

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

Condensed Interim Financial Statements  
For the six months and full year ended 31 December 2022

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## A. Condensed Interim Consolidated Income Statement

Group	Note	6 months	6 months	+ / (-) %	12 months	12 months	+ / (-) %
		ended 31 December 2022 \$'000	ended 31 December 2021 \$'000		ended 31 December 2022 \$'000	ended 31 December 2021 \$'000	
<b>Revenue</b>							
Tin mining and smelting revenue		227,116	152,925	48.5	472,588	348,480	35.6 (i)
Property revenue		30,347	24,611	23.3	55,032	48,079	14.5
Total revenue		257,463	177,536	45.0	527,620	396,559	33.0
<b>Other items of income/(loss)</b>							
Dividend income		8,110	4,182	93.9	12,366	8,188	51.0
Interest income		8,022	58,838	(86.4)	15,131	74,013	(79.6) (ii)
Fair value changes in investment properties	9	(79,662)	86,278	NM	(75,421)	133,390	NM (iii)
Other (losses)/income	4	(19,833)	12,231	NM	635,373	26,561	>100
		174,100	339,065	(48.7)	1,115,069	638,711	74.6
<b>Other items of expense</b>							
Employee benefits expense		(20,828)	(20,511)	1.5	(39,289)	(36,597)	7.4
Depreciation expense		(2,942)	(2,816)	4.6	(6,074)	(6,457)	(5.9)
Amortisation expense		(106)	(205)	(48.3)	(327)	(412)	(20.6)
(Impairment losses)/Reversal of impairment losses		–	812	NM	–	(9,005)	NM
Costs of tin mining and smelting		(210,910)	(97,077)	>100	(398,651)	(255,694)	55.9 (iv)
Net foreign exchange loss		(7,401)	(10,448)	(28.5)	(15,108)	(11,414)	32.9
Finance costs		(26,757)	(14,830)	80.4	(43,993)	(32,106)	37.0
Other expenses	5	(21,366)	(13,236)	61.4	(34,622)	(24,859)	39.3
Total expenses		(290,310)	(158,311)	83.3	(538,064)	(376,544)	42.9
Share of results of associates and joint ventures		(29,311)	15,571	NM	(14,021)	99,903	NM (v)
<b>(Loss)/profit before tax</b>		<b>(145,521)</b>	196,325	NM	<b>562,984</b>	362,070	55.5
Income tax credit/(expense)	6	22,985	(52,224)	NM	6,287	(76,379)	NM
<b>(Loss)/profit after tax</b>		<b>(122,536)</b>	144,101	NM	<b>569,271</b>	285,691	99.3
<b>(Loss)/profit attributable to:</b>							
Owners of the Company		(121,762)	111,647	NM	551,259	234,254	>100
Non-controlling interests		(774)	32,454	NM	18,012	51,437	(65.0)
		(122,536)	144,101	NM	569,271	285,691	99.3
<b>Earnings before interest expense, tax, depreciation and amortisation (“EBITDA”)</b>							
		(115,716)	214,176	NM	613,378	401,045	52.9

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

Group (cont'd)	6 months ended 31 December			12 months ended 31 December			
	Note	2022 \$'000	2021 \$'000	+ / (-) %	2022 \$'000	2021 \$'000	+ / (-) %
<b>(Losses)/Earnings per share (cents per share)</b>							
Basic		<b>(28.5)</b>	27.4	NM	<b>127.0</b>	57.6	>100
Diluted		<b>(28.5)</b>	27.4	NM	<b>127.0</b>	57.6	>100

NM – Not meaningful

### Explanatory Notes to the Condensed Interim Consolidated Income Statement

- (i) The higher Tin mining and smelting revenue in 2H2022 was due to higher sales quantity.
- (ii) The reduced interest income in 2H2022 was attributable to lower interest income from the notes issued by a joint venture.
- (iii) Net fair value losses in investment properties for 2H2022 was due to higher capitalisation rates which led to the reduction in fair values of investment properties in Australia, China, South Korea and the United Kingdom.
- (iv) The increased costs of mining and smelting were due to higher staff costs and tin smelting costs from increased energy and consumable costs.
- (v) The share of results of associates and joint ventures was stronger in 2H2022, offset by the fair value loss of an investment property held by a joint venture in Australia.

## B. Condensed Interim Consolidated Statement of Comprehensive Income

Group	6 months ended 31 December 2022 \$'000	6 months ended 31 December 2021 \$'000	12 months ended 31 December 2022 \$'000	12 months ended 31 December 2021 \$'000
<b>(Loss)/profit after tax</b>	<b>(122,536)</b>	144,101	<b>569,271</b>	285,691
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
Net fair value changes in equity securities carried at fair value through other comprehensive income ("FVOCI")	<b>(232,103)</b>	9,948	<b>(370,489)</b>	16,856 (i)
Share of net fair value changes in equity securities carried at FVOCI of associates	–	15,938	<b>655</b>	26,734
Net revaluation surplus on property, plant and equipment	<b>427</b>	190	<b>427</b>	190
Share of net revaluation surplus on property, plant and equipment of associates	<b>1,386</b>	5,634	<b>2,488</b>	6,971
	<b>(230,290)</b>	31,710	<b>(366,919)</b>	50,751
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Net fair value changes in cash flow hedges	<b>3,629</b>	(148)	<b>4,824</b>	959
Currency translation reserve	<b>(53,922)</b>	(7,110)	<b>(78,746)</b>	(9,045) (ii)
Share of reserves of associates and joint ventures	<b>(12,749)</b>	(6,115)	<b>(33,005)</b>	(13,550) (iii)
Reclassification of foreign currency translation reserve to profit or loss	<b>421</b>	(161)	<b>18,191</b>	(717)
	<b>(62,621)</b>	(13,534)	<b>(88,736)</b>	(22,353)
<b>Other comprehensive (loss)/income after tax for the period/year</b>	<b>(292,911)</b>	18,176	<b>(455,655)</b>	28,398
<b>Total comprehensive (loss)/income for the period/year</b>	<b>(415,447)</b>	162,277	<b>113,616</b>	314,089
<b>Attributable to:</b>				
<b>Owners of the Company</b>	<b>(409,156)</b>	129,158	<b>105,741</b>	258,746
<b>Non-controlling interests</b>	<b>(6,291)</b>	33,119	<b>7,875</b>	55,343
<b>Total comprehensive (loss)/income for the period/year</b>	<b>(415,447)</b>	162,277	<b>113,616</b>	314,089

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

**Explanatory Notes to the Condensed Interim Consolidated Statement of Comprehensive Income**

- (i) Net fair value movement in equity securities were attributable to changes in the market value of quoted equity securities that are not held for trading.
- (ii) The movement in currency translation reserve was related to exchange differences arising from foreign operations.
- (iii) Share of reserves of associates and joint venture was related to share of foreign currency translation reserves of associates and joint ventures.

### C. Condensed Interim Balance Sheets

	Note	Group		Company	
		31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	7	52,529	51,860	609	600
Land under development	8	95,780	79,208	28,127	29,982
Investment properties <sup>(i)</sup>	9	1,312,915	1,039,646	5,274	5,622
Goodwill	10(a)	16,323	17,366	–	–
Other intangible assets	10(b)	47,302	5,616	–	–
Subsidiaries	12	–	–	123,535	123,535
Associates and joint ventures <sup>(ii)</sup>	11	701,212	1,205,964	144	144
Deferred tax assets	13	11,848	5,376	–	–
Other non-current receivables		–	–	30,000	107,013
Derivative financial instruments		13,203	895	1,863	180
Investment securities <sup>(iii)</sup>		591,040	198,048	–	–
<b>Total non-current assets</b>		<b>2,842,152</b>	<b>2,603,979</b>	<b>189,552</b>	<b>267,076</b>
<b>Current assets</b>					
Inventories <sup>(iv)</sup>	14	173,541	256,018	–	–
Income tax recoverable		5,357	5,719	24	25
Prepayments and accrued income		2,102	2,106	8	62
Trade related prepayments		20,222	11,832	–	–
Trade receivables		13,345	5,368	5	7
Other receivables <sup>(a)</sup>		94,568	81,692	1,695,514	1,382,714
Investment securities		75,363	78,092	–	–
Derivative financial instruments		23,198	1,485	2,583	–
Cash and cash equivalents <sup>(v)(b)</sup>		251,688	141,615	129,791	17,205
<b>Total current assets</b>		<b>659,384</b>	<b>583,927</b>	<b>1,827,925</b>	<b>1,400,013</b>
<b>Total assets</b>		<b>3,501,536</b>	<b>3,187,906</b>	<b>2,017,477</b>	<b>1,667,089</b>

