

**The Straits Trading Company Limited (Company Registration No. : 188700008D)**  
**Half Year Financial Statements Announcement for the Period Ended 30 June 2020**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR AND FULL YEAR RESULTS**

**1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

The unaudited results for the half year ended 30 June 2020 are as follow:

<b><u>GROUP</u></b>	<b>Note</b>	<b>Half Year (1H) Ended 30 June</b>		<b>+ / (-) %</b>
		<b>2020 \$'000</b>	<b>2019 \$'000</b>	
<b><u>Revenue</u></b>				
Tin mining and smelting revenue	A	<b>115,173</b>	196,977	(41.5)
Property revenue		<b>19,843</b>	19,373	2.4
Total revenue		<b>135,016</b>	216,350	(37.6)
<b><u>Other items of income/(loss)</u></b>				
Dividend income		<b>4,502</b>	6,510	(30.8)
Interest income	B	<b>6,881</b>	19,372	(64.5)
Fair value changes in investment properties	C	<b>(805)</b>	5,651	NM
Fair value changes in financial assets	D	<b>(4,236)</b>	4,970	NM
Other income		<b>4,687</b>	2,452	91.2
		<b>146,045</b>	255,305	(42.8)
<b><u>Other items of expense</u></b>				
Employee benefits expense		<b>(15,321)</b>	(14,743)	3.9
Depreciation expense		<b>(4,220)</b>	(3,287)	28.4
Amortisation expense		<b>(177)</b>	(313)	(43.5)
Costs of tin mining and smelting		<b>(103,492)</b>	(173,547)	(40.4)
Finance costs		<b>(13,786)</b>	(14,102)	(2.2)
Other expenses		<b>(11,092)</b>	(14,388)	(22.9)
Exchange gains/(losses)	E	<b>6,425</b>	(1,643)	NM
Total expenses		<b>(141,663)</b>	(222,023)	(36.2)
Share of results of associates and joint ventures	F	<b>5,129</b>	23,605	(78.3)
<b>Profit before tax</b>		<b>9,511</b>	56,887	(83.3)
Income tax expense		<b>(3,623)</b>	(9,328)	(61.2)
<b>Profit after tax</b>		<b>5,888</b>	47,559	(87.6)
<b>Profit attributable to:</b>				
<b>Owners of the Company</b>		<b>5,485</b>	42,526	(87.1)
<b>Non-controlling interests</b>		<b>403</b>	5,033	(92.0)
		<b>5,888</b>	47,559	(87.6)
<b>Earnings before interest, tax, depreciation and amortisation ("EBITDA")</b>		<b>27,694</b>	74,589	(62.9)

NM – Not meaningful

Notes to the Income Statement:

- (A) The decrease in 1H2020 was due to lower average tin prices and lower sales quantity of refined tin.
- (B) The decrease in 1H2020 was due to lower interest income from the notes issued by a joint venture.
- (C) The fair value loss in investment properties for 1H2020 was due to lower valuation for the retail mall in China. The loss was mitigated by fair value gains from the logistic portfolio in Australia.
- (D) The fair value loss in financial assets for 1H2020 were related to mark-to-market losses from short-term investment securities.
- (E) The exchange gains in 1H2020 were mainly due to a stronger Australian Dollar arising from our investments in debt instruments, and cash balances denominated in Japanese Yen and United States Dollars.
- (F) The decrease in the profits from associates and joint ventures were due to the impact of COVID-19 resulted in lower valuations for the retail malls portfolio in Malaysia, hospitality business and absence of one-off income and certain divestment gains in 1H2020. The decrease was mitigated by a higher valuation of the logistic property in South Korea.

