

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

Condensed Interim Financial Statements
For the six months ended 30 June 2021

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A. Condensed Interim Consolidated Income Statement

	Note	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000	+ / (-) %	
Revenue					
Tin mining and smelting revenue		195,555	115,173	69.8	(i)
Property revenue		23,468	19,843	18.3	
Total revenue		219,023	135,016	62.2	
Other items of income/(loss)					
Dividend income		4,006	4,502	(11.0)	
Interest income		15,175	6,881	>100	(ii)
Fair value changes in investment properties	9	47,112	(805)	NM	(iii)
Other income	4	14,330	451	>100	
		299,646	146,045	>100	
Other items of expense					
Employee benefits expense		(16,086)	(15,321)	5.0	
Depreciation expense		(3,641)	(4,220)	(13.7)	
Amortisation expense		(207)	(177)	16.9	
Impairment losses		(9,817)	–	NM	(iv)
Costs of tin mining and smelting		(158,617)	(103,492)	53.3	
Finance costs		(17,276)	(13,786)	25.3	
Other expenses	5	(12,589)	(4,667)	>100	
Total expenses		(218,233)	(141,663)	54.1	
Share of results of associates and joint ventures		84,332	5,129	>100	(v)
Profit before tax		165,745	9,511	>100	
Income tax expense	6	(24,155)	(3,623)	>100	
Profit after tax		141,590	5,888	>100	
Profit attributable to:					
Owners of the Company		122,607	5,485	>100	
Non-controlling interests		18,983	403	>100	
		141,590	5,888	>100	
Earnings before interest, tax, depreciation and amortisation (“EBITDA”)		186,869	27,694	>100	
Earnings per share (cents per share)					
Basic		30.1	1.3	>100	
Diluted		30.1	1.3	>100	

NM – Not meaningful

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

Explanatory Notes to the Condensed Interim Consolidated Income Statement

- (i) The increase in 1H2021 was due to higher average tin prices and higher sales quantity of refined tin.
- (ii) The higher interest income in 1H2021 was from the notes issued by a joint venture.
- (iii) The fair value gain in investment properties for 1H2021 was due to fair value gains from the Singapore properties and logistics portfolio in Australia as the logistics sector is experiencing capitalisation rate compression.
- (iv) Impairment relates to land under development (note 8), land mining rights and mine properties (note 10) in the resources segment.
- (v) The increase in the share of results of associates and joint ventures was due to higher valuation of the logistic property in South Korea and higher revenues in an associate.

B. Condensed Interim Consolidated Statement of Comprehensive Income

	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
Profit after tax	141,590	5,888
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")	6,908	(37,932)
Share of net fair value changes in equity securities carried at FVOCI of associates	10,796	(27,593)
Share of net revaluation surplus/(deficit) on property, plant and equipment of associates	1,337	(3,719)
	19,041	(69,244)
Items that may be reclassified subsequently to profit or loss:		
Net fair value changes in cash flow hedges	1,107	(1,501)
Currency translation reserve	(1,935)	6,050
Share of reserves of associates and joint ventures	(7,435)	10,061
Realisation of foreign currency translation reserve to profit or loss	(556)	(222)
	(8,819)	14,388
Other comprehensive income after tax for the period	10,222	(54,856)
Total comprehensive income for the period	151,812	(48,968)
Attributable to:		
Owners of the Company	129,588	(47,122)
Non-controlling interests	22,224	(1,846)
Total comprehensive income for the period	151,812	(48,968)

C. Condensed Interim Balance Sheets

	Note	Group		Company	
		30 June 2021 \$'000	31 December 2020 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
Assets					
Non-current assets					
Property, plant and equipment	7	52,376	53,936	584	595
Land under development	8	65,900	72,634	29,862	30,254
Investment properties	9	947,427	932,199	5,462	5,534
Goodwill	10(a)	17,294	17,516	–	–
Other intangible assets	10(b)	4,959	5,217	–	–
Subsidiaries	11	–	–	123,535	123,535
Associates and joint ventures		1,121,068	984,924	144	144
Deferred tax assets	12	8,134	6,871	–	–
Other non-current receivables		1	1	130,728	128,475
Derivative financial instruments		–	1,494	–	–
Investment securities		204,776	180,603	–	–
Other non-current assets		–	4,951	–	–
Total non-current assets		2,421,935	2,260,346	290,315	288,537
Current assets					
Inventories	13	211,643	197,818	–	–
Income tax receivables		5,636	5,836	52	80
Prepayments and accrued income		2,422	4,506	59	24
Trade related prepayments		1,731	3,357	–	–
Trade receivables		10,318	11,364	14	7
Other receivables		92,942	79,939	1,304,026	1,202,500
Investment securities		66,132	65,842	–	–
Derivative financial instruments		3,018	606	1,437	–
Cash and cash equivalents		211,227	456,332	122,130	249,431
		605,069	825,600	1,427,718	1,452,042
Assets classified as held for sale	14	28,600	–	–	–
Total current assets		633,669	825,600	1,427,718	1,452,042
Total assets		3,055,604	3,085,946	1,718,033	1,740,579