### C. Condensed Interim Balance Sheets (cont'd)

		Group		Company	
	Note	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	15	686,317	568,968	686,317	568,968
Treasury shares	16	(4,085)	(2,682)	(4,085)	(2,682)
Retained earnings		1,396,875	1,163,514	99,378	38,107
Other reserves <sup>(vi)</sup>		(341,664)	41,582	(4,467)	52
<b>Equity attributable to owners of the Company</b>		<b>1,737,443</b>	1,771,382	<b>777,143</b>	604,445
Non-controlling interests		137,055	163,468	–	–
<b>Total equity</b>		<b>1,874,498</b>	1,934,850	<b>777,143</b>	604,445
<b>Non-current liabilities</b>					
Provisions	17	14,700	17,004	–	–
Deferred tax liabilities	13	70,107	91,178	670	713
Borrowings <sup>(vii)(c)</sup>	18	1,054,071	505,249	442,387	336,287
Derivative financial instruments		376	651	–	–
Other non-current liabilities		3,317	6,167	–	–
Lease liabilities		1,258	2,298	–	–
<b>Total non-current liabilities</b>		<b>1,143,829</b>	622,547	<b>443,057</b>	337,000
<b>Current liabilities</b>					
Provisions	17	4,347	–	–	–
Income tax payable		3,871	14,236	1,023	206
Trade and other payables		135,400	70,629	653,052	645,717
Borrowings <sup>(vii)(c)</sup>	18	336,672	540,747	143,202	79,721
Derivative financial instruments		1,696	2,294	–	–
Lease liabilities		1,223	2,603	–	–
<b>Total current liabilities</b>		<b>483,209</b>	630,509	<b>797,277</b>	725,644
<b>Total liabilities</b>		<b>1,627,038</b>	1,253,056	<b>1,240,334</b>	1,062,644
<b>Total equity and liabilities</b>		<b>3,501,536</b>	3,187,906	<b>2,017,477</b>	1,667,089



## **C. Condensed Interim Balance Sheets (cont'd)**

### **Explanatory Notes to the Condensed Interim Balance Sheets**

#### **Group**

- (i) The increase in investment properties was mainly due to acquisition of properties and development land in Australia and the United Kingdom, partially offset by adjustments to the fair value of certain properties.
- (ii) The decrease in associates and joint ventures was mainly due to the disposal of the stake in ARA Asset Management Limited ("ARA"), partially offset by capital injections into certain associates and joint ventures.
- (iii) The increase in investment securities was mainly due to the ordinary shares of the ESR Group Limited (formerly known as ESR Cayman Limited) received upon completion of the disposal of the stake in ARA in January 2022.
- (iv) The decrease in inventories was contributed by lower tin-in-process and refined tin metal in FY2022.
- (v) The increase in cash and cash equivalents was mainly due to net cash inflow from operating and financing activities, offset by net cash used in investing activities.
- (vi) The decrease in other reserves was due to the market value changes of investment securities and derivative financial instruments.
- (vii) The increase in borrowings was mainly due to the S\$170.0 million 4.1% notes issued in May 2022 and the drawdown of loan facilities for investments.

#### **Company**

- (a) The increase in other receivables was due to the increase in amounts due from subsidiaries.
- (b) The increase in cash and cash equivalents was due mainly to the net drawdown of loan facilities, partially offset by funding to the subsidiaries for investments.
- (c) The increase in borrowings was mainly due to the net drawdown of borrowings and the S\$170.0 million 4.1% notes issued in May 2022, partially offset by repayment of loans.

## D. Condensed Interim Statements of Changes in Equity

### Group

	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares	Retained earnings	FVOCI reserve	Hedging reserve	Revaluation reserve	Translation reserve	Performance share plan reserve	Other reserves	Non-controlling interests
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance at 1 January 2022</b>	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	(370,344)	6,792	2,708	(84,674)	–	–	7,875
<u>Contributions by and distributions to owners</u>												
Issuance of ordinary shares	80,860	80,860	80,860	–	–	–	–	–	–	–	–	–
Expenses on issuance of ordinary shares	(2,599)	(2,599)	(2,599)	–	–	–	–	–	–	–	–	–
Share based payment	1,554	1,554	–	–	–	–	–	–	–	1,554	–	–
Dividend on ordinary shares	(34,626)	(34,626)	–	–	(34,626)	–	–	–	–	–	–	–
Issuance of dividend in specie	(121,339)	(121,339)	39,088	–	(160,427)	–	–	–	–	–	–	–
Writeback on unclaimed dividend	506	506	–	–	506	–	–	–	–	–	–	–
Dividend to non-controlling interests	(11,178)	–	–	–	–	–	–	–	–	–	–	(11,178)
Shares buyback	(1,403)	(1,403)	–	(1,403)	–	–	–	–	–	–	–	–
<b>Total contributions by and distributions to owners</b>	<b>(88,225)</b>	<b>(77,047)</b>	<b>117,349</b>	<b>(1,403)</b>	<b>(194,547)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,554</b>	<b>–</b>	<b>(11,178)</b>
<u>Changes in ownership interests in subsidiaries</u>												
Change in ownership interests in subsidiaries	(18,640)	4,470	–	–	10,558	–	–	–	–	–	(6,088)	(23,110)
<b>Total changes in ownership interests in subsidiaries</b>	<b>(18,640)</b>	<b>4,470</b>	<b>–</b>	<b>–</b>	<b>10,558</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(6,088)</b>	<b>(23,110)</b>
<u>Others</u>												
Reclassification of FVOCI and translation reserve	–	–	–	–	(84,767)	93,246	–	–	(8,479)	–	–	–
Reclassification of reserve upon disposal of an associate	–	–	–	–	(47,128)	(19,915)	(431)	–	(1,494)	–	68,968	–
Share of transfer of statutory reserve of an 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)	–	–	–	–	–	–	–
<b>Total others</b>	<b>(67,103)</b>	<b>(67,103)</b>	<b>–</b>	<b>–</b>	<b>(133,909)</b>	<b>75,289</b>	<b>(431)</b>	<b>–</b>	<b>(8,465)</b>	<b>–</b>	<b>413</b>	<b>–</b>
<b>Closing balance at 31 December 2022</b>	<b>1,874,498</b>	<b>1,737,443</b>	<b>686,317</b>	<b>(4,085)</b>	<b>1,396,875</b>	<b>(285,539)</b>	<b>6,421</b>	<b>42,174</b>	<b>(103,737)</b>	<b>1,554</b>	<b>(2,537)</b>	<b>137,055</b>

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

### Group (cont'd)

	Total equity \$'000	Equity attributable to owners of the Company \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	FVOCI reserve \$'000	Hedging reserve \$'000	Revaluation reserve \$'000	Translation reserve \$'000	Other reserves \$'000	Non- controlling interests \$'000
<b>Opening balance at 1 January 2021</b>	1,726,938	1,537,998	568,968	(2,682)	961,506	(36,601)	(3,973)	32,390	13,849	4,541	188,940
Total comprehensive income for the year	314,089	258,746	–	–	234,254	37,830	4,033	7,076	(24,447)	–	55,343
<b>Contributions by and distributions to owners</b>											
Dividend on ordinary shares	(24,409)	(24,409)	–	–	(24,409)	–	–	–	–	–	–
Dividend to non-controlling interests	(4,537)	–	–	–	–	–	–	–	–	–	(4,537)
Contribution of capital by non-controlling interests	17,885	–	–	–	–	–	–	–	–	–	17,885
Return of capital to non-controlling interests	(8,701)	–	–	–	–	–	–	–	–	–	(8,701)
<b>Total contributions by and distributions to owners</b>	<b>(19,762)</b>	<b>(24,409)</b>	<b>–</b>	<b>–</b>	<b>(24,409)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4,647</b>
<b>Changes in ownership interests in subsidiaries</b>											
Change in ownership interests in subsidiaries	(86,557)	(1,095)	–	–	–	–	–	–	–	(1,095)	(85,462)
<b>Total changes in ownership interests in subsidiaries</b>	<b>(86,557)</b>	<b>(1,095)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(1,095)</b>	<b>(85,462)</b>
<b>Others</b>											
Share of associate's realisation of FVOCI reserve	–	–	–	–	(8,287)	8,287	–	–	–	–	–
Share of transfer of statutory reserve of an associate	–	–	–	–	596	–	–	–	–	(596)	–
Share of other changes in equity of an associate	288	288	–	–	–	–	–	–	–	288	–
Others	(146)	(146)	–	–	(146)	–	–	–	–	–	–
<b>Total others</b>	<b>142</b>	<b>142</b>	<b>–</b>	<b>–</b>	<b>(7,837)</b>	<b>8,287</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(308)</b>	<b>–</b>
<b>Closing balance at 31 December 2021</b>	<b>1,934,850</b>	<b>1,771,382</b>	<b>568,968</b>	<b>(2,682)</b>	<b>1,163,514</b>	<b>9,516</b>	<b>60</b>	<b>39,466</b>	<b>(10,598)</b>	<b>3,138</b>	<b>163,468</b>

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

### Company

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

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

### Company (cont'd)

	Total equity \$'000	Equity attributable to owners of the Company \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Revaluation reserve \$'000	Hedging reserve \$'000	Translation reserve \$'000
<b>Opening balance at 1 January 2021</b>	606,198	606,198	568,968	(2,682)	39,885	562	(779)	244
Total comprehensive income for the year	22,656	22,656	–	–	22,631	13	959	(947)
<u>Contributions by and distributions to owners</u>								
Dividend on ordinary shares	(24,409)	(24,409)	–	–	(24,409)	–	–	–
<b>Total contributions by and distributions to owners</b>	(24,409)	(24,409)	–	–	(24,409)	–	–	–
<b>Total transactions with owners in their capacity as owners</b>	(24,409)	(24,409)	–	–	(24,409)	–	–	–
<b>Closing balance at 31 December 2021</b>	<b>604,445</b>	<b>604,445</b>	<b>568,968</b>	<b>(2,682)</b>	<b>38,107</b>	<b>575</b>	<b>180</b>	<b>(703)</b>

