THAKRAL
CORPORATION LTD

RESILIENCE AMIDST ECONOMIC CHALLENGES

ANNUAL REPORT 2020

TABLE OF
CONTENTS

CORPORATE **PROFILE**

PARKRIDGE NOOSA

Thakral Corporation Ltd is listed on the SGX Mainboard since December 1995.

The Group's core business today comprises a growing real estate investment portfolio in Australia, Japan and Singapore. Its investments in Australia include the development and management of over-50s lifestyle resorts under the GemLife brand – a joint venture with the Puljich family. Its Japanese investment portfolio comprises landmark commercial buildings and business hotels in Osaka, the country's second largest city.

The Group's other investments include the management and marketing of leading beauty, wellness and lifestyle brands in China, Southeast Asia and India. It also operates an e-commerce retail platform for at-home beauty devices in China under a joint venture with UK-based CurrentBody.com Limited, the leading global at-home beauty device retailer.

CHAIRMAN'S
STATEMENT

Shareholders who have invested in the Company over the past 5 years would have enjoyed a total shareholder return of over 125% and annualised return of 18%

NATARAJAN SUBRAMANIAM
Independent Non-Executive Chairman and Lead Independent Director

DEAR SHAREHOLDERS,

RESILIENCE AMIDST ECONOMIC CHALLENGES

Kudos to all members of the Thakral team for staying resilient and delivering a positive performance amid the unprecedented COVID-19 crisis in FY2020!

I am pleased to report that the Group achieved net profits of S$16.2 million on turnover of S$90 million for the financial year ended 31 December 2020 ("FY2020"). Our core businesses performed well - with encouraging contributions from our Australian and Japanese real estate investments. Our Lifestyle business continued to improve.

Excluding the one-off gain of S$3.5 million from the sale of the Thakral Building in Osaka in FY2019, the Group's net profit in FY2020 remained comparable to FY2019.

Notwithstanding all that 2020 will be remembered for, the year also marked the 25th anniversary of the Group's listing on The Stock Exchange of Singapore in 1995. The public listing was a milestone in the Group's history and it has been an incredible 25 years. The Group is grateful for all the support from its shareholders, business associates and staff over this period and looks forward to ongoing support in the future.

In appreciation of the continuous backing received from our loyal shareholders, the Board of Directors has declared a second interim dividend of 2 cents per share. Including the first interim dividend of 1 cent per share paid for 1HFY2020, the total dividend payment to shareholders for FY2020 is 3 cents per share. This represents a dividend yield of over 7% - exceeding the average dividend yield of 4.1% paid out by some of the largest listed SGX companies.[1]

We have been rewarding shareholders with dividend pay-outs almost every year for close to a decade. Shareholders who have invested in the Company over the past 5 years would have enjoyed a total shareholder return of over 125% and annualised return of 18%.[2]

Our ability to pay dividends to shareholders even in the midst of the COVID-19 pandemic is no mean feat and a firm testimony of the strength and success of our strategies even in times of severe challenges enabling the Group to benefit from market opportunities at the right time and report creditable shareholder returns.

RIGHT PLACE, RIGHT TIME

We made strategic investments over the years in Australia and Japan leveraging on our strong track record and extensive experience in these two markets.

Despite the unprecedented market conditions in 2020, we were able to emerge relatively unscathed with positive results for our shareholders.

Our share of profits from contributions from associates and joint ventures in Australia and Japan, were up 21%. This profit increase underscored the fact that we were in the right place at the right time.

AUSTRALIA

GemLife, our joint-venture in Australia remains as one of the principal investments of the Group. With focus on high quality, active and engaged living, GemLife with its award-winning resort concepts saw sales doubling from the previous year. It has also acquired new options for additional sites and may well surpass its target of 4,500 homes in the longer term.

GemLife's notable performance was achieved on the back of its strong brand name and tireless efforts of its management team and staff to prioritise the interests of its residents and particularly so when ensuring their safety during the pandemic.

We will continue to actively pursue new projects in residential and other market segments in Australia to drive further growth.

JAPAN

Despite the negative impact of the pandemic on Japan, we have achieved promising returns from our office properties there. These are attributed to improved rental revenues from our office properties at some of Osaka's premium locations.

With the tourism industry under pressure from the global coronavirus pandemic, Japan's hospitality sector in particular was adversely impacted. We will maintain a prudent value-driven approach while exploring options for alternate uses to boost long-term returns from our investments.

The Group divested its Nambanaka Thakral Building, a retail property in March 2020, allowing us to lock-in the profit and also reduce debt. We will also consider divesting some of our non-core properties at the right price to recycle capital for future acquisitions.

CHINA AND HONG KONG - MAKING PROGRESS IN LIFESTYLE AND DIGITAL

With China's strong economic recovery after its COVID-19 lockdowns were lifted, sales in the Group's Lifestyle business rebounded by more than 15% in the second half of FY2020 compared to the first half.

Our operations in China and Hong Kong have seen significant improvements as Hong Kong managed to breakeven through our persistent efforts to restructure business models, trim cost structures and seek new growth trajectories.

---

[1] Dividends Ranking, 31 December 2020, http://www.dividendsranking.com/country-Singapore.html

[2] ShareInvestor.com, https://www.shareinvestor.com/fundamental/factsheet.html?counter=AWI.SI
Total Shareholder Return and annualised return computed based on dividends paid and daily share prices change for the period from 4 January 2016 to 31 December 2020.

THORNTON STREET RESIDENCES - INTERIOR LIVING VIEW

CHAIRMAN'S **STATEMENT**

MASK DONATION DURING THE COVID-19 PANDEMIC

NORTH EAST GROWTH FUND - MILK AND DIAPER PROGRAM

We are encouraged by the progress made by our various digital moves and believe they will generate positive value in the longer term. In 3QFY2020, the Group took a minority stake in Intrepid Group, a fast-growing e-commerce service provider start-up that helps brands and small and medium enterprises generate growth on e-commerce platforms. With the rising trend of staying home and shopping online spurred by national efforts to contain the coronavirus spread, e-commerce prospects have flourished across the globe boosting our investments in this space.

STABLE FINANCIAL POSITION

The Group's financial position remains stable.

Net asset value of the Group per share as at 31 December 2020 improved by 9.3% to 113.03 cents from 103.37 cents as at 31 December 2019.

The Group's FY2020 earnings per share edged down to 5 cents versus 6.94 cents in FY2019.

Cash balances eased to S$5.8 million from S$10.8 million as at 31 December 2019. The Group recorded a net cash outflow of S$7.8 million from operating activities for the year.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

The Group's sustainability and corporate social responsibility goals continue to zero in on value creation for our shareholders, employees, customers, suppliers, business partners and other key stakeholders. Sound corporate governance, upholding health and safety standards, mitigation of environmental impact, efficient resource utilisation as well as community care and engagement remain the key tenets of the Group's social and community commitments.

In FY2020, we continued working closely with the community to make a positive impact. When the pandemic struck, there were shortages of personal protection equipment ("PPE") and the rising cost of PPE procurement was taxing on charitable organisations. Our extensive supply chain network enabled us to source PPE supplies such as masks, sanitisers, thermometers and wipes. To date, we have committed about S$2 million towards this cause to help support charitable organisations to combat against the COVID-19 virus.

In Singapore, the Group continued to sponsor the North East Growth Fund (Milk & Diaper), introduced to help needy families residing in Singapore's North East district to defray some of the cost of raising young children. The Group's contribution supports 250 children per year in Singapore for 3 years with the purchase of milk formula for needy families with children aged 3 years and below. The Group has also increased its donations to charitable organisations during the pandemic to give a hand to more people in need during this difficult period. These included the UOB Heartbeat – COVID-19 Relief Fund and ROW Plus: Reaching Out to Vulnerable Families during COVID-19 by the Malay Youth Literary Association.

In China, the last stage of roof reconstruction and refurbishment of the floor, kitchen and canteen for Xiao Man Bie Wan Quan Primary School in Teng Chong City, Yunnan Province was completed in March 2020 and the school has been renamed as Xiao Man Bie Caritas Thakral Hope Primary School (小曼别博爱德加拉希望小学). The Manhattan Primary School in Tuantian Township, Yunnan Province completed by August 2020 the various restoration and construction works involving the school's wall, gate, concrete floor as well as its campus greening project for which the Group had donated funds. This effort brought a safe studying environment for around 185 students in the school. The Group also provided financial assistance to 30 needy students in 10 schools in Pu'er City, Yunnan Province to aid them with various essentials such as school uniform, textbooks, shoes, food and bedding.

In Australia, we continue to encourage our partners to meet all applicable green standards, obtain energy efficiency and green ratings wherever possible and to deliver designs and use eco-friendly materials to minimise the environmental impact on the community where the developments are located. Our GemLife resort-style retirement homes are designed to offer residents high quality liveable units that are both attractive and environmentally-friendly. Every GemLife home and clubhouse is fitted with solar panels designed to power the entire site.

Similarly, energy efficient air-conditioning and lighting was also installed during renovation of certain properties in Japan during the year. This will be an ongoing effort undertaken as circumstances permit.

We look forward to sharing further details of the Group's sustainability efforts in our upcoming sustainability report for FY2020.

GOING FORWARD

The rollout of vaccinations taking place across the world and the gradual easing of global restrictions should enhance growth prospects and provide a boost for the Group in the coming months.

Our proposed pipeline of site acquisitions for GemLife will help create substantial value over the longer term and a strong income stream while our Japanese investments, especially the office buildings in prime locations may gain from renewed leases and potential annual rental increments.

We are also likely to benefit from the vibrant residential real estate market in Australia which remained resilient despite the pandemic concerns. Indeed, home prices grew in every Australian region since March 2020, except Greater Melbourne. With interest rates at record lows and assistance from government housing stimulus, overall housing sales volumes increased by 9.6% in Australia. In addition, the Reserve Bank of Australia expects GDP to grow 3.5 per cent in 2021 and return to pre-pandemic levels by the middle of the year.[3]

The Chinese economy rebounded strongly, growing 6.5% in the final quarter of 2020 from a year ago and is forecast to grow by over 6% this year according to the latest announcements by the Chinese government with signs also pointing to a revival in consumption.[4]

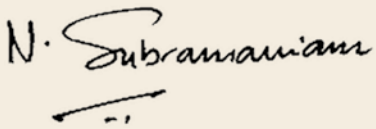
These trends paint a relatively bright picture for 2021. However, as the global economic recovery remains uneven and fragile, the Group will remain agile, prudent and manage potential risks from the resurgence of COVID-19 and new strains of the virus in many countries which could trigger new lockdowns and restrictions.

The Group therefore maintains a cautious outlook for FY2021.

ACKNOWLEDGEMENTS

The Board wishes to thank all customers, suppliers, employees, bankers, business partners and shareholders for your continuing support of the Group.

With our strong management team and growth strategies in place, we are confident of delivering positive and sustainable returns to our shareholders over the long term.



NATARAJAN SUBRAMANIAM

Independent Non-Executive Chairman and
Lead Independent Director

[3] The Business Times, "Australian economy forecast to rebound in 2021 as pandemic subsides: poll", 21 January 2021: https://www.businesstimes.com.sg/government-economy/australian-economy-forecast-to-rebound-in-2021-as-pandemic-subsides-poll

[4] CNBC, "China sets 2021 GDP growth target of more than 6% as premier warns of 'formidable task' in finance", 4 March 2021: https://www.cnbc.com/2021/03/05/china-sets-2021-gdp-growth-target-of-over-6percent.html

MESSAGE FROM
CHIEF EXECUTIVE OFFICER

STAYING SUSTAINABLE

The Group wrapped up 2020 positively.

The first half of FY2020 saw major lockdowns and border restrictions imposed by governments to contain the rapidly spreading COVID-19 virus across the world. The second half saw a markedly different state of play with many governments taking swift action with unprecedented fiscal stimulus packages to revive business activities and launched mass vaccination programmes to stem the viral tide.

Led by China which reported a 6.5% growth in the fourth quarter of 2020, reversing a 6.8% contraction in the first quarter of the year, almost all countries are taking steps towards gradually re-opening of their borders and their economies.

We are therefore positioning our core businesses to gain from the improved activity, which we think will restore market confidence as we roll into 2021.

Our core businesses delivered better performances in the second half of 2020, thanks to the Board's effective guidance and leadership as well as the strong support of our management teams and staff in executing the Group's strategies in their respective markets while taking advantage of growth opportunities.

Our second half revenue of S$47.1 million grew from S$43 million in 1HFY2020 and net profit increased to S$13.8 million in 2HFY2020 from S$2.4 million in the first half of the year. While both the Group's revenue and net profit eased 16% and 19% respectively compared to FY2019, the performance uptrend was evident in the later months of FY2020.

OUR CORE BUSINESSES

INVESTMENTS IN AUSTRALIA, JAPAN AND OTHER PARTS OF ASIA

Our investment business remains as the Group's largest component in net assets utilised. Almost 90% of our assets are focused on investments in Australia and Japan which fully account for the Group's profits.

Due to the timing of project completions, we reported a softer S$20.7 million in revenue and S$32.2 million in segment result compared to S$34.5 and S$37.5 million in FY2019. The segment result for 2HFY2020 was however much higher than the S$8.9 million achieved in 1HFY2020.

AUSTRALIA

Returns from our Australian projects remained robust despite the pandemic, and the Group continues to expand current projects while reviewing new projects with potential to generate positive returns.

GEMLIFE MAROOCHY QUAYS

Our joint venture, GemLife, achieved record sales in FY2020 - beating even our internal targets!

Sale prices at our resorts have remained strong and continue to see improvement based on the current demand. GemLife also saw fair valuation uplifts on the land and facilities with advanced stage of construction.

Sales and settlements continue to be robust at the Bribie Island, Highfields, Woodend, Maroochy Quays and the Pacific Paradise resorts. More than 600 homes are already occupied and construction of the remaining homes at Bribie Island are ahead of schedule. GemLife's other properties on Sunshine Coast (Maroochy Quay and Pacific Paradise) have also enjoyed very strong sales with construction on schedule.

During the year, GemLife acquired four new resort sites and additional land to expand its current resort portfolio to over 2,800 homes in various development stages. Construction at Palmwoods also started in 2020 while the other sites are expected to start construction in 1H2021. Currently, sales for all the four resorts have reported satisfactory take-up rates.

While GemLife continues to review other land sites for acquisition, it is also expected to benefit from the strong brand that GemLife has built in the resort style retirement space in Australia. GemLife may outdo its target to have circa 4,500 homes in the longer term.

The Group's investment in Gladstone houses is seeing overall demand picking up due to new energy/mining projects, with the average prices for these homes expected to firm up. Over 20 of these houses were sold during the year with prices and rentals moving up compared to the earlier part of 2020.

The Group's other real estate investment projects have also done well.

The Parkridge Noosa project continues to benefit from surging demand for properties away from capital cities to premium regional areas such as Noosa. The project is now in stage 3 of development and is progressing well. Settlements for early stages progressed smoothly without any cancellations.

The Oxford Residences project at Bondi Junction, Sydney fell behind schedule due to disruptions caused by COVID-19; however, it is expected to settle within FY2021.

The Thornton Street Residences, a limited collection of just 13 private full floor riverfront residences at Kangaroo Point, Brisbane City, commenced marketing in January 2021.

The Group has fully recouped its investment in the Newstead project in 2020 and will continue to scout for potential projects in residential and other market segments.

JAPAN

Despite a marginal decline of market rents in Osaka in the last quarter of FY2020, the Group's office properties in Japan continue to see tenants renewing or leasing at higher rental rates and meeting their payment schedules. Although a small number of tenants are downsizing or vacating premises, the Group was able to secure new leases for these premises with limited down time.

The Group's hotels in Osaka were however adversely affected during the year. The lease agreement for one of the operators had to be restructured while a replacement tenant for another hotel will commence in April 2021. For the third hotel, the Group is currently considering a number of options as the lease agreement was terminated in the second half of the year.

The hospitality sector in Japan which was under significant strain in 2020 is now slowly recovering with increased domestic travel.

The Group will also be looking out for new opportunities to divest some of its properties at the opportune time and reinvest in other attractive deals to enhance portfolio quality and improve overall returns.

