

The Straits Trading Company Limited (Company Registration No. : 188700008D)
Half Year and Full Year Financial Statements and Dividend Announcement for the Year Ended 31 December 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 and full year ended 31 December 2020 are as follow:

GROUP	Note	Half Year (2H) Ended 31 December			Full Year Ended 31 December		
		2020 \$'000	2019 \$'000	+ / (-) %	2020 \$'000	2019 \$'000	+ / (-) %
Revenue							
Tin mining and smelting revenue	A	151,611	127,085	19.3	266,784	324,062	(17.7)
Property revenue		22,264	20,202	10.2	42,107	39,575	6.4
Total revenue		173,875	147,287	18.1	308,891	363,637	(15.1)
Other items of income/(loss)							
Dividend income		4,131	4,668	(11.5)	8,633	11,178	(22.8)
Interest income	B	4,641	23,699	(80.4)	11,522	43,071	(73.2)
Fair value changes in investment properties	C	38,166	21,236	79.7	37,361	26,887	39.0
Fair value changes in financial assets	D	2,099	202	939.1	(2,137)	5,172	NM
Other income	E	17,730	7,874	125.2	22,417	10,326	117.1
		240,642	204,966	17.4	386,687	460,271	(16.0)
Other items of expense							
Employee benefits expense		(16,439)	(22,867)	(28.1)	(31,760)	(37,610)	(15.6)
Depreciation expense		(3,473)	(4,123)	(15.8)	(7,693)	(7,410)	3.8
Amortisation expense		(252)	(353)	(28.6)	(429)	(666)	(35.6)
Impairment losses		(902)	(15)	NM	(902)	(15)	NM
Costs of tin mining and smelting		(119,452)	(98,191)	21.7	(222,944)	(271,738)	(18.0)
Finance costs		(15,983)	(13,583)	17.7	(29,769)	(27,685)	7.5
Other expenses		(13,882)	(14,844)	(6.5)	(24,974)	(29,232)	(14.6)
Exchange gains/(losses)	F	12,582	(450)	NM	19,007	(2,093)	NM
Total expenses		(157,801)	(154,426)	2.2	(299,464)	(376,449)	(20.5)
Share of results of associates and joint ventures	G	3,605	21,893	(83.5)	8,734	45,498	(80.8)
Profit before tax		86,446	72,433	19.3	95,957	129,320	(25.8)
Income tax expense		(21,157)	(19,638)	7.7	(24,780)	(28,966)	(14.5)
Profit after tax		65,289	52,795	23.7	71,177	100,354	(29.1)
Profit attributable to:							
Owners of the Company		45,998	41,845	9.9	51,483	84,371	(39.0)
Non-controlling interests		19,291	10,950	76.2	19,694	15,983	23.2
		65,289	52,795	23.7	71,177	100,354	(29.1)
Earnings before interest expense, tax, depreciation and amortisation (“EBITDA”)		106,154	90,492	17.3	133,848	165,081	(18.9)

NM – Not meaningful

Notes to the Income Statement:

- (A) The increase in 2H2020 was mainly due to increase in average tin prices and higher sales quantity of refined tin.
- (B) The decrease in 2H2020 was due to lower interest income from the notes issued by a joint venture.
- (C) The increase in 2H2020 was due to higher fair value gains from the logistic portfolio in Australia.
- (D) The fair value gains in financial assets for 2H2020 were related to mark-to-market gains from short-term investment securities.
- (E) Included in 2H2020 other income is the gain on sale of the Japan residential portfolio.
- (F) The exchange gains in 2H2020 were mainly due to a stronger Australian Dollar arising from our investments in debt instruments.
- (G) The decrease in the share of results from associates and joint ventures were due to the impact of COVID-19 resulted in lower valuations for the retail malls portfolio in Malaysia and Japan. The decrease was mitigated by valuation gain from a retail mall in China.

1(a)(ii) Statement of comprehensive income for the half year and full year ended 31 December 2020.