C. Condensed Interim Balance Sheets (cont'd)

	Note	Group		Company	
		30 June 2021 \$'000	31 December 2020 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
Equity and liabilities					
Equity					
Share capital	15(a)	568,968	568,968	568,968	568,968
Treasury shares	15(b)	(2,682)	(2,682)	(2,682)	(2,682)
Retained earnings		1,058,152	961,506	18,349	39,885
Other reserves		15,849	10,206	(191)	27
Equity attributable to owners of the Company		1,640,287	1,537,998	584,444	606,198
Non-controlling interests		122,557	188,940	–	–
Total equity		1,762,844	1,726,938	584,444	606,198
Non-current liabilities					
Provisions	16	12,815	11,947	–	–
Deferred tax liabilities	12	53,446	35,142	693	702
Borrowings	17	606,845	613,277	261,353	261,059
Derivative financial instruments		3,192	2,884	19	–
Other non-current liabilities		4,459	16,704	–	–
Lease liabilities		3,603	4,836	–	–
Total non-current liabilities		684,360	684,790	262,065	261,761
Current liabilities					
Provisions	16	4,454	4,512	–	–
Income tax payable		7,030	13,487	112	156
Trade and other payables		40,626	70,153	620,534	621,780
Borrowings	17	547,388	575,264	249,982	249,905
Derivative financial instruments		6,410	7,850	896	779
Lease liabilities		2,492	2,952	–	–
Total current liabilities		608,400	674,218	871,524	872,620
Total liabilities		1,292,760	1,359,008	1,133,589	1,134,381
Total equity and liabilities		3,055,604	3,085,946	1,718,033	1,740,579

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	Other reserves	Non-controlling interests
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 January 2021	1,726,938	1,537,998	568,968	(2,682)	961,506	(36,601)	(3,973)	32,390	13,849	4,541	188,940
Total comprehensive income for the period	151,812	129,588	–	–	122,607	13,971	3,566	1,337	(11,893)	–	22,224
<u>Contributions by and distributions to owners</u>											
Dividend for FY2020	(24,409)	(24,409)	–	–	(24,409)	–	–	–	–	–	–
Dividend to non-controlling interests	(3,534)	–	–	–	–	–	–	–	–	–	(3,534)
Contribution of capital by non-controlling interests	5,657	–	–	–	–	–	–	–	–	–	5,657
Return of capital to non-controlling interests	(7,921)	–	–	–	–	–	–	–	–	–	(7,921)
Total contributions by and distributions to owners	(30,207)	(24,409)	–	–	(24,409)	–	–	–	–	–	(5,798)
<u>Changes in ownership interests in subsidiaries</u>											
Increase in ownership interests in a subsidiary	(86,295)	(3,486)	–	–	–	–	–	–	–	(3,486)	(82,809)
Total changes in ownership interest in subsidiaries	(86,295)	(3,486)	–	–	–	–	–	–	–	(3,486)	(82,809)
<u>Others</u>											
Share of associate's realisation of FVOCI reserve	–	–	–	–	(2,015)	2,015	–	–	–	–	–
Share of transfer of statutory reserve of an associate	–	–	–	–	609	–	–	–	–	(609)	–
Share of other changes in equity of an associate	742	742	–	–	–	–	–	–	–	742	–
Others	(146)	(146)	–	–	(146)	–	–	–	–	–	–
Total others	596	596	–	–	(1,552)	2,015	–	–	–	133	–
Closing balance at 30 June 2021	1,762,844	1,640,287	568,968	(2,682)	1,058,152	(20,615)	(407)	33,727	1,956	1,188	122,557

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

GROUP (cont'd)

	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares	Retained earnings	FVOCI reserve	Hedging reserve	Revaluation reserve	Translation reserve	Other reserves	Non-controlling interests
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 January 2020	1,669,316	1,519,121	568,968	(2,055)	932,861	12,270	(1,466)	29,797	(25,102)	3,848	150,195
Total comprehensive income for the period	(48,968)	(47,122)	–	–	5,485	(62,265)	(3,446)	(3,719)	16,823	–	(1,846)
<u>Contributions by and distributions to owners</u>											
Dividend for FY2019	(24,416)	(24,416)	–	–	(24,416)	–	–	–	–	–	–
Dividend to non-controlling interests	(2,262)	–	–	–	–	–	–	–	–	–	(2,262)
Contribution of capital by non-controlling interests	14,024	–	–	–	–	–	–	–	–	–	14,024
Shares buy back	(541)	(541)	–	(541)	–	–	–	–	–	–	–
Return of capital to non-controlling interests	(82)	–	–	–	–	–	–	–	–	–	(82)
Total contributions by and distributions to owners	(13,277)	(24,957)	–	(541)	(24,416)	–	–	–	–	–	11,680
<u>Others</u>											
Share of associate's realisation of FVOCI reserve	–	–	–	–	1,768	(1,768)	–	–	–	–	–
Share of other changes in equity of an associate	–	–	–	–	–	–	–	–	144	(144)	–
Total others	–	–	–	–	1,768	(1,768)	–	–	144	(144)	–
Closing balance at 30 June 2020	1,607,071	1,447,042	568,968	(2,596)	915,698	(51,763)	(4,912)	26,078	(8,135)	3,704	160,029

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

COMPANY

	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares	Retained earnings	Revaluation reserve	Hedging reserve	Translation reserve
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 January 2021	606,198	606,198	568,968	(2,682)	39,885	562	(779)	244
Total comprehensive income for the period	2,655	2,655	–	–	2,873	–	1,107	(1,325)
<u>Contributions by and distributions to owners</u>								
Dividend for FY2020	(24,409)	(24,409)	–	–	(24,409)	–	–	–
Total contributions by and distributions to owners	(24,409)	(24,409)	–	–	(24,409)	–	–	–
Total transactions with owners in their capacity as owners	(24,409)	(24,409)	–	–	(24,409)	–	–	–
Closing balance at 30 June 2021	584,444	584,444	568,968	(2,682)	18,349	562	328	(1,081)