SINGAPORE

Our commercial property at The Riverwalk, a prime property intended for long-term investment, continues to provide a stable recurring income stream for the Group.

CHINA AND HONG KONG

The Group's Lifestyle business made significant strides in FY2020, maintaining stable revenue of about S$70 million (vs S$73 million in FY2019), while reducing operating losses by more than half to S$3.6 million.

Revenue was reduced significantly during the first half of FY2020 due to the pandemic, but sales rebounded strongly in the second half, riding on the economic upturn of its key market - China.

The Group's joint venture with CurrentBody.com Limited secured a part of the global inventory of L'Oréal's Clarisonic product range jointly with the JV partner, and is now the exclusive seller within the JV territories, mainly China and rest of Asia.

The Group also secured distribution rights for a new range of action cameras from Insta360, an up-and-coming modular digital action camera brand. The Hong Kong subsidiary was awarded "Best Partner of 2020" by Insta360 for its performance in developing the allocated market to now provide strong competition to the current number one brand for these products.

The Group's relationship with DJI, which has about 70% of the world's consumer drone market, also strengthened during the year with the Group being granted distribution rights to 3 additional Asian markets in FY2021. Apart from the new products released during FY2020, DJI also released the DJI FPV in early FY2021. This is an entirely new type of drone that combines the first-person view and high-speed performance of racing drones and has seen a strong market response. The Group continues to remain on the lookout to add new brands and products to enhance its portfolio and provide greater customer choice.

We are also launching a number of additional fragrance brands under our agreement with L'Oréal in 2021 and continue to pursue new brands that will further enhance our portfolio.

China's consumption is gradually returning to normal levels with the restoration of consumer confidence, as the Chinese government implemented several national policies to boost domestic consumption. China will take more steps to create jobs, improve its social security system, optimise the income distribution structure and expand the middle-income group as part of the efforts to expand domestic consumption. Consumption growth is forecast to support a rapid economic rebound in China this year.[1]

All these efforts are expected to uplift prospects for our Lifestyle business.

TAPPING DIGITAL GROWTH OPPORTUNITIES

The COVID-19 crisis accelerated the Group's new digital initiatives as the pandemic revved up online consumption.

Recognising the opportunities and potential in e-commerce in Southeast Asia, the Group took a strategic initial investment in August 2020 in Intrepid Group, a fast-growing e-commerce start-up which helps brands and small and medium enterprises accelerate their growth on e-commerce platforms such as Lazada, Shopee and others.

The valuation of this investment has since risen due to the enormous growth potential for e-commerce in Asia.

OUTLOOK AND PROSPECTS

Our long-standing mission to drive sustainable growth while creating value for our shareholders through a diversified portfolio of income-generating businesses in resilient Asian markets will continue to guide us in the coming years.

Although global economies were ravaged in 2020, we have benefitted from strategic investments in our key markets - Australia and Japan - and leveraged on the strong rebound in China to deliver positive outcomes for our shareholders.

Going forward, we will continue to seek outstanding investment opportunities in Australia which is forecast to enjoy robust growth in its real estate sector. With the vaccination rollouts in our key markets, the prognosis for 2021 looks promising.

Australia's GDP is predicted to return to 2019 levels and grow 3.5 per cent in 2021.[2] The Group will continue to broaden GemLife's retirement housing business and scout for exciting opportunities in other segments of the Australian property market.

The Japanese economy is also gradually recovering from the pandemic with hopes of the Tokyo Olympics to be held there this year. Foreign investment funds are also driving an upswing in Japanese property deals after a steep decline amid the coronavirus pandemic in 2020.[3]

We will seek to improve returns from our real estate investments in Osaka, Japan through renovations and other yield enhancement measures while looking out for good opportunities that may include divestment of non-core properties or acquiring niche properties. Our Lifestyle business will drive growth via e-commerce and sourcing for new brands and products. The business will simultaneously look to improve operational efficiencies to turn profitable.

While the risk of virus resurgence and market challenges remain, we are encouraged by the swift and concerted efforts of governments and businesses to contain the pandemic and drive growth towards recovery. We therefore maintain a cautious outlook for 2021.

ACKNOWLEDGEMENTS

I would like to place on record the Board's appreciation to shareholders, bankers, suppliers and business partners for their support. I would personally like to thank all employees for their untiring efforts to ensure business continuity with minimal disruption during this very demanding and testing period. The Group would not have been able to achieve its growth without their contribution.

I would also like to thank the fellow members of the Board for their advice and guidance throughout the year.

INDERBETHAL SINGH THAKRAL
Chief Executive Officer

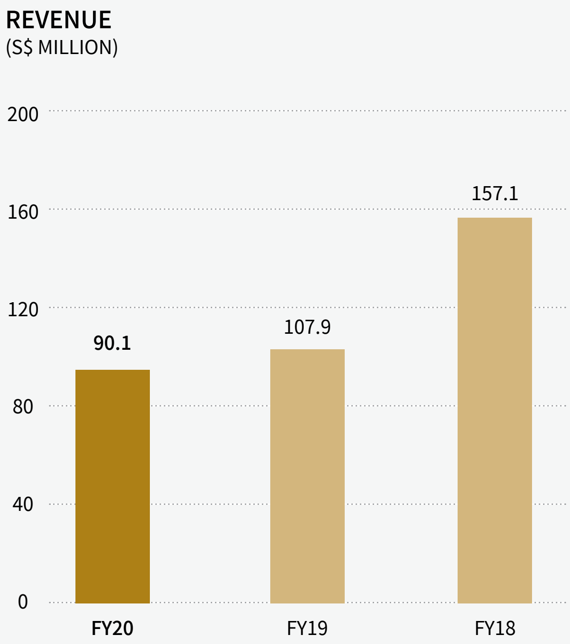
---

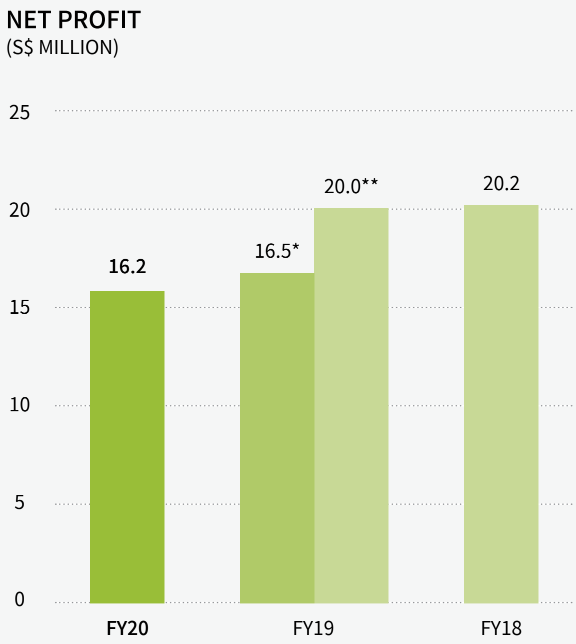
1 Hellenic Shipping News Worldwide, "China: Consumer confidence returning to normal", 6 January 2021: https://www.hellenicshippingnews.com/china-consumer-confidence-returning-to-normal

2 Reuters, "Australian economy forecast to rebound in 2021 as pandemic subsides: Reuters poll", 21 January 2021: https://www.reuters.com/article/us-australia-economy-poll-idUSKBN29Q07B

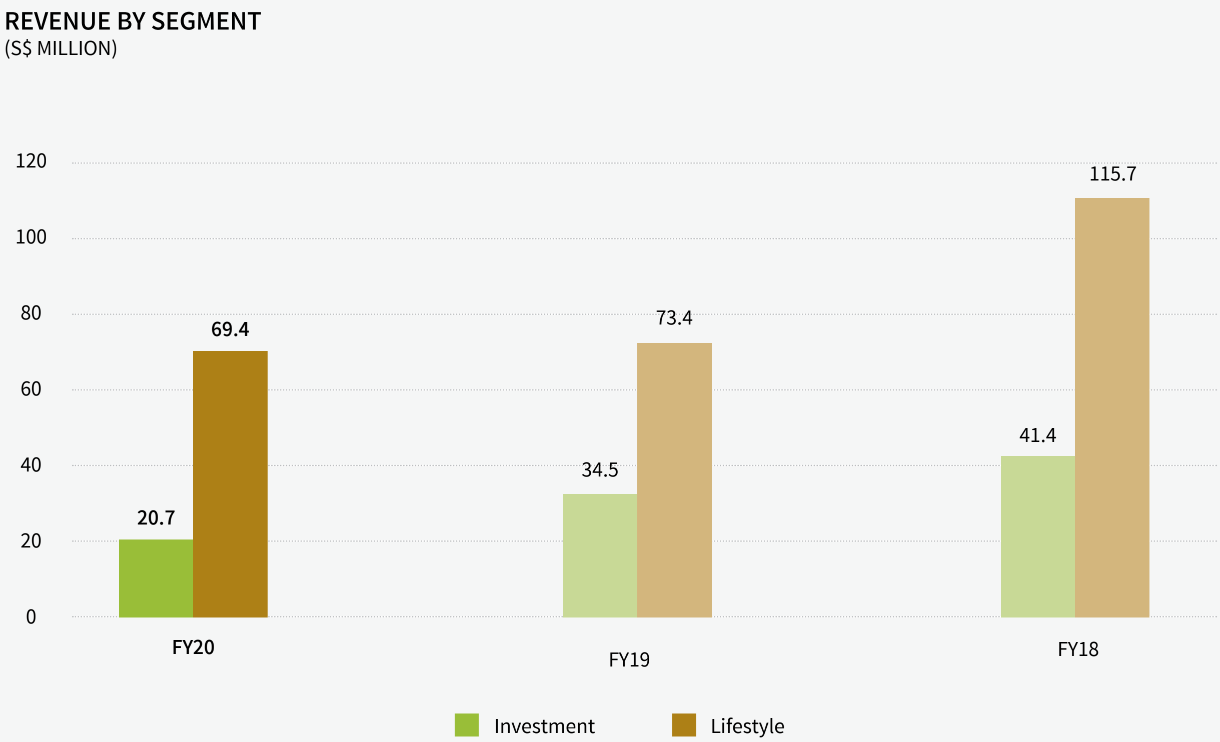
3 Nikkei Asia, "Blackstone snaps up $1bn in Japanese real estate", 2 December 2020: https://asia.nikkei.com/Business/Markets/Property/Blackstone-snaps-up-1bn-in-Japanese-real-estate#:~:text=TOKYO%20%2D%2D%20U.S.%20private%20equity,rental%20demand%2C%20Nikkei%20has%20learned

FINANCIAL
HIGHLIGHTS

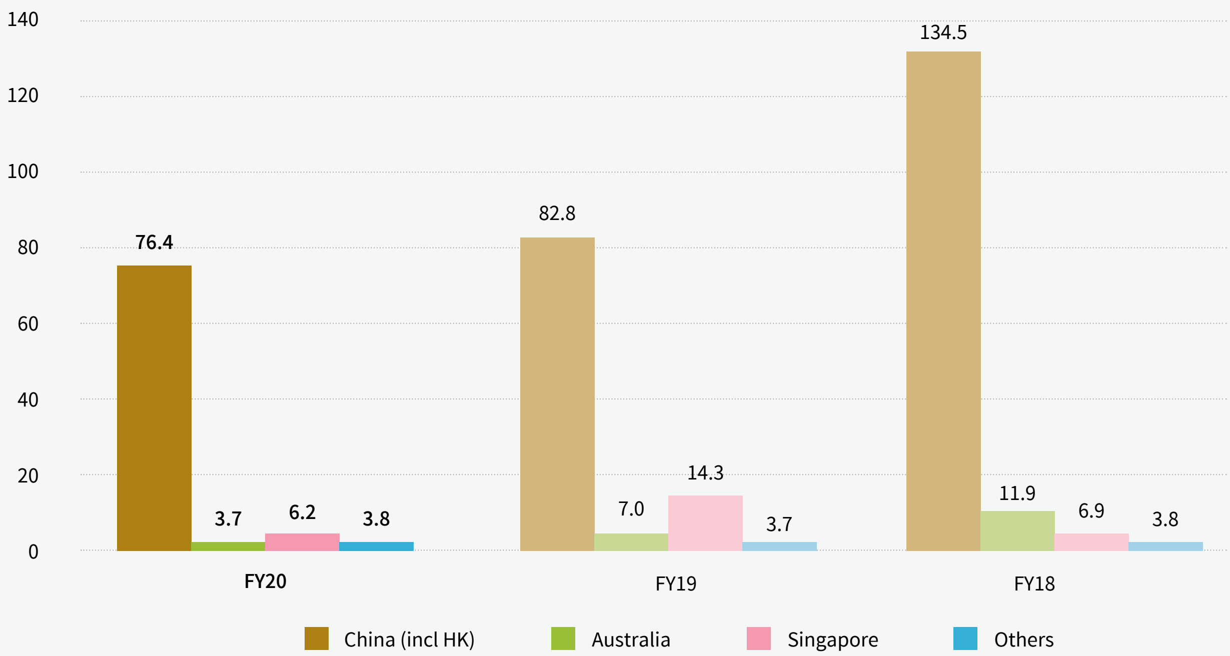




* Excludes gain from sale of Thakral Building in Osaka in FY19
** Includes gain from sale of Thakral Building in Osaka in FY19

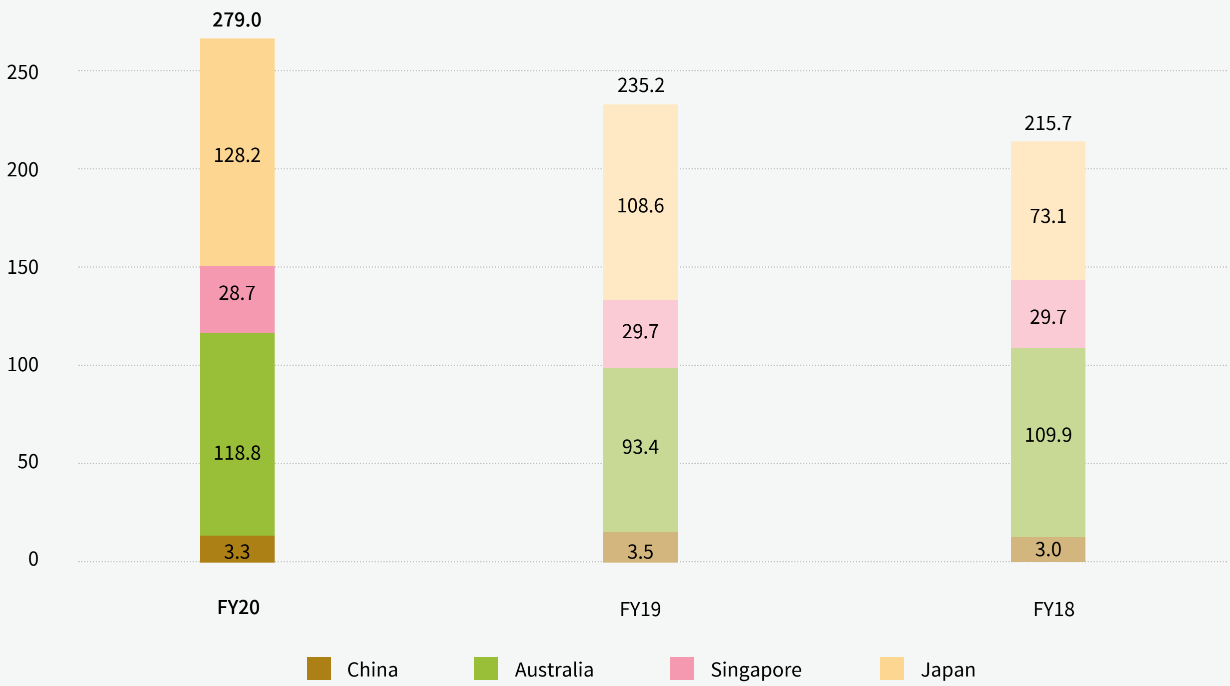


GEOGRAPHIC REVENUE
(S$ MILLION)