**1(a)(ii) Statement of comprehensive income for the half year ended 30 June 2020.****GROUP**

	Half Year (1H) Ended 30 June	
	2020	2019
	\$'000	\$'000
<b>Profit after tax</b>	<b>5,888</b>	47,559
<b>Items that will not be reclassified to profit or loss:</b>		
Share of revaluation deficit on property, plant and equipment of associates	(3,719)	(358)
Net fair value changes in equity securities carried at fair value through other comprehensive income ("FVOCI")	(37,932)	17,926
Share of net fair value changes in equity securities carried at FVOCI of associates	(27,593)	4,842
	<b>(69,244)</b>	22,410
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Net fair value changes in cash flow hedges	(1,501)	(1,203)
Currency translation reserve	6,050	(3,668)
Share of reserves of associates and joint ventures	10,061	(5,277)
Realisation of foreign currency translation reserve to profit or loss	(222)	(79)
	<b>14,388</b>	(10,227)
<b>Other comprehensive income after tax for the period</b>	<b>(54,856)</b>	12,183
<b>Total comprehensive income for the period</b>	<b>(48,968)</b>	59,742
<b>Total comprehensive income attributable to:</b>		
<b>Owners of the Company</b>	<b>(47,122)</b>	54,460
<b>Non-controlling interests</b>	<b>(1,846)</b>	5,282
<b>Total comprehensive income for the period</b>	<b>(48,968)</b>	59,742

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

Balance sheets as at 30 June 2020

	Note	GROUP		Note	COMPANY	
		30 June 2020 \$'000	31 Dec 2019 \$'000		30 June 2020 \$'000	31 Dec 2019 \$'000
<b>Assets</b>						
<b>Non-current assets</b>						
Property, plant and equipment		49,795	43,612		592	599
Land under development		67,689	67,444		30,100	30,311
Investment properties	1	918,228	863,936		5,506	5,545
Goodwill		17,430	17,540		–	–
Other intangible assets		5,808	5,863		–	–
Subsidiaries		–	–		123,535	123,535
Associates and joint ventures	2	911,524	791,628		144	144
Deferred tax assets		4,511	3,119		–	–
Other non-current receivables		–	–		88,854	103,935
Derivative financial instruments		720	1,547		–	399
Investment securities	3	176,553	210,919		–	–
Other non-current assets		406	1,201		–	–
<b>Total non-current assets</b>		<b>2,152,664</b>	<b>2,006,809</b>		<b>248,731</b>	<b>264,468</b>
<b>Current assets</b>						
Inventories		142,602	153,092		–	–
Income tax receivables		9,227	7,311		24	197
Prepayments and accrued income		1,697	1,930		94	18
Trade related prepayments		24,365	1,847		–	–
Trade receivables		5,498	5,529		31	7
Other receivables		76,823	74,123	1a	1,193,069	1,091,862
Investment securities		72,789	65,869		–	–
Derivative financial instruments		9	886		–	–
Cash and short-term deposits		260,063	310,487		133,665	113,946
		593,073	621,074		1,326,883	1,206,030
Assets classified as held for sale		–	21,311		–	–
<b>Total current assets</b>		<b>593,073</b>	<b>642,385</b>		<b>1,326,883</b>	<b>1,206,030</b>
<b>Total assets</b>		<b>2,745,737</b>	<b>2,649,194</b>		<b>1,575,614</b>	<b>1,470,498</b>
<b>Equity and liabilities</b>						
<b>Equity</b>						
Share capital		568,968	568,968		568,968	568,968
Treasury shares		(2,596)	(2,055)		(2,596)	(2,055)
Retained earnings		915,698	932,861		42,087	45,088
Other reserves		(35,028)	19,347		(746)	1,421
<b>Equity attributable to owners of the Company</b>		<b>1,447,042</b>	<b>1,519,121</b>		<b>607,713</b>	<b>613,422</b>
Non-controlling interests		160,029	150,195		–	–
<b>Total equity</b>		<b>1,607,071</b>	<b>1,669,316</b>		<b>607,713</b>	<b>613,422</b>

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

Balance sheets as at 30 June 2020 (cont'd)

