

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

Condensed Interim Financial Statements
For the six months ended 30 June 2024

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A. Condensed Interim Consolidated Statement of Profit or Loss

	Note	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000	+ / (-) %	
Revenue	4	252,536	235,807	7.1	(i)
Other items of income/(loss)					
Dividend income		4,739	6,035	(21.5)	(ii)
Interest income		8,739	9,446	(7.5)	
Net fair value changes in investment properties		52,533	9,301	>100	(iii)
Other (loss)/income	5	(5,808)	19,224	NM	(iv)
		312,739	279,813	11.8	
Other items of expense					
Costs of tin mining and smelting		(191,996)	(161,046)	19.2	(i)
Employee benefits expense		(17,592)	(21,473)	(18.1)	(v)
Depreciation expense		(3,124)	(3,367)	(7.2)	
Amortisation expense		(120)	(153)	(21.6)	
Finance costs		(44,052)	(40,557)	8.6	(vi)
Other expenses	6	(20,160)	(15,201)	32.6	(vii)
Total expenses		(277,044)	(241,797)	14.6	
Share of results of associates and joint ventures		(16,654)	(3,366)	>100	(viii)
Profit before tax		19,041	34,650	(45.0)	
Income tax expense	7	(4,827)	(7,823)	(38.3)	
Profit after tax		14,214	26,827	(47.0)	
Profit attributable to:					
Owners of the Company		5,228	14,899	(64.9)	
Non-controlling interests		8,986	11,928	(24.7)	
		14,214	26,827	(47.0)	
Earnings before interest expense, tax, depreciation and amortisation ("EBITDA")		66,337	78,727	(15.7)	
Earnings per share (cents per share)					
Basic		1.2	3.3	(63.6)	
Diluted		1.2	3.3	(63.6)	

NM – Not meaningful

A. Condensed Interim Consolidated Statement of Profit or Loss (cont'd)

Explanatory Notes to the Condensed Interim Consolidated Statement of Profit or Loss

- (i) The increase in revenue and cost of tin mining and smelting for 1H2024 was mainly due to higher average tin price.
- (ii) The decrease in dividend income for 1H2024 was mainly due to a lower investment stake in Suntec REIT as compared to last year.
- (iii) The net fair value gain in investment properties in 1H2024 was mainly due to fair value gains in logistic properties located in South Korea and Australia, and properties in Singapore.
- (iv) The other losses incurred in 1H2024 was mainly due to loss from the disposal of an investment property in Australia and lower fair value gain on embedded derivative component of Exchangeable Bonds.
- (v) The decrease in employee benefits expense was mainly due to actualisation of provisions relating to share-based compensation granted in year 2022 fully vested in 1H2024 and bonus expense.
- (vi) The increase in finance costs for 1H2024 was mainly due to the issuance of a S\$130.0 million 4.70% fixed rate note on 24 January 2024, with a repayment term of 5 years from the issue date.
- (vii) The increase in other expenses for 1H2024 was mainly due to hotel pre-opening expenses as Crowne Plaza Penang Straits City ramped up its operations for its opening in August 2024.
- (viii) The decrease in share of results of associates and joint ventures was mainly due to fair value loss on an investment property from a joint venture in Australia.

B. Condensed Interim Consolidated Statement of Comprehensive Income

	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000	
Profit after tax	14,214	26,827	
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")	(13,464)	(84,367)	(i)
Share of net revaluation surplus on property, plant and equipment of associates	(8)	167	
	(13,472)	(84,200)	
Items that may be reclassified subsequently to profit or loss:			
Net fair value changes in cash flow hedges	(50)	6,041	
Currency translation reserve	(136)	(24,085)	(ii)
Share of reserves of associates and joint ventures	(2,579)	(6,699)	
Reclassification of foreign currency translation reserve to profit or loss	3,142	34	
	377	(24,709)	
Other comprehensive income after tax for the period	(13,095)	(108,909)	
Total comprehensive income for the period	1,119	(82,082)	
Attributable to:			
Owners of the Company	(9,344)	(88,499)	
Non-controlling interests	10,463	6,417	
Total comprehensive income for the period	1,119	(82,082)	

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

Explanatory Notes to the Condensed Interim Consolidated Statement of Comprehensive Income

- (i) Net fair value changes in equity securities were attributable to changes in the market value of quoted equity securities that are not held for trading and measured at FVOCI.
- (ii) The movement in currency translation reserve was attributable to exchange differences arising from foreign operations.

C. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Assets					
Non-current assets					
Property, plant and equipment ⁽ⁱ⁾	8	114,522	63,404	572	570
Land under development ⁽ⁱ⁾	9	50,209	102,776	26,622	26,405
Investment properties ⁽ⁱⁱ⁾	10	1,427,546	1,355,589	5,078	5,037
Goodwill	11(a)	15,833	15,523	–	–
Other intangible assets	11(b)	41,000	40,684	–	–
Mining assets	12	3,860	3,907	–	–
Subsidiaries ^(a)		–	–	188,453	133,029
Associates and joint ventures ⁽ⁱⁱⁱ⁾		591,971	636,828	144	144
Deferred tax assets	13	29,013	25,211	–	–
Other receivables ^(a)		–	–	74,600	20,000
Investment securities		400,542	406,549	–	–
Derivative financial instruments		6,752	6,852	1,080	1,263
Total non-current assets		2,681,248	2,657,323	296,549	186,448
Current assets					
Inventories	14	177,228	169,917	–	–
Trade and other receivables ^(b)		100,045	83,533	1,692,391	1,747,227
Trade related prepayments		15,150	9,037	–	–
Other prepayments		3,619	2,876	9	14
Investment securities		49,533	49,892	–	–
Derivative financial instruments		7,360	7,301	207	2,018
Income tax recoverable		2,308	1,616	–	–
Cash and bank balances ^{(iv)(c)}	15	476,339	458,053	187,649	208,550
Total current assets		831,582	782,225	1,880,256	1,957,809
Total assets		3,512,830	3,439,548	2,176,805	2,144,257

C. Condensed Interim Statements of Financial Position (cont'd)

	Note	Group		Company	
		30 June	31 December	30 June	31 December
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Equity and liabilities					
Equity					
Share capital	16	690,068	686,309	690,068	686,309
Treasury shares	17	(5,994)	(6,933)	(5,994)	(6,933)
Retained earnings ^{(v)(d)}		1,284,231	1,314,852	81,306	130,809
Other reserves ^(vi)		(551,344)	(534,193)	(14,130)	(11,238)
Equity attributable to owners of the Company		1,416,961	1,460,035	751,250	798,947
Non-controlling interests		143,874	137,426	–	–
Total equity		1,560,835	1,597,461	751,250	798,947
Non-current liabilities					
Provisions	18	20,496	20,029	–	–
Borrowings ^{(vii)(e)}	19	1,498,087	1,329,034	873,959	739,198
Derivative financial instruments ^(f)		18,678	22,907	18,678	22,545
Other payables		3,230	3,309	–	–
Lease liabilities		3,659	4,995	–	–
Deferred tax liabilities	13	60,968	64,950	644	639
Total non-current liabilities		1,605,118	1,445,224	893,281	762,382
Current liabilities					
Provisions	18	304	469	–	–
Trade and other payables ^{(viii)(g)}		110,292	90,097	530,309	536,702
Borrowings ^{(vii)(e)}	19	224,980	292,490	–	44,833
Derivative financial instruments		3,223	3,744	974	21
Lease liabilities		2,612	2,568	–	–
Income tax payable		5,466	7,495	991	1,372
Total current liabilities		346,877	396,863	532,274	582,928
Total liabilities		1,951,995	1,842,087	1,425,555	1,345,310
Total equity and liabilities		3,512,830	3,439,548	2,176,805	2,144,257