	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares	Retained earnings	Revaluation reserve	Hedging reserve	Translation reserve
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 January 2020	613,422	613,422	568,968	(2,055)	45,088	559	399	463
Total comprehensive income for the period	19,248	19,248	–	–	21,415	–	(1,514)	(653)
<u>Contributions by and distributions to owners</u>								
Dividend for FY2019	(24,416)	(24,416)	–	–	(24,416)	–	–	–
Shares buy back	(541)	(541)	–	(541)	–	–	–	–
Total contributions by and distributions to owners	(24,957)	(24,957)	–	(541)	(24,416)	–	–	–
Total transactions with owners in their capacity as owners	(24,957)	(24,957)	–	(541)	(24,416)	–	–	–
Closing balance at 30 June 2020	607,713	607,713	568,968	(2,596)	42,087	559	(1,115)	(190)

E. Condensed Interim Consolidated Cash Flow Statement

	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
Cash flows from operating activities		
Profit before tax	165,745	9,511
<u>Adjustments</u>		
Depreciation of property, plant and equipment	3,641	4,220
Amortisation of other intangible assets	207	177
Dividend income	(4,006)	(4,502)
Interest income	(15,175)	(6,881)
Finance costs	17,276	13,786
Currency realignment	(1,430)	(3,371)
Fair value changes in investment properties and financial assets	(55,766)	5,041
Net gain on disposal of property, plant and equipment, investment properties and other investments	(7,417)	(1,961)
(Reversal of write down)/Write down of inventories	(7,822)	4,610
Provision for impairment losses of land under development and other intangible assets	9,817	–
Property, plant and equipment written off	4	6
Share of results of associates and joint ventures	(84,332)	(5,129)
Operating cash flows before changes in working capital	20,742	15,507
(Increase)/Decrease in inventories	(6,003)	4,815
Decrease/(Increase) in short-term investment securities	4,951	(11,698)
Increase in trade and other receivables	(2,933)	(21,671)
Decrease in trade and other payables	(21,651)	(8,138)
Cash flows used in operations	(4,894)	(21,185)
Income taxes paid	(3,510)	(5,574)
Finance costs paid	(4,407)	(5,552)
Interest received	1,379	3,180
Dividend income from short-term investment securities	551	523
Net cash flows used in operating activities	(10,881)	(28,608)

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

	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment and investment properties	64,570	31,505
Proceeds from redemption of debt instrument	2,500	–
Cost incurred on property, plant and equipment	(1,913)	(1,925)
Cost incurred on investment properties	(41,682)	(39,974)
Cost incurred on land under development	(3,899)	(720)
Purchase of investment securities	(17,020)	–
Investment in associates and joint ventures	(45,144)	(117,347)
Subscription of debt instruments	–	(3,431)
Return of capital from associates	617	2,419
Payment for deferred mine exploration and evaluation expenditure and mine properties and other intangible assets	(215)	(163)
Payment for acquisition of a subsidiary from non-controlling shareholder	(86,295)	–
Dividend income from investment securities and associates	9,692	4,863
Interest received	25	–
Income taxes paid	(8,860)	(137)
Net cash flows used in investing activities	(127,624)	(124,910)
Cash flows from financing activities		
Dividend paid to shareholders (note 16)	(24,409)	(24,416)
Carried interest paid to General Partner of a subsidiary	(146)	–
Dividend paid to non-controlling shareholders of subsidiaries	(3,534)	(2,262)
Purchase of treasury shares (note 13)	–	(541)
Net proceeds from issuance of shares by subsidiaries to non-controlling shareholders	5,657	14,024
Repayment of loan to non-controlling shareholder of a subsidiary	(18,469)	(1,741)
Return of capital to non-controlling shareholders	(7,921)	(82)
(Repayment)/Drawdown of short-term borrowings	(19,347)	82,287
Drawdown of long-term borrowings	91,588	91,598
Repayment of long-term borrowings	(111,493)	(47,478)
Finance costs paid	(11,564)	(7,489)
Payment of lease liabilities	(1,768)	(2,068)
Net cash flows (used in)/from financing activities	(101,406)	101,832
Net decrease in cash and cash equivalents	(239,991)	(51,686)
Effect of exchange rate changes on cash and cash equivalents	(5,194)	1,262
Cash and cash equivalents, beginning balance	456,332	310,487
Cash and cash equivalents, ending balance	211,227	260,063

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 ended 30 June 2021 comprise the Company and its subsidiaries (referred to as the "Group") and the Group's interests in associates and joint ventures.

2. Basis of preparation

The condensed interim financial statements of the Group for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

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 includes 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 2020, except for the adoption of new and revised standards effective as of 1 January 2021.

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

- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16: Interest Rate Benchmark Reform - Phase 2
- Amendment to SFRS(I) 16 Leases - Covid-19-Related Rent Concessions beyond 30 June 2021

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.

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 2020.

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

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

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

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

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

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

- Note 7 – Depreciation of property, plant and equipment
- Notes 7, 8 and 9 – Revaluation of properties
- Note 10 – Impairment test of goodwill: key assumptions underlying recoverable amounts
- Note 13 – Inventories: valuation of tin-in-concentrates, tin-in-process and refined tin metal
- Note 16 – Provision for voluntary separation 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.

