STRAITS TRADING
ESTABLISHED 1887
A MEMBER OF THE TECITY GROUP

135 Years New

ANNUAL REPORT 2021

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Tin smelting

The first 21-storey Straits Trading Building completed in 1972

The redeveloped 28-storey Straits Trading Building completed in 2009

Hotel Rendezvous Singapore officially opened in 1998

135 Years New

This year marks the 135th anniversary of The Straits Trading Company Limited ("Straits Trading" or "the Group") that was founded on tin smelting and trading, activities that were the economic lifeline of the Straits Settlements in 1887.

Over 135 years, Straits Trading's consistent ability and readiness to change, from its beginnings as a tin smelting company to a conglomerate-investment company with business interests and investments spanning the Asia Pacific region, laid foundation for the Group's long-term competitiveness and sustainable growth.

As Straits Trading celebrates this transformation milestone — **135 Years New**, the Group wil continue to innovate, grow and stay relevant — doing things in new ways, exploring growth opportunities on new platforms and investing in new economy assets to propel forward.

Corporate Profile

Incorporated in 1887, The Straits Trading Company Limited is a conglomerate-investment company with operations and financial interests in resources, property and hospitality. These include majority or strategic stakes in one of the world's largest tin producer, Malaysia Smelting Corporation Berhad, which is dual listed on Bursa Malaysia and the Singapore Exchange Securities Trading Limited; ESR Cayman Limited and Far East Hospitality Holdings as well as a diversified property portfolio and real estate investment that are wholly-owned by the Group.

Company Structure

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Segment	Company	Stake	Description
Resources	Malaysia Smelting Corporation Berhad ("MSC")	52.0% Stake	Largest independent custom tin smelter in the world
Property	Straits Developments Private Limited ("SDPL")	100% Stake	Corporate and operational arm for the Group and property business, excluding SRE
Property	STC Property Management Sdn. Bhd. ("STCPM")	100% Stake	Developer of Straits City Project at Butterworth, Penang
Property	Straits Investment Management Pte. Ltd. ("SIM")	100% Stake	Fund management specialising in global property securities
Property	Straits Real Estate Pte. Ltd. ("SRE")	100% Stake	An investment vehicle seeking out property related opportunities globally
Hospitality	Far East Hospitality Holdings Pte. Ltd. ("FEHH")	30.0% Stake	An established international hospitality owner and operator
Property	ESR Cayman Limited* ("ESR Cayman")	4.8% Stake	APAC's largest real estate and assets manager
Property	Suntec REIT	2.8% Stake	One of the largest commercial REITs in Singapore
Property	SDAX Financial	14.3% Stake	An integrated digital financial services platform

*ARA merger with ESR completed on 20 January 2022.

Transformation Milestones

STRAITS 1.0 — 1880s

- Was the world's largest tin producer and renowned for its finest grade
- Owns a majority stake in the world's third-largest tin producer, Malaysia Smelting Corporation Berhad
- Listed in Bursa in 1994 with the tin resource business comprising mining, smelting and trading

80 years

STRAITS 2.0 — 1960s

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

30 years

STRAITS 3.0 — 1990s

Venture into hospitality in 1994; trading as Rendezvous Hospitality Group in the Asia Pacific market

20 years

STRAITS 4.0 — 2010s

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

10 years

STRAITS 5.0 — 2020s

- Converting assets into investment products and platforms for new growth engines
- Engage shareholders actively via Shareholders' Club
- Create investment opportunities to broaden investor base

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present the Annual Report of The Straits Trading Company Limited ("Straits Trading" or "the Group") for the financial year ended 31 December 2021 ("FY2021").

Despite the evolving challenges of COVID-19 we have taken the pandemic in our stride and demonstrated our resilience to look beyond any crisis.

As we embarked on the next phase of transformation in this new decade with Straits 5.0, FY2021 marked a year of growth as the Group achieved its highest EBITDA for the past decade. This result testifies to the Group's ability to drive long-term value for our shareholders whilst building, investing and nurturing sustainable business platforms.

Resilient Performance

The Group registered strong growth in 2021. Robust business performance from the property and resource segments contributed to decade-high earnings before interest expense, tax, depreciation and amortisation ("EBITDA") of S$401.0 million for FY2021, compared to S$133.8 million a year ago ("FY2020").

Straits Trading's profit after tax and non-controlling interest ("PATNCI") was S$234.3 million in FY2021, compared to S$51.5 million in FY2020. Profit after tax ("PAT") was S$285.7 million for FY2021, largely driven by the property segment.

Over the course of 2021, we continued to leverage on our distinctive edge as a conglomerate-investment company and harness the synergy of our three pillars – resources, property and hospitality, to capitalise on new growth opportunities through a diversified portfolio across sectors and geographies.

Resources

In FY2021, Malaysia Smelting Corporation Berhad ("MSC") achieved an all-time high net profit of RM118.1 million compared to RM15.2 million in the prior year. Net profit from the tin mining segment rose to RM109.4 million in FY2021 on the back of high tin prices and increased tin production during the year.

Looking ahead, MSC is well positioned to grow further as tin demand remains robust with increased use of electric vehicles, photovoltaic installation and consumer electronics globally. With the full commissioning of the Pulau Indah smelter in mid-2022, which will optimise production output, the Group expects strong tin demand to continue to drive growth for MSC.

Property

Straits Trading's property segment posted PATNCI of S$232.7 million in FY2021 compared to S$69.8 million for FY2020. Straits Real Estate Pte. Ltd. ("SRE"), a wholly-owned subsidiary of Straits Trading since April 2021, contributed S$220.0 million to the Group's PAT for FY2021.

SRE strengthened its foothold in key markets across Asia Pacific by diversifying its investments and adding new growth platforms to the existing portfolio.

In the United Kingdom, SRE invested in warehouse retail parks anchored by credit-worthy tenants, a resilient sector that provides attractive income yield. Concurrently, SRE continues to pursue opportunities and further expand its portfolio of build-to-suit logistics properties in Australia and South Korea. As at end December 2021, SRE's assets were approximately S$2.3 billion.

With the improving property market sentiment in Singapore, Straits Developments Private Limited launched three Good Class Bungalows and generated sales amounting to approximately S$96.2 million. With a view to better engage, educate and offer co-investment opportunities for shareholders, the Straits Trading Shareholders' Club, which was launched in September 2021, offered two fractionalised real estate investment products to shareholders in the year.

Across the causeway, construction works for Straits City, STC Property Management Sdn. Bhd.'s 40-acre integrated development project in Penang, Malaysia, are in progress. Under the first phase of development, Straits City's 23-storey 4-star hotel is well on track to be completed by 1Q 2023.

Straits Investment Management Pte Ltd ("SIM"), a global fund management firm, has grown steadily over the last few years. As at end December 2021, SIM's assets under management and advisory had crossed S$500 million. SIM's focus on investments in listed property securities complements SRE's private property investment portfolio. We believe the approach will offer superior risk-adjusted returns for Straits Trading.

Straits Trading's 22.1% owned associate, ARA Asset Management Holdings Pte Ltd ("ARA"), entered into an agreement with ESR Cayman Limited ("ESR") to merge in August 2021. With the completion of the transaction on 20 January 2022, the Group realised S$685.6 million[(1)] in value from ARA. Straits Trading stands to ride on the growth of ESR, Asia Pacific's largest real estate and assets manager and the third largest listed real estate investment manager with exposure to new economy real estate globally.

Hospitality

On the hospitality front, Far East Hospitality Holdings Pte. Ltd. ("FEHH") continued to expand regionally and grew its hospitality management portfolio in the Asia Pacific region in FY2021.

We expect operating conditions to remain challenging with the recovery of the hospitality sector uneven in different regions. With a view to building new capabilities and positioning itself for long-term growth, FEHH has scheduled new hotel openings through to 2023. Straits Trading's 30% equity stake ensures that the Group remains invested in a scalable platform to leverage on longer-term opportunities in the sector.

135 Years New

2022 marks Straits Trading's 135th anniversary. Over the years, the Group has strategically transformed itself, driven by our continuous pursuit for innovation, growth and relevance.

135 years "new" and still in the making, Straits Trading will stay the course of our conglomerate-investment strategy to focus on executing the Straits 5.0 initatives and seizing growth opportunities that arise.

Appreciation

We are pleased to declare an interim tax-exempt dividend of S$0.08 per share for FY2021, an increase of 33.3% from FY2020's dividend of S$0.06 per share. Straits Trading remains committed to delivering a sustainable and increased dividend payout to our shareholders.

I would like to extend my sincere appreciation to our business partners and bankers for their confidence and support, my fellow Directors for their counsel, and all employees at Straits Trading and its subsidiaries, for their hard work and dedication in 2021. And thank you shareholders for your continued trust in Straits Trading as we continue to progress with Straits 5.0.

CHEW GEK KHIM, PJG
Executive Chairman
31 March 2022

(1) Includes S$134.8 million cash and 214.7 million ESR shares at consideration of HK$27/share; based on announcement published on SGXNet - Disposal Of Shareholding In ARA Asset Management Limited By Associated Company, ARA Investment (Cayman) Limited, August 5, 2021.

Board of Directors

Centre:

CHEW GEK KHIM, PJG
Executive Chairman

From left to right:

CHUA TIAN CHU
Independent and Non-Executive Director

TAN TIONG CHENG
Independent and Non-Executive Director

GOH KAY YONG DAVID
Non-Independent and Non-Executive Director

CHEW GEK HIANG
Non-Independent and Non-Executive Director

CHIA CHEE MING, TIMOTHY
Lead Independent Director

TAN CHIAN KHONG
Independent and Non-Executive Director

CHEW GEK KHIM, PJG, 60
Executive Chairman

First appointed: 20 March 2008
Last re-elected: 30 April 2021

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

Ms Chew is also Executive Chairman of the Tecity Group. In addition, she is Chairman of Malaysia Smelting Corporation Berhad and ARA Trust Management (Suntec) Limited, and sits on the Board of Singapore Exchange Limited. She is also Deputy Chairman of the Tan Chin Tuan Foundation.

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

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

CHEW GEK HIANG, 58
Non-Independent and Non-Executive Director

First appointed: 30 March 2008
Last re-elected: 30 April 2020

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

Currently serving on the Advisory Board of the Academy of Chinese Medicine, Singapore, Ms Chew is also a Council Member of Tan Chin Tuan Foundation in Singapore. She is also President of Noah's Ark CARES ("Companion Animal Rescue and Education Society"), a non-profit animal welfare charity which champions responsible pet ownership and active sterilisation and microchipping of stray dogs and cats in Singapore.

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

GOH KAY YONG DAVID, 60

Non-Independent and Non-Executive Director

First appointed: 30 April 2008
Last re-elected: 26 April 2019

Mr David Goh is the Chief Investment Officer and Chief Strategist of the Tecity Group, the parent company of The Straits Trading Company Limited.

Mr Goh started his investment career as an Investment Analyst with Great Eastern Life in 1986 and taught the Bachelor of Business Financial Analyst programme at the Nanyang Technological University ("NTU"), Singapore, in 1991. After joining the Tecity Group in 1997, he remained as Adjunct Associate Professor of Finance at NTU from 1997 to 2003. Mr Goh also serves as Director of Stewardship Equity Pte Ltd, Commonwealth Capital Pte. Ltd. and Project Chulia Street Limited.

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

TAN TIONG CHENG, 71

Independent and Non-Executive Director

First appointed: 1 July 2013
Last re-elected: 30 April 2021

Mr Tan Tiong Cheng was the Senior Advisor of Knight Frank Pte Ltd until his retirement on 31 March 2020. Prior to that, he was President of Knight Frank Asia Pacific Pte Ltd until 31 March 2019 and was the Executive Chairman of Knight Frank Pte Ltd's Group of Companies until 31 March 2017. Over the last four decades, he has amassed an extensive and in-depth knowledge of real estate. As an Independent and Non-Executive Director of UOL Group Limited, Mr Tan is also the Chairman of the Remuneration Committee and a Member of the Audit and Risk Committee of UOL Group Limited. Mr Tan is the Lead Independent Director, Chairman of the Remuneration Committee and a Member of the Audit Committee and Nominating Committee of Heeton Holdings Limited. He is also a Non-Executive Independent Director of Amara Holdings Limited, the Chairman of its Remuneration Committee and a Member of its Audit and Risk Committee.

A Colombo Plan Scholar, Mr Tan graduated top of his class with a Diploma in Urban Valuation from the University of Auckland, New Zealand. A Licensed Appraiser, he is also a Fellow Member of the Singapore Institute of Valuers and Surveyors and the Association of Property and Facilities Management, an Associate Member of the New Zealand Institute of Valuers and a Senior Member of The Property Institute of New Zealand. He served as a Member of the Valuation Review Board until 30 April 2016.

CHIA CHEE MING, TIMOTHY, 72

Lead Independent Director

First appointed: 27 February 2015
Last re-elected: 30 April 2021

Mr Timothy Chia is Chairman of Hup Soon Global Corporation Private Limited and Gracefield Holdings Limited, his Family Office. In 2020, he was appointed Chairman of InnoVen Capital Pte Ltd. He sits on the boards of several other private and public companies, including Singapore Power Limited, Vertex Venture Holdings Ltd, Seviora Holdings Pte Ltd, Malaysia Smelting Corporation Berhad and Thai Beverage Public Company Limited.

Mr Chia was appointed as Advisory Council Member of the ASEAN Business Club ("ABC") and co-chair of ABC Singapore. He is also a Member of the Corporate Governance Advisory Committee of The Monetary Authority of Singapore, a Member of Singapore Management University, Investment Committee Member of the National Heritage Board and a Term Trustee of the Singapore Indian Development Association.

Mr Chia graduated with a Bachelor of Science *cum laude,* majoring in Management from Fairleigh Dickinson University in the United States of America.

TAN CHIAN KHONG, 66

Independent and Non-Executive Director

First appointed: 1 January 2018
Last re-elected: 30 April 2020

Mr Tan Chian Khong has about 35 years of experience in the audit industry in Singapore. He joined Ernst & Young LLP (then known as Ernst & Whinney) in April 1981 and was a Partner of the firm from July 1996 to June 2016. Mr Tan currently serves as an Independent Non-Executive Director of Alliance Bank Malaysia Berhad, Hong Leong Asia Ltd, CSE Global Limited and Banyan Tree Holdings Ltd. He is a Board member of Casino Regulatory Authority of Singapore and SMRT Corporation Ltd and also volunteers as the Honorary Executive Director of Trailblazer Foundation Ltd.

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

CHUA TIAN CHU, 62

Independent and Non-Executive Director

First appointed: 1 January 2018
Last re-elected: 30 April 2020

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

Mr Chua holds a Master in Business Administration from the National University of Singapore, a Master in Theological Studies (magna cum laude) from the Asia Theological Center and a Master of Divinity from the East Asia School of Theology. Mr Chua also has a Bachelor Degree in Civil Engineering from the National University of Singapore. He has also attended the Advanced Management Program of Harvard Business School.

Key Management Personnel

Sitting (third from left):

CHEW GEK KHIM, PJG
Executive Chairman

Sitting (from left to right)

MANISH BHARGAVA
CEO
Straits Investment Management Pte. Ltd.

ERIC TENG, BBM, PBM
CEO
Straits Developments Private Limited

DESMOND TANG
CEO
Straits Real Estate Pte. Ltd.

Standing (from left to right)

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

JOYCE TAN WEI TZE
Group Financial Controller

GOH YAH HUAY
Group Treasurer

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

CHEW GEK KHIM, PJG
Executive Chairman

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

ERIC TENG, BBM, PBM
CEO
Straits Developments Private Limited

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

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

He is an Advisor to the Tecity Group and Tan Chin Tuan Foundation. Mr Teng holds an MBA from the NUS Business School.

DESMOND TANG
CEO
Straits Real Estate Pte. Ltd.

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

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

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

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

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

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

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

MANISH BHARGAVA
CEO
Straits Investment Management Pte. Ltd.

Mr Manish Bhargava has been the CEO of Straits Investment Management Pte. Ltd ("SIM") since February 2019. With more than 18 years of real estate investment experience, Mr Bhargava is a seasoned fund manager who has been responsible for investing in global real estate securities.

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

Mr Bhargava holds a Masters in Accounting/Management Information Systems from Oklahoma State University.

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

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

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

Ms Tan has more than 15 years of experience in developing and managing properties in Singapore and Malaysia. She graduated from the Nanyang Technological University with a Bachelor of Civil Engineering and holds a Master of Science in Environment Engineering, a Master in Real Estate and a Master in Business Administration from the National University of Singapore.

GOH YAH HUAY
Group Treasurer

Ms Goh Yah Huay has been Group Treasurer of Straits Trading since January 2018. She is also the CFO at Straits Real Estate Pte. Ltd., overseeing its accounting, treasury and finance-related matters.

An accountant by training, Ms Goh has over 20 years of experience in accounting, controllership, treasury, financial planning and analysis. She is well-versed with the financial landscape in Asia Pacific and has a track record in financial modelling to address key business challenges.

Ms Goh holds a Bachelor of Accountancy from Nanyang Technological University and is a Chartered Accountant of Singapore since 1998.

JOYCE TAN WEI TZE
Group Financial Controller

Ms Joyce Tan Wei Tze has been Group Financial Controller since 31 December 2020 and oversees the Group's finance, accounting, risk management and tax matters.

She has over 25 years of experience in finance, accounting, tax, treasury, investment banking and corporate finance. She was Chief Financial Officer ("CFO") of Retail Asia of Robinson and Company Private Limited from 2017 to 2019 and CFO and Executive Vice President Financial Services of Genting Hong Kong Limited from 2009 to 2017.

Ms Tan holds a Bachelor of Science (Honours) in Accounting from the University of Hull, United Kingdom and Executive Master in Change from INSEAD. She is a Fellow of the Institute of Chartered Accountants in England and Wales and a Member of the Hong Kong Institute of Certified Public Accountants and Institute of Singapore Chartered Accountants.

Senior Executives in Straits Trading & its Subsidiaries

THE STRAITS TRADING COMPANY LIMITED

From left to right:

JAMES KWIE
Portfolio Manager
Portfolio Management

DR ALLEN TAN
Head
Portfolio Management

SELINA HO
Head
Investor Relations
& Corporate Secretariat
Head
Corporate Communications

FOO CHEK WEE
Head
Human Capital
& Office Administration

STRAITS REAL ESTATE PTE. LTD.

From left to right:

GOH YAH HUAY
Chief Financial Officer

ADELINE FONG
Deputy CEO
Head of Asset Management

PAUL YI
Deputy CEO
Chief Investment Officer

MALAYSIA SMELTING CORPORATION BERHAD

From left to right:

NICHOLAS CHEN SEONG LEE
Deputy CEO
(Administrative)

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

LAM HOI KHONG
Group Chief Financial Officer

YOON CHOON KHONG
Group General Manager
Internal Auditor

IR. RAVEENTIRAN KRISHNAN
Group Chief Operating Officer
Smelting

Financial Highlights

	2021 $'000	2020 $'000	2019 $'000	2018 $'000	2017 $'000 (Restated)
Total revenue	**396,559**	308,891	363,637	455,987	473,625
Earnings before interest, tax, depreciation and amortisation	**401,045**	133,848	165,081	133,443	85,847
Earnings before interest and tax	**394,176**	125,726	157,005	126,824	80,217
Profit before tax	**362,070**	95,957	129,320	99,646	57,463
Profit attributable to owners of the Company	**234,254**	51,483	84,371	71,722	46,432
Shareholders' funds	**1,771,382**	1,537,998	1,519,121	1,467,293	1,477,582
PER SHARE					
Earnings per share (cents)	**57.6**	12.7	20.7	17.6	11.4
Dividend per share (cents)	**8.0**	6.0	6.0	6.0	6.0
Net asset value per share ($)	**4.35**	3.78	3.73	3.60	3.62
FINANCIAL RATIOS					
Return on equity (%)	**14.2**	3.4	5.7	4.9	3.3
Net gearing (%)	**46.7**	42.4	33.5	38.8	25.9

	2021 $'000	2020 $'000	2019 $'000	2018 $'000	2017 $'000
BALANCE SHEET					
Total non-current assets	**2,603,979**	2,260,346	2,006,809	2,021,001	1,731,357
Total current assets	**583,927**	825,600	642,385	555,333	702,292
TOTAL ASSETS	**3,187,906**	3,085,946	2,649,194	2,576,334	2,433,649
Equity attributable to owners of the Company	**1,771,382**	1,537,998	1,519,121	1,467,293	1,477,582
Non-controlling interests	**163,468**	188,940	150,195	131,310	93,312
TOTAL EQUITY	**1,934,850**	1,726,938	1,669,316	1,598,603	1,570,894
Total non-current liabilities	**622,547**	684,790	705,649	647,080	568,881
Total current liabilities	**630,509**	674,218	274,229	330,651	293,874
TOTAL LIABILITIES	**1,253,056**	1,359,008	979,878	977,731	862,755
TOTAL EQUITY AND LIABILITIES	**3,187,906**	3,085,946	2,649,194	2,576,334	2,433,649

Year In Review
Resources

Malaysia Smelting Corporation Berhad ("MSC")
www.msmelt.com

RHT Tin Mine in Klian Intan, Perak

Straits Trading's 52.2%-owned resources subsidiary, Malaysia Smelting Corporation Berhad ("MSC" together with its subsidiaries, "MSC Group"), is one of the largest refined tin producers in the world. Its principal activities include the upstream and downstream sectors of the tin value chain through its tin mining and smelting businesses. MSC is also involved in external tolling and it is the world's largest custom toll smelter.

In 2021, the COVID-19 pandemic continued to impact livelihoods and businesses alike. The prolonged containment measures to curb the virus spread by governments worldwide impacted the tin supply chain, contributing to a shortage of tin supply. Concurrently, global consumption for tin remained robust due to higher consumer demand for electronic goods resulting from study or work from home arrangements amid the ongoing pandemic. The surge in demand coupled with the shortage of tin supply pushed tin prices to record high of US$41,000 per tonne in 2021.

Operational Performance
MSC's tin smelting operations are currently undertaken at two smelters, located in Butterworth, Penang and Pulau Indah, Port Klang respectively. MSC is in the midst of phasing out its smelting activities at the Butterworth smelter which has been using the ageing reverberatory furnaces for its operations since 1902.

The new Pulau Indah smelting facility is equipped with a highly efficient cutting-edge top submerged lance furnace, which enables MSC to achieve higher extraction yields with lower operating and manpower costs through a single-stage smelting process. The smelter has already been commissioned and is currently operating at 75% of its designed capacity. It currently has a total production capacity of 40,000 tonnes of tin ore, with the option of scaling up to 60,000 tonnes using oxygen enrichment. Meanwhile, the 1.26MWp photovoltaic panels on the roof of Pulau Indah's plant helps to reduce carbon footprint from the thermal processes.

Separately, MSC's tin mining activities are undertaken by its wholly-owned subsidiary, Rahman Hydraulic Tin Sdn. Bhd. ("RHT") which runs the tin mine located in Klian Intan, Perak. Mechanisation and upgrading efforts are being carried out at the tin mine to increase daily mining output.

Financial Performance
In FY2021, the MSC Group's revenue increased 32.4% year-on-year to RM1,076.6 million, while its pre-tax profit and net profit rose to an all-time high of RM158.4 million and RM118.1 million respectively. The strong financial performance was primarily driven by record-high tin prices, which averaged 83% higher at US$31,509/tonne from US$17,217/tonne in 2020.

In line with the Group's performance, the Board of MSC has proposed a first and final single-tier dividend of 7 sen per share for FY2021, compared to 1 sen per share in the previous year ("FY2020"). The total dividend payout of RM29.4 million translates to 25% of FY2021's net profit.

International Tin Smelting Operations
MSC's operations were temporarily halted when the Movement Control Order ("MCO") was enforced in Malaysia on 1 June 2021 due to the COVID-19 pandemic. Subsequently, the MSC Group implemented a force majeure from 7 June 2021 to 20 December 2021. As a result, the production of refined tin amounted to 16,619 tonnes in FY2021, compared to 22,325 tonnes in FY2020. MSC expects to achieve higher production for FY2022 following the normalisation of operations with 100% workforce capacity.

Despite the lower output, the MSC Group's international tin smelting operations recorded a net profit of RM12.1 million, up from RM3.2 million in FY2020. The higher earnings is attributable to a reversal of inventories written down of RM24.0 million, and higher profit margins gained from the sales of refined tin derived from its tin intermediates.

Rahman Hydraulic Tin Sdn. Bhd. ("RHT")
RHT, the MSC Group's tin mining segment, is Malaysia's largest producer of tin-in concentrates and operates the country's biggest hard-rock open-pit mine in Perak, Malaysia. Its mining activities were also disrupted during the year due to the MCO.

Despite the disruption of its operations, RHT continued to introduce new mining methodologies at the mine to increase efficiencies and yields. As a result, RHT successfully increased its tin production volume of tin-in concentrates from 2,350 tonnes to 2,408 tonnes in FY2021.

The MSC Group's tin mining business recorded a net profit of RM109.4 million for FY2021, five-fold from RM20.6 million achieved a year ago. The rise in earnings is due mainly to higher tin prices and volume of tin-in concentrates produced during the year.

Outlook
Looking ahead, tin prices are expected to continue to rally in the near to mid-term due to continuing supply constraints and rising demand. The shortage of tin supply could exacerbate as tin output in China is anticipated to be impacted following government-imposed power restrictions. The implementation of stricter environmental restrictions in Indonesia, which is another major tin producing country, has led to the closure of private mines in the country. Furthermore, the Indonesian government's impending prospects of a tin exports ban from 2024 onwards will impact global tin supply in the long term.

Also, half of the tin produced in the world is utilised as solder which is used to connect electronic components. Demand for tin solder is expected to grow in tandem with increasing demand for electronic devices as solder is commonly used to connect appliances and machines. Tin solder is also used to join solar photovoltaic panels. Therefore, the global push towards renewable energy adoption and tin application in lithium-ion batteries for electric vehicles will further stimulate demand.

MSC's new smelting facility in Pulau Indah

In view of the expected continued rally in tin prices and strong tin demand, the MSC Group remains focused on seizing growth opportunities whilst enhancing efficiencies across its operations.

We expect to enjoy a cost savings of approximately 30% as we relocate our smelting operations to Pulau Indah. The Butterworth smelting plant will be de-commissioned in the next couple of years when Pulau Indah runs at full capacity.

For the tin mining segment, the MSC Group remains focused on increasing mining productivity at the RHT tin mine through the exploration of new tin deposits and implementation of new technologies and processes. Over at the Sungai Lembing mine, mining activities are ongoing with minimal tin ore production at the moment. To position as a long-life, sustainable tin producer, the MSC Group is also exploring joint venture mining arrangements to enhance mining activities for the long term.

Year In Review

Property

Straits Real Estate Pte. Ltd. ("Straits Real Estate" or "SRE")

www.straitsrealestate.com

Bourne Business Park in Surrey, England

2021 was a year characterised by an evolving COVID-19 pandemic with successive variant waves threatening to derail global economic recovery. Disruptions including supply chains constraints, labour movement restrictions, ongoing US-China trade tensions and inflation persisted throughout the year, causing economic recovery to be uneven across different regions.

The pace of recovery differs across global economies and was generally patchy and difficult to sustain while COVID-19 related policies and restrictions were in place, impacting business activities and consumption. Hence, the operating environment was challenging for most property markets and sectors in 2021, with hotels, retail properties and city centre offices bearing bulk of the demand weakness.

Nevertheless, Straits Real Estate Pte. Ltd. ("SRE"), a wholly-owned subsidiary of Straits Trading, had remained focused on managing its investments proactively to optimise its returns in 2021. Notwithstanding the strained macroeconomic environment, SRE posted PAT of S$220.0 million, more than two-fold over the prior year. SRE's multi-market portfolio has continued to grow. As of end December 2021, assets were approximately S$2.3 billion, which represents a 35% increase over the duration of the pandemic between end-2019 and end-2021, underlined by SRE's thematically sourced investment opportunities over 24 months of extreme investment environment.

Diversified and Resilient Portfolio

Foray into Warehouse Retail Space

SRE continued its pursue of sustainable income yielding opportunities in 2021, expanding to include investment in new asset class of warehouse retails parks in the United Kingdom ("UK").

Warehouse retail parks are open-air retail format stores commonly found in city-fringe and out-of-town locations around strong residential catchments and major arterial roads across the UK. The parks are designed to cater to the everyday needs of the neighbourhood population, providing essential services such as homeware and food stores. Contrary to general perception of retail property performance, they have remained in demand during the pandemic and remained an integral part of the retail landscape.

This niche retail property format has proven to be highly defensive with its attractive investment potential and active tenant market, delivering strong performance throughout the pandemic. The format had worked well alongside online retailing and at the same time, supported brick-and-mortar retailers' omni channel strategies, differentiating itself with lower transaction costs and higher efficiency with "click-and-collect" services.

In October 2021, SRE committed GBP 60 million (S$108.6 million[1]) to invest and grow a portfolio of geographically diversified warehouse retail parks in the UK.

As of end December 2021, the SRE's venture had completed one acquisition in Cardiff, Wales, and transacted on two others in England and Scotland. Altogether, the three properties with a combined consideration of approximately GBP 55.3 million (S$100.1 million[2]), have a total net lettable area of approximately 347,000 square feet and weighted average lease expiry of 8.5 years. The assets are supported by strong residential catchments and are considered the dominant retail parks in their respective markets, underpinned by strong credit tenants including B&M, Home Bargains and Aldi.

Despite a competitive market environment, SRE expects healthy yields from its investments in the warehouse retail parks, which will be consistent with its emphasis on investing in income generating properties.

Full Occupancy at 320 Pitt Street Sydney

Co-owned with a consortium since 2017, 320 Pitt Street, a 32-storey office building with 29,159 sqm of lettable area, is located along one of the city's most important business thoroughfares in central Sydney, Australia.

Upon the acquisition of 320 Pitt Street Sydney in 2017, asset enhancement initiatives to upgrade the 28-year-old building and to mark-to-market the building rent roll with high quality tenancies were rolled out. The asset enhancement works completed end of 2020 included the provision of end-of-trip facilities and upgrading of the building lobby, amongst other works.

Amidst a generally anemic Sydney office market in 2021, SRE has secured a 10-year lease term with the Commonwealth Government of Australia to take up 18,000 sqm of space at 320 Pitt Street. With the 10-year lease term contract, which is one of the largest contracted for a Sydney office building in recent years, 320 Pitt Street is now 100% leased after completion of the asset enhancement works, a testament to its prime location.

Expansion of Logistics Portfolio

Within the property market, the logistics sector in Asia Pacific remains a bright spot. Sustained growth in e-commerce and generally higher demand for warehousing space arising from supply chain stress continues to fuel demand for logistics facilities which also adds to the diversity of the SRE's portfolio of assets, in terms of income streams, tenant composition and geographical footprint.

In South Korea, construction of the Arenas Yeongjong (Sky Logis) logistics facility in Incheon was completed during the year. The five-storey state-of-the-art logistics facility, located near the Incheon International Airport's air cargo terminal, counted Coupang and Lotte Global Logistics as major tenants and had also received strong leasing interest from other e-commerce operators as well as third-party logistics service providers.

Despite a myriad of headwinds, SRE maintained a firm focus on active asset management and continued to drive momentum in growing the logistics portfolio. Notably, demand for quality and well-located warehouses has held firm, buttressed by resilient demand from consumer and healthcare sectors. In Australia, SRE has committed to providing new logistics facilities at Bayswater Victoria, for the MotorOne Group and EVO Power; and for Noumed Pharmaceuticals and Telstra, at Nexus Logistics Park, in Victoria, South Australia.

In FY2021, the Korean and Australian logistics properties continued to perform strongly, reaffirming the fundamental strengths of the logistics sector and resilience of the SRE's portfolio.

Asset Enhancement at Bourne Business Park

Bourne Business Park, a freehold office estate located in Surrey County in the UK, sits on 15 acres of land and comprises six office buildings with total lettable area of 16,942 sqm. 96% of its tenant base have their UK, European or global headquarters at the business park.

During the year, SRE initiated an asset enhancement plan for the Bourne Business Park to improve its market competitiveness and embarked on the redevelopment of Building 100, which is the oldest of the six buildings in the business park.

The redeveloped building, when completed, will have 56% more lettable area than the old one, and is expected to deliver significant increase in rental income.

The construction of the new building uses a back-to-frame approach, which will minimise resultant carbon generation considerably. The general design of the new building follows a strict sustainability objective that seeks to enhance the building's elevation, space usage and energy performance. Occupants of the building will enjoy high quality office space with break-out lounges, open terraces, accessible and inclusive facilities, as well as brand new end-of-trip facilities.

Positioned for Growth

Riding on transformative macro trends such as rising urbanisation, consumption growth backed by high e-commerce adoption rate and a greater emphasis on supply chain resiliency, SRE will continue to stay focused on enhancing the resilience of its portfolio through active asset management and accretive acquisitions of high quality properties, enabling the Group to deliver healthy returns and value to our shareholders.

[1][2] Based on an exchange rate of GBP1 to S$1.81080

Year In Review

Property

ESR Cayman Limited ("ESR")

www.esr.com


ESR Ichikawa Distribution Centre


ESR Bucheon Cold Chain Logistics Park (left) & ESR Bucheon Logistics Park (right)


ESR Amagasaki Distribution Centre


ESR Kunshan Huaqiao Park Phase III

ESR Cayman Limited ("ESR") is Asia Pacific's ("APAC") largest real estate and assets manager with US$140 billion in gross assets under management after the acquisition of ARA Asset Management Holdings Pte Ltd ("ARA"). It is also the third largest listed real estate investment manager globally with significant exposure to new economy real estate and extended reach across key APAC markets including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia as well as expanding presence in Europe and the United States.

On 4 August 2021, Straits Trading's 22.1% owned associate, ARA, entered into an acquisition agreement with ESR. In light of the merger, Straits Trading's 22.1% stake in ARA, based on HK$27.00 per ESR share ("Consideration Share Price") as announced by Straits Trading on 5 August 2021, was valued at approximately S$1,140.4 million. The transaction realised approximately S$685.6 million in valuation uplift for Straits Trading's equity stake in ARA, which is carried at S$454.8 million.

Prior to the merger, ARA had announced on 14 May 2021 that it had increased its strategic stake in Kenedix, Inc from 20.27% to 30%. ARA had earlier supported Sumitomo Mitsui Banking Corporation ("SMBC") Group's privatisation of Kenedix, which was successfully delisted from the Tokyo Stock Exchange on 17 March 2021. Thereafter, ARA announced on 17 May 2021 that it has successfully raised US$500 million in new equity with SMBC as the lead investor, which further affirmed ARA's business model and growth prospects.