C. Condensed Interim Statements of Financial Position (cont'd)

Explanatory Notes to the Condensed Interim Statements of Financial Position

Group

- (i) The increase in property, plant and equipment was mainly due to reclassification of Crowne Plaza Penang Straits City from land under development upon completion.
- (ii) The increase in investment properties was mainly due to fair value gain and capital expenditure on logistic properties in Australia and South Korea, fair value gain on properties in Singapore, partially offset by the disposal of an investment property in Australia.
- (iii) The decrease in associates and joint ventures was mainly due to share of fair value loss on investment property and distributions from joint ventures and associates, partially offset by capital injection into an associate and a joint venture.
- (iv) The increase in cash and bank balances was mainly due to cash from a fixed rate note issued, partially used for repayment of bank loans.
- (v) The decrease in retained earnings was mainly due to the dividend declared for the financial year ended December 2023.
- (vi) The decrease in other reserves was due to the market value changes of investment securities and derivative financial instruments that were used for hedging.
- (vii) The increase in borrowings was mainly due to a fixed rate note issued, partially offset by repayment of bank loans.
- (viii) The increase in trade and other payables was mainly due to accrued development cost incurred on logistic property located in South Korea.

Company

- (a) The increase in subsidiaries and other receivables was mainly due to the equity injection and increase in shareholder loan to subsidiaries.
- (b) The decrease in trade and other receivables was mainly due to net decrease in amounts due from subsidiaries.
- (c) The decrease in cash and bank balances was mainly due to shareholder loans to subsidiaries, repayment of bank loans and payment of dividend, partially offset by cash from a fixed rate note issued.
- (d) The decrease in retained earnings was mainly due to the payment of dividend for the financial year ended December 2023.
- (e) The increase in borrowings was mainly due to a fixed rate note issued, partially offset by repayment of bank loans.
- (f) Derivative financial instrument of S\$18.6 million is relating to the embedded derivative portion of Exchangeable Bonds issued.
- (g) The decrease in trade and other payables was mainly due to decrease in amount due to a subsidiary.

D. Condensed Interim Statements of Changes in Equity

Group

	Total equity \$'000	Equity attributable to owners of the Company \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	FVOCI reserve \$'000	Hedging reserve \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Share-based compensation reserve \$'000	Other reserves \$'000	Non- controlling interests \$'000
Balance at 1 January 2024	1,597,461	1,460,035	686,309	(6,933)	1,314,852	(432,861)	1,203	45,447	(148,342)	2,897	(2,537)	137,426
Total comprehensive income for the period	1,119	(9,344)	–	–	5,228	(14,282)	69	(8)	(351)	–	–	10,463
<u>Contributions by and distributions to owners</u>												
Share based payment	(732)	(732)	–	–	–	–	–	–	–	(732)	–	–
Treasury share reissued pursuant to share-based compensation plan	–	–	260	1,587	–	–	–	–	–	(1,847)	–	–
Dividend on ordinary shares	(32,350)	(32,350)	3,499	–	(35,849)	–	–	–	–	–	–	–
Contribution of capital by non-controlling interests	1,246	–	–	–	–	–	–	–	–	–	–	1,246
Dividend paid to non-controlling interests	(5,261)	–	–	–	–	–	–	–	–	–	–	(5,261)
Purchase of treasury shares	(648)	(648)	–	(648)	–	–	–	–	–	–	–	–
Total contributions by and distributions to owners	(37,745)	(33,730)	3,759	939	(35,849)	–	–	–	–	(2,579)	–	(4,015)
Balance at 30 June 2024	1,560,835	1,416,961	690,068	(5,994)	1,284,231	(447,143)	1,272	45,439	(148,693)	318	(2,537)	143,874

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

Group (cont'd)

	Total equity \$'000	Equity attributable to owners of the Company \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	FVOCI reserve \$'000	Hedging reserve \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Share-based compensation reserve \$'000	Other reserves \$'000	Non- controlling interests \$'000
Balance at 1 January 2023	1,874,498	1,737,443	686,317	(4,085)	1,396,875	(280,093)	6,421	42,174	(109,183)	1,554	(2,537)	137,055
Total comprehensive income for the period	(82,082)	(88,499)	–	–	14,899	(85,508)	6,174	167	(24,231)	–	–	6,417
<u>Contributions by and distributions to owners</u>												
Share based payment	902	902	–	–	–	–	–	–	–	902	–	–
Treasury share reissued pursuant to share-based compensation plan	–	–	(7)	211	–	–	–	–	–	(204)	–	–
Dividend on ordinary shares	(35,996)	(35,996)	–	–	(35,996)	–	–	–	–	–	–	–
Contribution of capital by non-controlling interests	456	–	–	–	–	–	–	–	–	–	–	456
Dividend paid to non-controlling interests	(4,291)	–	–	–	–	–	–	–	–	–	–	(4,291)
Purchase of treasury shares	(618)	(618)	–	(618)	–	–	–	–	–	–	–	–
Total contributions by and distributions to owners	(39,547)	(35,712)	(7)	(407)	(35,996)	–	–	–	–	698	–	(3,835)
<u>Others</u>												
Reclassification of FVOCI reserve	–	–	–	–	(6,743)	6,743	–	–	–	–	–	–
Total others	–	–	–	–	(6,743)	6,743	–	–	–	–	–	–
Balance at 30 June 2023	1,752,869	1,613,232	686,310	(4,492)	1,369,035	(358,858)	12,595	42,341	(133,414)	2,252	(2,537)	139,637

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

Company

	Total equity \$'000	Equity attributable to owners of the Company \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Hedging reserve \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Share-based compensation reserve \$'000
Balance at 1 January 2024	798,947	798,947	686,309	(6,933)	130,809	548	585	(15,268)	2,897
Total comprehensive income for the period	(13,967)	(13,967)	–	–	(13,654)	26	3	(342)	–
<u>Contributions by and distributions to owners</u>									
Share based payment	(732)	(732)	–	–	–	–	–	–	(732)
Treasury share reissued pursuant to share-based compensation plan	–	–	260	1,587	–	–	–	–	(1,847)
Dividend on ordinary shares	(32,350)	(32,350)	3,499	–	(35,849)	–	–	–	–
Purchase of treasury shares	(648)	(648)	–	(648)	–	–	–	–	–
Total contributions by and distributions to owners	(33,730)	(33,730)	3,759	939	(35,849)	–	–	–	(2,579)
Total transactions with owners in their capacity as owners	(33,730)	(33,730)	3,759	939	(35,849)	–	–	–	(2,579)
Balance at 30 June 2024	751,250	751,250	690,068	(5,994)	81,306	574	588	(15,610)	318