<u>GROUP</u>	Half Year (2H) Ended 31 December		Full Year Ended 31 December	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Profit after tax	65,289	52,795	71,177	100,354
Items that will not be reclassified to profit or loss:				
Net revaluation surplus on property, plant and equipment	1,345	888	1,345	888
Share of revaluation surplus on property, plant and equipment of an associate	5,578	2,143	1,859	1,785
Net fair value changes in equity securities carried at fair value through other comprehensive income ("FVOCI")	11,822	(10,616)	(26,110)	7,310
Share of net fair value changes in equity securities carried at FVOCI of associates	8,729	(7,105)	(18,864)	(2,263)
	27,474	(14,690)	(41,770)	7,720
Items that may be reclassified subsequently to profit or loss:				
Net fair value changes in cash flow hedges	472	1,696	(1,029)	493
Currency translation reserve	16,457	(3,451)	22,507	(7,119)
Share of reserves of associates and joint ventures	11,499	(66)	21,560	(5,343)
Realisation of foreign currency translation reserve to profit or loss	(2,205)	1,465	(2,427)	1,386
	26,223	(356)	40,611	(10,583)
Other comprehensive income after tax for the period/year	53,697	(15,046)	(1,159)	(2,863)
Total comprehensive income for the period/year	118,986	37,749	70,018	97,491
Total comprehensive income attributable to:				
Owners of the Company	93,169	28,140	46,047	82,600
Non-controlling interests	25,817	9,609	23,971	14,891
Total comprehensive income for the period/year	118,986	37,749	70,018	97,491

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 31 December 2020

	Note	GROUP		Note	COMPANY	
		31 Dec 2020 \$'000	31 Dec 2019 \$'000		31 Dec 2020 \$'000	31 Dec 2019 \$'000
Assets						
Non-current assets						
Property, plant and equipment		53,936	43,612		595	599
Land under development		72,634	67,444		30,254	30,311
Investment properties	1	932,199	863,936		5,534	5,545
Goodwill		17,516	17,540		–	–
Other intangible assets		5,217	5,863		–	–
Subsidiaries		–	–		123,535	123,535
Associates and joint ventures	2	984,924	791,628		144	144
Deferred tax assets		6,871	3,119		–	–
Other non-current receivables		1	–		128,475	103,935
Derivative financial instruments		1,494	1,547		–	399
Investment securities		180,603	210,919		–	–
Other non-current assets		4,951	1,201		–	–
Total non-current assets		2,260,346	2,006,809		288,537	264,468
Current assets						
Inventories		197,818	153,092		–	–
Income tax receivables		5,836	7,311		80	197
Prepayments and accrued income		4,506	1,930		24	18
Trade related prepayments		3,357	1,847		–	–
Trade receivables		11,364	5,529		7	7
Other receivables		79,939	74,123	1a	1,202,500	1,091,862
Investment securities		65,842	65,869		–	–
Derivative financial instruments		606	886		–	–
Cash and short-term deposits		456,332	310,487		249,431	113,946
		825,600	621,074		1,452,042	1,206,030
Assets classified as held for sale		–	21,311		–	–
Total current assets		825,600	642,385		1,452,042	1,206,030
Total assets		3,085,946	2,649,194		1,740,579	1,470,498
Equity and liabilities						
Equity						
Share capital		568,968	568,968		568,968	568,968
Treasury shares		(2,682)	(2,055)		(2,682)	(2,055)
Retained earnings		961,506	932,861		39,885	45,088
Other reserves		10,206	19,347		27	1,421
Equity attributable to owners of the Company		1,537,998	1,519,121		606,198	613,422
Non-controlling interests		188,940	150,195		–	–
Total equity		1,726,938	1,669,316		606,198	613,422

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 31 December 2020 (cont'd)

	Note	GROUP		Note	COMPANY	
		31 Dec	31 Dec		31 Dec	31 Dec
		2020	2019		2020	2019
		\$'000	\$'000		\$'000	\$'000
<u>Non-current liabilities</u>						
Provisions		11,947	9,061		–	–
Deferred tax liabilities		35,142	23,696		702	704
Borrowings	3	613,277	660,035	1b	261,059	199,481
Derivative financial instruments		2,884	311		–	–
Other non-current liabilities		16,704	10,846		–	–
Lease liabilities		4,836	1,700		–	–
Total non-current liabilities		684,790	705,649		261,761	200,185
<u>Current liabilities</u>						
Provisions		4,512	5,065		–	–
Income tax payable		13,487	6,098		156	314
Trade and other payables		70,153	49,715		621,780	656,577
Borrowings	3	575,264	210,030	1b	249,905	–
Derivative financial instruments		7,850	1,048		779	–
Lease liabilities		2,952	2,273		–	–
Total current liabilities		674,218	274,229		872,620	656,891
Total liabilities		1,359,008	979,878		1,134,381	857,076
Total equity and liabilities		3,085,946	2,649,194		1,740,579	1,470,498