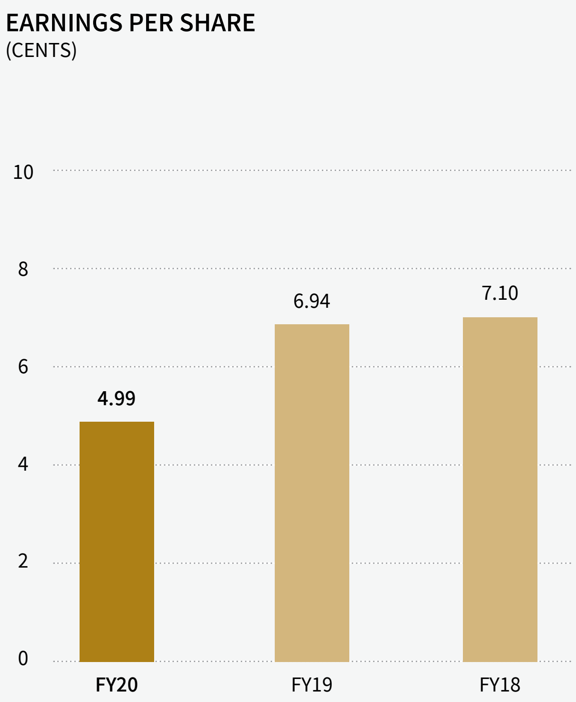


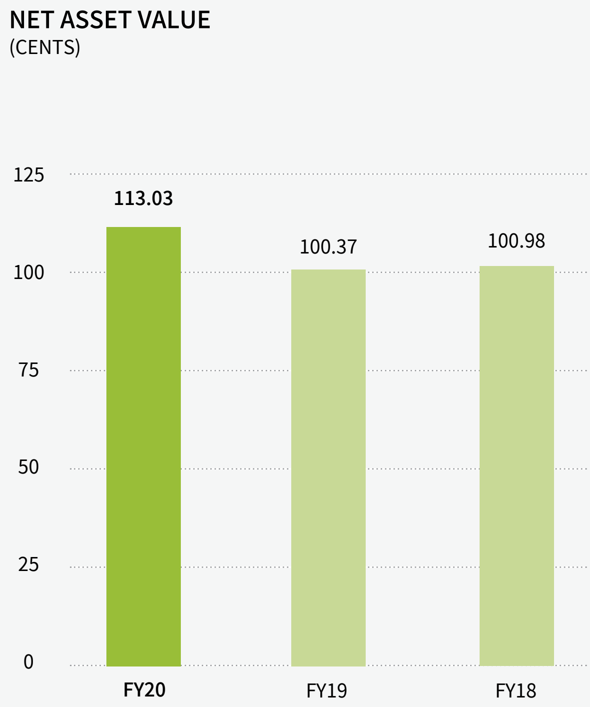
Note: Based on the aggregate of the revenue from companies incorporated in those countries

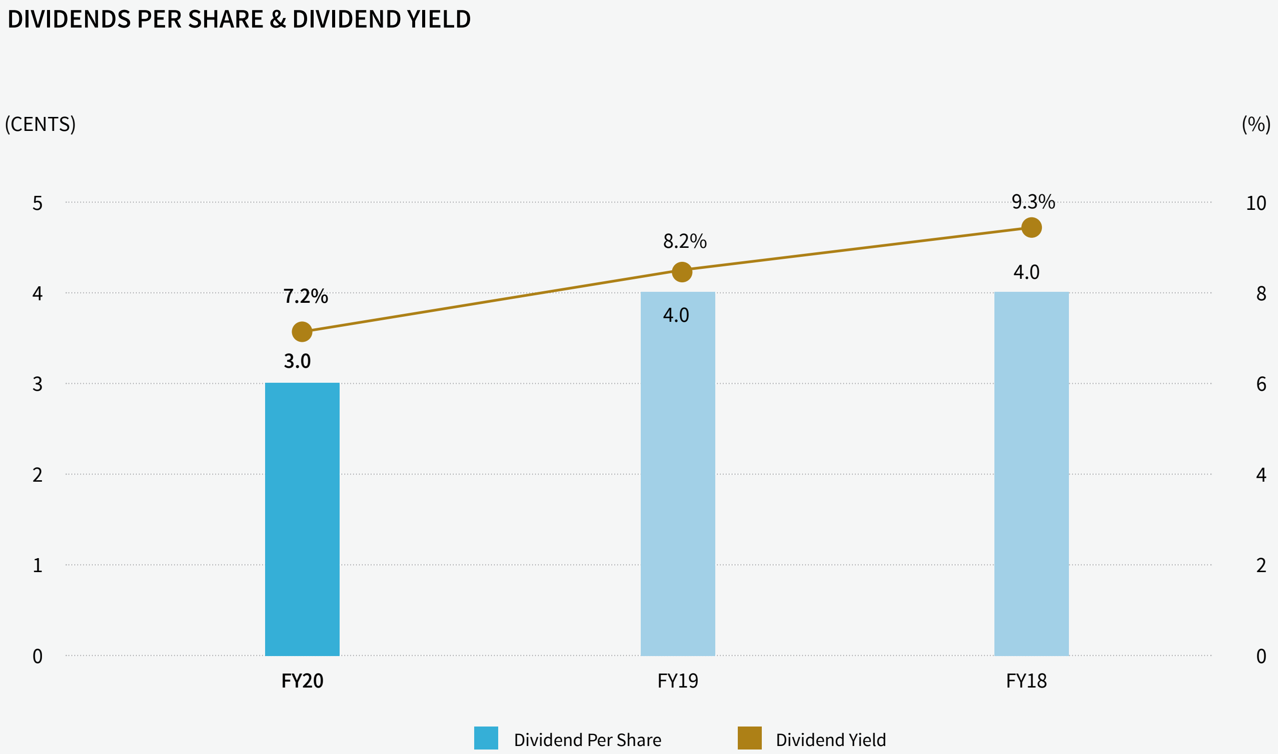
GEOGRAPHIC REAL ESTATE RELATED INVESTMENTS
(S$ MILLION)



FINANCIAL
HIGHLIGHTS







Note: Dividend yield is calculated based on the Company's year end closing share price of each respective year

OUR
NETWORK


JAPAN
CHINA
TAIWAN
MYANMAR
HONG KONG
INDIA
LAOS
VIETNAM
THAILAND
CAMBODIA
PHILIPPINES
SRI LANKA
MALAYSIA
SINGAPORE
INDONESIA
AUSTRALIA
CANADA

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE:

Kartar Singh Thakral
Inderbethal Singh Thakral

NON-EXECUTIVE:

Natarajan Subramaniam
(Chairman and Lead Independent Director)

Lee Ying Cheun
Independent

Dileep Nair
Independent

Bikramjit Singh Thakral
Non-Independent

COMPANY SECRETARIES

Chan Wan Mei
Chan Lai Yin

REGISTERED OFFICE

20 Upper Circular Road
#03-06 The Riverwalk
Singapore 058416
Tel: (65) 6336 8966
Fax: (65) 6336 7225
E-mail: enquiries@thakralcorp.com.sg
Website: www.thakralcorp.com

SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.
(formerly known as RHT Corporate Advisory Pte. Ltd.)
30 Cecil Street
#19-08 Prudential Tower
Singapore 049712
Tel: (65) 6812 1611
Fax: (65) 6812 1601

AUDIT COMMITTEE

Natarajan Subramaniam (Chairman)
Lee Ying Cheun
Dileep Nair

NOMINATION COMMITTEE

Lee Ying Cheun (Chairman)
Natarajan Subramaniam
Dileep Nair
Bikramjit Singh Thakral

COMPENSATION COMMITTEE

Natarajan Subramaniam (Chairman)
Lee Ying Cheun
Dileep Nair

INVESTMENT COMMITTEE

Natarajan Subramaniam (Chairman)
Kartar Singh Thakral
Inderbethal Singh Thakral
Bikramjit Singh Thakral

INVESTOR RELATIONS CONSULTANCY

Stratagem Consultants Pte Ltd
111 Somerset Road
#07-07 TripleOne Somerset
Singapore 238164
Tel: (65) 6227 0502
Fax: (65) 6227 5663

AUDITORS

Deloitte & Touche LLP
Public Accountants and Chartered Accountants
6 Shenton Way
#33-00 OUE Downtown 2
Singapore 068809

AUDIT PARTNER-IN-CHARGE

Rankin Brandt Yeo
Date of Appointment:
28 April 2017

INTERNAL AUDITOR

Ruihua Certified Public Accountants
18-19F, China Insurance Building
No. 166 Lujiazui East Road
Pudong District
Shanghai 200120
People's Republic of China

PRINCIPAL BANKERS

Australia and New Zealand Banking Group
Australia

Bank of Communications Co., Ltd.
China

United Overseas Bank Limited
China, Hong Kong and Singapore

Westpac Banking Corporation
Australia

PRINCIPAL **OFFICERS**

THAKRAL CORPORATION LTD
Singapore

Kartar Singh Thakral
Executive Director

Inderbethal Singh Thakral
Chief Executive Officer

Rikhipal Singh Thakral
Advisor to Investment Committee

Bikramjit Singh Thakral
Non-Executive Director

Anil Moolchand Daryanani
Chief Financial Officer

Torsten Stocker
Chief Operating Officer Lifestyle Division

Vivian But (Ms)
Group Financial Controller

Patrick Lau
Asst Financial Controller (Corporate)

THAKRAL REALTY (S) PTE LTD
Singapore

Lee Ying Cheun
Non-Executive Director

Bikramjit Singh Thakral
Non-Executive Director

THAKRAL CAPITAL HOLDINGS PTE LTD
Singapore

Natarajan Subramaniam
Non-Executive Chairman & Director

Inderbethal Singh Thakral
Non-Executive Director

Greggory John Piercy
Non-Executive Director

Kevin Charles Barry
Non-Executive Director

Victor Shkolnik
Alternate Director to Greggory John Piercy and Kevin Charles Barry

THAKRAL CAPITAL AUSTRALIA PTY LTD
Brisbane & Sydney Australia

Greggory John Piercy
Joint Managing Director

Kevin Charles Barry
Joint Managing Director

Victor Shkolnik
Executive Director

Michael James Stubbs
Chief Financial Officer

Ashmit Singh Thakral
Finance Director, GemLife Group

THAKRAL JAPAN PROPERTIES PTE LTD/ TJP PTE LTD/ THAKRAL UMEDA PROPERTIES PTE LTD
Singapore

Kartar Singh Thakral
Executive Director

Inderbethal Singh Thakral
Executive Director

Rikhipal Singh Thakral
Non-Executive Director

Bikramjit Singh Thakral
Non-Executive Director

THAKRAL BROTHERS LTD
Osaka, Japan

Indergopal Singh Thakral
Executive Director

Sueko Takahashi (Ms)
General Manager & Chief Financial Officer

Deepak Mogami
Sales Manager

THAKRAL CHINA LTD/ THAKRAL BEAUTY (SHANGHAI) LTD
Shanghai, People's Republic of China

THAKRAL CORPORATION (HK) LIMITED
Hong Kong

Inderbethal Singh Thakral
Executive Director

Kanwaljeet Singh Dhillon
Managing Director (Hong Kong)

Indergopal Singh Thakral
Managing Director (China)

Torsten Stocker
Chief Operating Officer, Lifestyle Division

Satbir Singh Thakral
Marketing Director

Sean Qiu
Financial Controller

SINGAPORE SOURCING & TECHNOLOGY PVT LTD
India

Gurmeet Singh
Senior Vice President

OUR CORE BUSINESSES
AUSTRALIA

Thakral Capital Australia Pty Ltd
Brisbane and Sydney, Australia

GemLife Group
Australia

Thakral Capital Holdings Pte Ltd
Singapore

PARKRIDGE NOOSA

The Group's businesses in Australia is now by far the largest component of its core businesses in terms of net assets as well as profitability. It participates in higher yielding, niche high-end property projects in gateway cities such as Sydney, Melbourne and Brisbane and has a joint venture in the over-50s lifestyle resorts sector.

Thakral Capital Holdings Pte Ltd ("TCH"), the holding company of the Group's investment business in Australia, was incorporated in 2009 and the TCH group started operations in Australia as Thakral Capital Australia Pty Ltd ("TCAP") in early 2011.

TCAP operates as a finance partner with real estate developers and provides value-added services including originating, packaging and managing investment projects. It has been the financial backer and investment partner for a slew of major apartment and townhouse developments in Australia since 2011, investing and committing in excess of A$490 million of capital into projects with an end value surpassing A$5 billion. It has to date successfully completed 17 projects, with another 14 in the pipeline, and nine under construction.

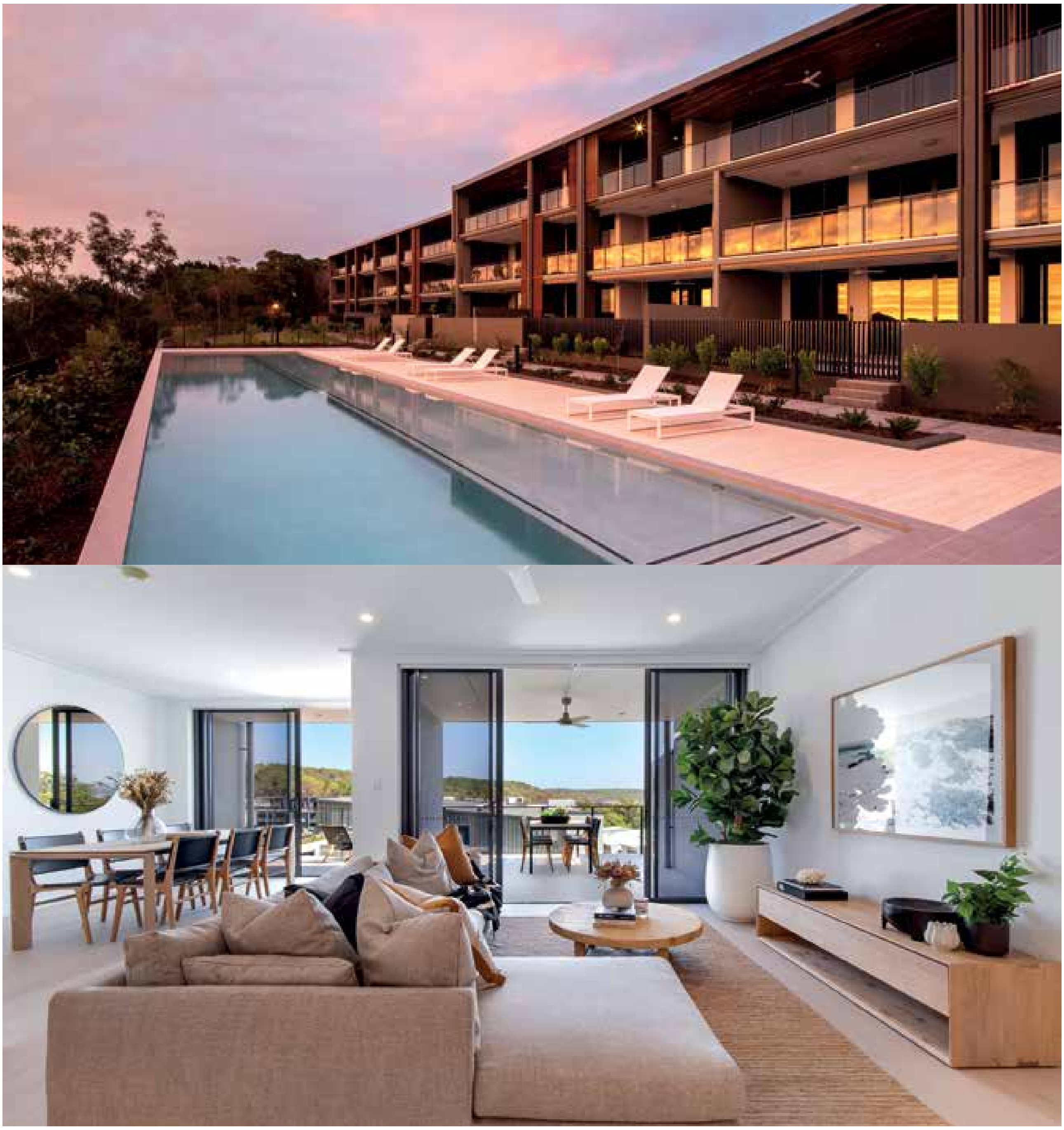
The Group's retirement living joint venture with the Puljich family, marketed under the GemLife brand, has been successfully established as one of Australia's most respected brands in the over-50s resort-style living sector within 4 years of its establishment.

