts between the Company and its subsidiaries involving the interests of any Director and any controlling shareholder which are either subsisting at the end of the financial year under review or if not then subsisting, entered into since the end of the previous financial year, that is required to be disclosed under Listing Rule 1207(8).

Use of Proceeds

Exchangeable Bonds

On 13 February 2023, the Company had completed the issuance of S$370,000,000 3.25% Secured Exchangeable Bonds.

As disclosed in the announcement in respect of the Proposed Issue of S$ Denominated Exchangeable Bonds on 30 January 2023, the Company expects to use the net proceeds from the offering for the refinancing of existing borrowings, the financing of working capital, capital expenditure and investments of the Group.

Financial Report & Other Information

Directors' Statement

The Directors hereby present their statement to the members together with the audited financial statements of The Straits Trading Company Limited (the "Company") and consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") and the statement of financial position of the Company for the financial year ended 31 December 2023.

OPINION OF THE DIRECTORS

In the opinion of the Directors,

(i) the accompanying statements of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORATE

The Directors in office at the date of this statement are:

Ms Chew Gek Khim (Executive Chairman)
Ms Chew Gek Hiang
Mr Goh Kay Yong David
Mr Tan Chian Khong
Mr Chua Tian Chu
Mr Lau Cheng Soon
Mr Lee Chuan Seng (appointed on 28 April 2023)
Mr Ho Tian Yee (appointed on 1 July 2023)

Both Ms Chew Gek Khim and Mr Goh Kay Yong David will retire pursuant to Regulation 99, and both Mr Lee Chuan Seng and Mr Ho Tian Yee will retire pursuant to Regulation 103 of the Constitution of the Company at the upcoming annual general meeting. Ms Chew Gek Khim, Mr Goh Kay Yong David, Mr Lee Chuan Seng and Mr Ho Tian Yee, being eligible, offer themselves for re-election.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' Statement

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Company

(ordinary shares)		Held in the name of the Directors			Deemed interest	
	1.1.2023	31.12.2023	21.1.2024	1.1.2023	31.12.2023	21.1.2024
Ms Chew Gek Khim	741,200	741,200	741,200	–	–	–
Ms Chew Gek Hiang	23,000	23,000	23,000	–	–	–
Mr Goh Kay Yong David	156,500	156,500	156,500	–	–	–
Mr Chua Tian Chu	63,640	63,640	63,640	10,620	10,620	10,620

Subsidiary

Malaysia Smelting Corporation Berhad

(ordinary shares)		Held in the name of the Directors			Deemed interest	
	1.1.2023	31.12.2023	21.1.2024	1.1.2023	31.12.2023	21.1.2024
Ms Chew Gek Khim	1,600,000	1,670,000	1,670,000	–	–	–

Except as disclosed above, no Director who held office at the end of the financial year had an interest in any shares or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the previous financial year, no Director has received or become entitled to receive benefits by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

SHARE OPTIONS

The Company does not have any share option scheme.

AUDIT COMMITTEE (FORMERLY KNOWN AS AUDIT AND RISK COMMITTEE UNTIL 26 FEBRUARY 2024)

The Audit Committee performed the functions specified in Section 201B of the Companies Act 1967. The functions performed are detailed in the Corporate Governance Report.

Directors' Statement

PERFORMANCE SHARE PLAN

The Company had obtained the approval of shareholders to the adoption of the Performance Share Plan (the "Plan") in FY2019. The Plan is administered by Remuneration Committee, comprising Mr Lau Cheng Soon, Mr Goh Kay Yong David and Mr Chua Tian Chu.

As at 31 December 2023, no participant has been granted awards under the Plan and/or received shares pursuant to the release of awards granted under the Plan which, in aggregate, represents 5% or more of the total number of shares available under the Plan. An award would refer to a contingent award of shares granted under the Plan.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board

Chew Gek Khim
Director

Tan Chian Khong
Director

Singapore
28 March 2024

Independent Auditor's Report

For the financial year ended 31 December 2023
To the Members of The Straits Trading Company Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of The Straits Trading Company Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise statements of financial position of the Group and the Company as at 31 December 2023, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 of Singapore (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent Auditor's Report

For the financial year ended 31 December 2023
To the Members of The Straits Trading Company Limited

Key Audit Matters (cont'd)

1. Fair value measurement of investment properties, and land and buildings

As at 31 December 2023, the Group's investment properties, and land and buildings are carried at $1,355.6 million and $19.3 million respectively.

Management has determined the fair value of the investment properties, and land and buildings by taking into consideration prevailing market conditions in respective location and category of the properties being valued.

The valuation of the investment properties, and land and buildings is significant to our audit due to the magnitude and the complexity of the valuation which requires the use of a range of assumptions and estimates made by management with the assistance of accredited professional valuers. The valuations are sensitive to changes in the significant unobservable inputs, particularly those relating to capitalisation, discount and terminal yield rates, and market rents. This is aggravated by an increase in the level of estimation uncertainty and judgement required arising from the rapid changes in market and economic conditions. Accordingly, we have identified this as a key audit matter.

In addressing this area of focus, we considered the competence, capabilities and objectivity of the external valuers engaged by management and made inquiries of management and the external valuers regarding the selection and use of valuation techniques. We reviewed the valuation reports prepared by the external valuers and considered the appropriateness of the valuation models and key valuation inputs used by management and the external valuers. We involved our internal valuation specialists in assessing the reasonableness of key valuation assumptions and inputs, including key valuation adjustments made in response to the changes in market and economic conditions and overall results of the valuations. We considered the reasonableness of the assumptions and estimates based on current property market outlook and macroeconomic developments and further corroborated inputs used in the estimates such as rental value, vacancy rates and maintenance status against our understanding of the tenancy profile and performance of the respective properties.

We reviewed the adequacy of disclosures in Notes 3(a)(ii), 14, 16 and 41 to the financial statements.

2. Impairment testing for goodwill

As at 31 December 2023, the Group's goodwill arising from the acquisition of Malaysia Smelting Corporation Berhad ("MSC") is carried at $15.5 million.

Management has determined the recoverable amount of MSC using value in use calculations of MSC. The value in use calculations are based on key assumptions relating to future market and economic conditions such as economic growth, inflation rate, discount rate, revenue and margin estimates.

The impairment testing for goodwill is considered a key audit matter because it involves significant management's judgement about cash flows arising from future results of the Group's business.

In addressing this area of focus, we evaluated and assessed the assumptions and methodology used by the Group to determine the recoverable amount of MSC. We evaluated the robustness of management's budgeting process by comparing the actual financial performance against previously forecasted results and considering the latest industry outlook and historical data. We involved our internal valuation specialists to assist us in evaluating the reasonableness of the discount rates and terminal growth rate applied in the value in use calculation. We assessed management's sensitivity analysis of the estimated recoverable amount to changes in the key assumptions.

We reviewed the adequacy of the disclosures in Notes 3(a)(i) and 17 to the financial statements.

Independent Auditor's Report

For the financial year ended 31 December 2023
To the Members of The Straits Trading Company Limited

Key Audit Matters (cont'd)

3. Provision for mine restoration costs

As at 31 December 2023, the Group recorded a provision for mine restoration costs of $16.1 million in respect of restoration obligations of its subsidiary. The Group is required to obtain approval on its mine restoration plan from the Perak State Mineral Resources Committee, under the Mineral (Perak) Enactment 2003. The Group recognises a provision for these costs at each reporting date based on the estimated costs required to fulfil this obligation according to the methodology and plan formulated by the external consultant.

The assessment of provision for mine restoration costs is considered a key audit matter because such assessment required management to make significant judgement and estimates. The timing of the cash outflow can only be confirmed by uncertain future events not wholly within the control of the Group and may develop in ways not initially expected. Therefore, the Group continually assesses the timing and development of the discussion with the relevant authorities.

In addressing this area of focus, we evaluated the competence, capabilities and objectivity of the external mine restoration consultant engaged by the Group. We obtained an understanding of the methodology adopted by the consultant in formulating the restoration plan. We evaluated the significant cost components through enquiries with the external consultant and, where relevant, we compared the cost components to past experience or quotations obtained from third party contractors and suppliers. We assessed whether the discount rate used in determining the net present value of the restoration costs reflects current market assessments of the time value of money to the liability.

We reviewed the adequacy of the disclosures set out in Note 30 to the financial statements.

4. Existence and valuation of tin inventories

As at 31 December 2023, the Group's inventories are carried at $169.9 million. During the year, the Group made an inventory loss allowance of $1.2 million.

The Group contracts with various suppliers on different terms and conditions for the purchases of tin-in-concentrates. The tin inventories are stated at the lower of cost and net realisable value.

The accuracy and timing of recognition of tin-in-concentrates is significant to our audit due to the magnitude of amount and voluminous quantity given the high number of different purchase contracts and with different terms and conditions. Moreover, the determination of whether the tin inventories will be realised for a value less than cost (where the tin inventories are forecasted to be sold below cost) required management to make significant judgements and estimates. Accordingly, we have also identified valuation of tin-in-concentrates, tin-in-process and refined tin metal as a key audit matter due to the magnitude of the balances.

In addressing the area of focus in respect of the existence of physical quantities, accuracy and timing of recognition of tin-in-concentrates, we read the significant purchase contracts to obtain an understanding of the terms and conditions to establish the Group's rights and obligations over tin-in-concentrates purchased. We tested the relevant internal controls over the accuracy and timing of recognition of tin-in-concentrates. We inspected, on a sample basis, documents which evidenced the receipt of tin-in-concentrates from suppliers. We performed testing on purchase transactions close to the year end to establish whether the transactions were recorded in the correct accounting period. We attended and observed the physical stock counts and obtained an understanding of the sampling methodology used by management. We obtained an understanding of the work performed by management's expert involved in the physical stock count. We evaluated the competence, capabilities and objectivity of the management's expert. We evaluated the appropriateness of the work performed by management's expert as audit evidence. We inspected, on a sample basis, roll-forward of tin inventories from physical stock count cut-off date to the reporting date, which consists of documents evidenced the receipt of tin-in-concentrates from suppliers and documents evidenced the delivery of refined tin metal to customers. We evaluated management's assessment on the allowance of stock loss.

Independent Auditor's Report

For the financial year ended 31 December 2023
To the Members of The Straits Trading Company Limited

Key Audit Matters (cont'd)

4. Existence and valuation of tin inventories (cont'd)

In addressing the area of focus in respect of the valuation of tin-in-concentrates, tin-in-process and refined tin metal, we obtained an understanding of the Group's production process and the types of costs included in the valuation of tin-in-concentrates, tin-in-process and refined tin metal. We obtained an understanding of the internal controls over the recording of tin-in-concentrates consumed and the valuation of different stages of tin-in-process. We inspected, on a sample basis, documents which evidenced the cost of purchase of tin-in-concentrates from suppliers and cost of production of tin-in-process and refined tin metal. We tested the arithmetic calculation of the valuation of tin inventories.

We reviewed the adequacy of the disclosures set out in Note 24 to the financial statements.

Other information

Management is responsible for other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report

For the financial year ended 31 December 2023
To the Members of The Straits Trading Company Limited

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Terry Wee Hiang Bing.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
28 March 2024

Consolidated Statement of Profit or Loss

For the financial year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Revenue			
Tin mining and smelting revenue	4	424,844	472,588
Property revenue	4	66,815	55,032
Total revenue		491,659	527,620
Other items of income/(loss)			
Dividend income	5	11,422	12,366
Interest income	6	25,424	15,131
Net fair value changes in investment properties	16	(25,796)	(75,421)
Other income	7	23,741	635,373
		526,450	1,115,069
Other items of expense			
Costs of tin mining and smelting	24	(358,767)	(398,651)
Employee benefits expense	8	(42,097)	(39,289)
Depreciation expense	14	(6,509)	(6,073)
Amortisation expense	17	(303)	(328)
Reversal of land under development written down to net realisable value	15	8,601	–
Finance costs	9	(84,296)	(43,993)
Other expenses	10	(33,409)	(49,730)
Total expenses		(516,780)	(538,064)
Share of results of associates and joint ventures		(21,303)	(14,021)
(Loss)/profit before tax	11	(11,633)	562,984
Income tax (expense)/credit	12	(512)	6,287
(Loss)/profit after tax		(12,145)	569,271
(Loss)/profit attributable to:			
Owners of the Company		(28,567)	551,259
Non-controlling interests		16,422	18,012
		(12,145)	569,271
Earnings per share (cents per share)	13		
Basic		(6.4)	127.0
Diluted		(6.4)	127.0

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2023

	2023 $'000	2022 $'000
(Loss)/profit after tax	(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")	(168,474)	(356,563)
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
Share of net revaluation surplus on property, plant and equipment of associates	2,623	2,488
	(164,364)	(352,993)
Items that may be reclassified subsequently to profit or loss:		
Net fair value changes in cash flow hedges	(4,874)	4,824
Foreign currency translation	(37,032)	(92,672)
Share of reserves of associates and joint ventures	(11,178)	(33,005)
Reclassification of foreign currency translation reserve to profit or loss	200	18,191
	(52,884)	(102,662)
Other comprehensive income after tax for the year	(217,248)	(455,655)
Total comprehensive income for the year	(229,393)	113,616
Attributable to:		
Owners of the Company	(238,495)	105,741
Non-controlling interests	9,102	7,875
Total comprehensive income for the year	(229,393)	113,616

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

As at 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Assets					
Non-current assets					
Property, plant and equipment	14	63,404	52,529	570	609
Land under development	15	102,776	95,780	26,405	28,127
Investment properties	16	1,355,589	1,312,915	5,037	5,274
Goodwill	17(a)	15,523	16,323	–	–
Other intangible assets	17(b)	44,591	47,302	–	–
Subsidiaries	18	–	–	133,029	123,535
Associates and joint ventures	19	636,828	701,212	144	144
Deferred tax assets	20	25,211	11,848	–	–
Other non-current receivables	21	–	–	20,000	30,000
Investment securities	22(a)	406,549	591,040	–	–
Derivative financial instruments	23	6,852	13,203	1,263	1,863
Total non-current assets		2,657,323	2,842,152	186,448	189,552
Current assets					
Inventories	24	169,917	173,541	–	–
Trade and other receivables	21	83,533	107,913	1,747,227	1,695,519
Trade related prepayments		9,037	20,222	–	–
Other prepayments		2,876	2,102	14	8
Investment securities	22(b)	49,892	75,363	–	–
Derivative financial instruments	23	7,301	23,198	2,018	2,583
Income tax recoverable		1,616	5,357	–	24
Cash and bank balances	25	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

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

As at 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Equity and liabilities					
Equity					
Share capital	26	686,309	686,317	686,309	686,317
Treasury shares	27	(6,933)	(4,085)	(6,933)	(4,085)
Retained earnings	28	1,314,852	1,396,875	130,809	99,378
Other reserves	28	(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	30	20,029	14,700	–	–
Borrowings	31	1,329,034	1,054,071	739,198	442,387
Derivative financial instruments	23	22,907	376	22,545	–
Other non-current liabilities	32	3,309	3,317	–	–
Lease liabilities	34	4,995	1,258	–	–
Deferred tax liabilities	20	64,950	70,107	639	670
Total non-current liabilities		1,445,224	1,143,829	762,382	443,057
Current liabilities					
Provisions	30	469	4,347	–	–
Trade and other payables	33	90,097	135,400	536,702	653,052
Borrowings	31	292,490	336,672	44,833	143,202
Derivative financial instruments	23	3,744	1,696	21	–
Lease liabilities	34	2,568	1,223	–	–
Income tax payable		7,495	3,871	1,372	1,023
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	2,144,257	2,017,477

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2023

	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
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
Contributions by and distributions to owners												
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)
Others												
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
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

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2023

	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
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
Contributions by and distributions to owners												
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 *in-specie*	(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)
Changes in ownership interests in subsidiaries												
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)
Others												
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	–
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

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows
For the financial year ended 31 December 2023

	2023 $'000	2022 $'000
Cash flows from operating activities		
(Loss)/profit before tax	(11,633)	562,984
Adjustments		
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 investment securities	(4,336)	(4,824)
Decrease/(increase) in trade and other receivables and prepayments	23,813	(18,190)
Decrease in trade and other payables and provisions	(31,354)	(3,110)
Cash flows from operations	45,195	109,336
Income taxes paid	(8,786)	(24,555)
Finance costs paid	(31,404)	(24,962)
Interest received	33,619	3,992
Dividend received from investment securities	1,187	1,039
Net cash flows from operating activities	39,811	64,850

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows
For the financial year ended 31 December 2023

	2023 $'000	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 securities	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
Net cash flows used in investing activities	(18,065)	(350,083)
Cash flows from financing activities		
Dividend paid on ordinary shares (Note 35)	(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 27)	(3,085)	(1,403)
Net proceeds from issuance of shares to non-controlling shareholders of subsidiaries	766	–
Repayment of borrowings	(581,124)	(674,174)
Proceeds from borrowings	853,215	1,065,122
Finance costs paid	(35,688)	(21,884)
Payment of principal portion of lease liabilities	(2,433)	(2,578)
Increase in restricted cash	(8,930)	(13,102)
Net cash flows from financing activities	175,824	384,382
Net increase in cash and cash equivalents	197,570	99,149
Effect of exchange rate changes on cash and cash equivalents	(135)	(2,178)
Cash and cash equivalents, at 1 January	238,586	141,615
Cash and cash equivalents, at 31 December (Note 25)	436,021	238,586

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2023

1. CORPORATE INFORMATION

The Straits Trading Company Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Mainboard of 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. The principal activities of the subsidiaries are disclosed in Note 43 to the financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ("SGD" or "$") and all values are rounded to the nearest thousand ($'000) except when otherwise indicated.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2023.

The Group has applied the following SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s for the first time for the annual period beginning on or after 1 January 2023:

- 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 these standards did not have any significant financial impact on the financial performance or position of the Group and the Company.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1: *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)*	1 January 2024
Amendments to SFRS(I) 1-1: *Presentation of Financial Statements (Non-current Liabilities with Covenants)*	1 January 2024
Amendments to SFRS(I) 16: *Leases (Lease Liability in a Sale and Leaseback)*	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangement*	1 January 2024
Amendments to SFRS(I) 1-21: *The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)*	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)*	Date to be determined

The Directors expect that the adoption of the above standards will have no material impact on the financial statements in the year of initial application.

2.4 *Basis of consolidation and business combinations*

(a) *Basis of consolidation*

The financial statements of the Company include the operations of its Malaysia branch. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Basis of consolidation and business combinations (cont'd)

(a) *Basis of consolidation (cont'd)*

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
– Derecognises the carrying amount of any non-controlling interest;
– Derecognises the cumulative translation differences recorded in equity;
– Recognises the fair value of the consideration received;
– Recognises the fair value of any investment retained;
– Recognises any surplus or deficit in profit or loss;
– Reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) *Business combinations and goodwill*

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Basis of consolidation and business combinations (cont'd)

(b) *Business combinations and goodwill (cont'd)*

Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

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.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Foreign currency

The financial statements are presented in SGD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 Foreign currency (cont'd)

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.7 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.8 Joint ventures and associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the Group's share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associates or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

Notes to the Financial Statements
For the financial year ended 31 December 2023
2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.8 Joint ventures and associates (cont'd)

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and recognises the amount in profit or loss.

Net assets of the associates and joint ventures are included in the consolidated financial statements under the equity method based on their latest audited financial statements.

Where their financial periods do not end on 31 December, management accounts to 31 December are used. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.19. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment other than land and buildings are measured at cost less accumulated depreciation and any accumulated impairment losses. When parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and buildings, other than those recognised under right-of-use assets as set out in Note 2.22, are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.10 Depreciation and residual values

In the tin mining subsidiaries, plant and equipment, including mine restoration assets, used in mining are depreciated using the unit-of-production method based on economically recoverable ore except in cases of assets whose useful life is shorter than the life of mine, in which case, the straight-line method is applied. Changes in the estimated economically recoverable ore resources and useful lives of plant and equipment are accounted for on a prospective basis.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation for the remaining assets of the Group is provided on the straight-line method to write off the cost or valuation of relevant assets to their residual values, if any, over their estimated useful lives or life of the mine where appropriate, whichever is shorter. The estimated useful lives for these remaining assets are as follows:

Leasehold land	–	up to 80 years
Buildings	–	10 to 99 years
Plant, equipment and vehicles	–	up to 25 years
Furniture	–	up to 10 years

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

2.11 Land under development

Land under development consists of land (representing long-term inventories) where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle and associated costs with the acquisition of land such as professional fees, stamp duties, commissions and other relevant levies. Such land is classified within non-current assets and is stated at lower of cost and net realisable value.