	Note	GROUP		Note	COMPANY	
		30 June 2020 \$'000	31 Dec 2019 \$'000		30 June 2020 \$'000	31 Dec 2019 \$'000
<b><u>Non-current liabilities</u></b>						
Provisions		9,157	9,061		–	–
Deferred tax liabilities		24,339	23,696		699	704
Borrowings	4	722,088	660,035	1b	262,719	199,481
Derivative financial instruments		1,946	311		1,114	–
Other non-current liabilities		9,054	10,846		–	–
Lease liabilities		6,147	1,700		–	–
<b>Total non-current liabilities</b>		<b>772,731</b>	<b>705,649</b>		<b>264,532</b>	<b>200,185</b>
<b><u>Current liabilities</u></b>						
Provisions		5,031	5,065		–	–
Income tax payable		6,602	6,098		370	314
Trade and other payables		60,798	49,715		622,999	656,577
Borrowings	4	287,193	210,030	1b	80,000	–
Derivative financial instruments		1,939	1,048		–	–
Lease liabilities		4,372	2,273		–	–
<b>Total current liabilities</b>		<b>365,935</b>	<b>274,229</b>		<b>703,369</b>	<b>656,891</b>
<b>Total liabilities</b>		<b>1,138,666</b>	<b>979,878</b>		<b>967,901</b>	<b>857,076</b>
<b>Total equity and liabilities</b>		<b>2,745,737</b>	<b>2,649,194</b>		<b>1,575,614</b>	<b>1,470,498</b>

Notes to Balance Sheets:

**Group**

- (1) The increase in investment properties was due to the acquisition and capital expenditure on properties in Australia and favorable exchange rate movements of properties in Japan, Australia and China.
- (2) The increase was mainly due to investment in a new joint venture in China and acquisition of additional 1.11% stake in ARA Asset Management Limited.
- (3) The decrease in value of long-term investment securities was due to lower share prices.
- (4) The increase was due to drawdown of loan facilities for investments.

**Company**

- (1a) The increase in other receivables was due to amounts due from subsidiaries.
- (1b) The increase was due to drawdown of loan facilities for investments

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand:**

<b>As at 30/06/2020</b>		<b>As at 31/12/2019</b>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
<b>95,898</b>	<b>191,295</b>	122,808	87,222

**Amount repayable after one year:**

<b>As at 30/06/2020</b>		<b>As at 31/12/2019</b>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
<b>489,626</b>	<b>232,462</b>	460,554	199,481

**Details of any collaterals:**

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

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated cash flow statement for the half year ended 30 June 2020

	Half Year (1H) Ended 30 June	
	2020	2019
	\$'000	\$'000
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	9,511	56,887
<u>Adjustments</u>		
Depreciation of property, plant and equipment	4,220	3,287
Amortisation of other intangible assets	177	313
Dividend income	(4,502)	(6,510)
Interest income	(6,881)	(19,372)
Finance costs	13,786	14,102
Currency realignment	(3,371)	3,858
Fair value changes in investment properties and financial assets	5,041	(10,621)
Net gain on disposal of property, plant and equipment, investment properties and other investments	(1,961)	(622)
Property, plant and equipment written off	6	29
Write down of inventories	4,610	–
Share of results of associates and joint ventures	(5,129)	(23,605)
<b>Operating cash flows before changes in working capital</b>	<b>15,507</b>	<b>17,746</b>
Decrease in inventories	4,815	11,316
Increase in short-term investment securities	(11,698)	(11,771)
(Increase)/decrease in trade and other receivables	(21,671)	791
Decrease in trade and other payables	(8,138)	(8,535)
<b>Cash flows (used in)/from operations</b>	<b>(21,185)</b>	<b>9,547</b>
Income taxes paid	(5,574)	(4,357)
Finance costs paid	(5,552)	(7,432)
Interest received	3,180	5,417
Dividend income from short-term investment securities	523	996
<b>Net cash flows (used in)/from operating activities</b>	<b>(28,608)</b>	<b>4,171</b>

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated cash flow statement for the half year ended 30 June 2020 (cont'd)