THE OXFORD RESIDENCES

To date, GemLife has 10 resorts with more than 2,800 homes across the eastern seaboard in various development stages, where 600 homes have been occupied. It has a pipeline of five more sites, which may yield another 1,600 homes to be built.

The Group's diversification into the over-50s resort-style living sector is expected to provide sustainable returns in a growing sector in Australia.

CURRENT PROJECTS



PARKRIDGE NOOSA

GLNG HOUSING PROJECT

THE OXFORD RESIDENCES

THORNTON STREET RESIDENCES

CURRENT PROJECTS (CONT'D)

(New sites announced in 2020)

GemLife
TWEED WATERS

RENDER OF THE PROPOSED WATERFRONT COUNTRY CLUB

GemLife
PALMWOODS

RENDER OF THE TWO-STOREY COUNTRY CLUB

GemLife
RAINBOW BEACH

AERIAL VIEW OF THE SITE

CURRENT PROJECTS (CONT'D)
(Updates at Existing Resorts)

GemLife
BRIBIE ISLAND

WELCOMED ITS 200TH RESIDENTS AT THE START OF 2020 AND A MILESTONE OF 300 HOMES SETTLED WAS ACHIEVED AT THE END OF 2020

STAGE FOUR DISPLAY HOMES LAUNCHED IN 2020

GemLife
HIGHFIELDS

COUNTRY CLUB BAR OPENED IN MARCH 2020

DISPLAY HOMES OPEN DAY HELD IN OCTOBER 2020

GemLife
MAROOCHY QUAYS

FIRST DISPLAY HOMES GRAND OPENING IN JULY 2020


WORK ON THE 2-KM BOARDWALK MOVED INTO THE FINAL STAGES


CONSTRUCTION OF LAKESIDE COUNTRY CLUB WELL UNDERWAY


OPENING OF THE RESORT'S SUMMER HOUSE IN NOVEMBER 2020

CURRENT PROJECTS (CONT'D)
(Updates at Existing Resorts)

GemLife
PACIFIC PARADISE

FIRST DISPLAY HOMES GRAND OPENING IN AUGUST 2020

CONSTRUCTION OF THE OUTDOOR POOL AND RECREATION PRECINCT WELL UNDERWAY AND ON SCHEDULE FOR A MID-2021 OPENING

GemLife
GOLD COAST

TEMPORARY SALES OFFICE OPENED IN AUGUST 2020

RENDER OF THE RESORT ENTRANCE

GemLife
WOODEND

STAGE TWO DISPLAY HOMES WERE LAUNCHED IN FEBRUARY 2020

A MILESTONE WAS REACHED WITH THE 50TH RESIDENTS MOVING IN

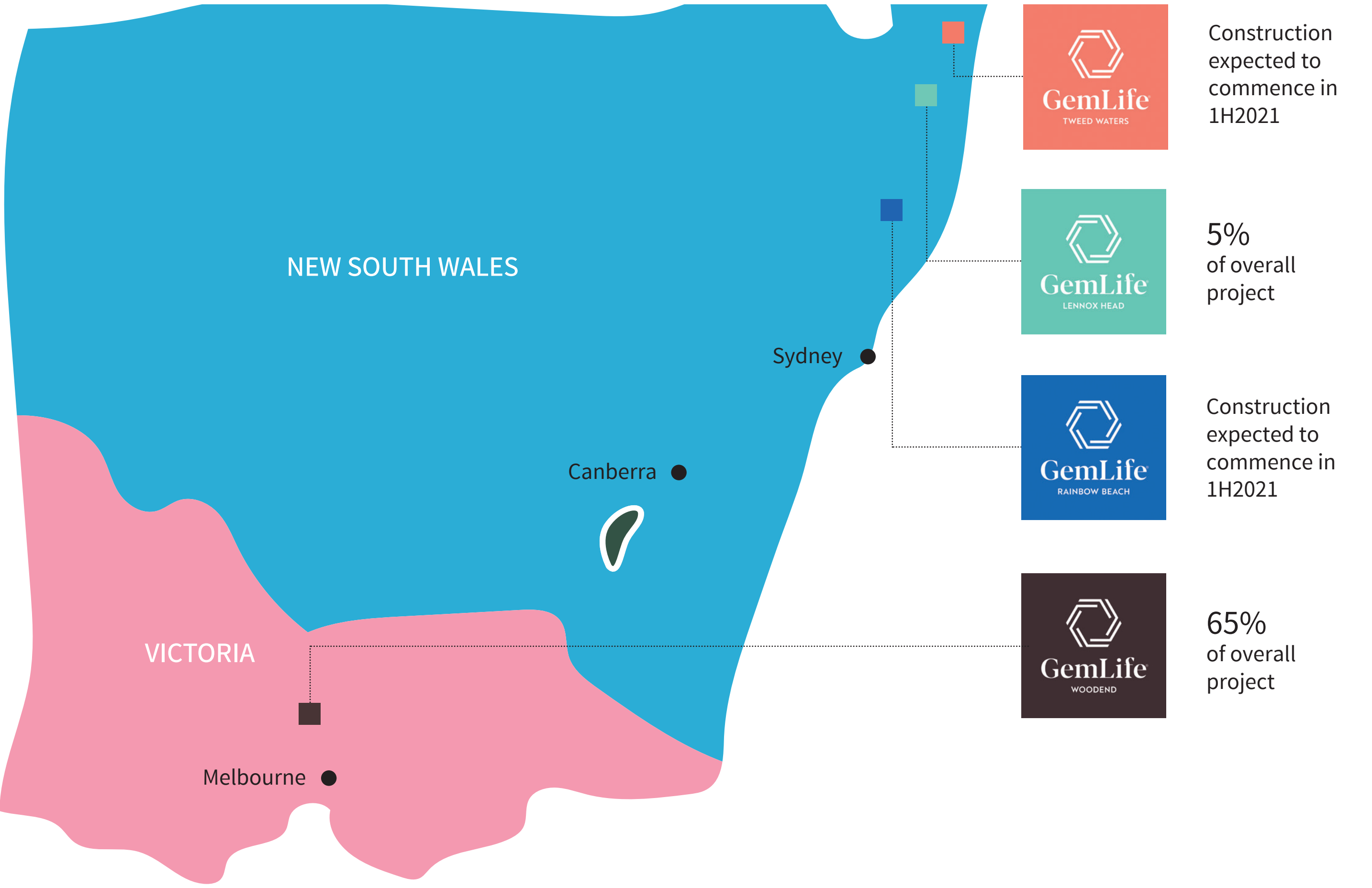
LAKESIDE COUNTRY CLUB, COMPLETED IN JULY 2020, WAS LAUNCHED IN NOVEMBER 2020

GemLife
LENNOX HEAD

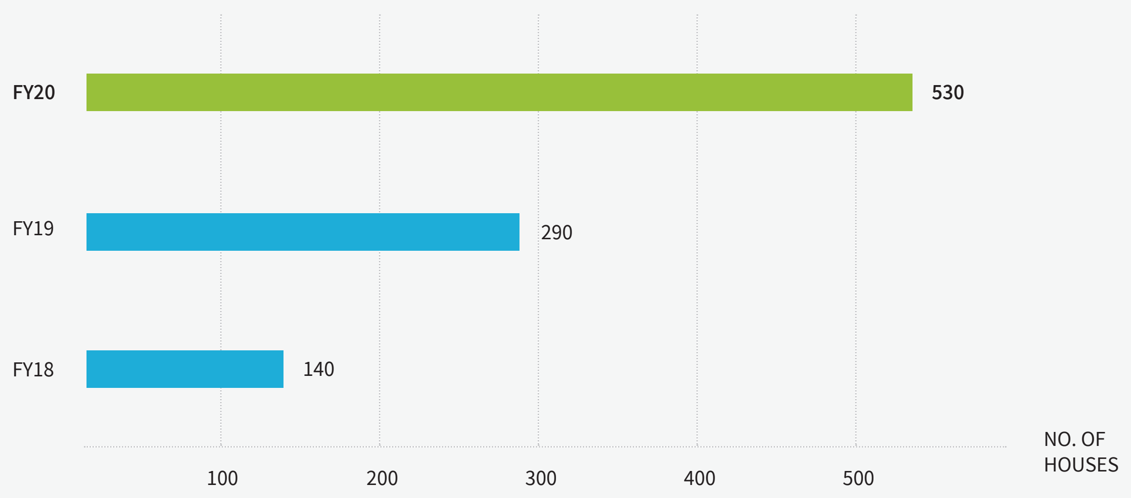
SITE ACQUIRED AND AWAITING DEVELOPMENT APPROVAL

CURRENT PROJECTS
CONSTRUCTION COMPLETION STATUS

AS AT DECEMBER 31, 2020



GEMLIFE CUMULATIVE OCCUPIED HOME PROGRESSION STATUS



OUR CORE BUSINESSES

JAPAN AND SINGAPORE

SINGAPORE

Thakral Realty (S) Pte Ltd
Singapore

JAPAN

Thakral Japan Properties Pte Ltd
Singapore

TJP Pte Ltd
Singapore

Thakral Umeda Properties Pte Ltd
Singapore

The Group has expanded its real estate investment portfolio to include properties in Japan and Singapore in recent years.

Its Japanese investment portfolio is structured through its pooled investment subsidiaries, Thakral Japan Properties Pte Ltd, TJP Pte Ltd and Thakral Umeda Properties Pte Ltd. The portfolio has grown significantly since establishment in 2014 and now comprises seven commercial buildings – Yotsubashi Nakano Building, Yotsubashi East Building, Itachibori Square, Utsubo East Building, River Point Kitahama Building, Yotsubashi Grand and Umeda Pacific Building; and three business hotels – Best Western Osaka Tsukamoto Hotel, R Hotels Inn Osaka Kita Umeda and Hotel WBF Namba Motomachi.

The Group looks forward to continuing to capitalise on the growing tenant demand in Osaka together with rising real estate values brought about by the limited supply of quality assets and the country's low interest rates. While exploring options for alternate uses to boost long-term returns from its hotel investments, the Group may recycle some of its capital through sale of some of its properties to realise profits whilst continuing its search for reinvesting in niche properties.

Its office property at The Riverwalk, Singapore continues to provide a stable source of recurring rental income for the Group.

THE RIVERWALK OFFICE UNIT, SINGAPORE
• GFA - 1,765 SQM

UMEDA PACIFIC BUILDING, SONEZAKI, KITA-KU (ALONG MIDO SUJI, UMEDA, OSAKA)
• LAND AREA - 861 SQM • GFA - 9,179 SQM • EFFECTIVE OWNERSHIP - 56%

The Umeda Pacific Building (the "Property") is an excellently located 11-storey office building 3-minutes' walking distance from Hankyu and Umeda Station and the main 2 Osaka Stations. The Property is prominently located along Mido Suji with broad street frontage.

Immediately behind the Property is a Shinto Shrine - the Tsuyunotenjinja Shrine (more popularly known as Ohatsu Tenjin) – a legendary site where people pray for success in business, safe journeys and couples for lasting love a good marriage. When the Hankyu and Umeda stations were first built between 1894 – 1907, the shrine along with the nearby Osaka Tenmangu Shrine, became known and is venerated as the protector of the central area, Umeda and Sonezaki.

The Property is built on freehold land with an area of 860.95m^2 and has a gross floor area ("GFA") of 9,179m^2. The Property has 27 parking lots.

OSAKA, JAPAN - FREEHOLD PROPERTIES

YOTSUBASHI EAST BUILDING AT THE CORNER OF YOTUSBASHI SUJI, SHINSAIBASHI

- LAND AREA - 525 SQM
- GFA - 4,695 SQM
- EFFECTIVE OWNERSHIP - 50%

YOTSUBASHI NAKANO BUILDING ON YOTUSBASHI SUJI, SHINSAIBASHI

- LAND AREA - 806 SQM
- GFA - 7,925 SQM
- EFFECTIVE OWNERSHIP - 50%

YOTSUBASHI GRAND BUILDING, BROAD STREET FRONTAGE ON YOTSUBASHI SUJI, SHINSAIBASHI

- LAND AREA - 881 SQM
- GFA - 7,524 SQM
- EFFECTIVE OWNERSHIP - 53%

OSAKA, JAPAN - FREEHOLD PROPERTIES (CONT'D)

ITACHIBORI SQUARE BUILDING, CORNER PROPERTY OFF YOTSUBASHI SUJI, HONMACHI
• LAND AREA - 813 SQM • GFA - 5,618 SQM • EFFECTIVE OWNERSHIP - 53%

RIVERPOINT KITAHAMA BUILDING ON BROAD STREET FRONTAGE ON TOSABORI STREET, KITAHAMA
• LAND AREA - 477 SQM • GFA - 3,415 SQM • EFFECTIVE OWNERSHIP - 53%

UTSUBO EAST BUILDING, CORNER PROPERTY OFF YOTSUBASHI SUJI, HONMACHI
• LAND AREA - 762 SQM • GFA - 4,953 SQM • EFFECTIVE OWNERSHIP - 53%

R HOTELS INN OSAKA KITA UMEDA, NAKATSU, KITA-KU:
• LAND AREA - 516 SQM • EFFECTIVE OWNERSHIP - 50% • NO. OF ROOMS - 120

BEST WESTERN OSAKA TSUKAMOTO HOTEL, TSUKAMOTO
• LAND AREA - 525 SQM • EFFECTIVE OWNERSHIP - 53%
• NO. OF ROOMS - 105

HOTEL WBF NAMBA, NAMBA DISTRICT
• LAND AREA - 582 SQM • EFFECTIVE OWNERSHIP - 53%
• NO. OF ROOMS - 111

OUR CORE BUSINESSES
CHINA, HONG KONG AND OTHERS

Thakral China Ltd
Thakral Beauty (Shanghai) Ltd
CBT At-Home Beauty (Shanghai) Ltd
Shanghai,
People's Republic of China

Thakral Corporation (HK) Limited
Hong Kong

CBT At-Home Beauty Holdings Pte Ltd
Singapore and Hong Kong

Thakral Brothers Ltd
Osaka, Japan

Singapore Sourcing & Technology Pvt Ltd
India

The geographic footprint of the Group's brand management and marketing businesses is centered on Greater China including Hong Kong, India, Indonesia, the Philippines, Singapore and Thailand.

In China and Hong Kong, the Group focuses on the management and marketing of leading beauty, wellness and lifestyle brands, which display solid underlying growth as Asian consumers continue to enhance their lifestyle, including upgrading what, where and how they buy. It also continues to support the sourcing needs of Greater China based wholesalers and retailers, including those engaged in cross-border e-commerce, bringing new brands and products from Asia, in particular from Japan, as well as from Europe and other regions to consumers.

Creating a portfolio of brands with a unique and differentiated positioning in their respective market segment, brands distributed by the Group include at-home beauty and wellness device brands Panasonic, Philips, Clarisonic, Nuface, T3 and, skin and hair care brand John Masters Organics, fragrance brands Maison Margiela, Ralph Lauren, Diesel and Cacharel as well as lifestyle brands such as DJI and Insta360.

These brands are managed across a range of online and traditional retail channels by the Group's on-the-ground brand management, sales, marketing, e-commerce and operational support team.

JOHN MASTERS ORGANICS

CLARISONIC

The Group also operates an e-commerce retail platform for at-home beauty devices in China under a joint venture with UK-based CurrentBody.com Limited, the leading global at-home beauty device retailer.

In addition, the Group's interior furnishing and building material business supplies a broad range of high-quality, competitively-priced interior decoration solutions to developers, designers and contractors as well as consumers in the property development and home ownership markets in Canada, USA and India.

INSTA360

DJI

MAISON MARGIELA

RALPH LAUREN

BOARD OF
DIRECTORS

NATARAJAN SUBRAMANIAM Age 82

Independent Non-Executive Chairman and Lead Independent Director

First appointed as a Director: 15 November 1995
Last re-elected as a Director: 30 April 2019

Length of service as a Director (as at 31 December 2020): 25 years 1 month

Board Committee(s) served on:
- Chairman of Audit Committee, Compensation Committee and Investment Committee
- Member of Nomination Committee

Mr Natarajan Subramaniam is the Independent Non-Executive Chairman of the Board and the Lead Independent Director of the Company. Prior to the appointment of Non-Executive Chairman in 2012, he was the Deputy Chairman of the Board.