2.12 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of investment properties is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.13 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(a) *Mining rights*

Mining rights are the legal rights obtained on the land to explore for, develop and produce mineral.

Mining rights are amortised based on the unit-of-production method so as to write off the mining rights in proportion to the depletion of the estimated economically recoverable ore resources. Changes in the estimated economically recoverable ore resources are accounted for on a prospective basis.

The useful life of mining rights of the Group is between 6 and 11 years.

(b) *Deferred mine exploration and evaluation expenditure*

Exploration and evaluation activities include:

- Researching and analysing historical exploration data
- Gathering exploration data through geophysical studies
- Exploratory drilling and sampling
- Determining and examining the volume and grade of the resource
- Surveying transportation and infrastructure requirements
- Conducting market and finance studies

Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised based on the unit-of-production method.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.13 *Intangible assets (cont'd)*

(b) *Deferred mine exploration and evaluation expenditure (cont'd)*

Mine exploration and evaluation expenditures incurred for a new area of interest are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits a reasonable assessment of the existence of economically recoverable ore resources. These costs also include directly attributable employee remuneration, materials used and overhead costs.

Once an economically mineable resource for an area of interest is established and development is sanctioned, such exploration and evaluation expenditure is transferred to mine properties. No amortisation is charged during the exploration and evaluation phase. The exploration and evaluation expenditure is charged to profit or loss when the Group concludes that the economically mineable resource of an area of interest is less likely to be realised.

(c) *Mine properties*

All expenditures incurred in connection with development activities in respect of each mine property, which includes all activities conducted in the preparation of economically recoverable ore resources until commercial production are accumulated in respect of each mine property.

Expenditure for a mine property which is considered to provide minimal benefit to future periods is recognised as an expense in profit or loss.

When production for a mine property commences, the accumulated cost for the mine property is amortised based on the unit-of-production method so as to write off the expenditure in proportion to the depletion of the estimated economically recoverable ore resources. Changes in the estimated economically recoverable ore resources are accounted for on a prospective basis.

(d) *Mine restoration expenditure*

Restoration expenditure incurred during the production phase of operations is recognised in profit or loss as part of the cost of production of the mine property concerned.

Significant mine restoration expenditure to be incurred subsequent to the cessation of production of each mine property is provided based on the present value of the estimated expenditure to be incurred.

(e) *Trademark*

The Group expended resources and incurred expenses for the development of the trademark. The useful life of the trademark is indefinite and is measured at cost less accumulated impairment losses. When the trademark is no longer in use and the Group has no intention to sell the trademark, the entire carrying amount is considered impaired.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.14 *Financial instruments*

(a) *Financial assets*

(i) Initial recognition and measurement

Financial assets are recognised when, and only when the Group becomes a party to the contractual provisions of the instruments.

At initial recognition, the Group measures financial assets at fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade and other receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade and other receivables do not contain a significant financing component at initial recognition.

(ii) Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

Debt instruments measured at amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in FVOCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

For investments in equity instruments which the Group has not elected to present subsequent changes in FVOCI, changes in fair value are recognised in profit or loss.

(iii) Impairment

The Group assesses on a forward looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.14 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

(iii) Impairment (cont'd)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs.

Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

(iv) Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in FVOCI reserve is not reclassified to profit or loss, but is transferred to retained earnings. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(b) *Financial liabilities*

(i) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

(ii) Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.15 *Financial guarantee*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of the loss allowance determined in accordance with policy set out in the impairment model under SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of guarantee.

2.16 *Cash and cash equivalents*

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and on hand, and short-term deposits that are readily convertible to cash and subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

For restricted cash, assessment is made on the economic substance of the restriction and whether it meets the definition of cash and cash equivalents.

2.17 *Inventories*

Inventories are stated at the lower of cost and net realisable value.

Cost of trading inventory of refined tin metal is determined on a first-in first-out basis. Cost of inventories of tin-in-concentrates and tin-in-process which have matching sale contracts for refined tin metal from tin smelting operations, is stated at the value of such contract less cost of conversion. This value is consistent with cost, as it is the practice of tin smelting operations of the subsidiary to buy tin-in-concentrates and sell refined tin metal on a back-to-back price basis. Cost of tin inventories which have no matching sale contracts is calculated using the weighted average cost method.

Absorption costing is used in the mining operations to assign costs to tin inventories using the weighted average cost method which includes both variable and fixed overhead cost components.

Cost of other inventories comprising stores, spares, fuels, coal and consumables is determined on the weighted average cost method.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.18 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.18 Impairment of non-financial assets (cont'd)

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses relating to goodwill cannot be reversed in future periods.

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.21 Employee benefits

(a) *Defined contribution plan*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.21 Employee benefits (cont'd)

(b) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are recognised when commitment is demonstrated to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting date are discounted to present value.

(c) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan. 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 share-based compensation 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.

2.22 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

<u>Right-of-use assets</u>

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group are reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. The accounting policy for impairment is disclosed in Note 2.18. The Group's right-of-use assets are presented within property, plant and equipment in Note 14.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.22 Leases (cont'd)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivables, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group, and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned. The accounting policy for rental income is set out in Note 2.23(iv).

2.23 Revenue and other income recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.23 Revenue and other income recognition (cont'd)

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

(i) Sale of tin

Revenue is recognised when "control" of the goods is transferred to the customer. For sale of tin through Kuala Lumpur Tin Market ("KLTM")/London Metal Exchange ("LME"), revenue is recognised upon issue of tin warrant. For sale of tin to the end-customer, revenue is recognised upon delivery of tin to the customer, or according to the agreed Incoterms with customers.

Tin warrant is a document of possession used as a means of delivering tin metal under KLTM/LME contracts.

(ii) Smelting revenue

Smelting revenue is recognised at a point in time upon performance of services. The Group acts as an agent to provide tin smelting services on tin materials supplied by the customers. The Group does not own and has no control of the tin materials.

(iii) Sale of by-products

Revenue is recognised upon delivery/shipment to the customer, or according to the agreed Incoterms with customers.

(iv) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(v) Other income

- Dividend income is recognised when the Group's and the Company's right to receive payment is established.
- Interest income is recognised on an accrual basis using effective interest method.
- Other charges are recognised over time.

2.24 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the Financial Statements
For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.24 *Taxes (cont'd)*

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

Notes to the Financial Statements
For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.24 *Taxes (cont'd)*

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.25 *Derivative financial instruments and hedge accounting*

The Group uses derivative financial instruments, such as forward currency contracts, cross currency swaps ("CCS"), interest rate swaps, and interest rate cap contracts to manage its foreign currency and interest rate risk exposures. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the gains or losses on derivatives that are designated as hedging instruments which are recognised in other comprehensive income.

A derivative embedded in a hybrid contract is accounted for as a separate derivative and recorded at fair value if its economic characteristics and risks are not closely related to those of the host contract and the host contract is not measured at fair value with changes in fair value recognised in profit or loss. The embedded derivative is measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

For the purpose of hedge accounting, hedges are classified as:

– Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

– Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

– Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they have been highly effective throughout the financial reporting periods for which they were designated.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.25 Derivative financial instruments and hedge accounting (cont'd)

Hedge accounting will be discontinued in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing within a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree or replace their original counterparty with a new one). Any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measure of hedge effectiveness with retrospective application.

Hedges that meet the strict criteria for hedge accounting are accounted for as described below:

(a) *Fair value hedges*

The change in the fair value of a hedging derivative is recognised in profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in profit or loss.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the effective interest rate method. Effective interest rate amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedge item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

However, when the hedged item is an equity instrument classified as FVOCI, changes in the fair value of the hedging instrument and the hedged item are both recorded in other comprehensive income and accumulated in FVOCI reserve. The amounts recorded in FVOCI reserve are not subsequently reclassified to profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

(b) *Cash flow hedges*

The effective portion of the gain or loss on the hedging instruments is recognised directly in other comprehensive income, while any ineffective portion is recognised immediately in profit or loss.

The Group uses forward currency contracts and foreign currency component of CCS as hedges of its exposure to foreign currency risk in forecasted transactions and firm commitments, as well as interest rate swaps, interest rate cap contracts and interest component of CCS as hedges of its exposure to interest rate risk.

For contracts entered from 1 January 2023 onwards, the Group designates the spot element of forward currency contracts and foreign currency component of CCS as a hedging instrument. The forward element is recognised in other comprehensive income and accumulated in a separate component of equity under hedging reserve.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or non-financial liability.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.25 Derivative financial instruments and hedge accounting (cont'd)

Hedges that meet the strict criteria for hedge accounting are accounted for as described below: (cont'd)

(b) *Cash flow hedges (cont'd)*

For any other cash flow hedges, the amounts accumulated in other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged interest income or interest expense is recognised or when a forecast sale or purchase occurs.

When a cash flow hedge is discontinued, the cumulative gain or loss previously recognised in other comprehensive income will remain in the cash flow hedge reserve until the future cash flows occurs if the hedge future cash flows are still expected to occur or reclassified to profit or loss immediately if the hedged future cash flows are no longer expected to occur.

(c) *Hedges of a net investment*

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to profit or loss.

2.26 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.27 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sales, issue or cancellation of the Group's own equity instruments. Any difference between carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.28 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.28 Contingencies (cont'd)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined. Contingencies incurred relating to the business combination, entity's interests in associates and joint ventures are disclosed separately in accordance with SFRS(I) 1-37, unless the probability of loss is remote.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgements made by management in the application of accounting policies that have a significant effect on the financial statements and in arriving at estimates with a significant risk of material adjustment in the following year are discussed below:

(a) *Estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. The recoverable amount of the cash-generating unit is determined based on value in use calculations. The value in use calculations are based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the terminal growth rate. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 17(a).

(ii) Revaluation of properties

The Group carries its investment properties, and land and buildings included in property, plant and equipment at fair value with changes in fair value recognised in profit or loss and other comprehensive income respectively.

The fair values of properties are determined 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. These techniques comprise comparison method, direct capitalisation method, discounted cash flow method, investment valuation method and depreciated replacement cost method.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(a) *Estimation uncertainty (cont'd)*

(ii) Revaluation of properties (cont'd)

The determination of the fair values of the properties requires the use of estimates such as:

– sales of similar properties that have been transacted in the open market with adjustment made for differences in factors that affect value;

– an estimate of the current market value of the land, plus the current gross replacement of improvements, less allowances for physical deterioration, obsolescence and optimisation;

– capitalisation of net rental income taking into consideration factors such as vacancy rates and rental growth rates;

– an estimate of total gross development costs and developer's profits.

(iii) Tin inventories

Significant management judgement and estimation are required in determining the valuation of tin-in-concentrates, tin-in-process and refined tin metal which is affected by the timing of realisation, foreign exchange rates and further processing costs.

Inventories are written down to its net realisable value when events or changes in circumstances indicate that the carrying amounts may not be fully recoverable, and the write-down is reversed when there is indication of recovery. Where actual amount differs from the original estimates, the differences will impact the carrying amount of inventories.

(iv) Provision for mine restoration costs

Provision for mine restoration costs is made based on the present value of the estimated future expenditure to be incurred towards the rehabilitation of mines subsequent to the cessation of production. Significant management judgement and estimation are required in determining the estimated mine restoration costs.

The estimated mine restoration costs is based on the mine rehabilitation plan prepared by an external consultant which represents the current best estimate of such costs. Where expectations differ from the plan submitted or actual amount differs from the original estimates, the differences may significantly impact the carrying amount of provision for mine restoration costs.

(v) Provision for retrenchment compensation

Provision for retrenchment compensation is made based on the present value of the estimated future employee termination benefits to be incurred subsequent to the relocation of the plant. Significant management judgement and estimation are required in determining the timing of realisation.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(a) *Estimation uncertainty (cont'd)*

(vi) *Ore reserve and mineral resource estimates*

Ore reserve and mineral resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. The Group estimates its ore reserve and mineral resource based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. The standards and guidelines used in the resource estimation are complied with industry practice.

The change in estimates of ore reserve and mineral resource may impact the Group's reported financial position and results, in the following ways:

– Depreciation and amortisation charges in the statement of profit or loss and other comprehensive income may change where such charges are determined using unit-of-production ("UOP") method, or where the useful life of the related assets change.

– The carrying value of mine properties, mining rights, property, plant and equipment where their depreciation and amortisation charges are determined using UOP method, may be affected.

(vii) *Impairment of financial assets*

The impairment allowance for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Details of the key assumptions and inputs used are disclosed in Note 39(c).

(b) *Judgements*

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) *Income taxes*

The Group has exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the capital allowance, reinvestment allowance, mining allowance and group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Notes to the Financial Statements

For the financial year ended 31 December 2023

4. REVENUE

	Group	
	2023	2022
	$'000	$'000
Disaggregation of revenue from contracts with customers:		
– Tin mining and smelting revenue	424,844	472,588
– Property revenue	66,815	55,032
	491,659	527,620
Timing of transfer of goods or services:		
– At a point in time	424,844	472,588
– Over time	66,815	55,032
	491,659	527,620

5. DIVIDEND INCOME

	Group	
	2023	2022
	$'000	$'000
Dividend income from:		
– Investment securities at fair value through profit or loss ("FVPL")	1,187	1,039
– Investment securities at FVOCI	10,235	11,327
	11,422	12,366

6. INTEREST INCOME

	Group	
	2023	2022
	$'000	$'000
Interest income from:		
– Investment securities	7,028	7,814
– Cash and bank balances	11,149	2,743
– Amounts due from associates, joint ventures and trade and other receivables	7,247	4,574
	25,424	15,131

Notes to the Financial Statements

For the financial year ended 31 December 2023

7. OTHER INCOME

	Group 2023 $'000	Group 2022 $'000
Net loss on disposal of investment properties	(3,728)	(223)
Net gain on disposal of property, plant and equipment	–	19
Net gain on disposal of subsidiaries, associates and joint ventures	–	642,190
Net loss on disposal of investment securities at FVPL	–	(1,943)
Net gain from settlement of forward commodity contracts	4,114	3,591
Net fair value changes in financial instruments:		
– Investment securities at FVPL	(10,896)	(14,402)
– Derivative financial instruments at FVPL	29,171	1,244
– Ineffective portion of derivatives designated as hedging instruments in cash flow hedges	(289)	454
Net foreign exchange gain	555	–
Others	4,814	4,443
	23,741	635,373

8. EMPLOYEE BENEFITS EXPENSE

	Group 2023 $'000	Group 2022 $'000
Wages, salaries and other short-term benefits	36,854	34,089
Contribution to defined contribution plans	3,190	3,041
Share-based compensation (Note 29)	1,572	1,833
Retrenchment compensation (Note 30)	481	326
	42,097	39,289

Notes to the Financial Statements

For the financial year ended 31 December 2023

9. FINANCE COSTS

	Group 2023 $'000	Group 2022 $'000
Interest expense on bank loans	44,273	30,286
Interest expense on notes	32,223	12,093
Interest expense on lease liabilities (Note 34)	173	114
Interest expense on amounts due to non-controlling shareholders of subsidiaries	31	70
Fees incurred for credit facilities	9,951	3,974
Discount adjustment on provisions (Note 30)	733	553
	87,384	47,090
Less: interest expense capitalised in investment properties (Note 16(d))	(3,088)	(3,097)
	84,296	43,993

10. OTHER EXPENSES

	Group 2023 $'000	Group 2022 $'000
Administrative expenses	10,430	10,825
Marketing and distribution expenses	1,365	1,486
Property related management fees	3,733	2,869
Property upkeep and maintenance expenses	11,282	9,510
Property related taxes	4,155	4,247
Brokerage fees	211	440
Allowance for expected credit losses (Note 21)	115	218
Net foreign exchange loss	–	15,108
Other expenses	2,118	5,027
	33,409	49,730

Notes to the Financial Statements

For the financial year ended 31 December 2023

11. (LOSS)/PROFIT BEFORE TAX

The following items have been included in arriving at (loss)/profit before tax:

	Group 2023 $'000	Group 2022 $'000
Audit fees paid/payable:		
– Auditor of the Company	558	551
– Overseas affiliates of the auditor of the Company	586	536
– Other auditors	138	270
Non-audit fees paid/payable:		
– Auditor of the Company	224	114
– Overseas affiliates of the auditor of the Company	41	6
– Other auditors	849	875
	2,396	2,352

12. INCOME TAX EXPENSE/(CREDIT)

(a) *Major components of income tax expense*

The major components of income tax expense/(credit) for the years ended 31 December 2023 and 2022 are:

	Group 2023 $'000	Group 2022 $'000
(i) Consolidated statement of profit or loss		
Income tax		
– Current income tax	12,166	15,475
– Under/(over) provision in prior years	1,593	(508)
	13,759	14,967
Deferred tax (Note 20)		
– Origination and reversal of temporary differences	(13,091)	(23,255)
– Over provision in prior years	(1,716)	(270)
	(14,807)	(23,525)
Withholding tax	1,560	2,271
Income tax expense/(credit) recognised in profit or loss	512	(6,287)
(ii) Consolidated statement of comprehensive income		
Deferred tax expense/(credit) related to other comprehensive income		
– Net change in revaluation of property, plant and equipment	774	220
– Net change in fair value of derivatives designated as hedging instruments in cash flow hedges	538	(414)
	1,312	(194)

Notes to the Financial Statements

For the financial year ended 31 December 2023

12. INCOME TAX EXPENSE/(CREDIT) (CONT'D)

(b) *Relationship between tax expense/(credit) and accounting (loss)/profit*

A reconciliation between tax expense/(credit) and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 31 December 2023 and 2022 is as follows:

	Group 2023 $'000	Group 2022 $'000
(Loss)/profit before tax	(11,633)	562,984
Add: Share of results of associates and joint ventures (net of tax)	21,303	14,021
	9,670	577,005
Taxation at statutory rate of 17% (2022: 17%)	1,644	98,091
Adjustments:		
Effect of different tax rates in other countries	(2,214)	2,718
Non-deductible expenses	11,712	14,748
Income not subject to taxation	(10,474)	(116,453)
Effect of partial tax exemption	(196)	(187)
Reinvestment allowance claimed	(166)	–
Deferred tax assets not recognised	96	3,589
Benefits from previously unrecognised tax losses	(1,126)	–
Over provision of deferred tax in prior years	(1,716)	(270)
Withholding tax expense/(credit)	1,560	(7,713)
Under/(over) provision of income tax in prior years	1,593	(508)
Others	(201)	(302)
Income tax expense/(credit) recognised in profit or loss	512	(6,287)

13. EARNINGS PER SHARE (CENTS PER SHARE)

The calculations of basic and diluted earnings per share are based on the loss attributable to owners of the Company of $28,567,000 (2022: profit of $551,259,000) and on 449,570,590 (2022: 434,049,035) weighted average number of ordinary shares in issue.

There are no dilutive potential shares of the Company.

Notes to the Financial Statements

For the financial year ended 31 December 2023

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Leasehold land $'000	Buildings $'000	Plant, equipment, vehicles and furniture $'000	Capital work-in-progress $'000	Mine restoration $'000	Right-of-use assets: Land and buildings $'000	Right-of-use assets: Motor vehicles $'000	Total $'000
	At valuation			At cost					
Group									
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)
Reclassifications	–	–	136	5,819	(5,955)	–	–	–	–
Revaluation surplus, net	3	1,607	347	–	–	–	–	–	1,957
Elimination of accumulated depreciation on revaluation	–	(118)	(321)	–	–	–	–	–	(439)
Remeasurement of lease liability	–	–	–	–	–	–	(155)	–	(155)
Adjustments	–	–	–	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)
Adjustments	–	–	–	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

Notes to the Financial Statements

For the financial year ended 31 December 2023

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land $'000	Leasehold land $'000	Buildings $'000	Plant, equipment, vehicles and furniture $'000	Capital work-in-progress $'000	Mine restoration $'000	Right-of-use assets: Land and buildings $'000	Right-of-use assets: Motor vehicles $'000	Total $'000
	At valuation			At cost					
Group									
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

Notes to the Financial Statements

For the financial year ended 31 December 2023

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land $'000	Buildings $'000	Plant, equipment, vehicles and furniture $'000	Total $'000
	At valuation		At cost	
Company				
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

Notes to the Financial Statements

For the financial year ended 31 December 2023

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land $'000	Buildings $'000	Plant, equipment, vehicles and furniture $'000	Total $'000
	At valuation		At cost	
Company				
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

(a) Land and buildings are stated at fair value, which has been determined based on valuations performed at the end of the reporting period. The valuations were performed by accredited independent valuers with recent experience in the location and category of the properties being valued. Details of valuation techniques and inputs used are disclosed in Note 41D.