4. Other income

	Group	
	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
Net gain on disposal of investment properties	5,739	2,306
Net gain/(loss) on disposal of subsidiaries, associates and joint ventures		
- Foreign exchange impact on capital reduction	565	248
- Others	(2)	–
Net (loss)/gain on disposal of equity securities at fair value through profit and loss ("FVTPL")	(8,780)	141
Fair value changes in financial assets:		
- Held-for-trading equity securities at FVTPL	7,623	(4,777)
- Derivatives at FVTPL	(436)	(160)
- Ineffective portion of derivatives designated as hedging instruments in cash flow hedge	1,467	702
Fund related fees	1,155	1,219
Other operating income	6,999	772
	14,330	451

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

5. Other expenses

	Group	
	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
Administrative expenses	3,590	2,343
Marketing and distribution expenses	652	1,089
Property related management fees	1,356	1,545
Upkeep and maintenance expenses of properties	3,788	2,731
Property related taxes	1,078	1,216
Operating lease expenses	4	25
Brokerage fees	76	74
(Reversal of impairment)/Impairment of trade receivables	(8)	127
Exchange losses/(gains)	966	(6,425)
Other expenses	1,087	1,942
	12,589	4,667

6. Income tax expense

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

	Group	
	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
<i>Income tax</i>		
- Current income tax	7,164	4,114
- Adjustments to provisions in respect of prior years	(5)	-
	7,159	4,114
<i>Deferred tax</i>		
- Originating and reversal of temporary differences	17,167	(491)
- Adjustments to provisions in respect of prior years	(171)	-
	16,996	(491)
Income tax expense recognised in profit or loss	24,155	3,623

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

7. Property, plant and equipment

Group	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Plant, equipment, vehicles and furniture \$'000	Capital work-in- progress \$'000	Right-of-use assets			Total \$'000
						Mine restoration \$'000	Land and buildings \$'000	Motor vehicles \$'000	
	At valuation			At cost					
At cost or valuation									
At 31 December 2020	141	10,630	8,998	49,327	2,980	9,855	12,961	195	95,087
Additions	-	-	-	311	1,481	907	11	-	2,710
Disposals	-	-	-	(782)	-	-	-	-	(782)
Transfer	-	-	107	23	(130)	-	-	-	-
Reclassification	-	-	-	11	(11)	-	-	-	-
Exchange adjustment	-	(138)	(109)	(556)	(45)	(136)	(77)	-	(1,061)
At 30 June 2021	141	10,492	8,996	48,334	4,275	10,626	12,895	195	95,954
Accumulated depreciation									
At 31 December 2020	-	-	-	31,396	-	4,733	4,996	26	41,151
Depreciation charge for the period	-	68	174	1,445	-	251	1,656	47	3,641
Disposals	-	-	-	(747)	-	-	-	-	(747)
Exchange adjustment	-	-	9	(362)	-	(62)	(52)	-	(467)
At 30 June 2021	-	68	183	31,732	-	4,922	6,600	73	43,578
Net carrying amount									
At 30 June 2021	141	10,424	8,813	16,602	4,275	5,704	6,295	122	52,376
At 31 December 2020	141	10,630	8,998	17,931	2,980	5,122	7,965	169	53,936

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

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

	Freehold land \$'000	Buildings \$'000	Plant, equipment, vehicles and furniture \$'000	Total \$'000
	<u>At valuation</u>			
Company				
At cost or valuation				
At 31 December 2020 and 30 June 2021	44	558	107	709
Accumulated depreciation				
At 31 December 2020	–	7	107	114
Depreciation charge for the period	–	11	–	11
At 30 June 2021	–	18	107	125
Net carrying amount				
At 30 June 2021	44	540	–	584
At 31 December 2020	44	551	–	595

8. Land under development

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
At cost				
At 1 January	72,634	67,444	30,254	30,311
Additions	3,899	5,341	–	–
Exchange adjustment	(932)	(151)	(392)	(57)
At 30 June/31 December	75,601	72,634	29,862	30,254
Accumulated impairment				
At 1 January	–	–	–	–
Allowance for impairment loss ⁽¹⁾	9,615	–	–	–
Exchange adjustment	86	–	–	–
At 30 June/31 December	9,701	–	–	–
Net carrying amount				
At 30 June/31 December	65,900	72,634	29,862	30,254

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

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

9. Investment properties

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance sheets:				
At fair value:				
Balance as at 1 January	932,199	863,936	5,534	5,545
Fair value changes recognised in profit or loss	47,112	37,361	-	-
Addition to properties	44,010	235,709	-	-
Reclassified to asset held for sale (note 14)	(28,600)	-	-	-
Disposal during the period/year	(58,800)	(249,337)	-	-
Exchange adjustment	11,506	44,530	(72)	(11)
Balance as at 30 June/31 December	947,427	932,199	5,462	5,534

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

10. Goodwill/other intangible assets

(a) Goodwill arising on consolidation

	Group	
	2021 \$'000	2020 \$'000
At cost		
At 1 January	17,516	17,540
Exchange adjustment	(222)	(24)
At 30 June/31 December	17,294	17,516

The carrying amount of goodwill is allocated to resources segment.

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

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

No impairment indicators were identified as at 30 June 2021 based on the CGU's business performance. The Group performed its annual impairment test in December 2020. The key assumptions used to determine the recoverable amount for the CGU were disclosed in the annual consolidated financial statements for the year ended 31 December 2020.