Notes to Balance Sheets:

Group

- (1) The increase in investment properties was due to the acquisition and capital expenditure on properties in the United Kingdom and Australia, fair value gains on properties in Australia and favorable exchange rate movements of properties in Australia, Japan and China. This increase is partially offset by the sale of the Japan residential portfolio.
- (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 increase was due to the issuance of \$200 million, 3.75% fixed rate notes in October 2020 and 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 the issuance of \$200 million, 3.75% fixed rate notes in October 2020 and 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:**

As at 31/12/2020		As at 31/12/2019	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
234,176	341,088	122,808	87,222

Amount repayable after one year:

As at 31/12/2020		As at 31/12/2019	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
369,256	244,021	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 and full year ended 31 December 2020

	Half Year (2H) Ended 31 December		Full Year Ended 31 December	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<u>Cash flows from operating activities</u>				
Profit before tax	86,446	72,433	95,957	129,320
<u>Adjustments</u>				
Depreciation of property, plant and equipment	3,473	4,123	7,693	7,410
Amortisation of other intangible assets	252	353	429	666
Dividend income	(4,131)	(4,668)	(8,633)	(11,178)
Interest income	(4,641)	(23,699)	(11,522)	(43,071)
Finance costs	15,983	13,583	29,769	27,685
Currency realignment	(13,233)	1,667	(16,604)	5,525
Fair value changes in investment properties and financial assets	(40,265)	(21,438)	(35,224)	(32,059)
Net gain on disposal of property, plant and equipment, investment properties and other investments	(14,121)	(1,299)	(16,082)	(1,921)
Write down of intangible assets	4	–	4	–
Write down of inventories	(6,965)	10,191	(2,355)	10,191
Provision for impairment losses of investment, property, plant and equipment and intangible assets	902	15	902	15
Property, plant and equipment written off	39	77	45	106
Net gain on disposal of disposal group classified as held for sale	–	(21)	–	(21)
Share of results of associates and joint ventures	(3,605)	(21,893)	(8,734)	(45,498)
Operating cash flows before changes in working capital	20,138	29,424	35,645	47,170
Increase in inventories	(47,186)	(12,593)	(42,371)	(1,277)
(Increase)/Decrease in short-term investment securities	(10,740)	13,440	(22,438)	1,669
Decrease/(Increase) in trade and other receivables	13,717	6,050	(7,954)	6,841
Increase/(Decrease) in trade and other payables	15,670	(6,584)	7,532	(15,119)
Cash flows (used in)/from operations	(8,401)	29,737	(29,586)	39,284
Income taxes paid	39	(4,869)	(5,535)	(9,226)
Finance costs paid	(2,655)	(5,024)	(8,207)	(12,456)
Interest received	1,494	3001	4,674	8,418
Dividend income from short-term investment securities	807	836	1,330	1,832
Net cash flows (used in)/from operating activities	(8,716)	23,681	(37,324)	27,852

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 and full year ended 31 December 2020 (cont'd)