## E. Condensed Interim Consolidated Cash Flow Statement

	<b>12 months ended 31 December 2022 \$'000</b>	12 months ended 31 December 2021 \$'000
<b>Cash flows from operating activities</b>		
Profit before tax	<b>562,984</b>	362,070
<u>Adjustments</u>		
Depreciation of property, plant and equipment	<b>6,074</b>	6,457
Amortisation of other intangible assets	<b>327</b>	412
Dividend income	<b>(12,366)</b>	(8,188)
Interest income	<b>(15,131)</b>	(74,013)
Finance costs	<b>43,993</b>	32,106
Other income	<b>–</b>	(5,912)
Share based payment	<b>1,833</b>	–
Unrealised foreign currency translation	<b>2,672</b>	10,425
Fair value changes in investment properties and financial assets	<b>88,125</b>	(148,915)
Net gain/(loss) on disposal of property, plant and equipment, investment properties and other investments	<b>2,148</b>	(10,821)
Net gain on disposal of subsidiaries and associates	<b>(642,190)</b>	–
Reversal of write down of inventories	<b>–</b>	(7,822)
Impairment losses on land under development and other intangible assets	<b>–</b>	9,005
Property, plant and equipment written off	<b>5</b>	4
Share of results of associates and joint ventures	<b>14,021</b>	(99,903)
<b>Operating cash flows before changes in working capital</b>	<b>52,495</b>	64,905
Decrease/(increase) in inventories	<b>82,477</b>	(50,326)
(Increase)/decrease in short-term investment securities	<b>(4,824)</b>	9,711
(Increase)/decrease in trade and other receivables	<b>(18,190)</b>	1,432
(Decrease)/increase in trade and other payables	<b>(3,110)</b>	19,785
<b>Cash flows from operations</b>	<b>108,848</b>	45,507
Income taxes paid	<b>(22,988)</b>	(5,529)
Finance costs paid	<b>(24,962)</b>	(9,274)
Interest received	<b>3,307</b>	8,137
Dividend received from short-term investments	<b>1,039</b>	1,251
<b>Net cash flows from operating activities <sup>(i)</sup></b>	<b>65,244</b>	40,092

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

	12 months ended 31 December 2022 \$'000	12 months ended 31 December 2021 \$'000
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment and investment properties	7,088	96,208
Proceeds from redemption of debt instrument	17,200	4,250
Proceeds from disposal of investment securities	56,136	–
Proceeds from disposal of an associate	142,458	–
Cost incurred on property, plant and equipment	(6,210)	(4,328)
Cost incurred on investment properties	(427,948)	(59,153)
Rebate from vendor on acquisition of investment property	–	5,912
Cost incurred on land under development	(15,263)	(14,841)
Purchase of investment securities	(31,891)	(17,712)
Investment in associates and joint ventures	(60,630)	(106,014)
Return of capital from associates	11,688	33,222
Repayment from an associate	–	1,500
Cost incurred on deferred mine exploration and evaluation expenditure and mine properties	(188)	(270)
Payment for acquisition of a subsidiary from non-controlling shareholder	(61,734)	(86,556)
Dividend received from investment securities and associates	19,699	13,175
Interest received	685	118
Income taxes paid	(1,567)	(9,661)
<b>Net cash flows used in investing activities <sup>(ii)</sup></b>	<b>(350,477)</b>	<b>(144,150)</b>
<b>Cash flows from financing activities</b>		
Dividend paid to shareholders (note 19)	(34,626)	(24,409)
Carried interest paid to General Partner of a subsidiary	(56)	(146)
Dividend paid to non-controlling shareholders of subsidiaries	(11,178)	(4,537)
Net proceeds from issuance of shares	78,261	–
Shares buyback (note 16)	(1,403)	–
Net proceeds from issuance of shares by subsidiaries to non-controlling shareholders	–	17,885
Repayment of loan to non-controlling shareholder of a subsidiary	–	(18,469)
Return of capital to non-controlling shareholders	–	(8,701)
Repayment of short-term borrowings	(37,237)	(1,070)
Proceeds from long-term borrowings	385,264	190,317
Repayment of long-term borrowings	(125,579)	(329,747)
Proceeds from issuance of fixed rate notes	168,500	–
Finance costs paid	(21,884)	(21,770)
Payment of lease liabilities	(2,578)	(3,048)
<b>Net cash flows from/(used in) financing activities <sup>(iii)</sup></b>	<b>397,484</b>	<b>(203,695)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>112,251</b>	<b>(307,753)</b>
Effect of exchange rate changes on cash and cash equivalents	(2,178)	(6,964)
Cash and cash equivalents, beginning balance	141,615	456,332
<b>Cash and cash equivalents, ending balance</b>	<b>251,688</b>	<b>141,615</b>

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

### **Explanatory Notes to the Condensed Interim Consolidated Cash Flow Statement**

- (i) The Group generated net cash from operating activities for FY2022, mainly from the property-related income and cash receipts from tin sales.
- (ii) Net cash used in investing activities for FY2022 was mainly due to payments for acquisition and development expenditure on investment properties and investment in associates and joint ventures, offset by the proceeds from disposal of ARA and investment securities.
- (iii) Net cash generated from financing activities for FY2022 was attributable to proceeds from issuance of shares, drawdown of loan facilities and the S\$170.0 million 4.1% notes, partially offset by repayment of borrowings and dividends paid to shareholders.



## **F. Notes to the Condensed Interim Consolidated Financial Statements**

### **1. Corporate information**

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

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

The principal activity of the Company is that of an investment company. These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2022 comprise the Company and its subsidiaries (referred to as the “Group”) and the Group’s interests in associates and joint ventures.

### **2. Basis of preparation**

The condensed interim financial statements of the Group for the six months ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2022.

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

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

#### **2.1 New and amended standards adopted by the Group**

The accounting policies adopted by the Group in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group’s Annual Report for the financial year ended 31 December 2021, except for the adoption of new and revised standards effective as of 1 January 2022.

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

- Amendments to IFRS(I) 3 Business Combinations: Reference to the Conceptual Framework
- Amendments to IFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to SFRS(I)s 2018-2020

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

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

### **2. Basis of preparation (cont'd)**

#### **2.2 Use of judgements and estimates**

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

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

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

- Notes 6 and 13 – Determination of capital allowance, reinvestment allowance, mining allowance, group-wide provision for income taxes and deferred tax provisions
- Note 22 – Impairment of financial assets

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

- Note 7 – Depreciation of property, plant and equipment
- Notes 7, 8 and 9 – Revaluation of properties
- Note 10 – Impairment test of goodwill: key assumptions underlying recoverable amounts
- Note 14 – Inventories: valuation of tin-in-concentrates, tin-in-process and refined tin metal
- Note 17 – Provision for retrenchment compensation and mine restoration costs: compensation and estimates for ore reserve and mineral resource

### **3. Seasonal operations**

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

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

### 4. Other (losses)/income

	Group			
	6 months ended 31 December 2022 \$'000	6 months ended 31 December 2021 \$'000	12 months ended 31 December 2022 \$'000	12 months ended 31 December 2021 \$'000
Net (loss)/gain on disposal of investment properties	(223)	3,033	(223)	8,772
Net (loss)/gain on disposal of property, plant and equipment	-	(3)	19	(3)
Net (loss)/gain on disposal of subsidiaries, associates and joint ventures				
- Associate	(16,000)	-	642,079	-
- Foreign exchange impact on capital reduction	(421)	161	(421)	726
- Others	-	-	532	(2)
Net gain/(loss) on disposal of equity securities at fair value through profit and loss ("FVTPL")	-	214	(1,943)	1,328
Net gain/(loss) from settlement of forward tin contracts	1,279	(230)	3,591	(10,124)
Fair value changes in financial assets:				
- Held-for-trading equity securities at FVTPL	(3,675)	3,645	(14,402)	11,268
- Derivatives at FVTPL	(3,560)	2,608	1,244	4,075
- Ineffective portion of derivatives designated as hedging instruments in cash flow hedge	452	618	454	182
Fund related fees	957	997	2,052	2,152
Other operating income	1,358	1,188	2,291	8,187
	<b>(19,833)</b>	12,231	<b>635,373</b>	26,561

### 5. Other expenses

	Group			
	6 months ended 31 December 2022 \$'000	6 months ended 31 December 2021 \$'000	12 months ended 31 December 2022 \$'000	12 months ended 31 December 2021 \$'000
Administrative expenses	6,042	4,603	10,825	8,193
Marketing and distribution expenses	661	733	1,486	1,385
Property related management fees	1,880	1,509	2,869	2,865
Property upkeep and maintenance expenses	5,612	4,022	9,510	7,810
Property related taxes	2,676	1,328	4,247	2,406
Operating lease expenses	-	-	-	4
Brokerage fees	83	24	440	100
Impairment/(reversal of impairment) of trade receivables	43	7	218	(1)
Other expenses	4,369	1,010	5,027	2,097
	<b>21,366</b>	13,236	<b>34,622</b>	24,859