During the year, ARA made several advancements on the sustainability front. In May 2021, it became the first real assets manager in Asia to be a signatory of both the World Green Building Council's Net Zero Carbon Buildings Commitment and the United Nations-supported Principles for Responsible Investment, demonstrating ARA's unyielding commitment to combat climate change as a responsible asset manager. Its listed REITs and private funds achieved outstanding results in the 2021 GRESB Real Estate Assessment, with Suntec REIT, Fortune REIT and ARA Peninsula Investment Partners attaining the highest possible five-star rating.

In November 2021, ARA secured a US$1 billion sustainability-linked loan, one of the largest to be inked in Singapore for a real assets manager. The total sustainability-linked loans and green financing secured by ARA Group is over US$2.3 billion, attesting its strong commitment to environmental, social and governance impacts and sustainable financing.

With ESR's completion of its acquisition of ARA on 20 January 2022, Straits Trading, through its wholly-owned subsidiary, Straits Equities Holdings (One) Pte. Ltd. ("SE1"), received approximately S$134.8 million in cash and 214.7 million ESR shares worth over S$1.0 billion at the Consideration Share Price. SE1 holds an approximately 4.8% equity stake in the enlarged ESR.

Straits Trading believes that the enlarged ESR platform with its suite of private real estate fund and REIT products, coupled with its network of superior logistics, data centre and commercial assets globally will continue to present synergistic opportunities and at the same time, enhance the growth of Straits Trading.

Year In Review

Property

Straits Investment Management Pte. Ltd. ("SIM")

www.straitstrading.com.sg

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

Over the years, SIM has successfully collaborated with Nikko Asset Management ("Nikko AM") to launch and list ETFs on the Singapore Exchange ("SGX"). NikkoAM-StraitsTrading Asia exJapan REIT ETF ("AXJREIT") was listed on the SGX in March 2017, offering investors the opportunity to invest in Asian REITs. Assets in AXJREIT have grown to S$349 million as of 31 December 2021. Last year, SIM and NikkoAM collaborated once again to launch the NikkoAM-Straits Trading MSCI China Electric Vehicles and Future Mobility ETF ("EVS"). EVS was successfully listed on the SGX in January 2022 offering investors the opportunity to invest in China's growing electric vehicle sector.

Overview

2021 turned out to be a resilient year for the property market as compared to 2020. Capital was readily available for most REITs via the debt and equity markets, as well as property sales. Assets with limited vacancy continued to trade well due to the relative certainty of cash flow. Low debt costs enticed REITs to issue bonds at record levels. Green bonds become an increasingly important part of many REITs capital structures. As share prices rose and multiples improved - equity issuance become an attractive capital-raising option for many REITs.

The emergence of the Omicron variant towards the end of November caused a sharp sell-off in global financial markets with unprofitable tech stocks and special purpose acquisition companies ("SPACs") bearing the brunt. Nonetheless, occupancy rate for major sectors of the property market kept improving. M&A activity climbed steadily over the past four quarters. Cap rates declined but remained high compared to the risk-free rate. All these reasons made REITs an attractive asset class and led to a material allocation in investment portfolios.

Performance

For the financial year ended 31 December 2021 ("FY2021"), the Straits Global Property ("SGP") Strategy which is managed by SIM, closed the year up 17.1% (net of fees).

Outlook

Inflationary pressures have intensified since the start of the year, and the United States Federal Reserve chair opined that inflation would no longer be transitory and signalled that the central bank was open to accelerating its monetary tightening policy. Moderate levels of inflation have historically been positive for REITs' performance. Property leases in our portfolio are indexed to inflation which creates growing rental streams that should lead to capital value appreciation over time.

The United States Federal Reserve is widely expected to commence the hiking cycle in March 2022. The markets have priced in a total of seven hikes this year. SIM expects that other major central banks will raise interest rates this year as well, but the ongoing Ukraine-Russia conflict may force them to adopt a more gradual pace of rate hikes than previously planned. If the global economy was to deteriorate significantly, central banks are expected to slow the tightening process – a potential catalyst for a market rally.

Leverage in the REITs sector has been coming down and is expected to continue to improve. Furthermore, REITs weighted average interest rate on total debt has been steadily declining too. Finally, REIT managers have extended the average maturity of their debt from five years in 2008 to over seven years today. Structurally, sectors supported by the growth of the digital economy are favoured. The post-pandemic environment should be positive for sectors such as data-centres and industrial REITs. There is tight supply in these sectors and rental growth is also accelerating.

Looking ahead, REITs are expected to remain a compelling asset class for capital allocation, offering both income and growth potential.

Year In Review

Property

Straits City — STC Property Management Sdn. Bhd. ("STCPM")

www.straits-city.com

Aerial view of Straits City site

Construction of 4-star hotel in Straits City

Straits City, a 40-acre development in Malaysia, is located at the heart of Seberang Prai Utara, along the prime waterfront of Butterworth, offering a panoramic view of Penang Island. It is well-connected to Penang Island and major towns via the two bridges, Butterworth Outer Ring Road and major roads and highways. It is also a 25-minute drive from the Penang International Airport, 10-minute drive from the newly gazetted free port, North Butterworth Container Terminal, and a 8-minute drive from the Penang Sentral Transportation Hub.

Co-owned by Straits Trading and Malaysia Smelting Coporation Berhad, Straits City is an integrated mixed-use development, comprising of residential, retail, offices, hotels and service apartments. It is envisioned as a city of the future with smart technologies such as artificial intelligence driven security system, with Internet of Things devices installed in the gardens of the development, that not only enhances the the quality of the living space but also offers residents, workers, visitors and companies a seamless and smart experience that can bring greater efficiency and convenience.

As the master developer of Straits City, STC Property Management Sdn. Bhd. a wholly-owned subsidiary of Straits Trading, has commenced the first phase. The 4-star hotel is targeted for completion by 1Q 2023. It is a 23-storey mixed-use development, which includes 343 rooms, MICE facilities and a retail podium with approximately net lettable area of 41,823 square feet.

Outlook

Malaysia's economy is projected to grow between 5.5% and 6.5% in 2022, underpinned by increased demand for electrical and electronics products as well as commodities globally[1].

With over 90% of the Malaysian adult population fully vaccinated and Malaysia transiting to an endemic phase of the COVID-19 pandemic, the lifting of interstate travel bans in October 2021[2] and the move to open borders to international travellers in 2022 will support recovery of the domestic leisure and travel sector.

Furthermore, backed by a revival of consumer spending in an improved employment market, the Straits City hotel is poised to benefit from the gradual recovery in local leisure and travel demand. Given its close proximity to business parks in Seberang Prai, the hotel is well positioned to capture the pickup in business travel when international travel resumes.

STCPM will continue to work closely with the State Government, Municipal Council and collaborates with business associates to ensure that Straits City meets the needs of the rakyat.

(1) "Keluarga Malaysia, Makmur Sejahtera", Economic Outlook 2022, October 29, 2021, https://budget.mof.gov.my/2022/economic-outlook/#
(2) "Over 90% of Malaysia's adult population fully vaccinated against COVID-19", The Straits Times, October 11, 2021.

Year In Review

Hospitality

Far East Hospitality Holdings Pte Ltd ("FEHH")

www.fareastorchard.com.sg/hospitality.html

Oasia Resort Sentosa, Singapore

Far East Hospitality Holdings Pte Ltd ("FEHH"), Straits Trading's 30%-owned joint venture formed in 2013 with Far East Orchard Limited, is an established international hospitality assets owner and operator. In the same year, FEHH and Australia's Toga Group formed a 50-50 joint venture, Toga Far East Hotels. Today, FEHH has a combined portfolio of more than 18,000 rooms under management across over 105 hotels and serviced residences in nine countries – Australia, Austria, Denmark, Germany, Hungary, Japan, Malaysia, New Zealand and Singapore.

FEHH operates 10 unique and complementary brands including Oasia, Quincy, Rendezvous, Village, Far East Collection, A by Adina, Adina Hotels, Vibe Hotels, Travelodge Hotels and Collection by TFE Hotels.

Key Developments

Despite the continued challenges arising from COVID-19 resurgences which the travel and tourism industry faced in 2021, FEHH grew its hospitality management portfolio with the opening of eight hotels, comprising approximately 1,600 rooms in Singapore, Japan, Australia and Germany. These new hotel openings include Far East Village Hotel Yokohama, A by Adina Canberra, A by Adina Sydney, Quincy Hotel Melbourne, Adina Apartment Hotel Munich, The Clan Hotel and the Oasia Resort Sentosa, which marked its foray into the spa resort segment.

During the year, contracted businesses from governments and corporates for isolation and quarantines facilities, as well as accommodations for foreign workers in Singapore continued to sustain the business. In Singapore, domestic consumption has been strong with staycations during the year-end festive season, boosting demand for hotel rooms locally as the travel and tourism sector pivoted to create new and innovative experiences for the local market.

Outlook

Looking ahead, global travel and tourism sector will continue to be weighed down by the evolving COVID-19 pandemic.

According to the the International Air Transport Association ("IATA") report, Europe and Asia Pacific's full-year international traffic has declined in 2021 compared to pre-COVID days with many destinations closed to non-essential travel[1]. Changing travelling restrictions will continue to impact demand in the hospitality industry in 2022, although IATA observed that the overall travel demand strengthened in 2021 despite travel restrictions on COVID-19 resurgence arising from Omicron.

The United Nations World Tourism Organization anticipates that international travel will remain subdued and would only return to pre-COVID levels in 2024 or later[2]. The recovery is expected to be slow and uneven due to varying degrees of mobility restrictions, vaccination rates and travellers' confidence. In the near term, domestic travel is expected to drive recovery in the sector. Countries with large domestic markets, such as Australia and Germany where Far East Hospitality has presence, will stand to benefit from the pent-up travel demand.

In Singapore, the outlook for travel and tourism sector remains uncertain in the continued absence of large-scale international travel. However, green shoots were observed with the rolling out of the vaccinated travel lane scheme in the last quarter of 2021, which has encouraged the gradual return of international travellers.

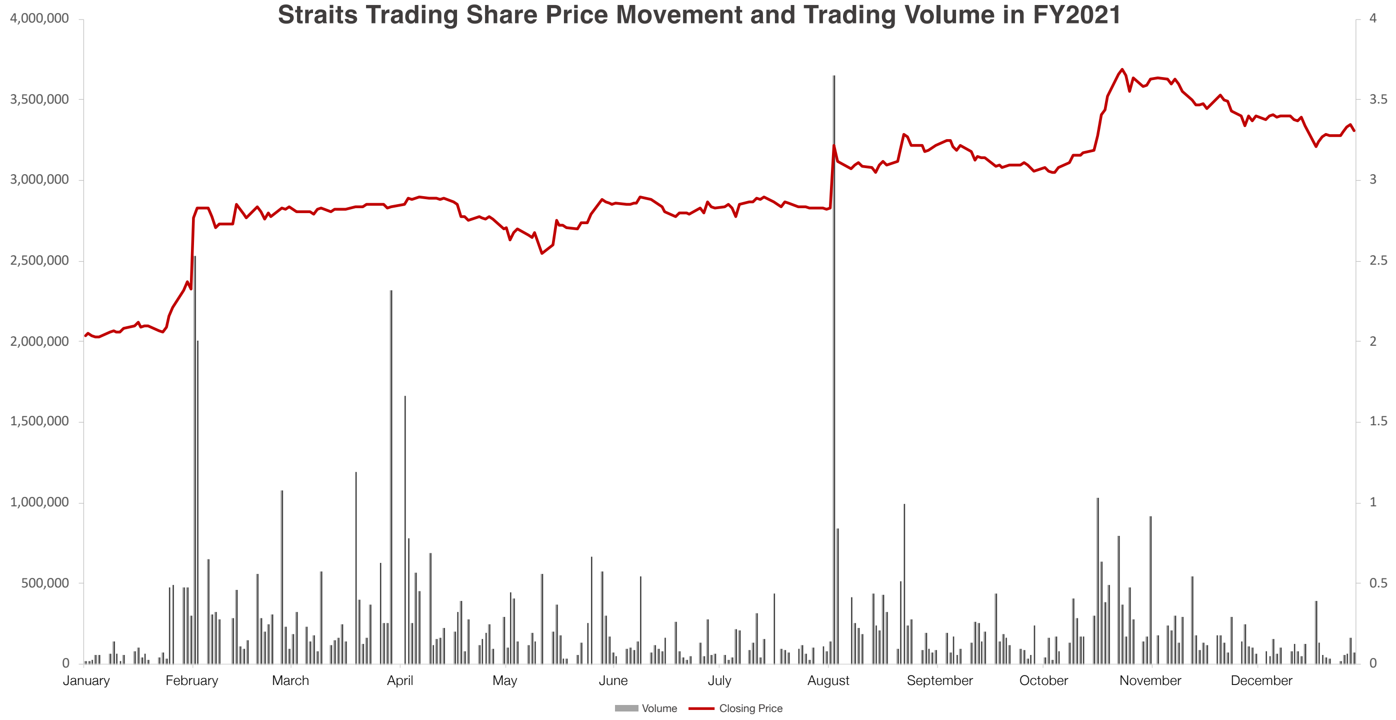
FEHH will actively take steps to mitigate the headwinds posed by COVID-19 through active management of its hospitality portfolio and is poised to extend its reach in multiple geographic and market segments for further expansion.

With its robust balance sheet, FEHH is well-cushioned to weather the impact from the protracted pandemic as it continues to grow its global footprint to achieve its goal of 25,000 rooms in 2025. This is a scalable platform that Straits Trading will look to capitalise when suitable opportunities arise.

(1) "Passenger demand recovery continued in 2021 but Omicron having impact", International Air Transport Association, January 25, 2022, https://www.iata.org/en/pressroom/2022-releases/2022-01-25-02/
(2) "Tourism grows 4% in 2021 but remains far below pre-pandemic levels", World Tourism Organization, January, 18, 2022, https://www.unwto.org/news/tourism-grows-4-in-2021-but-remains-far-below-pre-pandemic-levels

Investor Relations

Straits Trading Share Price Movement and Trading Volume in FY2021



Straits Trading is committed to fostering long-term relationships with our shareholders, investors, analysts and media through investor relations practices with a focus on corporate transparency and fair disclosure.

During the year, Straits Trading continued to update our stakeholders, keeping them informed of the Group's business performance and corporate developments. In 2021, Straits Trading engaged a diversified group of global institutional investors and analysts through regular conference calls, virtual meetings, teleconferences and webinars.

To comply with COVID-19 measures and in accordance to guidelines for the conduct of general meetings issued by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange, Straits Trading's Annual General Meeting ("AGM") was convened in a virtual format on 30 April 2021, with 170 shareholders in attendance. All resolutions of the Notice of AGM were passed, with the results and responses to questions from shareholders published on SGXNet and the corporate website.

To better engage with our shareholders, the Group has launched the Straits Trading Shareholders' Club in September 2021 to strengthen ties by proactively interacting as a community, enhancing the level of knowledge in the Group's businesses and offering co-investment opportunities.

Through the Shareholders' Club, registered shareholders were able to interact with C-Suite from various subsidiaries by attending virtual fireside chats and webinars on property and resources. Additionally, registered shareholders who are accredited investors were offered priority to two fractionalised properties assets through structured notes. The offerings include a Good Class Bungalow on Cable Road in Chatsworth Park and a residential development at Woollerton Park in Gallop Green.

Interested shareholders can register with the Shareholders' Club community at https://shareholdersclub.sg/.

In 2H 2021, the Group extended its outreach to the investment community by participating in various webinars and virtual forums, including the 28th Annual CITIC CLSA Flagship Investors' Forum, SGX-SIAS Corporate Connect – Retail Investors Webinar, SGX-CS Real Estate Day and CGS-CIMB Lunchtime Webinar for trading representatives.

Straits Trading's share price gained 61.5% year-on-year to close at S$3.31 on 31 December 2021.

Share Price (S$)	2017	2018	2019	2020	2021
As at last trading day of the year	2.33	2.04	2.12	2.05	3.31
High	2.60	2.39	2.37	2.15	3.78
Low	1.915	1.96	2.01	1.49	2.01
Average	2.33	2.03	2.10	2.05	3.32

Source: Bloomberg

Sustainability Report

Board Statement

The Board of Directors ("the Board") is pleased to present Straits Trading's sixth Sustainability Report ("the Report") for the financial year ended 31 December 2021 ("FY2021").

Despite challenges resulting from the ongoing pandemic in 2021, we stay focused on operational excellence, risk management and sustainability. As we navigate the challenging macroenvironment and seek to deliver long-term value for our stakeholders, we continue to place strong emphasis on environmental, social and governance ("ESG") issues in our day-to-day operations and business strategies.

We believe strong ethical, environmental and social performance will help us comply with regulations and that a focus on value creation will strengthen our business structure to ensure the long-term competitiveness of Straits Trading.

This Report covers Straits Trading's overarching approach towards material sustainability matters, as well as sustainable business practices relating to corporate governance, stakeholder engagement, environment-related and community initiatives. We identified the ESG factors material to Straits Trading and we are committed to understand, manage and disclose impacts from business practices of Straits Trading on key ESG aspects.

The Board plays a vital role in guiding the sustainability direction within Straits Trading. To effectively discharge our responsibility, the Board has assigned the monitoring and overseeing the management of ESG matters to the Audit and Risk Committee. The Audit and Risk Committee comprises of members who have a diverse range of complementary experience and skills. Together, we consider sustainability issues as an integral part of our strategic formulation and oversee all key issues relating to sustainability.

In 2021, to further our commitment on sustainable practices across our operations, Straits Trading had in place initiatives to minimise impact on the environmental and social fronts as well as enriching communities in which we operate in. Straits Trading seeks to continually improve our sustainability efforts, ensuring that the value proposition of Straits Trading remains strong.

Looking ahead, we recognise that the external environment remains volatile and uncertain due to the ongoing pandemic even as societies transition to living with an endemic COVID-19.

Driven by our commitment to continually improve on our performance and our endeavour to deliver a sustainable transformation, Straits Trading will continue to be vigilant in monitoring market conditions to ensure minimal disruptions to our business while prioritising the wellbeing of our stakeholders.

We look forward to your continued support.

Yours faithfully,
The Straits Trading Company Limited's
Board of Directors

What Sustainability Means To Us

At Straits Trading, we believe that a sustainable business is contingent upon economic vitality, social equity and environmental wellbeing. We do not see these goals as mutually exclusive, but inextricably linked. As business leaders, we are committed to developing sustainable business practices that meet the needs of the present without compromising the welfare of future generations.

The Straits Trading Mission

To shape and transform our investments into businesses of enhanced value.

Scope of this Report

This Report sets out Straits Trading's commitments, governance, policies and performance in respect of managing the ESG impacts of the Group in FY2021.

In determining the scope of the Report, Straits Trading considered the percentage of ownership and level of influence and have included key subsidiaries where Straits Trading has controlling share of more than 50%. Associates are scoped out in this report due to the absence of operational control.The entities covered in this Report are:

1. The Straits Trading Company Limited;
2. Malaysia Smelting Corporation;
3. Straits Real Estate Pte. Ltd.; and
4. STC Property Management Sdn. Bhd.

Defining the Content of this Report

The business activities of Straits Trading focus on investments in property and property funds. We place priority on the interests and fair treatment of our investors and shareholders and we have taken these activities and values into consideration when conducting our materiality assessment.

We began the process by identifying the various direct and indirect ESG impacts of our activities. We have also carefully considered where Straits Trading have control and influence over the various ESG impact of these activities in order to identify opportunities for us to most effectively manage them.

We believe we have the most control in three areas:

- ☑ **Investing in a responsible manner**
- ☑ **Practising good compliance**
- ☑ **Engaging and developing our employees**

In addition, we recognise that our position as a provider of capital gives us a certain influence with our business partners. As an investor in different funds, we do not have direct control over how fund managers invest our capital or how asset managers manage our properties. Nonetheless, we aim to select managers that operate in a responsible manner and engage with them regularly to create and increase awareness.

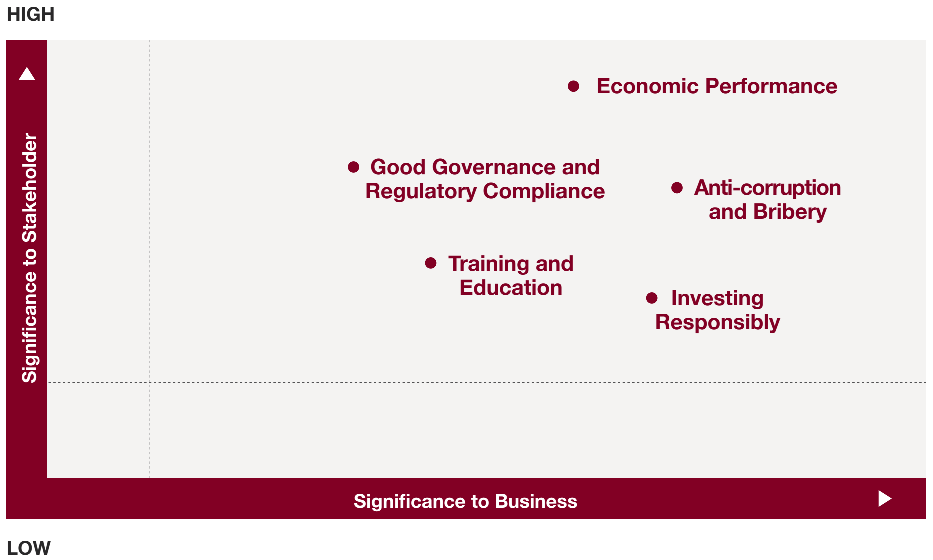
These conclusions formed a basis for our ESG materiality assessment.

Sustainability Report

Materiality Assessment

In order to determine what ESG factors are most relevant to us, we conducted a materiality assessment involving key internal stakeholders. Straits Trading had considered a number of ESG factors, drawing guidance from GRI Standards disclosures as well as the GRI Financial Services Sector Supplement.

After assessing the ESG related business risks and opportunities as well as ESG related issues in the financial services sector, we have identified five ESG factors that we believe to be most material to us. Our five most material factors are illustrated in the materiality matrix on the right.



Stakeholder Engagement

We believe that our stakeholders, both internal and external, influence numerous aspects of the business and it is vital for us to incorporate their views when determining our material ESG factors. We engage with our external stakeholders on a regular basis, such as conducting road shows to better enhance communication with shareholders and investors. We have used the insights gained from these interactions to determine what ESG factors would be most material to them.

KEY STAKEHOLDERS	STAKEHOLDER ENGAGEMENT METHODS
Employees	• Employee Intranet • Employee Handbook • Regular Email Communication
Government / Regulations	• Regulation update seminars and briefings
Business Partners / Third Party Service Providers	• Regular management meetings
Investors / Shareholders	• Annual General Meeting • Annual Report • Company website • Road shows / Analyst briefings • Straits Trading Shareholders' Club

MATERIAL FACTORS

- Economic Performance
- Good Governance and Regulatory Compliance
- Anti-corruption and Bribery
- Training and Education
- Investing Responsibly

Investing in a Responsible Manner

As one of the oldest public-listed companies in Singapore, Straits Trading is a reputable and trusted conglomerate-investment company with stakes in resources, property and hospitality across Asia Pacific and United Kingdom region. As an investor, we understand that the value of our investments can be affected by market conditions, corporate decisions, political changes, social change in a global pandemic or currency fluctuations, to name a few well-recognised investment risks. As a responsible investor, we are aware that ESG factors can enhance and compound those common risks.

We believe that to continually deliver sustainable returns to our shareholders in the long-term, we must holistically integrate aspects of ESG as well as traditional concerns in our investment decisions. We have been including ESG considerations as part of our investment criteria for many years and will continue to do so in the future.

Investment Criteria

Sustainability risks of an investment should be assessed at the acquisition stage. For us, this means assessing the risks in both the funds or properties which we invest in and selecting the right business partners to manage our properties. The due diligence process adopted ensures that the Group is enabled to capitalise on the opportunities presented and mitigate the risks by managing these acquisitions responsibly.

Advisers are appointed to assist the investment team in the due diligence process and they are selected based on their market experience and track record. In addition, the Group has a number of policies in place that ensure the robustness and completeness of the due diligence process. These policies include the Financial Authority Limits ("FAL"), the SRE Operations Handbook, SRE Hedging Policy, the Trading Compliance Manual and the Straits Trading Group's Treasury Policy. Risk assessments of potential investments include several levels of screening as well as procedures for monitoring various investment risks and exit strategies.

FAL- FINANCIAL AUTHORITY LIMITS, FORMALISED IN MAY 2015

The Financial Authority Limits ("FAL") Policy is the mechanism through which the Straits Trading's Board of Directors or designated delegate approves transactions and financial commitments within the Group.

The FAL covers the authorisation limits of investment activities including investment portfolio management, financing and debt management, foreign exchange and interest rate risk management, capital expenditure and operating expenditure.

The objectives of FAL are to define the authorisation limits of the Group's activities and ensure that all employees of the Group are informed on the limits of their authority, and aware of the process for getting approval for financial commitments.

The FAL is applicable to Straits Trading and all non-listed subsidiaries of the Group.


Good Class Bungalow

As a responsible investor, we assess risks that include:

- Monitoring for fraudulent and illegal activities;
- Emergency planning for business continuity; and
- Know-your-customer checks, which also include anti-money laundering assessments.

Additionally, the Group also assess the concentration risk and exposure of our investments in China, Malaysia, Singapore, Japan, South Korea, Australia and the UK.

Management of Our Assets

The Group is committed to making environmental sustainability an integral part of our investment and asset management process. Our areas of focus are energy efficiency, reduction in carbon emission, occupant safety and resource conservation.

Sustainable design features are incorporated into our development properties to improve their marketability and operational efficiency. Value-add initiatives are also carried out on existing properties to enhance their competitiveness and relevance to changing market requirements.

Operating Responsibly
Malaysia Smelting Corporation ("MSC")

The MSC Group remains steadfast on its sustainability commitments as an integrated tin smelting and mining group. As a modern and cost-efficient global tin smelter, the MSC Group is cognisant of the impact our operations have on the surrounding environment and we have put in place environmental controls to minimise our carbon footprint. For FY2021, the MSC Group had invested approximately RM8.7 million for its environmental initiatives.

The MSC Group's sustainability-related matters are steered by the ESG Committee, comprising of three members from the Board of Directors of MSC. The Committee is tasked to oversee the management and implementation of ESG-related matters across the MSC Group.

Environmental Performance

Compliance to Environmental Laws

- The MSC Group's operations are guided by our Environmental Policy that outlines our commitment to adhere and comply with relevant laws and regulations, as well as to undertake measures to ensure efficient use of natural resources.

- At MSC Group, standard operating procedures ("SOPs") are developed for worksites to manage our ecological footprint. To ascertain that our environmental conservation initiatives are effective, the MSC Group's sustainability performance is closely monitored to ensure legal requirements are met throughout our operations.

- The MSC Group's tin mining and smelting facilities operate in accordance with the Mineral Development Act 1994 ("MDA 1994"), Perak State Mineral Enactment 2003, Environmental Quality Act 1974 ("EQA 1974"), and its applicable regulations, namely Environmental Quality (Scheduled Wastes) Regulations 2005, and Environmental Quality (Clean Air) Regulations 2014.

- In FY2021, there were no significant issues relating to compliance with environmental laws and regulations on the MSC Group.

Progressive Mine Rehabilitation

- Mine closure is an important process that occurs across all stages of the mine's life cycle; from pre-construction to post-closure. The MSC Group's tin mining arm, Rahman Hydraulic Tin Sdn. Bhd. ("RHT") has implemented a Mine Rehabilitation Plan ("MRP") to facilitate a successful mine closure plan.

- The MRP includes progressive rehabilitation programmes that involve planting trees and grasses at mined-out areas to prevent erosion and sedimentation into adjacent streams. A total of 32 hectares of inactive areas have been rehabilitated thus far. Following the completion of our study with the Forest Research Institute, Malaysia ("FRIM"), an SOP on tree planting on ex-mining land comprising, among others, planting method, suitable tree species to be planted and post-planting maintenance was developed. To ensure continuous seedling supply for these purposes, the MSC Group has a plant nursery in place.

- Moving forward, we will continue to refine the MSC Group's mine closure plans in accordance with the MRP.

Waste Management

- Responsible waste management is a key component of the MSC Group's goal to minimise the impact of our operations on the environment. The mining and smelting divisions follow guidelines that are in line with the national standards in effluents and waste management.

- Our tin mining and smelting processes generate a substantial amount of waste materials in the form of scheduled and non-scheduled wastes. In FY2021, the MSC Group produced approximately 1.2 million m³ non-scheduled waste materials. At the tin mine, the by-products of waste materials consist of sandy and slimy tailing materials as well as overburden. As part of our waste management measures, the tailing particles are separated and contained within tailing areas or ponds located near the mine, while the overburdens are deposited at the allocated waste dump area. As the MSC Group expands its mining activities, there is a need to raise the tailing bunds to increase the retaining capacity. In this regard, a report has been submitted to the Department of Mineral and Geoscience ("DMG") in 2021.

- For smelting activities, non-scheduled waste such as metal scrap and tin slag are produced along the smelting process. These are either transported to a landfill for disposal or used for recycling. Tin slag can also be recycled to produce concrete slab for construction purposes. At the same time, solid waste that contains residual tin are sent to the smelter for tin recovery.

- For hazardous wastes such as arsenic-bearing material, spent lubricating and hydraulic oil and contaminated containers, they are disposed according to the Environmental Quality (Scheduled Wastes) Regulations 2005, which requires supervision from a Competent Person in Scheduled Waste Management ("CePSWaM") certified by the Department of Environment of Malaysia ("DOE").

Rehabilitation of ex-tailing dump

Water Management

- Water is an essential consumable for MSC's operations and a critical resource for our stakeholders, particularly for the communities in which we operate. Recognising the need to responsibly consume water, the MSC Group practises water utilisation in an efficient manner across the value chain despite operating in a non-water stressed area. For mining activities, the MSC Group deployed a closed water circuit system whereby 100% of water discharged from the ore processing plant is recycled for use at the processing plant. Although the mine at Klian Intan, Perak, does not operate in a water stressed area, the above initiative reduces water extraction from natural sources.

- In FY2021, a total of 5.6 million m³ of water for mining operations was utilised, with 5.4 million m³ of water withdrawn from nearby river sources to replenish water losses due to evapotranspiration and water seepages. The higher water usage in FY2021 is mainly attributed to the upgrading of processing methods at the mine, as well as higher water extraction due to the lower retaining capacity of the tailing ponds.

Water Quality Management and Treatment

- As part of the MSC Group's water quality monitoring system, we perform continuous monitoring and sampling of the water running along the nearby rivers of Sungai Kijang and Sungai Kepayang to ensure potential environmental impact will be mitigated timely. All the sites manage discharged wastewater in accordance with regulatory requirements set by the DMG and the DOE.

- Lime dosing operations have also been adopted as part of the MSC Group's water treatment measures. Hydrated lime are used at seven lime dosing stations along the surrounding rivers to neutralise the acidity of the discharge, which is in compliance with the quality standards specified in the Mineral Development (Effluent) Regulations 2016.

Energy Management

- At the MSC Group, we strive to conserve energy resources and reduce our dependency on fossil fuels by increasing the adoption of renewable energy.

- MSC has established an Efficient Electrical Energy Management Policy which has been implemented across the MSC Group, demonstrating its commitment to achieve energy efficiency and conservation to reduce environmental impacts.

- In FY2021, MSC's energy consumption was 34.0 million kWh, with 13% of the consumption derived from renewable sources.

Some examples of MSC's energy conservation and carbon emissions reduction efforts are as follow:

- Energy efficient LED lightings are installed at operating facilities; regular maintenance of equipment and machinery are scheduled to prevent downtime. On-the-job training sessions are also provided to operators to avoid overloading of equipment which contribute to carbon emissions.
- Upgrading of the mini hydroelectric plant from 1.0 MW to 5.0 MW at the Klian Intan mine to increase availability of non-fossil fuel electricity and lower overall greenhouse gas emissions.
- Installation of solar photovoltaic panels with a capacity of 1.26 MWp on the rooftops of the Pulau Indah smelting facility. Upon the completion of the solar panels installation, the MSC Group's carbon discharge is expected to reduce by 1,000 tonnes per annum.
- Installation of a waste heat recovery system to harness thermal energy from smelting activities to generate power is being planned.

Social Performance

Building and maintaining strong, transparent and supportive relationships with local communities is critical to the success of MSC's operations. Our efforts to create long-term value for local communities extend into our employment practices, contributing to the socio-economic development of local communities through creating job opportunities. In FY2021, over 97% of the MSC Group's workforce is made up of local people from nearby towns. There were no COVID-19 related retrenchments or pay cuts in FY2021.

During the year, we also undertook charitable initiatives for various causes. Priority areas of support include:

- Donating grocery packs and daily necessities to families affected by the COVID-19 pandemic;
- Upgrading of the local community bus-stop; and
- Gifting of air-conditioners to the Vaccination Centre at Pengkalan Hulu.

Supporting local communities by donating grocery packs and daily necessities

Greening Our Property Portfolio
Straits Real Estate Pte. Ltd. ("SRE")

Arenas Yeongjong (Sky Logis) (Incheon, South Korea)

In FY2021, sustainability initiatives were introduced at the ILP Logistics Portfolio, 45 St Georges Terrace, Sky Logis, 悦地 My Place Mall and Bourne Business Park.

ILP Logistics Portfolio (Australia)
In close collaboration with the tenant, the Wengfu facility has been designed to conform to high sustainability standards. The 15,300 sqm warehouse bulk fertiliser storage facility will be constructed with structural timber beams, in lieu of steel, to minimise corrosion and maximise longevity of the facility. It will also incorporate vegetated grass swales on site to improve water quality and reduce stormwater runoff.

The facility offers a 5m floor to ceiling height that maximises storage capacity and optimises site efficiency. It will also have skylights for natural lighting and energy efficient smart lighting controls throughout the building.

45 St Georges Terrace (Perth, Australia)
The NABERS energy and water ratings for 45 St Georges Terrace improved respectively to 3.5 stars and 4.5 stars with 100% occupancy rate in FY2021.

Arenas Yeongjong (Sky Logis) (Incheon, South Korea)
Completed in January 2021, Arenas Yeongjong (Sky Logis) is a 190,000 sqm warehouse development that offers state-of-the-art features such as direct ramp access to all floors, high ceiling heights, double-sided docking bays, natural lighting and modern fire protection systems. Supported by its good connectivity with major highways and high-quality specifications, the property has attracted tenants like Coupang, Lotte Global Logistics and Qxpress. During the year, Sky Logis attained a LEED silver certification.

悦地 My Place Mall (Chongqing, China)
Sustainability initiatives have been implemented since the acquisition of the mall in 2013.