Mr Subramaniam began his accounting career in 1965 as a trainee with Blackborn Mellstrom & Co, London and subsequently with Ernst & Young, London. He joined Ernst & Young, Singapore in January 1971 and was invited to be a partner in July 1976, a position he held till retirement in December 1993. Mr Subramaniam continued as an associate of the firm from January 1994 until December 2003. His major areas of experience include audit, investigations, IPOs, mergers and acquisitions. He was for a number of years a member of the Accounting Standards Committee of the Institute of Certified Public Accountants of Singapore (now known as the Institute of Singapore Chartered Accountants) and a member of the Accounting and Auditing Standards, Quality Control and Professional Development Committees of Ernst & Young International.

Mr Subramaniam is the Non-Executive Chairman of the Company's principal subsidiary, Thakral Capital Holdings Pte Ltd, a Director of the Company's principal subsidiaries, SJ Property Investments Pte Ltd and Nihon Property Investments Pte Ltd, a Director of AWWA Ltd and a Fellow of the Institute of Chartered Accountants in England and Wales, the Institute of Singapore Chartered Accountants and the Singapore Institute of Directors. He holds a Bachelor of Arts Degree from the University of Malaya in Singapore.

KARTAR SINGH THAKRAL Age 87
Executive Director

First appointed as a Director: 7 October 1993
Last re-elected as a Director: 27 April 2018

Length of service as a Director (as at 31 December 2020): 27 years 2 months

Board Committee(s) served on:
- Member of Investment Committee

Mr Kartar Singh Thakral ("Mr Kartar Singh") is an Executive Director of the Company and was the Executive Chairman since the Company's listing until 31 December 2011. He stepped down as a member of the Nomination Committee ("NC") of the Company on 1 January 2020.

Mr Kartar Singh is widely knowledgeable and has an excellent record in steering the Group successfully through its peaks and troughs through many business cycles. His foresight and astute reading of the macro economic trends have continuously benefitted the Group. The sale of the Group's Hong Kong warehouse at the height of the property cycle is one example of his foresight. He was pivotal in the re-positioning of the Group's businesses and entry into the Japanese and Australia investments are now being rewarded. Mr Kartar Singh continues to provide insight and guidance on the Group's operations and contributes effectively in his role as an Executive Director and at the Board, Board Committee and operational levels.

Mr Kartar Singh was the Joint Chairman and Non-Executive Director of Australia listed Thakral Holdings Limited and a Non-Executive Director of India listed GIVO Limited till 22 October 2012 and 31 March 2009 respectively. He was a director of the Singapore Trade Development Board appointed by the Minister for Trade and Industry for a period of four years until 31 December 1998. He was also a member of the Committee to Promote Enterprise Overseas and a member of the Regional Business Forum, both appointed by the Singapore Government; and was a trustee of Singapore Indian Development Association from 1991 till 31 December 2006. Mr Kartar Singh was awarded the Singapore Australian Business Council President's Medal in 1998 for significant contribution to the Australian Singapore business community. He had been awarded Business Man of the Year 1995 at the Singapore Business Awards 1996.

Mr Kartar Singh is a Director of a number of subsidiaries of the Company in China, Hong Kong and Singapore. He is the Chairman of the Thakral Family Group of Companies, a Founder Trustee of Nishan-E-Sikhi Charitable Trust, India, a trustee of the Singapore Sikh Education Foundation and Sri Guru Nanak Sat Sang Sabha and a patron of Singapore Khalsa Association, Singapore Sikh Welfare Council and Central Sikh Gurdwara Board.

BOARD OF
DIRECTORS

INDERBETHAL SINGH THAKRAL Age 61

Executive Director and Chief Executive Officer

First appointed as a Director: 12 August 1994
Last re-elected as a Director: 30 April 2019

Length of service as a Director (as at 31 December 2020):
26 years 4 months

Board Committee(s) served on:
- Member of Investment Committee

Mr Inderbethal Singh Thakral ("Mr Bethal") is the Chief Executive Officer and an Executive Director of the Group. He played an instrumental role in the listing of the Group back in 1995, as well as the transformation of the Group including the growth of its Investment Division in markets such as Japan, Australia and Singapore and the repositioning of the Lifestyle Division to focus on beauty and wellness products.

Having broadened the Group's income streams beyond China, Mr Bethal continues to spearhead the Group's strategic growth in these markets for positive and sustainable returns. He has a long and illustrious track record having led the Group's operations in Hong Kong and China since 1984.

Mr Bethal is a Director of the Company's various subsidiaries in China, Hong Kong and Singapore and the Chairman of a charity organisation, Sahib Sri Guru Gobind Singh Ji Education Trust, Hong Kong.

LEE YING CHEUN Age 79

Independent Non-Executive Director

First appointed as a Director: 15 November 1995
Last re-elected as a Director: 30 April 2019

Length of service as a Director (as at 31 December 2020):
25 years 1 month

Board Committee(s) served on:
- Chairman of Nomination Committee
- Member of Audit Committee and Compensation Committee

Mr Lee Ying Cheun is a Non-Executive Director of the Company. He held various appointments in the Economic Development Board and the Trade Development Board from 1966 to 1994. Thereafter, Mr Lee had held executive and non-executive positions in various private and public companies in Singapore, Hong Kong, China, USA and Australia. In foreign service, Mr Lee was Singapore's Non-Resident Ambassador to Brazil, Panama and Mexico, Consul-General to Osaka and Trade Representative to China. Mr Lee sits on the Board of Company's various subsidiaries in Singapore.

Mr Lee holds degrees in Bachelor of Science and Bachelor of Science with Honours (Applied Chemistry) from the University of Singapore and had completed programs in Operations Research (University of Birmingham), Training Methodologies (Turin), Management of Small/Medium Size Enterprises (Osaka) and Advanced Management Programs at INSEAD and Harvard. He is an Honorary Fellow of the All India Management Association.

DILEEP NAIR Age 70

Independent Non-Executive Director

First appointed as a Director: 2 January 2015
Last re-elected as a Director: 12 June 2020

Length of service as a Director (as at 31 December 2020):
5 years 11 months

Board Committee(s) served on:
- Member of the Audit Committee, Compensation Committee and Nomination Committee

Mr Dileep Nair is a Non-Executive Director of the Company. He has more than 30 years of experience in governance and public service. His experience includes both stints in the Singapore Government civil service and the United Nations secretariat. Mr Nair was with the Ministry of Foreign Affairs serving as the High Commissioner to the Republic of Ghana from 2013 to 2016. Prior to that, he was the Ambassador to the Lao People's Democratic Republic from 2011 to 2013 and the Consul-General to the Emirate of Dubai from 2006 to 2010. He was the Under-Secretary-General for Internal Oversight Services at the United Nations from 2000 to 2005.

Mr Nair is an Independent Director and a member of the Audit and Risk Committee of Keppel DC REIT Management Pte. Ltd., the Manager of Singapore listed Keppel DC REIT, an Independent Director and Chairman of the Audit Committee of Singapore listed Singapore Reinsurance Corporation Limited and a Director of Health Sciences Authority of Singapore. He is also a part-time lecturer at the Civil Service College of Singapore.

Mr Nair was awarded the Public Service Medal (Silver) in 1994 by the Singapore Government and the Friendship Medal in 2013 by the Government of Laos. He holds a Bachelor of Engineering from McGill University and a Master in Public Administration from Harvard University.

BIKRAMJIT SINGH THAKRAL Age 45

Non-Independent Non-Executive Director

First appointed as a Director: 2 January 2020
Last re-elected as a Director: 12 June 2020

Length of service as a Director (as at 31 December 2020):
1 year

Board Committee(s) served on:
- Member of Nomination Committee and Investment Committee

Mr Bikramjit Singh Thakral ("Bikram") is a Non-Independent Non-Executive Director. Prior to this appointment, he was Alternate Director to Executive Director, Mr Kartar Singh Thakral since 5 July 2013.

Bikram is the Chief Executive Officer and a Director of Thakral One Pte Ltd, a Thakral Family group-owned technology consulting firm, headquartered in Singapore with operations across Asia Pacific. Thakral One Pte Ltd is primarily focused on providing technology and data-analytics solutions to financial institutions, telcos, healthcare institutions and other regional enterprise customers. Bikram also oversees Thakral Services (India) Ltd, which provides electronics security solutions and products across India. He is part of the leadership team that evaluates and executes mergers and acquisitions for the Thakral Family Group of Companies. Prior to joining the Thakral Family businesses, Bikram was a strategy consultant at a leading management consulting firm headquartered in Boston, Massachusetts, where he focused on corporate and consumer strategy. He also consulted with various public sector organisations in Asia in the areas of sector competitiveness and public policy.

Bikram is a Director of various Singapore subsidiaries of the Company, a Non-Executive Director of India listed Thakral Services (India) Ltd. He graduated with a Bachelor of Business Administration (Honours) from the National University of Singapore and attended executive education at the Harvard Business School.

KEY PERSONNEL

RIKHIPAL SINGH THAKRAL
Ph.D in Humanity (Hon)
Advisor to Investment Committee

Mr Rikhipal Singh Thakral ("Rikhi") was appointed as Advisor to the Investment Committee of the Company on 1 March 2017. He is also a Non-Executive Director of the Company's subsidiaries, Thakral Lifestyle Pte Ltd, Thakral Japan Properties Pte Ltd, TJP Pte Ltd and Thakral Umeda Properties Pte Ltd.

Rikhi is presently an Executive Director in the Thakral Family Group of companies (the "Family Group") and currently oversees the Family Group's property division and is jointly responsible for the development and management of the Family Group's real estate portfolio in Japan and Singapore. He has extended experience of doing business in a number of Southeast Asian countries.

Rikhi is also the Founder and CEO of In-Sewa Foundation, a non-profit organisation dedicated to humanitarian and social activities. He has been conferred Honorary Doctorate in Humanity by University of Cambodia as well as Vietnam National University for his significant humanitarian work in Indo-China. Rikhi has been awarded Development Medal No. 1 by the President of Laos and is an Honorary Member of the Board of Trustees of The University of Cambodia.

ANIL MOOLCHAND DARYANANI
Chief Financial Officer

Mr Anil Moolchand Daryanani is the Chief Financial Officer ("CFO") and has overall responsibility for the financial functions at the Group including reporting, risk management, internal controls, financial planning, treasury and taxation with additional responsibilities for the legal, corporate secretarial and information technology functions. Prior to his appointment as CFO, Anil was the Group Financial Controller.

Anil joined the Group in 1982 and has more than 35 years of experience in financial management, taxation, accounting, legal and corporate financial matters. He has played key roles in the major corporate exercises undertaken by the Group right from and including the listing of the Group in 1995 on the main board of the Stock Exchange of Singapore. He works closely with the Group's banks and financial, tax and legal advisers in Hong Kong and Singapore.

Anil is a director of a number of the Company's subsidiaries in Hong Kong and Singapore. He is a Fellow of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants (ACCA).

KANWALJEET SINGH DHILLON
Managing Director
Thakral Corporation (HK) Limited

Mr Kanwaljeet Singh Dhillon is the Managing Director of Thakral Corporation (HK) Limited, and is responsible for a key part of the Group's sales and marketing operations. He joined the Group in 1977 and has more than 40 years of experience in consumer electronics trading and distribution. His mastery of the Chinese market has been a strong enabler for the Group's growth in Hong Kong and China and he has contributed strongly to the growth in overall sales of the Group since its listing. Kanwaljeet graduated with a Bachelor of Commerce Degree from Punjab University, India.

TORSTEN STOCKER
Chief Operating Officer
Lifestyle Division

Mr Torsten Stocker is the Chief Operating Officer, Lifestyle Division of the Group. Based in Hong Kong and China, his responsibilities include strategy and new business development, including identifying beauty, wellness and lifestyle brands for distribution and exploring business model expansion opportunities. He also oversees recruiting and people development and leads operational improvement initiatives across the business and is a director in the Group's China joint venture with UK at-home beauty device e-commerce retailer, CurrentBody.

Based in Asia since 1996, Torsten was previously a partner at global management consultancies A.T. Kearney and Monitor Group. He holds a Bachelor of Arts from Mannheim Cooperative State University and a MBA from Aston Business School, Aston University.

INDERGOPAL SINGH THAKRAL
Managing Director
Thakral China Ltd

Mr Indergopal Singh Thakral is the Managing Director of the Company's principal subsidiary, Thakral China Ltd. His responsibilities include strategising Thakral China's Beauty & Wellness business, executing the strategy and driving sales together with its China team as well as expanding the Lifestyle Division's brand portfolio in China. He is a director in the Group's China joint venture with UK at-home beauty device e-commerce retailer, CurrentBody.

Based in Shanghai with over 7 years of experience in business management, Indergopal continues to deepen his knowledge in the psyche and consumption preference of the Chinese market beyond those gained through his earlier roles as General Manager, Vice President of Beauty Division and Product Manager. Indergopal, together with senior management drove the re-positioning of Lifestyle Division's portfolio of brands towards Beauty & Wellness.

Indergopal holds a Bachelor's degree from Singapore Management University and attended training programmes on Developing Emerging Leaders and Negotiation Skills from Insead and Harvard Business School respectively.

KEY
PERSONNEL

SATBIR SINGH THAKRAL
Marketing Director
Lifestyle Division

Mr Satbir Singh Thakral is the Marketing Director of the Group's Lifestyle Division. He is directly responsible for leading the marketing functions including enhancing marketing infrastructure and development & implementation of the marketing strategy for the array of brands within the portfolio not limited to campaigns, events, digital & social media and public relations.

Satbir has over 10 years of experience in marketing and brand management through his various roles as Project Manager, Sales and Marketing Manager, Vice President of Lifestyle Products and Marketing Director of the Company's principal subsidiary, Thakral China Ltd. Building on his experience and knowledge of the constantly evolving digital landscapes, Satbir revitalised the Lifestyle Division's traditional brick and mortar channels into essential online e-commerce platforms to support the re-positioning and transformation of the Lifestyle Division. He enhanced the marketing infrastructure with appropriate use of digital & social media marketing tools which enabled the Lifestyle Division to improve brand awareness to reach out to a wider group of consumers and capture a larger market share of sales.

SEAN QIU
Financial Controller
Thakral China Ltd

Mr Sean Qiu is the Financial Controller of the Company's principal subsidiary, Thakral China Ltd. His responsibilities include planning and execution of financial strategy as well as overseeing administrative, human resource, information technology, legal, logistics and sales support matters.

Sean joined the Group during the second millennium and rose through the ranks from Finance Manager to the present role of Financial Controller. He has over 20 years of experience in financial management and works closely with the Group's banks, tax and legal advisers in China.

Sean graduated from the Accounting faculty of Shanghai Lixin University of Accounting and Finance.

KEVIN CHARLES BARRY

Joint Managing Director
Thakral Capital Australia Pty Ltd

Mr Kevin Charles Barry is the Joint Managing Director of the Company's principal subsidiary, Thakral Capital Australia Pty Ltd. He is responsible for managing the day to day affairs of the Group's Investment Division.

Kevin has over 25 years of experience in the investment banking, commercial finance and legal markets. He started initially as a finance lawyer in Sydney with KPMG and Blake Dawson Waldron, and then in London with Norton Rose. He moved to investment banking in 2001 at Zurich Capital Markets Asia where he was Senior Vice President responsible for the structuring and execution of their principal finance business, including the funding of commercial and residential loan portfolios.

Kevin was an Executive Director of the CHOPIN structured finance business that originated fixed income products across a number of different asset classes, including mezzanine property finance, lease and trade receivables and investment loans. Prior to joining the Group's Investment Division, he was involved in setting up the credit strategies funds management business at Pengana Capital Limited.