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

**6. Income tax (credit)/expense**

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

	<b>Group</b>			
	<b>6 months ended 31 December 2022 \$'000</b>	6 months ended 31 December 2021 \$'000	<b>12 months ended 31 December 2022 \$'000</b>	12 months ended 31 December 2021 \$'000
<i>Income tax</i>				
- Current income tax	<b>2,704</b>	10,967	<b>17,746</b>	18,131
- Adjustments to provisions in respect of prior years	<b>(8)</b>	(21)	<b>(508)</b>	(26)
	<b>2,696</b>	10,946	<b>17,238</b>	18,105
<i>Deferred tax</i>				
- Originating and reversal of temporary differences	<b>(25,411)</b>	40,932	<b>(23,255)</b>	58,099
- Adjustments to provisions in respect of prior years	<b>(270)</b>	346	<b>(270)</b>	175
	<b>(25,681)</b>	41,278	<b>(23,525)</b>	58,274
Income tax (credit)/expense recognised in profit or loss	<b>(22,985)</b>	52,224	<b>(6,287)</b>	76,379

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

### 7. Property, plant and equipment

Group	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Plant, equipment, vehicles and furniture \$'000	Capital work-in- progress \$'000	Right-of-use assets			Total \$'000
						Mine restoration \$'000	Land and buildings \$'000	Motor vehicles \$'000	
	At valuation			At cost					
<b>At cost or valuation</b>									
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)
Reclassification	–	48	–	1,358	(1,146)	–	–	–	260
Revaluation surplus, net	6	79	476	–	–	–	–	–	561
Elimination of accumulated depreciation on revaluation	–	(128)	(337)	–	–	–	–	–	(465)
Exchange adjustment	(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
<b>Accumulated depreciation</b>									
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 adjustment	–	(2)	(8)	(1,938)	–	(332)	(260)	–	(2,540)
At 31 December 2022	–	–	–	33,438	–	5,221	10,100	82	48,841
<b>Net carrying amount</b>									
At 31 December 2022	143	10,065	8,625	16,335	7,687	6,971	2,590	113	52,529

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

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

Group	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Plant, equipment, vehicles and furniture \$'000	Capital work-in- progress \$'000	Right-of-use assets			Total \$'000
						Mine restoration \$'000	Land and buildings \$'000	Motor vehicles \$'000	
	At valuation			At cost					
<b>At cost or valuation</b>									
At 1 January 2021	141	10,630	8,998	49,327	2,980	9,855	12,961	195	95,087
Additions	–	–	–	453	3,284	854	11	–	4,602
Disposals	–	–	–	(154)	–	–	–	–	(154)
Write-offs	–	–	–	(672)	–	–	–	–	(672)
Transfer	–	336	233	1,887	(2,509)	–	–	–	(53)
Reclassification	–	–	–	333	(307)	–	–	–	26
Revaluation surplus, net	5	(5)	248	–	–	–	–	–	248
Elimination of accumulated depreciation on revaluation	–	(136)	(357)	–	–	–	–	–	(493)
Exchange adjustment	–	(95)	(75)	(352)	(30)	(94)	(53)	–	(699)
At 31 December 2021	146	10,730	9,047	50,822	3,418	10,615	12,919	195	97,892
<b>Accumulated depreciation</b>									
At 1 January 2021	–	–	–	31,396	–	4,733	4,996	26	41,151
Depreciation charge for the year	–	136	351	2,554	–	468	2,920	28	6,457
Disposals	–	–	–	(116)	–	–	–	–	(116)
Write-offs	–	–	–	(668)	–	–	–	–	(668)
Elimination of accumulated depreciation on revaluation	–	(136)	(357)	–	–	–	–	–	(493)
Exchange adjustment	–	–	6	(228)	–	(42)	(35)	–	(299)
At 31 December 2021	–	–	–	32,938	–	5,159	7,881	54	46,032
<b>Net carrying amount At 31 December 2021</b>	146	10,730	9,047	17,884	3,418	5,456	5,038	141	51,860

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

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

	Freehold land \$'000 At valuation	Buildings \$'000	Plant, equipment, vehicles and furniture \$'000 At cost	Total \$'000
<b>Company</b>				
<b>At cost or valuation</b>				
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 adjustment	(3)	(34)	(7)	(44)
At 31 December 2022	46	517	97	660
<b>Accumulated depreciation</b>				
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 adjustment	–	–	(5)	(5)
At 31 December 2022	–	–	51	51
<b>Net carrying amount</b>				
<b>At 31 December 2022</b>	<b>46</b>	<b>517</b>	<b>46</b>	<b>609</b>
<b>At cost or valuation</b>				
At 1 January 2021	44	558	107	709
Revaluation surplus	5	11	–	16
Elimination of accumulated depreciation on revaluation	–	(11)	–	(11)
Exchange adjustment	–	(7)	(1)	(8)
At 31 December 2021	49	551	106	706
<b>Accumulated depreciation</b>				
At 1 January 2021	–	7	107	114
Depreciation charge for the year	–	6	–	6
Elimination of accumulated depreciation on revaluation	–	(11)	–	(11)
Exchange adjustment	–	(2)	(1)	(3)
At 31 December 2021	–	–	106	106
<b>Net carrying amount</b>				
<b>At 31 December 2021</b>	<b>49</b>	<b>551</b>	<b>–</b>	<b>600</b>

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

**8. Land under development**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>At cost</b>				
At 1 January	<b>88,948</b>	72,634	<b>29,982</b>	30,254
Additions	<b>22,270</b>	16,901	–	–
Reclassification	<b>(260)</b>	–	–	–
Exchange adjustment	<b>(6,040)</b>	(587)	<b>(1,855)</b>	(272)
At 31 December	<b>104,918</b>	88,948	<b>28,127</b>	29,982
<b>Accumulated impairment</b>				
At 1 January	<b>9,740</b>	–	–	–
Allowance for impairment loss <sup>(1)</sup>	–	9,615	–	–
Exchange adjustment	<b>(602)</b>	125	–	–
At 31 December	<b>9,138</b>	9,740	–	–
<b>Net carrying amount</b>				
<b>At 31 December</b>	<b>95,780</b>	79,208	<b>28,127</b>	29,982

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



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

### 9. Investment properties

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Balance sheets</b>				
<b>At fair value</b>				
Balance as at 1 January	1,039,646	932,199	5,622	5,534
Fair value changes recognised in profit or loss	(75,421)	133,390	–	137
Additions	447,678	64,508	–	–
Disposals	(7,293)	(87,400)	–	–
Exchange adjustment	(91,695)	(3,051)	(348)	(49)
Balance as at 31 December	1,312,915	1,039,646	5,274	5,622

Investment properties are stated at fair value. Valuations of investment properties have been determined based on valuations at the end of the reporting period. 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.

### 10. Goodwill/Other intangible assets

#### (a) Goodwill arising on consolidation

	Group	
	2022 \$'000	2021 \$'000
<b>At cost</b>		
At 1 January	17,366	17,516
Exchange adjustment	(1,043)	(150)
At 31 December	16,323	17,366

The carrying amount of goodwill is allocated to resources segment.

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

The cash-generating units to which goodwill have been allocated is tested for impairment annually. 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.

The recoverable amount of the resource subsidiary in Malaysia is determined based on value in use calculations using 5-year cash flow projections based on finance forecasts. Management has considered and determined the factors applied in these financial budgets, which included tin prices, exchange rates and fuel costs. The Group performed its annual impairment test in December 2022. The pre-tax discount rates applied to the cash flow projections at 13.0% (2021: 11.0%) and 11.8% (2021: 9.0%) for Mining and Smelting segments respectively, were based on the estimated weighted average cost of capital. The terminal growth rates applied to the cash flow projections was 2.2% (2021: 2.1%) for Smelting segment. There is no impairment in the carrying amount of goodwill arising from this review.

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

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

(a) Goodwill arising on consolidation (cont'd)

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

(b) Other intangible assets

	<b>Group</b>	
	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
(i) Mining rights	<b>43,062</b>	1,022
Corporate club memberships	<b>132</b>	143
	<b>43,194</b>	1,165
(ii) Deferred mine exploration and evaluation expenditure	<b>403</b>	342
Mine properties	<b>3,705</b>	4,109
	<b>4,108</b>	4,451
	<b>47,302</b>	5,616

(i) Mining rights and corporate club memberships

	<b>Mining rights</b>	<b>Corporate club</b>	<b>Total</b>
	<b>\$'000</b>	<b>memberships</b>	<b>\$'000</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Group</b>			
<b>At cost</b>			
At 1 January 2022	3,855	186	4,041
Additions	21	–	21
Acquisition of subsidiary	42,489	–	42,489
Exchange adjustment	(598)	(13)	(611)
At 31 December 2022	<b>45,767</b>	<b>173</b>	<b>45,940</b>
<b>Accumulated amortisation and impairment</b>			
At 1 January 2022	2,833	43	2,876
Amortisation charge	49	3	52
Exchange adjustment	(177)	(5)	(182)
At 31 December 2022	<b>2,705</b>	<b>41</b>	<b>2,746</b>
<b>Net carrying amount</b>			
<b>At 31 December 2022</b>	<b>43,062</b>	<b>132</b>	<b>43,194</b>

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

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

(b) Other intangible assets (cont'd)

(i) Mining rights and corporate club memberships (cont'd)