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

Company (cont'd)

	Total equity \$'000	Equity attributable to owners of the Company \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Hedging reserve \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Share-based compensation reserve \$'000
Balance at 1 January 2023	777,143	777,143	686,317	(4,085)	99,378	1,548	579	(8,148)	1,554
Total comprehensive income for the period	58,748	58,748	–	–	64,755	(479)	–	(5,528)	–
<u>Contributions by and distributions to owners</u>									
Share based payment	902	902	–	–	–	–	–	–	902
Treasury share reissued pursuant to share-based compensation plan	–	–	(7)	211	–	–	–	–	(204)
Dividend on ordinary shares	(35,996)	(35,996)	–	–	(35,996)	–	–	–	–
Purchase of treasury shares	(618)	(618)	–	(618)	–	–	–	–	–
Total contributions by and distributions to owners	(35,712)	(35,712)	(7)	(407)	(35,996)	–	–	–	698
Total transactions with owners in their capacity as owners	(35,712)	(35,712)	(7)	(407)	(35,996)	–	–	–	698
Balance at 30 June 2023	800,179	800,179	686,310	(4,492)	128,137	1,069	579	(13,676)	2,252

E. Condensed Interim Consolidated Statement of Cash Flows

	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
Cash flows from operating activities		
Profit before tax	19,041	34,650
<u>Adjustments:</u>		
Depreciation of property, plant and equipment	3,124	3,367
Amortisation of other intangible assets and mining assets	120	153
Dividend income	(4,739)	(6,035)
Interest income	(8,739)	(9,446)
Finance costs	44,052	40,557
Share based payment	(732)	902
Net fair value changes in investment properties	(52,533)	(9,301)
Fair value changes in financial assets and liabilities	(1,548)	(11,158)
Net loss on disposal of investment properties	10,645	–
Net gain on disposal of associate	–	(596)
Share of results of associates and joint ventures	16,654	3,366
Unrealised foreign currency translation	4,129	(14,011)
Operating cash flows before changes in working capital	29,474	32,448
(Increase)/decrease in inventories	(7,310)	15,126
Increase in investment securities	–	(1,730)
(Increase)/decrease in trade and other receivables and prepayments	(21,069)	13,548
Decrease in trade and other payables and provisions	(2,880)	(41,354)
Cash flows (used in)/from operations	(1,785)	18,038
Income taxes paid	(8,949)	(6,236)
Finance costs paid	(16,334)	(12,865)
Interest received	7,782	4,424
Dividend received from investment securities	359	491
Net cash flows (used in)/from operating activities ⁽ⁱ⁾	(18,927)	3,852

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

	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment and investment properties	49,984	109
Proceeds from redemption of debt instrument	6,745	–
Proceeds from disposal of investment securities	–	29,978
Proceeds from disposal of associates	–	630
(Payments for)/proceeds from settlement of derivatives	(2,625)	13,319
Expenditure on property, plant and equipment	(3,312)	(5,506)
Expenditure on investment properties	(57,747)	(82,235)
Expenditure on land under development	(1,822)	(8,437)
Purchase of investment securities	(4,328)	(57,121)
Subscription of debt instrument	(6,725)	–
Investment in associates and joint ventures	(12,497)	(1,557)
Return of capital from associates	6,505	6,976
Cost incurred on deferred mine exploration and evaluation expenditure, mine properties, and other intangible assets	(25)	(238)
Dividend received from investment securities, associates and joint ventures	27,427	8,577
Net cash flows from/(used in) investing activities ⁽ⁱⁱ⁾	1,580	(95,505)
Cash flows from financing activities		
Dividend paid on ordinary shares	(32,350)	(35,996)
Dividend paid to non-controlling shareholders of subsidiaries	(5,261)	(4,291)
Purchase of treasury shares	(648)	(618)
Net proceeds from issuance of shares by subsidiaries to non-controlling shareholders	1,246	456
Repayment of borrowings	(241,735)	(323,504)
Proceeds from borrowings	334,953	574,970
Finance costs paid	(18,682)	(15,581)
Payment of principal portion of lease liabilities	(1,399)	(1,041)
Decrease/(increase) in restricted cash	9,212	(1,637)
Net cash flows from financing activities ⁽ⁱⁱⁱ⁾	45,336	192,758
Net increase in cash and cash equivalents	27,989	101,105
Effect of exchange rate changes on cash and cash equivalents	(491)	37
Cash and cash equivalents, at 1 January	436,021	238,586
Cash and cash equivalents, at 30 June	463,519	339,728

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

Explanatory Notes to the Condensed Interim Consolidated Statement of Cash Flows

- (i) Net cash used in operating activities for 1H2024 was mainly attributable to cash used in tin trading business.
- (ii) Net cash from investing activities for 1H2024 was mainly due to the proceeds from disposal of investment properties and distribution received from associates and joint ventures, offset by the payments for development expenditure on investment properties.
- (iii) Net cash generated from financing activities for 1H2024 was mainly due to proceeds from issuance of fixed rate note and drawdown of loan facilities, partially offset by repayment of borrowings and dividend paid to shareholders.

F. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

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

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 investment holding. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (referred to as the “Group”) and the Group’s interests in associates and joint ventures.

2. Basis of preparation

The condensed interim financial statements of the Group for the six months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the period ended 31 December 2023.

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

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

2.1 New and amended standards adopted by the Group

The accounting policies adopted by the Group in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group’s Annual Report for the financial year ended 31 December 2023, except for the adoption of new and revised standards effective as of 1 January 2024.

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

- Amendments to SFRS(I) 1-1: Presentation of Financial Statements (*Classification of Liabilities as Current or Non-current*)
- Amendments to SFRS(I) 1-1: Presentation of Financial Statements (*Non-current Liabilities with Covenants*)
- Amendments to SFRS(I) 16: Leases (*Lease Liability in a Sale and Leaseback*)
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangement

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

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

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

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

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

- Notes 7 and 13 – Determination of capital allowance, reinvestment allowance, mining allowance, group-wide provision for income taxes and deferred tax provisions
- Note 23 – Impairment of financial assets

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

- Note 8 – Depreciation of property, plant and equipment
- Notes 8, 9 and 10 – Revaluation of properties
- Note 11 – Impairment test of goodwill: key assumptions underlying recoverable amounts
- Note 14 – Inventories: valuation of tin inventories
- Note 18 – Provision for retrenchment compensation and mine restoration costs: compensation and estimates for ore reserve and mineral resource

3. Seasonal operations

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

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

4. Revenue

	Group	
	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
Disaggregation of revenue from contracts with customers:		
– Tin mining and smelting revenue	220,102	202,110
– Property revenue	32,434	33,697
	<u>252,536</u>	<u>235,807</u>
Timing of transfer of goods or services:		
– At a point in time	220,102	202,110
– Over time	32,434	33,697
	<u>252,536</u>	<u>235,807</u>