	Half Year (2H) Ended 31 December		Full Year Ended 31 December	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<u>Cash flows from investing activities</u>				
Proceeds from disposal of property, plant and equipment and investment properties	252,356	90,918	283,861	108,150
Proceeds from redemption of debt instrument	22,200	100	22,200	1,380
Proceeds from disposal of investment securities	26,421	5,793	26,421	11,116
Cost incurred on property, plant and equipment	(3,858)	(3,392)	(5,783)	(5,182)
Cost incurred on investment properties	(193,806)	(50,401)	(233,780)	(55,966)
Cost incurred on land under development	(4,621)	(2,702)	(5,341)	(4,782)
Purchase of investment securities	(1,000)	–	(1,000)	–
Initial payment on properties	(3,470)	–	(3,470)	–
Investment in associates and joint ventures	(36,161)	(16,386)	(153,508)	(30,017)
Subscription of debt instruments	(16,200)	(29,910)	(19,631)	(29,910)
Return of capital from associates	8,373	21,736	10,792	40,928
Payment for deferred mine exploration and evaluation expenditure and mine properties and other intangible assets	(272)	(116)	(435)	(283)
Dividend income from investment securities and associates	2,029	5,593	6,892	35,131
Interest received	469	1,938	469	1,938
Income taxes paid	(1,043)	(2,736)	(1,180)	(3,340)
Net cash flows from/(used in) investing activities	51,417	20,435	(73,493)	69,163
<u>Cash flows from financing activities</u>				
Dividend paid to shareholders	–	–	(24,416)	(24,463)
Carried interest paid to General Partner of a subsidiary	(2,123)	–	(2,123)	–
Dividend paid to non-controlling shareholders of subsidiaries	(1,979)	(1,708)	(4,241)	(4,799)
Purchase of treasury shares	(86)	(977)	(627)	(1,457)
Net proceeds from issuance of shares by subsidiaries to non-controlling shareholders	8,617	7,550	22,641	10,087
Repayment of loan to non-controlling shareholders of subsidiaries	(14)	836	(1,755)	(3,224)
Return of capital to non-controlling shareholders	(3,544)	(931)	(3,626)	(1,305)
(Repayment)/Drawdown of short-term borrowings	(24,126)	(9,611)	58,161	(13,765)
Drawdown of long-term borrowings	116,056	179,939	207,654	233,939
Repayment of long-term borrowings	(124,381)	(188,079)	(171,859)	(208,512)
Proceeds from issuance of fixed rate notes	198,000	–	198,000	–
Finance costs paid	(9,300)	(7,544)	(16,789)	(14,149)
Payment of lease liabilities	(2,541)	(1,971)	(4,609)	(3,419)
Net cash flows from/(used in) financing activities	154,579	(22,496)	256,411	(31,067)
Net increase in cash and cash equivalents	197,280	21,620	145,594	65,948
Effect of exchange rate changes on cash and cash equivalents	(1,011)	(688)	251	(323)
Cash and cash equivalents, beginning balance	260,063	289,555	310,487	244,862
Cash and cash equivalents, ending balance	456,332	310,487	456,332	310,487

Notes to the Cash Flow Statement:

Net cash outflow from operating activities for 2H2020 was due to prepayments to tin ore suppliers and traders for tin smelting.

Net cash inflow from investing activities for 2H2020 was due to disposal of the Japan residential portfolio.

Net cash inflow from financing activities for 2H2020 was due to the issuance of \$200 million, 3.75% fixed rate notes in October 2020.

(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 year ended 31 December 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
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 year	70,014	46,043	–	–	51,483	(44,486)	(2,507)	2,593	38,960	–	23,971
Contributions by and distributions to owners											
Dividend on ordinary shares for FY2019	(24,416)	(24,416)	–	–	(24,416)	–	–	–	–	–	–
Dividend to non-controlling interests	(3,991)	–	–	–	–	–	–	–	–	–	(3,991)
Contribution of capital by non-controlling interests	22,641	–	–	–	–	–	–	–	–	–	22,641
Shares buy back	(627)	(627)	–	(627)	–	–	–	–	–	–	–
Return of capital to non-controlling interests	(3,626)	–	–	–	–	–	–	–	–	–	(3,626)
Total contributions by and distributions to owners	(10,019)	(25,043)	–	(627)	(24,416)	–	–	–	–	–	15,024
Others											
Realisation of FVOCI reserve	–	–	–	–	2,567	(2,567)	–	–	–	–	–
Share of associate's realisation of FVOCI reserve	–	–	–	–	1,818	(1,818)	–	–	–	–	–
Share of transfer of statutory reserve of an associate	–	–	–	–	(684)	–	–	–	–	684	–
Share of other changes in equity of an associate	–	–	–	–	–	–	–	–	(9)	9	–
Others	(2,373)	(2,123)	–	–	(2,123)	–	–	–	–	–	(250)
Total others	(2,373)	(2,123)	–	–	1,578	(4,385)	–	–	(9)	693	(250)
Closing balance at 31 December 2020	1,726,938	1,537,998	568,968	(2,682)	961,506	(36,601)	(3,973)	32,390	13,849	4,541	188,940