He is the Non-Executive Chairman of ASX listed companies Open Learning Limited and ICSGlobal Limited and a Director of the Company's Singapore subsidiaries, Thakral Capital Holdings Pte Ltd and TCAP Pte Ltd as well as a number of investment subsidiaries and joint venture entities of the Group in Australia. Kevin graduated with a Bachelor of Commerce and Laws from the University of New South Wales and is a solicitor in New South Wales.

GREGGORY JOHN PIERCY

Joint Managing Director
Thakral Capital Australia Pty Ltd

Mr Greggory John Piercy ("Gregg") is the Joint Managing Director of the Company's principal subsidiary, Thakral Capital Australia Pty Ltd. His responsibilities include business development, relationship management, strategy, origination, fund raising, risk management and overseeing the financial modelling of investment projects.

Gregg has more than 35 years of experience in financial markets, banking and real estate investment with a number of major banks, including ANZ Capital Markets, Lloyds and Societe Generale Australia where he was engaged in developing products and trading in derivatives, fixed interest products and asset swap markets.

In 1998, Gregg moved to Singapore and with his partners, established Presidio Capital, a successful debt and derivatives broking business where he was involved in the development of high yield, distressed and mezzanine debt products on behalf of investment funds and principal finance groups across Asia. In 2005, he was a founding partner of Asia Equity Partners Pte Ltd and assisted in the establishment of the successful US$100 million Injaz Asia Equity Property Fund which invested in 3 office buildings in Singapore and Kuala Lumpur, Malaysia and generated investor returns in excess of 30% IRR.

Gregg was Chief Executive Officer of Heritage Capital in Singapore prior to joining the Group's Investment Division. He is a Director of the Company's Singapore subsidiaries, Thakral Capital Holdings Pte Ltd and TCAP Pte Ltd as well as a number of investment subsidiaries and joint venture entities of the Group in Australia including GTH Resorts and GemLife.

KEY PERSONNEL

VICTOR SHKOLNIK
Executive Director
Thakral Capital Australia Pty Ltd

Mr Victor Shkolnik is an Executive Director of the Company's principal subsidiary, Thakral Capital Australia Pty Ltd. His responsibilities include risk management, execution of investment opportunities, project due diligence and oversight, corporate and funds management.

Victor has over 30 years of experience in the finance industry, specialising in credit risk management and property financing. He has held a variety of roles, amongst them a Director and Senior Vice President respectively in the risk management divisions of Deutsche Bank AG and Bankers Trust Australia, Head of Credit with Zurich Capital Markets Asia and Chief Credit Officer with the Challenger Group.

Victor had been a director of a property development company in Sydney which had undertaken projects in excess of A$300 million, a co-founder of a wholesale mortgage company with assets in excess of A$1.2 billion and was involved in setting up the credit strategies funds management business at Pengana Capital Limited.

He is a Non-Executive Director of ASX listed ICSGlobal Limited, a Director and Alternate Director of the Company's Singapore subsidiaries, TCAP Pte Ltd and Thakral Capital Holdings Pte Ltd respectively as well as a Director of a number of investment subsidiaries and joint venture entities of the Group in Australia. He holds a Bachelor of Economics from Sydney University and is a Fellow of the Financial Services Institute of Australasia and CPA Australia.

MICHAEL JAMES STUBBS
Chief Financial Officer
Thakral Capital Australia Pty Ltd

Mr Michael James Stubbs is the Chief Financial Officer and Company Secretary of the Company's principal subsidiary in Australia, Thakral Capital Australia Pty Ltd. His responsibilities include treasury management, working with clients to fund projects, and statutory requirements including financial reporting, taxation and company secretarial duties.

Michael has over 25 years of experience in accounting, taxation, M&A, treasury and business recovery matters. He was the Group Taxation & Projects Manager at Australian-listed Alesco Corporation Limited where he was involved in 20 acquisitions and two divestments and developed and implemented tax compliance processes across 5 diverse divisions and held other managerial roles. He moved on to be the General Manager (Finance) of B&D Garage Doors & Openers, a division of Dulux Group Limited where he delivered key strategic projects and was responsible for guiding strategy development, accounting, tax, IT, FX and foreign operations.

Michael graduated with a Bachelor of Business from University of Technology, Sydney and holds a Masters of Taxation from University of New South Wales. He is a Chartered Accountant with the Institute of Chartered Accountants Australia and is a Registered Tax Agent.

The Company is committed to continually enhance shareholder value and safeguard the interest of all its stakeholders through good corporate governance. This report outlines the corporate governance framework and practices of the Company which were in place during the financial year ended 31 December 2020 ("FY2020"), reflecting the balance between enterprise and accountability. The Board of Directors (the "Board") is pleased to report that the Company has complied with the Code of Corporate Governance published on 6 August 2018 (the "Code") for FY2020. Explanations have been provided for deviations from the Code within this report.

BOARD MATTERS

The Board's Conduct of its Affairs

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

The Board assumes responsibility for stewardship of the Group and is collectively responsible for the Group's long-term success. It provides corporate directions, ensures financial and human resources are adequate to meet its objectives, has established a framework of prudent and effective controls which enables risks to be assessed and managed, reviews management performance, and promotes best practice in corporate governance. Board members are required to objectively discharge their duties and responsibilities at all times as fiduciaries in the interest of the Company. It holds Management accountable for its performance.

The Board has put in place a code of conduct and ethics. It leads by example, setting appropriate tone-from-the-top and the desired organisational culture and ensuring proper accountability within the Company. Directors facing conflicts of interest are required to promptly disclose such interest and recuse themselves from discussions and decisions involving the issues of conflict.

Board Duties, Induction, Training and Developments

All directors understand the Company's businesses as well as their directorship duties, including their role as executive, non-executive and independent directors. Non-executive directors have also been provided with a formal letter setting out their duties and obligations with information on the role and responsibilities of non-executive directors, expected time commitment from directors and other relevant matters.

The Company has an established policy for new Board members to be briefed by the Chairman. Induction is required for a new member of the Board to ensure that all incoming directors are familiar with the Group's business activities, strategic directions and policies, key business risks, corporate governance practices as well as their statutory responsibilities as a director.

The Board keeps itself abreast and is kept informed by management and its Company Secretaries of legislative and regulatory requirements. It is also guided by the Company's Secretaries and where necessary, legal advisers to ensure that the Company complies with the requirements of the Companies Act, Cap. 50 (the "Act") and other rules and regulations applicable to the Company.

Board members are encouraged to attend relevant seminars and conferences to keep themselves up to date with legislative and regulatory changes as well as training programmes which are considered beneficial to performing their roles on the Board and its committees. From time to time, the Company disseminates information to Board members for their selection on appropriate seminars/workshops, in particular changes to listing and company regulations, corporate governance practices, financial reporting standard changes, risk management, conducted by the Singapore Institute of Directors ("SID"), SGX, Institute of Singapore Chartered Accountants and other established institutions. The Company funds all relevant training for Board members.

The Nomination Committee requires that each director should attend at least 2 relevant courses or training annually and directors with professional qualification must ensure that they complete the minimum hours of trainings required by the respective professional bodies.

Relevant seminars/conferences/training programmes attended by the directors in FY2020 include the following:

- ACRA-SGX-SID Audit Committee Seminar 2020 (Looking Beyond the Veneer of Numbers) jointly organised by Accounting and Corporate Regulatory Authority ("ACRA"), SGX and SID;
- COVID Lockdowns: The Positives and Opportunities for Society, Business and Us webinar organised by Ernst & Young ("EY");
- Reframing the Future – Now, Next and Beyond (How to Build a Bridge from Now to Next and Beyond) webinar organised by SID;
- Reframing the Future in Post-COVID World webinar organised by EY;
- COVID-19: Embedding Resilience (Risk Management – Fraud and Cyber) webinar organised by SID;
- Corporate Governance Roundup 2020 webinar organised by SID; and
- Half day programme on REITs conducted by a professor from Singapore Management University.

The Company also circulates on a regular basis relevant articles, news releases and reports in connection with the Group's businesses and regulatory compliance matters to the Board to keep them updated on the industrial trends, financial environment and regulatory changes and developments.

In addition, it organises on-site visits on an annual basis for directors to visit overseas offices to review key operations and investments to enable them to have an in depth understanding of the key businesses for them to provide strategic guidance. For their health and safety of our Non-Executive Directors in view of the COVID-19 pandemic, and travel restrictions imposed by Governments, no overseas visit was organised in FY2020. In addition to the on-going regular business reports, updates on overseas operations and investments were provided via electronic meetings.

Matters Requiring Board Approval

The Company has established an extensive list of matters that requires Board approval which has been clearly communicated to Management in writing. The list was last reviewed and revised by the Board in December 2020 and it includes key matters relating to:

- appointment and changes to Chairman, Directors, Managing Director(s)/Chief Executive Officer ("CEO"), Senior Executive Officers (including Key Management Personnel), Company Secretary/Chief Financial Officer/Group Internal Auditor and External Auditors;
- appointment and changes to Board Committees;
- appointment of and changes to directors of the Company's subsidiaries and associated companies which exceeds certain net asset or annual remuneration limits;
- appointment of and changes to the Company's representation on the board of companies in which the group holds investments (other than subsidiaries and associated companies) with net assets exceeding certain limits;
- appointment of and changes to legal representative(s) (or person(s) of equivalent authority) to the Company and/or any of its principal subsidiaries;
- appointment of and changes to appointment of independent directors of the Company who are also on the boards of the Company's local and overseas principal subsidiaries;
- establishing a policy and criteria for directors' development;
- review of remuneration, contracts and grants of options for executive directors and senior executive officers, and recommend to shareholders, fees payable to non-executive directors, including payments on retirement;
- announcements to the SGX-ST including approval and release of interim and annual financial results and annual reports;

- business strategy, operating budgets, including annual charitable donations, and capital expenditure exceeding certain limit;
- related party transaction matters;
- investments, capital projects and transactions outside the ordinary course of business, incorporation, acquisition, disposal and liquidation of subsidiaries and associates or other assets or incurring liabilities exceeding certain limits and other significant transactions;
- dividend and treasury policies including foreign currency and interest rate exposure;
- identifying, engaging and managing relationships with the material stakeholder groups;
- setting the Company's values, code of conduct and ethics;
- considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation and promoting best practice in corporate governance;
- establishment and monitoring of a robust and effective systems of internal controls that addresses financial, operational, compliance and information technology risks and risk management systems;
- issuing and changes to equity or debt securities and major financing facilities; and
- disclosure of directors' interests and loan agreements in connection with controlling shareholders' interest in relation to share pledging arrangements.

Delegation of Authority and Duties by the Board

To optimise operational efficiency, the Board delegates its authority and duties for matters other than those set out in the above list to Board Committees while continuing to retain its responsibilities. These Board Committees are the Audit Committee, Compensation Committee, Nomination Committee and Investment Committee. Delegations to Board Committees are disclosed in the relevant Board Committee sections. Management is accountable to the Board. In addition, the Board establishes special purpose committees from time to time to deal with specific matters as required. Delegations assigned to Management have been set out in accordance with a Management Authority Matrix approved by the Board.

Board Process and Attendance at Board, Board Committees and General Meetings

The Board meets at least thrice yearly for its regular scheduled meetings, and whenever necessary for the discharge of its duties. All Board and Board Committees' meetings are planned and scheduled in advance. Materials for Board, Board Committees and general meetings are uploaded onto a secured portal for access by the Board and Board Committees' members.

The Board members meet half yearly to review the operations of the Company and approve the issue of the interim and full year results announcements to the SGX-ST and ancillary issues. Prior to the Board meetings, Board members are given sufficient notice and provided with Board papers incorporating management accounts, results announcement, press releases and papers relating to each agenda item. The Board receives monthly management accounts and a status report of activities each month. This package provides comprehensive information on the results, position and cash flow of the Company and its subsidiaries with quantitative and qualitative analysis of divisional performance against forecasts with explanations for material variances. In addition to these regular reports, all relevant information on material events and transactions complete with background and explanations are circulated to directors as and when they arise.

The Constitution of the Company provides for meetings of directors to be conducted by means of a telephone conference, videoconferencing, audio visual, or other similar communication equipment. Matters which require the Board and Board Committees' approval outside the scheduled meetings are circulated for approval via resolutions in writing. Board members have access to all Board and Board Committees' meeting minutes and resolutions.

Each Board member has separate and independent access to the Company's senior executive officers and the Company Secretaries via telephone, fax, email and personally. The Board also has access to independent professional advice, where appropriate, at the Company's expense. Any member of the Board may advise the Chairman that he wishes to obtain independent legal advice in relation to a matter affecting the discharge of the director's responsibilities and duties to the Company at the Company's expense where it is reasonable to do so. The Chairman may determine that a matter that affects the discharge of the duties and responsibilities of a director or the Board collectively in relation to the affairs of the Company should be referred to independent legal counsel for advice at the expense of the Company where it is reasonable to do so.

At least one of the Company Secretaries or their representative attends all board meetings and is responsible for ensuring Board procedures are adhered to. The Company Secretaries ensure that the Company complies with the requirements of the Act and other rules and regulations applicable to the Company. The appointment and removal of the Company Secretary is a matter for the Board.

Directors are to attend and actively participate in Board, Board Committee and general meetings. Details of the directors' attendance at each Board and Committee and general meetings during FY2020 are as follows:

Director	Board	Audit Committee	Compensation Committee	Nomination Committee	Investment Committee	General Meetings
No. of Meetings held	**3**	**3**	**2**	**1**	**1**	**2**
Natarajan Subramaniam	3/3	3/3	2/2	1/1	1/1	2/2
Kartar Singh Thakral	2/3	NA	NA	NA	0/1	0/2
Inderbethal Singh Thakral	3/3	NA	NA	NA	1/1	2/2
Lee Ying Cheun	3/3	3/3	2/2	1/1	NA	2/2
Dileep Nair	3/3	3/3	2/2	1/1	NA	2/2
Bikramjit Singh Thakral	3/3	NA	NA	1/1	0/1	2/2

Other than the above meetings, the Board and its Board Committees also approve various matters by written resolutions from time to time.

Investment Committee

The Investment Committee was established to assist the Board in reviewing and approving or making recommendations to the Board on any proposed investments up to S$12 million. Members of the Investment Committee are:

Mr Natarajan Subramaniam	(Chairman)
Mr Kartar Singh Thakral	(Member)
Mr Inderbethal Singh Thakral	(Member)
Mr Bikramjit Singh Thakral	(Member)

The Investment Committee has written Terms of Reference that detail the responsibilities of its members. Its terms of reference were last reviewed by the Board in December 2020. The role of the Investment Committee is as follows:

- to review and approve investment proposals by the Company and/or its subsidiaries for amounts up to S$12 million for a single transaction or series of transactions relating to the same subject matter;
- to review and recommend to the Board for approval investment proposals exceeding S$12 million;
- to review and approve changes and variations to the terms of investments by the Company and/or its subsidiaries which have previously been approved by the Committee or the Board;
- to recommend to the Board any appropriate extensions or changes in the authority and duties of the committee;
- to retain such professional consultancy firm as the committee may deem necessary to enable it to discharge its duties herein satisfactorily; and
- to carry out such other duties as may be agreed by the committee and the Board.

The activities of the Investment Committees in FY2020 includes the review and approval of, and where applicable, recommending to the Board for approval:

- New investment proposals in Australia and Singapore;
- Variation to terms of investments previously approved by the Board or the Investment Committee to the Board; and
- Annual review of its terms of reference.

Board Composition and Guidance

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

Board Independence

The Company considers directors who are independent in conduct, character and judgement, and have no relationships with the Company, its related corporation, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company, to be independent.

The independence of each independent director is assessed by the Company's Nomination Committee annually with reference to the provisions set out in the Code and the applicable listing rules. In assessing the independence of the directors, the Nomination Committee has reviewed the various relationships and circumstances set out under the Code which may render a director to be non-independent. Each independent director is also required to confirm whether he considers himself independent annually taking into consideration the same set of assessment considerations set out under the Code. Each independent director has recused himself in the determination of his own independence during the review. For the year under review, the Board concurred with the Nomination Committee that Messrs Natarajan Subramaniam, Lee Ying Cheun and Dileep Nair are considered to be independent directors of the Company.