5. Other (loss)/income

	Group	
	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
Net loss on disposal of investment properties	(10,645)	–
Net (loss)/gain from settlement of forward tin contracts	(718)	1,466
Fair value changes in financial instruments:		
- Held-for-trading equity securities at fair value through profit or loss ("FVPL")	(1,966)	(5,587)
- Derivative financial instruments at FVPL	3,514	17,034
- Ineffective portion of derivatives designated as hedging instruments in cash flow hedge	–	(289)
Net foreign exchange gains	2,482	3,638
Others	1,525	2,962
	<u>(5,808)</u>	<u>19,224</u>

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

6. Other expenses

	Group	
	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
Administrative expenses	7,456	4,098
Marketing and distribution expenses	751	648
Property related management fees	1,510	1,877
Property upkeep and maintenance expenses	6,206	5,500
Property related taxes	3,307	2,195
Brokerage fees	33	119
(Reversal of)/allowance for expected credit losses	(67)	24
Other expenses	964	740
	<u>20,160</u>	<u>15,201</u>

7. Income tax expense

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

	Group	
	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
<i>Income tax</i>		
- Current income tax	6,271	8,443
- (Over)/under provision in prior years	(5)	1,422
	<u>6,266</u>	<u>9,865</u>
<i>Deferred tax</i>		
- Originating and reversal of temporary differences	(6,985)	(1,770)
- Under/(over) provision in prior years	4	(1,185)
	<u>(6,981)</u>	<u>(2,955)</u>
<i>Withholding tax</i>	<u>5,542</u>	913
Income tax expense recognised in profit or loss	<u>4,827</u>	<u>7,823</u>

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

8. Property, plant and equipment

Group	At valuation			At cost					Total \$'000
	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Plant, equipment, vehicles and furniture \$'000	Capital work-in- progress \$'000	Mine restoration \$'000	Land and buildings \$'000	Motor vehicles \$'000	
At cost or valuation									
At 1 January 2024	137	10,934	8,274	56,894	10,354	12,877	15,926	195	115,591
Additions	–	–	–	489	2,823	–	–	–	3,312
Write-offs	–	–	–	(28)	–	–	–	–	(28)
Reclassifications and transfers	926	–	50,703	3,578	(5,941)	–	–	–	49,266
Elimination of accumulated depreciation on revaluation	–	(72)	(192)	–	–	–	–	–	(264)
Exchange differences	52	89	303	457	987	106	12	–	2,006
At 30 June 2024	1,115	10,951	59,088	61,390	8,223	12,983	15,938	195	169,883
Accumulated depreciation									
At 1 January 2024	–	–	–	37,989	–	5,425	8,663	110	52,187
Depreciation charge for the period	–	71	190	1,331	–	279	1,241	12	3,124
Write-offs	–	–	–	(28)	–	–	–	–	(28)
Elimination of accumulated depreciation on revaluation	–	(72)	(192)	–	–	–	–	–	(264)
Exchange differences	–	1	2	289	–	48	2	–	342
At 30 June 2024	–	–	–	39,581	–	5,752	9,906	122	55,361
Net carrying amount									
At 30 June 2024	1,115	10,951	59,088	21,809	8,223	7,231	6,032	73	114,522

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

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

Group	<u>Right-of-use assets</u>								Total \$'000
	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Plant, equipment, vehicles and furniture \$'000	Capital work-in- progress \$'000	Mine restoration \$'000	Land and buildings \$'000	Motor vehicles \$'000	
	At valuation			At cost					
At cost or valuation									
At 1 January 2023	143	10,065	8,625	49,773	7,687	12,192	12,690	195	101,370
Additions	–	–	16	943	9,182	1,435	7,405	–	18,981
Disposals	–	–	–	(227)	–	–	–	–	(227)
Write-offs	–	–	–	(724)	–	–	–	–	(724)
Reclassifications	–	–	136	5,819	(5,955)	–	–	–	–
Revaluation surplus	3	1,607	347	–	–	–	–	–	1,957
Elimination of accumulated depreciation on revaluation	–	(118)	(321)	–	–	–	–	–	(439)
Remeasurement of lease liability	–	–	–	–	–	–	(155)	–	(155)
Adjustments	–	–	–	4,505	–	–	(3,895)	–	610
Exchange differences	(9)	(620)	(529)	(3,195)	(560)	(750)	(119)	–	(5,782)
At 31 December 2023	137	10,934	8,274	56,894	10,354	12,877	15,926	195	115,591
Accumulated depreciation									
At 1 January 2023	–	–	–	33,438	–	5,221	10,100	82	48,841
Depreciation charge for the year	–	122	329	3,013	–	538	2,479	28	6,509
Disposals	–	–	–	(105)	–	–	–	–	(105)
Write-offs	–	–	–	(706)	–	–	–	–	(706)
Elimination of accumulated depreciation on revaluation	–	(118)	(321)	–	–	–	–	–	(439)
Adjustments	–	–	–	4,505	–	–	(3,895)	–	610
Exchange differences	–	(4)	(8)	(2,156)	–	(334)	(21)	–	(2,523)
At 31 December 2023	–	–	–	37,989	–	5,425	8,663	110	52,187
Net carrying amount									
At 31 December 2023	137	10,934	8,274	18,905	10,354	7,452	7,263	85	63,404

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

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

Company	Freehold land \$'000 At valuation	Buildings \$'000	Plant, equipment, vehicles and furniture \$'000 At cost	Total \$'000
At cost or valuation				
At 1 January 2024	46	485	91	622
Revaluation surplus	–	2	–	2
Elimination of accumulated depreciation on revaluation	–	(2)	–	(2)
Exchange differences	–	4	1	5
At 30 June 2024	<u>46</u>	<u>489</u>	<u>92</u>	<u>627</u>
Accumulated depreciation				
At 1 January 2024	–	–	52	52
Depreciation charge for the period	–	2	3	5
Elimination of accumulated depreciation on revaluation	–	(2)	–	(2)
At 30 June 2024	<u>–</u>	<u>–</u>	<u>55</u>	<u>55</u>
Net carrying amount				
At 30 June 2024	<u><u>46</u></u>	<u><u>489</u></u>	<u><u>37</u></u>	<u><u>572</u></u>
At cost or valuation				
At 1 January 2023	46	517	97	660
Revaluation surplus	3	5	–	8
Elimination of accumulated depreciation on revaluation	–	(5)	–	(5)
Exchange differences	(3)	(32)	(6)	(41)
At 31 December 2023	<u>46</u>	<u>485</u>	<u>91</u>	<u>622</u>
Accumulated depreciation				
At 1 January 2023	–	–	51	51
Depreciation charge for the year	–	5	5	10
Elimination of accumulated depreciation on revaluation	–	(5)	–	(5)
Exchange differences	–	–	(4)	(4)
At 31 December 2023	<u>–</u>	<u>–</u>	<u>52</u>	<u>52</u>
Net carrying amount				
At 31 December 2023	<u><u>46</u></u>	<u><u>485</u></u>	<u><u>39</u></u>	<u><u>570</u></u>

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

9. Land under development

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
At cost				
At 1 January	102,776	104,918	26,405	28,127
Additions	1,216	4,380	–	–
Transfers	(53,426)	–	–	–
Exchange differences	(357)	(6,522)	217	(1,722)
At 30 June/31 December	50,209	102,776	26,622	26,405
Amount written-down				
At 1 January	–	9,138	–	–
Reversal of write-down to net realisable value ⁽¹⁾	–	(8,601)	–	–
Exchange differences	–	(537)	–	–
At 30 June/31 December	–	–	–	–
Net carrying amount At 30 June/31 December	50,209	102,776	26,622	26,405

⁽¹⁾ In 2023, the write-down to net realisable value relating to Lot No. 20502, section 4 Town of Butterworth, North Seberang Perai District, Penang was reversed following the revaluation of property under development.