Statements of changes in equity for the year ended 31 December 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
Opening balance at 1 January 2019	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 year	97,491	82,600	–	–	84,371	5,247	(519)	2,272	(8,771)	–	–	14,891
<u>Contributions by and distributions to owners</u>												
Dividend on ordinary shares for FY2018	(24,463)	(24,463)	–	–	(24,463)	–	–	–	–	–	–	–
Dividend to non-controlling interests	(4,799)	–	–	–	–	–	–	–	–	–	–	(4,799)
Contribution of capital by non-controlling interests	10,087	–	–	–	–	–	–	–	–	–	–	10,087
Shares buy back	(1,457)	(1,457)	–	(1,457)	–	–	–	–	–	–	–	–
Return of capital to non-controlling interests	(1,305)	–	–	–	–	–	–	–	–	–	–	(1,305)
Total contributions by and distributions to owners	(21,937)	(25,920)	–	(1,457)	(24,463)	–	–	–	–	–	–	3,983
<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)	–
Share of transfer of statutory reserve of an associate	–	–	–	–	(9)	–	–	–	–	9	–	–
Realisation of FVOCI reserve	–	–	–	–	1,427	(1,427)	–	–	–	–	–	–
Share of other changes in equity of an associate	103	92	–	–	92	–	–	–	–	–	–	11
Total others	103	92	–	–	1,778	(1,335)	–	–	–	9	(360)	11
Closing balance at 31 December 2019	1,669,316	1,519,121	568,968	(2,055)	932,861	12,270	(1,466)	29,797	(25,102)	3,848	–	150,195

Statements of changes in equity for the year ended 31 December 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
Opening balance at 1 January 2020	613,422	613,422	568,968	(2,055)	45,088	559	399	463
Total comprehensive income for the year	17,819	17,819	–	–	19,213	3	(1,178)	(219)
<u>Contributions by and distributions to owners</u>								
Dividend on ordinary shares for FY2019	(24,416)	(24,416)	–	–	(24,416)	–	–	–
Shares buy back	(627)	(627)	–	(627)	–	–	–	–
Total contributions by and distributions to owners	(25,043)	(25,043)	–	(627)	(24,416)	–	–	–
Total transactions with owners in their capacity as owners	(25,043)	(25,043)	–	(627)	(24,416)	–	–	–
Closing balance at 31 December 2020	606,198	606,198	568,968	(2,682)	39,885	562	(779)	244

	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 2019	615,055	615,055	568,968	(598)	45,240	555	–	890
Total comprehensive income for the year	24,287	24,287	–	–	24,311	4	399	(427)
<u>Contributions by and distributions to owners</u>								
Dividend on ordinary shares for FY2018	(24,463)	(24,463)	–	–	(24,463)	–	–	–
Shares buy back	(1,457)	(1,457)	–	(1,457)	–	–	–	–
Total contributions by and distributions to owners	(25,920)	(25,920)	–	(1,457)	(24,463)	–	–	–
Total transactions with owners in their capacity as owners	(25,920)	(25,920)	–	(1,457)	(24,463)	–	–	–
Closing balance at 31 December 2020	613,422	613,422	568,968	(2,055)	45,088	559	399	463

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 31 December 2020, the changes in the Company's issued share capital were as follows:

	<u>No. of Shares</u>
As at 30 June 2020	406,872,572
Purchase of treasury shares	<u>(53,000)</u>
As at 31 December 2020	<u>406,819,572</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

	31 December 2020	31 December 2019
Total number of ordinary shares in issue (excluding treasury shares)	406,819,572	407,165,772

Treasury share

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

	<u>No. of Shares</u>
As at 30 June 2020	1,223,200
Purchase of treasury shares	<u>53,000</u>
As at 31 December 2020	<u>1,276,200</u>

As at 31 December 2020, the Company held 1,276,200 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 31 December 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 qualifications 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*

Amendments to References to the Conceptual Framework in SFRS(I) Standards

The Group has also early adopted Amendments to SFRS(I) 16: *COVID-19-Related Rent Concessions*.