A rigorous process for the purpose of evaluating the true independence of directors who have served beyond nine years from the date of their first appointment has been put in place. Under this process, a special committee of the Board was formed in 2012 to set out the criteria for the basis for the evaluation. The special committee for FY2020, comprising Nomination Committee members, Mr Dileep Nair and Mr Bikramjit Singh Thakral, and in consultation of Mr Kartar Singh Thakral and Mr Inderbethal Singh Thakral have undertaken the review of independence of the Independent Non-Executive Chairman and Director, Mr Natarajan Subramaniam and Independent Non-Executive Director, Mr Lee Ying Cheun. The evaluation criteria included reviewing their conduct, character, judgement based on past records and performance as well as level of commitment including quality of involvement and participation, regularity of attendance at meetings, time commitment and contribution to determine whether such directors have acted, and are likely to continue to act, in the best interests of the shareholders in an independent manner despite their long tenure. Using these criteria as a basis for its decision, the special committee conducts a thorough and comprehensive evaluation annually on non-executive long serving directors to determine their independence. The special committee had, after their annual evaluation, opined that Mr Subramaniam and Mr Lee have each continued to demonstrate independence in conduct, character and judgement in deliberations of the Board and at its sub-committees level, constantly challenge in a rigorous and constructive manner the proposals supported by Management and major shareholder and have always seen to act in the best interests of the Company in discharging their director's duties and responsibilities ,and continue to add value to the Group despite their extended tenure. The special committee had therefore recommended to the Nomination Committee and the Board that both Mr Subramaniam and Mr Lee continue to be independent though they have been directors for more than nine years. The Nomination Committee and the Board, after due review, consider both Mr Subramaniam and Mr Lee as independent directors.

Pursuant to listing rule 210(5)(d)(iii) which will be effective on 1 January 2022, the two long serving independent directors are submitting themselves under the two-tier re-election for shareholders to affirm their independence at the Company's forthcoming Annual General Meeting.

Board and Board Committees Composition and Size

The Board currently consists of six directors of whom three are independent and non-executive, two are executive and one is non-independent non-executive. Non-executive directors make up a majority of the Board. There is an appropriate level of independence on the Board, with independent directors constituting half of the Board. No individual or group of individuals dominates the Board's decision-making process. Board members possess a range of core competencies in accounting, finance, business management, industry and market knowledge that provide effective direction for the Group. Representations from its controlling shareholder coupled with the independent element on the Board − comprising business leaders and professionals with a diversity of knowledge and experience − enables objective exercise of commercial judgment and provides appropriate checks and balances on Management's decisions. The Board has reviewed its size and composition and that of its Board Committees, having regard to the scope and nature of the operations of the Company. Considering the nature of the Group's core businesses, the Board is satisfied that the size and composition of the Board and its Board Committees are appropriate. The Board is also satisfied that the directors and Board Committee members are fully qualified to carry out their responsibilities and bring the required experience to the Board to provide the Group the direction required. The Board is therefore satisfied that there is 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 will continue to review the Board Committees' and its size and composition, including skill set on a regular basis.

Board Diversity

The Board is of the view that a diverse Board will enable it to achieve its strategic objectives of improving shareholder value, sustainable development, stakeholder satisfaction when contribution to the Board's discussions is heard from those with a wide range of skills, business experience, gender, ethnicity, age and geographical background. A Board Diversity Policy is in place to reinforce the need for greater diversity which reflects the real world and divergent backgrounds that brings different points of view to the table on the matter under discussion and foster productive debate.

The Board, through the Nomination Committee, ensures appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity among the directors is maintained. Current Board members possess a range of core competencies. The three independent non-executive directors have accounting and financial expertise as well as diversified and extensive business proficiency and capability. The two executive directors have business and industry knowledge essential for leading and managing the Group's operations. The non-independent non-executive director is well versed in strategy consultancy and has vast business exposure and network, brings valuable contribution to the Board and adds new views and visions from a different generation.

Appointments to the Board are made on the new appointee's experience, requirements of the Board as well as potential contribution to the Board.

Though the Board is firmly supportive of gender diversity, it takes the view that Board appointments should be based on merit, suitability, ability to contribute effectively and availability rather than gender alone. Considering the nature of the Group's core businesses, the Board is satisfied that the size and composition of the Board and its Board Committees are appropriate at present. Gender diversity will be given serious consideration when a vacancy on the Board is to be filled in future.

Non-executive directors, led by the Lead Independent Director, continue to constructively challenge and help develop the strategy for business operations and review the performance of Management. To facilitate a more effective check on Management, non-executive directors also meet regularly without Management's presence and whereby any feedback at such meetings are provided to the Board. Non-executive directors also meet with Management and visit overseas offices regularly to gain a better understanding of the pressures and opportunities faced by the Group and to provide support and direction.

The Board is satisfied that there is 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 is fully cognisant of the benefits of having not only a range of views but also gender diversity and will address these when a new member joins the Board.

Chairman and Chief Executive Officer

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

Mr Natarajan Subramaniam, Chairman of the Board, is an independent non-executive director and the Lead Independent Director of the Company. He leads the Board to ensure its effectiveness on all aspect of the Board's roles, is responsible for exercising control over quantity, quality and timeliness of the flow of information between the Management of the Company and the Board, encouraging constructive relations within the Board and between the Board and Management and ensuring effective communications with shareholders and other stakeholders and compliance with the Group's guidelines on corporate governance. He sets the Board agenda and conducts Board meetings and promotes a culture of openness and debate at the Board to ensure that every Board member has an opportunity to be heard. The Lead Independent Director is available to shareholders and other stakeholders through normal channels of communication to respond to their queries. His email address is also available on the Company's website.

Mr Inderbethal Singh Thakral, Chief Executive Officer of the Group, is responsible for leading the Group's business operations. He is the son of Executive Director, Mr Kartar Singh Thakral.

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.

Independent directors and non-executive directors, which includes the Chairman, have met twice, including via tele-conference, during FY2020 without Management's presence to discuss the Group's current and future operations and financial position. Additional three meetings were held by the Independent directors with the CEO being present. The Chairman ensures that matters discussed are advised to the Board for consideration and action.

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 Board has established a Nomination Committee to ensure that there is a formal and transparent process for the appointment and re-appointment of directors to the Board. Members of the Nomination Committee are:

Mr Lee Ying Cheun	(Chairman)
Mr Natarajan Subramaniam	(Member)
Mr Dileep Nair	(Member)
Mr Bikramjit Singh Thakral	(Member)

Except for Mr Bikramjit Singh Thakral, the members of the Nomination Committee are independent non-executive directors. The Lead Independent Director is a member of the Nomination Committee.

The Nomination Committee has written Terms of Reference that describe the responsibilities of its members. The Terms of Reference were last reviewed in December 2020.

The key duties of the Nomination Committee include:

- to recommend new appointments and re-election to the Board having regard to the composition and progressive renewal of the Board and each director's competencies, commitment, contribution and performance including, if applicable, his or her performance as an independent director;

- to review and, if deem appropriate, recommend to the Board, appointments of and changes to the directors of the Company's subsidiaries and associated companies with net assets or annual remuneration exceeding a certain limit;

- to regularly and strategically review the structure, size and composition of the Board and Board Committees and make recommendations to the Board with regard to any adjustments that are deemed necessary while taking into consideration requirements under the Code and applicable listing rules;

- to assist the Board in setting Board Diversity Policy and to review the Company's progress towards achieving these objectives;
- to recommend to the Board on the re-nomination of directors for re-election at the Company's AGM having regard to the directors' contribution and performance;
- to determine the independence of directors on an annual basis and as and when circumstance require in accordance with the Code and applicable listing rules;
- to ensure that directors who have multiple board representations give sufficient time and attention to the Company's affairs and to adopt internal guidelines to address the competing time commitments of such directors;
- to ensure new directors are aware of their duties and obligations;
- to review training and professional development programs for the Board and its directors and make appropriate recommendations to the Board;
- to ensure complete disclosure of key information of directors and search and nomination process as required under the Code and applicable listing rules;
- to develop a transparent process for evaluation of the performance of the Board, its Board committees and directors using a set of pre-approved objective performance criteria as well as determining the maximum number of listed company Board representations which a director may hold for the Board's approval;
- to determine and implement the process of assessing the effectiveness of the Board as a whole;
- to assess the contribution of each individual board member to the effectiveness of the Board;
- to make plans for succession for directors, in particular the appointment and/or replacement of the Chairman, and key management personnel;
- to recommend to the Board any appropriate extensions or changes in the authority and duties of the Nomination Committee;
- to retain such professional consultancy firm as the Committee may deem necessary to enable it to discharge its duties herein satisfactorily; and
- to carry out such other duties as may be agreed to by the Nomination Committee and the Board.

The activities of the Nomination Committee in FY2020 include:

- review and recommending the re-election of directors at AGM;
- review and determine the independence of independent directors, including long serving directors;
- reviewing the disclosure of key information of Directors in Annual Report;
- assessing the effectiveness of the Chairman, the CEO, the Board, the Board Committees and the performance of the Directors;
- reviewing directors' development and training; and
- review of its terms of reference.

New Directors' Selection and Nomination Process

New directors are appointed by the Board based on recommendations by the Nomination Committee. Other than depending on the network of contacts and recommendations from directors for sourcing of new candidates, the Nomination Committee is open to using the services of external professional agency like the SID where necessary. In reviewing the suitability of new candidates, the Nomination Committee seeks to ensure that the candidate has the relevant qualification, experience and skills to contribute to the Board before submitting its recommendation to the Board for approval.

The appointment of Mr Bikramjit Singh Thakral as Non-Independent Non-Executive Director on 2 January 2020 was part of the Board renewal process where details of the review by the Nomination Committee and the Board have been set out in his appointment announcement.

Expectation of Directors, Time Commitment and Multiple Directorships

All directors are expected to objectively discharge their duties and responsibilities in the interests of the Company. Directors are required to ensure that they are in a position to devote the necessary time commitment and attention to the Company's matters and for the proper performance of their duties. Directors, while holding office, are at liberty to accept other board appointments, other than in listed entities, so long as such appointment is not in conflict with the Company's business and does not materially interfere with their performance as a director of the Company. Directors are required to first discuss with the Chairman of the Board all board appointments in other listed entities and other executive appointments prior to acceptance. Principal commitments will be disclosed by directors. The Board has adopted an internal guideline to address the competing time commitment faced by directors serving on multiple boards. Taking into consideration (i) the scope and complexity of the Company's business; (ii) the time commitment and attention required for the proper discharge of duties and responsibilities as a director and that (iii) excessive time commitments can interfere with an individual's ability to perform his duties effectively, the internal guideline provides that each director should hold not more than 3 listed company board representation with full time commitment and no more than 4 listed company board representation without full time commitment.

For FY2020, the Nomination Committee was of the view that each director had discharged his duties adequately and that each director's listed directorship was in line with the Company's internal guidelines.

Re-election of Directors and Alternate Directors

In keeping with the principle of good corporate governance, the Constitution of the Company provides for (i) an election of directors to take place at every AGM whereby the directors to retire in every year shall be those who have been longest in office since their last election, (ii) all directors to retire at least once every three years and subject themselves to re-election by shareholders at the AGM and (iii) newly appointed directors hold office until the next AGM and are eligible for re-election by shareholders.

The Nomination Committee has reviewed the re-appointment of the existing directors who are subjected to re-election taking into consideration their quality of participation, attendance, contribution and performance when discharging their duties and responsibilities.

Key information of the Directors, including listed company directorships and principal commitments, is set out in the Board of Directors section of this Annual Report. Additional information, including the Nomination Committee and the Board's comments and recommendation, pursuant to Appendix 7.4.1 of the Listing Manual of the SGX-ST on the Directors seeking re-election has been set out in the Additional Information on Directors Seeking Re-election section of this Annual Report.

The Company does not have any Alternate Directors on the Board at present.

Board Performance

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

The directors are assessed by the Chairman in consultation with the Chairman of the Nomination Committee based on assessment parameters set out in a Director Evaluation Form. The evaluation covers a range of qualities and factors, and takes into consideration the background, qualifications, knowledge and experience of directors, their attendance and participation at Board and Committees' meetings and availability for consultation.

A formal assessment of the effectiveness and performance of Chairman of the Board, the Board as a whole and each Board Committee separately were undertaken by the Board and each Board Committee based on input from individual board and board committee members and the Chairman. The feedback and recommendation from the Directors and Board Committees are reviewed and discussed by the Board collectively after review by the Chairman. Where necessary, the Chairman reviews with the Nomination Committee, the proposed changes to improve the effectiveness of the Board. A self-evaluation carried out by each director on the effectiveness and contribution made showed that the directors have met the evaluation criteria such as candour, preparedness, participation, attendance, contributions to discussions in a positive manner, leadership, strategic thinking and integrity when discharging their responsibility.

The objective performance criteria established by the Nomination Committee to evaluate the Board's performance includes Board's structure, effectiveness of conduct of meetings, performance of the Board in discharging its functions particularly in measuring and monitoring performance and financial reporting, participation in strategic planning, risk management and internal controls, standards of conduct, the performance of the Board Committees and individual directors.

As mentioned under principle 2 of this report, the Board has reviewed its size and composition and that of its Board Committees, having regard to the scope and nature of the operations of the Company. Considering the nature of the Group's core businesses, the Board is satisfied that the size and composition of the Board and its Board Committees are appropriate. The Board is also satisfied that the directors and Board Committee members are fully qualified to carry out their responsibilities and bring the required experience to the Board to provide the Group the direction required. Where appropriate, the Chairman in consultation with the Nomination Committee reviews all new Board member appointments or seeks resignation of directors.

For the reporting year, the Board was satisfied with the performance of individual members of the Board and that the Board as a whole had performed more than satisfactorily. The Board also concluded that all of its Committees had operated effectively. Board members concurred that the Chairman has consistently performed effectively and achieved an above satisfactory grade in his role and responsibilities. No external facilitator was engaged.

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.

The Compensation Committee comprises three members, all of whom are non-executive and independent directors. The following directors constitute the Compensation Committee:

Mr Natarajan Subramaniam	(Chairman)
Mr Lee Ying Cheun	(Member)
Mr Dileep Nair	(Member)

The Compensation Committee has written Terms of Reference that describe the responsibilities of its members. The terms of reference were last reviewed and amended in December 2020. The key duties of the Compensation Committee include:

- to review and, if deem appropriate, recommend the recruitment of Executive Directors of the Group and their employment terms and remuneration to the Board;

- to review and, if deem appropriate, recommend to the Board, appointment of and changes to directors of the Company's subsidiaries and associated companies with net assets or annual remuneration exceeding a certain limit;

- to review and, if deemed appropriate, recommend to the Board the appointment, employment terms and remuneration of senior executive officers (including key management personnel) as well as those employees who are substantial shareholders, those related to directors or substantial shareholders of the Group;

- to structure a significant and appropriate proportion of executive directors' and senior executive officers' remuneration so as to link rewards to group or corporate and individual performance;

- to decide where to position the Company relative to other companies or its competitors;

- to consider the various disclosure requirements for directors' remuneration, particularly those required by regulatory bodies such as the SGX-ST and those recommended by the Code, and ensure that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Group and its stakeholders;

- to review and make recommendations to the Board on the Group's framework of executive remuneration;

- to recommend to the Board for approval by shareholders, the remuneration of Non-Executive Directors ("NED") to ensure, as far as is possible, that the quantum is commensurate with the NED's contribution to the Board directly and through its sub-committees;

- to administer such share schemes or plans as may be implemented by the Company from time to time in accordance with the rules of the schemes/plans;

- to oversee any major changes in employee benefits or remuneration structures;

- to review the design of all long-term and short-term incentive plans for approval by the Board and shareholders;

- to oversee the talent management and succession planning matters for executives in collaboration with executive directors;

- to recommend to the Board any appropriate extensions or changes in the authority and duties of the committee;

- to retain such professional consultancy firm as the Committee may deem necessary to enable it to discharge its duties herein satisfactorily; and

- to carry out such other duties as may be agreed to by the Committee and the Board.

The main activities of the Compensation Committee in FY2020 include:

- review of proposed directors' fees;

- review and recommending of year-end bonuses, salary increments and grant of share options;

- review and recommending the key performance indicators and guidelines for determining performance bonus for the chief executives and other senior management persons;

- discussion on disclosure of relationship between remuneration, performance and value creation; and

- review of its terms of reference.