As part of the asset enhancement process, laminated low-emissivity glass was used for the mall façade while materials were locally sourced where possible to reduce carbon emissions from transportation across the value chain. The installation of green feature walls improved air quality within the mall and the double volume lobbies at three of the mall entrances minimised air exchange and reduced energy consumption. In addition, the lighting and sanitary sensors are checked and maintained regularly. Waste collection and recycling processes for common recyclables and specialised waste had also been put in place since 2019.

The mall was successfully awarded the LEED for Existing Buildings ("LEED-EB") Platinum certification in January 2022.

Bourne Business Park (Surrey, England)
Bourne Business Park comprising six office buildings, continued to enjoy good occupancy in FY2021. To maximise tenant engagement and improve occupier well-being, the business park now offers a brand-new gym and café, with studio classes and organised activities for tenants.

As part of our asset enhancement initiatives, we commenced the redevelopment planning for Building 100 in 2021. The design of the new building will follow strict sustainability practices that seek to enhance the building's external elevations, space usage and energy performance.

Occupants of the building will enjoy high quality office space with a generous reception and break-out lounge, open terraces, accessible and inclusive facilities, as well as brand new end-of trip facilities. The redevelopment will take a back-to-frame refurbishment approach which will minimise the resultant embodied carbon generation as compared to an equivalent new build.

Associations and Collaborations
As the Group continues along our sustainability journey, we plan to continue to work with others in the investment and property spaces both in Singapore and globally to advance the conversation on responsible investing. As a member of Real Estate Developers' Association of Singapore ("REDAS"), SRE will actively deepen and strengthen relations with industry associates, as well as explore areas where SRE can participate in over the next year.

Straits City Future City
STC Property Management Sdn. Bhd. ("STCPM")

Beneficiaries receiving a food hamper


Monitoring of ambient air quality

As the developer of Straits City, STCPM's flagship integrated mixed-use development project in Penang, Malaysia, we are mindful of the impact our construction activities could have on the environment and local communities. As such, we have put in place practices to ensure the sustainable development of Straits City.

Integration - Building a Sustainable Development
Straits City is a 40-acre masterplan to be developed over 11 parcels of land with the North and South nodes connected via a flyover and a pedestrian-linked bridge. As part of our environment sustainability initiatives, we had conducted an Environment Impact Assessment ("EIA") for the development of Straits City. The first development phase of Straits City is already under way with an environmental management and monitoring system implemented to mitigate and minimise environmental impact during the construction period.

Intelligence - Smart Living in Low Carbon Development
The sustainable blueprint for Straits City comprises environmentally friendly initiatives which include establishing green spaces such as parks throughout the development and implementing a bike sharing programme to promote a vehicle-free city lifestyle. In the planning of Straits City, we are committed to minimise environmental impact. We make conscious efforts to reduce energy consumption and carbon footprint in the development.

To reduce energy consumption, smart energy, water, and waste management systems will be installed within the integrated mixed-use development to improve efficiency. An example of our efforts to conserve energy at Straits City would be the introduction of Room Control Unit ("RCU") system at the hotel of Straits City which is currently under development. Besides monitoring the energy usage throughout the hotel, the system also allows guests to minimise their carbon footprint by choosing "ECO" mode when they are in the guest rooms.

Interaction – Supporting Our Communities
Recognising the need for a sustainable built environment, STCPM has also worked to create interactive engagement platforms such as social media posts to generate awareness of Straits City and interact actively with local communities. Inclusive initiatives comprised procuring fresh produce from local farmers and appointing local artists to showcase their artwork as decorative pieces within the hotel.

During the year, as part of Straits City's community initiatives, the team had organised two outreach activities with the local community groups. In November and December 2021, 100 boxes of food hampers were distributed to the underprivileged who were affected by the prolonged COVID-19 pandemic.

Sustainability Report

Practising Good Compliance

Compliance with the relevant laws and regulations is more than just a legal requirement at Straits Trading. Straits Trading believes that it also has a duty to our investors and other stakeholders. We recognise that ensuring compliance requires management and regular monitoring. Therefore, we continuously review our Board Assurance Framework to ensure that it remains relevant amidst the changing legal and regulatory environment, to identify, mitigate and manage significant risks, including compliance-related risks.

We also have a robust internal audit process with several levels of controls, under the purview of the Audit and Risk Committee. We regularly review the Group's internal controls' adequacy and effectiveness in relation to the significant risks, including financial, operational, compliance and information technology controls, and risk management systems. Please see the Report on Corporate Governance for details.

Anti-Corruption and Bribery

Anti-corruption is part of Straits Trading's culture, both as part of our practice of being a good corporate citizen and because we understand the otherwise grave consequence on the Group's reputation and business operations. We have developed and continue to regularly review our Employee Handbook which covers work ethics when dealing with matters that may give rise to conflicts of interest. The Employee Handbook is made available to all our employees. This document covers mitigating procedures and dealing with corruption and bribery incidents, including our Whistleblower Policy.

This policy establishes procedures and guidance for the receipt and treatment of verbal or written complaints received by the Group regarding accounting, internal controls, fraud and unethical business practices or conduct, whether submitted by employees or third parties. Additionally, Straits Trading provides quarterly updates to the Audit and Risk Committee on whistleblowing related issues.

Straits Trading is pleased that there has been no incident of breaches of anti-corruption laws over the 12 months of this reporting period. We once again target zero breaches in the coming period.

Compliance with Relevant Local Laws and Regulations

Our business activities are subject to numerous laws and regulations covering our business conduct, use of our products and services and environmental regulation in all locations where we operate in. Our Employee Handbook covers our internal rules and policies that aim to govern our employees' actions and behaviours. This includes work ethics and employee conduct, as well as manage compliance with regulations and conflicts of interest.

In addition, we comply with the Personal Data Protection Act ("PDPA"). We have a PDPA compliance manual and PDPA policy to ensure that employees understand what they need to do to comply with the legislation. We also request that all employees, consultants and suppliers complete the relevant PDPA consent form.

Engaging and Developing Our Employees

At Straits Trading, we believe in cultivating an inclusive workplace with a strong emphasis on employee engagement, talent development, career advancement, and skills training while caring for our employees' physical and emotional wellbeing. We aim to continuously fine-tune our people management practices to ensure our employees and businesses' long-term success and wellbeing.

We provide our employees with an Employee Handbook that provides them with information, including working hours, remuneration, leave and benefits. We review our handbook regularly to keep it up-to-date so that employees are always clear on our policies. We also ensure that our employees understand and subscribe to our values by including our work ethics in the Employee Handbook.

We care for employees' health and wellness. To promote a healthy lifestyle and general wellness, employees are encouraged to go for regular health screening subsidised by Straits Trading.

To ensure that our employees' concerns and issues are always heard and addressed, we have implemented a grievance process in the Employee Handbook. This process is in place as Straits Trading recognises the value and importance of employees having the opportunity to voice their questions, complaints or grievances, and holding discussions to resolve any misunderstanding and preserve harmonious relations between employees.

Gender

Male	61
Female	66

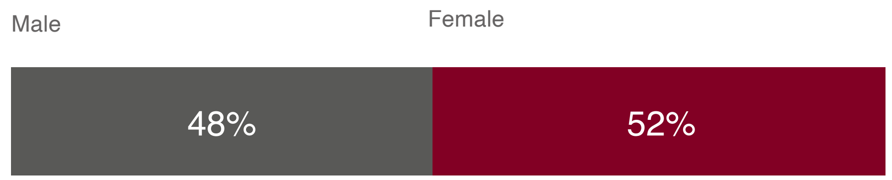
Nature of Employment

Permanent	68
Contract	59

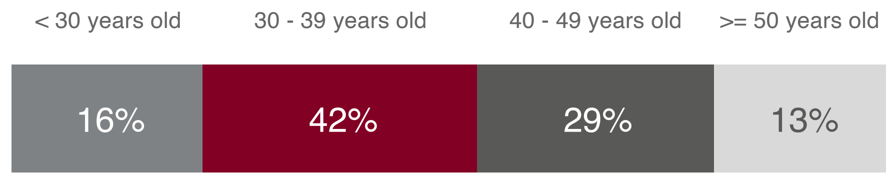
Headcount

Singapore	60
Malaysia	10
China	57
Total	127

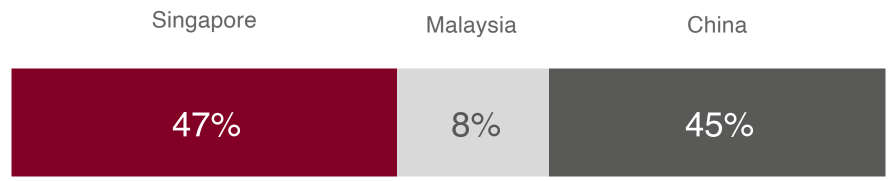
Gender Diversity



Age Diversity



By Country



By Length of Service

Sustainability Report

Our People
We understand that the success of Straits Trading rests upon the quality and dedication of our employees. As of 31 December 2021, Straits Trading employs a lean employee base of 127 employees, with 60 employees in Singapore, 10 employees in Malaysia and 57 employees in China. Of our Singapore-based employees, 98% are Singapore citizens or Permanent Residents.

We maintain a diverse workforce in terms of age and gender with different skills and experiences which will contribute positively to the Group.

We have a slightly higher proportion of female employees and is fairly distributed between permanent and contract employees. The majority of our employees are in the 30 – 39 years age group, which constitutes 42% of our workforce. A substantial portion of the organisation's work is performed by our permanent employees, although we do occasionally engage advisers, consultants and contractors for advisory or ad hoc projects. The majority of our contract employees is based in China.

Training and Education
Employees are encouraged to attend relevant training courses to improve themselves. Yearly budgets are provided for training and development programmes. All employees have to complete their individual development plan with their relevant superiors at the beginning of each year to review gaps in their skillsets, as well as their training and development needs. Relevant and suitable courses will be sourced for employees.

Discussions are held between managers and employees to define long-term objectives. Employees are given assignments and skill-building opportunities to expand their work scope and achieve their long-term goals. We groom our employees so that they can grow with Straits Trading and be promoted to take on more significant roles and assume greater responsibilities.

The types of training attended by employees include soft skills, technical skills and update of industry practices and regulations. We also support employees in taking up relevant professional courses and postgraduate courses, such as ACCA, CFA and Masters programme where course fees and examination fees are sponsored in full or in parts by Straits Trading. Employees are also given study leave and examination leave. We target to continue providing diverse and relevant training for our employees.

Rewarding Performance
At Straits Trading, we prioritise performance improvement and employee development. To do so, we align these priorities with competitive fixed and variable remuneration. All employees are given annual performance appraisals, and their performances are reviewed on a one-on-one basis with their superiors. Performance bonuses are awarded for individual performance and contributions. We also conduct regular benchmarking exercises to provide competitive remuneration packages and benefits.

Engaging Employees
We keep employees informed of the latest news, policies and happenings via internal emails and town hall meetings. Employees are able to access human resource policies, forms, templates and participate in polls and surveys, as well as provide feedback. Human Resource Policies are reviewed from time to time by the Human Resource department to ensure that they are relevant and updated; any changes will be communicated to the employees.

Code of Work Ethics
All employees are expected to uphold and ensure that they do not engage in any interest that conflicts with any of the Group's businesses. The code of work ethics is published on Straits Trading's corporate intranet as well as Employee Handbook.

Non-Discrimination
We are proud to institute a strict equal opportunities and non-discrimination policy, as we believe every employee has a right to be judged on merit only and to be free from harassment or discrimination in their place of work. We have had no incident of discrimination over the last 12 months and we intend to maintain this for the upcoming year.

Corporate Social Responsibility
Straits Trading is committed to being a socially responsible organisation and has been contributing towards educational and social causes as far back as the early 1900s. We have also been supporting projects and causes that are sustainable, with definable social outcomes. Over the last two years, our engagements with the community were put on-hold due to the global COVID-19 pandemic.

As Singapore shifts to an endemic COVID-19 strategy with majority of the population fully vaccinated, we started to re-engage the community by working alongside with The Boys Brigade, a non-profitable organisation in Singapore, to spread Christmas cheer to the underprivileged in FY2021.

On 18 December 2021, Straits Trading employees volunteered to pack food hampers and deliver them to the beneficiaries. To adhere to the COVID-19 safety management measures, only 20 volunteers could participate in this event. Nonetheless, this did not stop employees from contributing to a good cause in other ways. Cash donations were received and with Straits Trading matching employees' donations dollar for dollar, the funds raised amounted to S$6,700. The cash donation will be used to fulfil specific wishes of the beneficiaries and enrich their daily lives.


Employee volunteers contributing to a good cause.

Legacy of Giving

2021
In December, Straits Trading partnered The Boys' Brigade in Singapore to bring Christmas cheer to the needy. Straits Trading employees volunteered to pack food hampers and deliver them to beneficiaries.

Straits Trading and our employees donated $6,700 to fulfil specific wishes of the beneficiaries.

2015 ▼ 2019
Management and employees of Straits Trading and the Tecity Group took part in the annual SGX Bull Charge Charity Run to raise funds for beneficiaries under the care of the Asian Women's Welfare Association ("AWWA"), Autism Association of Singapore ("AAS"), Community Chest, Fei Yue Community Services ("FYCS"), HCSA Community Services and Shared Services for Charities ("SSC").

2014 ▼ 2015
Employee volunteers participated in sheltered workshops run by the SPD and worked alongside beneficiaries from SPD to pack thousands of goodie bags for their clients.

2013
Donated $10,000 towards the establishment of the Far East Orchard-Straits Trading Scholarship to sponsor the course fees of two hospitality students each from Temasek Polytechnic and Republic Polytechnic. Employee volunteers spent a day at the Singapore River Safari with beneficiaries and caregivers from SPD.

2012
In celebration of its 125th Anniversary, Straits Trading together with 25 corporate donors pledged a gift of $125,000 to the President's Challenge at the reopening of the Rendezvous Hotel Singapore.

Employee volunteers interacted and spent time with beneficiaries of SPD, CCF and the "Project We Care" programme during the year.

1905
Gift of a clock and chimes for the tower of Victoria Memorial Hall.

1906
Donated a church bell to the Church of St Mary in Kuala Lumpur, Malaysia.

1907
One of the largest donors in the building of a new school for St Joseph's Institute ("SJI").

1912
Made another substantial contribution to SJI for the building of King George's Hall.

1951
Awarded a grant of $250,000 to St Mark's School at Butterworth.

Donated $100,000 to the University of Malaya in Singapore towards the Faculty of Engineering studies.

1961
Donated a further $100,000 to the University of Malaya

2008
Donated $250,000 to NUS Faculty of Arts & Social Sciences in memory of its late chairman, Howe Yoon Chong and established the Straits Trading-Howe Yoon Chong Bursary Fund to support financially needy university students.

2010
Launched revised CSR programme to include both monetary contributions and active engagement and interaction by the staff. A sum of $300,000 was raised and contributed to four charities – Children's Cancer Foundation ("CCF"), Club Rainbow Singapore, Society for the Physically Disabled ("SPD") and The Straits Times School Pocket Money Fund.

2011
Employee volunteers celebrated Mother's Day and Father's Day with caregivers of children of CCF with treats of dinner, gifts and massages by representative from the Singapore Association of the Visually Handicapped.

Movie outing with physically-challenged beneficiaries from the SPD.

GRI Index

GRI Standards		Details/ Notes/ Page No.
General Disclosure		
Organisational Profile		
102-1	Name of the organisation	AR, Outside back cover
102-2	Activities, brands, products, and services	AR, Page 2, 4-5 and 16-23
102-3	Location of headquarter	AR, Inside back cover
102-4	Location of operations	AR, Page 16-23
102-5	Ownership and legal form	AR, Page 191-192
102-6	Markets served	AR, Page 2, 4-5 and 16-23
102-7	Scale of the organisation	Our People, Page 34; AR, Page 6-13
102-8	Information on employees and other workers	See "Our People", Page 34 We do not have any significant variations in employment numbers
102-9	Supply chain	Supply chain is minimal and not significant to report on
102-10	Significant changes to organisation and its supply chain	AR, Page 2, 4-5 and 16-23
102-11	Precautionary principle or approach	Straits Trading does not specifically address the principles of the Precautionary Approach
102-12	External initiatives	Chairman Statement, Page 4-5 Investor Relations, Page 24 Straits City Future City, Page 31 Corporate Social Responsibility, Page 34 Legacy of Giving, Page 35
102-13	Membership of associations	Associations and Collaborations, Page 30
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102-14	Statement from senior decision-maker	AR, Page 4-5
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	Straits Trading Mission, Page 25 What Sustainability Means to Us, Page 25
Governance		
102-18	Governance structure	Company Structure, Page 2 Board Statement, Page 25 Practising Good Compliance, Anti-Corruption, Page 32 Report on Corporate Governance, Page 39
Stakeholder Engagement		
102-40	List of stakeholder groups	Stakeholder Information, Page 26
102-42	Identifying and selecting stakeholders	The key stakeholder groups identified either have a significant impact on or are significantly impacted by Straits Trading's sustainability performance.
102-43	Approach to stakeholder engagement	Stakeholder Engagement, Page 26
102-44	Key topics and concerns raised	Stakeholder Engagement, Page 26
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Corporate Profile, Page 1 Company Structure, AR, Page 2 Scope of this Report, Page 25
102-46	Defining report content and topic Boundaries	Materiality Assessment, Page 26

GRI Index

GRI Standards		Details/ Notes/ Page No.
Reporting Practice (cont'd)		
102-47	List of material topics	Materiality Assessment, Page 26
102-48	Restatements of information	No restatements of material information.
102-49	Changes in reporting	Scope of this Report, Page 25
102-50	Reporting period	1st January - 31st December 2021
102-51	Date of most recent report	April 2021
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Selina Ho Head, Investor Relations & Corporate Secretariat Head, Corporate Communications Email: ir@stc.com.sg
102-54	Claims of reporting in accordance with GRI Standards	This report is prepared in reference to the GRI Standards, Page 26
102-55	GRI content index	Page 36-38
102-56	External assurance	We have not sought external assurance on this report but we may do so in the future
Management Approach		
103-1	Explanation of the material topic and its Boundary	- Practicing Good Compliance, Anti-Corruption, Page 32 - Practicing Good Compliance, Compliance with Relevant Local Laws and Regulations, Page 32 - Engaging and Developing our Employees, Training and Education, Page 34 - Engaging and Developing our Employees, Non Discrimination, Page 34 - Investing in a Responsible Manner, Investment Criteria, Page 27 - Investing in a Responsible Manner, Active Investments, Page 27
103-2	The management approach and its components	- Practicing Good Compliance, Anti-Corruption, Page 32 - Practicing Good Compliance, Compliance with Relevant Local Laws and Regulations, Page 32 - Engaging and Developing our Employees, Training and Education, Page 34 - Engaging and Developing our Employees, Non Discrimination, Page 34 - Investing in a Responsible Manner, Investment Criteria, Page 27 - Investing in a Responsible Manner, Active Investments, Page 27
103-3	Evaluation of the management approach	- Practicing Good Compliance, Anti-Corruption, Page 32 - Practicing Good Compliance, Compliance with Relevant Local Laws and Regulations, Page 32 - Engaging and Developing our Employees, Training and Education, Page 34 - Engaging and Developing our Employees, Non Discrimination, Page 34 - Investing in a Responsible Manner, Investment Criteria, Page 27 - Investing in a Responsible Manner, Active Investments, Page 27

Material Factors And Performance Data

GRI Standards		Details/ Notes/ Page No.
Economic Performance		
201-1	Direct economic value generated and distributed	Chairman Statement, Page 4-5 Financial Highlights, Page 14-15
Anti-Corruption		
205-3	Confirmed incidents of corruption and actions taken	Practicing Good Compliance, Anti-Corruption, Page 32
Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	Practicing Good Compliance, Compliance with Relevant Local Laws and Regulations, Page 32
Training and Education		
404-2	Programs for upgrading employee skills and transition assistance programs	Engaging and Developing our Employees, Training and Education, Page 34
Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	Practicing Good Compliance, Compliance with Relevant Local Laws and Regulations, Page 32
Active Ownership		
G4-FS11	Percentage of assets subject to positive and negative environmental or social screening	Investing in a Responsible Manner, Active Ownership, Page 27

Report on Corporate Governance

The Straits Trading Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") is committed to high standards of corporate governance. This report describes the Company's corporate governance policies and practices during the financial year ended 31 December 2021 ("**FY2021**") with specific reference to the Code of Corporate Governance 2018 (the "**Code**"). The Company has complied in all material aspects with the principles and provisions set out in the Code, where applicable. Explanations have been provided where there are deviations from the Code.

BOARD MATTERS

The Board's Conduct of Affairs

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

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

The Board also sets the Company's values and standards and ensures that its obligations to all stakeholders are met and understood. Whilst the Board remains responsible for providing oversight in the preparation and presentation of the financial statements, it has delegated to the Management the task of ensuring that the financial statements are drawn up and presented in compliance with the relevant provisions of the Companies Act1967 (the "**Companies Act**") and the Singapore Financial Reporting Standards (International).

In discharging their fiduciary duties, the Directors act objectively in the best interests of the Company and hold the Management accountable for performance. The Board has appointed the Executive Chairman to oversee the Management, and the Lead Independent Director to ensure continued good governance. Supported by the Board Committees, namely the Audit and Risk Committee ("**ARC**"), Remuneration Committee ("**RC**") and Nominating Committee ("**NC**"), the Board also approves the appointment of Board members, key business initiatives, major investments and funding decisions, and interested person transactions. Where there is a conflict of interest, the Director in question will recuse himself/herself from the discussions and abstain from participating in any Board decisions. For FY2021, the Board confirms that no individual Director has participated in any decision-making in relation to any interest that conflicts with any of the Group's businesses.

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

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

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

Report on Corporate Governance

The Board met five times in FY2021. Meetings by means of a conference telephone or similar communication equipment are permitted in the Company's Constitution. The Directors' attendance at the annual general meeting, Board and Board Committees meetings during FY2021 are as follows:

Name of Director	Board	Audit and Risk Committee	Nominating Committee	Remuneration Committee	Annual General Meeting
Attendance					
Ms Chew Gek Khim	5/5		1/1		1/1
Ms Chew Gek Hiang	5/5	4/4			1/1
Mr Goh Kay Yong David	5/5			2/2	1/1
Mr Tan Tiong Cheng	5/5			2/2	1/1
Mr Chia Chee Ming, Timothy	5/5	4/4	1/1		1/1
Mr Tan Chian Khong	5/5	4/4			1/1
Mr Chua Tian Chu	5/5		1/1	2/2	1/1

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

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

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

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

The NC ensures that new Directors are made aware of their duties and obligations. Upon appointment, new Directors will be provided with a formal letter outlining a director's duties and obligations under applicable laws and the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). They will also be briefed on the Group's operations and furnished with information and updates on the Group's corporate governance practices at the time of appointment, as well as the latest updates in laws and regulations affecting the Group's business. Unless the NC is of the view that training is not required because he or she has other relevant experience, a new Director appointed who has no prior experience as a director of an issuer listed on the SGX-ST will be required to undergo training in his or her roles and responsibilities.

Directors are encouraged to attend seminars, workshops and receive training in areas such as directors' duties and responsibilities, changes in regulations and regulatory framework (including financial reporting standards and the Listing Manual) which are relevant to the Group's business and operations, so as to enable them to perform effectively as Directors. The Company arranges and funds the training of Directors.

Non-Executive Directors are routinely briefed by the Executive Directors and/or the Management at Board meetings or separate sessions, and provided with all necessary updates on regulatory and policy changes as well as developments affecting the Group. All Directors are provided with quarterly performance reports. In addition, field visits are arranged as and when necessary to enable the Directors to better understand the Group's business operations. More particularly, during the financial year, the Management had leveraged on the Company's business continuity plan and kept the Board regularly informed about the legal and regulatory developments (both locally and overseas) in connection with the COVID-19 pandemic, which enabled the Company to make decisions promptly to mitigate the pandemic's impact on the Group's operations.

Report on Corporate Governance

Board Composition and Guidance

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

The Board currently comprises seven Directors, six of whom are non-executive and four are considered independent. As such, the composition of the Board complies with the requirements of Provisions 2.2 and 2.3 of the Code. Independent and non-executive members of the Board provide balance within the workings of the Board and oversight for minority shareholders' interests. There are no material relationships (including immediate family relationships) between each independent Board member and the other Board members, the Company, its related corporations, its substantial shareholders or its officers, that could interfere, or be reasonably perceived to interfere, with the exercise of the independent Board member's independent business judgement in the best interests of the Company. The independent Non-Executive Directors are Mr Chia Chee Meng, Timothy, Mr Tan Tiong Cheng, Mr Tan Chian Khong and Mr Chua Tian Chu.

The independence of each independent Non-Executive Director is reviewed by the NC. Under the Listing Manual, a Director will not be deemed independent if he is employed by the Company or its related corporations for the current or any of the past three financial years, or if he has an immediate family member who is employed or has been employed by the Company or its related corporations for the current or any of the past three financial years, and whose remuneration is or was determined by the RC. As the above listing rules do not apply to any of the independent Non-Executive Directors, they are considered independent under the Listing Manual.

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

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

The Board views diversity at the Board level as an essential element for driving value in decision-making and proactively seeks as part of its diversity policy, to maintain an appropriate balance of expertise, skills and attributes among the Directors. This is reflected in the diversity of backgrounds and competencies of the Directors, whose competencies range from accounting and finance, business and management experience, legal and industry knowledge, and strategic planning experience. The Board believes that its members' different backgrounds, experience, age, gender and skill sets provide a diversity of perspectives which contribute to the quality of its decision-making. Key information on the Directors is set out in pages 7 to 9.

The Board recognises the merits of gender diversity in relation to the Board composition and, in identifying suitable candidates for new appointment to the Board, would ensure that female candidates are included for consideration. Gender is but one aspect of diversity and whilst due consideration would be given to the benefits of diversity, new Directors will continue to be selected based on merits. At present, the Board has two female Directors.

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

Report on Corporate Governance

Executive Chairman

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

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

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

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

In line with the recommendations set out in the Code, the Company has appointed a Lead Independent Director. Mr Chia Chee Ming, Timothy, was appointed as an Independent Non-Executive Director and the Lead Independent Director on 27 February 2015.

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

Board Membership

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

The NC comprises three Directors, the majority of whom, including the NC Chairman, are independent. The NC is currently chaired by Mr Chia Chee Ming, Timothy, and the other members of the NC are Ms Chew Gek Khim and Mr Chua Tian Chu.

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

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

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

Report on Corporate Governance

The NC reviews and assesses the independence of the Directors at least once a year. The Directors are required to submit declarations of independence annually and report to the Company immediately on any changes to their external appointments, interest in shares and other relevant information. For FY2021, the Board, having taken into account the views of the NC, considered Mr Chia Chee Ming, Timothy, Mr Tan Chian Khong, Mr Tan Tiong Cheng, and Mr Chua Tian Chu to be independent.

During FY2021, the Directors had participated in courses, seminars and discussion forums covering topics such as board performance and strategy, corporate governance, cyber security, disruptive technologies and sustainability.

As the Directors have given sufficient time and effort to the Company's matters, notwithstanding their multiple directorships and appointments, the Board was of the view that there was no necessity to regulate the maximum number of listed company board representations that the Directors may hold. The key information (includes the listed company directorships and principal commitments) of the Directors is as set out in pages 7 to 9.

Board Performance

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

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

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

For FY2021, based on the completed assessment forms submitted by all Directors, the Board is of the view that the Board, individual Directors and the Board Committees have fared well against the performance criteria and satisfied with the performance of the Board, individual Directors and the Board Committees and each Director is contributing to the overall effectiveness of the Board. The NC has access to professional advice to facilitate the evaluation process whenever there is a need to consult externally. There was no necessity for external advice to be obtained during the financial year.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

Level and Mix of Remuneration

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

The RC comprises three non-executive Directors, the majority of whom, including the RC Chairman, are independent. The RC is chaired by Mr Tan Tiong Cheng, and Mr Goh Kay Yong David and Mr Chua Tian Chu are the other members of the RC.

Report on Corporate Governance

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

The Company has adopted a performance-based approach to compensation where the remuneration of the Executive Chairman and key management personnel is structured by linking rewards to individual and corporate performances and is aligned with the interests of the stakeholders and promotes the long-term success of the Company. The RC sees the importance of a market competitive remuneration strategy to attract, retain and motivate Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long run. Remuneration is determined according to the following general components: salary, contractual bonus and performance bonus.

The Company had obtained the approval of shareholders to the adoption of the Performance Share Plan (the "**PSP**") in FY2019. The PSP aims to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding participants who have contributed to the growth of the Group.

In FY2021, the RC had engaged Aon Solutions Singapore Pte. Ltd. ("**Aon**"), an independent consultant, to set up the PSP framework, and recommended the grant of a certain number of shares of the Company to eligible employees which was approved by the Board. As at the date of this Annual Report, 1,830,600 share awards had been granted under the PSP since its adoption.

The principal rules of the PSP are set out in the Company's circular to shareholders dated 10 April 2019.

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

In FY2021, the Company had also appointed an independent remuneration consultant, Mercer (Singapore) Pte Ltd ("**Mercer**") and Aon to provide professional advice on remuneration matters. Mercer and Aon are not related to the Company or any of its Directors and does not otherwise have any relationship with the Company that could affect its independence and objectivity.

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

Disclosure on Remuneration

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

The summary remuneration table for the Directors of the Company in all capacities for FY2021 is as follows:

Name of Director	Salary	Bonus	Benefits in kind	Directors' fees	Total
S$1,750,001 – S$2,000,000					
Ms Chew Gek Khim	44%	56%	-	-	100%
S$250,000 and below					
Ms Chew Gek Hiang	-	-	-	100%	100%
Mr Goh Kay Yong David	-	-	-	100%	100%
Mr Tan Tiong Cheng	-	-	-	100%	100%
Mr Chia Chee Ming, Timothy	-	-	-	100%	100%
Mr Tan Chian Khong	-	-	-	100%	100%
Mr Chua Tian Chu	-	-	-	100%	100%

Report on Corporate Governance

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

As at 31 December 2021 and based on the current organisation and reporting structure of the Group, the Group's key management personnel (who are not Directors or the CEO) are Mr Teng Heng Chew Eric, Mr Desmond Tang Kok Peng, Dato' Dr IR Patrick Yong Mian Thong, Ms Tan Wei Tze and Ms Goh Yah Huay. The total remuneration paid to the key management personnel (who are not Directors or the CEO) for FY2021 amounted to S$4,391,733. The profiles of the key management personnel are set out on page 11 to 12.

In view of the additional responsibilities assumed by Ms Tan Hwei Yee, Chief Executive Officer of STC Property Management Sdn. Bhd. and Mr Manish Bhargava, Chief Executive Officer of Straits Investment Management Pte. Ltd., the NC had recommended and the Board had approved to classify Ms Tan Hwei Yee and Mr Manish Bhargava as the key management personnel of the Group with effect from 24 February 2022.

The Company is of the view that disclosure of the remuneration details of each Director and key management personnel (who are not Directors) in the manner recommended by the Code will be detrimental to the Company's interests, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment in which the Group operates.

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

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

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

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

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

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

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

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

Report on Corporate Governance

During FY2021, the Board and ARC reviewed the adequacy and effectiveness of the Group's internal controls in relation to the significant risks, including financial, operational, compliance and information technology controls, and risk management systems.

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

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by and assurance from the Executive Chairman and Group Financial Controller, internal auditors, ARC and Board, the Board, with the concurrence of the ARC, is of the opinion that the Group's system of risk management and internal controls, addressing financial, operational, compliance and information technology risks, were adequate and effective as at 31 December 2021.

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

Audit and Risk Committee

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

The ARC comprises three non-executive Directors, the majority of whom are independent. The ARC is chaired by Mr Tan Chian Khong, and the other members of the ARC are Ms Chew Gek Hiang and Mr Chia Chee Ming, Timothy.

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

The role of the ARC is documented in the Terms of Reference approved by the Board. The Terms of Reference defines the purpose, authority and responsibilities of the ARC. The duties of the ARC include:

- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to its financial performance;
- reviewing and evaluating annually the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls and processes for assessing significant risks or exposures and the procedures the Management has taken to monitor, control and minimise such risks or exposures to the Company;
- reviewing the assurance from the Executive Chairman and the Group Financial Controller on the financial records and financial statements;
- making recommendations to the Board on the appointment and re-appointment of the external auditor, and reviewing the terms of engagement of the external auditor, including their compensation, performance evaluation and independence;
- reviewing annually the external audit scope, audit plans and relevant processes, and the results of the external audit work with regard to the adequacy, cost effectiveness, and appropriateness of the accounting and financial controls of the Company;

Report on Corporate Governance

- reviewing annually and as may be necessary from time to time, the internal audit scope, internal audit plans, relevant processes and the focus on risk;
- reviewing interested person transactions from time to time to determine if they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders; and
- reviewing the whistleblowing policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up.

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

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

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

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

The ARC has reviewed and is satisfied that the independence and objectivity of the external auditors have not been compromised by the provision of non-audit services. Accordingly, it has recommended to the Board the nomination of the external auditors, Ernst & Young LLP, for re-appointment at the forthcoming AGM to be held on 28 April 2022. In FY2021, the ARC met the external auditors and internal auditors once without the presence of the Management.

The details of the remuneration paid to the external auditors for FY2021 are as follows:

	S$'000
Audit fees paid/payable to:	
- Auditor of the Company	441
- Overseas affiliates of the auditor of the Company	467
Non-audit fees paid/payable to:	
- Auditor of the Company	124
- Overseas affiliates of the auditor of the Company	18

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

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

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

Report on Corporate Governance

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

For FY2021, the ARC reviewed and approved the annual internal audit plans. The internal auditors have unrestricted direct access to the ARC and unfettered access to documents, records, properties and personnel within the Group to carry out its duties effectively. The ARC is satisfied that the internal audit function is independent, effective and adequately resourced.

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

Complaints may be made to the designated officers by telephone, email or under confidential mail. All cases reported will be investigated objectively and thoroughly and appropriate action will be taken where warranted. A summary of the reports received, investigation results and subsequent actions taken are reported to the ARC on a quarterly basis. Under certain circumstances, the ARC will be informed of any complaint, as soon as practicable. There was no whistleblowing report received in FY2021.

Key Audit Matters

The external auditors have set out the key audit matters in respect of FY2021, which were reviewed and discussed by the ARC with the Management and the external auditors, in the Independent Auditor's Report on pages 55 to 59 of the Annual Report.

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

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

Engagement with Shareholders

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

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

Report on Corporate Governance

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

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

Shareholders are encouraged to ask questions both about the resolutions being proposed at the AGM and about the Group's operations in general. The Constitution of the Company permits a member of the Company to appoint not more than two proxies to attend the AGM and vote instead of the member.