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 (2H) Ended 31 December		Full Year Ended 31 December	
	2020	2019	2020	2019
Basic and diluted earnings per share for the period based on Group's profit attributable to owners of the Company	11.3 cents	10.3 cents	12.7 cents	20.7 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:

	31 December 2020	31 December 2019
The Group	\$3.78	\$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 2H2020 operating results by business segments and comparatives for 2H2019 and the FY2020 operating results by business segments and comparatives for FY2019.

2H2020 Operating Segment Results

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	151,611	22,264	–	–	–	173,875
Inter-segment revenue	–	6	–	–	(6)	–
Total revenue	151,611	22,270	–	–	(6)	173,875
Segment results						
Operating profit	17,759	37,863	669	5,269	–	61,560
Fair value changes in investment properties	–	38,166	–	–	–	38,166
Impairment losses	(902)	–	–	–	–	(902)
Finance costs	(2,252)	(7,798)	–	(5,933)	–	(15,983)
Share of results of associates and joint ventures	(1,181)	12,105	(7,341)	22	–	3,605
Profit/(Loss) before tax	13,424	80,336	(6,672)	(642)	–	86,446
Income tax expense	(3,768)	(17,108)	(115)	(166)	–	(21,157)
Profit/(Loss) after tax	9,656	63,228	(6,787)	(808)	–	65,289
Profit/(Loss) attributable to:						
Owners of the Company	5,563	48,030	(6,787)	(808)	–	45,998
Non-controlling interests	4,093	15,198	–	–	–	19,291
	9,656	63,228	(6,787)	(808)	–	65,289

2H2019 Operating Segment Results

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	127,085	20,202	–	–	–	147,287
Inter-segment revenue	–	6	–	–	(6)	–
Total revenue	127,085	20,208	–	–	(6)	147,287
Segment results						
Operating profit	11,932	27,966	738	2,266	–	42,902
Fair value changes in investment properties	–	21,236	–	–	–	21,236
Impairment losses	(15)	–	–	–	–	(15)
Finance costs	(2,224)	(7,765)	–	(3,594)	–	(13,583)
Share of results of associates and joint ventures	(486)	22,288	91	–	–	21,893
Profit/(Loss) before tax	9,207	63,725	829	(1,328)	–	72,433
Income tax expense	(2,380)	(16,564)	(114)	(580)	–	(19,638)
Profit/(Loss) after tax	6,827	47,161	715	(1,908)	–	52,795
Profit attributable to:						
Owners of the Company	3,941	39,097	715	(1,908)	–	41,845
Non-controlling interests	2,886	8,064	–	–	–	10,950
	6,827	47,161	715	(1,908)	–	52,795

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 2H2019.
- Others – This comprises Group-level corporate and treasury services.

FY2020 Operating Segment Results

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Revenue</u>						
External revenue	266,784	42,107	–	–	–	308,891
Inter-segment revenue	–	12	–	–	(12)	–
Total revenue	266,784	42,119	–	–	(12)	308,891
<u>Segment results</u>						
Operating profit	15,433	62,977	1,331	792	–	80,533
Fair value changes in investment properties	–	37,361	–	–	–	37,361
Impairment losses	(902)	–	–	–	–	(902)
Finance costs	(4,279)	(15,182)	–	(10,308)	–	(29,769)
Share of results of associates and joint ventures	(1,806)	23,420	(12,902)	22	–	8,734
Profit/(Loss) before tax	8,446	108,576	(11,571)	(9,494)	–	95,957
Income tax expense	(3,367)	(20,854)	(227)	(332)	–	(24,780)
Profit/(Loss) after tax	5,079	87,722	(11,798)	(9,826)	–	71,177
<u>Profit/(Loss) attributable to:</u>						
Owners of the Company	3,258	69,849	(11,798)	(9,826)	–	51,483
Non-controlling interests	1,821	17,873	–	–	–	19,694
	5,079	87,722	(11,798)	(9,826)	–	71,177