10. Investment properties

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
At fair value				
At 1 January	1,355,589	1,312,915	5,037	5,274
Net fair value changes recognised in profit or loss	52,533	(25,796)	–	86
Additions	75,453	112,241	–	–
Disposals	(59,872)	(41,408)	–	–
Transfers	4,160	–	–	–
Exchange differences	(317)	(2,363)	41	(323)
At 30 June/31 December	1,427,546	1,355,589	5,078	5,037

Investment properties are stated at fair value, which have been determined based on valuations at the end of the reporting period. The Group determines the fair value of investment properties with the assistance of accredited professional valuers with recent experience and takes into consideration prevailing market conditions in respective location and category of the properties being valued.

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

11. Goodwill/Other intangible assets

(a) Goodwill arising on consolidation

	Group	
	2024	2023
	\$'000	\$'000
At Cost		
At 1 January	15,523	16,323
Exchange differences	310	(800)
At 30 June/31 December	15,833	15,523

The carrying amount of goodwill is allocated to the Group's resources segment.

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

The cash-generating units to which goodwill have been allocated is tested for impairment annually. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

No impairment indicators were identified as at 30 June 2024 based on the cash-generating units' business performance. The Group performed its annual impairment test in December 2023. The key assumptions used to determine the recoverable amount for the cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2023.

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

11. Goodwill/Other intangible assets (cont'd)

(b) Other intangible assets

	Mining rights \$'000	Corporate club memberships \$'000	Trademark \$'000	Total \$'000
Group				
At cost				
At 1 January 2024	43,118	162	26	43,306
Additions	–	–	2	2
Exchange differences	352	1	–	353
At 30 June 2024	<u>43,470</u>	<u>163</u>	<u>28</u>	<u>43,661</u>
Accumulated amortisation and impairment loss				
At 1 January 2024	2,581	41	–	2,622
Amortisation charge for the period	17	1	–	18
Exchange differences	21	–	–	21
At 30 June 2024	<u>2,619</u>	<u>42</u>	<u>–</u>	<u>2,661</u>
Net carrying amount At 30 June 2024	<u><u>40,851</u></u>	<u><u>121</u></u>	<u><u>28</u></u>	<u><u>41,000</u></u>
At cost				
At 1 January 2023	45,767	173	–	45,940
Additions	157	–	27	184
Exchange differences	(2,806)	(11)	(1)	(2,818)
At 31 December 2023	<u>43,118</u>	<u>162</u>	<u>26</u>	<u>43,306</u>
Accumulated amortisation and impairment loss				
At 1 January 2023	2,705	41	–	2,746
Amortisation charge for the year	43	2	–	45
Exchange differences	(167)	(2)	–	(169)
At 31 December 2023	<u>2,581</u>	<u>41</u>	<u>–</u>	<u>2,622</u>
Net carrying amount At 31 December 2023	<u><u>40,537</u></u>	<u><u>121</u></u>	<u><u>26</u></u>	<u><u>40,684</u></u>

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

12. Mining assets

	Deferred mine exploration and evaluation expenditure \$'000	Mine properties \$'000	Total \$'000
Group			
At cost			
At 1 January 2024	439	40,625	41,064
Additions	23	–	23
Exchange differences	5	333	338
At 30 June 2024	<u>467</u>	<u>40,958</u>	<u>41,425</u>
Accumulated amortisation and impairment loss			
At 1 January 2024	–	37,157	37,157
Amortisation charge for the period	–	102	102
Exchange differences	–	306	306
At 30 June 2024	<u>–</u>	<u>37,565</u>	<u>37,565</u>
Net carrying amount At 30 June 2024	<u>467</u>	<u>3,393</u>	<u>3,860</u>
At cost			
At 1 January 2023	403	43,021	43,424
Additions	148	157	305
Reclassifications	(87)	87	–
Exchange differences	(25)	(2,640)	(2,665)
At 31 December 2023	<u>439</u>	<u>40,625</u>	<u>41,064</u>
Accumulated amortisation and impairment loss			
At 1 January 2023	–	39,316	39,316
Amortisation charge for the year	–	258	258
Exchange differences	–	(2,417)	(2,417)
At 31 December 2023	<u>–</u>	<u>37,157</u>	<u>37,157</u>
Net carrying amount At 31 December 2023	<u>439</u>	<u>3,468</u>	<u>3,907</u>

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

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

13. Deferred tax assets and liabilities

	Group		Company	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Deferred tax assets	29,013	25,211	–	–
Deferred tax liabilities	(60,968)	(64,950)	(644)	(639)
	(31,955)	(39,739)	(644)	(639)

	Group		Company	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Provisions	3,372	3,722	–	–
Unutilised tax losses	445	441	–	–
Differences in depreciation	(4,407)	(4,105)	1	1
Net fair value changes on investment properties	(2,741)	(8,818)	(503)	(499)
Revaluation of property, plant and equipment	(2,264)	(2,245)	(142)	(141)
Net fair value changes on derivative financial instruments	82	129	–	–
Unremitted foreign sourced income	(28,085)	(29,291)	–	–
Others	1,643	428	–	–
	(31,955)	(39,739)	(644)	(639)

14. Inventories

	Group	
	30 June 2024 \$'000	31 December 2023 \$'000
Statement of financial position		
Tin inventories	170,481	163,302
Other inventories (stores, spares, fuels, coal and consumables)	6,747	6,615
	177,228	169,917
Statement of profit or loss		
Inventories recognised as an expense in cost of sales	191,996	358,767

The carrying amount of tin inventories include allowance of tin loss of \$3,388,000 (2023: \$1,162,000).