For FY2020, due to the COVID-19 outbreak, the Company's AGM was held on 30 April 2021 by way of electronic means, through "live webcast", pursuant to First Schedule of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The notice of AGM was published in the newspaper, and disseminated to shareholders through publication on SGX website and the Company's website. Shareholders participated in the AGM via electronic means, and their questions in relation to any resolution set out in the notice of AGM were sent to the Company in advance of the AGM. The Company provided their responses to the substantial queries and relevant comments from shareholders at the AGM via electronic means.

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

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

To enhance participation by shareholders, the Company puts all resolutions at general meetings to vote by poll and announces the detailed results showing the number of votes cast for and against each resolution and the respective percentages. The polling results are also announced on the SGX website and the Company's website. The minutes of general meetings are available to shareholders and may be requested for inspection via ir@stc.com.sg.

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

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

MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

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

Report on Corporate Governance

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

The Company has identified the key stakeholders and the engagement methods with the stakeholders in addressing the material factors that may have an impact on the long-term sustainability of the Company. Further details on the materiality assessment and stakeholder engagement can be found in the sustainability report on page 26.

Dealings in Securities

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

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

Material Contracts

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

Use of Proceeds

Private Placement

On 25 January 2022, the Company had completed the private placement of 26,000,000 new ordinary shares in the capital of the Company at an issue price of S$3.11 per share and raised gross proceeds of S$80.86 million (the "**Private Placement**").

As disclosed in the announcement in respect of the Private Placement on 18 January 2022 (the "**18 January Announcement**"), subject to relevant laws and regulations, the Company intends to use the gross proceeds of approximately S$80.86 million from the Private Placement in the following manner:

(1) approximately S$78.03 million (which is equivalent to approximately 96.5 % of the gross proceeds of the Private Placement) for potential acquisitions and/or business opportunities available from time to time; and

(2) approximately S$2.83 million (which is equivalent to approximately 3.5 % of the gross proceeds of the Private Placement) to pay the professional and other fees and expenses incurred or to be incurred by the Company in connection with the Private Placement.

Pending the deployment of the net proceeds of the Private Placement, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or be used to repay outstanding borrowings or for any other purpose on a short-term basis as the Company may, in its absolute discretion, deem fit.

As at the date of this Annual Report, the Company had not utilised the said proceeds.

FINANCIAL CONTENTS

Directors' Statement

The Directors are pleased to present their statement to the members together with the audited financial statements of The Straits Trading Company Limited (the "**Company**") and consolidated financial statements of the Company and its Subsidiaries (collectively, the "**Group**") for the financial year ended 31 December 2021.

OPINION OF THE DIRECTORS

In the opinion of the Directors,

(i) the accompanying balance sheets, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date; and

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

DIRECTORATE

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

Ms Chew Gek Khim (Executive Chairman)
Ms Chew Gek Hiang
Mr Goh Kay Yong David
Mr Tan Tiong Cheng
Mr Chia Chee Ming, Timothy
Mr Tan Chian Khong
Mr Chua Tian Chu

Ms Chew Gek Hiang, Mr Goh Kay Yong David and Mr Tan Chian Khong will retire pursuant to Regulation 99 of the Constitution of the Company. Ms Chew Gek Hiang, Mr Goh Kay Yong David and Mr Tan Chian Khong, being eligible, offer themselves for re-election at the upcoming annual general meeting.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

Directors' Statement

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

According to the register kept under Section 164 of the Companies Act 1967 of Singapore (the "**Act**") the Directors who held office at the end of the financial year had an interest in the shares of the Company and its related corporation as stated below:

Company

(ordinary shares)	Shareholdings in the names of Directors			Shareholdings in which Directors are deemed to have an interest		
	1.1.2021	**31.12.2021**	**21.1.2022**	**1.1.2021**	**31.12.2021**	**21.1.2022**
Ms Chew Gek Khim	741,200	741,200	741,200	-	-	-
Ms Chew Gek Hiang	23,000	23,000	23,000	-	-	-
Mr Goh Kay Yong David	156,500	156,500	156,500	-	-	-
Mr Tan Tiong Cheng	-	123,200	143,200	-	-	-
Mr Chia Chee Ming, Timothy	3,900	3,900	3,900	-	-	-
Mr Chua Tian Chu	-	16,000	26,000	-	4,000	4,000

Subsidiary

Malaysia Smelting Corporation Berhad

(ordinary shares)	Shareholdings in the names of Directors			Shareholdings in which Directors are deemed to have an interest		
	1.1.2021	**31.12.2021**	**21.1.2022**	**1.1.2021**	**31.12.2021**	**21.1.2022**
Ms Chew Gek Khim	1,600,000	1,600,000	1,600,000	-	-	-
Mr Chia Chee Ming, Timothy	-	240,000	240,000	-	-	-

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

DIRECTORS' CONTRACTUAL BENEFITS

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

SHARE OPTIONS

The Company does not have any share option scheme.

Directors' Statement

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee performed the functions specified in the Act.

The functions performed are detailed in the Corporate Governance Report.

AUDITOR

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

On behalf of the Board

Chew Gek Khim Director	Tan Chian Khong Director

Singapore
31 March 2022

Independent Auditor's Report

To the Members of The Straits Trading Company Limited

For the financial year ended 31 December 2021

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of The Straits Trading Company Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2021, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 of Singapore (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

1. Fair value of investment properties, land and buildings

At 31 December 2021, the Group's investment properties, land and buildings are carried at $1,039.6 million and $19.9 million respectively, representing 40.7% of the Group's total non-current assets and 54.8% of equity in aggregate.

The Group records its investment properties, land and buildings at their fair values based on independent external valuations. The valuation process is considered a key audit matter because it involves significant judgement in determining the appropriate valuation methodology to be used and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to changes in the key assumptions applied, particularly those relating to capitalisation, discount and terminal yield rates, and price per square foot. In addition, there was an increase in the level of estimation uncertainty and judgement required in determining the valuation of properties arising from changes in market and economic conditions brought on by the COVID-19 pandemic. Accordingly, we have identified this as a key audit matter.

Independent Auditor's Report

To the Members of The Straits Trading Company Limited

For the financial year ended 31 December 2021

Key Audit Matters (cont'd)

1. Fair value of investment properties, land and buildings (cont'd)

In addressing this area of focus, we considered the objectivity, independence and expertise of the external appraisers engaged by management and inquired the external appraisers on their valuation techniques. We reviewed the valuation reports obtained from the external appraisers and considered the appropriateness of the valuation models, property related data, and estimates used by management and the external appraisers. We also involved our internal valuation appraisers in assessing the reasonableness of the valuation assumptions and inputs, including key valuation adjustments made in response to the changes in market and economic conditions brought on by the COVID-19 pandemic and overall results of the valuations. We considered the reasonableness of the assumptions and estimates based on current property market outlook and macroeconomic developments and further corroborated inputs used in the estimates such as rental value, vacancy rates and maintenance status against our understanding of the tenancy profile and performance of the respective properties.

We reviewed the sufficiency of the disclosures of the properties included in notes 14, 16, 41(a)(iii) and 42.

2. Impairment testing for goodwill

At 31 December 2021, the Group's goodwill arising from the acquisition of Malaysia Smelting Corporation Berhad ("MSC") is carried at $17.4 million, representing 0.7% of the Group's total non-current assets and 0.9% of equity. We considered impairment assessment of goodwill to be a key audit matter as this involved significant management's judgement about cash flows arising from future results of the Group's business. Based on the latest annual impairment testing, the estimated recoverable amount is in excess of the carrying value. Accordingly, management is satisfied that no goodwill impairment is required as at 31 December 2021.

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

In addressing this area of focus, our audit procedures included, amongst others, evaluating and assessing the assumptions and methodology used by the Group to determine the recoverable amount of MSC. We evaluated the robustness of management's budgeting process by comparing the actual financial performance against previously forecasted results and considering the latest industry outlook, historical data, and implications of the COVID-19 pandemic on the business. We involved our internal specialist to assist us in evaluating the reasonableness of the discount rates and terminal growth rate applied in the value in use calculation. We also assessed management's sensitivity analysis of the goodwill balance to changes in the key assumptions, including additional considerations for the market and economic conditions prevailing at the reporting date due to the COVID-19 pandemic.

Furthermore, we reviewed the adequacy of the note disclosures as included in notes 17(a) and 41(a)(i) to the financial statements.

3. Provision for mine restoration costs

As disclosed in note 30 to the financial statements, the Group recorded a provision for mine restoration costs of $13.2 million in respect of restoration obligations of its subsidiary as at 31 December 2021. The Group is required to obtain approval on its mine restoration plan from the Perak State Mineral Resources Committee, under the Mineral (Perak) Enactment 2003. The Group recognises a provision for these costs at each reporting date based on the estimated costs required to fulfil this obligation according to the methodology and plan formulated by the external consultant.

The timing of the cash outflow can only be confirmed by uncertain future events not wholly within the control of the Group and may develop in ways not initially expected. Therefore, the Group continually assesses the timing and development of the discussion with the relevant authorities. Such assessment required management to make significant judgement and estimates. Accordingly, we consider this to be an area of audit focus.

Independent Auditor's Report

To the Members of The Straits Trading Company Limited

For the financial year ended 31 December 2021

Key Audit Matters (cont'd)

3. Provision for mine restoration costs (cont'd)

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

We also evaluated the adequacy of the Group's disclosure about the significant judgements and estimates involved in determining the provision.

4. Inventories

As disclosed in note 25 to the financial statements, the Group's inventories are carried at $256.0 million as at 31 December 2021, representing 43.8% of the Group's total current assets and 13.2% of equity. During the year, the Group made a reversal on the write-down allowance of $7.8 million of tin-bearing inventories previously written-down to their net realisable value.

The Group contracts with various suppliers on different terms and conditions for the purchases of tin-in-concentrates. Given the high number of different purchase contracts and with different terms and conditions, we identified accuracy and timing of recognition of tin-in-concentrates to be an area of focus in view of the magnitude of amount and voluminous quantity.

We also identified valuation of tin-in-concentrates, tin-in-process and refined tin metal as an area of focus due to the magnitude of the balances. Moreover, as the tin inventories are stated at the lower of cost and net realisable value, the determination of whether the tin inventories will be realised for a value less than cost (where the tin inventories are forecasted to be sold below cost) required management to make significant judgements and estimates.

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

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

Independent Auditor's Report

To the Members of The Straits Trading Company Limited

For the financial year ended 31 December 2021

Key Audit Matters (cont'd)

4. Inventories (cont'd)

In addressing the area of focus in respect of the net realisable value of tin inventories, we discussed with management to obtain an understanding on the basis and assumptions used in estimating the net realisable value of the tin inventories and assessed the reasonableness of such basis and assumptions used. We evaluated the inputs used in the assumptions such as forecasted tin prices, forecasted exchange rates and further processing costs, in deriving the net realisable value of tin inventories. We tested the arithmetic calculation of the net realisable value.

Other information

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Independent Auditor's Report

To the Members of The Straits Trading Company Limited

For the financial year ended 31 December 2021

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Lim Tze Yuen.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
31 March 2022

Consolidated Income Statement

For the financial year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Revenue			
Tin mining and smelting revenue		**348,480**	266,784
Property revenue		**48,079**	42,107
Total revenue		**396,559**	308,891
Other items of income			
Dividend income	4	**8,188**	8,633
Interest income	5	**74,013**	11,522
Fair value changes in investment properties	16	**133,390**	37,361
Other income	6	**26,561**	20,280
		638,711	386,687
Other items of expense			
Employee benefits expense	7	**(36,597)**	(31,760)
Depreciation expense	14	**(6,457)**	(7,693)
Amortisation expense	17	**(412)**	(429)
Impairment losses	8	**(9,005)**	(902)
Costs of tin mining and smelting	25	**(255,694)**	(222,944)
Finance costs	9	**(32,106)**	(29,769)
Other expenses	10	**(36,273)**	(5,967)
Total expenses		**(376,544)**	(299,464)
Share of results of associates and joint ventures		**99,903**	8,734
Profit before tax	11	**362,070**	95,957
Income tax expense	12	**(76,379)**	(24,780)
Profit after tax		**285,691**	71,177
Profit attributable to:			
Owners of the Company		**234,254**	51,483
Non-controlling interests		**51,437**	19,694
		285,691	71,177
Earnings per share (cents per share)	13		
Basic		**57.6**	12.7
Diluted		**57.6**	12.7

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2021

	2021 $'000	2020 $'000
Profit after tax	**285,691**	71,177
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")	**16,856**	(26,110)
Share of net fair value changes in equity securities carried at FVOCI of associates	**26,734**	(18,864)
Net revaluation surplus on property, plant and equipment	**190**	1,345
Share of net revaluation surplus on property, plant and equipment of associates	**6,971**	1,859
	50,751	(41,770)
Items that may be reclassified subsequently to profit or loss:		
Net fair value changes in cash flow hedges	**959**	(1,029)
Currency translation reserve	**(9,045)**	22,507
Share of reserves of associates and joint ventures	**(13,550)**	21,560
Realisation of foreign currency translation reserve to profit or loss	**(717)**	(2,427)
	(22,353)	40,611
Other comprehensive income after tax for the year	**28,398**	(1,159)
Total comprehensive income for the year	**314,089**	70,018
Attributable to:		
Owners of the Company	**258,746**	46,047
Non-controlling interests	**55,343**	23,971
Total comprehensive income for the year	**314,089**	70,018

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

Balance Sheets

As at 31 December 2021

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Assets					
Non-current assets					
Property, plant and equipment	14	**51,860**	53,936	**600**	595
Land under development	15	**79,208**	72,634	**29,982**	30,254
Investment properties	16	**1,039,646**	932,199	**5,622**	5,534
Goodwill	17(a)	**17,366**	17,516	**–**	–
Other intangible assets	17(b)	**5,616**	5,217	**–**	–
Subsidiaries	18	**–**	–	**123,535**	123,535
Associates and joint ventures	19	**1,205,964**	984,924	**144**	144
Deferred tax assets	20	**5,376**	6,871	**–**	–
Other non-current receivables	21	**–**	1	**107,013**	128,475
Derivative financial instruments	23	**895**	1,494	**180**	–
Investment securities	22(a)	**198,048**	180,603	**–**	–
Other non-current assets	24	**–**	4,951	**–**	–
Total non-current assets		**2,603,979**	2,260,346	**267,076**	288,537
Current assets					
Inventories	25	**256,018**	197,818	**–**	–
Income tax receivables		**5,719**	5,836	**25**	80
Prepayments and accrued income		**2,106**	4,506	**62**	24
Trade related prepayments		**11,832**	3,357	**–**	–
Trade receivables	21	**5,368**	11,364	**7**	7
Other receivables	21	**81,692**	79,939	**1,382,714**	1,202,500
Investment securities	22(b)	**78,092**	65,842	**–**	–
Derivative financial instruments	23	**1,485**	606	**–**	–
Cash and cash equivalents	26	**141,615**	456,332	**17,205**	249,431
Total current assets		**583,927**	825,600	**1,400,013**	1,452,042
Total assets		**3,187,906**	3,085,946	**1,667,089**	1,740,579

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

Balance Sheets

As at 31 December 2021

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Equity and liabilities					
Equity					
Share capital	27	**568,968**	568,968	**568,968**	568,968
Treasury shares	28	**(2,682)**	(2,682)	**(2,682)**	(2,682)
Retained earnings	29	**1,163,514**	961,506	**38,107**	39,885
Other reserves	29	**41,582**	10,206	**52**	27
Equity attributable to owners of the Company		**1,771,382**	1,537,998	**604,445**	606,198
Non-controlling interests		**163,468**	188,940	**–**	–
Total equity		**1,934,850**	1,726,938	**604,445**	606,198
Non-current liabilities					
Provisions	30	**17,004**	11,947	**–**	–
Deferred tax liabilities	20	**91,178**	35,142	**713**	702
Borrowings	31	**505,249**	613,277	**336,287**	261,059
Derivative financial instruments	23	**651**	2,884	**–**	–
Other non-current liabilities	32	**6,167**	16,704	**–**	–
Lease liabilities	34	**2,298**	4,836	**–**	–
Total non-current liabilities		**622,547**	684,790	**337,000**	261,761
Current liabilities					
Provisions	30	**–**	4,512	**–**	–
Income tax payable		**14,236**	13,487	**206**	156
Trade and other payables	33	**70,629**	70,153	**645,717**	621,780
Borrowings	31	**540,747**	575,264	**79,721**	249,905
Derivative financial instruments	23	**2,294**	7,850	**–**	779
Lease liabilities	34	**2,603**	2,952	**–**	–
Total current liabilities		**630,509**	674,218	**725,644**	872,620
Total liabilities		**1,253,056**	1,359,008	**1,062,644**	1,134,381
Total equity and liabilities		**3,187,906**	3,085,946	**1,667,089**	1,740,579

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2021

	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 year	314,089	258,746	–	–	234,254	37,830	4,033	7,076	(24,447)	–	55,343
<u>Contributions by and distributions to owners</u>											
Dividend on ordinary shares	(24,409)	(24,409)	–	–	(24,409)	–	–	–	–	–	–
Dividend to non-controlling interests	(4,537)	–	–	–	–	–	–	–	–	–	(4,537)
Contribution of capital by non-controlling interests	17,885	–	–	–	–	–	–	–	–	–	17,885
Return of capital to non-controlling interests	(8,701)	–	–	–	–	–	–	–	–	–	(8,701)
Total contributions by and distributions to owners	(19,762)	(24,409)	–	–	(24,409)	–	–	–	–	–	4,647
<u>Changes in ownership interests in subsidiaries</u>											
Change in ownership interests in subsidiaries	(86,557)	(1,095)	–	–	–	–	–	–	–	(1,095)	(85,462)
Total changes in ownership interests in subsidiaries	(86,557)	(1,095)	–	–	–	–	–	–	–	(1,095)	(85,462)
<u>Others</u>											
Share of associate's realisation of FVOCI reserve	–	–	–	–	(8,287)	8,287	–	–	–	–	–
Share of transfer of statutory reserve of an associate	–	–	–	–	596	–	–	–	–	(596)	–
Share of other changes in equity of an associate	288	288	–	–	–	–	–	–	–	288	–
Others	(146)	(146)	–	–	(146)	–	–	–	–	–	–
Total others	142	142	–	–	(7,837)	8,287	–	–	–	(308)	–
Closing balance at 31 December 2021	1,934,850	1,771,382	568,968	(2,682)	1,163,514	9,516	60	39,466	(10,598)	3,138	163,468

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2021

	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 year	70,014	46,043	–	–	51,483	(44,486)	(2,507)	2,593	38,960	–	23,971
<u>Contributions by and distributions to owners</u>											
Dividend on ordinary shares	(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
<u>Others</u>											
Share of associate's realisation of FVOCI reserve	–	–	–	–	1,818	(1,818)	–	–	–	–	–
Share of transfer of statutory reserve of an associate	–	–	–	–	(684)	–	–	–	–	684	–
Realisation of FVOCI reserve	–	–	–	–	2,567	(2,567)	–	–	–	–	–
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

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

Consolidated Cash Flow Statement

For the financial year ended 31 December 2021

	2021 **$'000**	2020 $'000
Cash flows from operating activities		
Profit before tax	**362,070**	95,957
Adjustments		
Depreciation of property, plant and equipment	**6,457**	7,693
Amortisation of other intangible assets	**412**	429
Dividend income	**(8,188)**	(8,633)
Interest income	**(74,013)**	(11,522)
Finance costs	**32,106**	29,769
Other income	**(5,912)**	–
Currency realignment	**10,425**	(16,604)
Fair value changes in investment properties and financial assets	**(148,915)**	(35,224)
Net gain on disposal of property, plant and equipment, investment properties and other investments	**(10,821)**	(16,082)
Other intangible assets written off	**–**	4
Reversal of write down of inventories	**(7,822)**	(2,355)
Provision for impairment losses of land under development and other intangible assets	**9,005**	902
Property, plant and equipment written off	**4**	45
Share of results of associates and joint ventures	**(99,903)**	(8,734)
Operating cash flows before changes in working capital	**64,905**	35,645
Increase in inventories	**(50,326)**	(42,371)
Decrease/(Increase) in short-term investment securities	**9,711**	(22,438)
Decrease/(Increase) in trade and other receivables	**1,432**	(7,954)
Increase in trade and other payables	**19,785**	7,532
Cash flows from/(used in) operations	**45,507**	(29,586)
Income taxes paid	**(5,529)**	(5,535)
Finance costs paid	**(9,274)**	(8,207)
Interest received	**8,137**	4,674
Dividend income from short-term investment securities	**1,251**	1,330
Net cash flows from/(used in) operating activities	**40,092**	(37,324)

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

Consolidated Cash Flow Statement

For the financial year ended 31 December 2021

	2021 **$'000**	2020 $'000
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment and investment properties	**96,208**	283,861
Proceeds from redemption of debt instrument	**4,250**	22,200
Proceeds from disposal of investment securities	**–**	26,421
Cost incurred on property, plant and equipment	**(4,328)**	(5,783)
Cost incurred on investment properties	**(59,153)**	(233,780)
Rebate from vendor on acquisition of investment property	**5,912**	–
Cost incurred on land under development	**(14,841)**	(5,341)
Purchase of investment securities	**(17,712)**	(1,000)
Initial payment on properties	**–**	(3,470)
Investment in associates and joint ventures	**(106,014)**	(153,508)
Subscription of debt instruments	**–**	(19,631)
Return of capital from associates	**33,222**	10,792
Repayment from an associate	**1,500**	–
Payment for deferred mine exploration and evaluation expenditure and mine properties	**(270)**	(435)
Payment for acquisition of a subsidiary from non-controlling shareholder	**(86,556)**	–
Dividend income from investment securities and associates	**13,175**	6,892
Interest received	**118**	469
Income taxes paid	**(9,661)**	(1,180)
Net cash flows used in investing activities	**(144,150)**	(73,493)
Cash flows from financing activities		
Dividend paid to shareholders (note 35)	**(24,409)**	(24,416)
Carried interest paid to General Partner of a subsidiary	**(146)**	(2,123)
Dividend paid to non-controlling shareholders of subsidiaries	**(4,537)**	(4,241)
Purchase of treasury shares (note 28)	**–**	(627)
Net proceeds from issuance of shares by subsidiaries to non-controlling shareholders	**17,885**	22,641
Repayment of loan to non-controlling shareholder of a subsidiary	**(18,469)**	(1,755)
Return of capital to non-controlling shareholders	**(8,701)**	(3,626)
(Repayment)/Drawdown of short-term borrowings	**(1,070)**	58,161
Drawdown of long-term borrowings	**190,317**	207,654
Repayment of long-term borrowings	**(329,747)**	(171,859)
Proceeds from issuance of fixed rate notes	**–**	198,000
Finance costs paid	**(21,770)**	(16,789)
Payment of lease liabilities	**(3,048)**	(4,609)
Net cash flows (used in)/from financing activities	**(203,695)**	256,411
Net (decrease)/increase in cash and cash equivalents	**(307,753)**	145,594
Effect of exchange rate changes on cash and cash equivalents	**(6,964)**	251
Cash and cash equivalents, beginning balance	**456,332**	310,487
Cash and cash equivalents, ending balance (note 26)	**141,615**	456,332

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

Notes to the Financial Statements

For the financial year ended 31 December 2021

1. CORPORATE INFORMATION

The financial statements of The Straits Trading Company Limited (the "Company") for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 31 March 2022.

The Straits Trading Company Limited 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. The principal activities of the subsidiaries are disclosed in note 44 to the financial statements.

The consolidated financial statements relate to the Company and its subsidiaries (referred to as the "Group") and the Group's interests in associates and joint ventures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

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

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

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

As at 31 December 2021, the Group's current liabilities exceed its current assets by $46.6 million. Notwithstanding the net current liability position, the Directors are of the opinion that the Group will be able to refinance its borrowings and meet its current obligations as and when they fall due.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2021.

The Group has applied the following SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s for the first time for the annual period beginning on or after 1 January 2021:

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*

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

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 *Standards issued but not yet effective*

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

Description	Effective for annual periods beginning on or after
Amendment to SFRS(I) 16: *Leases - COVID-19-Related Rent Concessions beyond 30 June 2021*	1 April 2021
Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

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

2.4 *Basis of consolidation and business combinations*

(a) *Basis of consolidation*

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

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

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

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

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

– Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
– Derecognises the carrying amount of any non-controlling interest;
– Derecognises the cumulative translation differences recorded in equity;
– Recognises the fair value of the consideration received;

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) *Business combinations and goodwill*

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

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

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

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

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

<u>Goodwill</u>

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Transactions with non-controlling interests

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

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

2.6 Foreign currency

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

(a) *Transactions and balances*

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

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

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

(b) *Consolidated financial statements*

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

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

2.7 Subsidiaries

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Joint ventures and associates

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

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

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

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

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

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

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

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

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

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in note 2.20. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Property, plant and equipment (cont'd)

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

Land and buildings, other than those recognised under right-of-use assets as set out in note 2.23, are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

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

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

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

2.10 Depreciation and residual values

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

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

Leasehold land	–	remaining lease term of up to 96 years
Buildings	–	10 to 99 years
Plant, equipment and vehicles	–	up to 40 years
Furniture	–	2 to 10 years

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 *Land under development*

Land under development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less accumulated impairment losses, if any.

Land under development is reclassified to property development costs at a point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

2.12 *Investment properties*

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

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

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

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

2.13 *Intangible assets*

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 *Intangible assets (cont'd)*

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

(a) *Mining rights*

Mining rights acquired are stated at their fair values as at the date of acquisition. Following initial recognition, mining rights are carried at cost less accumulated amortisation and impairment losses, if any. Mining rights are amortised based on the unit-of-production method so as to write off the mining rights in proportion to the depletion of the estimated economically recoverable ore resources. Changes in the estimated economically recoverable ore resources are accounted for on a prospective basis. The amortisation period and the amortisation method are reviewed at least at each financial year-end.

(b) *Deferred mine exploration and evaluation expenditure*

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation activity includes:

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

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

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

Once an economically mineable resource for an area of interest is established and development is sanctioned, such exploration and evaluation expenditure is transferred to mine properties. No amortisation is charged during the exploration and evaluation phase.

A review is carried out annually on the carrying amount of deferred mine exploration and evaluation expenditure to determine whether there is any indication of impairment. Any impairment loss is recognised as an expense in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 *Intangible assets (cont'd)*

(c) *Mine properties*

Mine properties are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

All expenditures incurred in connection with development activities in respect of each mine property, which includes all activities conducted in the preparation of economically recoverable ore resources until commercial production are accumulated in respect of each mine property. Exploration and evaluation expenditure is also transferred to mine properties once the work completed to date for the area supports the future development of the property and such development received appropriate approvals. These costs are only deferred to the extent that they are expected to be recouped through the successful development of the area.

Waste removal (stripping) costs incurred during the production phase of a surface mine (production stripping costs) are only capitalised to mine property expenditure when all the following criteria are met:

(i) It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity;
(ii) The entity can identify the component of an ore body for which access has been improved; and
(iii) The costs relating to the improved access to that component can be measured reliably.

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

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

A review is carried out annually on the carrying amount of a mine property to determine whether there is any indication of impairment. Any impairment loss is recognised as an expense in profit or loss.

(d) *Mine restoration expenditure*

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

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

(e) *Corporate club memberships*

Club memberships acquired separately are measured on initial recognition at cost. Following initial recognition, club memberships are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Club memberships are amortised on a straight-line basis over their finite useful lives.

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 *Financial instruments*

(a) *Financial assets*

(i) *Initial recognition and measurement*

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

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

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

(ii) *Subsequent measurement*

Debt instruments

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

Debt instruments measured at amortised cost

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

Equity instruments

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

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

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial instruments (cont'd)

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

(iii) Impairment

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

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

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

(iv) Derecognition

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

(b) *Financial liabilities*

(i) Initial recognition and measurement

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

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

(ii) Subsequent measurement

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

(iii) Derecognition

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

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Financial guarantee

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

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

2.16 Non-current assets held for sale

Non-current assets and disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal group are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

2.17 Cash and cash equivalents

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

2.18 Inventories

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

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

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

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

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

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

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 *Impairment of non-financial assets*

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

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

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

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

2.20 *Borrowing costs*

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

2.21 *Provisions*

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 *Employee benefits*

(a) *Defined contribution plan*

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

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(c) *Termination benefits*

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

2.23 *Leases*

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

The Group as lessee

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

Right-of-use assets

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

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Leases (cont'd)

The Group as lessee (cont'd)

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

The Group as lessor

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

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

Contingent rents are recognised as revenue in the period in which they are earned.

2.24 Revenue and other income recognition

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Revenue and other income recognition (cont'd)

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

(i) Sale of tin

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

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

(ii) Smelting revenue

Smelting revenue is recognised at a point in time upon performance of services.

(iii) Sale of by-products

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

(iv) Rental income

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

(v) Profit from sale of completed properties

Profit from sale of completed properties is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and practices in the legal jurisdictions.

(vi) Other income

- Dividend income is recognised when the Group's and the Company's right to receive payment is established.
- Interest income is recognised on an accrual basis using effective interest method.
- Profits from sale of investment securities are recognised upon conclusion of the contract for sale.
- Other service charges are recognised upon performance of services.

2.25 Taxes

(a) *Current income tax*

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

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Taxes (cont'd)

(a) *Current income tax (cont'd)*

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

(b) *Deferred tax*

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

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

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

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

(c) *Goods and services tax*

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

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

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

The net amount of goods and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.26 Derivative financial instruments and hedging

Initial recognition and subsequent measurement

The Group has chosen to continue to apply the existing hedge accounting requirements in SFRS(I) 1-39 as its policy choice on initial adoption of SFRS(I) 9.

The Group uses derivative financial instruments such as forward currency contracts, cross currency swaps, interest rate swaps and forward commodity contracts, to manage their foreign currency risks, interest rate risks and commodity price risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 Derivative financial instruments and hedging (cont'd)

Initial recognition and subsequent measurement (cont'd)

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

Hedges directly affected by interest rate benchmark reform

Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from the interest rate benchmark reform

For the purpose of evaluating whether there is an economic relationship between the hedged items and the hedging instruments, the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

Phase 2 amendments: Replacement of benchmark interest rates - when there is no longer uncertainty arising from the interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or the hedging instrument changes as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by interest rate benchmark reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

– the change is necessary as a direct consequence of the reform; and
– the new basis for determining the contractual cash flows is economically equivalent to the previous basis - i.e. the basis immediately before the change.

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 Derivative financial instruments and hedging (cont'd)

Hedges directly affected by interest rate benchmark reform (cont'd)

Phase 2 amendments: Replacement of benchmark interest rates - when there is no longer uncertainty arising from the interest rate benchmark reform (cont'd)

For this purpose, the hedge designation is amended only to make one or more of the following changes:

– designating an alternative benchmark rate as the hedged risk;
– updating the description of hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
– updating the description of the hedging instrument.

The Group amends the description of the hedging instrument only if the following conditions are met:

– it makes a change required by interest rate benchmark reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
– the original hedging instrument is not derecognised.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by interest rate benchmark reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

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

(a) *Fair value hedges*

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 Derivative financial instruments and hedging (cont'd)

(a) *Fair value hedges (cont'd)*

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

(b) *Cash flow hedges*

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

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecasted transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts and the ineffective portion relating to commodity contracts is recognised in profit or loss.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged interest income or interest expense is recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

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

(c) *Hedges of a net investment*

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

2.27 Share capital and share issuance expenses

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

2.28 Treasury shares

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

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.29 Contingencies

A contingent liability is:

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

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

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

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

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

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.30 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Judgements made by management in the application of accounting policies that have a significant effect on the financial statements and in arriving at estimates with a significant risk of material adjustment in the following year are discussed in note 41.

Notes to the Financial Statements

For the financial year ended 31 December 2021

4. DIVIDEND INCOME

	Group 2021 $'000	Group 2020 $'000
Dividend income from:		
- Investment securities at fair value through profit or loss ("FVTPL")	**1,251**	1,330
- Investment securities at FVOCI	**6,937**	7,303
	8,188	8,633

5. INTEREST INCOME

	Group 2021 $'000	Group 2020 $'000
Interest income from:		
- Financial assets	**828**	1,047
- Deposits	**6,945**	6,453
- Receivables from associates and joint ventures	**66,228**	3,910
- Receivables	**12**	112
	74,013	11,522

6. OTHER INCOME

	Group 2021 $'000	Group 2020 $'000
Net gain on disposal of investment properties	**8,772**	13,719
Net (loss)/gain on disposal of property, plant and equipment	**(3)**	42
Net gain/(loss) on disposal of subsidiaries, associates and joint ventures:		
- Foreign exchange impact on capital reduction	**726**	2,683
- Others	**(2)**	–
Net gain/(loss) on disposal of equity securities at FVTPL	**1,328**	(368)
Net loss from settlement of forward tin contracts	**(10,124)**	(1,507)
Fair value changes in financial assets:		
- Held-for-trading equity securities at FVTPL	**11,268**	1,040
- Derivatives at FVTPL	**182**	(92)
- Ineffective portion of derivatives designated as hedging instruments in cash flow hedge	**4,075**	(3,085)
Fund related fees	**2,152**	2,400
Other operating income	**8,187**	5,448
	26,561	20,280

Notes to the Financial Statements

For the financial year ended 31 December 2021

7. EMPLOYEE BENEFITS EXPENSE

	Group 2021 $'000	Group 2020 $'000
Wages, salaries and other allowances	**34,184**	29,215
Defined contribution plans	**2,878**	2,455
(Reversal of)/Provision for voluntary separation/retrenchment compensation* (note 30)	**(465)**	90
	36,597	31,760

* The provision was made in respect of the internal restructuring exercise for the affected employees at the Butterworth smelter.