FY2019 Operating Segment Results

	Resources	Real Estate (Note)	Hospitality (Note)	Others (Note)	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Revenue</u>						
External revenue	324,062	39,575	–	–	–	363,637
Inter-segment revenue	–	12	–	–	(12)	–
Total revenue	324,062	39,587	–	–	(12)	363,637
<u>Segment results</u>						
Operating profit	22,619	52,728	2,463	6,825	–	84,635
Fair value changes in investment properties	–	26,887	–	–	–	26,887
Impairment losses	(15)	–	–	–	–	(15)
Finance costs	(4,471)	(16,223)	–	(6,991)	–	(27,685)
Share of results of associates and joint ventures	(362)	46,452	(592)	–	–	45,498
Profit/(Loss) before tax	17,771	109,844	1,871	(166)	–	129,320
Income tax expense	(6,122)	(21,122)	(226)	(1,496)	–	(28,966)
Profit/(Loss) after tax	11,649	88,722	1,645	(1,662)	–	100,354
<u>Profit/(Loss) attributable to:</u>						
Owners of the Company	6,746	77,642	1,645	(1,662)	–	84,371
Non-controlling interests	4,903	11,080	–	–	–	15,983
	11,649	88,722	1,645	(1,662)	–	100,354

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 2H2019.
- Others – This comprises Group-level corporate and treasury services.

Group

The Group reported a profit after tax and non-controlling interests of \$46.0 million and \$41.8 million for 2H2020 and 2H2019 respectively. The higher profit was due to fair value gains from the real estate segment.

Resources

The resources segment reported a higher profit after tax and non-controlling interests for 2H2020 compared to the profit for the previous corresponding period. This was mainly due to reversal of inventories written down in 2H2020 and increase in average tin prices and higher sales quantity of refined tin.

Real Estate

The Group's real estate segment reported a higher profit after tax and non-controlling interests for 2H2020 compared with the previous corresponding period.

The higher profit for 2H2020 was due to higher fair value gains from the properties in Australia and contribution from new joint venture in China, partially offset by lower fair value gains from the properties in Malaysia and Japan.

Hospitality

The hospitality segment reported a loss for 2020. 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 2H2020 include mark-to-market gains 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 half year 2020 financial results announcement made on 14 August 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.

Even as countries implement phased distribution plans for COVID-19 vaccine, new variants of the virus continue to emerge and cast uncertainties over the near term. The Group continues to strengthen its balance sheet and is equipped to allocate capital to opportunities that arise from the pandemic. In October 2020, the Company issued \$200 million, 3.75% fixed rate notes due in 2025 under its \$500 million multicurrency debt issuance programme which was established on 13 October 2011. The Group will continue to maintain discipline in deploying capital.

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, Malaysia and the United Kingdom, which helps in mitigating varying degrees and timings of business disruptions brought about by COVID-19. Despite the operational

challenges, SRE expanded its portfolio footprint and delivered stronger profits. Key transactions include:

- Divested nine freehold residential apartments in Greater Tokyo for JPY18.9 billion (approximately \$244.2 million) and realised a gain for the investment that it has held since 2017. The divestment gains exceeded target returns despite subdued market sentiments amid the pandemic.
- Expanded into the United Kingdom by acquiring a freehold business park known as Bourne Business Park, located in Addlestone, Surrey, England for GBP76.7 million (approximately \$137.9 million). The acquisition offers resilient income stream from the property's stable existing leases.
- Further development of logistics properties in Australia and South Korea and position for the rising demand accelerated by the pandemic.

SRE will remain focused on recycling capital from low-yielding assets and re-deploying to investments that offer higher risk-adjusted returns. With financial discipline and sufficient liquidity, SRE will continue to pursue attractive investment opportunities to ride through the near-term economic turmoil and position for the eventual recovery.

In 2020, ARA Asset Management Limited ("ARA"), the Group's 22.1%-owned associate, continued to grow its recurring fee business via inorganic and organic growth strategies, which the Group believe would contribute meaningfully to its profitability going forward. The Group's share of profit for the year was affected by transaction costs as a result of execution of ARA's inorganic growth strategies, certain restructuring costs, and mark-to-market losses on fair valuation of financial assets, which are attributable to the COVID-19 pandemic.