(b) If land and buildings stated at valuation were included in the financial statements using the cost model, the net carrying amount would be:

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Freehold land	31	33	1	1
Leasehold land	6,753	7,287	–	–
Buildings	4,998	5,461	48	48

Notes to the Financial Statements

For the financial year ended 31 December 2023

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Details of properties included in property, plant and equipment as at 31 December 2023 are as follows:

Description of property	Tenure	Unexpired lease term (years)
Malaysia		
Wavertree Bungalow at Jalan Lady Maxwell, 49000 Bukit Fraser, Pahang	Leasehold	95
Lot 448, Mukim of Sabai, District of Bentong, Pahang	Freehold	–
80 units of flats at Taman Desa Palma, Alma, 14000 Bukit Mertajam, Penang	Freehold	–
Lot 6, 8 & 9 Jalan Perigi Nanas 6/1 Pulau Indah Industrial Park, West Port, 42920 Port Klang Selangor	Leasehold	74
Mukim Belukar Semang and Mukim Pengkalan Hulu, Daerah Hulu Perak:		
(i) Land and buildings at Lot 344 and 348	Freehold	–
(ii) Land at Lot 1886	Freehold	–
(iii) Land and buildings at Lot 2546, 2547, 2548	Leasehold	27
(iv) 3 units of terrace houses at PT 1705, 1706 and 1707	Leasehold	85
(v) 2 units of single-storey semi-detached house at PT 55671 and 55675	Freehold	–

(d) Details of properties included in right-of-use assets as at 31 December 2023 are as follows:

Description of property	Tenure	Unexpired lease term (years)
Malaysia		
Land at Lot 2071, 2163, 55502, 55503, 55504, 56711, 56740 & 56741	Leasehold	27 to 89
Section 4 Town of Butterworth North Seberang Perai District, Penang – Seabed leases with main wharf at PT 686	Leasehold	46
9 plots of state land at Wilayah Kg Pong, Tanah Hitam and Klian Intan in Mukim Pengkalan Hulu and Belukar Semang Daerah Hulu Perak	Leasehold	27
Building Q Sentral, Unit 18-13A, Level 18, Q Sentral, Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470 Kuala Lumpur	Leasehold	2
Singapore		
1 Wallich Street #15-01, Guoco Tower, Singapore 078881	Leasehold	3

Notes to the Financial Statements
For the financial year ended 31 December 2023

15. LAND UNDER DEVELOPMENT

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
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
Amount written-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] The write-down to net realisable value relating to Lot No. 20502, section 4 Town of Butterworth, North Seberang Perai District, Penang was reversed following the revaluation of property under development.

Details of properties included in land under development as at 31 December 2023 are as follows:

Description of property	Tenure	Proportion of ownership interest	Site area sq.m.	Existing use
Malaysia				
Lot 20514 – 20517 Section 4 Town of Butterworth North Seberang Perai District, Penang[2]	Freehold	52%	51,749	Office/Factory/ Carpark shed
Lot 20500 – Lot 20512 Section 4 Town of Butterworth North Seberang Perai District, Penang	Freehold	100%	91,944[3]	Hotel and others

[2] The property is pledged to secure bank facilities (Note 31).

[3] Included hotel under development located at Lot No. 20502 with site area of 4,656 sq.m.

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16. INVESTMENT PROPERTIES

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
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

	Group 2023 $'000	Group 2022 $'000
Consolidated statement of profit or loss		
Rental income from investment properties		
– Minimum lease payments	66,815	55,032
Direct operating expenses (including repairs and maintenance) arising from:		
– Rental generating properties	(20,674)	(20,358)
– Non-rental generating properties	(222)	(1,420)
	(20,896)	(21,778)

(a) Except as disclosed in Note 16(c), the Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or development in investment property or for repairs, maintenance, or enhancements.

(b) Investment properties are stated at fair value, which has been determined based on valuations performed 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. Details of valuation techniques and inputs used are disclosed in Note 41D.

(c) Certain investment properties are mortgaged to secure bank facilities (Note 31).

(d) In 2023, interest capitalised as cost of investment properties was $3,088,000 (2022: $3,097,000).

Notes to the Financial Statements

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16. INVESTMENT PROPERTIES (CONT'D)

(e) Details of investment properties as at 31 December 2023 are as follows:

Description of property	Tenure	Unexpired lease term (years)	Site area sq.m.	Net floor area sq.m.	Existing use	Professional valuer	Valuation method
Singapore							
1 residential unit at Gallop Green condominium	Freehold	–	–	394 (strata)	Residential	Knight Frank Pte Ltd	Comparison method
8/8A at Cable Road	Freehold	–	3,010	1,752 (gross)	Residential	Knight Frank Pte Ltd	Comparison method
10/10A/10B at Nathan Road	Freehold	–	4,548	2,083 (gross)	Residential	Knight Frank Pte Ltd	Comparison method
China							
Retail Mall at No. 186 Tongjiang Avenue, Nan'an District, Chongqing	Leasehold	27	15,774	37,895	Retail	CBRE (Shanghai) Management Limited	Direct capitalisation method and discounted cash flow method
Malaysia							
A parcel of residential land Lot No. 11260, Mukim of Hulu Kinta, District of Kinta, Perak	Leasehold	871	11,255	–	Residential	CBRE WTW Valuation & Advisory Sdn Bhd	Comparison method
A parcel of residential land, Lot No. 34612 Town of Ipoh(S), District of Kinta, Perak	Leasehold	870	12,892	–	Residential	CBRE WTW Valuation & Advisory Sdn Bhd	Comparison method
Parcels of commercial land, Lot Nos. 1105 to 1110, 2122 and 2123 Town of Seremban, District of Seremban, Negeri Sembilan	Freehold	–	3,826	–	Retail	CBRE WTW Valuation & Advisory Sdn Bhd	Comparison method
8 units of 3-storey shophouses, No. 4819 to 4826 Jalan Pantai, Taman Selat, 12000 Butterworth, Penang	Freehold	–	1,322	2,587	Commercial	CBRE WTW Valuation & Advisory Sdn Bhd	Comparison method

Notes to the Financial Statements
For the financial year ended 31 December 2023

16. INVESTMENT PROPERTIES (CONT'D)

(e) Details of investment properties as at 31 December 2023 are as follows: (cont'd)

Description of property	Tenure	Site area sq.m.	Net floor area sq.m.	Existing use	Professional valuer	Valuation method
Australia						
45 St Georges Terrace, Perth, WA	Freehold	1,826	10,120	Office/ Carpark	Jones Lang LaSalle Advisory Services Pty Ltd	Direct capitalisation method and discounted cash flow method
23-45 Stock Road, Cavan, SA	Freehold	48,540	–	Industrial Land	CBRE Valuations Pty Limited	Comparison method
34 Share Street, Kilkenny Road, Kilkenny, SA	Freehold	50,329	37,809	Warehouse/ Office	CBRE Valuations Pty Limited	Direct capitalisation method and discounted cash flow method
18-40 Ocean Steamers Road, Port Adelaide, SA	Freehold	35,990	17,251	Warehouse/ Office	Jones Lang LaSalle Advisory Services Pty Ltd	Direct capitalisation method and discounted cash flow method
1-10 Enterprise Drive, Salisbury South, SA	Freehold	95,790	46,440	Industrial Land/ Warehouse/ Office	CBRE Valuations Pty Limited	Direct capitalisation method and discounted cash flow method
33-55 Frost Road, Salisbury South, SA	Freehold	103,700	46,446	Warehouse/ Office	CBRE Valuations Pty Limited	Direct capitalisation method and discounted cash flow method
867-885 Mountain Highway Bayswater, Melbourne, VIC	Freehold	104,200	38,350	Warehouse/ Office	CBRE Valuations Pty Limited	Direct capitalisation method and discounted cash flow method
1-11 Technology Drive, Mawson Lakes, SA	Freehold	37,980	14,342	Warehouse/ Office	Jones Lang LaSalle Advisory Services Pty Ltd	Direct capitalisation method and discounted cash flow method
677 Springvale Road, Mulgrave, VIC	Freehold	22,510	11,951	Warehouse/ Office	Jones Lang LaSalle Advisory Services Pty Ltd	Direct capitalisation method and discounted cash flow method
135 Ocean Streamers Road, Port Adelaide, SA	Freehold	28,960	15,536	Warehouse/ Office	Jones Lang LaSalle Advisory Services Pty Ltd	Direct capitalisation method and discounted cash flow method

Notes to the Financial Statements
For the financial year ended 31 December 2023

16. INVESTMENT PROPERTIES (CONT'D)

(e) Details of investment properties as at 31 December 2023 are as follows: (cont'd)

Description of property	Tenure	Site area sq.m.	Net floor area sq.m.	Existing use	Professional valuer	Valuation method
Australia (cont'd)						
1010 La Trobe Street, Docklands, VIC	Freehold	3,268	14,709	Office/ Carpark	Cushman & Wakefield (Valuation) Pty Ltd	Direct capitalisation method and discounted cash flow method
192 Harbour Esplanade, Docklands, VIC	Freehold	3,543	5,779	Office/ Carpark	Cushman & Wakefield (Valuation) Pty Ltd	Direct capitalisation method and discounted cash flow method
United Kingdom						
Bourne Business Park, Dashwood Lang Road, Addlestone, Surrey, KT15 2NX	Freehold	62,400	17,716	Business Park	Refer to note*	Investment valuation method
Gloucester Business Park, Brockworth, Gloucester	Freehold	284,530	31,308	Business Park	Knight Frank LLP	Investment valuation method
Korea						
Logistic center at San 11-4, Sanjeong-Ri, Yangseong-Myeon, Anseong-Si, Gyeonggi-Do, Korea	Freehold	71,316	124,079	Industrial Land/ Warehouse/ Office	Jones Lang LaSalle Co., Ltd.	Direct capitalisation method, discounted cash flow method and direct comparison method

* The valuation of the investment property was performed internally.

Notes to the Financial Statements

For the financial year ended 31 December 2023

17. GOODWILL/OTHER INTANGIBLE ASSETS

(a) *Goodwill arising on consolidation*

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

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

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

The recoverable amount of the Resources segment is determined based on value in use calculations using 5-year cash flow projections approved by management.

The pre-tax discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group's resources segment and derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings of the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. 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.

The terminal growth rates are based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs. The terminal growth rate applied to the cash flow projections was 2.3% (2022: 2.2%) for Smelting segment.

(ii) Sensitivity to changes in assumptions

With regard to the assessment of value in use for the recoverable amount of the Resources segment, 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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

17. GOODWILL/OTHER INTANGIBLE ASSETS (CONT'D)

(b) *Other intangible assets*

	Group 2023 $'000	Group 2022 $'000
(i) Mining rights	40,537	43,062
Corporate club memberships	121	132
Trademark	26	–
	40,684	43,194
(ii) Deferred mine exploration and evaluation expenditure	439	403
Mine properties	3,468	3,705
	3,907	4,108
	44,591	47,302

(i) Mining rights, corporate club memberships and trademark

	Mining rights $'000	Corporate club memberships $'000	Trademark $'000	Total $'000
Group				
Cost				
At 1 January 2023	45,767	173	–	45,940
Additions	157	–	27	184
Exchange differences	(2,806)	(11)	(1)	(2,818)
At 31 December 2023	43,118	162	26	43,306
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)
At 31 December 2023	2,581	41	–	2,622
Net carrying amount				
At 31 December 2023	40,537	121	26	40,684

Notes to the Financial Statements

For the financial year ended 31 December 2023

17. GOODWILL/OTHER INTANGIBLE ASSETS (CONT'D)

(b) *Other intangible assets (cont'd)*

(i) Mining rights, corporate club memberships and trademark (cont'd)

	Mining rights $'000	Corporate club memberships $'000	Total $'000
Group			
Cost			
At 1 January 2022	3,855	186	4,041
Additions	21	–	21
Acquisition of subsidiaries	42,489	–	42,489
Exchange differences	(598)	(13)	(611)
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)
At 31 December 2022	2,705	41	2,746
Net carrying amount			
At 31 December 2022	43,062	132	43,194

Mining rights

The mining rights are located in Hulu Perak and Sungai Lembing, Pahang. The mining rights amounting to $39,722,000 as at 31 December 2023 located in Hulu Perak was tested for impairment annually but yet to be amortised as the Group has not commenced the operation.

Notes to the Financial Statements

For the financial year ended 31 December 2023

17. 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			
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
Cost			
At 1 January 2022	342	45,737	46,079
Additions	51	116	167
Acquisition of subsidiaries	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

Notes to the Financial Statements

For the financial year ended 31 December 2023

18. SUBSIDIARIES

	Company 2023 $'000	Company 2022 $'000
Quoted shares, at cost	25,402	25,402
Unquoted shares, at cost	65,356	55,356
Redeemable preference shares, at cost	48,900	48,900
	139,658	129,658
Impairment losses	(6,629)	(6,123)
	133,029	123,535

Movement in allowance for impairment losses:

	Company 2023 $'000	Company 2022 $'000
At 1 January	(6,123)	(6,123)
Impairment losses	(506)	–
At 31 December	(6,629)	(6,123)

Details of subsidiaries are set out in Note 43.

Interest in subsidiary with material non-controlling interest ("NCI")

The Group has the following subsidiary that has NCI that is material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI	Profit allocated to NCI during the reporting period $'000	Accumulated NCI at the end of reporting period $'000
31 December 2023				
Malaysia Smelting Corporation Berhad	Malaysia	48%	15,848	124,818
31 December 2022				
Malaysia Smelting Corporation Berhad	Malaysia	48%	16,060	126,782

Notes to the Financial Statements

For the financial year ended 31 December 2023

18. SUBSIDIARIES (CONT'D)

Summarised financial information about subsidiary with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiary with material non-controlling interests are as follows:

Summarised statement of financial position

	Malaysia Smelting Corporation Berhad 2023 $'000	Malaysia Smelting Corporation Berhad 2022 $'000
Current		
Assets	259,352	255,706
Liabilities	(129,182)	(121,610)
Net current assets	130,170	134,096
Non-current		
Assets	138,357	143,009
Liabilities	(34,987)	(40,167)
Net non-current assets	103,370	102,842
Net assets	233,540	236,938

Summarised statement of comprehensive income

	Malaysia Smelting Corporation Berhad 2023 $'000	Malaysia Smelting Corporation Berhad 2022 $'000
Revenue	424,270	472,588
Profit before tax	38,583	45,849
Income tax expense	(9,479)	(13,475)
Profit after tax	29,104	32,374
Other comprehensive income	(11,755)	(19,633)
Total comprehensive income	17,349	12,741

Notes to the Financial Statements
For the financial year ended 31 December 2023

19. ASSOCIATES AND JOINT VENTURES

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Associates	230,950	259,653	144	144
Joint ventures	405,878	441,559	–	–
	636,828	701,212	144	144

19.1 Associates

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Unquoted shares, at cost	239,792	260,642	609	609
Loans to associate (b)	71,910	71,910	–	–
Share of post-acquisition reserves	(45,947)	(42,025)	–	–
Exchange differences	(31,306)	(27,375)	–	–
	234,449	263,152	609	609
Impairment losses	(3,499)	(3,499)	(465)	(465)
	230,950	259,653	144	144

(a) Details of associates are set out in Note 43.

(b) The quasi-equity loans are extended to Far East Hospitality Holdings Pte. Ltd. ("FEHH") and are unsecured and non-interest bearing.

(c) Aggregate information about the Group's associates that are not individually material are as follows:

	Group 2023 $'000	Group 2022 $'000
Loss after tax	(1,280)	(1,722)
Other comprehensive income	29	(3)
Total comprehensive income	(1,251)	(1,725)

Notes to the Financial Statements
For the financial year ended 31 December 2023

19. ASSOCIATES AND JOINT VENTURES (CONT'D)

19.1 Associates (cont'd)

(d) The summarised financial information in respect of Savills IM UK Value Boxes Fund FCP-RAIF ("SIMUK"), FEHH, ARA Harmony Fund III, L.P. ("H3") and Savills Investment Management Japan Value Fund II, LP ("JVF2") based on their financial statements, and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows:

Summarised statements of financial position

	SIMUK* $'000	FEHH $'000	H3 $'000	JVF2 $'000
31 December 2023				
Current assets	9,463	78,116	23,509	153,160
Non-current assets	124,219	540,688	396,240	557,807
Total assets	133,682	618,804	419,749	710,967
Current liabilities	(4,931)	(310,722)	(9,991)	(26,545)
Non-current liabilities	(67,266)	(274,642)	(346,773)	(313,420)
Total liabilities	(72,197)	(585,364)	(356,764)	(339,965)
Net assets	61,485	33,440	62,985	371,002
Non-controlling interests	–	–	–	(44,832)
Net assets	61,485	33,440	62,985	326,170
Proportion of ownership interest	63.16%	30.0%	40.0%	18.5%
Group's share of net assets	38,834	10,032	25,194	60,341
Intangible assets	–	9,240	–	–
Other adjustments	(187)	(3,499)	–	–
Carrying value of the investment	38,647	15,773	25,194	60,341

* The Group has accounted SIMUK as an associate as its rights in the fund investment does not constitute control but has significant influence over the Fund by virtue of its 33.3% voting rights.

Notes to the Financial Statements
For the financial year ended 31 December 2023

19. ASSOCIATES AND JOINT VENTURES (CONT'D)

19.1 Associates (cont'd)

(d) The summarised financial information in respect of Savills IM UK Value Boxes Fund FCP-RAIF ("SIMUK"), FEHH, ARA Harmony Fund III, L.P. ("H3") and Savills Investment Management Japan Value Fund II, LP ("JVF2") based on their financial statements, and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows: (cont'd)

Summarised statements of financial position (cont'd)

	SIMUK* $'000	FEHH $'000	H3 $'000	JVF2 $'000
31 December 2022				
Current assets	24,987	78,014	23,042	180,208
Non-current assets	124,423	572,297	423,528	804,638
Total assets	149,410	650,311	446,570	984,846
Current liabilities	(4,646)	(345,055)	(8,153)	(32,867)
Non-current liabilities	(64,652)	(275,540)	(372,741)	(488,571)
Total liabilities	(69,298)	(620,595)	(380,894)	(521,438)
Net assets	80,112	29,716	65,676	463,408
Non-controlling interests	–	–	–	(57,290)
Net assets	80,112	29,716	65,676	406,118
Proportion of ownership interest	63.16%	30.0%	40.0%	18.5%
Group's share of net assets	50,599	8,915	26,270	75,132
Intangible assets	–	10,097	–	–
Other adjustments	(181)	(3,499)	–	–
Carrying value of the investment	50,418	15,513	26,270	75,132

* The Group has accounted SIMUK as an associate as its rights in the fund investment does not constitute control but has significant influence over the Fund by virtue of its 33.3% voting rights.

Notes to the Financial Statements
For the financial year ended 31 December 2023

19. ASSOCIATES AND JOINT VENTURES (CONT'D)

19.1 Associates (cont'd)

(d) The summarised financial information in respect of Savills IM UK Value Boxes Fund FCP-RAIF ("SIMUK"), FEHH, ARA Harmony Fund III, L.P. ("H3") and Savills Investment Management Japan Value Fund II, LP ("JVF2") based on their financial statements, and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows: (cont'd)

Summarised statements of comprehensive income

	SIMUK $'000	FEHH $'000	H3 $'000	JVF2 $'000
2023				
Revenue	11,467	85,028	41,484	29,532
(Loss)/profit after tax	(2,623)	7,393	6,979	(604)
Other comprehensive income	–	(4,080)	(9,671)	–
Total comprehensive income	(2,623)	3,313	(2,692)	(604)
2022				
Revenue	9,854	65,430	40,097	35,220
(Loss)/profit after tax	(13,011)	849	9,332	47,880
Other comprehensive income	–	(9,684)	(4,204)	–
Total comprehensive income	(13,011)	(8,835)	5,128	47,880

19.2 Joint ventures

	Group 2023 $'000	Group 2022 $'000
Unquoted shares, at cost	143,859	142,302
Notes to joint venture (b)	154,968	163,031
Share of post-acquisition reserves	143,188	165,085
Exchange differences	(33,476)	(26,198)
	408,539	444,220
Impairment losses	(2,661)	(2,661)
	405,878	441,559

(a) Details of joint ventures are set out in Note 43.

(b) The notes are issued by 320P Trust ("320P") and are unsecured, interest bearing at the higher of 3.1% per annum or a percentage of 320P's annual profits and are repayable in 2027. As unanimous approval is required for key operating, investing and financing matters, the Group has accounted for 320P as a joint venture.