8. IMPAIRMENT LOSSES

	Group 2021 $'000	Group 2020 $'000
Impairment of a joint venture (note 19.2(e))	**–**	265
(Reversal of impairment)/Impairment of mining rights (note 17(b)(i))	**(142)**	145
Impairment of corporate club membership (note 17(b)(i))	**–**	16
(Reversal of impairment)/Impairment of mine properties (note 17(b)(ii))	**(468)**	476
Impairment of land under development (note 15)	**9,615**	–
	9,005	902

9. FINANCE COSTS

	Group 2021 $'000	Group 2020 $'000
Interest on bank loans	**18,100**	18,728
Interest on notes	**10,554**	6,931
Fees incurred for credit facilities	**2,736**	2,909
Interest on loan from a non-controlling shareholder of a subsidiary	**231**	595
Discount adjustment on provision (note 30)	**368**	534
Interest on lease liabilities (note 34)	**175**	316
	32,164	30,013
Less: interest expense capitalised in investment properties (note 16(d))	**(58)**	(244)
	32,106	29,769

Notes to the Financial Statements

For the financial year ended 31 December 2021

10. OTHER EXPENSES

	Group 2021 $'000	Group 2020 $'000
Administrative expenses	**8,193**	6,239
Marketing and distribution expenses	**1,385**	2,370
Property related management fees	**2,865**	3,563
Upkeep and maintenance expenses of properties	**7,810**	7,414
Property related taxes	**2,406**	2,590
Operating lease expenses	**4**	17
Brokerage fees	**100**	124
(Reversal of impairment)/Impairment of trade receivables (note 21)	**(1)**	42
Exchange losses/(gains)	**11,414**	(19,007)
Other expenses	**2,097**	2,615
	36,273	5,967

11. PROFIT BEFORE TAX

Profit before tax is stated after charging/(crediting) the following:

	Group 2021 $'000	Group 2020 $'000
Audit fees paid/payable:		
- Auditor of the Company	**441**	512
- Overseas affiliates of the auditor of the Company	**467**	458
- Other auditors	**84**	99
Non-audit fees paid/payable:		
- Auditor of the Company	**124**	86
- Overseas affiliates of the auditor of the Company	**18**	15
- Other auditors	**773**	658
	1,907	1,828
Net loss/(gain) on disposal of property, plant and equipment	**3**	(42)
Property, plant and equipment written off	**4**	45

Notes to the Financial Statements

For the financial year ended 31 December 2021

12. INCOME TAX EXPENSE

(a) *Major components of income tax expense*

The major components of income tax expense for the years ended 31 December 2021 and 2020 are:

	Group 2021 $'000	Group 2020 $'000
(i) Consolidated income statement		
Income tax		
- Current income tax	**18,131**	12,044
- Adjustments to provisions in respect of prior years	**(26)**	9
	18,105	12,053
Deferred tax (note 20)		
- Originating and reversal of temporary differences	**58,099**	13,036
- Adjustments to provisions in respect of prior years	**175**	(309)
	58,274	12,727
Income tax expense recognised in profit or loss	**76,379**	24,780
(ii) Statement of comprehensive income		
Deferred tax related to other comprehensive income		
- Net change on revaluation of property, plant and equipment	**105**	735
- Net change in investment securities at FVOCI	**–**	1,183
	105	1,918

Notes to the Financial Statements

For the financial year ended 31 December 2021

12. INCOME TAX EXPENSE (CONT'D)

(b) *Relationship between tax expense and accounting profit*

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable statutory tax rate for the years ended 31 December 2021 and 2020 are as follows:

	Group	
	2021	2020
	$'000	$'000
Profit before tax	**362,070**	95,957
Less: Share of results of associates and joint ventures *	**(99,903)**	(8,734)
	262,167	87,223
Tax at statutory rate of 17% (2020: 17%)	**44,568**	14,828
Effect of different tax rates in other countries	**18,757**	5,408
Adjustments to provision in respect of prior years	**(26)**	9
Adjustments to deferred tax in respect of prior years	**175**	(309)
Expenses/Losses not claimable	**9,443**	5,376
Income not subject to tax	**(7,818)**	(4,644)
Effect of partial tax exemption	**(222)**	(269)
Deferred tax assets not recognised	**46**	3
Utilisation of previously unrecognised tax losses	**–**	(1)
Withholding tax expenses	**12,155**	4,469
Others	**(699)**	(90)
	76,379	24,780

* These are presented net of tax in profit or loss.

13. EARNINGS PER SHARE (CENTS PER SHARE)

The calculations of basic and diluted earnings per share are based on the profit attributable to owners of the Company of $234,254,000 (2020: $51,483,000) and on 406,910,353 (2020: 406,910,353) weighted average number of ordinary shares in issue.

There are no dilutive potential shares of the Company.

Notes to the Financial Statements

For the financial year ended 31 December 2021

14. PROPERTY, PLANT AND EQUIPMENT

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

Notes to the Financial Statements

For the financial year ended 31 December 2021

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

							Right-of-use assets		
	Freehold land	Leasehold land	Buildings	Plant, equipment, vehicles and furniture	Capital work-in-progress	Mine restoration	Land and buildings	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	At valuation			At cost					
Group									
At cost or valuation									
At 1 January 2020	141	9,798	7,085	47,308	3,315	7,472	6,696	195	82,010
Additions	–	–	–	822	4,793	2,407	8,758	–	16,780
Disposals	–	–	–	(2,388)	–	–	(2,004)	–	(4,392)
Transfer	–	–	1,494	3,223	(4,717)	–	–	–	–
Derecognition	–	–	–	–	–	–	(486)	–	(486)
Reclassification	–	–	–	413	(413)	–	–	–	–
Revaluation surplus, net	–	982	784	–	–	–	–	–	1,766
Elimination of accumulated depreciation on revaluation	–	(127)	(344)	–	–	–	–	–	(471)
Exchange adjustment	–	(23)	(21)	(51)	2	(24)	(3)	–	(120)
At 31 December 2020	141	10,630	8,998	49,327	2,980	9,855	12,961	195	95,087
Accumulated depreciation									
At 1 January 2020	–	–	–	31,403	–	4,117	2,878	–	38,398
Depreciation charge for the year	–	127	343	2,346	–	627	4,224	26	7,693
Disposals	–	–	–	(2,322)	–	–	(2,004)	–	(4,326)
Derecognition	–	–	–	–	–	–	(91)	–	(91)
Elimination of accumulated depreciation on revaluation	–	(127)	(344)	–	–	–	–	–	(471)
Exchange adjustment	–	–	1	(31)	–	(11)	(11)	–	(52)
At 31 December 2020	–	–	–	31,396	–	4,733	4,996	26	41,151
Net carrying amount									
At 31 December 2020	141	10,630	8,998	17,931	2,980	5,122	7,965	169	53,936

Notes to the Financial Statements

For the financial year ended 31 December 2021

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

Notes to the Financial Statements

For the financial year ended 31 December 2021

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land $'000	Buildings $'000	Plant, equipment, vehicles and furniture $'000	Total $'000
	At valuation		At cost	
Company				
At cost or valuation				
At 1 January 2020	41	558	107	706
Revaluation surplus	3	–	–	3
At 31 December 2020	44	558	107	709
Accumulated depreciation				
At 1 January 2020	–	–	107	107
Depreciation charge for the year	–	7	–	7
At 31 December 2020	–	7	107	114
Net carrying amount				
At 31 December 2020	44	551	–	595

(a) Land and buildings are stated at fair value, which 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. Details of valuation techniques and inputs used are disclosed in note 42D.

(b) If the land and buildings stated at valuation are included in the financial statements using the cost model, the net carrying amounts would be:

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Freehold land	**35**	35	**1**	1
Leasehold land	**7,817**	7,649	**–**	–
Buildings	**6,136**	6,270	**48**	48

Notes to the Financial Statements

For the financial year ended 31 December 2021

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Details of properties included in property, plant and equipment as at 31 December 2021 are as follows:

Description of properties	**Tenure**	**Unexpired lease term (year)**	**Existing use**	**Professional valuers**	**Valuation method**
Malaysia					
Wavertree Bungalow at Jalan Lady Maxwell, 49000 Bukit Fraser, Pahang	Leasehold	96	Holiday bungalow	C H Williams Talhar & Wong Sdn Bhd	Comparison method
Lot 448, Mukim of Sabai, District of Bentong, Pahang	Freehold	–	Agricultural	C H Williams Talhar & Wong Sdn Bhd	Comparison method
80 units of flats at Taman Desa Palma, Alma, 14000 Bukit Mertajam, Penang	Freehold	–	Residential	Knight Frank Malaysia Sdn Bhd	Comparison method
Mukim Belukar Semang and Mukim Pengkalan Hulu, Daerah Hulu Perak:					
(i) Land and buildings at Lot 344 and 348	Freehold	–	Dam and residential	Knight Frank Malaysia Sdn Bhd	Comparison method and depreciated replacement cost method
(ii) Land at Lot 1886	Freehold	–	Agricultural	Knight Frank Malaysia Sdn Bhd	Comparison method
(iii) Land and buildings at PT 725, 726 and 727	Leasehold	29	Dam and power station	Knight Frank Malaysia Sdn Bhd	Comparison method and depreciated replacement cost method
(iv) 3 units of terrace houses at PT 1705, 1706 and 1707	Leasehold	87	Residential	Knight Frank Malaysia Sdn Bhd	Comparison method

Notes to the Financial Statements

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14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Details of properties included in property, plant and equipment as at 31 December 2021 are as follows (cont'd):

Description of properties	Tenure	Unexpired lease term (year)	Existing use	Professional valuers	Valuation method
Malaysia (cont'd)					
Mukim Belukar Semang and Mukim Pengkalan Hulu, Daerah Hulu Perak (cont'd):					
(v) 2 units of single-storey semi-detached house at PT 55671 and 55675	Freehold	–	Residential	Knight Frank Malaysia Sdn Bhd	Comparison method
(vi) Lot 6, 8 & 9 Jalan Perigi Nanas 6/1 Pulau Indah Industrial Park, West Port, 42920 Port Klang Selangor	Leasehold	75	Office and factory	Khong & Jaafar Sdn Bhd	Depreciated replacement cost method

(d) Details of properties included in right-of-use assets as at 31 December 2021 are as follows:

Description of properties	Tenure	Unexpired lease term (year)	Group's effective interest in property	Existing use
Malaysia				
Land at Lot 2071, 55502, 55503 & 55504, PT 3934, PT 4338, 4522 & 4523	Leasehold	Up to 91	52%	Mining complex and residential
No. 27 Jalan Pantai, 12000 Butterworth, Penang – Seabed leases with main wharf at PT 686	Leasehold	48	52%	Main wharf
9 Plots of state land at Wilayah Kg Pong, Tanah Hitam and Klian Intan in Mukim Pengkalan Hulu and Belukar Semang Daerah Hulu Perak	Leasehold	28	52%	Mining
Singapore				
1 Wallich Street #15-01, Guoco Tower, Singapore 078881	Leasehold	2	100%	Office

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For the financial year ended 31 December 2021

15. LAND UNDER DEVELOPMENT

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
At cost				
At 1 January	**72,634**	67,444	**30,254**	30,311
Additions	**16,901**	5,341	**–**	–
Exchange adjustment	**(587)**	(151)	**(272)**	(57)
At 31 December	**88,948**	72,634	**29,982**	30,254
Accumulated impairment				
At 1 January	**–**	–	**–**	–
Allowance for impairment loss [1]	**9,615**	–	**–**	–
Exchange adjustment	**125**	–	**–**	–
At 31 December	**9,740**	–	**–**	–
Net carrying amount				
At 31 December	**79,208**	72,634	**29,982**	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.

Details of properties included in land under development as at 31 December 2021 are as follows:

Description of properties	Tenure	Group's effective interest in property	Site area sq.m.	Existing use
Malaysia				
Lot 20514 – 20517 Section 4 Town of Butterworth North Seberang Perai District, Penang[2]	Freehold	52%	51,749	Office/Factory/ Carpark shed
Lot 20500 – Lot 20512 Section 4 Town of Butterworth North Seberang Perai District, Penang	Freehold	100%	91,944[3]	Commercial/ Carpark/Car showroom

(2) At as 31 December 2021, the freehold land is pledged to secure bank facilities (note 31).

(3) Included in Lot No. 20502 is land with site area of 4,656 sq.m. under development for hotel with podium accommodating shoplots and car park.

Notes to the Financial Statements

For the financial year ended 31 December 2021

16. INVESTMENT PROPERTIES

	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 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	**133,390**	37,361	**137**	–
Addition to properties	**64,508**	235,709	**–**	–
Disposal during the year	**(87,400)**	(249,337)	**–**	–
Exchange adjustment	**(3,051)**	44,530	**(49)**	(11)
Balance as at 31 December	**1,039,646**	932,199	**5,622**	5,534

	Group 2021 $'000	Group 2020 $'000
Income statement		
Rental income from investment properties		
– Minimum lease payments	**48,079**	42,107
Direct operating expenses (including repairs and maintenance) arising from:		
– Rental generating properties	**(19,372)**	(17,550)
– Non-rental generating properties	**(2,029)**	(1,277)
	(21,401)	(18,827)

(a) Except as disclosed in note 16(c), the Group has no restrictions on the realisability of its investment properties.

(b) 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. Details of valuation techniques and inputs used are disclosed in note 42D.

(c) Certain investment properties are mortgaged to secure bank facilities (note 31).

(d) During the financial year, interest capitalised as cost of investment properties amounted to $58,000 (2020: $244,000).

Notes to the Financial Statements

For the financial year ended 31 December 2021

16. INVESTMENT PROPERTIES (CONT'D)

(e) Details of investment properties as at 31 December 2021 are as follows:

Description of properties	Tenure	Site area sq.m.	Net floor area sq.m.	Existing use	Professional valuers	Valuation method
Singapore						
1 residential unit at Gallop Green condominium	Freehold	–	394 (strata)	Residential	Knight Frank Pte Ltd	Comparison method
8/8A at Cable Road	Freehold	3,010	1,752 (gross)	Residential	Knight Frank Pte Ltd	Comparison method
10/10A/10B at Nathan Road	Freehold	4,548	2,083 (gross)	Residential	Knight Frank Pte Ltd	Comparison method

Notes to the Financial Statements

For the financial year ended 31 December 2021

16. INVESTMENT PROPERTIES (CONT'D)

(e) Details of investment properties as at 31 December 2021 are as follows (cont'd):

Description of properties	Tenure	Unexpired lease term (year)	Site area sq.m.	Net floor area sq.m.	Existing use	Professional valuers	Valuation method
China							
Retail Mall at No. 186 Tongjiang Avenue, Nan'an District, Chongqing	Leasehold	29	15,774	38,009	Retail	CBRE (Shanghai) Management Limited	Direct capitalisation method and discounted cash flow method
Malaysia							
A parcel of residential land Lot No. 11260, Mukim of Hulu Kinta, District of Kinta, Perak	999 years Leasehold	873	11,255	–	Residential	C H Williams Talhar & Wong Sdn Bhd	Comparison method
A parcel of residential land, Lot No. 34612 Town of Ipoh(S), District of Kinta, Perak	999 years Leasehold	872	12,892	–	Residential	C H Williams Talhar & Wong Sdn Bhd	Comparison method
Parcels of commercial land, Lot Nos. 1105 to 1110, 2122 and 2123 Town of Seremban, District of Seremban, Negeri Sembilan	Freehold	–	3,826	–	Retail	C H Williams Talhar & Wong Sdn Bhd	Comparison method
8 units of 3-storey shophouses, No. 4819 to 4826 Jalan Pantai, Taman Selat, 12000 Butterworth, Penang	Freehold	–	1,322	2,587	Commercial	C H Williams Talhar & Wong Sdn Bhd	Comparison method

Notes to the Financial Statements

For the financial year ended 31 December 2021

16. INVESTMENT PROPERTIES (CONT'D)

(e) Details of investment properties as at 31 December 2021 are as follows (cont'd):

Description of properties	Tenure	Site area sq.m.	Net floor area sq.m.	Existing use	Professional valuers	Valuation method
Australia						
45 St Georges Terrace, Perth, WA	Freehold	1,826	10,120	Office/ Carpark	Jones Lang LaSalle Advisory Services Pty Ltd	Direct capitalisation method and discounted cash flow method
34 Share Street, Kilkenny, SA	Freehold	50,329	37,809	Warehouse/ Office	CBRE Valuations Pty Limited	Direct capitalisation method and discounted cash flow method
14 Ocean Steamers Road, Port Adelaide, SA	Freehold	28,960	17,251	Warehouse/ Office	Jones Lang LaSalle Advisory Services Pty Ltd	Direct capitalisation method and discounted cash flow method
Land at 157-165 Cross Keys Road, Salisbury South, SA	Freehold	140,400	–	Industrial Land	CBRE Valuations Pty Limited	Direct capitalisation method, discounted cash flow method and residual value method
33-55 Frost Road, Salisbury South, SA	Freehold	103,700	46,469	Warehouse/ Office	CBRE Valuations Pty Limited	Direct capitalisation method and discounted cash flow method
867-885 Mountain Highway, Bayswater, Melbourne, VIC	Freehold	104,200	39,731	Warehouse/ Office	CBRE Valuations Pty Limited	Direct capitalisation method and discounted cash flow method

Notes to the Financial Statements

For the financial year ended 31 December 2021

16. INVESTMENT PROPERTIES (CONT'D)

(e) Details of investment properties as at 31 December 2021 are as follows (cont'd):

Description of properties	Tenure	Site area sq.m.	Net floor area sq.m.	Existing use	Professional valuers	Valuation method
Australia (cont'd)						
Allotment 32 Third Avenue, Mawson Lakes, SA	Freehold	37,980	14,342	Warehouse/ Office	Jones Lang LaSalle Advisory Services Pty Ltd	Direct capitalisation method and discounted cash flow method
677 Springvale Road, Mulgrave, VIC	Freehold	22,510	12,024	Warehouse/ Office	Jones Lang LaSalle Advisory Services Pty Ltd	Direct capitalisation method and discounted cash flow method
Lot 1 Ocean Steamers Road, Port Adelaide, SA	Freehold	28,960	15,133	Warehouse/ Office	Jones Lang LaSalle Advisory Services Pty Ltd	Direct capitalisation method and discounted cash flow method
United Kingdom						
Dashwood Lang Road, Addlestone, Surrey, KT15 2NX	Freehold	62,400	17,539	Business Park	Colliers International Valuation UK LLP	Investment valuation method
Korea						
Land at San 11-4, Sanjeong-Ri, Yangseong-Myeon, Anseong-Si, Gyeonggi-Do, Korea	Freehold	71,316	–	Industrial Land	Jones Lang LaSalle Co., Ltd.	Direct capitalisation method, discounted cash flow method and direct comparison method

Notes to the Financial Statements

For the financial year ended 31 December 2021

17. GOODWILL/OTHER INTANGIBLE ASSETS

(a) *Goodwill arising on consolidation*

	Group 2021 $'000	Group 2020 $'000
At cost		
At 1 January	**17,516**	17,540
Exchange adjustment	**(150)**	(24)
At 31 December	**17,366**	17,516

The carrying amount of goodwill is allocated to resources segment.

(i) The recoverable amount of the resource subsidiary in Malaysia is determined based on value in use.

The recoverable amount of the resource subsidiary in Malaysia is determined based on value in use calculations using 5-year cash flow projections based on finance forecasts. Management has considered and determined the factors applied in these financial budgets, which included tin prices, exchange rates and fuel costs. The new smelting plant of the resource subsidiary in Pulau Indah, Port Klang has been fully operational. The new smelting plant and the existing plant at Butterworth, Penang will be operating in parallel until smooth operations are achieved. The key assumptions made reflect past experience. The pre-tax discount rates applied to the cash flow projections at 11.0% (2020: 11.0%) and 9.0% (2020: 9.0%) for Mining and Smelting segments respectively, were based on the estimated weighted average cost of capital. There is no impairment in the carrying amount of goodwill arising from this review.

(ii) Sensitivity to changes in assumptions

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

(b) *Other intangible assets*

		Group 2021 $'000	Group 2020 $'000
(i)	Mining rights	**1,022**	937
	Corporate club memberships	**143**	147
		1,165	1,084
(ii)	Deferred mine exploration and evaluation expenditure	**342**	159
	Mine properties	**4,109**	3,974
		4,451	4,133
		5,616	5,217

Notes to the Financial Statements

For the financial year ended 31 December 2021

17. GOODWILL/OTHER INTANGIBLE ASSETS (CONT'D)

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

(i) Mining rights and corporate club memberships

	Mining rights $'000	Corporate club memberships $'000	Total $'000
Group			
At cost			
At 1 January 2021	**3,890**	**187**	**4,077**
Exchange adjustment	**(35)**	**(1)**	**(36)**
At 31 December 2021	**3,855**	**186**	**4,041**
Accumulated amortisation and impairment			
At 1 January 2021	**2,953**	**40**	**2,993**
Amortisation charge for the year	**49**	**3**	**52**
Reversal of allowance for impairment loss (note 8)	**(142)**	**–**	**(142)**
Exchange adjustment	**(27)**	**–**	**(27)**
At 31 December 2021	**2,833**	**43**	**2,876**
Net carrying amount			
At 31 December 2021	**1,022**	**143**	**1,165**
At cost			
At 1 January 2020	3,897	187	4,084
Exchange adjustment	(7)	–	(7)
At 31 December 2020	3,890	187	4,077
Accumulated amortisation and impairment			
At 1 January 2020	2,733	20	2,753
Amortisation charge for the year	82	4	86
Allowance for impairment loss (note 8)	145	16	161
Exchange adjustment	(7)	–	(7)
At 31 December 2020	2,953	40	2,993
Net carrying amount			
At 31 December 2020	937	147	1,084

Notes to the Financial Statements

For the financial year ended 31 December 2021

17. GOODWILL/OTHER INTANGIBLE ASSETS (CONT'D)

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

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

	Deferred mine exploration and evaluation expenditure $'000	Mine properties $'000	Total $'000
Group			
At 1 January 2021	**159**	**3,974**	**4,133**
Additions	**185**	**85**	**270**
Amortisation charge for the year	**–**	**(360)**	**(360)**
Reversal of allowance for impairment loss (note 8)	**–**	**468**	**468**
Reclassification	**–**	**(26)**	**(26)**
Exchange adjustment	**(2)**	**(32)**	**(34)**
At 31 December 2021	**342**	**4,109**	**4,451**
At 1 January 2020	3,642	890	4,532
Additions	362	73	435
Transfer	(3,850)	3,850	–
Written-off	(4)	–	(4)
Amortisation charge for the year	–	(343)	(343)
Allowance for impairment loss (note 8)	–	(476)	(476)
Exchange adjustment	9	(20)	(11)
At 31 December 2020	159	3,974	4,133

The deferred mine exploration and evaluation expenditure 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.

The remaining amortisation periods are as follows:

	Group Number of years	
	2021	2020
Mining rights	**4 to 10**	4 to 10
Corporate club memberships	**61 to 66**	66 to 70
Mine properties	**4 to 10**	4 to 10

Notes to the Financial Statements

For the financial year ended 31 December 2021

18. SUBSIDIARIES

	Company 2021 $'000	Company 2020 $'000
Quoted shares, at cost	25,402	25,402
Unquoted shares, at cost	55,356	55,356
Redeemable preference shares, at cost	48,900	48,900
	129,658	129,658
Impairment losses	(6,123)	(6,123)
	123,535	123,535

Details of subsidiaries are included in note 44.

Shares of certain subsidiaries of the Group are pledged to secure bank facilities (note 31).

Interest in subsidiaries with material non-controlling interest ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group.

31 December 2021

Name of subsidiaries	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit allocated to NCI during the reporting period $'000	Accumulated NCI at the end of reporting period $'000
Malaysia Smelting Corporation Berhad	Malaysia	48%	18,050	94,676
ILP No. 1 Trust [1]	Australia	20%	24,308	56,500

[1] Indirectly held through the Group's wholly-owned subsidiary, SRE Australia Industrial 1 Pte. Ltd.

Notes to the Financial Statements

For the financial year ended 31 December 2021

18. SUBSIDIARIES (CONT'D)

Interest in subsidiaries with material non-controlling interest ("NCI") (cont'd)

31 December 2020

Name of subsidiaries	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit allocated to NCI during the reporting period $'000	Accumulated NCI at the end of reporting period $'000
Malaysia Smelting Corporation Berhad	Malaysia	45%	1,821	62,718
Straits Real Estate Pte. Ltd. [2]	Singapore	11%	11,135	126,222

[2] On 9 April 2021, STC Capital Pte. Ltd., a wholly-owned subsidiary of the Group, purchased 41,630,000 issued ordinary shares in the share capital of Straits Real Estate Pte. Ltd. ("SREPL") for a consideration of $56,351,918. Following the acquisition, SREPL has become a wholly-owned subsidiary of the Group on 9 April 2021.

Summarised financial information about subsidiaries with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

31 December 2021

Summarised balance sheets

	Malaysia Smelting Corporation Berhad $'000	ILP No. 1 Trust $'000
Current		
Assets	317,506	9,746
Liabilities	(205,582)	(116,618)
Net current assets/(liabilities)	119,924	(106,872)
Non-current		
Assets	111,211	437,468
Liabilities	(34,395)	(48,094)
Net non-current assets	76,816	389,374
Net assets	188,740	282,502

Notes to the Financial Statements

For the financial year ended 31 December 2021

18. SUBSIDIARIES (CONT'D)

Summarised financial information about subsidiaries with material NCI (cont'd)

31 December 2021

Summarised statements of comprehensive income

	Malaysia Smelting Corporation Berhad $'000	**ILP No. 1 Trust $'000**
Revenue	348,480	22,261
Profit before tax	50,722	121,542
Income tax expense	(12,753)	–
Profit after tax	37,969	121,542
Other comprehensive income	10,575	(6,134)
Total comprehensive income	48,544	115,408

31 December 2020

Summarised balance sheets

	Malaysia Smelting Corporation Berhad $'000	Straits Real Estate Pte. Ltd. $'000
Current		
Assets	228,270	189,607
Liabilities	(140,821)	(303,220)
Net current assets/(liabilities)	87,449	(113,613)
Non-current		
Assets	99,208	1,292,939
Liabilities	(57,139)	(339,739)
Net non-current assets	42,069	953,200
Net assets	129,518	839,587

Notes to the Financial Statements

For the financial year ended 31 December 2021

18. SUBSIDIARIES (CONT'D)

Summarised financial information about subsidiaries with material NCI (cont'd)

31 December 2020

Summarised statements of comprehensive income

	Malaysia Smelting Corporation Berhad $'000	Straits Real Estate Pte. Ltd. $'000
Revenue	266,784	39,398
Profit before tax	7,455	95,633
Income tax expense	(3,298)	(20,506)
Profit after tax	4,157	75,127
Other comprehensive income	5,595	(4,364)
Total comprehensive income	9,752	70,763

19. ASSOCIATES AND JOINT VENTURES

	Group		**Company**	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Associates	**696,881**	621,702	**144**	144
Joint ventures	**509,083**	363,222	**–**	–
	1,205,964	984,924	**144**	144

19.1 Associates

	Group		**Company**	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Unquoted shares, at cost	**523,805**	441,624	**609**	609
Shareholder loans (e)	**71,910**	71,910	**–**	–
Share of post-acquisition reserves	**110,919**	112,523	**–**	–
Exchange adjustment	**(6,254)**	(2,800)	**–**	–
	700,380	623,257	**609**	609
Impairment losses	**(3,499)**	(1,555)	**(465)**	(465)
	696,881	621,702	**144**	144

Notes to the Financial Statements

For the financial year ended 31 December 2021

19. ASSOCIATES AND JOINT VENTURES (CONT'D)

19.1 Associates (cont'd)

(a) Details of associates are included in note 44.

(b) During the financial year, the Group carried out a review of the recoverable amount of its investment in Far East Hospitality Holdings Pte. Ltd. ("FEHH"). An impairment of $1,944,000 (2020: $1,555,000) was recognised in profit or loss. The recoverable amount was based on value in use calculations using 5-year cash flow projections based on finance forecasts.

(c) During the financial year, Straits Real Estate Pte. Ltd. ("SREPL"), through its wholly-owned subsidiary, SRE Venture 18 Pte. Ltd. ("SREV18"), entered into a subscription agreement for the subscription into Savills IM UK Value Boxes Fund FCP-RAIF ("SIMUK"). Total investment cost injected into SIMUK is GBP16.7 million ($30.4 million). SIMUK is managed by Savills Investment Management (Luxembourg) S.À R.L. as the Management Company.

(d) During the financial year, Sword Private Limited ("SPL"), through its wholly-owned subsidiary, STC Fintech Holdings Pte. Ltd. ("STCFH"), acquired 14.28% interest in SDAX Financial Pte. Ltd. ("SDAX"). Total investment cost injected into SDAX is $13.6 million.

(e) This relates to the Group's shareholder loans to FEHH, a 30/70 joint venture with Far East Orchard Limited. The shareholder loans to FEHH are unsecured and non-interest bearing.

(f) Movement in the allowance account:

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
At 1 January	**(1,555)**	–	**(465)**	(465)
Impairment for the year	**(1,944)**	(1,555)	**–**	–
At 31 December	**(3,499)**	(1,555)	**(465)**	(465)

(g) Aggregate information about the Group's associates that are not individually material are as follows:

	Group	
	2021	2020
	$'000	$'000
(Loss)/Profit after tax	**(1,852)**	145
Other comprehensive income	**8**	6
Total comprehensive income	**(1,844)**	151

Notes to the Financial Statements

For the financial year ended 31 December 2021

19. ASSOCIATES AND JOINT VENTURES (CONT'D)

19.1 Associates (cont'd)

(h) The summarised financial information in respect of ARA Asset Management Holdings Pte. Ltd. ("ARAH"), FEHH, ARA Harmony Fund III, L.P. ("H3") and Savills Investment Management Japan Value Fund II, LP ("JVF2") based on their financial statements, and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows:

Summarised balance sheets

	ARAH	**FEHH**	**H3***	**JVF2**
	$'000	**$'000**	**$'000**	**$'000**
As at 31 December 2021				
Current assets	**1,176,521**	**81,674**	**25,069**	**61,995**
Non-current assets	**4,945,526**	**592,151**	**449,982**	**932,421**
Total assets	**6,122,047**	**673,825**	**475,051**	**994,416**
Current liabilities	**(508,537)**	**(361,716)**	**(13,493)**	**(64,471)**
Non-current liabilities	**(1,434,574)**	**(273,553)**	**(398,798)**	**(466,542)**
Total liabilities	**(1,943,111)**	**(635,269)**	**(412,291)**	**(531,013)**
Net assets	**4,178,936**	**38,556**	**62,760**	**463,403**
Preference shares and share premium	**(81,444)**	**–**	**–**	**–**
Perpetual securities holders	**(959,978)**	**–**	**–**	**–**
Non-controlling interests	**(1,143,067)**	**–**	**–**	**(55,593)**
	1,994,447	**38,556**	**62,760**	**407,810**
As at 31 December 2020				
Current assets	731,390	113,524	23,170	34,379
Non-current assets	4,064,856	590,372	568,642	357,822
Total assets	4,796,246	703,896	591,812	392,201
Current liabilities	(212,735)	(371,898)	(11,563)	(11,168)
Non-current liabilities	(1,471,666)	(270,035)	(404,698)	(195,352)
Total liabilities	(1,684,401)	(641,933)	(416,261)	(206,520)
Net assets	3,111,845	61,963	175,551	185,681
Perpetual securities holders	(960,071)	–	–	–
Non-controlling interests	(352,669)	–	–	(18,493)
	1,799,105	61,963	175,551	167,188

* The net assets of H3 have been adjusted to reflect the Group's view of the prevailing market conditions of the investment properties.

Notes to the Financial Statements

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19. ASSOCIATES AND JOINT VENTURES (CONT'D)

19.1 Associates (cont'd)

(h) The summarised financial information in respect of ARA Asset Management Holdings Pte. Ltd. ("ARAH"), FEHH, ARA Harmony Fund III, L.P. ("H3") and Savills Investment Management Japan Value Fund II, LP ("JVF2") based on their financial statements, and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows (cont'd):

Summarised statements of comprehensive income

	ARAH $'000	FEHH $'000	H3 $'000	JVF2 $'000
2021				
Revenue	**806,500**	**42,792**	**36,252**	**23,935**
Profit/(Loss) after tax	**325,073**	**(35,856)**	**(110,326)**	**61,542**
Other comprehensive income	**46,913**	**12,445**	**(2,464)**	**–**
Total comprehensive income	**371,986**	**(23,411)**	**(112,790)**	**61,542**
2020				
Revenue	387,779	45,014	38,486	16,350
Profit/(Loss) after tax	149,433	(34,823)	(20,499)	7,659
Other comprehensive income	(14,963)	22,934	(432)	–
Total comprehensive income	134,470	(11,889)	(20,931)	7,659

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For the financial year ended 31 December 2021

19. ASSOCIATES AND JOINT VENTURES (CONT'D)

19.1 Associates (cont'd)

(h) The summarised financial information in respect of ARA Asset Management Holdings Pte. Ltd. ("ARAH"), FEHH, ARA Harmony Fund III, L.P. ("H3") and Savills Investment Management Japan Value Fund II, LP ("JVF2") based on their financial statements, and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows (cont'd):

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associates:

	ARAH $'000	FEHH $'000	H3 $'000	JVF2 $'000
Net assets at 31 December 2021	**1,994,447**	**38,556**	**62,760**	**407,810**
Interest in associates	**22.06%**	**30.0%**	**40.0%**	**18.5%**
Group's share of net assets	**439,975**	**11,567**	**25,104**	**75,445**
Goodwill on acquisition	**133,181**	**–**	**–**	**–**
Intangible assets	**105,969**	**10,955**	**–**	**–**
Step acquisition adjustment	**(180,222)**	**–**	**–**	**–**
Capital return arising from privatisation	**(48,211)**	**–**	**–**	**–**
Other adjustments	**4,074**	**(3,499)**	**(1,020)**	**–**
Carrying value of the Group's interest in associates	**454,766**	**19,023**	**24,084**	**75,445**
Net assets at 31 December 2020	1,799,105	61,963	175,551	167,188
Interest in associates	22.06%	30.0%	40.0%	18.5%
Group's share of net assets	396,883	18,589	70,220	30,930
Goodwill on acquisition	133,181	–	–	–
Intangible assets	106,846	11,948	–	–
Step acquisition adjustment	(180,222)	–	–	–
Capital return arising from privatisation	(48,211)	–	–	–
Other adjustments	2,445	(1,555)	–	–
Carrying value of the Group's interest in associates	410,922	28,982	70,220	30,930

Step acquisition adjustment and capital return arising from privatisation resulted from the privatisation of ARA Asset Management Limited in April 2017.

Notes to the Financial Statements

For the financial year ended 31 December 2021

19. ASSOCIATES AND JOINT VENTURES (CONT'D)

19.2 Joint ventures

	Group 2021 $'000	2020 $'000
Unquoted shares, at cost	**140,880**	131,795
Shareholder notes (c)	**226,997**	202,803
Share of post-acquisition reserves	**156,292**	30,178
Exchange adjustment	**(12,425)**	1,107
	511,744	365,883
Impairment losses	**(2,661)**	(2,661)
	509,083	363,222

(a) Details of joint ventures are included in note 44.

(b) In 2020, Straits Real Estate Pte. Ltd. ("SREPL"), through its wholly-owned subsidiary, SRE Venture 16 Pte. Ltd. ("SREV16"), entered into an arrangement with an entity owned by a fund managed by a subsidiary of ARAH and ICBC International Investment Management Limited to form a joint venture, Ivory SL Joint Venture Limited ("ISL"), to acquire a retail mall in Shanghai, People's Republic of China. Total investment cost injected into ISL is US$63.5 million ($87.4 million).