Notable developments by ARA during the year include:

- Completion of the acquisition of a majority stake in LOGOS Group, thereby creating a best-in-class real estate logistics platform in the Asia Pacific. With the support of the platform, ARA LOGOS Logistics Trust ("ALOG") deepened its presence in Australia with a proposed acquisition that will increase its deposited property value by 28.2% to \$1.7 billion.
- Completion of the acquisition of a majority stake in Venn Partners LLP, an investment manager in European real estate private debt, and rebranded the entity ARA Venn. ARA Venn secured €200 million from institutional investors for the first close of its latest debt fund in July 2020 and was also appointed by the British government as the exclusive manager of a new £3 billion Affordable Housing Guarantee Scheme.
- Completion of proportional offer for Cromwell Property Group ("CPG"), raising its stake in CPG to 30.7% as at December 2020
- Tender offer for Kenedix by Sumitomo Mitsui Finance and Leasing Company ("SMFL") and ARA, which turned unconditional in January 2021. Kenedix will be privatised by March 2021, with ARA owning a 30% stake.
- Growth in its REITs and various private funds, including the acquisition of a 50% stake in the landmark Nova Estate in Victoria, London by Suntec REIT, and acquisition of Parc1 Tower II, a landmark office tower in Seoul, South Korea for \$1.2 billion.

The Group can expect to continue to benefit from 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, remains cautious as it navigates the impact of the COVID-19 pandemic and global trade tensions on the tin industry. It will continue to focus on its operational efficiencies and improve on all areas of operations, technology, manpower and logistics. The operation in the Pulau Indah plant, using the newer and more efficient technology and a more productive workforce, is currently in the testing stage and is expected to be fully commissioned by late 2021/early 2022. For the tin mining segment, MSC has undertaken efforts to increase daily mining output

and improve its overall mining productivity, and will also look at 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. The operating conditions are expected to remain challenging and the recovery period for the industry will be protracted. It has enacted cost containment measures since the start of the year and have leveraged on government wage subsidies for its workforce to cushion the impact of lower hotel occupancies. Nevertheless, FEHH is seeking to position itself for long-term growth and is stepping up its efforts to grow its hospitality operating footprint in Asia Pacific through management agreements.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	6 cents per ordinary share (one-tier tax)
Tax Rate	N.A.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	6 cents per ordinary share (one-tier tax)
Tax Rate	N.A.

(c) Date payable

7 May 2021.

(d) Record date

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 22 April 2021 for the purpose of determining shareholders' entitlement to the interim dividend payable on 7 May 2021. Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road #02-00, Singapore 068898, up to 5.00 p.m. on 22 April 2021 will be registered to determine shareholders' entitlements to the interim dividend. In respect of shares held in securities accounts with The Central Depository (Pte) Limited ("CDP"), the interim dividend will be paid by the Company to CDP, which will in turn distribute the dividend entitlement to the holders of such shares in accordance with its practice.

(e) Annual General Meeting

The Annual General Meeting of the Company will be held virtually on Friday, 30 April 2021 at 11.00 a.m. Further details of the meeting will be disclosed in the notice of Annual General Meeting.

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

Not applicable.

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).

Not applicable.

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.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Please refer to item 8 for the segmented revenue and results of the various businesses of the Group.

2020 Geographical Information

	Singapore \$'000	Malaysia \$'000	Australia \$'000	Japan \$'000	China \$'000	United Kingdom \$'000	Consolidated \$'000
Segment Revenue							
Revenue from external parties	2,542	266,951	21,274	9,632	6,050	2,442	308,891

2019 Geographical Information

	Singapore \$'000	Malaysia \$'000	Australia \$'000	Japan \$'000	China \$'000	Consolidated \$'000
Segment Revenue						
Revenue from external parties	2,537	324,243	16,710	14,326	5,821	363,637

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

Please refer to item 8.

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

	2020 \$'000	2019 \$'000	+/(–) %
(a) Total revenue reported for first half year	135,016	216,350	(37.6)
(b) Profit after tax before deducting non-controlling interests reported for first half year	5,888	47,559	(87.6)
(c) Total revenue reported for second half year	173,875	147,287	18.1
(d) Profit after tax before deducting non-controlling interests reported for second half year	65,289	52,795	23.7

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

Total Annual Dividend

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Ordinary	24,409	24,416
Total:	24,409	24,416

20. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or substantial shareholder of the Company.

BY ORDER OF THE BOARD
Ho Mei Sze Michelle and Chang Ai Ling
Joint Company Secretaries

25 February 2021
Singapore

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