	Mining rights \$'000	Corporate club memberships \$'000	Total \$'000
<b>Group</b>			
<b>At cost</b>			
At 1 January 2021	3,890	187	4,077
Exchange adjustment	(35)	(1)	(36)
At 31 December 2021	3,855	186	4,041
<b>Accumulated amortisation and impairment</b>			
At 1 January 2021	2,953	40	2,993
Amortisation charge	49	3	52
Reversal of allowance for impairment loss	(142)	–	(142)
Exchange adjustment	(27)	–	(27)
At 31 December 2021	2,833	43	2,876
<b>Net carrying amount At 31 December 2021</b>	<b>1,022</b>	<b>143</b>	<b>1,165</b>

(ii) Deferred mine exploration and evaluation expenditure and mine properties

	Deferred mine exploration and evaluation expenditure \$'000	Mine properties \$'000	Total \$'000
<b>Group</b>			
At 1 January 2022	342	4,109	4,451
Additions	51	116	167
Acquisition of subsidiary	604	–	604
Amortisation charge	–	(276)	(276)
Exchange adjustment	(594)	(244)	(838)
<b>At 31 December 2022</b>	<b>403</b>	<b>3,705</b>	<b>4,108</b>

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

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

#### (b) Other intangible assets (cont'd)

##### (ii) Deferred mine exploration and evaluation expenditure and mine properties (cont'd)

	Deferred mine exploration and evaluation expenditure \$'000	Mine properties \$'000	Total \$'000
<b>Group</b>			
At 1 January 2021	159	3,974	4,133
Additions	185	85	270
Amortisation charge	–	(360)	(360)
Reversal of allowance for impairment loss	–	468	468
Reclassification	–	(26)	(26)
Exchange adjustment	(2)	(32)	(34)
<b>At 31 December 2021</b>	<b>342</b>	<b>4,109</b>	<b>4,451</b>

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

### 11. Associates and joint ventures

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

### 12. Subsidiaries

a) On 3 June 2022, the Group’s subsidiary, Malaysia Smelting Corporation Berhad (“MSC”)’s wholly-owned subsidiary Rahman Hydraulic Tin Sdn. Bhd. (“RHT”), entered into a conditional sale and purchase agreement with Tin International Sdn. Bhd. (“TISB”) for the acquisition of the entire equity interest in Asas Baiduri Sdn. Bhd. (“ABSB”). The consideration was 272,250 new ordinary shares of RHT, representing approximately 20% of the enlarged share capital of RHT. The acquisition was completed on 4 July 2022. Subsequently, ABSB became a wholly-owned subsidiary of RHT and RHT became an 80% owned subsidiary of MSC.

As at 31 December 2022, the Company’s combined interest in MSC held jointly with other subsidiaries and an associate is 52% (2021: 52%).

b) On 16 September 2022, a wholly-owned subsidiary, Straits Real Estate Pte. Ltd., through its indirect wholly-owned subsidiary, SRE Australia Industrial 1 Pte. Ltd. (“SREAI1”), entered into an agreement with Canoga Industrial Investments Pty Ltd in its capacity as trustee for Canoga Industrial Investment Trust (“Canoga”) to acquire Canoga’s 20% stake in ILP No. 1 Trust (the “Trust”, subsequently renamed as SRE Industrial No. 1 Trust) for a consideration of AUD63.5 million (approximately S\$59,982,430). The acquisition was completed on 30 September 2022. Subsequently, the Trust became a wholly-owned subsidiary of the Group.

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

**13. Deferred tax assets and liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Deferred tax assets	<b>11,848</b>	5,376	–	–
Deferred tax liabilities	<b>(70,107)</b>	(91,178)	<b>(670)</b>	(713)
	<b>(58,259)</b>	(85,802)	<b>(670)</b>	(713)

  

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Provisions	<b>1,693</b>	2,083	–	–
Revaluation of property, plant and equipment	<b>(1,893)</b>	(1,876)	<b>(148)</b>	(157)
Difference in depreciation	<b>(2,871)</b>	(1,896)	<b>1</b>	1
Fair value changes on investment properties	<b>(22,110)</b>	(42,907)	<b>(523)</b>	(557)
Unremitted foreign income and profits	<b>(34,051)</b>	(42,535)	–	–
Others	<b>973</b>	1,329	–	–
	<b>(58,259)</b>	(85,802)	<b>(670)</b>	(713)

**14. Inventories**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance sheet</b>		
At lower of cost or net realisable value		
Inventories of:		
– Tin-in-concentrates	<b>11,614</b>	5,792
– Tin-in-process	<b>136,023</b>	171,114
– Refined tin metal	<b>19,484</b>	74,275
Other inventories (stores, spares, fuels, coal and saleable by-products)	<b>6,420</b>	4,837
	<b>173,541</b>	256,018
<b>Income statement</b>		
Inventories recognised as an expense in cost of sales	<b>398,651</b>	255,694
Inclusive of the following charge:		
Reversal of write down of inventories	–	(7,822)

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

### 15. Share capital

	Group and Company			
	2022 Number of shares	\$'000	2021 Number of shares	\$'000
Ordinary shares issued and fully paid (excluding treasury shares)				
At 1 January	406,819,572	568,968	406,819,572	568,968
Issue for cash <sup>(1)</sup>	26,000,000	80,860	–	–
Share issuance expense <sup>(1)</sup>	–	(2,599)	–	–
Shares buyback <sup>(2)</sup>	(556,100)	–	–	–
Issue for Dividend in Specie <sup>(3)</sup>	17,686,975	39,088	–	–
At 31 December	449,950,447	686,317	406,819,572	568,968

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

(2) The share buy-back is by way of market acquisition through a few transactions from 26 September 2022 to 17 October 2022 with total number of 556,100 shares held as treasury shares.

(3) The issuance of ordinary shares on special dividend via distribution in specie is in connection with issuance of 17,686,975 new ordinary shares at an issue price of \$2.21 per ordinary share as at 11 October 2022 when the investors made their choices.

### 16. Treasury shares

	Group and Company			
	2022 Number of shares	\$'000	2021 Number of shares	\$'000
At 1 January	(1,276,200)	(2,682)	(1,276,200)	(2,682)
Shares buyback	(556,100)	(1,403)	–	–
At 31 December	(1,832,300)	(4,085)	(1,276,200)	(2,682)

As at 31 December 2022, the Company held 1,832,300 treasury shares (2021: 1,276,200) which represents 0.4% (2021: 0.3%) of the total number of issued shares (excluding treasury shares).

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

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

### 17. Provisions

	Provision for mine restoration \$'000	Provision for retrenchment compensation \$'000	Total \$'000
<b>Group</b>			
At 1 January 2022	13,173	3,831	17,004
Provided during the year/(unused amounts reversed)	1,899	(3,703)	(1,804)
Discount rate adjustment	473	80	553
Exchange adjustment	(845)	(208)	(1,053)
At 31 December 2022	14,700	–	14,700
Non-current	14,700	–	14,700
At 1 January 2022	–	–	–
Provided during the year	355	4,029	4,384
Exchange adjustment	(3)	(34)	(37)
At 31 December 2022	352	3,995	4,347
Current	352	3,995	4,347
At 1 January 2021	12,123	4,336	16,459
Provided during the year/(unused amounts reversed)	796	(465)	331
Discount rate adjustment	368	–	368
Exchange adjustment	(114)	(40)	(154)
At 31 December 2021	13,173	3,831	17,004
Non-current	13,173	3,831	17,004

### 18. Borrowings

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Amount repayable within one year or on demand</b>				
Secured	148,447	361,088	33,388	35,000
Unsecured	188,225	179,659	109,814	44,721
<b>Total</b>	<b>336,672</b>	<b>540,747</b>	<b>143,202</b>	<b>79,721</b>
<b>Amount repayable after one year</b>				
Secured	609,084	201,547	–	33,284
Unsecured	444,987	303,702	442,387	303,003
<b>Total</b>	<b>1,054,071</b>	<b>505,249</b>	<b>442,387</b>	<b>336,287</b>

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

On 4 May 2022, the Company issued S\$170.0 million of unsecured fixed rate notes under its S\$500.0 million multicurrency debt issuance program which was established on 13 October 2011 and updated on 3 July 2017. The notes will mature in May 2026 and bear an interest of 4.1% per annum payable semiannually in arrears.