(c) In 2017, SREPL, through its wholly-owned subsidiary, SRE Australia 2 Pte. Ltd. ("SRE Australia 2"), invested A$119.2 million ($125.0 million) in notes issued by 320P Trust. The notes are unsecured, repayable by 2027 and entitles SRE Australia 2 to the higher of a fixed interest per annum or a percentage of profits in 320P Trust. As unanimous approval is required for key operating, investing and financing matters, the Group has accounted for 320P Trust as a joint venture.

(d) Impairment assessment

An impairment loss of $Nil (2020: $265,000) was recognised in profit or loss of the Group in respect of the Group's investment in KMR Resources, Inc.. The recoverable amount was derived based on management's estimate of fair value less costs to sell.

(e) Movement in the allowance account:

	Group 2021 $'000	2020 $'000
At 1 January	**(2,661)**	(2,396)
Provision for impairment for the year (note 8)	**–**	(265)
At 31 December	**(2,661)**	(2,661)

Notes to the Financial Statements

For the financial year ended 31 December 2021

19. ASSOCIATES AND JOINT VENTURES (CONT'D)

19.2 Joint ventures (cont'd)

(f) The summarised financial information in respect of ISL, 320P and Sky Logis Private Real Estate Investment Company ("SLRE") based on their financial statements, and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows:

Summarised balance sheets

	ISL $'000	320P $'000	SLRE $'000
As at 31 December 2021			
Cash and cash equivalents	22,688	4,165	16,691
Other current assets	1,660	1,018	5,007
Current assets	24,348	5,183	21,698
Non-current assets	623,921	480,825	501,362
Total assets	648,269	486,008	523,060
Trade, other payables and provisions	23,651	4,930	7,293
Current liabilities (excluding trade, other payables and provisions)	–	(510)	–
Current liabilities	23,651	4,420	7,293
Non-current liabilities (excluding trade, other payables and provisions)	376,871	481,588	177,522
Total liabilities	400,522	486,008	184,815
Net assets	247,747	–	338,245

Notes to the Financial Statements

For the financial year ended 31 December 2021

19. ASSOCIATES AND JOINT VENTURES (CONT'D)

19.2 Joint ventures (cont'd)

(f) The summarised financial information in respect of ISL, 320P and Sky Logis Private Real Estate Investment Company ("SLRE") based on their financial statements, and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows (cont'd):

Summarised balance sheets (cont'd)

	ISL $'000	320P $'000	SLRE $'000
As at 31 December 2020			
Cash and cash equivalents	11,142	11,699	7,810
Other current assets	10,052	5,255	3,489
Current assets	21,194	16,954	11,299
Non-current assets	546,775	405,578	270,651
Total assets	567,969	422,532	281,950
Trade, other payables and provisions	31,344	10,253	272
Current liabilities (excluding trade, other payables and provisions)	–	158,776	–
Current liabilities	31,344	169,029	272
Non-current liabilities (excluding trade, other payables and provisions)	350,892	253,503	170,798
Total liabilities	382,236	422,532	171,070
Net assets	185,733	–	110,880

Notes to the Financial Statements

For the financial year ended 31 December 2021

19. ASSOCIATES AND JOINT VENTURES (CONT'D)

19.2 Joint ventures (cont'd)

(f) The summarised financial information in respect of ISL, 320P and Sky Logis Private Real Estate Investment Company ("SLRE") based on their financial statements, and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows (cont'd):

Summarised statements of comprehensive income

	ISL **$'000**	**320P** **$'000**	**SLRE** **$'000**
2021			
Revenue	**32,008**	**10,790**	**15,314**
Interest income	**248**	**–**	**29**
Interest expense	**(20,901)**	**(84,624)**	**(6,650)**
Amortisation	**–**	**(1,600)**	**(1,055)**
Profit before tax	**46,078**	**–**	**227,722**
Income tax expense	**(4,126)**	**–**	**(10,555)**
Profit after tax	**41,952**	**–**	**217,167**
Other comprehensive income	**8,548**	**–**	**–**
Total comprehensive income	**50,500**	**–**	**217,167**
2020			
Revenue	16,657	10,182	–
Interest income	23	9	4
Interest expense	(13,183)	(8,433)	(23)
Amortisation	–	(793)	–
Profit before tax	19,715	–	12,761
Income tax expense	(1,227)	–	(617)
Profit after tax	18,488	–	12,144
Other comprehensive income	18,611	–	–
Total comprehensive income	37,099	–	12,144

Notes to the Financial Statements

For the financial year ended 31 December 2021

19. ASSOCIATES AND JOINT VENTURES (CONT'D)

19.2 Joint ventures (cont'd)

(f) The summarised financial information in respect of ISL, 320P and Sky Logis Private Real Estate Investment Company ("SLRE") based on their financial statements, and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows (cont'd):

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in joint venture:

	ISL $'000	320P $'000	SLRE $'000
Net assets at 31 December 2021	**247,747**	**–**	**338,245**
Interest in joint venture	**56.52%**	**26%**	**50%**
Group's share of net assets	**140,027**	**–**	**169,123**
Other adjustments	**(195)**	**–**	**(26,872)**
Carrying value of the Group's interest in joint venture	**139,832**	**–**	**142,251**
Net assets at 31 December 2020	185,733	–	110,880
Interest in joint venture	56.52%	26%	50%
Carrying value of the Group's interest in joint venture	104,976	–	55,440

Certain shares and shareholder notes in a joint venture are pledged to secure bank facilities (note 31).

20. DEFERRED TAX ASSETS AND LIABILITIES

	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Deferred tax assets	**5,376**	6,871	**–**	–
Deferred tax liabilities	**(91,178)**	(35,142)	**(713)**	(702)
	(85,802)	(28,271)	**(713)**	(702)

Notes to the Financial Statements

For the financial year ended 31 December 2021

20. DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

	Group				Company	
	Consolidated balance sheet		Consolidated income statement		Balance sheet	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Provisions	**2,083**	3,120	**1,337**	(1,793)	**–**	–
Unutilised tax losses	**–**	21	**31**	988	**–**	–
Fair value changes on forward currency contracts and interest rate swap contracts	**–**	35	**23**	(63)	**–**	–
Revaluation of property, plant and equipment	**(1,876)**	(1,321)	**–**	–	**(157)**	(155)
Difference in depreciation	**(1,896)**	(925)	**774**	562	**1**	1
Fair value changes on investment properties	**(42,907)**	(15,829)	**27,916**	10,108	**(557)**	(548)
Unremitted foreign income and profits	**(42,535)**	(13,990)	**28,483**	2,329	**–**	–
Others	**1,329**	618	**(290)**	596	**–**	–
	(85,802)	(28,271)			**(713)**	(702)
Deferred tax expense (note 12)			**58,274**	12,727		

As at 31 December 2021, certain subsidiaries have unutilised tax losses amounting to $2,775,000 (2020: $2,775,000) available for set off against future taxable income, subject to the provisions of the Income Tax Act and agreement by the relevant authorities, for which deferred tax assets have not been recognised.

Notes to the Financial Statements

For the financial year ended 31 December 2021

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Current				
Trade receivables	**8,557**	14,575	**5**	5
Amount due from a subsidiary	**–**	–	**2**	2
Impairment of doubtful receivables	**(3,189)**	(3,211)	**–**	–
	5,368	11,364	**7**	7
Other receivables				
Deposits	**927**	1,139	**10**	10
Non-trade receivables	**12,455**	7,243	**33**	197
Amounts due from subsidiaries	**–**	–	**1,382,667**	1,202,289
Amounts due from associates	**66,556**	68,056	**4**	4
Amount due from a joint venture	**1,754**	3,486	**–**	–
Amount due from a related party	**–**	11	**–**	–
Amounts due from non-controlling shareholders of subsidiaries	**–**	4	**–**	–
	81,692	79,939	**1,382,714**	1,202,500
Trade and other receivables (current)	**87,060**	91,303	**1,382,721**	1,202,507
Non-current				
Amounts due from third parties	**–**	1	**–**	–
Amounts due from subsidiaries	**–**	–	**107,013**	128,475
	–	1	**107,013**	128,475
Total trade and other receivables (current and non-current)	**87,060**	91,304	**1,489,734**	1,330,982
Add: Cash and cash equivalents (note 26)	**141,615**	456,332	**17,205**	249,431
Unquoted financial assets at amortised cost (note 22)	**51,638**	52,431	**–**	–
Quoted financial assets at amortised cost (note 22)	**1,996**	6,261	**–**	–
Shareholder notes (note 19.2)	**226,997**	202,803	**–**	–
Total financial assets at amortised cost	**509,306**	809,131	**1,506,939**	1,580,413

Notes to the Financial Statements

For the financial year ended 31 December 2021

21. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables

Trade receivables are non-interest bearing and are generally on cash payment to 90-day terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amounts due from subsidiaries

The current amounts due from subsidiaries are non-trade related, unsecured, non-interest bearing and repayable on demand except for amounts of $110,151,000 (2020: $58,961,000) due from a subsidiary which bears interest at the range from 3.10% to 4.20% (2020: 3.10% to 3.73%) per annum.

The non-current amounts due from subsidiaries are non-trade related, unsecured and repayable in 2023 to 2025. Interest is charged at the range from 2.00% to 3.75% (2020: 2.00% to 4.20%) per annum.

Amounts due from associates

The current amounts due from associates under other receivables are non-trade related, unsecured and repayable on demand.

No interest is charged except for amounts receivable of $66,348,000 (2020: $66,348,000) from Far East Hospitality Holdings Pte. Ltd. which bear interest at 2.00% (2020: 2.00%) per annum.

Amount due from a joint venture

The current amount due from a joint venture under other receivables is non-trade related, unsecured, interest-free and repayable on demand.

Certain other receivables are pledged to secure bank facilities (note 31).

Trade and other receivables denominated in foreign currencies other than the functional currencies of the respective Group entities are mainly as follows:

	Group	
	2021	2020
	$'000	$'000
Australian Dollar	**13,675**	9,160
United States Dollar	**3,656**	8,339
Japanese Yen	**43**	4

Notes to the Financial Statements

For the financial year ended 31 December 2021

21. TRADE AND OTHER RECEIVABLES (CONT'D)

The aged analysis of trade and other receivables is as follows:

	Group					
	2021 $'000			2020 $'000		
	Gross	**Impairment losses**	**Net**	Gross	Impairment losses	Net
• Not past due	**86,391**	**–**	**86,391**	89,048	–	89,048
• Past due:						
Less than 30 days	**494**	**–**	**494**	1,805	–	1,805
30 to 60 days	**90**	**–**	**90**	87	–	87
61 to 90 days	**38**	**–**	**38**	67	(1)	66
91 to 120 days	**74**	**(27)**	**47**	293	(2)	291
More than 120 days	**3,162**	**(3,162)**	**–**	3,214	(3,208)	6
	3,858	**(3,189)**	**669**	5,466	(3,211)	2,255
Total	**90,249**	**(3,189)**	**87,060**	94,514	(3,211)	91,303

	Company					
	2021 $'000			2020 $'000		
	Gross	**Impairment losses**	**Net**	Gross	Impairment losses	Net
• Not past due	**1,358,903**	**–**	**1,358,903**	1,202,500	–	1,202,500
• Past due:						
Less than 30 days	**6**	**–**	**6**	6	–	6
30 to 60 days	**1**	**–**	**1**	1	–	1
	7	**–**	**7**	7	–	7
Total	**1,358,910**	**–**	**1,358,910**	1,202,507	–	1,202,507

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments.

Notes to the Financial Statements

For the financial year ended 31 December 2021

21. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade and other receivables that are impaired at the reporting date and the movement of allowance accounts used to record the impairment are as follows:

	Group	
	2021 $'000	2020 $'000
Trade and other receivables - nominal amounts	**3,189**	3,211
Less: Allowance for impairment	**(3,189)**	(3,211)
	–	–

Expected credit losses

The movement in the allowance for expected credit losses ("ECLs") of trade receivables computed based on lifetime ECLs are as follows:

	Group	
	2021 $'000	2020 $'000
At 1 January	**(3,211)**	(3,179)
Reversal of impairment/(Impairment) (note 10)	**1**	(42)
Exchange adjustment	**21**	10
At 31 December	**(3,189)**	(3,211)

Notes to the Financial Statements

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22. INVESTMENT SECURITIES

(a) *Investment securities (non-current)*

	Group	
	2021	2020
	$'000	$'000
At fair value through other comprehensive income		
– quoted, equity securities	**162,720**	128,172
Total financial assets at fair value through other comprehensive income	**162,720**	128,172
At amortised cost		
– unquoted	**35,328**	52,431
	198,048	180,603

(b) *Investment securities (current)*

	Group	
	2021	2020
	$'000	$'000
At fair value through profit or loss		
– quoted, at fair value	**59,786**	59,581
At amortised cost		
– quoted bonds	**1,996**	6,261
– unquoted	**16,310**	–
	78,092	65,842

Information on the Group's investment securities by country can be found in note 39(e).

The shares are mainly quoted in Singapore, the United States of America, the United Kingdom, Japan, Australia and Hong Kong. Please refer to note 39(e) for information on equity price risk.

The unquoted investment securities at amortised cost are as follows:

	2021			2020		
	Million	**Coupon rate**	**Maturity**	Million	Coupon rate	Maturity
Credit linked notes	**$16.2**	**3.48%**	**1 year**	$16.2	3.48%	2 years
Secured note	**A$36.0**	**14.5%**	**1 to 5 years**	A$36.0	14.5%	2 to 6 years

Certain investment securities are pledged to secure bank facilities (note 31).

Notes to the Financial Statements

For the financial year ended 31 December 2021

23. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments included in the balance sheet at the reporting date are as follows:

	Group				Company			
	2021		2020		**2021**		2020	
	Assets	**Liabilities**	Assets	Liabilities	**Assets**	**Liabilities**	Assets	Liabilities
	$'000	**$'000**	$'000	$'000	**$'000**	**$'000**	$'000	$'000
Forward currency contracts	**2,200**	**2,945**	2,100	9,603	**–**	**–**	–	–
Cross currency swap contracts	**–**	**–**	–	779	**–**	**–**	–	779
Interest rate swap contracts	**180**	**–**	–	–	**180**	**–**	–	–
Forward commodity contracts	**–**	**–**	–	352	**–**	**–**	–	–
	2,380	**2,945**	2,100	10,734	**180**	**–**	–	779
Current	**1,485**	**2,294**	606	7,850	**–**	**–**	–	779
Non-current	**895**	**651**	1,494	2,884	**180**	**–**	–	–

These represent the fair values of the following financial instruments:

(a) forward currency and cross currency swap contracts are entered into for the purpose of managing foreign exchange risk. The fair value changes of these contracts are recognised in other comprehensive income and accumulated in equity under hedging reserve to the extent that the hedges are effective or in profit or loss. These contracts mature between January 2022 to December 2023.

(b) the interest rate swap contracts are entered into for the purpose of managing interest rate risk. The fair value changes of these contracts are recognised in other comprehensive income and accumulated in equity under hedging reserve to the extent that the hedges are effective.

(c) forward commodity contracts are entered into for tin trading, arbitraging for profit and to manage tin price risk. The fair value changes of these contracts are recognised in profit or loss. During the financial year, there were no contracts designated as cash flow or fair value hedge.

Further details of the derivative financial instruments are disclosed in note 40 to the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2021

24. OTHER NON-CURRENT ASSETS

	Group	
	2021	2020
	$'000	$'000
Initial payments for a warehouse, land parcel and mixed-use office and industrial building	**–**	4,951

As at 31 December 2020, the initial payments were related to the acquisition of a warehouse in Adelaide, Australia and a land parcel in Anseong, South Korea. The acquisitions were completed in February 2021 and May 2021 respectively.

25. INVENTORIES

	Group	
	2021	2020
	$'000	$'000
Balance sheet		
At lower of cost or net realisable value		
Inventories of:		
– Tin-in-concentrates	**5,792**	6,818
– Tin-in-process	**171,114**	179,279
– Refined tin metal	**74,275**	8,204
Other inventories (stores, spares, fuels, coal and saleable by-products)	**4,837**	3,517
	256,018	197,818
Income statement		
Inventories recognised as an expense in cost of sales	**255,694**	222,944
Inclusive of the following charge:		
Reversal of write down of inventories	**(7,822)**	(2,355)

Notes to the Financial Statements

For the financial year ended 31 December 2021

26. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Cash at banks and in hand	**108,704**	366,918	**15,983**	188,174
Short-term deposits	**32,911**	89,414	**1,222**	61,257
	141,615	456,332	**17,205**	249,431

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are placed for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The weighted average effective interest rates as at the reporting date for the Group and the Company were 1.4% (2020: 0.9%) per annum and 0.4% (2020: 0.8%) per annum respectively.

Certain cash balances are pledged to secure bank facilities (note 31).

Cash and cash equivalents denominated in foreign currencies other than the functional currencies of the respective Group entities are mainly as follows:

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
United States Dollar	**16,774**	3,055	**–**	–
Japanese Yen	**3,421**	95,697	**1,498**	–
Australian Dollar	**18,682**	2,151	**–**	–
Singapore Dollar	**2,503**	4,736	**–**	–

27. 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 31 December	**406,819,572**	**568,968**	406,819,572	568,968

Notes to the Financial Statements

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28. 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 year	**–**	**–**	(346,200)	(627)
At 31 December	**(1,276,200)**	**(2,682)**	(1,276,200)	(2,682)

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

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

In 2020, the Company acquired 346,200 shares in the Company through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $627,000 and this was presented as a component within the shareholders' equity.

29. RESERVES

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Retained earnings [(a)]	**1,163,514**	961,506	**38,107**	39,885
FVOCI reserve [(b)]	**9,516**	(36,601)	**–**	–
Hedging reserve [(c)]	**60**	(3,973)	**180**	(779)
Revaluation reserve [(d)]	**39,466**	32,390	**574**	561
Translation reserve [(e)]	**(10,598)**	13,849	**(702)**	245
Other reserve [(f)]	**3,138**	4,541	**–**	–
Other reserves	**41,582**	10,206	**52**	27

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29. RESERVES (CONT'D)

(a) *Retained earnings*

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
At 1 January	**961,506**	932,861	**39,885**	45,088
Net changes in the reserve	**202,008**	28,645	**(1,778)**	(5,203)
At 31 December	**1,163,514**	961,506	**38,107**	39,885
Net changes in the reserve:				
– Profit for the year	**234,254**	51,483	**22,631**	19,213
– Dividend on ordinary shares (note 35)	**(24,409)**	(24,416)	**(24,409)**	(24,416)
– Share of associate's realisation of FVOCI reserve	**(8,287)**	1,818	**–**	–
– Realisation of FVOCI reserve	**–**	2,567	**–**	–
– Share of transfer of statutory reserve of an associate	**596**	(684)	**–**	–
– Others	**(146)**	(2,123)	**–**	–
	202,008	28,645	**(1,778)**	(5,203)

(b) *FVOCI reserve*

FVOCI reserve records the cumulative fair value changes of FVOCI financial assets until they are derecognised. The movements in the FVOCI reserve are as follows:

	Group	
	2021	2020
	$'000	$'000
At 1 January	**(36,601)**	12,270
Net changes in the reserve	**46,117**	(48,871)
At 31 December	**9,516**	(36,601)
Net changes in the reserve:		
– Net fair value changes during the year	**11,096**	(25,622)
– Share of associate's realisation of FVOCI reserve	**8,287**	(1,818)
– Share of reserve of associates	**26,734**	(18,864)
– Realisation of FVOCI reserve	**–**	(2,567)
	46,117	(48,871)

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29. RESERVES (CONT'D)

(c) *Hedging reserve*

Hedging reserve records the portion of the fair value changes on derivative financial instruments designated as hedging instruments in cash flow hedges that is determined to be an effective hedge. The movements in the hedging reserve are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
At 1 January	**(3,973)**	(1,466)	**(779)**	399
Net changes in the reserve	**4,033**	(2,507)	**959**	(1,178)
At 31 December	**60**	(3,973)	**180**	(779)
Net changes in the reserve:				
– Net fair value changes during the year	**959**	(1,056)	**959**	(1,178)
– Share of reserve of associates	**3,074**	(1,451)	**–**	–
	4,033	(2,507)	**959**	(1,178)

(d) *Revaluation reserve*

Revaluation reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity. The movements in the revaluation reserve are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
At 1 January	**32,390**	29,797	**561**	559
Net changes in the reserve	**7,076**	2,593	**13**	2
At 31 December	**39,466**	32,390	**574**	561
Net changes in the reserve:				
– Surplus on revaluation of land and buildings	**105**	734	**13**	2
– Share of reserve of associates	**6,971**	1,859	**–**	–
	7,076	2,593	**13**	2

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29. RESERVES (CONT'D)

(e) *Translation reserve*

Translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's and Company's presentation currency. It is also used to record the effect of exchange differences arising from monetary items which form part of the Group's net investments in foreign operations. The movements in the translation reserve are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
At 1 January	**13,849**	(25,102)	**245**	463
Net effect of exchange adjustments	**(24,447)**	38,951	**(947)**	(218)
At 31 December	**(10,598)**	13,849	**(702)**	245
Net effect of exchange adjustments:				
– Translation of foreign operations	**(7,876)**	16,524	**(947)**	(218)
– Net investments in foreign operations	**3,085**	(4,595)	**–**	–
– Realisation of foreign currency translation reserve to profit or loss	**(717)**	(2,427)	**–**	–
– Share of reserve of associates and joint ventures	**(18,939)**	29,449	**–**	–
	(24,447)	38,951	**(947)**	(218)

(f) *Other reserve*

Other reserve is used to record reserve in relation to issuance of ordinary share pursuant to bonus issue and share of other reserve recorded by associates. The movements in the other reserve are as follows:

	Group	
	2021	2020
	$'000	$'000
At 1 January	**4,541**	3,848
Net changes in the reserve	**(1,403)**	693
At 31 December	**3,138**	4,541
Net changes in the reserve:		
– Share of other changes in equity of associates	**288**	9
– Share of transfer of statutory reserve of an associate	**(596)**	684
– Change in ownership interests in subsidiaries	**(1,095)**	–
	(1,403)	693

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30. PROVISIONS

	Provision for mine restoration $'000	Provision for voluntary separation/ retrenchment compensation (note 7) $'000	Total $'000
Group			
At 1 January 2021	**12,123**	**4,336**	**16,459**
Provision/(Reversal) made during the year	**796**	**(465)**	**331**
Discount adjustment on provision (note 9)	**368**	**–**	**368**
Exchange adjustment	**(114)**	**(40)**	**(154)**
At 31 December 2021	**13,173**	**3,831**	**17,004**
Non-current	**13,173**	**3,831**	**17,004**
At 1 January 2020	9,211	4,915	14,126
Provision made during the year	2,408	90	2,498
Utilised during the year	–	(662)	(662)
Discount adjustment on provision (note 9)	534	–	534
Exchange adjustment	(30)	(7)	(37)
At 31 December 2020	12,123	4,336	16,459
Non-current	11,947	–	11,947
Current	176	4,336	4,512
	12,123	4,336	16,459

(a) *Provision for mine restoration*

The Group's tin mining activity is conducted principally through its subsidiary, Rahman Hydraulic Tin Sdn. Bhd. ("RHT"). RHT is obliged to restore and rehabilitate the mine subsequent to the cessation of production. Mine restoration costs will be substantially incurred subsequent to the cessation of production of the mine property. The provision for mine restoration costs is based on the present value of the estimated cash outflows to be incurred to restore and rehabilitate the mine.

In January 2019, the Group applied for the extension of mining leases by surrendering the existing mining leases and applying for new mining leases.

In November 2019, approval was obtained from the authority to extend the mining leases to year 2034.

In September 2020, the Group has re-submitted its initial mine restoration plan to the relevant authorities.

Notes to the Financial Statements

For the financial year ended 31 December 2021

30. PROVISIONS (CONT'D)

(a) *Provision for mine restoration (cont'd)*

The new mine restoration plan (including the enlarged disturbed area) is expected to be submitted to the relevant authorities in year 2022.

On the date the financial statements were authorised for issue, there were no further developments or feedback from the relevant authorities in relation to the submitted mine restoration plan.

(b) *Provision for voluntary separation/retrenchment compensation*

The provision for voluntary separation/retrenchment compensation mainly comprises employee termination costs and other related costs. It is provided based on the estimated compensation amount to be paid for the affected employees at its existing Butterworth tin smelting plant, who have no intention to relocate to the new tin smelting plant in Pulau Indah.

31. BORROWINGS

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Non-current				
Secured bank loans	**201,547**	369,256	**33,284**	33,180
Unsecured bank loans	**104,533**	45,951	**104,533**	29,808
Unsecured notes	**199,169**	198,070	**198,470**	198,071
	505,249	613,277	**336,287**	261,059
Current				
Secured bank loans	**361,088**	234,176	**35,000**	25,000
Unsecured bank loans*	**179,659**	191,135	**44,721**	74,952
Unsecured notes	**–**	149,953	**–**	149,953
	540,747	575,264	**79,721**	249,905
Total borrowings	**1,045,996**	1,188,541	**416,008**	510,964

* Included in the unsecured bank loans are short-term trade financing, bankers' acceptances and trust receipts.

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For the financial year ended 31 December 2021

31. BORROWINGS (CONT'D)

Interest rates and maturity of loans

	Group		Company	
	2021	2020	**2021**	2020
	%	%	**%**	%
Floating rate loans	**1.0 to 5.3**	0.8 to 5.2	**1.4 to 1.8**	1.6
Floating rate notes	**3.0**	–	**–**	–
Fixed rate loans	**1.0 to 3.7**	0.9 to 5.3	**–**	1.4 to 3.4
Fixed rate notes	**3.8**	3.7 to 3.8	**3.8**	3.7 to 3.8

The interest rates of the bank loans are repriced at intervals of 1 month to 12 months (2020: 3 months to 12 months).

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Not later than 1 year	**540,747**	575,264	**79,721**	249,905
Later than 1 year but not later than 5 years	**505,249**	613,277	**336,287**	261,059
	1,045,996	1,188,541	**416,008**	510,964

Borrowings denominated in foreign currencies other than the functional currencies of the respective Group entities are mainly as follows:

	Group	
	2021	2020
	$'000	$'000
Japanese Yen	**2,070**	36,905
Australian Dollar	**27,002**	27,731
Singapore Dollar	**16,209**	16,142
United States Dollar	**134,937**	116,183

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31. BORROWINGS (CONT'D)

Secured

The secured bank loans are collaterised by the following assets:

	Group	
	2021	2020
	$'000	$'000
Investment properties (note 16(c))	**995,952**	924,846
Land under development (note 15)	**25,494**	–
Joint venture (note 19.2)	**226,997**	202,803
Investment securities (non-current) (note 22(a))	**–**	62,580
Investment securities (current) (note 22(b))	**39,360**	39,996
Cash and cash equivalents (note 26)	**7,799**	39,692
Other current assets	**206**	433
	1,295,808	1,270,350

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For the financial year ended 31 December 2021

31. BORROWINGS (CONT'D)

Certain secured bank loans are collaterised by shares of certain subsidiaries of the Group (note 18).

A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes			
	2020	**Cash flows**	**Reclassification**	**Foreign exchange movement**	**Others**	**2021**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Bank loans and notes						
- current	**575,264**	**(1,070)**	**(32,197)**	**(1,271)**	**21**	**540,747**
- non-current	**613,277**	**(139,430)**	**32,197**	**(2,582)**	**1,787**	**505,249**
Total	**1,188,541**	**(140,500)**	**–**	**(3,853)**	**1,808**	**1,045,996**

			Non-cash changes			
	2019	Cash flows	Reclassification	Foreign exchange movement	Others	2020
	$'000	$'000	$'000	$'000	$'000	$'000
Bank loans and notes						
- current	210,030	58,161	298,397	7,453	1,223	575,264
- non-current	660,035	233,795	(298,397)	16,752	1,092	613,277
Total	870,065	291,956	–	24,205	2,315	1,188,541

On 29 October 2020, the Company issued $200 million of unsecured fixed rate notes under its $500 million multicurrency debt issuance programme which was established on 13 October 2011 and updated on 3 July 2017. The notes will mature in October 2025 and bear an interest of 3.75% per annum payable semi-annually in arrears.

32. OTHER NON-CURRENT LIABILITIES

	Group	
	2021	2020
	$'000	$'000
Amounts due to non-controlling shareholders of subsidiaries	**686**	12,991
Other liabilities	**5,481**	3,713
	6,167	16,704

The amounts due to non-controlling shareholders of subsidiaries are unsecured, bears interests of 12% (2020: ranging from 2% to 12%) per annum and are repayable in 2030.

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For the financial year ended 31 December 2021

33. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Current				
Trade payables	**24,514**	9,717	**10**	10
Advance receipts and billings	**2,180**	2,825	**9**	9
	26,694	12,542	**19**	19
<u>Other payables</u>				
Amounts due to subsidiaries	**–**	–	**640,270**	614,367
Amounts due to non-controlling shareholders of subsidiaries	**21**	6,406	**–**	–
Accrual for other charges	**40,048**	47,921	**5,362**	7,327
Other deposits	**3,798**	3,124	**66**	67
Amount due to a related party	**68**	160	**–**	–
	43,935	57,611	**645,698**	621,761
Trade and other payables	**70,629**	70,153	**645,717**	621,780
Trade and other payables	**70,629**	70,153	**645,717**	621,780
Less: Advance receipts and billings	**(2,180)**	(2,825)	**(9)**	(9)
	68,449	67,328	**645,708**	621,771
Add: Other non-current liabilities (note 32)	**6,167**	16,704	**–**	–
Loans and borrowings (note 31)	**1,045,996**	1,188,541	**416,008**	510,964
Total financial liabilities carried at amortised cost	**1,120,612**	1,272,573	**1,061,716**	1,132,735

Trade payables

The Group's normal trade credit ranges from cash payment to 90-day terms.

Amounts due to subsidiaries

The amounts payable to subsidiaries are non-trade related, unsecured, non-interest bearing and repayable on demand.

Amounts due to non-controlling shareholders of subsidiaries

The amounts due to non-controlling shareholders of subsidiaries are share of funding to the Group's subsidiary, Straits Real Estate Pte. Ltd.. In 2021, the amounts are unsecured, non-interest bearing and repayable on demand. In 2020, included in the amounts were payables of $6,181,000 which bore interest at range from 2.80% to 3.75% per annum.

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For the financial year ended 31 December 2021

33. TRADE AND OTHER PAYABLES (CONT'D)

Amount due to a related party

The amount payable to a related party included in other payables is non-trade related, non-interest bearing and repayable on demand.

Trade and other payables denominated in foreign currencies other than the functional currencies of the respective Group entities are mainly as follows:

	Group	
	2021	2020
	$'000	$'000
United States Dollar	**18,874**	22,012
Australian Dollar	**783**	463
Japanese Yen	**113**	320

34. LEASE LIABILITIES

	Group	
	2021	2020
	$'000	$'000
At 1 January	**7,788**	3,973
Additions	**–**	8,500
Accretion of interests (note 9)	**175**	316
Payments	**(3,048)**	(4,609)
Reclassification	**–**	(401)
Exchange adjustment	**(14)**	9
At 31 December	**4,901**	7,788
Current	**2,603**	2,952
Non-current	**2,298**	4,836
	4,901	7,788

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For the financial year ended 31 December 2021

35. DIVIDENDS

	Group and Company	
	2021	2020
	$'000	$'000
Declared and paid during the year		
Dividends on ordinary shares		
- 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
Declared but not recognised as a liability as at 31 December		
Dividends on ordinary shares		
- Interim dividend for 2021: 8 cents per share tax exempt (one-tier tax) (Interim dividend for 2020: 6 cents per share tax exempt (one-tier tax))	**32,546**	24,409

There is no taxation consequence arising from the dividends declared by the Company.

36. CAPITAL COMMITMENTS

Capital commitments not provided for in the financial statements are analysed as follows:

	Group	
	2021	2020
	$'000	$'000
Property, plant and equipment	**1,348**	5,068
Investment properties	**4,453**	20
Land under development	**41,818**	38,196
Investee companies	**50,249**	10,708
Associate	**105,405**	62,058
Share of joint venture's capital commitment in respect of investment properties	**23,833**	3,776
	227,106	119,826

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For the financial year ended 31 December 2021

37. COMMITMENTS AND CONTINGENCIES

(a) *Operating lease commitments for lessor*

The Group and Company have entered into property lease agreements on their investment properties. These non-cancellable leases have remaining non-cancellable lease terms of up to 15 years. Contingent lease receipts are subject to the revenue exceeding certain levels stated in the respective agreements. Certain property lease agreements have renewal options; and restrict any assignment and subletting of the lease properties.

There were no contingent lease receipts recognised in profit or loss in 2021 and 2020.

Future minimum lease receivable under non-cancellable operating leases are as follows:

	Group		**Company**	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Not later than 1 year	**39,386**	36,138	**94**	86
Later than 1 year but not later than 5 years	**133,650**	130,737	**52**	52
Later than 5 years	**110,950**	123,026	**–**	–
	283,986	289,901	**146**	138

(b) *Operating lease commitments for lessee*

The Group has entered into operating lease agreements for properties and office equipment. These non-cancellable operating leases have remaining non-cancellable lease terms of up to 3 years. Certain property lease agreements have renewal options. The lessee shall not assign, mortgage or charge the lease property without prior consent of the landlord. There is no restriction imposed by lease arrangements, such as those concerning dividends and additional debt.

Operating lease payments recognised in profit or loss are as follows:

	Group	
	2021	2020
	$'000	$'000
Minimum lease payments	**1,509**	1,074

Future minimum lease payable under non-cancellable operating leases are as follows:

	Group	
	2021	2020
	$'000	$'000
Not later than 1 year	**3**	2
Later than 1 year but not later than 5 years	**4**	7
	7	9

Notes to the Financial Statements

For the financial year ended 31 December 2021

37. COMMITMENTS AND CONTINGENCIES (CONT'D)

(c) *Other commitments*

The Company has committed to provide continuing financial support to certain subsidiaries to enable their continuing operations.

(d) *Legal claim in Malaysia Smelting Corporation Berhad ("MSC")*

(i) A subsidiary of MSC defended a legal action brought about by two companies ("Plaintiffs") for the payment of tributes. Following completion of the trial on 26 July 2019, the decision delivered by the judge on 31 July 2019 was in the subsidiary's favour. The Plaintiffs have filed their Memorandum of Appeal to the Court of Appeal ("COA"). The hearing of the Appeal was conducted on 25 August 2021 and 11 October 2021. The COA's decision was handed down on 25 November 2021 whereby the COA dismissed the appeal in favour of the subsidiary. The Plaintiffs have since applied for leave to appeal to the Federal Court ("FC") against the decision of the COA. The hearing for the Plaintiff's application for leave has been fixed on 11 April 2022. The subsidiary's legal counsel is of the opinion that the Plaintiff's appeal is unlikely (i.e. possible, but not probable) to succeed and accordingly no provision for liability is required to be made in the financial statements.