	Half Year (1H) Ended 30 June	
	2020 \$'000	2019 \$'000
<b><u>Cash flows from investing activities</u></b>		
Proceeds from disposal of property, plant and equipment and investment properties	31,505	17,232
Proceeds from redemption of debt instrument	–	1,280
Proceeds from disposal of investment securities	–	5,323
Cost incurred on property, plant and equipment	(1,925)	(1,790)
Cost incurred on investment properties	(39,974)	(5,565)
Cost incurred on land under development	(720)	(2,080)
Investment in associates and joint ventures	(117,347)	(13,631)
Subscription of debt instrument	(3,431)	–
Return of capital from associates	2,419	19,192
Payment for deferred mine exploration and evaluation expenditure and mine properties and other intangible assets	(163)	(167)
Dividend income from investment securities and associates	4,863	29,538
Income taxes paid	(137)	(604)
<b>Net cash flows (used in)/from investing activities</b>	<b>(124,910)</b>	<b>48,728</b>
<b><u>Cash flows from financing activities</u></b>		
Dividend paid to shareholders	(24,416)	(24,463)
Dividend paid to non-controlling shareholders of subsidiaries	(2,262)	(3,091)
Purchase of treasury shares	(541)	(480)
Net proceeds from issuance of shares by subsidiaries to non-controlling shareholders	14,024	2,537
Repayment of loan to non-controlling shareholders of subsidiaries	(1,741)	(4,060)
Return of capital to non-controlling shareholders	(82)	(374)
Drawdown/(repayment) of short-term borrowings	82,287	(4,154)
Drawdown of long-term borrowings	91,598	54,000
Repayment of long-term borrowings	(47,478)	(20,433)
Finance costs paid	(7,489)	(6,605)
Payment of lease liabilities	(2,068)	(1,448)
<b>Net cash flows from/(used in) financing activities</b>	<b>101,832</b>	<b>(8,571)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(51,686)</b>	<b>44,328</b>
Effect of exchange rate changes on cash and cash equivalents	1,262	365
Cash and cash equivalents, beginning balance	310,487	244,862
<b>Cash and cash equivalents, ending balance</b>	<b>260,063</b>	<b>289,555</b>



Notes to the Cash Flow Statement:

Net cash outflow from operating activities for 1H2020 was due to prepayments to tin ore suppliers and traders for tin smelting.

Net cash outflow from investing activities for 1H2020 was due to investments in associates and joint ventures.

Net cash inflow from financing activities for 1H2020 was due to the drawdown of borrowings.

(i) Significant non-cash transactions

There were no material non-cash transactions other than those disclosed in the cash flow statement.

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Statements of changes in equity for the period ended 30 June 2020**

**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 reserve	Non-controlling interests
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance at 1 January 2020</b>	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)
<b>Contributions by and distributions to owners</b>											
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)
<b>Total contributions by and distributions to owners</b>	<b>(13,277)</b>	<b>(24,957)</b>	<b>–</b>	<b>(541)</b>	<b>(24,416)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>11,680</b>
<b>Others</b>											
Share of associate's realisation of FVOCI reserve	–	–	–	–	1,768	(1,768)	–	–	–	–	–
Share of other changes in equity of an associate	–	–	–	–	–	–	–	–	144	(144)	–
<b>Total others</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,768</b>	<b>(1,768)</b>	<b>–</b>	<b>–</b>	<b>144</b>	<b>(144)</b>	<b>–</b>
<b>Closing balance at 30 June 2020</b>	<b>1,607,071</b>	<b>1,447,042</b>	<b>568,968</b>	<b>(2,596)</b>	<b>915,698</b>	<b>(51,763)</b>	<b>(4,912)</b>	<b>26,078</b>	<b>(8,135)</b>	<b>3,704</b>	<b>160,029</b>