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

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

(b) Other intangible assets

	30 June 2021 \$'000	Group 31 December 2020 \$'000
(i) Mining rights	853	937
Corporate club memberships	144	147
	997	1,084
(ii) Deferred mine exploration and evaluation expenditure	285	159
Mine properties	3,677	3,974
	3,962	4,133
	4,959	5,217

(i) Mining rights and corporate club memberships

	Mining rights \$'000	Corporate club memberships \$'000	Total \$'000
Group At cost			
At 31 December 2020	3,890	187	4,077
Exchange adjustment	(50)	(2)	(52)
At 30 June 2021	3,840	185	4,025
Accumulated amortisation and impairment			
At 31 December 2020	2,953	40	2,993
Amortisation charge	24	1	25
Allowance for impairment loss	49	–	49
Exchange adjustment	(39)	–	(39)
At 30 June 2021	2,987	41	3,028
Net carrying amount			
At 30 June 2021	853	144	997
At 31 December 2020	937	147	1,084

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

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

(b) Other intangible assets (cont'd)

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

	Deferred mine exploration and evaluation expenditure \$'000	Mine properties \$'000	Total \$'000
Group			
At 31 December 2020	159	3,974	4,133
Additions	130	85	215
Amortisation charge	–	(182)	(182)
Allowance for impairment loss	–	(153)	(153)
Exchange adjustment	(4)	(47)	(51)
At 30 June 2021	285	3,677	3,962
At 31 December 2020	159	3,974	4,133

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. Subsidiaries

On 9 April 2021, a wholly-owned subsidiary, STC Capital Pte. Ltd. purchased 41,630,000 issued ordinary shares in the share capital of Straits Real Estate Pte. Ltd. for a consideration of \$56,351,918. Subsequent to the acquisition completion, Straits Real Estate Pte. Ltd. is a wholly-owned subsidiary of the Group.

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

12. Deferred tax assets and liabilities

	Group		Company	
	30 June 2021 \$'000	31 December 2020 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
Deferred tax assets	8,134	6,871	–	–
Deferred tax liabilities	(53,446)	(35,142)	(693)	(702)
	(45,312)	(28,271)	(693)	(702)

	Group		Company	
	30 June 2021 \$'000	31 December 2020 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
Provisions	1,149	3,120	–	–
Unutilised tax losses	1,245	21	–	–
Fair value changes on forward currency contracts and interest rate swap contracts	165	35	–	–
Revaluation of property, plant and equipment	(1,298)	(1,321)	(153)	(155)
Difference in depreciation	(1,326)	(925)	1	1
Fair value changes on investment properties	(25,482)	(15,829)	(541)	(548)
Unremitted foreign income and profits	(21,968)	(13,990)	–	–
Others	2,203	618	–	–
	(45,312)	(28,271)	(693)	(702)

13. Inventories

	Group	
	30 June 2021 \$'000	31 December 2020 \$'000
At lower of cost or net realisable value:		
Inventories of:		
– Tin-in-concentrates	3,211	6,818
– Tin-in-process	168,744	179,279
– Refined tin metal	34,751	8,204
Other inventories (stores, spares, fuels, coal and saleable by-products)	4,937	3,517
	211,643	197,818

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

14. Assets classified as held for sale

	Group
	30 June 2021
	\$'000
	31 December 2020
	\$'000
Asset:	
Investment properties (note 9)	28,600
	–

A unit of investment property has been reclassified as asset held for sale and the sale was completed in July 2021. The property was secured against a bank facility.

15. Share capital and treasury shares

(a) Share capital

	Group and Company			
	2021		2020	
	Number of shares	\$'000	Number of shares	\$'000
Ordinary shares issued and fully paid (excluding treasury shares)				
At 1 January	406,819,572	568,968	407,165,772	568,968
Purchase of treasury shares	–	–	(346,200)	–
At 30 June/31 December	406,819,572	568,968	406,819,572	568,968

(b) Treasury shares

	Group and Company			
	2021		2020	
	Number of shares	\$'000	Number of shares	\$'000
At 1 January	(1,276,200)	(2,682)	(930,000)	(2,055)
Repurchased during the period	–	–	(346,200)	(627)
At 30 June/31 December	(1,276,200)	(2,682)	(1,276,200)	(2,682)

As at 30 June 2021, the Company held 1,276,200 treasury shares (31 December 2020: 1,276,200) which represents 0.3% of the total number of issued shares (excluding treasury shares).

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

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

16. Provisions

	Provision for mine restoration \$'000	Provision for voluntary separation compensation \$'000	Total \$'000
Group			
At 31 December 2020	12,123	4,336	16,459
Provision made during the period	849	–	849
Discount adjustment on provision	184	–	184
Exchange adjustment	(167)	(56)	(223)
	<hr/>	<hr/>	<hr/>
At 30 June 2021	12,989	4,280	17,269
	<hr/>	<hr/>	<hr/>
Non-current	12,815	–	12,815
Current	174	4,280	4,454
	<hr/>	<hr/>	<hr/>
At 30 June 2021	12,989	4,280	17,269
	<hr/>	<hr/>	<hr/>

17. Borrowings

	Group		Company	
	30 June 2021 \$'000	31 December 2020 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
Amount repayable within one year or on demand				
Secured	192,617	234,176	25,000	25,000
Unsecured	354,771	341,088	224,982	224,905
Amount repayable after one year				
Secured	362,572	369,256	33,232	33,180
Unsecured	244,273	244,021	228,121	227,879

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

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

18. Dividends

	Group and Company	
	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
Declared and paid during the period:		
<i>Dividends on ordinary shares:</i>		
2020 Interim dividend paid in 2021: 6 cents per share tax exempt (one-tier tax)		
(2019 Interim dividend paid in 2020: 6 cents per share tax exempt (one-tier tax))	24,409	24,416

19. Related party disclosures

Sale and purchase of goods and services

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

	Group	
	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
<i>Associates/joint ventures</i>		
Sales of goods	2,198	3,947
Interest income	11,298	3,023
<i>Other related parties</i>		
Office leases	410	291
Accounting and other service income	176	176
Accounting and other service expense	(238)	–

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

20. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities as at 30 June 2021 and 31 December 2020.