(c) Certain shares and notes receivable from a joint venture are pledged to secure bank facilities (Note 31).

Notes to the Financial Statements

For the financial year ended 31 December 2023

19. ASSOCIATES AND JOINT VENTURES (CONT'D)

19.2 Joint ventures (cont'd)

(d) The summarised financial information in respect of Ivory SL Joint Venture Limited ("ISL"), 320P and Sky Logis Private Real Estate Investment Company ("SLRE") based on their financial statements, and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows:

Summarised statements of financial position

	ISL $'000	320P $'000	SLRE $'000
31 December 2023			
Cash and cash equivalents	24,322	5,282	6,112
Other current assets	2,927	1,513	7,802
Current assets	27,249	6,795	13,914
Non-current assets	541,026	439,270	436,736
Total assets	568,275	446,065	450,650
Current liabilities	17,508	13,268	11,439
Non-current liabilities	354,797	432,797	158,534
Total liabilities	372,305	446,065	169,973
Net assets	195,970	–	280,677
Proportion of ownership interest	56.52%	26%	50%
Group's share of net assets	110,762	–	140,339
Other adjustments	(195)	–	–
Carrying value of the investment	110,567	–	140,339
31 December 2022			
Cash and cash equivalents	22,279	11,902	9,544
Other current assets	2,569	883	7,051
Current assets	24,848	12,785	16,595
Non-current assets	561,702	493,020	476,436
Total assets	586,550	505,805	493,031
Current liabilities	18,067	11,154	13,347
Non-current liabilities	354,525	494,651	164,099
Total liabilities	372,592	505,805	177,446
Net assets	213,958	–	315,585
Proportion of ownership interest	56.52%	26%	50%
Group's share of net assets	120,929	–	157,793
Other adjustments	(195)	–	–
Carrying value of the investment	120,734	–	157,793

Notes to the Financial Statements

For the financial year ended 31 December 2023

19. ASSOCIATES AND JOINT VENTURES (CONT'D)

19.2 Joint ventures (cont'd)

(d) The summarised financial information in respect of Ivory SL Joint Venture Limited ("ISL"), 320P and Sky Logis Private Real Estate Investment Company ("SLRE") based on their financial statements, and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows: (cont'd)

Summarised statements of comprehensive income

	ISL $'000	320P $'000	SLRE $'000
2023			
Revenue	27,651	28,871	22,824
Interest income	323	137	159
Interest expense	(20,395)	43,837	(6,239)
(Loss)/profit before tax	(3,314)	1,640	(13,381)
Income tax (expense)/credit	(139)	–	1,360
(Loss)/profit after tax	(3,453)	1,640	(12,021)
Other comprehensive income	(6,516)	(1,688)	–
Total comprehensive income	(9,969)	(48)	(12,021)
2022			
Revenue	28,732	12,338	20,269
Interest income	184	192	161
Interest expense	(21,278)	1,161	(6,864)
(Loss)/profit before tax	(4,697)	(2,430)	18,125
Income tax credit/(expense)	77	–	(427)
(Loss)/profit after tax	(4,620)	(2,430)	17,698
Other comprehensive income	(29,472)	2,255	–
Total comprehensive income	(34,092)	(175)	17,698

Notes to the Financial Statements
For the financial year ended 31 December 2023

20. DEFERRED TAX ASSETS AND LIABILITIES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'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	
	Consolidated statement of financial position		Consolidated statement of profit or loss		Statement of financial position	
	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000
Provisions	3,722	1,693	(2,004)	275	–	–
Unutilised tax losses	441	–	(442)	(29)	–	–
Differences in depreciation	(4,105)	(2,871)	1,077	1,147	1	1
Net fair value changes on investment properties	(8,818)	(22,110)	(12,510)	(17,806)	(499)	(523)
Revaluation of property, plant and equipment	(2,245)	(1,893)	–	–	(141)	(148)
Net fair value changes on derivative financial instruments	129	–	(70)	75	–	–
Unremitted foreign sourced income	(29,291)	(34,051)	(1,834)	(7,018)	–	–
Others	428	973	976	(169)	–	–
	(39,739)	(58,259)			(639)	(670)
Deferred tax credit (Note 12)			(14,807)	(23,525)		

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately $23,210,000 (2022: $23,144,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax assets is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Notes to the Financial Statements
For the financial year ended 31 December 2023

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Current				
Trade receivables	6,744	16,360	8	5
Less: Allowance for expected credit losses	(2,949)	(3,015)	–	–
	3,795	13,345	8	5
Deposits	1,667	2,285	7	9
Other receivables	3,699	21,014	821	264
Amounts due from subsidiaries	–	–	1,746,387	1,695,237
Amounts due from associates	66,556	66,591	4	4
Amounts due from joint ventures	7,816	4,675	–	–
Amounts due from non-controlling shareholders of subsidiaries	–	3	–	–
	79,738	94,568	1,747,219	1,695,514
Trade and other receivables (current)	83,533	107,913	1,747,227	1,695,519
Non-current				
Amounts due from subsidiaries	–	–	20,000	30,000
Total trade and other receivables (current and non-current)	83,533	107,913	1,767,227	1,725,519
Cash and bank balances (Note 25)	458,053	251,688	208,550	129,791
Unquoted debt securities at amortised cost (Note 22)	–	32,652	–	–
Quoted debt securities at amortised cost (Note 22)	1,000	999	–	–
Notes to joint venture (Note 19.2)	154,968	163,031	–	–
Total financial assets at amortised cost	697,554	556,283	1,975,777	1,855,310

Notes to the Financial Statements

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21. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables

Trade receivables are non-interest bearing and are generally on cash terms or up to 90 day's terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amounts due from subsidiaries

The current amounts due from subsidiaries are non-trade related, unsecured, non-interest bearing and are repayable on demand except for amounts of $249,658,000 (2022: $219,092,000) which are interest bearing at rates ranging from 2.00% to 4.70% (2022: 2.00% to 4.10%) per annum.

The non-current amounts due from subsidiaries are non-trade related, unsecured, interest bearing at 5.70% (2022: 2.08%) per annum and are repayable in 2026 (2022: 2024).

Amounts due from associates

The amounts due from associates are non-trade related, unsecured, non-interest bearing and are repayable on demand, except for amounts of $66,348,000 (2022: $66,348,000) which are interest bearing at 2.00% (2022: 2.00%) per annum.

Amounts due from joint ventures

The amounts due from joint ventures are non-trade related, unsecured, non-interest bearing and are repayable on demand.

Certain other receivables are pledged to secure bank loans (Note 31).

Trade and other receivables denominated in foreign currencies other than the functional currencies of the respective Group entities are mainly as follows:

	Group	
	2023 $'000	2022 $'000
Australian Dollar	7,849	22,847
Great Britain Pound	25,995	38,122
Japanese Yen	60	149
United States Dollar	1,977	9,592

Notes to the Financial Statements

For the financial year ended 31 December 2023

21. TRADE AND OTHER RECEIVABLES (CONT'D)

The aged analysis of trade and other receivables is as follows:

	Group					
	2023 $'000			2022 $'000		
	Gross	Expected credit losses	Net	Gross	Expected credit losses	Net
• Not past due	82,207	–	82,207	104,736	–	104,736
• Past due:						
Less than 30 days	601	–	601	2,543	–	2,543
30 to 60 days	216	–	216	252	–	252
61 to 90 days	170	(5)	165	143	(20)	123
91 to 120 days	79	–	79	88	–	88
More than 120 days	3,209	(2,944)	265	3,166	(2,995)	171
	4,275	(2,949)	1,326	6,192	(3,015)	3,177
Total	86,482	(2,949)	83,533	110,928	(3,015)	107,913

	Company					
	2023 $'000			2022 $'000		
	Gross	Expected credit losses	Net	Gross	Expected credit losses	Net
• Not past due	1,747,227	–	1,747,227	1,695,514	–	1,695,514
• Past due:						
Less than 30 days	–	–	–	5	–	5
30 to 60 days	–	–	–	–	–	–
	–	–	–	5	–	5
Total	1,747,227	–	1,747,227	1,695,519	–	1,695,519

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments.

Notes to the Financial Statements

For the financial year ended 31 December 2023

21. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade and other receivables that are impaired at the reporting date and the movement of allowance accounts used to record the impairment are as follows:

	Group	
	2023	2022
	$'000	$'000
Trade and other receivables - nominal amounts	2,949	3,015
Less: Allowance for expected credit losses	(2,949)	(3,015)
	–	–

Expected credit losses

The movement in the allowance for expected credit losses ("ECLs") of trade and other receivables computed based on lifetime ECLs are as follows:

	Group	
	2023	2022
	$'000	$'000
At 1 January	(3,015)	(3,189)
Allowance for expected credit losses (Note 10)	(115)	(218)
Exchange differences	181	392
At 31 December	(2,949)	(3,015)

22. INVESTMENT SECURITIES

(a) *Investment securities (non-current)*

	Group	
	2023	2022
	$'000	$'000
At fair value through other comprehensive income		
– Quoted equity securities (i)	374,617	591,040
At fair value through profit or loss		
– Quoted equity securities	31,932	–
	406,549	591,040

Notes to the Financial Statements

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22. INVESTMENT SECURITIES (CONT'D)

(b) *Investment securities (current)*

	Group	
	2023	2022
	$'000	$'000
At fair value through profit or loss		
– Quoted equity securities	48,892	41,712
At amortised cost		
– Quoted debt securities	1,000	999
– Unquoted debt securities (ii)	–	32,652
	49,892	75,363

(i) The Group has elected to measure these equity securities at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

(ii) The unquoted investment securities at amortised cost are as follows:

	2023			2022		
	Million	Coupon rate	Maturity	Million	Coupon rate	Maturity
Secured note	–	–	–	A$36.0	14.5%	1 year

(iii) Certain investment securities are pledged to secure bank facilities (Note 31).

Notes to the Financial Statements

For the financial year ended 31 December 2023

23. DERIVATIVE FINANCIAL INSTRUMENTS

	Group				Company			
	2023		2022		2023		2022	
	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000
Forward currency contracts	4,810	3,755	22,748	156	1,264	–	2,390	–
Cross currency swap contracts	1,725	51	508	1,541	1,469	–	508	–
Interest rate swap contracts	1,443	300	2,695	375	548	21	1,548	–
Interest rate cap contracts	6,175	–	10,111	–	–	–	–	–
Forward commodity contracts	–	–	339	–	–	–	–	–
Embedded derivatives	–	22,545	–	–	–	22,545	–	–
	14,153	26,651	36,401	2,072	3,281	22,566	4,446	–
Current	7,301	3,744	23,198	1,696	2,018	21	2,583	–
Non-current	6,852	22,907	13,203	376	1,263	22,545	1,863	–
	14,153	26,651	36,401	2,072	3,281	22,566	4,446	–

(a) Forward currency and foreign exchange component of cross currency swap contracts are entered into for the purpose of managing foreign exchange risk. The fair value changes in these contracts are recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve to the extent that the hedges are effective. These contracts mature between January 2024 to August 2026 (2022: January 2023 to May 2026).

(b) Interest rate swap, interest rate cap and interest rate component of cross currency swap contracts are entered into for the purpose of managing interest rate risk. The fair value changes in these contracts are recognised in other comprehensive income and accumulated in equity under hedging reserve to the extent that the hedges are effective. These contracts mature between January 2024 to June 2026 (2022: March 2023 to June 2026).

(c) Forward commodity contracts are entered into to manage tin price risk. The fair value changes in these contracts are recognised in profit or loss.

(d) Embedded derivatives represent the derivative financial liability arising from the bondholders' option to exchange the bonds into shares. The fair value changes are recognised in profit or loss.

Further details of the derivative financial instruments are set out in Note 40.

Notes to the Financial Statements

For the financial year ended 31 December 2023

24. INVENTORIES

	Group	
	2023 $'000	2022 $'000
Statement of financial position		
Tin inventories	163,302	167,121
Other inventories (stores, spares, fuels, coal and consumables)	6,615	6,420
	169,917	173,541
Statement of profit or loss		
Inventories recognised as an expense in cost of sales	358,767	398,651

The carrying amount of tin inventories includes allowance for inventories of $1,162,000 (2022: $1,450,000).

25. CASH AND BANK BALANCES

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Cash at banks and on hand	226,412	104,155	53,906	15,272
Short-term deposits	231,641	147,533	154,644	114,519
	458,053	251,688	208,550	129,791

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 1 day and 6 months, depending on the immediate cash requirements of the Group and the Company, and earn interest at the respective short-term deposit rates.

The weighted average effective interest rates as at the reporting date for the Group and the Company were 3.7% and 3.9% (2022: 3.2% and 3.5%) per annum respectively.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2023 $'000	2022 $'000
Cash and bank balances	458,053	251,688
Less: Restricted cash	(22,032)	(13,102)
Cash and cash equivalents per consolidated statement of cash flows	436,021	238,586

Notes to the Financial Statements

For the financial year ended 31 December 2023

25. CASH AND BANK BALANCES (CONT'D)

Restricted cash consist of cash pledged to secure bank facilities (Note 31) and cash held in escrow in relation to exchangeable bonds.

Cash and cash equivalents denominated in foreign currencies other than the functional currencies of the respective Group entities are mainly as follows:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
United States Dollar	27,397	20,715	–	–
Korean Won	5,464	5	–	–
Hong Kong Dollar	4,291	100	–	–
Japanese Yen	2,720	251	9	10
Australian Dollar	3,101	2,104	–	–
Singapore Dollar	2,503	2,503	–	–
Great Britain Pound	1,024	382	–	–

26. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares	$'000	Number of shares	$'000
Issued and fully paid ordinary shares (including treasury shares)				
At 1 January	451,782,747	686,317	408,095,772	568,968
Issued for cash	–	–	26,000,000	80,860
Share issuance expenses	–	–	–	(2,599)
Issued for distribution *in-specie*	–	–	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*.

Notes to the Financial Statements

For the financial year ended 31 December 2023

27. TREASURY SHARES

	Group and Company			
	2023		2022	
	Number of shares	$'000	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)

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 consist of ordinary shares of the Company that are held by the Company.

In 2023, 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 shareholders' equity.

28. RESERVES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Retained earnings [(a)]	1,314,852	1,396,875	130,809	99,378
FVOCI reserve [(b)]	(432,861)	(280,093)	–	–
Hedging reserve [(c)]	1,203	6,421	548	1,548
Revaluation reserve [(d)]	45,447	42,174	585	579
Foreign currency translation reserve [(e)]	(148,342)	(109,183)	(15,268)	(8,148)
Share-based compensation reserve [(f)]	2,897	1,554	2,897	1,554
Other reserve [(g)]	(2,537)	(2,537)	–	–
Other reserves	(534,193)	(341,664)	(11,238)	(4,467)

Notes to the Financial Statements
For the financial year ended 31 December 2023

28. RESERVES (CONT'D)

(a) *Retained earnings*

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
At 1 January	1,396,875	1,163,514	99,378	38,107
Net changes in the reserve	(82,023)	233,361	31,431	61,271
At 31 December	1,314,852	1,396,875	130,809	99,378
Net changes in the reserve:				
– (Loss)/profit for the year	(28,567)	551,259	67,427	255,818
– Dividend on ordinary shares (Note 35)	(35,996)	(34,626)	(35,996)	(34,626)
– Issuance of distribution *in-specie* (Note 35)	–	(160,427)	–	(160,427)
– Change in ownership interests in subsidiaries	–	10,558	–	–
– Reclassification of reserve upon disposal of investment securities	(17,584)	(84,767)	–	–
– Reclassification of reserve upon disposal of an associate	–	(47,128)	–	–
– Share of reserve of associate	124	(1,958)	–	–
– Others	–	450	–	506
	(82,023)	233,361	31,431	61,271

(b) *FVOCI reserve*

FVOCI reserve records the cumulative fair value changes of financial assets at FVOCI until they are derecognised. The movements in the FVOCI reserve are as follows:

	Group 2023 $'000	Group 2022 $'000
At 1 January	(280,093)	9,516
Net changes in the reserve	(152,768)	(289,609)
At 31 December	(432,861)	(280,093)
Net changes in the reserve:		
– Net fair value changes during the year	(168,948)	(357,074)
– Share of associate's reclassification of FVOCI reserve	–	1,958
– Share of reserve of associates	–	655
– Reclassification of reserve upon disposal of investment securities	16,180	84,767
– Reclassification of reserve upon disposal of an associate	–	(19,915)
	(152,768)	(289,609)

Notes to the Financial Statements
For the financial year ended 31 December 2023

28. RESERVES (CONT'D)

(c) *Hedging reserve*

Hedging reserve records the portion of the fair value changes on derivative financial instruments designated as hedging instruments in cash flow hedges that are determined to be effective. The movements in the hedging reserve are as follows:

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
At 1 January	6,421	60	1,548	180
Net changes in the reserve	(5,218)	6,361	(1,000)	1,368
At 31 December	1,203	6,421	548	1,548
Net changes in the reserve:				
– Net fair value changes during the year	(4,874)	4,824	(1,000)	1,368
– Share of reserve of associates	(344)	1,968	–	–
– Reclassification of reserve upon disposal of an associate	–	(431)	–	–
	(5,218)	6,361	(1,000)	1,368

(d) *Revaluation reserve*

Revaluation reserve records the increases in the fair value of land and buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity. The movements in the revaluation reserve are as follows:

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
At 1 January	42,174	39,466	579	574
Net changes in the reserve	3,273	2,708	6	5
At 31 December	45,447	42,174	585	579
Net changes in the reserve:				
– Surplus on revaluation of land and buildings	774	220	6	5
– Share of reserve of associate	2,623	2,488	–	–
– Share of associate's reclassification of revaluation reserve	(124)	–	–	–
	3,273	2,708	6	5

Notes to the Financial Statements

For the financial year ended 31 December 2023

28. RESERVES (CONT'D)

(e) *Foreign currency translation reserve*

Foreign currency translation reserve records the exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's and the Company's presentation currency, as well as exchange differences arising from monetary items which form part of the Group's net investments in foreign operations. The movements in the foreign currency translation reserve are as follows:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
At 1 January	(109,183)	(10,598)	(8,148)	(702)
Net changes in the reserve	(39,159)	(98,585)	(7,120)	(7,446)
At 31 December	(148,342)	(109,183)	(15,268)	(8,148)
Net changes in the reserve:				
– Translation of foreign operations	(27,566)	(97,413)	(7,120)	(7,446)
– Net investments in foreign operations	(959)	15,595	–	–
– Reclassification of foreign currency translation reserve to profit or loss	200	18,192	–	–
– Share of reserve of associates and joint ventures	(10,834)	(34,973)	–	–
– Reclassification of reserve upon disposal of an associate	–	(1,494)	–	–
– Share of other changes in equity of an associate	–	1,508	–	–
	(39,159)	(98,585)	(7,120)	(7,446)

(f) *Share-based compensation reserve*

Share-based compensation reserve records the cumulative value of employee services rendered for shares under the share plans of the Group. The movements in the share-based compensation reserve are as follows:

	Group and Company	
	2023	2022
	$'000	$'000
At 1 January	1,554	–
Net changes in the reserve	1,343	1,554
At 31 December	2,897	1,554
Net changes in the reserve:		
– Share based payment	1,572	1,554
– Treasury share reissued pursuant to share-based compensation plan	(229)	–
	1,343	1,554

Notes to the Financial Statements

For the financial year ended 31 December 2023

28. RESERVES (CONT'D)

(g) *Other reserve*

The movements in the other reserve are as follows:

	Group	
	2023	2022
	$'000	$'000
At 1 January	(2,537)	3,138
Net changes in the reserve	–	(5,675)
At 31 December	(2,537)	(2,537)
Net changes in the reserve:		
– Share of other changes in equity of associates	–	(68,555)
– Change in ownership interests in subsidiaries	–	(6,088)
– Reclassification of reserve upon disposal of an associate	–	68,968
	–	(5,675)

29. SHARE-BASED COMPENSATION PLAN

Performance Share Plan ("PSP")

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

In 2022, the Company granted share awards (the "Awards") to certain employees of the Company under the PSP as consideration for services rendered. The Awards will be vested upon achievement of certain performance conditions pursuant to the PSP. 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.

In 2023, share awards was granted pursuant to the PSP for financial year ended 31 December 2022 (the "FY2022 Plan") and 31 December 2023 (the "FY2023 Plan"), which will be vested in equal tranches across four years from FY2022 and FY2023 respectively.