## Statements of changes in equity for the period ended 30 June 2020 (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 reserve	Reserve of assets classified as held for sale	Non-controlling interests
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance at 1 January 2019</b>	1,593,659	1,462,349	568,968	(598)	871,175	8,358	(947)	27,525	(16,331)	3,839	360	131,310
Total comprehensive income for the period	59,742	54,460	–	–	42,526	21,544	(2,061)	(358)	(7,191)	–	–	5,282
<u>Contributions by and distributions to owners</u>												
Dividend for FY2018	(24,463)	(24,463)	–	–	(24,463)	–	–	–	–	–	–	–
Dividend to non-controlling interests	(3,091)	–	–	–	–	–	–	–	–	–	–	(3,091)
Contribution of capital by non-controlling interests	2,537	–	–	–	–	–	–	–	–	–	–	2,537
Shares buy back	(480)	(480)	–	(480)	–	–	–	–	–	–	–	–
Return of capital to non-controlling interests	(374)	–	–	–	–	–	–	–	–	–	–	(374)
<b>Total contributions by and distributions to owners</b>	<b>(25,871)</b>	<b>(24,943)</b>	<b>–</b>	<b>(480)</b>	<b>(24,463)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(928)</b>
<u>Others</u>												
Share of associate's realisation of FVOCI reserve	–	–	–	–	(92)	92	–	–	–	–	–	–
Transfer of reserves of assets classified as held for sale	–	–	–	–	360	–	–	–	–	–	(360)	–
Realisation of FVOCI reserve	–	–	–	–	714	(714)	–	–	–	–	–	–
Share of other changes in equity of an associate	103	92	–	–	92	–	–	–	–	–	–	11
<b>Total others</b>	<b>103</b>	<b>92</b>	<b>–</b>	<b>–</b>	<b>1,074</b>	<b>(622)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(360)</b>	<b>11</b>
<b>Closing balance at 30 June 2019</b>	<b>1,627,633</b>	<b>1,491,958</b>	<b>568,968</b>	<b>(1,078)</b>	<b>890,312</b>	<b>29,280</b>	<b>(3,008)</b>	<b>27,167</b>	<b>(23,522)</b>	<b>3,839</b>	<b>–</b>	<b>135,675</b>

## Statements of changes in equity for the period ended 30 June 2020 (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
<b>Opening balance at 1 January 2020</b>	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)	–	–	–	–
<b>Total contributions by and distributions to owners</b>	<b>(24,957)</b>	<b>(24,957)</b>	<b>–</b>	<b>(541)</b>	<b>(24,416)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>(24,957)</b>	<b>(24,957)</b>	<b>–</b>	<b>(541)</b>	<b>(24,416)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Closing balance at 30 June 2020</b>	<b>607,713</b>	<b>607,713</b>	<b>568,968</b>	<b>(2,596)</b>	<b>42,087</b>	<b>559</b>	<b>(1,115)</b>	<b>(190)</b>

	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
<b>Opening balance at 1 January 2019</b>	615,055	615,055	568,968	(598)	45,240	555	–	890
Total comprehensive income for the period	22,816	22,816	–	–	23,799	–	(284)	(699)
<u>Contributions by and distributions to owners</u>								
Dividend for FY2018	(24,463)	(24,463)	–	–	(24,463)	–	–	–
Shares buy back	(480)	(480)	–	(480)	–	–	–	–
<b>Total contributions by and distributions to owners</b>	<b>(24,943)</b>	<b>(24,943)</b>	<b>–</b>	<b>(480)</b>	<b>(24,463)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>(24,943)</b>	<b>(24,943)</b>	<b>–</b>	<b>(480)</b>	<b>(24,463)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Closing balance at 30 June 2019</b>	<b>612,928</b>	<b>612,928</b>	<b>568,968</b>	<b>(1,078)</b>	<b>44,576</b>	<b>555</b>	<b>(284)</b>	<b>191</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the six months ended 30 June 2020, the changes in the Company's issued share capital were as follows:

	<b><u>No. of Shares</u></b>
As at 1 January 2020	407,165,772
Purchase of treasury shares	<u>(293,200)</u>
As at 30 June 2020	<u>406,872,572</u>

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

**Ordinary share capital**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Total number of ordinary shares in issue (excluding treasury shares)	<b>406,872,572</b>	407,165,772

**Treasury share**

Movements in the Company's treasury shares were as follows:

	<b><u>No. of Shares</u></b>
As at 1 January 2020	930,000
Purchase of treasury shares	<u>293,200</u>
As at 30 June 2020	<u>1,223,200</u>

As at 30 June 2020, the Company held 1,223,200 treasury shares (31 December 2019: 930,000) which represents 0.3% of the total number of issued shares (excluding treasury shares).