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

### 19. Dividends

	<b>Group and Company</b>	
	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
<b>Declared and paid during the year</b>		
<i>Dividends on ordinary shares:</i>		
2022 Special dividend in specie distributed in 2022: issued 17,686,975 STC ordinary shares and transferred 48,510,280 shares of ESR Group Limited	<b>160,427</b>	–
2021 Interim dividend paid in 2022: 8 cents per share tax exempt (one-tier tax)		
(2020 Interim dividend paid in 2021: 6 cents per share tax exempt (one-tier tax))	<b>34,626</b>	24,409
	<hr/>	<hr/>

### 20. Related party disclosures

Sale and purchase of goods and services

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

	<b>Group</b>	
	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
<i>Associates/Joint ventures</i>		
Sale of goods	<b>2,991</b>	2,319
Interest income	<b>4,571</b>	66,228
<i>Other related parties</i>		
Rental income	<b>815</b>	821
Accounting and other service fee income	<b>353</b>	355
Accounting and other service fee expense	<b>(41)</b>	(739)
	<hr/>	<hr/>



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

### 21. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities as at 31 December 2022 and 31 December 2021.

	Fair value through profit and loss \$'000	Fair value through other comprehensive income \$'000	Amortised cost \$'000	Total \$'000
<b>Group</b>				
<b>At 31 December 2022</b>				
<b>Financial assets</b>				
Investment securities	41,712	591,040	33,651	666,403
Trade and other receivables	–	–	107,914	107,914
Derivative financial instruments	33,198	3,203	–	36,401
Cash and cash equivalents	–	–	251,688	251,688
<hr/>				
<b>Financial liabilities</b>				
Trade and other payables	–	–	131,727	131,727
Other non-current liabilities	–	–	3,317	3,317
Lease liabilities	–	–	2,481	2,481
Borrowings	–	–	1,390,743	1,390,743
Derivative financial instruments	156	1,916	–	2,072
<hr/>				
<b>At 31 December 2021</b>				
<b>Financial assets</b>				
Investment securities	59,786	162,720	53,634	276,140
Trade and other receivables	–	–	87,060	87,060
Derivative financial instruments	2,200	180	–	2,380
Cash and cash equivalents	–	–	141,615	141,615
<hr/>				
<b>Financial liabilities</b>				
Trade and other payables	–	–	68,449	68,449
Other non-current liabilities	–	–	6,167	6,167
Lease liabilities	–	–	4,901	4,901
Borrowings	–	–	1,045,996	1,045,996
Derivative financial instruments	2,945	–	–	2,945
<hr/>				
<b>Company</b>				
<b>At 31 December 2022</b>				
<b>Financial assets</b>				
Trade and other receivables	–	–	1,725,518	1,725,518
Derivative financial instruments	2,390	2,056	–	4,446
Cash and cash equivalents	–	–	129,791	129,791
<hr/>				
<b>Financial liabilities</b>				
Trade and other payables	–	–	653,052	653,052
Borrowings	–	–	585,589	585,589
<hr/>				

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

### 21. Financial assets and financial liabilities (cont'd)

	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total
	\$'000	\$'000	\$'000	\$'000
<b>Company</b>				
<b>At 31 December 2021</b>				
<b>Financial assets</b>				
Trade and other receivables	–	–	1,489,734	1,489,734
Derivative financial instruments	–	180	–	180
Cash and cash equivalents	–	–	17,205	17,205
<b>Financial liabilities</b>				
Trade and other payables	–	–	645,717	645,717
Borrowings	–	–	416,008	416,008

### 22. Fair value of assets and liabilities

#### A. Fair value hierarchy

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

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

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

Level 3 - Unobservable inputs for the asset or liability.

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

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

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

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

**B. Assets and liabilities measured at fair value**

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

	Group 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
<b>Non-financial assets</b>				
Land and buildings	–	–	18,833	18,833
Investment properties (note 9)	–	–	1,312,915	1,312,915
<b>Non-financial assets as at 31 December 2022</b>	<b>–</b>	<b>–</b>	<b>1,331,748</b>	<b>1,331,748</b>
<b>Financial assets</b>				
<u>Financial assets at FVTPL</u>				
Quoted equity securities	26,335	15,377	–	41,712
<u>Financial assets at FVOCI</u>				
Quoted equity securities	571,840	19,200	–	591,040
<u>Derivatives</u>				
Forward currency contracts	–	22,748	–	22,748
Interest rate swap contracts	–	2,695	–	2,695
Cross currency swap contracts	–	508	–	508
Forward commodity contracts	–	339	–	339
Interest rate cap contracts	–	10,111	–	10,111
<b>Financial assets as at 31 December 2022</b>	<b>598,175</b>	<b>70,978</b>	<b>–</b>	<b>669,153</b>
<b>Financial liabilities</b>				
<u>Derivatives</u>				
Forward currency contracts	–	156	–	156
Interest rate swap contracts	–	375	–	375
Cross currency swap contracts	–	1,541	–	1,541
<b>Financial liabilities as at 31 December 2022</b>	<b>–</b>	<b>2,072</b>	<b>–</b>	<b>2,072</b>

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

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

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

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

	<b>Group</b> 2021 \$'000			
	Fair value measurement at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Non-financial assets</b>				
Land and buildings	–	–	19,923	19,923
Investment properties (note 9)	–	–	1,039,646	1,039,646
<b>Non-financial assets as at 31 December 2021</b>	–	–	1,059,569	1,059,569
<b>Financial assets</b>				
<u>Financial assets at FVTPL</u>				
Quoted equity securities	39,163	20,623	–	59,786
<u>Financial assets at FVOCI</u>				
Quoted equity securities	140,088	22,632	–	162,720
<u>Derivatives</u>				
Forward currency contracts	–	2,200	–	2,200
Cross currency swap contracts	–	180	–	180
<b>Financial assets as at 31 December 2021</b>	179,251	45,635	–	224,886
<b>Financial liabilities</b>				
<u>Derivatives</u>				
Forward currency contracts	–	2,945	–	2,945
<b>Financial liabilities as at 31 December 2021</b>	–	2,945	–	2,945

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

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

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

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

	<b>Company 2022 \$'000</b>			
	<b>Fair value measurement at the end of the reporting period using</b>			
	<b>Quoted prices in active markets for identical instruments (Level 1)</b>	<b>Significant observable inputs other than quoted prices (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>	<b>Total</b>
<b>Non-financial assets</b>				
Land and buildings	–	–	609	609
Investment properties (note 9)	–	–	5,274	5,274
<b>Non-financial assets as at 31 December 2022</b>	–	–	5,883	5,883

	<b>Company 2021 \$'000</b>			
	<b>Fair value measurement at the end of the reporting period using</b>			
	<b>Quoted prices in active markets for identical instruments (Level 1)</b>	<b>Significant observable inputs other than quoted prices (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>	<b>Total</b>
<b>Non-financial assets</b>				
Land and buildings	–	–	600	600
Investment properties (note 9)	–	–	5,622	5,622
<b>Non-financial assets as at 31 December 2021</b>	–	–	6,222	6,222

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

### **23. Segment and revenue information**

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

The four reportable operating segments are as follows:

- (a) The Resources segment's principal activities are in the smelting of tin concentrates and tin bearing materials, the production of various grades of refined tin metal and the sale and delivery of refined tin metal and by-products, as well as investments in other metals and mineral resources.
- (b) The Real Estate segment comprises property investment, sales and leasing, property development, as well as property and real estate fund management. This includes the Group's 22.1% stake in ARA Asset Management Limited (up to 20 January 2022), investment in ESR Group Limited (formerly known as ESR Cayman Limited), and 100% stake in Straits Real Estate Pte. Ltd. (89.5% up to 9 April 2021).
- (c) The Hospitality business includes hotel ownership and hotel management under Far East Hospitality Holdings Pte. Ltd. ("FEHH"), the Group's 30% associate.
- (d) The segment for Others comprises Group-level corporate and treasury services, and securities and other investments, including the Group's investment in SDAX Financial Pte. Ltd. ("SDAX").

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

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

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

### 23. Segment and revenue information (cont'd)

#### Operating segments for 6 months ended 31 December 2022

	Resources \$'000	Real Estate \$'000	Hospitality \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
<b>Revenue</b>						
Sale of tin, at a point in time	220,973	–	–	–	–	220,973
Smelting revenue, at a point in time	4,566	–	–	–	–	4,566
Sale of by-product, at a point in time	1,366	–	–	–	–	1,366
Other resources revenue, at a point in time	211	–	–	–	–	211
Rental and related income, over time	–	30,347	–	–	–	30,347
Inter-segment revenue	–	5	–	–	(5)	–
<b>Total revenue</b>	<b>227,116</b>	<b>30,352</b>	<b>–</b>	<b>–</b>	<b>(5)</b>	<b>257,463</b>
<b>Segment results</b>						
Operating profit	2,390	(5,757)	707	(7,131)	–	(9,791)
Fair value changes in investment properties	–	(79,662)	–	–	–	(79,662)
Finance costs	(2,713)	(13,005)	–	(11,039)	–	(26,757)
Share of results of associates and joint ventures	(360)	(27,067)	(943)	(941)	–	22,700
<b>Profit/(Loss) before tax</b>	<b>(683)</b>	<b>(125,491)</b>	<b>(236)</b>	<b>(19,111)</b>	<b>–</b>	<b>(145,521)</b>
Income tax expense	(314)	24,046	(113)	(634)	–	22,985
<b>Profit/(Loss) after tax</b>	<b>(997)</b>	<b>(101,445)</b>	<b>(349)</b>	<b>(19,745)</b>	<b>–</b>	<b>(122,536)</b>
<b>Profit/(Loss) attributable to:</b>						
Owners of the Company	(1,085)	(100,583)	(349)	(19,745)	–	(121,762)
Non-controlling interests	88	(862)	–	–	–	(774)
	<b>(997)</b>	<b>(101,445)</b>	<b>(349)</b>	<b>(19,745)</b>	<b>–</b>	<b>(122,536)</b>
<b>Segment Assets</b>	<b>413,498</b>	<b>2,712,074</b>	<b>153,974</b>	<b>221,990</b>	<b>–</b>	<b>3,501,536</b>
<b>Segment Liabilities</b>	<b>160,145</b>	<b>837,811</b>	<b>–</b>	<b>629,082</b>	<b>–</b>	<b>1,627,038</b>
<b>Other information</b>						
Dividend income	368	7,184	–	558	–	8,110
Interest income	428	5,682	669	1,243	–	8,022
Depreciation	1,408	1,533	–	1	–	2,942
Amortisation	106	–	–	–	–	106
Other material non-cash items						
Associates and joint ventures <sup>(1)</sup>	(671)	(14,350)	(3,671)	(941)	–	(19,633)
Additions to non-current assets <sup>(2)</sup>	6,466	252,742	–	–	–	259,208

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

<sup>(2)</sup> Additions to non-current assets exclude associates and joint ventures.