In connection with the abovementioned case, the subsidiary has separately instituted legal action against two former executive officers, the Plaintiffs and certain persons connected with the Plaintiffs ("Defendants"), claiming for damages for breach of fiduciary duties, conspiracy and dishonest assistance. Initially, the Defendants applied to the High Court ("HC") to strike out the subsidiary's claim. On 17 December 2020, the HC dismissed all the striking out applications by the Defendants. Except for one Defendant, all the other Defendants had filed an appeal to the COA against the HC's decision to dismiss their striking out application. On 23 August 2021, the COA dismissed 1st Defendant's and 2nd to 5th Defendants' appeals in favour of the subsidiary.

On 23 September 2021, the 1st Defendant and 2nd to 5th Defendants, via their respective solicitors, submitted their applications to the FC for leave to appeal against the decision of the COA to dismiss their application to strike out the case. The hearings for their applications were initially fixed on 21 February 2022. However, based on the application by the solicitor for the 2nd to 5th Defendants, the hearing has been vacated and re-scheduled to 6 April 2022.

The solicitor for the 1st Defendant has recently applied for the hearing on 6 April 2022 to be vacated and a Case Management ("CM") was held on 23 March 2022 to fix the new hearing date. At the CM, the new hearing date has been fixed for 14 June 2022.

In respect of the Defendant that did not appeal against the decision of the HC, the deadline to file an appeal against this decision has passed.

Notwithstanding the above, the trial dates were initially fixed for 18 April 2022 to 22 April 2022. However, the case has recently been transferred to a different court and the trial can no longer proceed on these dates. A CM will be held on 6 April 2022 to update the Court on the status of the 1st Defendant and 2nd to 5th Defendants leave applications and for the Court to give further directions on trial dates and the filing of witness statements.

Disclosure of additional information about the above matter would be prejudicial to the interests of the Group.

(ii) On 23 December 2021, MSC received a letter of demand from a third party claiming MSC has breached a sales and purchase agreement entered into between MSC and the third party dated 8 July 2019, that MSC has to supply 60,000 MT of tin slag at the price of RM50.00 per MT within 12 months from the date of the agreement (the "Agreement").

MSC's legal counsel is of the view that MSC has an arguable case to contend that it did not breach the Agreement and a sufficiently reliable estimate of the financial effect cannot be made due to the lack of particulars and evidence in respect of the claim. Pursuant to this, MSC's legal counsel has recently sent an official response to the third party's solicitor denying that there has been any breach of the Agreement. At present, neither the third party nor their solicitors have responded.

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38. RELATED PARTY DISCLOSURES

(a) *Sale and purchase of goods and services*

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

	Group	
	2021	2020
	$'000	$'000
Associates/Joint ventures		
Sales of goods	**2,319**	9,161
Interest income	**66,228**	3,910
Other related parties		
Office leases	**821**	687
Accounting and other service income	**355**	353
Accounting and other service expense	**(739)**	–

Please refer to notes 21 and 33 for information on amounts due from/to subsidiaries, associates and joint ventures.

(b) *Key management personnel compensation*

The key management personnel compensation are as follows:

	Group	
	2021	2020
	$'000	$'000
Directors' fees	**690**	653
Short-term employee benefits	**6,164**	4,773
Defined contribution plans	**131**	153
	6,985	5,579

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39. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks. Apart from those risks generated from operations such as extending credits and cash flow management, other risks include the effects of changes in debt and equity market prices, foreign currency exchange rates, interest rates and commodity prices.

The Group's management monitors its financial position closely with an objective to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments, where appropriate, for its risk management activities.

There has been no change to the Group's exposure to these risks or the manner in which it manages the risks.

The policies for managing these risks are summarised below.

(a) *Foreign exchange risk*

The Group operates mainly in Asia Pacific and has exposure to foreign exchange risk as a result of sales or purchase transactions that are denominated in a currency other than the functional currencies of the respective Group entities. These foreign exchange risk exposures are mainly in United States Dollar, Australian Dollar, Great Britain Pound, Singapore Dollar and Japanese Yen. The Group uses forward currency contracts to manage these exposures where appropriate. The Group also uses loans in foreign currency to hedge its exposure to foreign exchange risk on investments in foreign operations where appropriate.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit after tax and equity to a reasonably possible change in the exchange rates of the United States Dollar, Australian Dollar, Great Britain Pound, Singapore Dollar and Japanese Yen against the functional currencies of the respective Group entities, with all other variables held constant.

		Group			
		2021		2020	
		Profit after tax	**Equity**	Profit after tax	Equity
		$'000	**$'000**	$'000	$'000
Australian Dollar	strengthened 5% (2020: 5%)	**9,843**	**–**	7,924	–
	weakened 5% (2020: 5%)	**(9,843)**	**–**	(7,924)	–
United States Dollar	strengthened 5% (2020: 5%)	**852**	**–**	4,547	–
	weakened 5% (2020: 5%)	**(852)**	**–**	(4,547)	–
Japanese Yen	strengthened 5% (2020: 5%)	**179**	**–**	3,205	(799)
	weakened 5% (2020: 5%)	**(179)**	**–**	(3,205)	799
Great Britain Pound	strengthened 5% (2020: 5%)	**72**	**–**	34	–
	weakened 5% (2020: 5%)	**(72)**	**–**	(34)	–
Singapore Dollar	strengthened 5% (2020: 5%)	**173**	**(837)**	259	(837)
	weakened 5% (2020: 5%)	**(173)**	**837**	(259)	837

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For the financial year ended 31 December 2021

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) *Foreign exchange risk (cont'd)*

Sensitivity analysis for foreign currency risk (cont'd)

At the end of the reporting period, approximately:

(i) 20% (2020: 18%) of the Group's trade and other receivables as well as 28% (2020: 34%) of the Group's trade and other payables are denominated in foreign currencies other than the functional currencies of the respective Group entities, mainly in United States Dollar and Australian Dollar (2020: United States Dollar and Australian Dollar).

(ii) 30% (2020: 23%) of the Group's cash and cash equivalents are denominated in foreign currencies other than the functional currencies of the respective Group entities, mainly in Japanese Yen (2020: Japanese Yen).

(iii) 5% (2020: 10%) of the Group's borrowings are denominated in foreign currencies other than the functional currencies of the respective Group entities, mainly in United States Dollar, Japanese Yen, Singapore Dollar and Australian Dollar (2020: United States Dollar, Japanese Yen, Singapore Dollar and Australian Dollar).

(b) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates primarily to its cash deposits and debt obligations.

The Group's policy is to manage its interest cost using a combination of fixed and floating rate debts and also derivative financial instruments such as interest rate swaps and cross currency swaps to hedge interest rate risks.

Surplus funds are placed with reputable banks to generate interest income for the Group.

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39. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Interest rate risk (cont'd)*

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit after tax through the impact on interest income from bank deposits and interest expense on floating rate borrowings:

	Group	
	Increase/ Decrease in basis point	**Effect on profit after tax $'000**
31 December 2021		
Singapore Dollar	**+25**	**(543)**
	–25	**543**
Malaysian Ringgit	**+25**	**(162)**
	–25	**162**
Great Britain Pound	**+25**	**(182)**
	–25	**182**
Chinese Renminbi	**+25**	**(62)**
	–25	**62**
Australian Dollar	**+25**	**(380)**
	–25	**380**
United States Dollar	**+25**	**7**
	–25	**(7)**

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39. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Interest rate risk (cont'd)*

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit after tax through the impact on interest income from bank deposits and interest expense on floating rate borrowings (cont'd):

	Group	
	Increase/ Decrease in basis point	Effect on profit after tax $'000
31 December 2020		
Singapore Dollar	+25	(384)
	–25	384
Malaysian Ringgit	+25	(189)
	–25	189
Great Britain Pound	+25	(181)
	–25	181
Chinese Renminbi	+25	(147)
	–25	147
Australian Dollar	+25	(340)
	–25	340
United States Dollar	+25	(12)
	–25	12

At the end of the reporting period, for the increase/decrease in the various basis points on interest rates for the various currencies, the effects associated with such changes on the Group's profit after tax are as illustrated above.

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39. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Credit risks, or the risks of counterparties defaulting are controlled by the application of credit approvals, limit and monitoring procedures. Credit risks are minimised and monitored by limiting the Group's and the Company's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures. The Group and the Company place the cash deposits with reputable banks and financial institutions.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group and the Company have determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due.

The Group's debt securities at amortised cost have low risk of default. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider available reasonable and supportive forward-looking information which include the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the Group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days due in making contractual payment.

The Group and the Company determine that its financial assets are credit-impaired when:

- There is significant financial difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is disappearance of an active market for that financial asset because of financial difficulty.

Notes to the Financial Statements

For the financial year ended 31 December 2021

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) *Credit risk (cont'd)*

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to meet a repayment plan with the Group and the Company. Where loans and receivables have been written off, the Group and the Company continue to engage enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for trade and other receivables:

– The Group and the Company provide for 12-month expected credit losses for all trade and other receivables (excluding deposits and GST recoverable). The 12-month expected credit losses have taken into consideration historical loss rate statistics for debts with similar credit profile and the country risk of the debtors.

– For receivables which are lower risk, the probability of default ("PD") is minimal.

– For receivables which are higher risk, the PD rates ranging from 2.5% to 50% are applied if a receivable is more than 90 days to 360 days.

– The Group and the Company do not expect to receive future cash flows from and no recoveries from collection of cash flows previously written off.

The Group's debt securities at amortised cost have low risk of default and a strong capacity to meet contractual cash flows. Hence the loss allowance is determined at an amount equal to 12-month ECL.

The loss allowance provision as at 31 December 2021 reconciles to the opening loss allowance for that provision as follows:

	Group Trade receivables $'000
As at 1 January 2020	3,179
Impairment	42
Exchange adjustments	(10)
As at 31 December 2020 and 1 January 2021	**3,211**
Reversal of impairment	**(1)**
Exchange adjustments	**(21)**
As at 31 December 2021	**3,189**

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies.

Notes to the Financial Statements

For the financial year ended 31 December 2021

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) *Credit risk (cont'd)*

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade and other receivables on an on-going basis. The credit risk concentration profile of the Group's trade and other receivables at the end of the reporting period is as follows:

	Group				**Company**			
	2021		2020		**2021**		2020	
	$'000	**% of total**	$'000	% of total	**$'000**	**% of total**	$'000	% of total
By country:								
Singapore	**67,803**	**78**	75,356	83	**1,307,700**	**95**	1,163,239	97
Japan	**560**	**1**	4,147	4	**–**	**–**	–	–
China, including Hong Kong and Taiwan	**429**	**–**	4,201	5	**–**	**–**	–	–
Australia	**14,656**	**17**	4,249	5	**–**	**–**	–	–
Malaysia	**274**	**–**	464	–	**75,021**	**5**	39,268	3
United Kingdom	**447**	**1**	–	–	**–**	**–**	–	–
Europe	**131**	**–**	2,394	3	**–**	**–**	–	–
Korea	**2,743**	**3**	491	–	**–**	**–**	–	–
Other countries	**17**	**–**	1	–	**–**	**–**	–	–
	87,060	**100**	91,303	100	**1,382,721**	**100**	1,202,507	100

Approximately 76% (2020: 73%) of the Group's trade and other receivables were due from an associate located in Singapore.

(d) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting their financial obligations due to shortage of funds. The Group manages its asset and debt maturity profile, operating cash flows and the availability of funding so as to ensure that all financing, repayment and funding needs are met in a timely and cost-effective manner. Procedures have been established to monitor and control liquidity on a daily basis by adopting a cash flow management approach.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available.

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For the financial year ended 31 December 2021

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) *Liquidity risk (cont'd)*

The following summarises the maturity profile of the Group's and Company's financial assets and liabilities used for managing liquidity risk at the end of the reporting period based on contractual undiscounted repayment obligations, including estimated interest payments:

	2021 $'000				2020 $'000			
	1 year or less	**1 to 5 years**	**Over 5 years**	**Total**	1 year or less	1 to 5 years	Over 5 years	Total
Group								
Financial assets								
Investment securities	**77,182**	**49,143**	**–**	**126,325**	63,858	65,433	–	129,291
Trade and other receivables	**75,531**	**11,889**	**–**	**87,420**	85,053	5,676	–	90,729
Derivatives	**1,485**	**895**	**–**	**2,380**	1,494	606	–	2,100
Cash and cash equivalents	**141,615**	**–**	**–**	**141,615**	456,332	–	–	456,332
Total undiscounted financial assets	**295,813**	**61,927**	**–**	**357,740**	606,737	71,715	–	678,452
Financial liabilities								
Trade and other payables	**70,246**	**4,373**	**–**	**74,619**	65,628	17,056	–	82,684
Other non-current liabilities	**–**	**647**	**–**	**647**	–	482	–	482
Lease liabilities	**2,716**	**1,427**	**1,843**	**5,986**	3,128	3,961	1,970	9,059
Loans and borrowings	**561,576**	**538,213**	**–**	**1,099,789**	593,176	580,310	–	1,173,486
Derivatives	**2,294**	**651**	**–**	**2,945**	7,850	2,884	–	10,734
Total undiscounted financial liabilities	**636,832**	**545,311**	**1,843**	**1,183,986**	669,782	604,693	1,970	1,276,445
Total net undiscounted financial liabilities	**(341,019)**	**(483,384)**	**(1,843)**	**(826,246)**	(63,045)	(532,978)	(1,970)	(597,993)

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For the financial year ended 31 December 2021

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) *Liquidity risk (cont'd)*

	2021 $'000			2020 $'000		
	1 year or less	**1 to 5 years**	**Total**	1 year or less	1 to 5 years	Total
Company						
Financial assets						
Trade and other receivables	**1,382,721**	**107,013**	**1,489,734**	1,202,507	128,475	1,330,982
Derivatives	**–**	**180**	**180**	–	–	–
Cash and cash equivalents	**17,205**	**–**	**17,205**	249,431	–	249,431
Total undiscounted financial assets	**1,399,926**	**107,193**	**1,507,119**	1,451,938	128,475	1,580,413
Financial liabilities						
Trade and other payables	**645,717**	**–**	**645,717**	621,780	–	621,780
Derivatives	**–**	**–**	**–**	779	–	779
Loans and borrowings	**91,070**	**363,325**	**454,395**	237,350	318,468	555,818
Total undiscounted financial liabilities	**736,787**	**363,325**	**1,100,112**	859,909	318,468	1,178,377
Total net undiscounted financial assets/(liabilities)	**663,139**	**(256,132)**	**407,007**	592,029	(189,993)	402,036

Investment securities at FVOCI, shareholder loans to an associate and shareholder notes to a joint venture under non-current assets are excluded from the tables above.

The table below shows the contractual expiry by maturity of the Group's and Company's contingent liabilities and commitments. The maximum amounts of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	2021 $'000			2020 $'000		
	1 year or less	**1 to 5 years**	**Total**	1 year or less	1 to 5 years	Total
Group						
Financial guarantees	**1,582**	**–**	**1,582**	1,610	2	1,612
Company						
Financial guarantees	**150,000**	**–**	**150,000**	–	150,000	150,000

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For the financial year ended 31 December 2021

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) *Equity price risk*

Changes in the market value of investment securities can affect the net income and financial position of the Group. The Group diversifies its investments by business sector and by country. It manages the risk of unfavourable changes by prudent review of the investments before investing and continuous monitoring of their performance and risk profiles.

The investment securities that are subject to equity price risk are classified as either FVTPL or FVOCI financial assets.

At the end of the reporting period, the Group's equity portfolio classified as FVTPL consists of shares of companies in Singapore of 46% (2020: 40%), the United States 36% (2020: 42%), Japan 5% (2020: 5%), Australia 9% (2020: 8%), Hong Kong 2% (2020: 3%) and 2% (2020: 2%) in other countries. If the equity prices had been 5% higher/lower with all other variables held constant, the Group's profit after tax would have been $2,481,000 (2020: $2,473,000) higher/lower, arising as a result of higher/lower fair value changes.

At the end of the reporting period, 88% (2020: 94%) of the Group's equity portfolio classified as FVOCI consists of shares of companies in Singapore and 12% (2020: 6%) in Canada. If the Singapore and Canada equity prices had been 5% higher/lower with all other variables held constant, the Group's other comprehensive income or FVOCI reserve in equity would have been $7,681,000 (2020: $5,699,000) higher/lower, arising as a result of higher/lower fair value changes.

(f) *Commodity price risk*

Commodity price risk is the risk of financial loss resulting from movements in the price of the Group's commodity inputs and outputs. The Group is exposed to commodity price risk on revenue for sales of tin as well as production cost for fuel consumed in the operations.

The commodity price risk on revenue for sales of tin is managed through contractual arrangements with customers and forward commodity contracts.

As at 31 December 2021, no forward tin contracts were designated as cash flow or fair value hedge. In 2020, a net loss of $352,000 with a deferred tax benefit of $84,000 in respect of the forward tin contracts were recognised in profit or loss.

(g) *Capital management*

Capital includes debt and equity items as disclosed in the following table.

The Group's objective is to provide a reasonable return to shareholders by investing into businesses that are commensurate with the level of risks. This also takes into account synergies with other operations and activities, the availability of management and other resources, and the fit of the activities with the Group's longer strategic objectives.

The Group's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the various core businesses. The Group allocates the amount of capital in proportion to risk, manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets or increase borrowings. The Group monitors the return of capital, which is defined as total shareholders' equity (excluding non-controlling interests), gearing ratio, which is defined as borrowings net of cash over total equity and the level of dividends to shareholders. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2021 and 31 December 2020.

The Group seeks to maintain a balance between the higher returns that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position.

Notes to the Financial Statements

For the financial year ended 31 December 2021

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(g) *Capital management (cont'd)*

The Group's subsidiaries in The People's Republic of China ("PRC") are subject to foreign exchange rules and regulations promulgated by the PRC government which may impact how the Group manages capital. These subsidiaries have complied with the applicable capital requirements throughout the year.

	Group	
	2021	2020
	$'000	$'000
Equity attributable to owners of the Company	**1,771,382**	1,537,998
Non-controlling interests	**163,468**	188,940
Total equity	**1,934,850**	1,726,938
Net borrowings	**904,381**	732,209
Gearing ratio	**46.7%**	42.4%

40. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

(a) *Derivative financial instruments*

The Group has the following derivative financial instruments at the reporting date:

At 31 December 2021

	Notional Amount		**Fair Value**	
	Asset	**Liability**	**Asset**	**Liability**
	$'000	**$'000**	**$'000**	**$'000**
Forward currency contracts	**73,735**	**139,160**	**2,200**	**2,945**
Interest rate swap contracts	**50,000**	**–**	**180**	**–**
	123,735	**139,160**	**2,380**	**2,945**

At 31 December 2020

	Notional Amount		Fair Value	
	Asset	Liability	Asset	Liability
	$'000	$'000	$'000	$'000
Forward currency contracts	63,043	212,599	2,100	9,603
Cross currency swap contracts	–	50,000	–	779
Forward commodity contracts	–	10,936	–	352
	63,043	273,535	2,100	10,734

Please refer to note 23 for detailed information relating to the risk being hedged.

Notes to the Financial Statements

For the financial year ended 31 December 2021

40. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (CONT'D)

(b) *Hedge of net investments in foreign operations*

To hedge the Group's exposure to foreign currency risk on the foreign investments:

(i) In 2020, loans amounting to Japanese Yen 1.2 billion had been designated as a hedge against the net investment denominated in Japanese Yen. Gains or losses on the retranslation of the borrowings are taken to the exchange translation reserve to offset any exchange differences on the translation of the net foreign investment. The loans were included in borrowings (note 31).

(ii) One (2020: Nil) Great Britain Pound, Nil (2020: three) Japanese Yen, four (2020: four) Australian Dollar, three (2020: three) Korean Won, Nil (2020: one) United States Dollar and three (2020: Nil) Chinese Renminbi foreign currency forward contracts were designated as hedges against the net investment denominated in their respective currencies. Fair value gain or loss on the foreign currency forward contracts were taken to the exchange translation reserve to offset any exchange differences on the translation of the net foreign investment.

41. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) *Estimation uncertainty*

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

(i) Impairment of goodwill

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

(ii) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated using the appropriate basis as outlined in note 2.10 over the estimated useful lives of these assets. The carrying amount of the Group's property, plant and equipment at the reporting date is disclosed in note 14.

The cost of plant and machinery for tin smelting and refining is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be within 2 to 40 years. These are common life expectancies applied in such industry. Changes in the expected level of usage and timing of relocation to Pulau Indah could impact the economic useful lives and the residual values of these assets, therefore future depreciation charge could be revised.

Notes to the Financial Statements

For the financial year ended 31 December 2021

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

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

(ii) Depreciation of property, plant and equipment (cont'd)

In the tin mining subsidiaries, plant and equipment, including mine restoration assets, used in mining are depreciated using the unit-of-production method based on economically recoverable ore except in cases of assets whose useful life is shorter than the life of mine, in which case, the straight-line method is applied. Changes in estimated economically recoverable ore resources and useful lives of plant and equipment are accounted for on a prospective basis from the beginning of the year in which the changes arise. Changes in the estimated economically recoverable ore resources and the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charge could be revised.

The carrying amount of property, plant and equipment related to the subsidiary in resources business amounts to $46,526,000 (2020: $46,040,000).

(iii) Revaluation of properties

The Group carries its investment properties, land and buildings at fair value. Changes in fair values of investment properties are recognised in profit or loss and changes in fair values of land and buildings are recognised in other comprehensive income respectively.

The fair values of properties are determined by independent real estate valuation experts using recognised valuation techniques. These techniques comprise comparison method, direct capitalisation method, discounted cash flow method, investment valuation method and depreciated replacement cost method.

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

– sales of similar properties that have been transacted in the open market with adjustment made for differences in factors that affect value;
– an estimate of the current market value of the land, plus the current gross replacement of improvements, less allowances for physical deterioration, obsolescence and optimisation;
– capitalisation of net rental income taking into consideration factors such as vacancy rates and rental growth rates;
– an estimate of total gross development costs and developer's profits.

(iv) Inventories

Significant management judgement and estimation are required in applying: (i) valuation techniques to determine the valuation of tin-in-concentrates, tin-in-process and refined tin metal; and (ii) the timing of recognition of tin-in-concentrates based on the terms of the contracts.

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

Due to unfavourable tin prices forecasts, the Group wrote down $10,191,000 of its tin-bearing inventories to their net realisable value in 2019. In 2020 and 2021, due to favourable tin prices, the Group wrote back $2,355,000 and $7,822,000 of its tin-bearing inventories to their net realisable value, respectively. The carrying amount of inventories at the reporting date is disclosed in note 25.

Notes to the Financial Statements

For the financial year ended 31 December 2021

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

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

(v) Provision for mine restoration costs

Provision for mine restoration costs is provided based on the present value of the estimated future expenditure to be incurred subsequent to the cessation of production. Significant management judgement and estimation are required in determining the future expenditure, the cessation date of production and the discount rate.

The subsidiary has engaged an external consultant specialising in mine restoration to carry out assessment on the mine restoration plan. The mine restoration plan was resubmitted by the subsidiary to the relevant authorities during the year ended 31 December 2017. The carrying amount of provision for mine restoration costs is disclosed in note 30. The provision for mine restoration costs, based on the methodology proposed by the external consultant and adopted by the subsidiary in its mine restoration plan, represents the current best estimate. Where expectations from the relevant authorities differ from the plan submitted or actual amount differs from the original estimates, the differences may significantly impact the carrying amount of provision for mine restoration costs.

(vi) Provision for voluntary separation/retrenchment compensation

Provision for voluntary separation/retrenchment compensation is provided based on the estimated compensation amount to be paid for the affected employees at its existing Butterworth tin smelting plant, who have no intention to relocate to the new tin smelting plant in Pulau Indah. Significant management judgement is required in assessing the past events which have occurred in triggering a present obligation for the provision.

Significant management estimate is required in determining the number of potential employees to be compensated. Where the actual compensation amount differs from the original estimates, the difference may significantly impact the carrying amount of the provision.

The provision for voluntary separation/retrenchment compensation at the reporting date is disclosed in note 30.

(vii) Ore reserve and mineral resource estimates

Ore reserve and mineral resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. The Group estimates its ore reserve and mineral resource based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. The standards and guidelines used in the resource estimation are complied with The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code").

The change in estimates of ore reserve and mineral resource may impact the Group's reported financial position and results, in the following ways:

- Depreciation and amortisation charges in the statement of profit or loss and other comprehensive income may change where such charges are determined using unit-of-production ("UOP") method, or where the useful life of the related assets change.
- The carrying value of mine properties and property, plant and equipment where their depreciation and amortisation charges are determined using UOP method, may be affected.
- Provision for mine restoration may change where reserve estimate changes affect expectations about when such activities will occur and the associated cost of these activities.

Notes to the Financial Statements

For the financial year ended 31 December 2021

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

(b) *Judgements*

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) Income taxes

The Group has exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the capital allowance, reinvestment allowance, mining allowance and group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amounts are as follows:

	Group	
	2021	2020
	$'000	$'000
Income tax receivables	**5,719**	5,836
Income tax payable	**14,236**	13,487
Deferred tax assets	**5,376**	6,871
Deferred tax liabilities	**91,178**	35,142

(ii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

For details of the key assumptions and inputs used, see note 39(c).

Notes to the Financial Statements

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42. FAIR VALUE OF ASSETS AND LIABILITIES

A. Fair value hierarchy

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

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

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

Level 3 - Unobservable inputs for the asset or liability.

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

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

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42. 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 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 (note 14)	**–**	**–**	**19,923**	**19,923**
Investment properties (note 16)	**–**	**–**	**1,039,646**	**1,039,646**
Non-financial assets as at 31 December 2021	**–**	**–**	**1,059,569**	**1,059,569**
Financial assets				
Financial assets at FVTPL (note 22(b))				
Equity securities				
- Quoted equity securities	**39,163**	**20,623**	**–**	**59,786**
Financial assets at FVOCI (note 22(a))				
Equity securities				
- Quoted equity securities	**140,088**	**22,632**	**–**	**162,720**
Derivatives (note 23)				
Forward currency contracts	**–**	**2,200**	**–**	**2,200**
Cross currency swap contracts	**–**	**180**	**–**	**180**
Financial assets as at 31 December 2021	**179,251**	**45,635**	**–**	**224,886**

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42. 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 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**
Financial liabilities				
Derivatives (note 23)				
Forward currency contracts	–	2,945	–	2,945
Financial liabilities as at 31 December 2021	**–**	**2,945**	**–**	**2,945**

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42. 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 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 (note 14)	–	–	19,769	19,769
Investment properties (note 16)	–	–	932,199	932,199
Non-financial assets as at 31 December 2020	–	–	951,968	951,968
Financial assets				
Financial assets at FVTPL (note 22(b))				
Equity securities				
- Quoted equity securities	42,447	17,134	–	59,581
Financial assets at FVOCI (note 22(a))				
Equity securities				
- Quoted equity securities	127,177	995	–	128,172
Derivatives (note 23)				
Forward currency contracts	–	2,100	–	2,100
Financial assets as at 31 December 2020	169,624	20,229	–	189,853

Notes to the Financial Statements

For the financial year ended 31 December 2021

42. 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 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
Financial liabilities				
Derivatives (note 23)				
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

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For the financial year ended 31 December 2021

42. 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 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 (note 14)	**–**	**–**	**600**	**600**
Investment properties (note 16)	**–**	**–**	**5,622**	**5,622**
Non-financial assets as at 31 December 2021	**–**	**–**	**6,222**	**6,222**

	Company 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 (note 14)	–	–	595	595
Investment properties (note 16)	–	–	5,534	5,534
Non-financial assets as at 31 December 2020	–	–	6,129	6,129

Notes to the Financial Statements

For the financial year ended 31 December 2021

42. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

C. Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurements for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives (note 23): Forward currency contracts, cross currency swap contracts, interest rate swap contracts and forward commodity contracts are valued using a valuation technique with market observable inputs. These contracts are valued by financial institutions.

D. Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (level 3).

Description	Valuation techniques	Key unobservable inputs	Inter-relationships between key unobservable inputs and fair value measurement
Recurring fair value measurements			
Land and buildings in Malaysia	Comparison method and depreciated replacement cost method	- Comparable prices: $199 to $382 per square meter (2020: $212 to $399 per square meter)	The estimated fair value increases with higher comparable price
Investment properties in Singapore, Malaysia, China, Australia, United Kingdom, and Korea	Direct capitalisation method	- Capitalisation rates: 4.25% to 6.75% (2020: 5.50% to 7.00%)	The estimated fair value varies inversely against the capitalisation rate
		- Rental rates: $5.00 to $199.96 per square meter (2020: $5.21 to $43.95 per square meter)	The estimated fair value increases with higher rental rate

Notes to the Financial Statements

For the financial year ended 31 December 2021

42. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

D. Level 3 fair value measurements (cont'd)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Valuation techniques	Key unobservable inputs	Inter-relationships between key unobservable inputs and fair value measurement
Recurring fair value measurements (cont'd)			
Investment properties in Singapore, Malaysia, China, Australia, United Kingdom, and Korea	Discounted cashflow method	- Discount rates: 5.25% to 8.50% (2020: 6.50% to 8.75%)	The estimated fair value varies inversely against the discount rate
		- Terminal yield rates: 4.50% to 7.00% (2020: 5.50% to 7.25%)	The estimated fair value varies inversely against the terminal yield rate
		- Net rental growth rates: 1.0% to 4.5% (2020: 1.2% to 10.0%)	The estimated fair value increases with higher net rental growth rate
	Comparison method	- Comparable prices: $58 to $21,132 per square meter (2020: $62 to $19,922 per square meter)	The estimated fair value increases with higher comparable price
	Residual value method	- Gross development value: $19.1 million (2020: $14.9 million)	The estimated fair value increases with higher gross development value
	Investment valuation method	- Equivalent yield rate: 6.48% (2020: 6.62%)	The estimated fair value varies inversely against the equivalent yield rate

Notes to the Financial Statements

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42. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

D. Level 3 fair value measurements (cont'd)

(ii) Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	Group 2021 $'000 Fair value measurement using significant unobservable inputs (Level 3)	
	Land and buildings	**Investment properties**
At 1 January	**19,769**	**932,199**
Total gains for the year	**248**	**133,390**
Depreciation	**(487)**	**–**
Additions	**569**	**64,508**
Disposals	**–**	**(87,400)**
Exchange adjustment	**(176)**	**(3,051)**
At 31 December	**19,923**	**1,039,646**
Total gains or losses for the year included in other comprehensive income		
– Net surplus on revaluation of land and buildings	**248**	**–**

Notes to the Financial Statements

For the financial year ended 31 December 2021

42. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

D. Level 3 fair value measurements (cont'd)

(ii) Movements in Level 3 assets and liabilities measured at fair value (cont'd)

	Group 2020 $'000 Fair value measurement using significant unobservable inputs (Level 3)	
	Land and buildings	Investment properties
At 1 January	17,024	863,936
Total gains for the year	1,766	37,361
Depreciation	(470)	–
Additions	1,494	235,709
Disposals	–	(249,337)
Exchange adjustment	(45)	44,530
At 31 December	19,769	932,199
Total gains or losses for the year included in other comprehensive income		
– Net surplus on revaluation of land and buildings	1,766	–

(iii) Valuation policies and procedures

It is the Group's policy to engage external valuation experts to perform the valuation. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 Fair Value Measurement guidance.

The Group revalues its properties and the valuation techniques used are as follows:

(a) Comparison method that considers the sales of similar properties that have been transacted in the open market with adjustment made for differences in factors that affect value.

(b) Depreciated replacement cost method that is based on an estimate of the current market value of the land, plus the current gross replacement of improvements, less allowances for physical deterioration, obsolescence and optimisation.

Notes to the Financial Statements

For the financial year ended 31 December 2021

42. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

D. Level 3 fair value measurements (cont'd)

(iii) Valuation policies and procedures (cont'd)

(c) The direct capitalisation method that is based on the capitalisation of net rental income taking into consideration factors such as vacancy rates and rental growth rates to arrive at the capital value. The net rental income is derived after deducting expenses and property related taxes from the gross rent.

(d) The discounted cashflow method that involves the estimation of net income stream over a period and discounting the net income stream; taking into consideration a range of assumptions such as terminal yield rate, discount rate and rental growth.

(e) The residual method that is based on gross development value of the project less estimated cost of development, deferred over the period of time required to complete the project to arrive at the market value.

E. Assets and liabilities not carried at fair value but for which fair value is disclosed

The following tables show an analysis of the assets and liabilities not measured at fair value as at 31 December but for which fair value is disclosed:

	Group 2021 $'000 Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**	**Carrying Amount**
Liabilities					
Fixed rate bank loans	**–**	**–**	**72,007**	**72,007**	**74,847**
Fixed rate notes	**200,180**	**–**	**–**	**200,180**	**198,470**
	200,180	**–**	**72,007**	**272,187**	**273,317**

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42. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

E. Assets and liabilities not carried at fair value but for which fair value is disclosed (cont'd)

	Group 2020 $'000 Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total	Carrying Amount
Liabilities					
Fixed rate bank loans	–	–	104,564	104,564	100,710
Fixed rate notes	361,480	–	–	361,480	348,023
	361,480	–	104,564	466,044	448,733

Determination of fair value

Fixed rate notes

The fair value as disclosed in the table above is the price on the last trading day in the Singapore Exchange Securities Trading Limited ("SGX-ST").

Fixed rate bank loans

The fair value as disclosed in the table above is estimated based on the present value of future cash flows, discounted at the market rate of interest for similar types of lending or borrowings at the end of the reporting period.

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43. 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, and securities and other investments, including the Group's investment in SDAX Financial Pte. Ltd. ("SDAX").