<u>Movement of PSP share awards during the financial year</u>

		Number of Share Awards		
Grant	Grant date	At 1 January 2023 or later date of grant	Vested	At 31 December 2023
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

Notes to the Financial Statements

For the financial year ended 31 December 2023

30. PROVISIONS

	Provision for mine restoration	Provision for retrenchment compensation (Note 8)	Total
	$'000	$'000	$'000
Group			
At 1 January 2023	15,052	3,995	19,047
Made during the year	1,435	481	1,916
Discount adjustment (Note 9)	601	132	733
Exchange differences	(943)	(255)	(1,198)
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
Made during the year	2,254	326	2,580
Discount adjustment (Note 9)	473	80	553
Exchange differences	(848)	(242)	(1,090)
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

(a) *Provision for mine restoration*

The Group's tin mining business is conducted principally through its subsidiary, Rahman Hydraulic Tin Sdn. Bhd. ("RHT"). RHT is obliged to restore and rehabilitate the mine subsequent to the cessation of production.

Mine restoration costs will be substantially incurred subsequent to the cessation of mine production. Please refer to Note 3(a) for significant accounting estimates and judgements.

In September 2020, RHT has re-submitted its original mine restoration plan to the relevant authorities, approval was obtained in January 2024.

RHT has engaged Korea Mine Reclamation Corporation ("KOMIR") to prepare a revised report including the enlarged undisturbed area. The current mine restoration plan will be submitted to the relevant authorities once complete.

(b) *Provision for retrenchment compensation*

Provision for retrenchment compensation is the present value of the estimated compensation amount to be paid for the affected employees at its existing tin smelting plant in Butterworth, who have no intention to relocate to the new tin smelting plant in Pulau Indah.

Notes to the Financial Statements

For the financial year ended 31 December 2023

31. BORROWINGS

	Maturity	Group 2023	Group 2022	Company 2023	Company 2022
		$'000	$'000	$'000	$'000
Non-current					
Secured bank loans	2025 – 2033	587,231	609,084	–	–
Secured notes	2028	320,912	–	320,912	–
Unsecured bank loans	2026	49,893	74,769	49,894	74,769
Unsecured notes	2025 – 2028	370,998	370,218	368,392	367,618
		1,329,034	1,054,071	739,198	442,387
Current					
Secured bank loans	2024	164,624	148,447	–	33,388
Unsecured bank loans*	2024	127,866	188,225	44,833	109,814
		292,490	336,672	44,833	143,202
Total borrowings		1,621,524	1,390,743	784,031	585,589

* Included in current unsecured bank loans are short-term trade financing, bankers' acceptances and trust receipts.

Interest rates of borrowings

	Group 2023	Group 2022	Company 2023	Company 2022
	%	%	%	%
Floating rate loans	3.9 to 8.0	2.5 to 5.8	5.2 to 5.3	3.9 to 5.8
Fixed rate loans	4.7 to 5.2	3.5 to 4.8	–	–
Fixed rate notes	3.0 to 4.1	3.0 to 4.1	3.3 to 4.1	3.8 to 4.1

Interest rates on floating rate bank loans are repriced at intervals of 1 to 3 months (2022: 3 to 12 months).

Notes to the Financial Statements

For the financial year ended 31 December 2023

31. BORROWINGS (CONT'D)

Borrowings denominated in foreign currencies other than the functional currencies of the respective Group entities are mainly as follows:

	Group	
	2023	2022
	$'000	$'000
Australian Dollar	24,763	24,918
United States Dollar	421	9,166

Assets pledged as security

The following assets are pledged to secure certain bank loans and notes:

	Group	
	2023	2022
	$'000	$'000
Investment properties (Note 16(c))	1,321,921	1,312,915
Land under development (Note 15)	22,453	23,917
Joint ventures (Note 19.2)	154,968	214,002
Investment securities (Non-current) (Note 22(a))	183,513	–
Cash and bank balances (Note 25)	17,757	13,102
Other current assets	302	288
	1,700,914	1,564,224

Notes to the Financial Statements

For the financial year ended 31 December 2023

31. BORROWINGS (CONT'D)

A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes			
	2022	Cash flows	Reclass-ification	Exchange differences	Others	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Borrowings						
– current	336,672	(181,969)	143,633	(6,242)	396	292,490
– non-current	1,054,071	454,060	(143,633)	1,910	(37,374)	1,329,034
Total	1,390,743	272,091	–	(4,332)	(36,978)	1,621,524

			Non-cash changes			
	2021	Cash flows	Reclass-ification	Exchange differences	Others	2022
	$'000	$'000	$'000	$'000	$'000	$'000
Borrowings						
– current	540,747	(37,237)	(153,704)	(13,448)	314	336,672
– non-current	505,249	428,185	153,704	(34,947)	1,880	1,054,071
Total	1,045,996	390,948	–	(48,395)	2,194	1,390,743

In 2023, the Company issued 3.25% secured Exchangeable Bonds (the "Bonds") denominated in SGD with a nominal value of $370 million. The Bonds are due for repayment on 13 February 2028 at their nominal value or may be exchangeable into ordinary shares of ESR Group Limited at an initial exchange price of Hong Kong Dollar ("HKD") HKD22.00 and initial exchange ratio of a pro rate share of 67,739.6364 shares for each $250,000 principal amount of the Bonds.

32. OTHER NON-CURRENT LIABILITIES

	Group	
	2023	2022
	$'000	$'000
Amounts due to non-controlling shareholders of subsidiaries	200	429
Other liabilities	3,109	2,888
	3,309	3,317

The amounts due to non-controlling shareholders of subsidiaries are unsecured, interest bearing at 12% (2022: 12%) per annum and are repayable in 2030.

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33. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Current				
Trade payables	20,798	25,007	9	11
Advance receipts and billings	4,616	3,677	8	8
Amounts due to associates (trade)	913	816	–	–
	26,327	29,500	17	19
Amounts due to subsidiaries	–	–	526,562	645,963
Amounts due to non-controlling shareholders of subsidiaries	2,339	2,483	–	–
Accruals	56,306	99,640	10,096	7,005
Deposits received	5,125	3,777	27	65
	63,770	105,900	536,685	653,033
Trade and other payables	90,097	135,400	536,702	653,052
Trade and other payables	90,097	135,400	536,702	653,052
Less: Advance receipts and billings	(4,616)	(3,677)	(8)	(8)
	85,481	131,723	536,694	653,044
Add: Other non-current liabilities (Note 32)	3,309	3,317	–	–
Borrowings (Note 31)	1,621,524	1,390,743	784,031	585,589
Total financial liabilities carried at amortised cost	1,710,314	1,525,783	1,320,725	1,238,633

Trade payables

Trade payables are non-interest bearing and are normally settled on either cash terms or up to 60 day's terms (2022: cash terms or up to 90 day's terms).

Amounts due to subsidiaries

The amounts due to subsidiaries are non-trade related, unsecured, non-interest bearing and are repayable on demand.

Amounts due to non-controlling shareholders of subsidiaries

The amounts due to non-controlling shareholders of subsidiaries are unsecured, non-interest bearing and are repayable on demand.

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33. TRADE AND OTHER PAYABLES (CONT'D)

Trade and other payables denominated in foreign currencies other than the functional currencies of the respective Group entities are mainly as follows:

	Group	
	2023	2022
	$'000	$'000
United States Dollar	13,647	8,222
Australian Dollar	265	4,013
Japanese Yen	108	51
Singapore Dollar	51	–

34. LEASE LIABILITIES

	Group	
	2023	2022
	$'000	$'000
At 1 January	2,481	4,901
Additions	7,582	138
Accretion of interest (Note 9)	173	114
Payments	(2,433)	(2,578)
Remeasurement of lease liability	(155)	–
Exchange differences	(85)	(94)
At 31 December	7,563	2,481
Current	2,568	1,223
Non-current	4,995	1,258
	7,563	2,481

The maturity analysis of lease liabilities is disclosed in Note 39(d).

The following are the amounts recognised in profit or loss:

	Group	
	2023	2022
	$'000	$'000
Interest expense on lease liabilities	173	114
Expense related to short-term leases	924	1,915
Expense relating to leases of low value assets	19	21

In 2023, the Group had total cash outflows for leases of $3,376,000 (2022: $4,514,000). The Group also had non-cash additions to lease liabilities of $7,582,000 in 2023 (2022: $138,000).

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35. DIVIDENDS

	Group and Company	
	2023	2022
	$'000	$'000
Declared and paid during the year		
Dividends on ordinary shares		
– 2022 Special dividend via distribution *in-specie* 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
Declared but not recognised as a liability as at 31 December		
Dividends on ordinary shares		
– Interim dividend for 2023: 8 cents per share tax exempt (one-tier tax) (Interim dividend for 2022: 8 cents per share tax exempt (one-tier tax))	35,878	35,996

36. CAPITAL COMMITMENTS

Capital commitments contracted for as at the end of the year but not recognised in the financial statements:

	Group	
	2023	2022
	$'000	$'000
Property, plant and equipment	1,144	2,468
Investment properties	70,435	146,036
Land under development	9,498	22,889
Investee companies	34,294	46,449
Associates	48,191	37,818
Share of joint venture's capital commitment in respect of investment properties	9,078	7,134
	172,640	262,794

Notes to the Financial Statements
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37. COMMITMENTS AND CONTINGENCIES

(a) *Operating lease commitments - as lessor*

The Group and Company have entered into property lease agreements on investment properties. These non-cancellable leases have remaining lease terms of up to 16 years. Certain property lease agreements have renewal options; and restrict any assignment and subletting of the leased properties.

Contingent rentals, which include gross turnover rental, are recognised on a receipt basis. There were no contingent lease receipts recognised in profit or loss in 2023 and 2022.

Future minimum lease receivable under non-cancellable operating leases are as follows:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Not later than 1 year	45,359	44,108	95	69
Later than 1 year but not later than 5 years	133,276	124,964	14	77
Later than 5 years	88,826	66,740	–	–
	267,461	235,812	109	146

(b) *Contingent liabilities*

The Company has provided undertakings to provide continuing financial support to certain subsidiaries to enable them to meet their financial obligations as and when they fall due.

(c) *Legal claims - Malaysia Smelting Corporation Berhad ("MSC")*

In respect of the suit against MSC for the purported breach of a sale and purchase agreement to supply 60,000 MT of tin slag, pre-trial matters are on-going for this case. In the meantime, the subsidiary, with the assistance of its lawyers, are exploring with the Plaintiff's lawyers on the possibility of a settlement. Trial dates are fixed from 11 to 12 September and from 17 to 19 September 2024.

MSC's legal counsel is of the view that MSC has an arguable case to contend that it did not breach the Agreement and a sufficiently reliable estimate of the financial effect cannot be made due to the lack of particulars and evidence in respect of the claim. Pursuant to this, MSC's legal counsel had sent an official response to the third party's solicitor denying that there has been any breach of the Agreement.

Notes to the Financial Statements
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38. RELATED PARTY DISCLOSURES

(a) *Sale and purchase of goods and services*

In addition to related party information disclosed elsewhere in the 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
Related parties		
Rental income	807	815
Accounting and other service income	353	353
Accounting and other service expense	–	(41)

(b) *Key management personnel compensation*

	Group	
	2023	2022
	$'000	$'000
Directors' fees	772	724
Short-term employee benefits	5,460	7,303
Contributions to defined contribution plans	101	197
	6,333	8,224

Notes to the Financial Statements
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39. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk.

The Board of Directors reviews and agrees on policies and procedures for the management of these risks, which are executed by the management. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) *Foreign exchange risk*

The Group operates mainly in the Asia Pacific region and has exposure to foreign exchange risk as a result of sale or purchase transactions that are denominated in a currency other than the functional currencies of the respective Group entities. These foreign exchange risk exposures are mainly in United States Dollar, Australian Dollar, Great Britain Pound, Singapore Dollar, Korean Won, Hong Kong Dollar and Japanese Yen. The Group uses forward currency and cross currency swap contracts to manage these exposures where appropriate. The Group also uses foreign currency-denominated bank loans to hedge its exposure to foreign exchange risk on investments in foreign operations where appropriate.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit after tax and equity to a reasonably possible change in the exchange rates of the Australian Dollar, United States Dollar, Japanese Yen, Great Britain Pound, Singapore Dollar, Korean Won, and Hong Kong Dollar against the respective functional currencies of the Group entities, with all other variables held constant.

		Group			
		2023		2022	
		Profit after tax	Equity	Profit after tax	Equity
		$'000	$'000	$'000	$'000
Australian Dollar	strengthened 5% (2022: 5%)	1,790	–	3,854	–
	weakened 5% (2022: 5%)	(1,790)	–	(3,854)	–
United States Dollar	strengthened 5% (2022: 5%)	1,515	–	1,240	–
	weakened 5% (2022: 5%)	(1,515)	–	(1,240)	–
Japanese Yen	strengthened 5% (2022: 5%)	157	–	65	–
	weakened 5% (2022: 5%)	(157)	–	(65)	–
Great Britain Pound	strengthened 5% (2022: 5%)	1,123	–	1,584	–
	weakened 5% (2022: 5%)	(1,123)	–	(1,584)	–
Singapore Dollar	strengthened 5% (2022: 5%)	787	(837)	788	(837)
	weakened 5% (2022: 5%)	(787)	837	(788)	837
Korean Won	strengthened 5% (2022: 5%)	227	–	–	–
	weakened 5% (2022: 5%)	(227)	–	–	–
Hong Kong Dollar	strengthened 5% (2022: 5%)	187	–	4	–
	weakened 5% (2022: 5%)	(187)	–	(4)	–

Notes to the Financial Statements

For the financial year ended 31 December 2023

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) *Foreign exchange risk (cont'd)*

At the end of the reporting period, approximately:

(i) 43% (2022: 49%) of the Group's trade and other receivables as well as 15% (2022: 9%) of the Group's trade and other payables are denominated in foreign currencies other than the functional currencies of the respective Group entities, mainly the Great Britain Pound, United States Dollar and Australian Dollar.

(ii) 10% (2022: 10%) of the Group's cash and cash equivalents are denominated in foreign currencies other than the functional currencies of the respective Group entities, mainly in United States Dollar.

(iii) 2% (2022: 3%) of the Group's borrowings are denominated in foreign currencies other than the functional currencies of the respective Group entities, mainly in Australian Dollar.

(b) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates primarily to its cash deposits and debt obligations.

The Group's policy is to manage its interest cost using a combination of fixed and floating rate borrowings and derivative financial instruments such as interest rate swap, interest rate cap and cross currency swap contracts to hedge interest rate risk.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit after tax through the impact on interest income from bank deposits and interest expense on floating rate borrowings:

	Group	
	Increase/ Decrease in basis point	Effect on profit after tax $'000
31 December 2023		
Singapore Dollar	+25	132
	–25	(132)
Malaysian Ringgit	+25	(35)
	–25	35
Great Britain Pound	+25	(45)
	–25	45
Chinese Renminbi	+25	(53)
	–25	53
Australian Dollar	+25	(236)
	–25	236
United States Dollar	+25	2
	–25	(2)

Notes to the Financial Statements

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39. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Interest rate risk (cont'd)*

	Group	
	Increase/ Decrease in basis point	Effect on profit after tax $'000
31 December 2022		
Singapore Dollar	+25	(252)
	–25	252
Malaysian Ringgit	+25	(50)
	–25	50
Great Britain Pound	+25	(479)
	–25	479
Chinese Renminbi	+25	(55)
	–25	55
Australian Dollar	+25	(295)
	–25	295
United States Dollar	+25	(16)
	–25	16

Effect of Interest Rate Benchmark Reform

Following the global financial crisis, the reform and replacement of inter-bank offered rates ("IBOR") became a priority for global regulators. The Group's risk exposure that is directly affected by the IBOR reform arises primarily from its floating rate borrowings that are linked to the Singapore Swap Offer Rate ("SOR"), Singapore Interbank Offered Rate ("SIBOR") and Great Britain Pound London Inter-bank Offer Rate ("GBP LIBOR") (collectively known as "affected IBORs").

GBP LIBOR is now replaced by the Sterling Overnight Interbank Average Rate ("SONIA") while the replacement benchmark rate for SOR and SIBOR is the Singapore Overnight Average Rate ("SORA").

The Group's floating rate borrowings are hedged using interest rate swap, interest rate cap and cross currency swap contracts, which have been designated as cash flow hedges. Derivatives which are designated in hedging relationships are also transitioned to the respective alternative benchmark rate.

When changes were made to financial liability carried at amortised cost in addition to changes required by IBOR reform, the Group applies accounting for modification to the additional changes.

In 2023, the Group completed all the IBOR reform transitions of the SOR and SIBOR linked instruments to SORA and GBP LIBOR linked instruments to SONIA. The Group has applied the Phase 2 amendments relief when the relief criterions are met:

– The Group updates the effective interest rate of the financial liability carried at amortised costs with no immediate gain or loss to be recognised.

– The Group amends the formal hedge documentation by the end of the reporting period for changes which are required by IBOR reform to the hedged risk, hedged items and hedging instrument. Amendments to the formal hedge documentation do not constitute discontinuation of the hedging relationship.

For the financial year ended 31 December 2023 and 2022, the IBOR reform transition of the affected non-derivative financial liabilities and derivative financial instruments had no material impact on the financial statements of the Group.

Notes to the Financial Statements
For the financial year ended 31 December 2023

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances, and derivative financial instruments), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Credit risks, or the risks of counterparties defaulting are controlled by the application of credit approvals, limit and monitoring procedures. Credit risks are minimised and monitored by limiting the Group's and the Company's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures. The Group and the Company place the cash deposits with reputable banks and financial institutions.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group and the Company have determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due.

The Group's debt securities at amortised cost have low risk of default. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider available reasonable and supportive forward-looking information which include the following indicators:

– Internal credit rating
– External credit rating
– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
– Actual or expected significant changes in the operating results of the debtor
– Significant increases in credit risk on other financial instruments of the same debtor
– Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
– Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the Group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days due in making contractual payment.

The Group and the Company determine that its financial assets are credit-impaired when:

– There is significant financial difficulty of the debtor
– A breach of contract, such as a default or past due event
– It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
– There is disappearance of an active market for that financial asset because of financial difficulty.

Notes to the Financial Statements
For the financial year ended 31 December 2023

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) *Credit risk (cont'd)*

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to meet a repayment plan with the Group and the Company. Where loans and receivables have been written off, the Group and the Company continue to engage enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for trade and other receivables:

– The Group and the Company provide for 12-month expected credit losses for all trade and other receivables (excluding deposits and sales tax recoverable). The 12-month expected credit losses have taken into consideration historical loss rate statistics for debts with similar credit profile and the country risk of the debtors.
– For receivables which are lower risk, the probability of default ("PD") is minimal.
– For receivables which are higher risk, the PD rates ranging from 2.5% to 50% are applied if a receivable is more than 90 days to 360 days.
– The Group and the Company do not expect to receive future cash flows from and there are no recoveries from collection of cash flows previously written off.

The Group's debt securities at amortised cost have low risk of default and a strong capacity to meet contractual cash flows. Hence the loss allowance is determined at an amount equal to 12-month ECL.

<u>Financial assets that are neither past due nor impaired</u>

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and bank balances, investment securities and derivative financial instruments that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies.

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For the financial year ended 31 December 2023

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) *Credit risk (cont'd)*

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade and other receivables on an on-going basis. The credit risk concentration profile of the Group's and Company's trade and other receivables at the end of the reporting period is as follows:

	Group				Company			
	2023		2022		2023		2022	
	$'000	% of total	$'000	% of total	$'000	% of total	$'000	% of total
By country:								
Singapore	68,582	82	68,473	63	1,671,981	96	1,625,702	96
Japan	649	1	4,011	4	–	–	–	–
China, including Hong Kong and Taiwan	700	1	1,699	2	–	–	–	–
Australia	8,881	10	25,168	23	–	–	–	–
Malaysia	1,364	2	324	–	75,246	4	69,817	4
United Kingdom	2,750	3	6,276	6	–	–	–	–
Korea	590	1	1,881	2	–	–	–	–
Other countries	17	–	81	–	–	–	–	–
	83,533	100	107,913	100	1,747,227	100	1,695,519	100

Approximately 80% (2022: 62%) of the Group's trade and other receivables were due from an associate located in Singapore.

(d) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting their financial obligations due to shortage of funds. The Group manages its asset and debt maturity profile, operating cash flows and the availability of funding so as to ensure that all financing, repayment and funding needs are met in a timely and cost-effective manner. The Group has established procedures to monitor and control liquidity on a daily basis by adopting a cash flow management approach.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available.