	Fair value through profit and loss \$'000	Fair value through other comprehensive income \$'000	Amortised cost \$'000	Total \$'000
Group				
At 30 June 2021				
Financial assets:				
Investment securities	62,381	152,004	56,523	270,908
Trade and other receivables	–	–	103,261	103,261
Derivative financial instruments	1,581	1,437	–	3,018
Cash and cash equivalents	–	–	211,227	211,227
Financial liabilities:				
Trade and other payables	–	–	38,222	38,222
Other non-current liabilities	–	–	4,459	4,459
Lease liabilities	–	–	6,095	6,095
Loans and borrowings	–	–	1,154,233	1,154,233
Derivative financial instruments	9,583	19	–	9,602
At 31 December 2020				
Financial assets:				
Investment securities	59,581	128,172	58,692	246,445
Trade and other receivables	–	–	91,304	91,304
Derivative financial instruments	2,100	–	–	2,100
Cash and cash equivalents	–	–	456,332	456,332
Financial liabilities:				
Trade and other payables	–	–	67,328	67,328
Other non-current liabilities	–	–	16,704	16,704
Lease liabilities	–	–	7,788	7,788
Loans and borrowings	–	–	1,188,541	1,188,541
Derivative financial instruments	9,955	779	–	10,734
Company				
At 30 June 2021				
Financial assets:				
Trade and other receivables	–	–	1,434,768	1,434,768
Derivative financial instruments	–	1,437	–	1,437
Cash and cash equivalents	–	–	122,130	122,130
Financial liabilities:				
Trade and other payables	–	–	620,525	620,525
Loans and borrowings	–	–	511,335	511,335
Derivative financial instruments	896	19	–	915

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

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

	Fair value through profit and loss \$'000	Fair value through other comprehensive income \$'000	Amortised cost \$'000	Total \$'000
Company				
At 31 December 2020				
Financial assets:				
Trade and other receivables	–	–	1,330,982	1,330,982
Cash and cash equivalents	–	–	249,431	249,431
<hr/>				
Financial liabilities:				
Trade and other payables	–	–	621,771	621,771
Loans and borrowings	–	–	510,964	510,964
Derivative financial instruments	–	779	–	779
<hr/>				

21. Fair value of assets and liabilities

A. Fair value hierarchy

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

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

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

Level 3 - Unobservable inputs for the asset or liability.

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

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

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

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

B. Assets and liabilities measured at fair value

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

	Group 30 June 2021 \$'000			
	Fair value measurement at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Non-financial assets:				
Land and buildings	–	–	19,378	19,378
Investment properties (note 9)	–	–	947,427	947,427
Non-financial assets as at 30 June 2021				
	–	–	966,805	966,805
Financial assets:				
<u>Financial assets at FVTPL</u>				
Equity securities				
Quoted equity securities	62,381	–	–	62,381
<u>Financial assets at FVOCI</u>				
Equity securities				
Quoted equity securities	152,004	–	–	152,004
<u>Derivatives</u>				
Forward currency contracts	–	1,581	–	1,581
Cross currency swap contracts	–	1,437	–	1,437
Financial assets as at 30 June 2021				
	214,385	3,018	–	217,403
Financial liabilities:				
<u>Derivatives</u>				
Forward currency contracts	–	9,308	–	9,308
Forward commodity contracts	–	275	–	275
Interest rate swap contracts	–	19	–	19
Total derivatives	–	9,602	–	9,602
Financial liabilities as at 30 June 2021				
	–	9,602	–	9,602

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

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

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

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

	Group 31 December 2020 \$'000			
	Fair value measurement at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Non-financial assets:				
Land and buildings	–	–	19,769	19,769
Investment properties (note 9)	–	–	932,199	932,199
Non-financial assets as at 31 December 2020	–	–	951,968	951,968
Financial assets:				
<u>Financial assets at FVTPL</u>				
Equity securities				
Quoted equity securities	59,581	–	–	59,581
<u>Financial assets at FVOCI</u>				
Equity securities				
Quoted equity securities	128,172	–	–	128,172
<u>Derivatives</u>				
Forward currency contracts	–	2,100	–	2,100
Financial assets as at 31 December 2020	187,753	2,100	–	189,853
Financial liabilities:				
<u>Derivatives</u>				
Forward currency contracts	–	9,603	–	9,603
Cross currency swap contracts	–	779	–	779
Forward commodity contracts	–	352	–	352
Total derivatives	–	10,734	–	10,734
Financial liabilities as at 31 December 2020	–	10,734	–	10,734

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

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

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

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

Company 30 June 2021 \$'000				
Fair value measurement at the end of the reporting period using				
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Non-financial assets:				
Land and buildings	–	–	584	584
Investment properties (note 9)	–	–	5,462	5,462
<hr/>				
Non-financial assets as at 30 June 2021	–	–	6,046	6,046

Company 31 December 2020 \$'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	–	–	595	595
Investment properties (note 9)	–	–	5,534	5,534
<hr/>				
Non-financial assets as at 31 December 2020	–	–	6,129	6,129

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

22. Segment information

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

The four reportable operating segments are as follows:

- (a) The Resources segment's principal activities are in the smelting of tin concentrates and tin bearing materials, the production of various grades of refined tin metal and the sale and delivery of refined tin metal and by-products, as well as investments in other metals and mineral resources.
- (b) The Real Estate segment comprises property investment, sales and leasing, property development, as well as property and real estate fund management. This includes the Group's 22.1% stake in ARA Asset Management Limited 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.