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

15. Cash and bank balances

	Group		Company	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Cash at banks and on hand	167,966	226,412	55,831	53,906
Short-term deposits	273,996	231,641	97,441	154,644
Treasury bills	34,377	–	34,377	–
	476,339	458,053	187,649	208,550

For the purpose of the condensed interim consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	30 June 2024 \$'000	31 December 2023 \$'000
Cash and bank balances	476,339	458,053
Less: Restricted cash	(12,820)	(22,032)
Cash and cash equivalents per condensed interim consolidated statement of cash flows	463,519	436,021

16. Share capital

	Group and Company			
	2024		2023	
	Number of shares	\$'000	Number of shares	\$'000
Issued and fully paid ordinary shares				
At 1 January	451,782,747	686,309	451,782,747	686,317
Issued for distribution pursuant to scrip dividend scheme ⁽ⁱ⁾	2,591,104	3,499	–	–
Vesting of shares under share-based compensation plan	–	260	–	(8)
At 30 June/31 December	454,373,851	690,068	451,782,747	686,309

⁽ⁱ⁾ In 2024, the Company has allotted and issued 2,591,104 new ordinary shares at S\$1.35 per ordinary share to eligible shareholders who had elected to participate in the scrip dividend scheme in respect of the dividend declared for the financial year ended December 2023.

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

17. Treasury shares

	Group and Company			
	2024		2023	
	Number of shares	\$'000	Number of shares	\$'000
At 1 January	(3,309,825)	(6,933)	(1,832,300)	(4,085)
Purchase of treasury shares	(365,100)	(648)	(1,584,900)	(3,085)
Share reissued pursuant to share-based compensation plan	769,355	1,587	107,375	237
At 30 June/31 December	(2,905,570)	(5,994)	(3,309,825)	(6,933)

As at 30 June 2024, the Company held 2,905,570 treasury shares (31 December 2023: 3,309,825) which represents 0.6% (31 December 2023: 0.7%) of the total number of issued shares 451,468,281 (31 December 2023: 448,472,922) (excluding treasury shares).

Treasury shares consist of ordinary shares of the Company that are held by the Company.

In 1H2024, the Company acquired 365,100 (31 December 2023: 1,584,900) of its own shares through purchases on the SGX-ST. The total amount paid to acquire the shares was \$648,000 (31 December 2023: \$3,085,000) and this was presented as a component within shareholders' equity.

18. Provisions

	Provision for mine restoration \$'000	Provision for retrenchment compensation \$'000	Total \$'000
Group			
At 1 January 2024	16,145	4,353	20,498
Utilised during the period	–	(235)	(235)
Discount adjustment	299	73	372
Exchange differences	137	28	165
At 30 June 2024	16,581	4,219	20,800
Non-current	16,327	4,169	20,496
Current	254	50	304
	16,581	4,219	20,800
2023			
At 1 January 2023	15,052	3,995	19,047
Made during the year	1,435	481	1,916
Discount adjustment	601	132	733
Exchange differences	(943)	(255)	(1,198)
At 31 December 2023	16,145	4,353	20,498
Non-current	15,893	4,136	20,029
Current	252	217	469
	16,145	4,353	20,498

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

19. Borrowings

	Group		Company	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Amount repayable within one year or on demand				
Secured	132,544	164,624	–	–
Unsecured	92,436	127,866	–	44,833
Total	224,980	292,490	–	44,833
Amount repayable after one year				
Secured	947,799	908,143	326,276	320,912
Unsecured	550,288	420,891	547,683	418,286
Total	1,498,087	1,329,034	873,959	739,198

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

On 13 February 2023, the Company issued 3.25% secured Exchangeable Bonds (the “Bonds”) denominated in Singapore Dollars with a nominal value of S\$370.0 million. The Bonds are due for repayment five years from the issue date at their nominal value or may be exchangeable into ordinary shares of ESR Group Limited at an initial exchange price of HKD22.00 and initial exchange ratio of a pro rata share of 67,738.6364 shares for each S\$250,000 principal amount of the Bonds.

On 24 January 2024, the Company issued S\$130.0 million 4.70% fixed rate note due 24 January 2029 under its S\$500 million multicurrency debt issuance programme, with a repayment term of 5 years from the issue date.

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

20. Dividends

	Group and Company	
	6 months ended 30 June 2024	6 months ended 30 June 2023
	\$'000	\$'000
Declared and paid during the period		
<i>Dividends on ordinary shares:</i>		
- 2023 Interim dividend paid in 2024: 8 cents per share tax exempt (one-tier tax)		
(2022 Interim dividend paid in 2023: 8 cents per share tax exempt (one-tier tax))	35,849	35,996

21. Related party disclosures

Sale and purchase of goods and services

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

	Group	
	6 months ended 30 June 2024	6 months ended 30 June 2023
	\$'000	\$'000
<i>Associates/Joint ventures</i>		
Sales of goods	8,419	7,847
Interest income	879	658
<i>Other related parties</i>		
Rental income	401	406
Accounting and other service fee income	176	176

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

22. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities as at 30 June 2024 and 31 December 2023.

	Fair value through profit or loss \$'000	Fair value through other comprehensive income \$'000	Amortised cost \$'000	Total \$'000
Group				
At 30 June 2024				
Financial assets				
Investment securities	79,655	369,420	1,000	450,075
Trade and other receivables	–	–	100,045	100,045
Derivative financial instruments	7,179	6,933	–	14,112
Cash and bank balances	–	–	476,339	476,339
Financial liabilities				
Trade and other payables	–	–	108,495	108,495
Lease liabilities	–	–	6,271	6,271
Borrowings	–	–	1,723,067	1,723,067
Derivative financial instruments	21,827	74	–	21,901
At 31 December 2023				
Financial assets				
Investment securities	80,824	374,617	1,000	456,441
Trade and other receivables	–	–	83,533	83,533
Derivative financial instruments	10,985	3,168	–	14,153
Cash and bank balances	–	–	458,053	458,053
Financial liabilities				
Trade and other payables	–	–	88,790	88,790
Lease liabilities	–	–	7,563	7,563
Borrowings	–	–	1,621,524	1,621,524
Derivative financial instruments	26,300	351	–	26,651

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

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

	Fair value through profit or loss \$'000	Fair value through other comprehensive income \$'000	Amortised cost \$'000	Total \$'000
Company				
At 30 June 2024				
Financial assets				
Trade and other receivables	–	–	1,766,991	1,766,991
Derivative financial instruments	1,287	–	–	1,287
Cash and bank balances	–	–	187,649	187,649
Financial liabilities				
Trade and other payables	–	–	530,309	530,309
Borrowings	–	–	873,959	873,959
Derivative financial instruments	19,652	–	–	19,652
At 31 December 2023				
Financial assets				
Trade and other receivables	–	–	1,767,227	1,767,227
Derivative financial instruments	2,733	548	–	3,281
Cash and bank balances	–	–	208,550	208,550
Financial liabilities				
Trade and other payables	–	–	536,702	536,702
Borrowings	–	–	784,031	784,031
Derivative financial instruments	22,566	–	–	22,566

23. Fair value of assets and liabilities

A. Fair value hierarchy

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

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

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

Level 3 - Unobservable inputs for the asset or liability.