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

### 23. Segment and revenue information (cont'd)

#### Operating segments for 6 months ended 31 December 2021

	Resources \$'000	Real Estate \$'000	Hospitality \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
<b>Revenue</b>						
Sale of tin, at a point in time	149,398	–	–	–	–	149,398
Smelting revenue, at a point in time	2,595	–	–	–	–	2,595
Sale of by-product, at a point in time	1,173	–	–	–	–	1,173
Other resources revenue, at a point in time	(241)	–	–	–	–	(241)
Rental and related income, over time	–	24,611	–	–	–	24,611
Inter-segment revenue	–	6	–	–	(6)	–
<b>Total revenue</b>	<b>152,925</b>	<b>24,617</b>	<b>–</b>	<b>–</b>	<b>(6)</b>	<b>177,536</b>
<b>Segment results</b>						
Operating profit	41,129	63,078	669	3,618	–	108,494
Fair value changes in investment properties	–	86,278	–	–	–	86,278
Reversal of impairment losses	812	–	–	–	–	812
Finance costs	(2,073)	(6,488)	–	(6,269)	–	(14,830)
Share of results of associates and joint ventures	644	23,651	(7,956)	(768)	–	15,571
<b>Profit/(Loss) before tax</b>	<b>40,512</b>	<b>166,519</b>	<b>(7,287)</b>	<b>(3,419)</b>	<b>–</b>	<b>196,325</b>
Income tax expense	(9,924)	(41,248)	(114)	(938)	–	(52,224)
<b>Profit/(Loss) after tax</b>	<b>30,588</b>	<b>125,271</b>	<b>(7,401)</b>	<b>(4,357)</b>	<b>–</b>	<b>144,101</b>
Profit/(Loss) attributable to:						
Owners of the Company	16,044	107,361	(7,401)	(4,357)	–	111,647
Non-controlling interests	14,544	17,910	–	–	–	32,454
	<b>30,588</b>	<b>125,271</b>	<b>(7,401)</b>	<b>(4,357)</b>	<b>–</b>	<b>144,101</b>
<b>Segment Assets</b>	<b>445,394</b>	<b>2,457,274</b>	<b>157,484</b>	<b>127,754</b>	<b>–</b>	<b>3,187,906</b>
<b>Segment Liabilities</b>	<b>216,679</b>	<b>609,117</b>	<b>–</b>	<b>427,260</b>	<b>–</b>	<b>1,253,056</b>
<b>Other information</b>						
Dividend income	–	3,482	–	700	–	4,182
Interest income	93	58,050	669	26	–	58,838
Depreciation	1,363	1,450	–	3	–	2,816
Amortisation	205	–	–	–	–	205
Other material non-cash items						
Reversal of impairment of mining rights	(191)	–	–	–	–	(191)
Reversal of impairment of mine properties	(621)	–	–	–	–	(621)
Associates and joint ventures	9,505	1,092,665	90,932	12,862	–	1,205,964
Additions to non-current assets <sup>(1)</sup>	1,714	33,732	–	2	–	35,448

<sup>(1)</sup> Additions to non-current assets exclude associates and joint ventures.



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

### 23. Segment and revenue information (cont'd)

#### Operating segments for 12 months ended 31 December 2022

	Resources \$'000	Real Estate \$'000	Hospitality \$'000.	Others \$'000.	Elimination \$'000	Consolidated \$'000
<b>Revenue</b>						
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)	–
<b>Total revenue</b>	<b>472,588</b>	<b>55,043</b>	<b>–</b>	<b>–</b>	<b>(11)</b>	<b>527,620</b>
<b>Segment results</b>						
Operating profit	51,502	663,162	1,365	(19,610)	–	696,419
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)	–	37,990
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
<b>Segment Assets</b>	<b>413,498</b>	<b>2,712,074</b>	<b>153,974</b>	<b>221,990</b>	<b>–</b>	<b>3,501,536</b>
<b>Segment Liabilities</b>	<b>160,145</b>	<b>837,811</b>	<b>–</b>	<b>629,082</b>	<b>–</b>	<b>1,627,038</b>
<b>Other information</b>						
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 <sup>(1)</sup>	8,764	645,812	87,422	11,225	–	753,223
Additions to non-current assets <sup>(2)</sup>	8,142	469,895	–	–	–	478,037

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

<sup>(2)</sup> Additions to non-current assets exclude associates and joint ventures.

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

### 23. Segment and revenue information (cont'd)

#### Operating segments for 12 months ended 31 December 2021

	Resources \$'000.	Real Estate \$'000	Hospitality \$'000.	Others \$'000.	Elimination \$'000	Consolidated \$'000
<b>Revenue</b>						
Sale of tin, at a point in time	339,073	–	–	–	–	339,073
Smelting revenue, at a point in time	6,510	–	–	–	–	6,510
Sale of by-product, at a point in time	2,362	–	–	–	–	2,362
Other resources revenue, at a point in time	535	–	–	–	–	535
Rental and related income, over time	–	48,079	–	–	–	48,079
Inter-segment revenue	–	12	–	–	(12)	–
<b>Total revenue</b>	<b>348,480</b>	<b>48,091</b>	<b>–</b>	<b>–</b>	<b>(12)</b>	<b>396,559</b>
<b>Segment results</b>						
Operating profit	53,763	103,705	1,327	11,093	–	169,888
Fair value changes in investment properties	–	133,390	–	–	–	133,390
Reversal of impairment losses/(Impairment losses)	610	(9,615)	–	–	–	(9,005)
Finance costs	(4,162)	(13,462)	–	(14,482)	–	(32,106)
Share of results of associates and joint ventures	1,330	112,990	(13,694)	(723)	–	99,903
<b>Profit/(Loss) before tax</b>	<b>51,541</b>	<b>327,008</b>	<b>(12,367)</b>	<b>(4,112)</b>	<b>–</b>	<b>362,070</b>
Income tax expense	(12,821)	(60,873)	(226)	(2,459)	–	(76,379)
<b>Profit/(Loss) after tax</b>	<b>38,720</b>	<b>266,135</b>	<b>(12,593)</b>	<b>(6,571)</b>	<b>–</b>	<b>285,691</b>
Profit/(Loss) attributable to:						
Owners of the Company	20,670	232,748	(12,593)	(6,571)	–	234,254
Non-controlling interests	18,050	33,387	–	–	–	51,437
	38,720	266,135	(12,593)	(6,571)	–	285,691
<b>Segment Assets</b>	<b>445,394</b>	<b>2,457,274</b>	<b>157,484</b>	<b>127,754</b>	<b>–</b>	<b>3,187,906</b>
<b>Segment Liabilities</b>	<b>216,679</b>	<b>609,117</b>	<b>–</b>	<b>427,260</b>	<b>–</b>	<b>1,253,056</b>
<b>Other information</b>						
Dividend income	–	6,937	–	1,251	–	8,188
Interest income	119	72,306	1,327	261	–	74,013
Depreciation	3,543	2,908	–	6	–	6,457
Amortisation	412	–	–	–	–	412
Other material non-cash items						
Reversal of impairment of mining rights	(142)	–	–	–	–	(142)
Reversal of impairment of mine properties	(468)	–	–	–	–	(468)
Impairment of land under development	–	9,615	–	–	–	9,615
Associates and joint ventures	9,505	1,092,665	90,932	12,862	–	1,205,964
Additions to non-current assets <sup>(1)</sup>	4,507	81,773	–	2	–	86,282
Inventories written back	(7,822)	–	–	–	–	(7,822)

<sup>(1)</sup> Additions to non-current assets exclude associates and joint ventures.

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

**23. Segment and revenue information (cont'd)**

**Geographical information**

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

**Geographical information for 6 months ended 31 December 2022**

	Singapore \$'000	Malaysia \$'000	Australia \$'000	Japan \$'000	China \$'000	United Kingdom \$'000	Consolidated \$'000
Segment revenue							
Revenue from external parties	1,285	227,192	20,248	–	3,691	5,047	257,463

**Geographical information for 6 months ended 31 December 2021**

	Singapore \$'000	Malaysia \$'000	Australia \$'000	Japan \$'000	China \$'000	United Kingdom \$'000	Consolidated \$'000
Segment revenue							
Revenue from external parties	1,191	153,003	13,821	–	4,570	4,951	177,536

**Geographical information for 12 months ended 31 December 2022**

	Singapore \$'000	Malaysia \$'000	Australia \$'000	Japan \$'000	China \$'000	United Kingdom \$'000	Consolidated \$'000
Segment revenue							
Revenue from external parties	2,509	472,744	34,302	–	8,555	9,511	527,621

**Geographical information for 12 months ended 31 December 2021**

	Singapore \$'000	Malaysia \$'000	Australia \$'000	Japan \$'000	China \$'000	United Kingdom \$'000	Consolidated \$'000
Segment revenue							
Revenue from external parties	2,452	348,643	27,174	90	8,620	9,580	396,559

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

### 24. Net asset value

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net asset value per ordinary share	<b>3.86</b>	4.35	<b>1.73</b>	1.49

### 25. Performance share plan

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

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

As at 31 December 2022, the number of shares comprised in contingent awards granted under the PSP which has not been released were 1,830,600. Under the PSP, the final number of shares to be released will depend on the achievement of predetermined targets over a three-year performance period. The actual number of shares to be released will be decided by the Remuneration Committee ("RC"), depending on RC's satisfaction of the extent of achievement of the Performance Conditions.