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For the financial year ended 31 December 2023

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) *Liquidity risk (cont'd)*

The following summarises the maturity profile of the Group's and the Company's financial assets and liabilities used for managing liquidity risk at the end of the reporting period based on contractual undiscounted repayment obligations, including estimated interest payments:

	2023 $'000				2022 $'000			
	1 year or less	1 to 5 years	Over 5 years	Total	1 year or less	1 to 5 years	Over 5 years	Total
Group								
Financial assets								
Investment securities	49,948	–	–	49,948	100,533	–	–	100,533
Trade and other receivables	82,988	–	–	82,988	106,753	–	–	106,753
Derivative financial instruments	7,301	6,852	–	14,153	23,198	13,203	–	36,401
Cash and bank balances	458,053	–	–	458,053	251,688	–	–	251,688
Total undiscounted financial assets	598,290	6,852	–	605,142	482,172	13,203	–	495,375
Financial liabilities								
Trade and other payables	82,834	2,354	200	85,388	129,203	2,238	–	131,441
Other non-current liabilities	–	779	–	779	–	680	–	680
Lease liabilities	2,751	4,268	1,680	8,699	2,537	6,893	1,652	11,082
Borrowings	347,888	1,462,737	18,762	1,829,387	377,696	1,141,783	–	1,519,479
Derivative financial instruments	3,744	22,907	–	26,651	1,696	376	–	2,072
Total undiscounted financial liabilities	437,217	1,493,045	20,642	1,950,904	511,132	1,151,970	1,652	1,664,754
Total net undiscounted financial assets/(liabilities)	161,073	(1,486,193)	(20,642)	(1,345,762)	(28,960)	(1,138,767)	(1,652)	(1,169,379)

Notes to the Financial Statements
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39. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) *Liquidity risk (cont'd)*

	2023 $'000			2022 $'000		
	1 year or less	1 to 5 years	Total	1 year or less	1 to 5 years	Total
Company						
Financial assets						
Trade and other receivables	1,747,227	20,000	1,767,227	1,695,519	30,000	1,725,519
Derivative financial instruments	2,018	1,263	3,281	2,583	1,863	4,446
Cash and bank balances	208,550	–	208,550	129,791	–	129,791
Total undiscounted financial assets	1,957,795	21,263	1,979,058	1,827,893	31,863	1,859,756
Financial liabilities						
Trade and other payables	536,694	–	536,694	653,044	–	653,044
Derivative financial instruments	21	22,545	22,566	–	–	–
Borrowings	75,759	845,902	921,661	165,377	479,928	645,305
Total undiscounted financial liabilities	612,474	868,447	1,480,921	818,421	479,928	1,298,349
Total net undiscounted financial assets/ (liabilities)	1,345,321	(847,184)	498,137	1,009,472	(448,065)	561,407

The table below shows the contractual expiry by maturity of the Group's and the Company's contingent liabilities and commitments. The maximum amounts of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	2023 $'000			2022 $'000		
	1 year or less	1 to 5 years	Total	1 year or less	1 to 5 years	Total
Group						
Financial guarantees	1,253	–	1,253	1,682	–	1,682
Company						
Financial guarantees	–	110,000	110,000	–	110,000	110,000

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39. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) *Equity price risk*

Equity price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in the market value of investment securities. It manages the risk of unfavourable changes by prudent review of the investments before investing and continuous monitoring of their performance and risk profiles.

The investment securities that are subject to equity price risk are classified as either FVPL or FVOCI financial assets.

At the end of the reporting period, the Group's investment securities portfolio classified as FVPL consists of shares of companies in Singapore of 28% (2022: 51%), United States 28% (2022: 41%), Japan 1% (2022: 3%), Australia 3% (2022: 4%), Hong Kong 40% (2022: 0%) and 0% (2022: 1%) in other countries. If the equity prices had been 5% higher/lower with all other variables held constant, the Group's profit after tax would have been $3,354,000 (2022: $1,731,000) higher/lower, arising as a result of higher/lower fair value changes.

At the end of the reporting period, 16% (2022: 19%) of the Group's equity portfolio classified as FVOCI consists of shares of companies in Singapore, 81% (2022: 79%) in Hong Kong and 3% (2022: 2%) in Canada. If the Singapore, Hong Kong and Canada equity prices had been 5% higher/lower with all other variables held constant, the Group's other comprehensive income or FVOCI reserve in equity would have been $18,482,000 (2022: $29,311,000) higher/lower, arising as a result of higher/lower fair value changes.

(f) *Capital management*

Capital includes debt and equity items.

The Group's objective is to provide a reasonable return to shareholders by investing into businesses that are commensurate with the level of risks. This also takes into account synergies with other operations and activities, the availability of management and other resources, and the fit of the activities with the Group's longer strategic objectives.

The Group's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the various core businesses. The Group allocates the amount of capital in proportion to risk, manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets or increase borrowings. The Group monitors the return of capital, which is defined as total shareholders' equity (excluding non-controlling interests), gearing ratio, which is defined as borrowings net of cash over total equity and the level of dividends to shareholders. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2023 and 2022.

The Group's subsidiaries in China are subject to foreign exchange rules and regulations promulgated by the government of China which may impact how the Group manages capital. These subsidiaries have complied with the applicable capital requirements throughout the year.

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39. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) *Capital management (cont'd)*

	Group 2023 $'000	Group 2022 $'000
Equity attributable to owners of the Company	1,460,035	1,737,443
Non-controlling interests	137,426	137,055
Total equity	1,597,461	1,874,498
Net borrowings	1,163,471	1,139,055
Gearing ratio	72.8%	60.8%

40. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

(a) *Derivative financial instruments*

The Group has the following derivative financial instruments at the reporting date:

At 31 December 2023

	Notional Amount		Fair Value	
	Asset $'000	Liability $'000	Asset $'000	Liability $'000
Forward currency contracts	316,552	218,220	4,810	3,755
Cross currency swap contracts	61,861	31,000	1,725	51
Interest rate swap contracts	131,056	70,000	1,443	300
Interest rate cap contracts	197,390	–	6,175	–
Embedded derivatives	–	49,377	–	22,545
	706,859	368,597	14,153	26,651

At 31 December 2022

	Notional Amount		Fair Value	
	Asset $'000	Liability $'000	Asset $'000	Liability $'000
Forward currency contracts	543,209	39,323	22,748	156
Interest rate swap contracts	89,091	55,000	2,695	375
Cross currency swap contracts	20,000	51,610	508	1,541
Interest rate cap contracts	197,390	–	10,111	–
Forward commodity contracts	1,162	–	339	–
	850,852	145,933	36,401	2,072

Further details on the use of derivative financial instruments to hedge financial risks are set out in Note 23.

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40. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (CONT'D)

(b) *Hedge of net investments in foreign operations*

To hedge the Group's exposure to foreign currency risk on the foreign investments:

(i) The Group entered into multiple foreign currency forward contracts denominated in Great Britan Pound, Australian Dollar, Korean Won, United States Dollar, and Chinese Renminbi to hedge against the net investment denominated in their respective currencies. Fair value gain or loss on the foreign currency forward contracts was taken to the foreign currency translation reserve to offset any exchange differences on the translation of the net foreign investment.

(ii) Cross currency swap contracts denominated in JPY/SGD and JPY/AUD were designated as hedges against the net investment denominated in their respective currencies. Fair value gain or loss on the foreign currency component of cross currency swap contracts was taken to the foreign currency translation reserve to offset any exchange differences on the translation of the net foreign investment.

(c) *Cash flow hedges*

The Group enters into various interest rate swap and interest rate cap contracts in order to hedge the financial risks related to interest rate risk. The Group has applied cash flow hedge accounting to these derivatives as they are considered to be highly effective hedging instruments. A net fair value gain of approximately $1,260,000 (2022: $5,004,000), with related deferred tax credit of approximately $400,000 (2022: deferred tax charge of $109,000), is included in the hedging reserve in respect of these contracts.

(d) *Fair value hedges*

The Group enters into forward currency contracts to hedge the foreign currency risk related to the investment security held. A net fair value gain of approximately $1,053,000 (2022: $2,690,000) is recognised in the statement of comprehensive income.

41. 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.

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41. 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 2023 $'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 14)	–	–	19,345	19,345
Investment properties (Note 16)	–	–	1,355,589	1,355,589
	–	–	1,374,934	1,374,934
Financial assets				
Financial assets at FVPL (Note 22(a) and (b))				
Quoted equity securities	64,229	16,595	–	80,824
Financial assets at FVOCI (Note 22(a))				
Quoted equity securities	342,753	31,864	–	374,617
Derivatives (Note 23)				
Derivative financial instruments	–	14,153	–	14,153
	406,982	62,612	–	469,594
Financial liabilities				
Derivatives (Note 23)				
Derivative financial instruments	–	26,651	–	26,651

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41. 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 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 (Note 14)	–	–	18,833	18,833
Investment properties (Note 16)	–	–	1,312,915	1,312,915
	–	–	1,331,748	1,331,748
Financial assets				
Financial assets at FVPL (Note 22(b))				
Quoted equity securities	26,335	15,377	–	41,712
Financial assets at FVOCI (Note 22(a))				
Quoted equity securities	571,840	19,200	–	591,040
Derivatives (Note 23)				
Derivative financial instruments	–	36,401	–	36,401
	598,175	70,978	–	669,153
Financial liabilities				
Derivatives (Note 23)				
Derivative financial instruments	–	2,072	–	2,072

Notes to the Financial Statements

For the financial year ended 31 December 2023

41. 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 2023 $'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 14)	–	–	531	531
Investment properties (Note 16)	–	–	5,037	5,037
	–	–	5,568	5,568

	Company 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 (Note 14)	–	–	563	563
Investment properties (Note 16)	–	–	5,274	5,274
	–	–	5,837	5,837

Notes to the Financial Statements

For the financial year ended 31 December 2023

41. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

C. Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurements for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives (Note 23): Forward currency contracts, cross currency swap contracts, interest rate swap contracts, interest rate cap contracts, forward commodity contracts and embedded derivatives are valued using valuation techniques with market observable inputs.

D. Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (level 3).

Description	Valuation techniques	Key unobservable inputs	Inter-relationships between key unobservable inputs and fair value measurement
Recurring fair value measurements			
Land and buildings	Comparison method and depreciated replacement cost method	- Comparable prices: $181 to $419 per square meter (2022: $193 to $388 per square meter)	Fair value increases with higher comparable price
Investment properties	Direct capitalisation method	- Capitalisation rates: 5.00% to 7.50% (2022: 4.50% to 7.13%)	Fair value varies inversely against the capitalisation rate
		- Rental rates: $6.68 to $167.68 per square meter (2022: $5.67 to $175.80 per square meter)	Fair value increases with higher rental rate
	Discounted cashflow method	- Discount rates: 6.00% to 8.50% (2022: 5.50% to 8.50%)	Fair value varies inversely against the discount rate
		- Terminal yield rates: 5.00% to 7.63% (2022: 4.75% to 7.38%)	Fair value varies inversely against the terminal yield rate
		- Net rental growth rates: 1.75% to 6.00% (2022: 1.00% to 6.64%)	Fair value increases with higher net rental growth rate
	Comparison method	- Comparable prices: $86 to $22,794 per square meter (2022: $62 to $21,450 per square meter)	Fair value increases with higher comparable price
	Investment valuation method	- Equivalent yield rate: 8.20% to 9.46% (2022: 7.44% to 8.21%)	Fair value varies inversely against the equivalent yield rate

Notes to the Financial Statements
For the financial year ended 31 December 2023

41. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

D. Level 3 fair value measurements (cont'd)

(ii) Valuation policies and procedures

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. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 Fair Value Measurement guidance.

The Group revalues its properties and the valuation techniques used are as follows:

(a) Comparison method that considers the sales of similar properties that have been transacted in the open market with adjustment made for differences in factors that affect value.

(b) Depreciated replacement cost method that is based on an estimate of the current market value of the land, plus the current gross replacement of improvements, less allowances for physical deterioration, obsolescence and optimisation.

(c) Direct capitalisation method that is based on the capitalisation of net rental income taking into consideration factors such as vacancy rates and rental growth rates to arrive at the capital value. The net rental income is derived after deducting expenses and property related taxes from the gross rent.

(d) Discounted cashflow method that involves the estimation of net income stream over a period and discounting the net income stream; taking into consideration a range of assumptions such as terminal yield rate, discount rate and rental growth.

Notes to the Financial Statements
For the financial year ended 31 December 2023

41. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

E. Assets and liabilities not carried at fair value but for which fair value is disclosed

The following tables show an analysis of the assets and liabilities not measured at fair value as at 31 December but for which fair value is disclosed:

	Group 2023 $'000				
	Fair value measurements 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	Carrying Amount
Liabilities					
Fixed rate bank loans	–	–	100,476	100,476	102,000
Fixed rate notes	668,060	–	–	668,060	689,305
	668,060	–	100,476	768,536	791,305

	Group 2022 $'000				
	Fair value measurements 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	Carrying Amount
Liabilities					
Fixed rate bank loans	–	–	49,256	49,256	51,112
Fixed rate notes	361,414	–	–	361,414	367,618
	361,414	–	49,256	410,670	418,730

Notes to the Financial Statements

For the financial year ended 31 December 2023

41. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

E. Assets and liabilities not carried at fair value but for which fair value is disclosed (cont'd)

Determination of fair value

Fixed rate notes

The fair value as disclosed in the table above is the price on the last trading day in SGX-ST.

Fixed rate bank loans

The fair value as disclosed in the table above is estimated based on the present value of future cash flows, discounted at the market rate of interest for similar types of lending or borrowings at the end of the reporting period.

42. 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 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% interest in ARA Asset Management Limited (up to 20 January 2022), investment in ESR Group Limited (formerly known as ESR Cayman Limited), and investment in Straits Real Estate Pte. Ltd..

(c) The Hospitality segment comprises hotel ownership and hotel management under the Group's 30% associate, Far East Hospitality Holdings Pte. Ltd. ("FEHH").

(d) The Others segment comprises Group-level corporate and treasury services, and securities and other investments, including the Group's 14% interest in an associate, 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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

42. SEGMENT INFORMATION (CONT'D)

2023 Operating segments

	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 written-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 written-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.

Notes to the Financial Statements
For the financial year ended 31 December 2023

42. SEGMENT INFORMATION (CONT'D)

2022 Operating segments

	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	(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	8,764	645,812	87,422	11,225	–	753,223
Additions to non-current assets[(1)]	8,142	469,895	–	–	–	478,037

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

Notes to the Financial Statements
For the financial year ended 31 December 2023

42. SEGMENT INFORMATION (CONT'D)

Geographical information

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

2023 Geographical information

	Singapore $'000	Malaysia $'000	Australia $'000	Japan $'000	China $'000	Korea $'000	United Kingdom $'000	Consolidated $'000
Segment revenue								
Revenue from external parties	3,284	424,441	34,439	–	9,036	–	20,459	491,659
Non-current assets	343,400	272,656	787,639	60,348	591,846	283,531	317,903	2,657,323

2022 Geographical information

	Singapore $'000	Malaysia $'000	Australia $'000	Japan $'000	China $'000	Korea $'000	United Kingdom $'000	Consolidated $'000
Segment revenue								
Revenue from external parties	2,509	472,743	34,302	–	8,555	–	9,511	527,620
Non-current assets	381,435	265,573	779,832	75,140	741,614	227,879	374,921	2,846,394

Non-current assets information presented above consists of property, plant and equipment, investment properties, land under development, goodwill, other intangible assets, associates and joint ventures and other non-current assets as presented in the consolidated statements of financial position.

Information about major customers

Revenue from three major customers amounted to $172,835,000 in 2023 (2022: two major customers amount to $197,644,000) arising from the Resources segment.

Notes to the Financial Statements

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43. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Country of Incorporation	Business	Effective Shareholding 2023 %	2022 %
Subsidiaries				
Held by the Company				
Baxterley Holdings Private Limited (1)	Singapore	Investment	100	100
Bushey Park Private Limited (1)	Singapore	Investment	100	100
Malaysia Smelting Corporation Berhad (2)*	Malaysia	Tin mining & smelting	27	27
STC Capital Pte. Ltd. (1)	Singapore	Investment	100	100
STC Realty (Butterworth) Sdn. Bhd. (2)	Malaysia	Property	100	100
Straits Developments Private Limited (1)	Singapore	Property	100	100
Straits Equities Holdings (One) Pte. Ltd. (1)	Singapore	Investment	100	100
Straits Equities Holdings (Two) Pte. Ltd. (1)	Singapore	Investment	100	100
Straits Investment Holdings Pte. Ltd. (1)	Singapore	Investment	100	100
Straits Trading Amalgamated Resources Private Limited (1)	Singapore	Investment	100	100
Sword Investments Private Limited (1)	Singapore	Investment	100	100
Sword Private Limited (1)	Singapore	Investment	100	100
STC Management Holdings Limited +	British Virgin Islands (“BVI”)	Investment	100	100
Straits Phoenix Pte. Ltd. (1)	Singapore	Investment	100	100
Straits Phoenix 2 Pte. Ltd. (1)	Singapore	Investment	100	100
Straits Phoenix 3 Pte. Ltd. (1)	Singapore	Investment	100	100
Straits Trading Metal Ventures Pte. Ltd. (1)	Singapore	Investment	100	100
Held through subsidiaries				
STC International Holdings Pte. Ltd. Ø	Singapore	Investment	100	100
Straits Trading Amalgamated Resources Sendirian Berhad (2)	Malaysia	Investment	100	100
Straits Real Estate Pte. Ltd. (1)	Singapore	Investment	100	100
Straits Real Estate (Management) Pte. Ltd. (1)	Singapore	Support management	100	100
Straits Green Ventures Pte. Ltd. α	Singapore	Security dealings & commodity contracts brokerage	–	100
Straits Trading Metal Asia Pte. Ltd. (1)	Singapore	Wholesale of metals & metal ores except general hardware	100	100
SRE Venture 2 Pte. Ltd. (1)	Singapore	Investment	100	100
SRE Venture 3 Pte. Ltd. (1)	Singapore	Investment	100	100
SRE Venture 5 Pte. Ltd. (1)	Singapore	Investment	100	100
SRE China 1 Pte. Ltd. (1)	Singapore	Investment	100	100
Chongqing Xinchuang Mall Management Co., Ltd. (2)	China	Real estate investment & management	100	100
SRE Venture 7 Pte. Ltd. (1)	Singapore	Investment	100	100
SRE Venture 8 Pte. Ltd. (1)	Singapore	Investment	100	100

Notes to the Financial Statements

For the financial year ended 31 December 2023

43. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT’D)

	Country of Incorporation	Business	Effective Shareholding 2023 %	2022 %
Subsidiaries (cont’d)				
Held through subsidiaries (cont’d)				
SRE Australia 1 Pte. Ltd. δ	Singapore	Investment	100	100
SRE Venture 10 Pte. Ltd. α	Singapore	Investment	–	100
SRE Japan 2 Pte. Ltd. α	Singapore	Investment	–	100
SRE Luxe 3 Pte. Ltd. α	Singapore	Investment	–	100
SRE Luxe 4 Pte. Ltd. α	Singapore	Investment	–	100
SRE Australia 2 Pte. Ltd. (1)	Singapore	Investment	100	100
SRE Venture 11 Pte. Ltd. δ	Singapore	Investment	100	100
SRE Japan 11 Pte. Ltd. δ	Singapore	Investment	100	100
SRE Venture 12 Pte. Ltd. (1)	Singapore	Investment	100	100
SRE Australia 3 Pte. Ltd. (1)	Singapore	Investment	100	100
45SGT Unit Trust (2)	Australia	Property	95	95
SRE Venture 13 Pte. Ltd. (1)	Singapore	Investment	100	100
SRE Australia 11 Pte. Ltd. (1)	Singapore	Investment	100	100
SRE Australia Industrial 1 Pte. Ltd. (1)	Singapore	Investment	100	100
SRE Industrial No.1 Trust (2)	Australia	Investment	100	100
SRE Australia Industrial 2 Pte. Ltd. (1)	Singapore	Investment	100	100
SRE Industrial No. 2 Trust (2)	Australia	Investment	100	100
SRE Australia 13 Pte. Ltd. (1)	Singapore	Investment	100	100
SRE Industrial No.1 Mid Trust (2)	Australia	Investment	100	100
Dockside Industrial No.1 Trust (2)	Australia	Property	100	100
Salisbury South No.1 Trust (2)	Australia	Property	100	100
Salisbury South No. 2 Trust (2)	Australia	Property	100	100
Bayswater Trust (2)	Australia	Property	100	100
Kilkenny Trust (2)	Australia	Property	100	100
Mawson Lakes Trust (2)	Australia	Property	100	100
Mulgrave Trust (2)	Australia	Property	100	100
Dockside Industrial No.2 Trust (2)	Australia	Property	100	100
SRE Industrial No.2 Mid Trust (2)	Australia	Investment	100	100
Cavan Trust (2)	Australia	Property	100	100
SRE Australia 12 Pte. Ltd. (1)	Singapore	Investment	100	100
SL Tin Sdn. Bhd. (2) ß	Malaysia	Tin mining	33	33
Malaysia Smelting Corporation (Warehousing) Sdn. Bhd. (2) ß	Malaysia	Tin warehousing	52	52
MSC Properties Sdn. Bhd. (2) ß	Malaysia	Property holding and rental	52	52
Rahman Hydraulic Tin Sdn. Bhd. (2) ß	Malaysia	Tin mining	42	42
Asas Baiduri Sdn. Bhd. (2) ß	Malaysia	Tin mining and investment holding	42	42
Straits Resource Management Private Limited (1) ß	Singapore	Investment holding	52	52
M Smelt (C) Sdn. Bhd. (2) ß	Malaysia	Property holding and rental	52	52