**1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the six months ended 30 June 2020.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

These figures had not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter).**

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in item 5 below, the Group had applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2019.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted the following new and revised FRS that are effective for the financial period beginning 1 January 2020:

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: *Definition of Material*

Amendments to SFRS(I) 3: *Definition of a Business*

Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7: *Interest Rate Benchmark Reform*

The adoption of these FRSs did not have any significant financial impact on the financial position or performance of the Group.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Half Year (1H) Ended 30 June	
	2020	2019
Basic and diluted earnings per share for the period based on Group's profit attributable to owners of the Company	1.3 cents	10.4 cents

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

**(a) current financial period reported on; and**

**(b) immediately preceding financial year.**

Net asset value per share based on issued share capital (excluding treasury shares) at the end of:	30 June 2020	31 December 2019
The Group	\$3.56	\$3.73
The Company	\$1.49	\$1.51

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

The following tables summarise the 1H2020 operating results by business segments and comparatives for 1H2019.

**1H2020 Operating Segment Results**

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>						
External revenue	115,173	19,843	–	–	–	135,016
Inter-segment revenue	–	6	–	–	(6)	–
Total revenue	115,173	19,849	–	–	(6)	135,016
<b>Segment results</b>						
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 before tax	(4,978)	28,240	(4,899)	(8,852)	–	9,511
Income tax expense	401	(3,746)	(112)	(166)	–	(3,623)
Profit after tax	(4,577)	24,494	(5,011)	(9,018)	–	5,888
<b>Profit attributable to:</b>						
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

**1H2019 Operating Segment Results**

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>						
External revenue	196,977	19,373	–	–	–	216,350
Inter-segment revenue	–	6	–	–	(6)	–
Total revenue	196,977	19,379	–	–	(6)	216,350
<b>Segment results</b>						
Operating profit	10,687	24,762	1,725	4,559	–	41,733
Fair value changes in investment properties	–	5,651	–	–	–	5,651
Finance costs	(2,247)	(8,458)	–	(3,397)	–	(14,102)
Share of results of associates and joint ventures	124	24,164	(683)	–	–	23,605
Profit before tax	8,564	46,119	1,042	1,162	–	56,887
Income tax expense	(3,742)	(4,558)	(112)	(916)	–	(9,328)
Profit after tax	4,822	41,561	930	246	–	47,559
<b>Profit attributable to:</b>						
Owners of the Company	2,805	38,545	930	246	–	42,526
Non-controlling interests	2,017	3,016	–	–	–	5,033
	4,822	41,561	930	246	–	47,559

Note:

- Real Estate – This comprises the property portfolio, investments in Straits Real Estate Pte. Ltd. (“SRE”), Suntec REIT and ARA Asset Management Limited (“ARA”).
- Hospitality – This comprises the investments in Far East Hospitality Holdings Pte. Ltd. (“FEHH”) and Far East Hospitality Trust (“FEHT”). The entire investment in FEHT was disposed of in 3Q2019.
- Others – This comprises Group-level corporate and treasury services.



### **Group**

The Group reported a profit after tax and non-controlling interests of \$5.5 million and \$42.5 million for 1H2020 and 1H2019 respectively. The lower profit was a consequence of (i) adverse change in the valuation of certain investment properties, (ii) share of losses of a hospitality associate which was impacted by the COVID-19 pandemic, (iii) the decline in market value of short-term investment securities, and (iv) absence of certain one-off income and gains.

### **Resources**

The resources segment reported a loss after tax and non-controlling interests for 1H2020 compared with the profit for the previous corresponding period.

The loss was due to reduced activities and lower tin prices, as the Movement Control Order imposed by the Government of Malaysia resulted in a disruption in the operations of the mine and the smelter.

### **Real Estate**

The Group's real estate segment reported a lower profit after tax and non-controlling interests for 1H2020 compared with the previous corresponding period.