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

### **26. Events after the reporting period**

#### **Exchangeable Bonds**

On 30 January 2023, the Company announced the proposed issuance of S\$-denominated secured exchangeable bonds (the "Bonds") and the approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing of and quotation for the Bonds on the official list of the SGX-ST.

On 31 January 2023, the Company announced the Bonds representing S\$370.0 million in aggregate principal amount of secured exchangeable bonds due 2028, exchangeable into ordinary shares of ESR Group Limited (the "Exchange Shares") have been priced and fully placed with institutional investors and other investors.

The Bonds issued at 100.00 percent of the principal amount will bear interest on the outstanding principal amount from and including the issue date at 3.25% per annum, payable semi-annually in arrears.

On 13 February 2023, the Company announced the issue of the Bonds has successfully closed and the Bonds have been listed and quoted on 14 February 2023.

Subject to any applicable laws and regulations and upon compliance with the Terms and Conditions, the Bonds are exchangeable into the Exchange Shares at an initial exchange price of HKD22.00 and initial exchange ratio of a pro rata share of 67,738.6364 shares for each S\$250,000 principal amount of Bonds, at any time on or after 27 March 2023 and up to the close of business or if the Bonds shall have been called for redemption prior to the 13 February 2028 ("Maturity Date") or the time at which the Bond Trustee declares the Bonds to be immediately due and payable.

For more details, please refer to the announcement made by the Company on 30 January 2023, 31 January 2023 and 13 February 2023.

#### **Profit Participation Note**

On 17 January 2023, the Company through its wholly-owned subsidiary, Straits Phoenix 3 Pte. Ltd., invested in a Profit Participation Note (the "PPN") of approximately S\$47.1 million issued by a third party.

## **G. Other information required by Listing Rule Appendix 7.2**

### **1. Review**

The condensed consolidated statement of financial position of The Straits Trading Company Limited (the "Company") and its subsidiaries as at 31 December 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### **2. Review of performance of the Group**

#### **2H2022 vs. 2H2021**

##### **Group**

The Group reported a loss after tax and non-controlling interests of \$121.8 million for 2H2022 and a profit after tax and non-controlling interests ("PATNCI") of \$111.6 million for 2H2021, respectively. Its real estate segment remained the main contributor to the Group's loss/profit.

##### **Resources**

The resources segment reported a lower PATNCI for 2H2022 compared with the previous corresponding period.

The weaker performance was mainly due to higher smelting costs relating to increased energy and consumable costs as compared to the same period of last year.

##### **Real Estate**

The real estate segment reported a lower PATNCI for 2H2022 compared with the previous corresponding period.

The loss for 2H2022 was attributable to higher capitalisation rates which led to the reduction in fair values of investment properties in Australia, China, South Korea and the United Kingdom, and the fair value of an investment property held by a joint venture in Australia.

##### **Hospitality**

The hospitality segment reported a lower loss for 2H2022 compared with the previous corresponding period.

The better performance was due to business recovery after the borders reopened and restrictions eased in Australia and New Zealand.

##### **Others**

The net expenses for 2H2022 were mainly related to higher interest expenses.

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

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

**FY2022 vs. FY2021**

**Group**

The Group reported a PATNCI of \$551.3 million and \$234.3 million for FY2022 and FY2021, respectively. The increase was mainly attributed to the gain from disposal of the stake in ARA, offset by the net fair value losses from investment properties and the fair value loss in a joint venture.

**Resources**

The resources segment reported a PATNCI of \$16.3 million for FY2022, down from \$20.7 million in FY2021.

The weaker performance was contributed by increased smelting and operational cost in form of higher energy and consumables, partially offset by higher sales revenue in FY2022 as compared to last year.

**Real Estate**

The real estate segment reported a PATNCI of \$575.6 million for FY2022, up from \$232.7 million in FY2021.

The higher profit for FY2022 was mainly due to the gain from disposal of the stake in ARA, offset by the net fair value losses from investment properties and the fair value loss of an investment property held by a joint venture in Australia.

**Hospitality**

The hospitality segment reported a PATNCI of \$0.5 million for FY2022, up from a loss of \$12.6 million in FY2021.

The segment has shown an improvement in performance with higher demand from corporate, leisure and wholesale business as more countries reopened their borders, partially offset by higher operating expenses due to increased inflation pressure and staff costs.

**Others**

Net expenses for FY2022 were higher at \$41.2 million, increased from \$6.6 million in FY2021, mainly due to disposal and mark-to-market losses from short-term investment securities and higher interest expenses.

**3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

No prospect statement was disclosed in the half year FY2022 financial results announcement made on 11 August 2022.

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

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

The global economy remains subdued due to elevated inflation, rising interest rates, coupled with escalating operating costs for businesses attributable to increases in energy costs and labour costs. The recently launched S\$370.0 million exchangeable bond with a 3.25% annual coupon allowed the Group to diversify its funding sources. The proceeds from the exchangeable bond provide adequate liquidity for opportunities ahead.

Straits Real Estate Pte. Ltd. ("SRE") continues its strategy to have a well-diversified income-producing portfolio spanning multiple real estate asset classes. The acquisition of the remaining 20% stake in its logistics portfolio in Australia (SRE Industrial No. 1 Trust) furthers SRE's ongoing multi-market strategy to allocate more capital into the industrial and logistics sectors across key gateway markets.

Malaysia Smelting Corporation Berhad ("MSC") will continue to focus on improving operational efficiencies in its smelting and mining segments. With the full operation of the Pulau Indah plant in the near future, MSC expects higher operational efficiency, lower operational and manpower costs. Recent acquisition of an adjacent mining landbank allows MSC to expand its mining activities and potential tin resource.

Far East Hospitality Holdings Pte. Ltd. ("FEHH"), has benefitted from international travel recovery. However, FEHH remains cautious and is prepared to tackle the increased global macro-economic challenges and uncertainties that could affect the business.



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

**5. Dividend information**

**(a) Current financial period reported on**

Any dividend recommended for the current financial period reported on?

Yes.

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

**(b) Corresponding period of the immediate preceding financial year**

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

Yes.

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

**(c) Date payable**

8 May 2023.

**(d) Books closure date**

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 21 April 2023 for the purpose of preparing dividend warrants for the interim dividend payable on 8 May 2023. Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road #02-00, Singapore 068898, up to 5.00 p.m. on 20 April 2023 will be registered to determine shareholders' entitlements to the interim dividend. In respect of shares held in securities accounts with The Central Depository (Pte) Limited ("CDP"), the interim dividend will be paid by the Company to CDP, which will in turn distribute the dividend entitlement to the holders of such shares in accordance with its practice.

**(e) Annual General Meeting**

The Annual General Meeting of the Company will be held physically on Friday, 28 April 2023 at 11.00 a.m. Further details of the meeting will be disclosed in the notice of Annual General Meeting.

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

Not applicable.

**7. Interested person transactions**

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

**G. Other information required by Listing Rule Appendix 7.2 (cont'd)****8. Use of Proceeds Raised from the Private Placement**

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

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

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

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

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

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

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

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

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

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

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

	Group		
	2022 \$'000	2021 \$'000	+/(-) %
(a) Total revenue reported for first half year	<b>270,157</b>	219,023	23.3
(b) Profit after tax before deducting non-controlling interests reported for first half year	<b>691,807</b>	141,590	>100
(c) Total revenue reported for second half year	<b>257,463</b>	177,536	45.0
(d) (Loss)/profit after tax before deducting non-controlling interests reported for second half year	<b>(122,536)</b>	144,101	NM

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

Total Annual Dividend

	<b>Latest Full Year</b>	Previous Full Year
	<b>\$'000</b>	\$'000
Ordinary	<b>34,626</b>	24,409
Special	<b>160,427</b>	–
Total	<b>195,053</b>	24,409

**Distribution**

On 3 November 2022, the Company has completed the proposed special dividend via distribution in specie with the listing and quotation of an aggregate of 17,686,975 new Straits shares for S\$39.1 million and 48,510,280 ESR shares for HKD674.3 million (equivalent to S\$121.3 million).

The entitled shareholders elected to receive either 180 new Straits Trading shares or 145 ESR shares for every 1,000 Straits Trading shares owned at the book closure date on 27 September 2022.

**13. Negative confirmation pursuant to Rule 705(5)**

Not applicable.

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

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

**By Order of the Board**

**Ngiam May Ling**  
**Company Secretary**

**28 February 2023**  
**Singapore**

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