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43. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

	Country of Incorporation	Business	Effective Shareholding 2023 %	2022 %
Subsidiaries (cont'd)				
Held through subsidiaries (cont'd)				
PT SRM Indonesia [(8) ß]	Indonesia	Dormant	51	51
Alaf Tenggara Sdn. Bhd. [(2) ß]	Malaysia	Dormant	42	42
STC Property Management Sdn. Bhd.[(2)]	Malaysia	Property	100	100
Straits City Holdings I Sdn. Bhd. [(2)]	Malaysia	Investment holding	100	–
Wellesley Assets I Sdn. Bhd. [(2)]	Malaysia	Property	100	–
Straits Investment Management Pte. Ltd. [(1)]	Singapore	Investment	100	100
SRE Venture 14 Pte. Ltd. [(1)]	Singapore	Investment	100	100
IGIS Arenas KLIP 1 Private Placement Real Estate Feeder Investment Company [(6)]	Korea	Investment	95	95
IGIS Arenas KLIP 1-1 Private Placement Real Estate Master Investment Company [(6)]	Korea	Investment	95	95
IGIS Arenas KLIP 1-2 Private Placement Real Estate Master Investment Company [(6)]	Korea	Investment	95	95
SRE Venture 15 Pte. Ltd. [(1)]	Singapore	Investment	100	100
SRE Venture 16 Pte. Ltd. [(1)]	Singapore	Investment	100	100
SRE Venture 17 Pte. Ltd. [(1)]	Singapore	Investment	100	100
SRE Bourne Limited [(4)]	England	Property	100	100
SRE Venture 18 Pte. Ltd. [(1)]	Singapore	Investment	100	100
SRE Venture 19 Pte. Ltd. [(1)]	Singapore	Investment	100	100
SRE Australia 4 Pte. Ltd. [(1)]	Singapore	Investment	100	100
CH Holdings Unit Trust [(2)]	Australia	Investment	100	100
192HE Investments Unit Trust [(2)]	Australia	Property	100	100
1010 LTS Investments Unit Trust [(2)]	Australia	Property	100	100
SRE Venture 20 Pte. Ltd. [(1)]	Singapore	Investment	100	100
Gloucester BP (Holdco) Limited [(4)]	England	Investment	100	100
4100H Limited [(4)]	England	Property	100	100
Gloucester BP Investments Limited [(4)]	England	Property	100	100
Gloucester BP Developments Limited [(4)]	England	Property	100	100
SRE Venture 21 Pte. Ltd. [(1)]	Singapore	Investment	100	100
SRE Australia 14 Pte. Ltd. [(1)]	Singapore	Investment	100	–
Straits Trading Shareholders Club Pte. Ltd. [(1)]	Singapore	Providing memberships to members to access to benefits, events and privileges	100	100
Straits Trading GG Pte. Ltd. [(1)]	Singapore	Investment	100	100
Straits Trading GCB Pte. Ltd. [(1)]	Singapore	Investment	100	100
STC Fintech Holdings Pte. Ltd. [(1)]	Singapore	Investment	100	100
Straits Anak Private Limited [(1)]	Singapore	Investment	100	–
8ACR Private Limited (formerly known as 5DCL Private Limited) [(1)]	Singapore	Real estate management	100	–

	Country of Incorporation	Business	Effective Shareholding 2023 %	2022 %
Subsidiaries (cont'd)				
Held through subsidiaries (cont'd)				
108DA Private Limited [(1)]	Singapore	Real estate management	100	–
FIR-ST 1 Private Limited [(1)]	Singapore	Real estate management	100	–
FIR-ST 2 Private Limited [(1)]	Singapore	Real estate management	100	–
FIR-ST 3 Private Limited [(1)]	Singapore	Real estate management	100	–
FIR-ST 4 Private Limited [(1)]	Singapore	Real estate management	100	–
FIR-ST 5 Private Limited [(1)]	Singapore	Real estate management	100	–
SDPL Property Management Sdn. Bhd. [(2)]	Malaysia	Real estate management	100	–
Associates				
Held by the Company				
Taiko-Straits Developments Sdn. Bhd. [(7)] *(Accounting year ended 30 September)*	Malaysia	Property development	30	30
Held through subsidiaries				
Redring Solder (M) Sdn. Bhd. [(2) ß] *(Accounting year ended 31 December)*	Malaysia	Manufacture and sale of solder products and letting of properties	21	21
ARA Asset Management Holdings Pte. Ltd. [α] *(Accounting year ended 31 December)*	Singapore	Investment	–	–
Far East Hospitality Holdings Pte. Ltd. [(5)] *(Accounting year ended 31 December)*	Singapore	Owner, operator and manager of hospitality properties	30	30
ARA Harmony Fund III, L.P. [(3)] *(Accounting year ended 31 December)*	Cayman Islands	Investment	40	40
Savills Investment Management Japan Value Fund II, LP [(3)] *(Accounting year ended 31 December)*	Singapore	Investment	19	19
SME Help Fund Pte. Ltd. [α] *(Accounting year ended 31 December)*	Singapore	Investment	–	30
Savills IM UK Value Boxes Fund FCP-RAIF [(9)] *(Accounting year ended 31 December)*	England	Property	63	63
SDAX Financial Pte. Ltd. [(3)] *(Accounting year ended 31 December)*	Singapore	Digital financial services	14	14
Terre Property Partners Pty Ltd [(2)] *(Accounting year ended 31 December)*	Australia	Management	40	40
Marigold Ventures Pte. Ltd. [+] *(Accounting year ended 31 December)*	Singapore	Investment	40	–

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43. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

	Country of Incorporation	Business	Effective Shareholding 2023 %	Effective Shareholding 2022 %
Joint Ventures				
Held through subsidiaries				
KM Resources, Inc. [(2) ß] *(Accounting year ended 31 December)*	Labuan, Malaysia	Investment holding	16	16
320P Trust [(6)] *(Accounting year ended 31 December)*	Cayman Islands	Property	26	26
ILP Managers Pty Ltd [(2)] *(Accounting year ended 31 December)*	Australia	Management	50	50
Sky Logis Private Real Estate Investment Company [(6)] *(Accounting year ended 31 December)*	Korea	Property	50	50
Ivory SL Joint Venture Limited [(3)] *(Accounting year ended 31 December)*	Cayman Islands	Investment	38	38

Note:

(1) Audited by Ernst & Young LLP, Singapore.
(2) Audited by overseas affiliates of Ernst & Young LLP.
(3) Audited by KPMG LLP, Singapore.
(4) Audited by Mazars UK.
(5) Audited by PricewaterhouseCoopers LLP, Singapore.
(6) Audited by overseas affiliates of PricewaterhouseCoopers LLP.
(7) Audited by Messrs Folks DFK & Co.
(8) Audited by Herman Dody Tanumihardja & Rekan.
(9) Audited by KPMG Luxembourg, Société coopérative.

ß Subsidiaries/Associates/Joint Ventures of a listed subsidiary.
δ Voluntary liquidation/de-registration in progress and no statutory audit is required for 2022 and 2023.
ø Voluntary liquidation/de-registration in progress and no statutory audit is required for 2023.
α Voluntarily liquidated/de-registered in 2023.
+ Statutory audit is not required and they are not significant subsidiaries or associates.
* Malaysia Smelting Corporation Berhad ("MSC") is listed on the Main Market of the Bursa Malaysia Securities Berhad and is secondarily listed on the SGX-ST. The Company's combined interest in MSC held jointly with other subsidiaries and an associate is 52% (2022: 52%).

44. SUBSEQUENT EVENT

On 24 January 2024, the Company issued $130 million 4.70% fixed rate notes due 24 January 2029 under its $500 million multicurrency debt issuance programme.

45. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 28 March 2024.

Additional Information Required Under The Mainboard Rules of The Singapore Exchange Securities Trading Limited ("SGX-ST")

INTERESTED PERSON TRANSACTION

(Rules 907 and 1207(17))

The interested person transaction entered during the financial year ended 31 December 2023 is as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Consultants Services (Private) Limited	Associate of controlling shareholder	S$2,628,746.90	-
Cairnhill Rock Pte. Ltd.	Associate of controlling shareholder	S$195,600.00	-

The Company does not have a general mandate from shareholders in relation to interested person transactions pursuant to Rule 920 of the SGX-ST's Mainboard Rules.

Additional Information on Directors Seeking Re-election

(Information required pursuant to Rule 720(6) of the Listing Manual)

	Ms Chew Gek Khim	Mr Goh Kay Yong David	Mr Lee Chuan Seng	Mr Ho Tian Yee
Date of appointment	20 March 2008	30 April 2008	28 April 2023	1 July 2023
Date of last re-appointment	30 April 2021	28 April 2022	Not applicable	Not applicable
Age	62	62	68	71
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity consideration and the search and nomination process)	The Nominating Committee, having considered Ms Chew's eligibility and contribution to the Board, had recommended that she be put up for re-election. The Board had endorsed the Nominating Committee's recommendation.	The Nominating Committee, having considered Mr Goh's eligibility and contribution to the Board, had recommended that he be put up for re-election. The Board had endorsed the Nominating Committee's recommendation.	The Nominating Committee, having considered Mr Lee's eligibility and contribution to the Board, had recommended that he be put up for re-election. The Board had endorsed the Nominating Committee's recommendation.	The Nominating Committee, having considered Mr Ho's eligibility and contribution to the Board, had recommended that he be put up for re-election. The Board had endorsed the Nominating Committee's recommendation.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Nominating Committee Member	Non-Independent and Non-Executive Director and Remuneration Committee Member	Independent and Non-Executive Director and Nominating Committee Member	Independent and Non-Executive Director and Board Risk Committee Chairman and Audit Committee Member
Professional qualifications	Bachelor of Law, National University of Singapore	1. Bachelor of Arts (Hons) degree in Economics, York University, Canada 2. Master of Science in Management (System Dynamics, Finance and Strategy), Massachusetts Institute of Technology's Sloan School of Management 3. CFA charter holder	Bachelor of Engineering (Electrical), 1st Class Honours, Senior Scholar, University of Auckland	1. Bachelor of Arts (Honours), Economics (CNAA), Portsmouth University, UK 2. Master of Business Administration, University of Chicago

Additional Information on Directors Seeking Re-election

(Information required pursuant to Rule 720(6) of the Listing Manual)

	Ms Chew Gek Khim	Mr Goh Kay Yong David	Mr Lee Chuan Seng	Mr Ho Tian Yee
Working experience and occupation(s) during the past 10 years	2008 to present: Executive Chairman of the Company 2003 to present: Executive Chairman of the Tecity Group	1997 to Present: Chief Investment Officer and Chief Strategist, Tecity Group	April 2013 to August 2022: Emeritus Chairman (Honorary Position), Beca Asia Holdings Pte Ltd	1995 to July 2019: Managing Director, Pacific Asset Management (S) Pte Ltd
Shareholding interest in the listed issuer and its subsidiaries	Refer to Directors' Statement on pages 68 to 70 of this Annual Report			
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Ms Chew is the sister of Ms Chew Gek Hiang, Director of the Company, and the daughter of Dr Tan Kheng Lian, a substantial shareholder of the Company.	Mr Goh is currently employed as Chief Investment Officer and Chief Strategist of the Tecity Group, the parent company of the Company.	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes
Other Principal Commitments Including Directorships				

Additional Information on Directors Seeking Re-election

(Information required pursuant to Rule 720(6) of the Listing Manual)

	Ms Chew Gek Khim	Mr Goh Kay Yong David	Mr Lee Chuan Seng	Mr Ho Tian Yee
Past (for the last 5 years)	1. The Tan Sri Tan Foundation, Malaysia 2. Securities Industry Council of Singapore 3. Singapore Exchange Limited 4. Ho Peng Holdings Private Limited (Struck off) 5. Selected Holdings Private Limited (Struck off) 6. Raffles Investments (1993) Pte Ltd (Amalgamated) 7. Tiong Cheng Pte Ltd (Struck off) 8. Nexford Holdings Pte Ltd (Amalgamated) 9. Sigford Pte Ltd (Amalgamated) 10. SDAX Financial Pte Ltd 11. SME Help Fund Pte Ltd (Dissolved) 12. ARA Asset Management Holdings Pte Ltd (Dissolved)	1. Bushey Park Private Limited 2. Sword Private Limited 3. Tertius Development Pte Ltd (Dissolved) 4. Barramundi Group Ltd 5. Straits Equities Holdings (One) Pte Ltd 6. Commonwealth Harvests Pte Ltd (Dissolved) 7. Straits Real Estate (Management) Pte Ltd 8. SRE Venture 1 Pte Ltd (Dissolved) 9. Barramundi Asia Holdings Pte Ltd (Dissolved) 10. Straits Investment Management Pte Ltd	1. Beca Asia Holdings Pte Ltd 2. National University of Singapore, Mechanical and Production Engineering Departmental Consultative Committee 3. BCA Green Mark Advisory Committee 4. Board of Architects/ Investigation Panel 5. Construction Standards Committee 6. Singapore Standards Council 7. National Environment Agency 8. NEA Board Finance Committee 9. NEA Board Working Committee on Sustainable Singapore 10. Energy Systems Technical Advisory Panel. Energy Market Authority	1. DBS Bank Ltd. 2. DBS Group Holdings Ltd 3. Pacific Asset Management (S) Pte Ltd (Struck off) 4. AusNet Services Ltd 5. Fullerton Investment Management (Shanghai) Co., Ltd 6. Urban Redevelopment Authority
Present	1. ARA Trust Management (Suntec) Limited 2. Malaysia Smelting Corporation Berhad 3. Aequitas Pte Ltd 4. Bushey Park Private Limited 5. Choice Equities Pte Ltd 6. Consultants Services (Private) Limited	1. Straits Developments Private Limited 2. Baxterley Holdings Private Limited 3. Sword Investments Private Limited 4. STC International Holdings Pte Ltd (In liquidation)	1. Chen Su Lan Trust 2. School of Science and Technology, Singapore 3. BCA Green Built Environment Advisory Committee 4. BCA Industry Steering Committee for IDD (BIM)	1. Fullerton Fund Management Company Ltd 2. FFMC Holdings Pte Ltd 3. Pavilion Capital Holdings Pte Ltd 4. Seviora Holdings Pte Ltd 5. Weilee Investments Pte Ltd 6. Blue Edge Advisors Pte Ltd

Additional Information on Directors Seeking Re-election

(Information required pursuant to Rule 720(6) of the Listing Manual)

	Ms Chew Gek Khim	Mr Goh Kay Yong David	Mr Lee Chuan Seng	Mr Ho Tian Yee
Present	7. The Cairns Pte Ltd 8. Integrated Holdings Private Limited 9. Kambau Pte Ltd 10. Mellford Pte Ltd 11. Raffles Investments Private Limited 12. Rahman Hydraulic Tin Sdn Bhd 13. Siong Lim Private Limited 14. Straits Equities Holdings (One) Pte Ltd 15. Straits Real Estate Pte Ltd 16. The Tan Chin Tuan Foundation 17. Tan Chin Tuan Pte Ltd 18. Tecity Asset Management Pte Ltd 19. Tecity Pte Ltd 20. National University of Singapore 21. Straits Phoenix Pte. Ltd. 22. Tecity Management Pte Ltd 23. Lee Kuan Yew School of Public Policy 24. Honour (Singapore) Ltd 25. RSIS Board of Governors	5. Stewardship Equity Pte Ltd 6. Commonwealth Retail Concepts Pte Ltd 7. Straits Trading Amalgamated Resources Private Limited 8. NPE Print Communications Pte Ltd 9. Commonwealth Capital Pte Ltd 10. STC Capital Pte Ltd 11. Straits Equities Holdings (Two) Pte Ltd 12. Straits Investment Holdings Pte Ltd 13. Project Chulia Street Limited 14. Stewardship Associates Pte Ltd 15. STC Realty (Butterworth) Sdn Bhd	5. Singapore Green Building Council 6. National Environment Agency 7. NEA Board HR Committee 8. NEA Industry Steering Committee- Circular Economy (Food) 9. Ministry of National Development 10. Committee of Government Scientific Advisors 11. Technical Advisory WorkGroup, Urban Solutions and Sustainability, RIE 2025, National Research Foundation 12. Exco, Urban Solutions and Sustainability, RIE 2025, National Research Foundation 13. Executive Committee for Airport Development, Changi Airport Group 14. Board of the School of Science and Technology Singapore 15. Singapore Mediation Centre Construction Adjudicators Accreditation Committee	7. Mount Alvernia Hospital 8. DBS Foundation Ltd

Additional Information on Directors Seeking Re-election

(Information required pursuant to Rule 720(6) of the Listing Manual)

The responses by Ms Chew Gek Khim, Mr Goh Kay Yong David, Mr Lee Chuan Seng and Mr Ho Tian Yee to the following questions are "No".

A. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?

B. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?

C. Whether there is any unsatisfied judgment against him?

D. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?

E. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?

F. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?

G. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?

H. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?

I. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?

J. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
   (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or
   (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or
   (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
   (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,
   in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

K. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

Shareholdings Information

(as at 11 March 2024)

Total number of issued ordinary shares	451,782,747
Total number of issued ordinary shares excluding treasury shares	448,107,822
Total number of treasury shares	3,674,925
Total number of subsidiary holdings	0
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued ordinary shares excluding treasury shares	0.82%
Voting Rights	One vote per share

ISSUED ORDINARY SHARES AND SHAREHOLDERS

Size of Shareholdings			No. of Shareholders	%	No. of Shares	%
1	-	99	263	4.41	11,297	0.00
100	-	1,000	973	16.32	418,203	0.09
1,001	-	10,000	3,358	56.32	13,342,875	2.98
10,001	-	1,000,000	1,355	22.73	58,611,415	13.08
1,000,001	and	above	13	0.22	375,724,032	83.85
Total			**5,962**	**100.00**	**448,107,822**	**100.00**

TWENTY LARGEST SHAREHOLDERS

	Registered Shareholders	No. of Shares	%
1.	THE CAIRNS PTE LTD	265,840,552	59.33
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	52,355,410	11.68
3.	DBS NOMINEES PTE LTD	15,885,160	3.54
4.	MELLFORD PTE LTD	15,492,100	3.46
5.	UOB KAY HIAN PTE LTD	5,739,695	1.28
6.	RAFFLES NOMINEES (PTE) LIMITED	5,126,937	1.14
7.	OCBC SECURITIES PRIVATE LTD	3,909,756	0.87
8.	PHILLIP SECURITIES PTE LTD	3,843,480	0.86
9.	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,880,019	0.42
10.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	1,715,578	0.38
11.	OCBC NOMINEES SINGAPORE PTE LTD	1,506,419	0.34
12.	TAN KHENG LIAN	1,402,760	0.31
13.	MAYBANK SECURITIES PTE. LTD.	1,026,166	0.23
14.	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	969,155	0.22
15.	HSBC (SINGAPORE) NOMINEES PTE LTD	903,734	0.20
16.	LOKE WAN YAT REALTY SDN BHD	851,252	0.19
17.	PREMAKUMAR S/O SALWA RAJA	750,000	0.17
18.	IFAST FINANCIAL PTE LTD	734,516	0.16
19.	CHEW GEK KHIM	700,000	0.16
20.	UOB NOMINEES (2006) PRIVATE LIMITED	696,680	0.16
		381,329,369	85.10

Shareholdings Information

(as at 11 March 2024)

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
The Cairns Pte. Ltd.	285,670,552	63.75	0	0
Tan Chin Tuan Pte. Ltd.(1)	0	0	301,162,652	67.21
Raffles Investments Private Limited(1)	0	0	285,670,552	63.75
Tecity Pte. Ltd (1)	0	0	301,162,652	67.21
Aequitas Pte. Ltd.(1)	0	0	285,670,552	63.75
Dr Tan Kheng Lian(1)	1,402,760	0.31	301,162,652	67.21

Notes:

1 The Cairns Pte. Ltd. ("Cairns") holds more than 50% of the voting rights of the Company. Each of Raffles Investments Private Limited ("Raffles"), Tecity Pte. Ltd ("Tecity") and Tan Chin Tuan Pte. Ltd. ("TCT") holds not less than 20% of the voting rights of Cairns. Aequitas Pte. Ltd. ("Aequitas") holds more than 50% of the voting shares of Raffles. Dr Tan Kheng Lian holds more than 50% of the voting shares of TCT. By virtue of this, each of Raffles, Tecity, TCT, Aequitas and Dr Tan Kheng Lian has a deemed interest in the 285,670,552 shares in the Company which Cairns is interested in. Mellford Pte. Ltd. has a direct interest in 15,492,100 shares of the Company. Each of Tecity and TCT holds not less than 20% of the voting rights of Mellford Pte. Ltd.. Dr Tan Kheng Lian holds more than 50% of the voting rights of TCT. By virtue of the foregoing, each of Tecity, TCT and Dr Tan Kheng Lian also holds a deemed interest in the 15,492,100 shares held by Mellford Pte. Ltd. in the Company. Together with the deemed interest held through Cairns and Mellford Pte. Ltd., Tecity, TCT and Dr Tan Kheng Lian hold an aggregate deemed interest in 301,162,652 shares of the Company.