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

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

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

22. Segment information (cont'd)

Operating segments for 6 months ended 30 June 2021

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

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

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

22. Segment information (cont'd)

Operating segments for 6 months ended 30 June 2020

	Resources \$'000	Real Estate \$'000	Hospitality \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
Revenue						
Sale of tin, at a point in time	107,905	–	–	–	–	107,905
Smelting revenue, at a point in time	4,574	–	–	–	–	4,574
Sale of by-product, at a point in time	2,249	–	–	–	–	2,249
Other resources revenue, at a point in time	445	–	–	–	–	445
Rental and related income, over time	–	19,843	–	–	–	19,843
Inter-segment revenue	–	6	–	–	(6)	–
Total revenue	115,173	19,849	–	–	(6)	135,016
Segment results						
Operating profit	(2,326)	25,114	662	(4,477)	–	18,973
Fair value changes in investment properties	–	(805)	–	–	–	(805)
Finance costs	(2,027)	(7,384)	–	(4,375)	–	(13,786)
Share of results of associates and joint ventures	(625)	11,315	(5,561)	–	–	5,129
Profit/(Loss) before tax	(4,978)	28,240	(4,899)	(8,852)	–	9,511
Income tax expense	401	(3,746)	(112)	(166)	–	(3,623)
Profit/(Loss) after tax	(4,577)	24,494	(5,011)	(9,018)	–	5,888
Profit/(Loss) attributable to:						
Owners of the Company	(2,305)	21,819	(5,011)	(9,018)	–	5,485
Non-controlling interests	(2,272)	2,675	–	–	–	403
	(4,577)	24,494	(5,011)	(9,018)	–	5,888
Segment Assets	302,341	2,040,778	164,877	237,741	–	2,745,737
Segment Liabilities	145,823	624,023	–	368,820	–	1,138,666
Other information:						
Dividend income	–	3,322	–	1,180	–	4,502
Interest income	96	5,349	663	773	–	6,881
Depreciation	3,272	946	–	2	–	4,220
Amortisation	177	–	–	–	–	177
Other material non-cash items:						
Associates and joint ventures	9,600	803,599	98,325	–	–	911,524
Additions to non-current assets ⁽¹⁾	3,566	51,000	–	–	–	54,566
Inventories written down	4,610	–	–	–	–	4,610

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

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

22. Segment information (cont'd)

Geographical information

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

Geographical information for 6 months ended 30 June 2021

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

Geographical information for 6 months ended 30 June 2020

	Singapore \$'000	Malaysia \$'000	Australia \$'000	Japan \$'000	China \$'000	Consolidated \$'000
Segment revenue						
Revenue from external parties	1,307	115,262	10,427	5,550	2,470	135,016

23. Net asset value

	Group		Company	
	30 June 2021 \$	31 December 2020 \$	30 June 2021 \$	31 December 2020 \$
Net asset value per ordinary share	4.03	3.78	1.44	1.49

24. Events after the reporting period

Private Placement

On 15 July 2021, the Group's subsidiary, Malaysia Smelting Corporation Berhad ("MSC") announced that it proposed to undertake a private placement of up to 20,000,000 shares ("Placement Shares"), representing not more than 5% of the Company's total number of issued shares ("Proposed Private Placement"), to independent third-party investors. MSC submitted the additional listing application to Bursa Malaysia Securities Berhad ("Bursa Securities") on 15 July 2021 and obtained the approval from Bursa Securities on 19 July 2021. The Proposed Private Placement is undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Malaysia Companies Act 2016, approved by the shareholders at its 42nd Annual General Meeting held on 18 June 2021, and shall rank equally in all aspects with the existing MSC Shares in issue.

MSC has on 21 July 2021 ("Price-fixing Date") fixed the issue price for 20,000,000 Placement Shares at RM1.90 per Placement Share ("Issue Price"). The Issue Price represents a discount of RM0.0995 or approximately 5% to the 5-day volume weighted average market price of the MSC Shares up to and including 19 July 2021 of RM1.9995 per MSC Share.

On 30 July 2021, MSC announced the 20,000,000 Placement Shares were issued and allotted pursuant to the Private Placement, which raised proceeds of RM38 million, marking the completion of the Private Placement. These shares were listed on 2 Aug 2021.

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

24. Events after the reporting period (cont'd)

Proposed merger between ARA and ESR

On 4 August 2021, the Group's associate ARA Asset Management ("ARA") entered into an acquisition agreement with ESR Cayman ("ESR"). On completion of the transaction, the Group is expected to realise approximately US\$845.3 million (S\$1,140.4 million¹), including US\$99.9 million (S\$134.8 million¹) in cash, US\$678.4 million² (S\$915.3 million¹) in ESR shares and US\$67.0 million² (S\$90.4 million¹) in vendor loan notes from the proposed merger between ARA and ESR.

For more details, please refer to the announcement made by the Company on 5 August 2021.

¹ Based on exchange rate of US\$1.00:S\$1.349 and rounded to one decimal place.