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

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

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43. SEGMENT INFORMATION (CONT'D)

2021 Operating segments

	Resources $'000	Real Estate $'000	Hospitality $'000	Others $'000	Elimination $'000	Consolidated $'000
Revenue						
Sale of tin, at a point in time	339,073	–	–	–	–	339,073
Smelting revenue, at a point in time	6,510	–	–	–	–	6,510
Sale of by-product, at a point in time	2,362	–	–	–	–	2,362
Other resources revenue, at a point in time	535	–	–	–	–	535
Rental and related income, over time	–	48,079	–	–	–	48,079
Inter-segment revenue	–	12	–	–	(12)	–
Total revenue	348,480	48,091	–	–	(12)	396,559
Segment results						
Operating profit	53,763	103,705	1,327	11,093	–	169,888
Fair value changes in investment properties	–	133,390	–	–	–	133,390
Reversal of impairment losses/(Impairment losses)	610	(9,615)	–	–	–	(9,005)
Finance costs	(4,162)	(13,462)	–	(14,482)	–	(32,106)
Share of results of associates and joint ventures	1,330	112,990	(13,694)	(723)	–	99,903
Profit/(Loss) before tax	51,541	327,008	(12,367)	(4,112)	–	362,070
Income tax expense	(12,821)	(60,873)	(226)	(2,459)	–	(76,379)
Profit/(Loss) after tax	38,720	266,135	(12,593)	(6,571)	–	285,691
Profit/(Loss) attributable to:						
Owners of the Company	20,670	232,748	(12,593)	(6,571)	–	234,254
Non-controlling interests	18,050	33,387	–	–	–	51,437
	38,720	266,135	(12,593)	(6,571)	–	285,691
Segment Assets	445,394	2,457,274	157,484	127,754	–	3,187,906
Segment Liabilities	216,679	609,117	–	427,260	–	1,253,056
Other information						
Dividend income	–	6,937	–	1,251	–	8,188
Interest income	119	72,306	1,327	261	–	74,013
Depreciation	3,543	2,908	–	6	–	6,457
Amortisation	412	–	–	–	–	412
Other material non-cash items:						
Reversal of impairment of mining rights	(142)	–	–	–	–	(142)
Reversal of impairment of mine properties	(468)	–	–	–	–	(468)
Impairment of land under development	–	9,615	–	–	–	9,615
Associates and joint ventures	9,505	1,092,665	90,932	12,862	–	1,205,964
Additions to non-current assets[1]	4,507	81,773	–	2	–	86,282
Reversal of provision for voluntary separation/ retrenchment compensation	(465)	–	–	–	–	(465)
Inventories written back	(7,822)	–	–	–	–	(7,822)

[1] Additions to non-current assets exclude associates and joint ventures.

Notes to the Financial Statements

For the financial year ended 31 December 2021

43. SEGMENT INFORMATION (CONT'D)

2020 Operating segments

	Resources $'000	Real Estate $'000	Hospitality $'000	Others $'000	Elimination $'000	Consolidated $'000
Revenue						
Sale of tin, at a point in time	249,674	–	–	–	–	249,674
Smelting revenue, at a point in time	12,019	–	–	–	–	12,019
Sale of by-product, at a point in time	4,198	–	–	–	–	4,198
Other resources revenue, at a point in time	893	–	–	–	–	893
Rental and related income, over time	–	42,107	–	–	–	42,107
Inter-segment revenue	–	12	–	–	(12)	–
Total revenue	266,784	42,119	–	–	(12)	308,891
Segment results						
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
Profit/(Loss) attributable to:						
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
Segment Assets	331,996	2,240,107	167,444	346,399	–	3,085,946
Segment Liabilities	174,265	647,377	–	537,366	–	1,359,008
Other information						
Dividend income	–	6,026	–	2,607	–	8,633
Interest income	275	8,924	1,331	992	–	11,522
Depreciation	5,333	2,355	–	5	–	7,693
Amortisation	429	–	–	–	–	429
Other material non-cash items:						
Impairment of a joint venture	265	–	–	–	–	265
Impairment of mining rights	145	–	–	–	–	145
Impairment of corporate club membership	16	–	–	–	–	16
Impairment of mine properties	476	–	–	–	–	476
Associates and joint ventures	8,227	875,783	100,892	22	–	984,924
Additions to non-current assets[1]	9,188	252,820	–	6	–	262,014
Provision for voluntary separation/retrenchment compensation	90	–	–	–	–	90
Inventories written back	(2,355)	–	–	–	–	(2,355)

[1] Additions to non-current assets exclude associates and joint ventures.

Notes to the Financial Statements

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43. 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 assets are based on the location or operation of the Group's assets. Investments in the associates ARAH and FEHH are presented in the Singapore segment.

2021 Geographical information

	Singapore $'000	Malaysia $'000	Australia $'000	Japan $'000	China $'000	Korea $'000	United Kingdom $'000	Consolidated $'000
Segment revenue								
Revenue from external parties	2,452	348,643	27,174	90	8,620	–	9,580	396,559
Non-current assets	871,962	214,032	767,216	75,453	319,390	178,442	177,484	2,603,979

2020 Geographical information

	Singapore $'000	Malaysia $'000	Australia $'000	Japan $'000	China $'000	Korea $'000	United Kingdom $'000	Consolidated $'000
Segment revenue								
Revenue from external parties	2,542	266,951	21,274	9,632	6,050	–	2,442	308,891
Non-current assets	761,226	228,334	577,619	30,933	274,562	58,969	139,734	2,071,377

Non-current assets information presented above consists of property, plant and equipment, investment properties, land under development, goodwill, other intangible assets, associates and joint ventures and other non-current assets as presented in the consolidated balance sheet.

Information about major customers

Revenue from three major customers amount to $176,931,000 (2020: one major customer amount to $41,992,000), arising from sales by the Resources segment.

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44. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Country of Incorporation	Business	Effective Shareholding 2021 %	2020 %	
Subsidiaries					
Held by the Company					
Baxterley Holdings Private Limited	Singapore	Investment	**100**	100	
Bushey Park Private Limited	Singapore	Investment	**100**	100	
Malaysia Smelting Corporation Berhad [(1)]	Malaysia	Tin mining & smelting	**27**	28	(a)
STC Capital Pte. Ltd.	Singapore	Investment	**100**	100	
STC Realty (Butterworth) Sendirian Berhad [(1)]	Malaysia	Property	**100**	100	
Straits Developments Private Limited	Singapore	Property	**100**	100	
Straits Equities Holdings (One) Pte. Ltd.	Singapore	Investment	**100**	100	
Straits Equities Holdings (Two) Pte. Ltd.	Singapore	Investment	**100**	100	
Straits Investment Holdings Pte. Ltd.	Singapore	Investment	**100**	100	
Straits Trading Amalgamated Resources Private Limited	Singapore	Investment	**100**	100	
Sword Investments Private Limited	Singapore	Investment	**100**	100	
Sword Private Limited	Singapore	Investment	**100**	100	
STC Management Holdings Limited [+]	British Virgin Islands ("BVI")	Investment	**100**	100	
Held through subsidiaries					
STC International Holdings Pte. Ltd.	Singapore	Investment	**100**	100	
Straits Trading Amalgamated Resources Sendirian Berhad [(1)]	Malaysia	Investment	**100**	100	
Straits Real Estate Pte. Ltd.	Singapore	Property	**100**	89	
Straits Real Estate (Management) Pte. Ltd.	Singapore	Support management	**100**	89	
SRE Venture 1 Pte. Ltd. [ø]	Singapore	Investment	**100**	89	

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44. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

	Country of Incorporation	Business	Effective Shareholding 2021 %	2020 %
Subsidiaries (cont'd)				
Held through subsidiaries				
SRE Venture 2 Pte. Ltd.	Singapore	Investment	**100**	89
SRE Venture 3 Pte. Ltd.	Singapore	Investment	**100**	89
SRE Venture 4 Pte. Ltd. [α]	Singapore	Investment	**–**	89
SRE Venture 5 Pte. Ltd.	Singapore	Investment	**100**	89
SRE China 1 Pte. Ltd.	Singapore	Investment	**100**	89
SRE Capital Pte. Ltd. [α]	Singapore	Investment	**–**	89
Chongqing Xinchuang Mall Management Co., Ltd. [(1)]	People's Republic of China	Real estate investment & management	**100**	89
SRE Venture 7 Pte. Ltd.	Singapore	Investment	**100**	89
SRE Venture 8 Pte. Ltd.	Singapore	Investment	**100**	89
SRE Australia 1 Pte. Ltd.	Singapore	Investment	**100**	89
SRE Venture 9 Pte. Ltd. [ø]	Singapore	Investment	**100**	89
Straits Real Estate (Beijing) Business Consulting Co., Ltd [α]	People's Republic of China	Consulting	**–**	89
SRE Venture 10 Pte. Ltd. [ø]	Singapore	Investment	**100**	89
SRE Japan 1 Pte. Ltd. [ø]	Singapore	Investment	**100**	89

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44. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

	Country of Incorporation	Business	Effective Shareholding 2021 %	2020 %	
Subsidiaries (cont'd)					
Held through subsidiaries (cont'd)					
SRE Luxe 1 Pte. Ltd. [Ø]	Singapore	Investment	**100**	89	
SRE Luxe 2 Pte. Ltd. [Ø]	Singapore	Investment	**100**	89	
SRE Japan 2 Pte. Ltd. [Ø]	Singapore	Investment	**100**	89	
SRE Luxe 3 Pte. Ltd. [Ø]	Singapore	Investment	**100**	89	
SRE Luxe 4 Pte. Ltd. [Ø]	Singapore	Investment	**100**	89	
SRE Australia 2 Pte. Ltd.	Singapore	Investment	**100**	89	
SRE Venture 11 Pte. Ltd.	Singapore	Investment	**100**	89	
SRE Japan 11 Pte. Ltd.	Singapore	Investment	**100**	89	
Savills IM Japan Residential Fund, LP [Ø]	Singapore	Investment	**100**	89	
JPN Residential Holdings Pte. Ltd. [Ø]	Singapore	Investment	**100**	89	(b)
JPN Residential TK Holdings Pte. Ltd. [Ø]	Singapore	Investment	**100**	89	(b)
SIM Residence One GK [α]	Japan	Property	**–**	88	(b)
SIM Residence 2 GK [α]	Japan	Property	**–**	78	(b)
Residence 4 GK [α]	Japan	Property	**–**	89	(b)
Residence 5 GK [δ]	Japan	Property	**100**	89	(b)
SRE Venture 12 Pte. Ltd.	Singapore	Investment	**100**	89	
SRE Australia 3 Pte. Ltd.	Singapore	Investment	**100**	89	
45SGT Unit Trust [(1)]	Australia	Property	**95**	85	
SRE Venture 13 Pte. Ltd.	Singapore	Investment	**100**	89	
SRE Australia 11 Pte. Ltd.	Singapore	Investment	**100**	89	
SRE Australia Industrial 1 Pte. Ltd.	Singapore	Investment	**100**	89	
ILP No.1 Trust [(1)]	Australia	Investment	**80**	72	

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44. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

	Country of Incorporation	Business	Effective Shareholding 2021 %	2020 %	
Subsidiaries (cont'd)					
Held through subsidiaries (cont'd)					
C&G Australia Industrial Trust [(1)]	Australia	Investment	**80**	72	(c)
Dockside Industrial Trust #1 [(1)]	Australia	Property	**80**	72	(c)
C&G Salisbury South Trust No.1 [(1)]	Australia	Property	**80**	72	(c)
C&G Salisbury South Trust No.2 [(1)]	Australia	Property	**80**	72	(c)
C&G Baywater Trust [(1)]	Australia	Property	**80**	72	(c)
C&G Kilkenny Trust [(1)]	Australia	Property	**80**	72	(c)
C&G Mawson Lakes Trust [(1)]	Australia	Property	**80**	72	(c)
ILP Mulgrave Trust [(1)]	Australia	Property	**80**	72	(c)
Dockside Industrial Trust #2 [(1)]	Australia	Property	**80**	72	(c)
SRE Australia 12 Pte. Ltd.	Singapore	Investment	**100**	89	
SL Tin Sdn. Bhd. [(1) β]	Malaysia	Tin mining	**42**	44	
Malaysia Smelting Corporation (Warehousing) Sdn. Bhd. [(1) β]	Malaysia	Tin warehousing	**52**	55	
MSC Properties Sdn. Bhd. [(1) β]	Malaysia	Property holding and rental	**52**	55	
Rahman Hydraulic Tin Sdn. Bhd. [(1) β]	Malaysia	Tin mining	**52**	55	
Straits Resource Management Private Limited [β]	Singapore	Investment holding	**52**	55	
M Smelt (C) Sdn. Bhd. [(1) β]	Malaysia	Property holding and rental	**52**	55	
PT SRM Indonesia [(7) β]	Indonesia	Dormant	**51**	54	
STC Property Management Sdn. Bhd. (formerly known as STC Property Management Services Sdn. Bhd.) [(1)]	Malaysia	Property	**100**	100	
Straits Investment Management Pte. Ltd.	Singapore	Investment	**100**	100	(d)
SRE Venture 14 Pte. Ltd.	Singapore	Investment	**100**	89	
IGIS Arenas KLIP 1 Private Placement Real Estate Feeder Investment Company [(5)]	Korea	Investment	**95**	85	(e)
IGIS Arenas KLIP 1-1 Private Placement Real Estate Master Investment Company [(5)]	Korea	Investment	**95**	85	
IGIS Arenas KLIP 1-2 Private Placement Real Estate Master Investment Company [(5)]	Korea	Investment	**95**	85	

Notes to the Financial Statements

For the financial year ended 31 December 2021

44. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

	Country of Incorporation	Business	Effective Shareholding 2021 %	2020 %	
Subsidiaries (cont'd)					
Held through subsidiaries (cont'd)					
SRE Venture 15 Pte. Ltd.	Singapore	Investment	**100**	89	
SRE Venture 16 Pte. Ltd.	Singapore	Investment	**100**	89	
SRE Venture 17 Pte. Ltd.	Singapore	Investment	**100**	89	
SRE Bourne Limited [3]	England	Property	**100**	89	(f)
SRE Venture 18 Pte. Ltd.	Singapore	Investment	**100**	–	
SRE Venture 19 Pte. Ltd.	Singapore	Investment	**100**	–	
SRE Australia 4 Pte. Ltd.	Singapore	Investment	**100**	–	
Straits Trading Shareholders Club Pte. Ltd.	Singapore	Providing memberships to members to access to benefits, events and privileges	**100**	–	
Straits Trading GG Pte. Ltd.	Singapore	Property	**100**	–	
Straits Trading GCB Pte. Ltd.	Singapore	Property	**100**	–	
STC Fintech Holdings Pte. Ltd.	Singapore	Investment	**100**	–	
Associates					
Held by the Company					
Taiko-Straits Developments Sdn. Bhd. [6] *(Accounting year ended 30 September)*	Malaysia	Property development	**30**	30	

Notes to the Financial Statements

For the financial year ended 31 December 2021

44. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

	Country of Incorporation	Business	Effective Shareholding 2021 %	2020 %	
Associates (cont'd)					
Held through subsidiaries					
Redring Solder (M) Sdn. Bhd. [1] [8] *(Accounting year ended 31 December)*	Malaysia	Manufacture and sale of solder products and letting of properties	**21**	22	
ARA Asset Management Holdings Pte. Ltd. [2] *(Accounting year ended 31 December)*	Singapore	Investment	**22**	22	(g)
Far East Hospitality Holdings Pte. Ltd. [4] *(Accounting year ended 31 December)*	Singapore	Owner, operator and manager of hospitality properties	**30**	30	
ARA Harmony Fund III, L.P. [2] *(Accounting year ended 31 December)*	Cayman Islands	Investment	**40**	36	(h)
Savills Investment Management Japan Value Fund II, LP [2] *(Accounting year ended 31 December)*	Singapore	Investment	**19**	17	(i)
SME Help Fund Pte. Ltd. [2] *(Accounting year ended 31 December)*	Singapore	Investment	**30**	30	
Savills IM UK Value Boxes Fund FCP-RAIF *(Accounting year ended 31 December)*	England	Property	**71**	–	
SDAX Financial Pte. Ltd. [2] *(Accounting year ended 31 December)*	Singapore	Digital financial services	**14**	–	

Notes to the Financial Statements

For the financial year ended 31 December 2021

44. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

	Country of Incorporation	Business	Effective Shareholding 2021 %	2020 %	
Joint Ventures					
Held through subsidiaries					
KM Resources, Inc. (1) ß *(Accounting year ended 31 December)*	Labuan, Malaysia	Investment holding	**16**	16	(j)
320P Trust (5) *(Accounting year ended 31 December)*	Cayman Islands	Property	**26**	23	(k)
ILP Managers Pty Ltd (1) *(Accounting year ended 31 December)*	Australia	Management	**50**	45	
Sky Logis Private Real Estate Investment Company (5) *(Accounting year ended 31 December)*	Korea	Property	**50**	42	
Ivory SL Joint Venture Limited (2) *(Accounting year ended 31 December)*	Cayman Islands	Investment	**38**	34	

The subsidiaries are audited by Ernst & Young LLP, Singapore unless stated otherwise.

(1) Audited by overseas affiliates of Ernst & Young LLP.
(2) Audited by KPMG LLP, Singapore.
(3) Audited by Mazars UK.
(4) Audited by PricewaterhouseCoopers LLP, Singapore.
(5) Audited by overseas affiliates of PricewaterhouseCoopers LLP.
(6) Audited by Messrs Folks DFK & Co.
(7) Audited by Herman Dody Tanumihardja & Rekan.
(8) Audited by KPMG Luxembourg, Société coopérative.

ß Subsidiaries/Associates/Joint Ventures of a listed subsidiary.
δ Voluntary liquidation/de-registration in progress and no statutory audit is required for 2020 and 2021.
ø Voluntary liquidation/de-registration in progress and no statutory audit is required for 2021.
α Voluntarily liquidated/de-registered in 2021.
\+ Statutory audit is not required and they are not significant subsidiaries.

Note:
(a) Malaysia Smelting Corporation Berhad ("MSC") is listed on the Main Market of the Bursa Malaysia Securities Berhad and is secondarily listed on the SGX-ST. The Company's combined interest in MSC held jointly with other subsidiaries and an associate is 52% (2020: 55%).

(b) These are subsidiaries of Savills IM Japan Residential Fund, L.P..

(c) These are subsidiaries of ILP No.1 Trust.

Notes to the Financial Statements

For the financial year ended 31 December 2021

44. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

(d) Straits Investment Management Pte. Ltd. ("SIM") is a Registered Fund Management Company and is regulated by the Monetary Authority of Singapore. SIM obtains mandates from both internal and external parties to manage funds that focus on global real estate, particularly REITs.

(e) KLIP focuses on acquiring, developing and managing logistics properties in the Greater Seoul area. The platform holds SLRE as a joint venture.

(f) SRE Bourne Limited holds a business park in Surrey, United Kingdom.

(g) On completion of the privatisation and delisting of ARA Asset Management Limited ("ARA") in April 2017, the Group holds its investment in ARA through a 22.06% stake in ARA Asset Management Holdings Pte. Ltd..

(h) ARA Harmony Fund III, L.P. holds a portfolio of income generating retail properties in Malaysia.

(i) Savills Investment Management Japan Value Fund II, LP focuses on acquiring office assets in the Greater Tokyo area and other cities in Japan.

(j) The subsidiaries of KMR Resources, Inc. in the Philippines have ceased the mining and processing operations due to depletion of mineral resources.

(k) 320P Trust holds a commercial property in Sydney, Australia.

45. SUBSEQUENT EVENTS

(a) *ETF Investment*

On 17 January 2022, the Company through its subsidiary, Straits Investment Holdings Pte. Ltd., invested $30 million in – the NikkoAM-StraitsTrading MSCI China Electric Vehicles and Future Mobility ETF representing 30,000,000 ETF shares at $1.00 per share.

(b) *Private Placement*

On 18 January 2022, the Company announced the proposed private placement of 26,000,000 new ordinary shares in the capital of the Company (the "Private Placement", and the new ordinary shares, the "Placement Shares") at an issue price of $3.11 per Placement Share (the "Placement Price") to raise gross proceeds of $80.9 million.

The Placement Price of $3.11 per Placement Share represents a discount of approximately 8.9% to the volume weighted average price of $3.4126 per ordinary share in the capital of the Company ("Share") of all trades in the Shares on the Singapore Exchange Securities Trading Limited on 13 January 2022. The Placement Shares that are expected to be issued in relation to the Private Placement will be issued pursuant to the general mandate obtained at the Company's annual general meeting held on 30 April 2021, and shall upon issue, rank pari passu in all respects with the existing Shares, except for any dividend, right, allotment or other distributions, the record date for which falls on or before the completion of the Private Placement.

Notes to the Financial Statements

For the financial year ended 31 December 2021

45. SUBSEQUENT EVENTS (CONT'D)

(b) *Private Placement (cont'd)*

On 25 January 2022, the Company announced the 26,000,000 Placement Shares were issued and allotted pursuant to the Private Placement, which raised proceeds of $80.9 million, marking the completion of the Private Placement. These shares were listed on 26 January 2022.

(c) *Performance Share Plan*

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

(d) *Proposed merger between ARA and ESR*

On 20 January 2022, the Group announced that it has completed its previously announced disposal of shareholding in ARA Asset Management Limited ("ARA Shares") by ARA Investment (Cayman) Limited, an associated company of the Company (the "Proposed Transaction"). The Group through its subsidiary, Straits Equities Holdings (One) Pte. Ltd., has received US$845.3 million ($1,140.4 million) in a combination of US$99.9 million ($134.8 million) cash and 214,674,500 ESR Cayman Limited ordinary shares upon completion of the Proposed Transaction. Following the merger, ESR emerges as APAC's largest real asset fund management platform that is powered by New Economy assets like logistics and data centres.

(e) *Acquisition of Properties in Australia*

On 11 February 2022, the Group announced that it will acquire a 9-storey freehold Grade-A office building with net lettable area ("NLA") totalling 15,354 square metres and a 5-storey freehold Grade A office building with NLA totalling 5,779 square metres in Melbourne, Australia for approximately A$150 million (approximately $143.9 million).

Additional Information Required Under the Mainboard Rules of The Singapore Exchange Securities Trading Limited ("SGX-ST")

Interested Person Transaction
(Rules 907 and 1207(17))

The interested person transactions entered into during the financial year ended 31 December 2021 are as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Consultants Services (Private) Limited	Associate of controlling shareholder	S$103,200	-
Cairnhill Rock Pte Ltd	Associate of controlling shareholder	S$195,600	-

The Company does not have a general mandate from shareholders in relation to interested person transactions pursuant to Rule 920 of SGX-ST's Mainboard Rules.

Additional Information on Directors Seeking Re-election

(Information required pursuant to Rule 720(6) of the Listing Manual)

	Ms Chew Gek Hiang	**Mr Goh Kay Yong David**	**Mr Tan Chian Khong**
Date of appointment	30 April 2008	30 April 2008	1 January 2018
Date of last re-election	30 April 2020	26 April 2019	30 April 2020
Age	58	60	66
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Nominating Committee, having considered Ms Chew's eligibility and contribution to the Board, had recommended that she be put up for re-election. The Board had endorsed the Nominating Committee's recommendation.	The Nominating Committee, having considered Mr Goh's eligibility and contribution to the Board, had recommended that he be put up for re-election. The Board had endorsed the Nominating Committee's recommendation.	The Nominating Committee, having considered Mr Tan's eligibility and contribution to the Board, had recommended that he be put up for re-election. The Board had endorsed the Nominating Committee's recommendation.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Independent and Non-Executive Director and Audit and Risk Committee Member	Non-Independent and Non-Executive Director and Remuneration Committee Member	Independent and Non-Executive Director and Audit and Risk Committee Chairman
Professional qualifications	1. Bachelor of Accountancy, National University of Singapore 2. Member, Institute of Chartered Accountants in England and Wales	1. Bachelor of Arts (Hons) degree in Economics, York University, Canada 2. Master of Science in Management (System Dynamics, Finance and Strategy), Massachusetts Institute of Technology's Sloan School of Management 3. CFA charter holder	1. Bachelor of Accountancy, National University of Singapore 2. Master of Business Administration, University of South Australia 3. Master of International Environmental Management, University of Adelaide 4. Fellow, CPA Australia 5. Fellow, Institute of Singapore Chartered Accountants 6. Member, American Institute of Certified Public Accountants
Working experience and occupation(s) during the past 10 years	1991 to Present: Executive Director and Head of Finance, Tecity Group	1997 to Present: Chief Investment Officer and Chief Strategist, Tecity Group	1996 to 2016: Partner, Ernst & Young LLP
Shareholding interest in the listed issuer and its subsidiaries	Refer to Directors' Statement on pages 52 to 54 of this Annual Report		
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Ms Chew is the sister of Ms Chew Gek Khim, Executive Chairman of the Company, and the daughter of Dr Tan Kheng Lian, a substantial shareholder of the Company.	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil

Additional Information on Directors Seeking Re-election

(Information required pursuant to Rule 720(6) of the Listing Manual)

	Ms Chew Gek Hiang	**Mr Goh Kay Yong David**	**Mr Tan Chian Khong**
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments Including Directorships			
Past (for the last 5 years)	1. Amalgamated Holdings Private Limited (Struck Off) 2. Raffles Investments (1993) Pte Ltd (Amalgamated) 3. Excel Laboratory Services Pte Ltd (Struck Off) 4. Nexford Holdings Pte Ltd (Amalgamated) 5. Sigford Pte Ltd (Amalgamated) 6. The Tan Sri Tan Foundation 7. Selected Properties Pte Ltd (Struck Off)	1. Bushey Park Private Limited 2. Straits Media Private Limited (Dissolved) 3. STC International Private Limited (Dissolved) 4. Sword Private Limited 5. STC International Properties Pte Ltd (Dissolved) 6. STC International Investment Holdings Pte Ltd (Dissolved) 7. Tertius Development Pte Ltd (Dissolved) 8. Barramundi Group Ltd 9. Straits Equities Holdings (One) Pte Ltd	1. AAS @ 217 East Coast Road Pte Ltd 2. Temenggong Artist-in-Residence Ltd 3. Alliance Financial Group Berhad 4. Automobile Association of Singapore 5. Xinghua Port Holdings Ltd
Present	1. Raffles Investments Private Limited 2. Integrated Holdings Private Limited 3. Siong Lim Private Limited 4. Ho Peng Holdings Private Limited (Gazetted to be Struck Off) 5. Selected Holdings Private Limited 6. Consultants Services (Private) Limited 7. Kambau Pte Ltd 8. Tecity Management Pte Ltd 9. Tecity Pte Ltd 10. Choice Equities Pte Ltd 11. Tan Chin Tuan Pte Ltd 12. The Tan Chin Tuan Foundation 13. Tiong Cheng Pte Ltd (Gazetted to be Struck Off) 14. Mellford Pte Ltd 15. Aequitas Pte Ltd 16. Xin Zheng Pte Ltd 17. The Cairns Pte Ltd	1. Straits Developments Private Limited 2. Baxterley Holdings Private Limited 3. Sword Investments Private Limited 4. STC International Holdings Pte Ltd 5. Stewardship Equity Pte Ltd 6. Commonwealth Retail Concepts Pte Ltd 7. Straits Trading Amalgamated Resources Private Limited 8. NPE Print Communications Pte Ltd 9. Commonwealth Capital Pte Ltd 10. Commonwealth Harvests Pte Ltd (In Liquidation) 11. STC Capital Pte Ltd 12. Straits Equities Holdings (Two) Pte Ltd 13. Straits Real Estate (Management) Pte Ltd 14. SRE Venture 1 Pte Ltd (In Liquidation)	1. Hong Leong Asia Ltd 2. CSE Global Limited 3. SMRT Corporation Ltd 4. Banyan Tree Holdings Limited 5. Trailblazer Foundation Ltd 6. Alliance Bank Malaysia Berhad 7. Casino Regulatory Authority 8. Methodist Welfare Services

Additional Information on Directors Seeking Re-election

(Information required pursuant to Rule 720(6) of the Listing Manual)

	Ms Chew Gek Hiang	Mr Goh Kay Yong David	Mr Tan Chian Khong
Present	18. Tecity Asset Management Pte Ltd 19. Amberlight Limited 20. Grange Investment Holdings Private Limited 21 NL Property 1 B.V. 22. Academy of Chinese Medicine, Singapore Advisory Board	15. Straits Investment Holdings Pte Ltd 16. Barramundi Asia Holdings Pte Ltd (In Liquidation) 17. Project Chulia Street Limited 18. Straits Investment Management Pte Ltd 19. Stewardship Associates Pte Ltd 20. STC Realty (Butterworth) Sdn Bhd	

The responses by Mr Goh Kay Yong David, Ms Chew Gek Hiang and Mr Tan Chian Khong to the following questions are “No”.

A. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?

B. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?

C. Whether there is any unsatisfied judgment against him?

D. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?

E. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?

F. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?

G. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?

H. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?

I. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?

Additional Information on Directors Seeking Re-election

(Information required pursuant to Rule 720(6) of the Listing Manual)

J. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
  (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or
  (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or
  (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
  (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

K. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

Shareholdings Information

(as at 9 March 2022)

Total number of issued ordinary shares	434,095,772
Total number of issued ordinary shares excluding treasury shares	432,819,572
Total number of treasury shares	1,276,200
Total number of subsidiary holdings	0
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued ordinary shares excluding treasury shares	0.29%

VOTING RIGHTS OF ORDINARY SHAREHOLDERS

On a show of hands, every member present in person or by proxy shall have one vote and upon a poll, every member present in person or by proxy shall have one vote for every share which he holds.

ISSUED ORDINARY SHARES AND SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	238	4.42	8,791	0.00
100 - 1,000	1,256	23.34	702,037	0.16
1,001 - 10,000	2,988	55.52	12,390,415	2.86
10,001 - 1,000,000	886	16.46	42,437,181	9.81
1,000,001 and above	14	0.26	377,281,148	87.17
Total	**5,382**	**100.00**	**432,819,572**	**100.00**

TWENTY LARGEST SHAREHOLDERS

	Registered Shareholders	No. of Shares	%
1.	THE CAIRNS PTE LTD	265,840,552	61.42
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	50,820,963	11.74
3.	DBS NOMINEES PTE LTD	17,772,012	4.11
4.	MELLFORD PTE LTD	15,492,100	3.58
5.	UOB KAY HIAN PTE LTD	5,568,530	1.29
6.	PHILLIP SECURITIES PTE LTD	4,420,916	1.02
7.	RAFFLES NOMINEES (PTE) LIMITED	3,924,819	0.91
8.	OCBC SECURITIES PRIVATE LTD	3,657,835	0.85
9.	HSBC (SINGAPORE) NOMINEES PTE LTD	3,402,040	0.79
10.	MAYBANK SECURITIES PTE. LTD.	1,445,259	0.33
11.	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,336,916	0.31
12.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	1,294,346	0.30
13.	MRS CHEW KHENG LIAN NEE TAN KHENG LIAN	1,152,760	0.27
14.	IFAST FINANCIAL PTE LTD	1,152,100	0.27
15.	OCBC NOMINEES SINGAPORE PTE LTD	879,780	0.20
16.	LOKE WAN YAT REALTY SDN BHD	721,400	0.17
17.	CHEW GEK KHIM	700,000	0.16
18.	MORPH INVESTMENTS LTD	602,500	0.14
19.	UOB NOMINEES (2006) PRIVATE LIMITED	590,408	0.14
20.	MAYBANK NOMINEES (SINGAPORE) PTE LTD	585,676	0.14
		381,360,912	88.14

Shareholdings Information

(as at 9 March 2022)

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
The Cairns Pte. Ltd.	285,670,552	66.00	-	-
Tan Chin Tuan Pte. Ltd.[1]	-	-	301,162,652	69.58
Raffles Investments Private Limited[1]	-	-	285,670,552	66.00
Tecity Pte. Ltd. [1]	-	-	301,162,652	69.58
Aequitas Pte. Ltd. [1]	-	-	285,670,552	66.00
Dr Tan Kheng Lian[1]	1,402,760	0.32	301,162,652	69.58

Notes:

[1] Each of Raffles Investments Private Limited ("**Raffles**") and Tecity Pte. Ltd. ("**Tecity**") holds not less than 20 per cent. of the voting rights of The Cairns Pte. Ltd. ("**Cairns**"). By virtue of this, each of Raffles and Tecity has a deemed interest in the Company's shares held by Cairns. Aequitas Pte. Ltd. ("**Aequitas**") holds more than 50 per cent. of the voting rights of Raffles. By virtue of this, Aequitas has a deemed interest in the Company's shares held by Cairns. Tan Chin Tuan Pte. Ltd. ("**TCTPL**") holds more than 50% of the voting rights in Aequitas. By virtue of this, TCTPL has a deemed interest in the Company's shares held by Cairns. Dr Tan Kheng Lian holds more than 50 per cent. of the voting rights of TCTPL. By virtue of this, Dr Tan Kheng Lian has a deemed interest in the Company's shares held by Cairns.

PERCENTAGE OF SHAREHOLDING HELD BY THE PUBLIC

Based on information available to the Company as at 9 March 2022, approximately 29.81% of the Company's shares, excluding treasury shares, were held by the public and thus, Rule 723 of the Mainboard Rules of the Singapore Exchange Securities Trading Limited has been complied with.

Corporate Information

BOARD OF DIRECTORS

CHEW GEK KHIM, PJG
Executive Chairman
Member, Nominating Committee

CHEW GEK HIANG
Non-Independent and Non-Executive Director
Member, Audit and Risk Committee

GOH KAY YONG DAVID
Non-Independent and Non-Executive Director
Member, Remuneration Committee

TAN TIONG CHENG
Independent and Non-Executive Director
Chairman, Remuneration Committee

CHIA CHEE MING, TIMOTHY
Lead Independent Director
Chairman, Nominating Committee
Member, Audit and Risk Committee

TAN CHIAN KHONG
Independent and Non-Executive Director
Chairman, Audit and Risk Committee

CHUA TIAN CHU
Independent and Non-Executive Director
Member, Nominating Committee
Member, Remuneration Committee

KEY MANAGEMENT PERSONNEL

CHEW GEK KHIM, PJG
Executive Chairman

TENG HENG CHEW ERIC, BBM, PBM
Chief Executive Officer
Straits Developments Private Limited

DESMOND TANG KOK PENG
Chief Executive Officer
Straits Real Estate Pte. Ltd.

DATO' DR. (IR.) PATRICK YONG MIAN THONG
Chief Executive Officer
Malaysia Smelting Corporation Berhad

MANISH BHARGAVA
Chief Executive Officer
Straits Investment Management Pte. Ltd.

TAN HWEI YEE
Chief Executive Officer
STC Property Management Sdn. Bhd.
Head, Property
Straits Developments Private Limited

GOH YAH HUAY
Group Treasurer

JOYCE TAN WEI TZE
Group Financial Controller

COMPANY SECRETARY

NGIAM MAY LING
Boardroom Corporate & Advisory Services Pte. Ltd.

REGISTERED OFFICE

1 Wallich Street #15-01
Guoco Tower
Singapore 078881

CORPORATE OFFICE

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Tel: (65) 6422 4288
Fax: (65) 6534 7202
Email: contactus@stc.com.sg
Website: www.straitstrading.com.sg

INVESTOR RELATIONS

SELINA HO
Head, Investor Relations & Corporate Secretariat
Head, Corporate Communications
Email: ir@stc.com.sg

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Private Limited)
80 Robinson Road #02-00
Singapore 058898

AUDITORS

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Partner-in-charge: Lim Tze Yuen
(Appointed with effect from financial year ended 31 December 2017)

PRINCIPAL BANKERS

Bank of China Limited
BankSA A Division of Westpac Banking Corporation
CIMB Bank Berhad
Commonwealth Bank of Australia
Credit Suisse AG
DBS Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
UBS AG
United Overseas Bank Limited

The Straits Trading Company Limited
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