PERCENTAGE OF SHAREHOLDING HELD BY THE PUBLIC

Based on information available to the Company as at 11 March 2024, approximately 32.16% of the Company's shares, excluding treasury shares, were held by the public and thus, Rule 723 of the Mainboard Rules of the Singapore Exchange Securities Trading Limited has been complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of members of The Straits Trading Company Limited (the "Company") will be held at Suntec Singapore Convention & Exhibition Centre, Level 3, Meeting Rooms MR 334 – 336, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Tuesday, 30 April 2024 at 10.30 a.m. for the following business:

As Ordinary Business:

1. To receive and adopt the Audited Financial Statements and the Directors' Statement of the Company for the financial year ended 31 December 2023 and the Independent Auditor's Report thereon.

   (Resolution 1)

2. To re-elect the following Directors who are retiring by rotation in accordance with Regulation 99 of the Company's Constitution and who, being eligible, offer themselves for re-election:

   (a) Ms Chew Gek Khim

   (Note: Ms Chew Gek Khim, if re-elected, will remain as Chairman of the Board and a member of the Nominating Committee and will be considered a non-independent Director.)

   (Resolution 2)

   (b) Mr Goh Kay Yong David

   (Note: Mr Goh Kay Yong David, if re-elected, will remain as a member of the Remuneration Committee and will be considered a non-independent Director.)

   (Resolution 3)

3. To re-elect the following Directors who are retiring by rotation in accordance with Regulation 103 of the Company's Constitution and who, being eligible, offer themselves for re-election:

   (a) Mr Lee Chuan Seng

   (Note: Mr Lee Chuan Seng, if re-elected, will remain as a member of the Nominating Committee and will be considered an independent Director.)

   (Resolution 4)

   (b) Mr Ho Tian Yee

   (Note: Mr Ho Tian Yee, if re-elected, will remain as Chairman of the Board Risk Committee and a member of the Audit Committee and will be considered an independent Director.)

   (Resolution 5)

4. To approve the payment of Directors' fees of S$771,950 for the financial year ended 31 December 2023 (2022: S$723,743).

   (Resolution 6)

5. To re-appoint Ernst & Young LLP as the Independent Auditor of the Company and to authorise the Directors to fix their remuneration.

   (Resolution 7)

Notice of Annual General Meeting

As Special Business:

6. **Authority to issue shares**

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"That pursuant to Section 161 of the Companies Act 1967 (the "Act") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards; and

(ii) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with sub-paragraph (2)(i) or (2)(ii) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Act and the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(Resolution 8)

Notice of Annual General Meeting

7. **Renewal of the Share Buyback Mandate**

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"That:

(a) for the purposes of the Sections 76C and 76E of the Companies Act 1967 (the "Act"), the authority conferred on the Directors of the Company ("Directors") to exercise all the powers of the Company to purchase or otherwise acquire issued ordinary shares fully paid in the capital of the Company (the "Shares") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) (each a "Market Purchase") on the Singapore Exchange Securities Trading Limited (the "SGX-ST"), through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchase(s) (each an "Off-Market Purchase") in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Act and the Listing Manual of the SGX-ST as may for the time being be applicable, be and is hereby approved generally and unconditionally (the "Share Buyback Mandate");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company ("AGM") is held or required by law to be held, whichever is the earlier;

(ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; and

(iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Company in a general meeting; and

(c) in this Resolution:

"**Maximum Limit**" means that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period (as defined below), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares that may be held by the Company from time to time and subsidiary holdings); and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed

(i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined hereinafter),

Notice of Annual General Meeting

where:

"**Relevant Period**" means the period commencing from the date on which this Resolution is passed and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier;

"**Average Closing Price**" means the average of the closing market prices of the Shares traded on the SGX-ST over the last five Market Days (a "Market Day" being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days; and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."

(Resolution 9)

8. **Authority to allot and issue Shares pursuant to The Straits Trading Company Limited Scrip Dividend Scheme**

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of new ordinary shares in the Company as may be required to be allotted and issued pursuant to the The Straits Trading Company Limited Scrip Dividend Scheme."

(Resolution 10)

9. To transact any other ordinary business of the Company.

By Order of the Board

Ngiam May Ling
Company Secretary

Singapore
8 April 2024

Explanatory Notes:

Resolution 8, if passed, will renew the authority for the Directors, effective until the next Annual General Meeting, to issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments, up to a limit of 50% of the total number of issued Shares in the capital of the Company, of which up to 20% for issues other than on a pro-rata basis, calculated as described in the Resolution.

Resolution 9, if passed, will empower the Directors to purchase or otherwise acquire Shares on the terms of the Share Buyback Mandate as set out in Resolution 9 and the Circular to Shareholders dated 8 April 2024. Please refer to the said Circular to Shareholders for more details. The Company may use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The amount of financing required and the impact of the Company's financial position cannot be ascertained as at the date of this Notice as these will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchase or acquisition and whether the Shares purchased or acquired are cancelled or held as treasury shares. Illustrative financial effects of the Share Buyback Mandate are set out in paragraph 2.8 of the said Circular to Shareholders.

Resolution 10, if passed, will authorise the Directors to allot and issue new ordinary shares of the Company pursuant to The Straits Trading Company Limited Scrip Dividend Scheme ("Scrip Dividend Scheme") to participating shareholders who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount, in respect of all, and not part only, of that qualifying dividend. On 28 March 2023, the Company announced the adoption of the Scrip Dividend Scheme. The terms and conditions of the Scrip Dividend Scheme are set out in the Scrip Dividend Scheme Statement appended to the Company's announcement dated 28 March 2023 which is available on the SGX website at https://www.sgx.com/securities/company-announcements and the Company's website at https://straitstrading.listedcompany.com/sgx_announcements.html.

Notice of Annual General Meeting

Notes:

General

1. The Annual General Meeting ("AGM" or "Meeting") will be held in a wholly physical format at Suntec Singapore Convention & Exhibition Centre, Level 3, Meeting Rooms MR 334 – 336, 1 Raffles Boulevard, Suntec City, Singapore 039593 on **30 April 2024 at 10.30 a.m.** for the purpose of considering and, if thought fit, passing the resolutions set out in the Notice of AGM. **There will be no option to participate virtually.**

2. Printed copies of the Notice of AGM and Proxy Form will be sent to members by post. These documents will also be made available on the Company's website at https://straitstrading.listedcompany.com/sgx_announcements.html and SGX website at https://www.sgx.com/securities/company-announcements.

3. The Annual Report 2023 and the Circular to Shareholders dated 8 April 2024 in relation to the Proposed Renewal of the Share Buyback Mandate (the "Documents") have been published on the Company's website at https://straitstrading.listedcompany.com/sgx_announcements.html and SGX website at https://www.sgx.com/securities/company-announcements.

4. Printed copies of the Documents will not be sent to the Members. The Documents will be available for download from the Company's website at https://straitstrading.listedcompany.com/sgx_announcements.html from the date of the Notice of AGM. The members will need an internet browser and PDF reader to view the Documents.

5. Any member who wishes to receive a printed copy of the Documents should submit a written request via electronic mail to cosec@stc.com.sg by no later than **5.00 pm** on **23 April 2024** with the following information:

   (i) your CDP Securities Account Number. If your shares are under/through your CPF Investment Scheme Account or physical scrip(s), please indicate as such;

   (ii) your full name; and

   (iii) your mailing address.

Register in person to attend the AGM

6. Members (including CPF and SRS investors) and (where applicable) duly appointed proxies can attend the AGM in person. To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the day of the event. Every attendee is required to bring his or her NRIC or passport to enable the Company to verify his or her identity. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately. Members are advised not to attend the AGM if they are feeling unwell.

7. Members holding shares through Relevant Intermediaries (other than CPF or SRS investors) who wish to participate in the AGM in person should approach his or her Relevant Intermediary (as defined in Note 20 below) by **10.30 a.m. on 19 April 2024** to make the necessary arrangements.

Submission of questions

8. Members (including CPF and SRS investors) may submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the Meeting, in advance of the AGM. To do so, their questions must be submitted in the following manner by **10.30 a.m. on 15 April 2024**:

   (a) via electronic mail to ir@stc.com.sg; or

   (b) via post to:

   The Straits Trading Company Limited
   1 Wallich Street #15-01, Guoco Tower
   Singapore 078881

9. When submitting questions via email or by post, members should provide the Company with the following details to enable the Company to verify their status as members: (i) status: individual shareholder or corporate representative; (ii) full name/full company name (as per CDP/ CPF/SRS/ Scrip-based records); (iii) NRIC/FIN/Passport No./UEN; and (iv) electronic mail address; and (v) contact number (optional).

10. The Company will address substantial and relevant questions related to the resolutions to be tabled at the AGM for approval by publishing its responses to such questions on the SGX website at https://www.sgx.com/securities/company-announcements and the Company's website at https://straitstrading.listedcompany.com/sgx_announcements.html **after the close of market on 24 April 2024**.

11. Members (including CPF and SRS investors), and (where applicable) duly appointed proxies can ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.

12. Any subsequent clarifications sought, or substantial and relevant follow-up questions (which are related to the resolutions to be tabled for approval at the AGM) received after 10.30 a.m. on 15 April 2024 which have not already been addressed prior to the AGM, as well as those substantial and relevant questions received at the AGM, will be addressed at the AGM itself.

13. Where substantially similar questions are received, such questions will be consolidated and consequently not all questions may be individually addressed.

Notice of Annual General Meeting

14. The Company will publish the minutes of the AGM on the SGX website at https://www.sgx.com/securities/company-announcements and the Company's website at https://straitstrading.listedcompany.com/sgx_announcements.html within one (1) month after the date of AGM.

Voting at the AGM

15. Members (including CPF and SRS investors) can vote at the AGM themselves or through duly appointed proxy(ies). A member who wishes to appoint a proxy(ies) must submit an instrument appointing the proxy(ies) in accordance with the instructions on the Proxy Form.

16. Upon registration at the AGM venue, members (including CPF and SRS investors) and (where applicable) duly appointed proxies, will be provided with a handheld device for electronic voting at the physical meeting.

17. If a member wishes to appoint a proxy(ies) to attend and vote on his or her behalf, he or she should submit the instrument appointing the proxy(ies) to the Company in the following manner:

    (a) if submitted by post, it should be deposited at the Company's Polling Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or

    (b) if submitted electronically, it should be submitted via email to srs.proxy@boardroomlimited.com,

    in either case by **10.30 a.m. on 27 April 2024**, being not less than 72 hours before the time appointed for the holding of the AGM.

    A member who wishes to submit an instrument appointing a proxy(ies) can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download a copy of the Proxy Form from the Company's website or the SGX website, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. A member who wishes to appoint a proxy(ies) for the AGM should refer to the instructions on the Proxy Form for more details.

18. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the AGM if he or she so wishes. The appointment of a proxy(ies) for the AGM shall be deemed to be revoked if the member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy or proxies, to the AGM.

19. CPF and SRS investors:

    (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

    (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **10.30 a.m. on 19 April 2024.**

20. A "Relevant Intermediary" means:

    (i) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

    (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds shares in that capacity; or

    (iii) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STRAITS TRADING
ESTABLISHED 1887
A MEMBER OF THE TECITY GROUP

IMPORTANT:
1. The Annual General Meeting ("AGM") will be held in a wholly physical format at the venue, date and time stated below. There will be no option to participate virtually. The Notice of AGM dated 8 April 2024 and this Proxy Form will be sent to members by electronic means via publication on the Company's website at https://straitstrading.listedcompany.com/sgx_announcements.html and on the SGX website at https://www.sgx.com/securities/company-announcements. In addition, printed copies will be sent by post to members.
2. Arrangements relating to register in person to attend the AGM, submission of questions, addressing of substantial and relevant questions and voting at the AGM are set out in the Notice of AGM dated 8 April 2024.
3. Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy(ies).
4. For CPF/SRS investors who have used their CPF/SRS monies to buy The Straits Trading Company shares, this Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators as soon as practicable if they have any queries regarding their appointment as proxies, or (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks/SRS Operators to submit their votes by 10.30 a.m. on 19 April 2024.

PROXY FORM

THE STRAITS TRADING COMPANY LIMITED

(A member of The Tecity Group)
(Company Registration No.: 188700008D)
Incorporated in Singapore

I/We (Name), ______________________ (NRIC/FIN/Passport No./UEN No.) ______________

of (Address) ______________________________________, being a

being a member/members of THE STRAITS TRADING COMPANY LIMITED (the "**Company**") hereby appoint:

the Chairman of the Annual General Meeting ("**AGM**" or "**Meeting**"), as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM to be held at Suntec Singapore Convention & Exhibition Centre, Level 3, Meeting Rooms MR 334 – 336, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Tuesday, 30 April 2024 at 10.30 a.m. and at any adjournment thereof as indicated below.

OR

I/We direct my/our proxy/proxies to vote for or against or abstain from voting the Ordinary Resolutions to be proposed at the AGM and at any adjournment thereof as indicated below.

Name	Address	Email Address	NRIC/ Passport No.	Proportion of Shareholdings	
				No. of shares	%
and/or (delete as appropriate)					

No.	Ordinary Resolutions	For*	Against*	Abstain*
	Ordinary Business			
1.	To receive and adopt the Audited Financial Statements and the Directors' Statement of the Company for the financial year ended 31 December 2023 and the Independent Auditor's Report thereon			
2.	Re-election of Ms Chew Gek Khim as a Director of the Company			
3.	Re-election of Mr Goh Kay Yong David as a Director of the Company			
4.	Re-election of Mr Lee Chuan Seng as a Director of the Company			
5.	Re-election of Mr Ho Tian Yee as a Director of the Company			
6.	To approve the payment of Directors' fees of S$771,950 for the financial year ended 31 December 2023			
7.	To re-appoint Ernst & Young LLP as the Independent Auditor of the Company and to authorise the Directors to fix their remuneration			
	Special Business			
8.	Authority to issue shares			
9.	Renewal of the Share Buyback Mandate			
10.	Authority to allot and issue Shares pursuant to The Straits Trading Company Limited Scrip Dividend Scheme			

Notes:

* *Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against" a Resolution, please tick in the "For" or "Against" box provided in respect of that Resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that Resolution. If you wish your proxy/proxies to abstain from voting on a Resolution, please tick in the "Abstain" box provided in respect of that Resolution. Alternatively, please indicate the number of shares that your proxy/proxies is/are directed to abstain from voting in respect of that Resolution. In the absence of specific directions in respect of a Resolution as to voting, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/they will on any other matter arising at the Meeting.*

Dated this _________ day of April 2024.

____

Signature of Shareholder(s) or,
Common Seal of Corporate Shareholder
* Delete where inapplicable

Total Number of Shares held in:	No. of shares
(a) CDP Register	
(b) Register of Members	

IMPORTANT: PLEASE READ NOTES OVERLEAF.

Notes:

1. A member should insert the total number of shares held. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, this Proxy Form shall be deemed to relate to all the shares held by the member.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

   A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:

   (a) if submitted by post, it should be deposited at the Company's Polling Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or

   (b) if submitted electronically, it should be submitted via email to srs.proxy@boardroomlimited.com,

   in either case by 10.30 a.m. on 27 April 2024, being not less than 72 hours before the time appointed for the holding of the Meeting. A member who wishes to submit an instrument appointing a proxy(ies) can either use the printed copy of the Proxy Form which is sent to him/ her/it by post or download a copy of the Proxy Form from the Company's website or the SGX website, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

5. Completion and submission of the instrument appointing a proxy or proxies by a member will not prevent him/her from attending, speaking and voting at the Meeting if he/she so wishes. The appointment of a proxy or proxies for the Meeting shall be deemed to be revoked if the member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy or proxies, to the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

7. Where the instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing a proxy or proxies is submitted by post, be deposited with the instrument or, if the instrument appointing a proxy or proxies is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967.

9. Any reference to a time of day is made by reference to Singapore time.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies submitted if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for the holding of the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 April 2024.

Corporate Information

BOARD OF DIRECTORS

Chew Gek Khim, PJG
Executive Chairman
Member, Nominating Committee

Chew Gek Hiang
Non-Independent and Non-Executive Director
Member, Audit Committee

Goh Kay Yong David
Non-Independent and Non-Executive Director
Member, Remuneration Committee

Tan Chian Khong
Lead Independent Director
Chairman, Audit Committee
Member, Nominating Committee

Chua Tian Chu
Independent and Non-Executive Director
Chairman, Nominating Committee
Member, Remuneration Committee
Member, Board Risk Committee

Lau Cheng Soon
Independent and Non-Executive Director
Chairman, Remuneration Committee
Member, Board Risk Committee

Lee Chuan Seng
Independent and Non-Executive Director
Member, Nominating Committee

Ho Tian Yee
Independent and Non-Executive Director
Chairman, Board Risk Committee
Member, Audit Committee

KEY MANAGEMENT

Chew Gek Khim, PJG
Executive Chairman

Teng Heng Chew Eric, BBM, PBM
Group Chief Operating Officer
Chief Executive Officer,
Straits Developments Private Limited

Desmond Tang Kok Peng
Chief Executive Officer
Straits Real Estate Pte. Ltd.

Dato' Dr (IR) Patrick Yong Mian Thong
Chief Executive Officer
Malaysia Smelting Corporation Berhad

Manish Bhargava
Chief Executive Officer
Straits Investment Management Pte. Ltd.

Tan Hwei Yee
Chief Executive Officer
STC Property Management Sdn. Bhd.
Head, Property
Straits Developments Private Limited

Yeo Eng Kwang
Deputy Chief Investment Officer

COMPANY SECRETARY

Ngiam May Ling, LLB (HONS)

REGISTERED OFFICE

1 Wallich Street
#15-01 Guoco Tower
Singapore 078881

CORPORATE OFFICE

1 Wallich Street
#15-01 Guoco Tower
Singapore 078881
Tel : (65) 6422 4288
Fax : (65) 6534 7202
E-mail : contactus@stc.com.sg
Website : www.straitstrading.com.sg

INVESTOR RELATIONS

Selina Ho
Head, Investor Relations & Shareholders' Club
E-mail: ir@stc.com.sg

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
9 Raffles Place #26-01
Republic Plaza Tower 1
Singapore 048619

AUDITORS

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner-in-charge: Mr Terry Wee Hiang Bing
(Appointed with effect from financial year ended 31 December 2022)

PRINCIPAL BANKERS

Bank of China Limited
Commonwealth Bank of Australia
Credit Suisse AG
DBS Bank Ltd
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
Shinhan Bank Co., Ltd
Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation Limited
UBS AG
United Overseas Bank Limited
Westpac Banking Corporation

The Straits Trading Company Limited
(Co. Reg. No.: 188700008D)

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