The lower profit for 1H2020 were mainly due to lower interest income from the notes issued by a joint venture and fair value losses from the retail mall properties in China and Malaysia. The decrease was mitigated by fair value gains from the logistic properties portfolio in Australia and South Korea.

### **Hospitality**

The hospitality segment reported a loss for 1H2020. The hospitality associate was adversely impacted by the COVID-19 pandemic, including revaluation losses on certain hotel properties and impairment charges.

### **Others**

The net expenses for 1H2020 were mainly related to mark-to-market losses of short-term investment securities and interest expenses.

## **9. 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 2019 full year financial results announcement made on 25 February 2020.

**10. 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 reporting period and the next 12 months.**

The Group's businesses are not immune to the COVID-19 outbreak. Fortunately, the Group's investments in the various business platforms and diversified portfolios that span the real estate value chain across different geographies is expected to abate the adverse impact. In the immediate term, the Group is well-capitalised to fund essential expenditures and committed investments. The Group also has the capacity to seize opportunities that the COVID-19 outbreak might present. The Group continues to exercise prudence when considering new investments.

Straits Real Estate Pte. Ltd. ("SRE"), the Group's 89.5%-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 and Malaysia, which helps in mitigating varying degrees and timings of business disruptions brought about by COVID-19. Despite the operational challenges, SRE's multi-asset multi-geography portfolio demonstrated strong resilience and will continue to generate recurring incomes. It will continue to pursue attractive investment opportunities to ride through the near-term economic turmoil and position for the eventual recovery.

ARA Asset Management Limited ("ARA"), the Group's 22.1%-owned associate, has grown its gross assets under management ("AUM") to S\$110 billion as at June 2020. During the first half of 2020, ARA:

- Completed the acquisition of a majority stake in LOGOS Group, one of Asia Pacific's leading logistics property groups. LOGOS operates as ARA's exclusive platform for logistics assets globally.
- Completed the acquisition of a majority stake in Venn Partners LLP, an investment manager in European real estate private debt.
- Took a stake in a leading Singapore-based non-bank fintech company, Minterest Group. The acquisition marks ARA's foray into the fintech sector where it aims to create a digital marketplace for institutional quality real estate investment opportunities.

COVID-19 will have an impact on ARA's financial performance with certain segments more affected than the others, and on its growth momentum in the near term given the weak capital markets.

Despite the challenges, the Group can expect to continue to benefit from the ARA's multi-platform, multi-product global fund management business, and contributions from the new businesses.

Malaysia Smelting Corporation Berhad ("MSC"), the Group's 54.8%-owned resources arm, continues to face challenging market conditions in the face of the COVID-19 shockwaves and prolonged global trade tensions. Nevertheless, it will continue to focus on operational efficiencies to mitigate these challenges. MSC is undertaking efforts to improve on all areas of operations, technology, manpower and logistics. It will commence commercial production at the new smelting facility in Pulau Indah, Port Klang in 3Q2020. Both plants will be operating in parallel until smooth operations are achieved.

Far East Hospitality Holdings Pte. Ltd. ("FEHH"), the Group's 30%-owned hospitality arm is affected by the plunge in travel demand amid the COVID-19 outbreak. Its businesses across major markets of Singapore, Australia and Germany experienced significant drop in demand as international tourist arrivals have fallen. The operating conditions will remain challenging until the pandemic abates. FEHH will continue to undertake mitigation measures and manage cashflow as the recovery trajectory remains protracted and uncertain.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately 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.

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

No dividend has been declared for the six months ended 30 June 2020.

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

- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company did not seek and does not have a general mandate from shareholders pursuant to Rule 920 of the Listing Manual.

- 14. Negative confirmation pursuant to Rule 705(5).**

The Board of Directors of the Company hereby confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the first half 2020 financial results to be false or misleading in any material aspect.

- 15. Confirmation of Undertakings from Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual**

The Company has procured undertakings from all its Directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**  
**Aldric Tan Jee Wei**  
**Secretary**

14 August 2020  
Singapore

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