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

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

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

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

B. Assets and liabilities measured at fair value

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

	Group 30 June 2024 \$'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 8)	–	–	71,154	71,154
Investment properties (Note 10)	–	–	1,427,546	1,427,546
	–	–	1,498,700	1,498,700
Financial assets				
<u>Financial assets at FVPL</u>				
Quoted equity securities	62,525	17,130	–	79,655
<u>Financial assets at FVOCI</u>				
Quoted equity securities	337,394	32,026	–	369,420
<u>Derivatives</u>				
Derivative financial instruments	–	14,112	–	14,112
	399,919	63,268	–	463,187
Financial liabilities				
<u>Derivatives</u>				
Derivative financial instruments	–	21,901	–	21,901

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

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

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

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

	Group 31 December 2023 \$'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 8)	–	–	19,345	19,345
Investment properties (Note 10)	–	–	1,355,589	1,355,589
	–	–	1,374,934	1,374,934
Financial assets				
<u>Financial assets at FVPL</u>				
Quoted equity securities	64,229	16,595	–	80,824
<u>Financial assets at FVOCI</u>				
Quoted equity securities	342,753	31,864	–	374,617
<u>Derivatives</u>				
Derivative financial instruments	–	14,153	–	14,153
	406,982	62,612	–	469,594
Financial liabilities				
<u>Derivatives</u>				
Derivative financial instruments	–	26,651	–	26,651

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

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

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

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

	Company 30 June 2024 \$'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 8)	–	–	535	535
Investment properties (Note 10)	–	–	5,078	5,078
	–	–	5,613	5,613
Financial assets				
<u>Derivatives</u>				
Derivative financial instruments	–	1,287	–	1,287
Financial liabilities				
<u>Derivatives</u>				
Derivative financial instruments	–	19,652	–	19,652

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

23. 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 31 December 2023 \$'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 8)	–	–	531	531
Investment properties (Note 10)	–	–	5,037	5,037
	–	–	5,568	5,568
Financial assets				
<u>Derivatives</u>				
Derivative financial instruments	–	3,281	–	3,281
Financial liabilities				
<u>Derivatives</u>				
Derivative financial instruments	–	22,566	–	22,566

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

24. Segment and revenue information

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

The four reportable operating segments are as follows:

- (a) The Resources segment's principal activities comprise 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 investment in ESR Group Limited, STC Property Management Sdn. Bhd. and Straits Real Estate Pte. Ltd..
- (c) The Hospitality business comprises hotel ownership and hotel management under the Group's 30% associate, Far East Hospitality Holdings Pte. Ltd. ("FEHH").
- (d) The Others segment comprises Group-level corporate and treasury services, and securities and other investments, including the Group's 14% interest in an associate, SDAX Financial Pte. Ltd. ("SDAX").

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

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

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

24. Segment and revenue information (cont'd)

Operating segments for 6 months ended 30 June 2024

	Resources \$'000	Real Estate \$'000	Hospitality \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
Revenue						
Sale of tin	217,338	-	-	-	-	217,338
Smelting revenue	2,566	-	-	-	-	2,566
Other resources revenue	198	-	-	-	-	198
Rental and related income	-	32,434	-	-	-	32,434
Inter-segment revenue	-	5	-	-	(5)	-
Total revenue	220,102	32,439	-	-	(5)	252,536
Segment results						
Operating profit	18,070	1,236	662	7,246	-	27,214
Net fair value changes in investment properties	-	52,533	-	-	-	52,533
Finance costs	(2,551)	(18,560)	-	(22,941)	-	(44,052)
Share of results of associates and joint ventures	7	(17,145)	1,227	(743)	-	(16,654)
Profit/(Loss) before tax	15,526	18,064	1,889	(16,438)	-	19,041
Income tax (expense)/credit	(4,202)	72	(112)	(585)	-	(4,827)
Profit/(Loss) after tax	11,324	18,136	1,777	(17,023)	-	14,214
Profit/(Loss) attributable to:						
Owners of the Company	5,097	15,377	1,777	(17,023)	-	5,228
Non-controlling interests	6,227	2,759	-	-	-	8,986
	11,324	18,136	1,777	(17,023)	-	14,214
Segment Assets						
	424,898	2,571,869	155,528	360,535	-	3,512,830
Segment Liabilities						
	168,977	875,401	-	907,617	-	1,951,995
Other information						
Dividend income	338	4,042	-	359	-	4,739
Interest income	994	2,025	662	5,058	-	8,739
Depreciation expense	1,660	1,464	-	-	-	3,124
Amortisation expense	120	-	-	-	-	120
Other material non-cash items						
Associates and joint ventures	8,539	485,292	88,976	9,164	-	591,971
Additions to non-current assets ⁽¹⁾	2,320	77,686	-	-	-	80,006

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

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

24. Segment and revenue information (cont'd)

Operating segments for 6 months ended 30 June 2023

	Resources \$'000	Real Estate \$'000	Hospitality \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
Revenue						
Sale of tin	191,910	–	–	–	–	191,910
Smelting revenue	5,717	–	–	–	–	5,717
Sale of by-product	3,639	–	–	–	–	3,639
Other resources revenue	270	–	–	574	–	844
Rental and related income	–	33,697	–	–	–	33,697
Inter-segment revenue	–	5	–	–	(5)	–
Revenue	201,536	33,702	–	574	(5)	235,807
Segment results						
Operating profit	30,772	17,951	658	19,891	–	69,272
Net fair value changes in investment properties	–	9,301	–	–	–	9,301
Finance costs	(2,715)	(18,728)	–	(19,114)	–	(40,557)
Share of results of associates and joint ventures	104	(1,795)	(993)	(682)	–	(3,366)
Profit/(Loss) before tax	28,161	6,729	(335)	95	–	34,650
Income tax (expense)/credit	(7,365)	138	(112)	(484)	–	(7,823)
Profit/(Loss) after tax	20,796	6,867	(447)	(389)	–	26,827
Profit/(Loss) attributable to:						
Owners of the Company	9,783	5,952	(447)	(389)	–	14,899
Non-controlling interests	11,013	915	–	–	–	11,928
	20,796	6,867	(447)	(389)	–	26,827
Segment Assets	398,490	2,705,905	152,501	312,811	–	3,569,707
Segment Liabilities	143,126	870,561	–	803,151	–	1,816,838
Other information						
Dividend income	342	5,202	–	491	–	6,035
Interest income	666	4,499	658	3,623	–	9,446
Depreciation expense	1,871	1,495	–	1	–	3,367
Amortisation expense	153	–	–	–	–	153
Other material non-cash items						
Associates and joint ventures	8,463	571,236	85,949	10,543	–	676,191
Additions to non-current assets ⁽¹⁾	3,483	70,501	–	–	–	73,984

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

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

24. Segment and revenue information (cont'd)

Geographical information

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

Geographical information for 6 months ended 30 June 2024

	Singapore \$'000	Malaysia \$'000	Australia \$'000	China \$'000	United Kingdom \$'000	Consolidated \$'000
Segment revenue						
Revenue from external parties	1,028	220,182	17,310	4,631	9,385	252,536

Geographical information for 6 months ended 30 June 2023

	Singapore \$'000	Malaysia \$'000	Australia \$'000	China \$'000	United Kingdom \$'000	Consolidated \$'000
Segment revenue						
Revenue from external parties	1,971	201,624	17,804	4,402	10,006	235,807

25. Net asset value

	Group		Company	
	30 June 2024 \$	31 December 2023 \$	30 June 2024 \$	31 December 2023 \$
Net asset value per ordinary share	3.14	3.26	1.66	1.78

* Based on share capital of 451,468,281 ordinary shares (excluding treasury shares) as at the end of the financial period (31 December 2023: 448,472,922 ordinary shares (excluding treasury shares)).