² The numbers are computed based on consideration share price of HK\$27 and exchange rate of US\$1.00:HK\$7.776

G. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of The Straits Trading Company Limited (the “Company”) and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited nor reviewed.

2. Review of performance of the Group

Group

The Group reported a profit after tax and non-controlling interests of \$122.6 million and \$5.5 million for 1H2021 and 1H2020 respectively. Its real estate segment was the main contributor to the Group’s profit.

Resources

The resources segment reported a profit after tax and non-controlling interests for 1H2021 compared with a loss for the previous corresponding period.

The better performance was mainly due to higher tin sales volume and higher tin sales price compared to last year.

Real Estate

The real estate segment reported a higher profit after tax and non-controlling interests for 1H2021 compared with the previous corresponding period.

The higher profit for 1H2021 was mainly from fair value gains from the logistic properties portfolio in Australia and higher share of profits from a joint venture in South Korea.

Hospitality

The hospitality segment reported a slightly higher loss for 1H2021 compared with the previous corresponding period.

The segment continued to be adversely impacted by the COVID-19 pandemic as borders remain closed and ongoing lockdowns led to lower revenues.

Others

The net expenses for 1H2021 were mainly related to 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 full year 2020 financial results announcement made on 25 February 2021.

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

As COVID-19 vaccine rates increase around the world, countries like the United Kingdom have lifted coronavirus restrictions. However, countries in Asia like Malaysia have seen a rise in cases over the last few months and the situation is expected to remain challenging. Australian officials are also tightening lockdown measures as COVID-19 cases rise. Despite the challenges, the Group's balance sheet remains strong for the first half of 2021. The Group will continue to maintain discipline in deploying capital.

Straits Real Estate Pte. Ltd. ("SRE"), the Group's wholly-owned real estate investment vehicle, has a well-diversified income-producing portfolio spanning multiple real estate asset classes. The investment portfolio is also geographically diversified across Australia, China, Japan, Korea, Malaysia and the United Kingdom, which helps in mitigating varying degrees and timings of business disruptions brought about by COVID-19. Riding on last year's resilient performance, SRE has continued its steadfast investment in logistics development portfolio in Australia and Korea, which contributed both recurring rental incomes and significant valuation uplift. As many parts of the world are still battling with sporadic rises of COVID-19 cases, SRE remains focusing on assets benefiting from the ongoing pandemic and/or presenting secular growth trends.

ARA Asset Management Limited ("ARA"), the Group's 22.1%-owned associate announced on 14 May 2021 that it increased its strategic stake in Kenedix, Inc to 30%, up from 20.27% previously. ARA had earlier supported Sumitomo Mitsui Banking Corporation ("SMBC") Group's privatization of Kenedix, which was first announced in November 2020, and Kenedix was successfully delisted from the Tokyo Stock Exchange on 17 March 2021. On 17 May 2021, ARA announced that it has successfully raised US\$500 million in new equity with SMBC as the leader investor. SMBC, the largest entity of the Sumitomo Mitsui Financial Group, is among the world's premier financial institutions with US\$2.25 trillion in assets as at 31 December 2020 with a global presence in 40 countries. The strategic investment in ARA by SMBC is an endorsement of ARA's business model and growth prospects. On 4 August 2021, ARA entered into an acquisition agreement with ESR Cayman. The merger values our stake in ARA at approximately US\$845.3 million (S\$1,140.4 million). The carrying value of ARA on Straits Trading's book is S\$430 million as at 30 June 2021. The proposed transaction, when completed, will create APAC's largest real estate and real asset manager, and the third largest listed real estate asset manager globally with significant exposure to new economy real estate.

Malaysia Smelting Corporation Berhad ("MSC"), the Group's 54.8%-owned resources arm, remains cautious, and will continue to focus on its operational efficiencies and improve on all areas of operations, technology, manpower and logistics. Tin prices continue to trend upwards, lifted by continued demand for tin solder in consumer electronics, and supply disruptions due to lockdowns in tin producing countries around the world (Malaysia included), voluntary production cuts in Brazil and Indonesia, and political turmoil in Myanmar. The outlook for tin demand is promising from its continued use in semiconductors, electronics, home appliances, photovoltaics, automotive, and lithium-ion batteries. COVID-19 pandemic remains a threat despite availability of vaccines worldwide. Uncertainties persist about the future course of the pandemic and its further economic and social consequences arising thereafter. The operation in the Pulau Indah plant, using the newer and more efficient technology and a more productive work force, is currently in the testing stage and it is expected to be fully commissioned by late 2021/early 2022. For our tin mining segment, we have undertaken efforts to increase daily mining output and improve our overall mining productivity. The Group is also exploring potential joint ventures to expand its mining activities.

Far East Hospitality Holdings Pte. Ltd. ("FEHH"), the Group's 30%-owned hospitality arm continues to be adversely impacted by the COVID-19 pandemic. With the COVID-19 likely to become an endemic disease, recovery of the economy is dependent on the rate of vaccination globally. FEHH will continue to focus on the transformation of the brands and operations to enhance business resilience and grow its hospitality footprint.

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

5. Dividend information

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on?

No dividend has been declared for the six months ended 30 June 2021.

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

(b) Corresponding period of the immediate preceding financial year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

6. Interested person transactions

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

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

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

By Order of the Board

**Ngiam May Ling
Company Secretary**

**13 August 2021
Singapore**

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

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Chew Gek Khim
Director

Tan Chian Khong
Director

13 August 2021
Singapore