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

26. Share-based compensation plan

Performance Share Plan ("PSP")

The PSP is the performance-based share incentive plan for key management executives approved by shareholders of the Company at the Annual General Meeting held on 26 April 2019.

In 2022, the Company granted share awards (the "Awards") to certain employees of the Company under the PSP as consideration for services rendered. The Awards has been released on 28 June 2024, upon achievement of certain performance conditions pursuant to the PSP. The actual number of shares was finalised based on the extent of achievement of the Performance Conditions approved by the Remuneration Committee.

In 2023, share awards, the "FY2022" award and the "FY2023" award, were granted pursuant to the PSP. These two awards will be vested in equal tranches across four years from FY2022 and FY2023 respectively.

In 2024, share awards, the "PSP FY2024" award, was granted pursuant to the PSP. This award will be vested in equal tranches across four years from FY2024.

Movement of share awards during the financial period

Grant	Grant date	Number of Share Awards			
		At 1 January 2024 or later date of grant	Vested	Forfeited/ others	At 30 June 2024
PSP					
Awards	19 January 2022	1,830,600	(502,680)	(1,327,920)	–
FY2022	8 May 2023	322,125	(107,375)	(10,100)	204,650
FY2023	8 May 2023	637,200	(159,300)	(21,000)	456,900
PSP FY2024	8 May 2024	194,100	–	–	194,100

27. Contingent liabilities – Malaysia Smelting Corporation Berhad ("MSC")

On 27 June 2024, the Inland Revenue Board of Malaysia ("IRB") issued Notices of Additional Assessment with penalties for YA 2019, YA 2021 and YA 2022 ("Notices") to Rahman Hydraulic Tin Sdn. Bhd. ("RHT"), an 80% owned subsidiary of MSC. The Notices were raised pursuant to the disallowance of past tribute payments and its related legal and professional fees incurred by RHT.

Based on tax and legal advice obtained from MSC's tax consultants and solicitors, MSC is of the view that there are fair and reasonable grounds to defend against the Notices. The Directors are of the view that no provision is required in the condensed consolidated financial statements at this juncture.

MSC is currently in the process of filing a judicial review against the IRB on the matter.

28. Events after the reporting period

There was no material event after the end of the period.

G. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of The Straits Trading Company Limited (the "Company") and its subsidiaries as at 30 June 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Group

The Group reported a profit after tax and non-controlling interests ("PATNCI") of \$5.2 million and \$14.9 million for 1H2024 and 1H2023 respectively. The decline was primarily attributable to the lower fair value gain from the derivative component of Exchangeable Bonds.

Resources

The resources segment reported a lower PATNCI for 1H2024 compared with the previous corresponding period.

The lower profit for 1H2024 was mainly due to lower refined tin production resulted from the annual re-bricking and scheduled maintenance of the furnace that commenced in mid of May 2024, despite higher revenue from higher average tin price.

Real Estate

The real estate segment reported a higher PATNCI for 1H2024 compared with the previous corresponding period.

The higher profit for 1H2024 was mainly due to higher net fair value changes from logistic properties in South Korea and Australia, partially offset by loss on disposal of an investment property in Australia.

Hospitality

The hospitality segment reported a profit for 1H2024 compared with the loss in the previous corresponding period.

The better result was due to higher share of results from its associates, stronger operating performance driven by positive demand from international travels, coupled with currency translation gain as Australian dollar strengthened in 1H2024.

Others

The weaker performance was mainly due to lower fair value gain from derivative component of Exchangeable Bonds, mark-to-market loss from short term investment securities in 1H2024 against gain in 1H2023, and higher interest expenses.

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

No prospect statement was disclosed in the full year FY2023 financial results announcement made on 27 February 2024.

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

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

The global economic outlook appears cautiously optimistic with moderate growth projected across major economies albeit with varying momentum. While Central Banks are near the point where they could start normalising rates, given signs of slowing economic activity and easing inflationary pressures, services inflation in certain countries such as Australia and the UK could complicate the timing and magnitude of any such rate cuts. Escalating trade tensions and policy uncertainties also pose increased risks to the global economy. In light of these conditions, the Group will maintain prudent capital management practices, prioritising activities focused on sustaining growth and enhancing shareholders' returns.

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

SRE, the Group's wholly-owned real estate investment vehicle, has a well-diversified income-producing portfolio spanning multiple real estate asset classes. The investment portfolio is also geographically diversified across Australia, China, Japan, Korea and the United Kingdom. SRE will continue to recycle capital, enhance assets and adjust its portfolio of investment properties to achieve optimal risk-adjusted returns.

Straits City Future City

Amidst macroeconomic uncertainties, Penang stands out as Malaysia's economic powerhouse, well-positioned for stakeholders to unlock more value. This is evident from the robust investment inflows into Penang, reflecting investors' sustained confidence in the state, supported by strategies aimed at stimulating local businesses to invest into the region.

On the hospitality front, the hotel market in Asia-Pacific, including Penang, is undergoing structural evolution as hotel owners and operators refine their operational and branding strategies. In particular, the industry is increasingly embracing ESG initiatives, driven by escalating energy costs and a shift in guest preferences towards sustainable tourism. Crowne Plaza Penang Straits City is well-positioned to capture this market given its strong ESG commitments and the hotel would benefit from the positive momentum generated by the above-mentioned factors when it opens in August 2024.

Malaysia Smelting Corporation Berhad ("MSC")

MSC will continue to focus on operational efficiencies and improvements for its smelting and mining business. Post the full commission of the Pulau Indah plant operation in the near term, and the planned closure of the old plant at Butterworth, MSC expects higher efficiency from lower operational and manpower costs and its energy saving initiatives, and a reduced overall carbon footprint. MSC is also taking steps to expand its mining activities and grow its tin mining resources.

Far East Hospitality Holdings Pte. Ltd. ("FEHH")

FEHH is cautiously optimistic regarding its hospitality outlook, and expects its hotel occupancies and room rates to improve as the tourism sector rebounds along with Singapore's international arrivals increasing to ~15 to 16 million in 2024 from 13.6 million in 2023. Despite the uncertainties in the international economic environment, FEHH will actively take steps to build capabilities and capture opportunities via growing its portfolio through a combination of strategic partnerships, hotel management agreements and selective acquisitions.

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

5. Dividend information

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on?

No dividend has been declared for the six months ended 30 June 2024.

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

(b) Corresponding period of the immediate preceding financial year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

6. Interested person transactions

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

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

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

By Order of the Board

Ngiam May Ling
Company Secretary

12 August 2024
Singapore

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

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Chew Gek Khim
Director

Tan Chian Khong
Director

12 August 2024
Singapore