The Compensation Committee has established a framework of remuneration for Board members and senior executive officers including executive directors of the Company, which covers all aspects of remuneration including directors' fees, salaries, allowances, bonuses, long term incentive schemes, benefits-in-kind and termination payments.

The Company's obligations in the event of termination of service of executive directors and senior executive officers are contained in their respective letters of employment. The Compensation Committee is of the view that termination clauses included therein are fair and reasonable to the respective employment class and are not overly generous.

The Board has approved a scheme where certain selected executive directors of the Group and key management personnel (currently three) who have served more than five years with the Group to be paid ex-gratia payments on retirement based on their years of service with a cap to the amount payable. There are no other post retirement and severance benefits for the executive directors except the common practice of giving notice or salary in lieu of notice in the event of termination. For the year under review, there was no termination, retirement or post-employment benefits granted to any director, the CEO or key management personnel.

The Compensation Committee is empowered, where required, to engage consultants to provide advice on remuneration of directors and management. The committee's remit requires that relationship between a consultant and any of its directors or the Company will not affect the independence and objectivity of the consultant. No advice was sought from consultants during the year under review in relation to remuneration of directors.

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 sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Executive directors do not receive directors' fees. Certain component of the remuneration of the executive directors and key management personnel is linked to the performance of the Company/Group and the individual and aligned with the interests of shareholders and other stakeholders to promote the long-term success of the Company through key performance indicators set by the Board on the recommendation of the Compensation Committee and takes into consideration the role of prudent risk taking in accordance with the risk management framework of the Company. The performance of executive directors and key management personnel is reviewed individually by the Compensation Committee and the Board on an annual basis.

Executive directors and key management personnel have standard employment letters. There were no unexpired service contracts with any executive directors and key management personnel. The Company does not have any contractual provisions to allow the Company to reclaim incentive from executive directors and key management personnel in case of wrongdoing as the Company pays bonuses on the performance and actual results of the Group and not on possible future results.

Non-executive directors are paid directors' fees, subject to approval at the AGM. In proposing remuneration for non-executive directors, the Compensation Committee took into account the contributions by individual directors in furthering the mission and objectives of the Group while ensuring non-executive directors are not over-compensated to the extent that their independence may be compromised. Non-executive directors are paid a basic fee and an additional fee for serving on any of the committees. An additional contribution fee may be payable where the non-executive director has rendered services beyond his normal duties.

The Compensation Committee has reviewed the remuneration of non-executive directors, executive directors and key management personnel of the Group to be appropriate to attract, retain and motivate the directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term, and has recommended the remuneration payable to each of the above category for the Board's approval. No director was involved in deciding his own remuneration. In setting remuneration packages for executive directors and key management personnel, the Company has taken into account the performance of the Company and that of its executive directors and key management personnel.

Disclosure of 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.

Disclosure of directors' and key management personnel's remuneration for FY2020 is tabulated below:

Directors' Remuneration:

Name of Director	Remuneration	Fees	Salary	Bonus/ Ex-gratia	Benefits	Total
	S$'000	%	%	%	%	%
Inderbethal Singh Thakral	1,034.2	–	27	34	39	100
Kartar Singh Thakral	315.4	–	98	–	2	100
Natarajan Subramaniam	350.3[1]	100	–	–	–	100
Lee Ying Cheun	131.0	100	–	–	–	100
Dileep Nair	127.0	100	–	–	–	100
Bikramjit Singh Thakral	92.0	100	–	–	–	100

[1] Includes non-executive director's fee from the Company's principal subsidiary, Thakral Capital Holdings Pte Ltd.

No share options have been granted to any director during FY2020.

Key Management Personnel's Remuneration:

Name of Executive	Salary	Bonus/ Ex-gratia	Benefits	Total	Share Options Granted
	%	%	%	%	No.
S$750,000 to S$1,000,000					
Kevin Charles Barry	34	65	1	100	5,000
Greggory John Piercy	34	65	1	100	5,000
Victor Shkolnik	34	65	1	100	5,000
S$500,000 to S$750,000					
Kanwaljeet Singh Dhillon	44	19	37	100	–
S$250,000 to S$500,000					
Anil Moolchand Daryanani	58	28	14	100	–
Torsten Stocker	99	–	1	100	–
Michael Stubbs	53	46	1	100	3,500

The aggregate remuneration paid to the key management personnel (who are not directors or the CEO) for FY2020 was S$4,840,000 (2019: S$4,531,000).

The Company is of the view that it may not be in its best interest of the Group to fully disclose the remuneration of the Group's key management personnel to the level as recommended by the Code, given the highly competitive hiring conditions and the need to retain the Group's talent pool.

Remuneration of Employees who are Substantial Shareholders of the Company or Immediate Family Members of a Director, the CEO or a Substantial Shareholder Exceeding S$100,000:

Name of Employee	Salary	Bonus/ Ex-gratia	Benefits	Total
	%	%	%	%
S$200,000 to S$300,000				
Indergopal Singh Thakral	41	–	59	100
S$100,000 to S$200,000				
Satbir Singh Thakral	39	–	61	100
Ashmit Singh Thakral	100	–	–	100

Mr Indergopal Singh Thakral is a substantial shareholder of the Company, the grand-nephew and nephew of Mr Kartar Singh Thakral and Mr Inderbethal Singh Thakral respectively. He is the Managing Director of the Company's wholly-owned subsidiary, Thakral China Ltd. Mr Satbir Singh Thakral and Mr Ashmit Singh Thakral are the grandsons and sons of Mr Kartar Singh Thakral and Mr Inderbethal Singh Thakral respectively. Satbir is the Marketing Director of the Group's Lifestyle Division while Ashmit is the Finance Director of GemLife Group.

No share options have been granted to employees who are substantial shareholders or immediate family members of a director, the CEO or a substantial shareholder in FY2020.

Other than disclosed in the above table, there were no employees who are substantial shareholders or immediate family members of a director, the CEO or a substantial shareholder, and whose remuneration exceeds S$100,000 in FY2020.

Employees' Share Option Scheme

The Company has adopted the Thakral Capital Holdings Pte. Ltd. ("TCH") Employees' Share Option Scheme (the "TCH ESOS") upon its approval at its extraordinary general meeting ("EGM") held on 29 April 2015.

TCH ESOS is a share option scheme for employees of the Investment Division. The key objective of the TCH ESOS is to motivate employees of TCH and its subsidiaries ("TCH Group Employees"), to optimise their performance standards and efficiency, and to reward them for their significant contributions with participation in the equity of TCH. The Company believes that the TCH ESOS may be more effective than cash bonuses in motivating TCH Group Employees to work towards pre-determined targets and to put in their best efforts, whilst at the same time allowing TCH to offer incentives and remuneration packages compatible with multinational companies. The Group is constantly sourcing for new talents as against its competitors, some of which are large and established organisations offering extremely attractive benefits including share options. Accordingly, the implementation of the TCH ESOS would narrow the gap between what the Group and these prestigious competitors can offer, thereby making career prospects with the Group more attractive.

The TCH ESOS is administered by the Compensation Committee (the "Committee") of the Company. The names of the members of the Committee have been set out beginning of the Remuneration Section of this report. Full details of the TCH ESOS can be found in the Company's Circular to shareholders dated 14 April 2015. Important details of the TCH Scheme are as follows:

(i) The TCH ESOS shall continue in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which the TCH ESOS is adopted by shareholders of the Company ("Shareholders") in a general meeting, provided that the TCH ESOS may continue beyond the aforesaid period of time with the approval of Shareholders in a general meeting, or may be terminated at any time by the Committee in its discretion, subject to all relevant approvals which may then be required having been obtained.

(ii) The aggregate number of ordinary shares in TCH ("TCH Shares" or "TCH Share") in relation to which an option may be granted on any date under the TCH ESOS, when added to the number of TCH Shares issued and/or issuable in respect of:

(a) all options granted under the TCH ESOS; and

(b) all TCH Shares, options or awards granted under any other share option or share scheme of TCH then in force (if any),

shall not exceed 15% of the total issued share capital of TCH (excluding TCH Treasury Shares) from time to time.

(iii) The aggregate number of TCH Shares in relation to which Options may be granted under the TCH ESOS to Controlling Shareholders and their Associates shall not exceed 25% of the TCH Shares available under the TCH ESOS, and the number of TCH Shares in relation to which an option may be granted under the TCH ESOS to each Controlling Shareholder or his Associate shall not exceed 10% of the TCH Shares available under the TCH ESOS.

(iv) Subject to adjustments made in accordance with the rules of the TCH ESOS ("TCH ESOS Rules"), the Exercise Price shall be as follows:

(a) in relation to options which are granted within the first (1st) anniversary of the Effective Date (being 1 January 2015), the Exercise Price shall be S$99.00[1] per TCH Share; and

(b) in relation to Options which are granted subsequent to the first (1st) anniversary of the Effective Date (i.e. on or after 1 January 2016), the Exercise Price shall be determined by the board of directors of TCH on the recommendation of the Committee on the Date of Grant, provided that such price shall not be lower than that set out in the above part (a) and shall in any case be at a premium to the net tangible asset ("NTA") value per TCH Share.

[1] The Exercise Price of S$99.00 per TCH Share is at a premium of approximately 2.5 times of the NTA value per TCH Share of approximately S$40.00 as at 31 December 2014 and was arrived at pursuant to negotiations between the Board of the Company and the board of directors of TCH.

(v) Subject to the TCH ESOS Rules and an occurrence of a liquidity event by Listing, Trade Sale or Business Sale (where the options which have not been exercised would be vested immediately), options granted to participants shall only vest on the Vesting Date. The Vesting Date falls on the third (3rd) anniversary date after the relevant date of the grant of the option. Please refer to the Company's Circular to shareholders dated 14 April 2015 for full definition of Liquidity Event.

Options granted to participants shall be exercisable at any time by a participant after the relevant Vesting Date, provided always that such options shall be exercised before the fifth (5th) anniversary of the relevant Vesting Date, or such earlier date as may be determined by the Committee, failing which, all unexercised options shall immediately lapse and become null and void, and a participant shall have no claim against the Company and/or TCH.

An aggregate of 98,300 options have been granted under the TCH ESOS since its adoption up to the end of FY2020. No share options were granted at a discount in FY2020 and no options were granted to directors and controlling shareholders of the Company and their associates.

Details of options granted to participants who receive 5% or more of the total number of options available under the TCH ESOS have been set out below:

Name of participant	Options granted during financial year under review (including terms)			Aggregate options granted since commencement of scheme to end of financial year under review	Aggregate options exercised since commencement of scheme to end of financial year under review	Aggregate options outstanding as at end of financial year under review
	No. of Options	Exercise Price (S$)	Validity			
Kevin Charles Barry	7,500	99	*	7,500	–	7,500
	6,250	120	*	6,250	–	6,250
	5,800	135	*	5,800	–	5,800
	5,000	141	**	5,000	–	5,000
	24,550			**24,550**	**–**	**24,550**
Greggory John Piercy	7,500	99	*	7,500	–	7,500
	6,250	120	*	6,250	–	6,250
	5,800	135	*	5,800	–	5,800
	5,000	141	**	5,000	–	5,000
	24,550			**24,550**	**–**	**24,550**
Victor Shkolnik	7,500	99	*	7,500	–	7,500
	6,250	120	*	6,250	–	6,250
	5,800	135	*	5,800	–	5,800
	5,000	141	**	5,000	–	5,000
	24,550			**24,550**	**–**	**24,550**
Jiyuan Liu	6,000	99	*	6,000	–	6,000
	1,500	120	*	1,500	–	1,500
	1,500	135	*	1,500	–	1,500
	1,500	141	**	1,500	–	1,500
	10,500			**10,500**	**–**	**10,500**
Michael James Stubbs	4,000	120	*	4,000	–	4,000
	4,000	135	*	4,000	–	4,000
	3,500	141	**	3,500	–	3,500
	11,500			**11,500**	**–**	**11,500**

Notes:
* Granted on 1 November 2018.
** Granted on 17 August 2020.

All options granted will be exercisable from the 3rd anniversary after the relevant Date of Grant ("**Vesting Date**") or earlier upon a Liquidity Event[1] and will expire on the 5th anniversary of the relevant Vesting Date, or such earlier date as may be determined by the Compensation Committee of the Company.

[1] (a) the separate listing on a recognised stock exchange of TCH or its successor in title pursuant to any corporate reorganisation pursuant to an initial public offering, a reverse takeover or the merger with a listed entity; (b) a trade sale of more than 25% of the issued capital in TCH by way of transfer of existing TCH Shares and/or the issue of new TCH shares such that the new shareholder holds more than 25% of the issued capital in TCH; or (c) the completion of a sale or series of sales of all or substantially all of the assets and businesses of TCH to one or more third parties.

Details of the options granted have been disclosed in the Directors' Statement on page 70.

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 is responsible for the governance of risk and setting the overall internal control framework within the Group to manage risks and safeguard the interests of shareholders and assets of the Group. The Board believes in managing risks in a cost-effective manner, while avoiding taking on excessive risk of failure, to achieve business objectives.

To strengthen the risk management process, Management has established a risk management framework which requires review of the universe of risks for the Group's businesses along with determination of risk appetite and risk tolerance, the likelihood of the risk, the risk mitigation action plan and its impact after action plan and mitigation. The universe of risks aggregates the significant risks faced by the Group. The boundary of risk taking, beyond which the Group shall not venture, is defined after the determination of the risk appetite and risk tolerance. Business/strategic, governance, operational, financial, compliance related, environmental, information technology as well as related party transaction risks are covered under the universe of risks.

The Board has reviewed the risk management framework which sets out the universe of risks of the Group, taking into consideration the nature and extent of the significant risks acceptable by the Board to achieve its strategic objectives and value creation, and approved the same for implementation by the Management. The Board continues to oversee Management in monitoring the risk management and internal control systems.

An annual assessment of the material internal and risk controls in the Company has been undertaken by the external auditors and the internal auditors as part of their quarterly reviews. The Audit Committee is satisfied with the process of identification, by the external and internal auditors, of control procedures requiring improvement, their recommendations for improvement and the implementation by the Management of such recommendations.

The Board has also received assurance from the Chief Executive Officer and the Chief Financial Officer for FY2020 that (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (ii) after due review, including necessary discussion with the relevant key management personnel, the Group's risk management and internal control systems and procedures in place are effective and adequate in addressing governance, financial, operational, compliance, environmental and information technology risks of the Group and are operating satisfactorily.

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 CEO and CFO; and the various Board Committees, the Board is of the opinion that the Group maintains a robust and effective risk management and internal control systems which were adequate in addressing governance, financial, operational, compliance, environmental and information technology risks as at the end of FY2020 and was concurred by the Audit Committee.

Audit Committee

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

The Audit Committee, established as a committee of the Board, is composed of three members all of whom are non-executive and independent directors. The following directors constitute the Audit Committee:

Mr Natarajan Subramaniam	(Chairman)
Mr Lee Ying Cheun	(Member)
Mr Dileep Nair	(Member)

Mr Subramaniam has more than twenty-five years of public accounting experience and retired as a senior partner of one of the Big Four accounting firms. The Board has determined that he has adequate qualification and experience in accounting and financial management matters.

Mr Lee was a former Deputy Chief Executive Officer of the Singapore Trade Development Board and a key senior executive of a public listed company. The Board has determined that he has the necessary business background and experience and is appropriately qualified to discharge his responsibility as a member of the Audit Committee.

Mr Nair has extensive experience having worked at various ministries of the Singapore Government, financial institutions as well as with International Agencies. He was Chief Executive Officer of Singapore's national savings bank, Post Office Savings Bank of Singapore and a Managing Director of DBS Bank Ltd where he had also served as Chairman of its Operational Risk Committee. He is an Independent Director and a member of the Audit and Risk Committee of Keppel DC REIT Management Pte. Ltd., the Manager of Singapore listed Keppel DC REIT and an Independent Director and the Chairman of the Audit Committee of Singapore listed Singapore Reinsurance Corporation Limited. The Board has determined that Mr Nair has the necessary business background and experience and is appropriately qualified to discharge his responsibility as a member of the Audit Committee.

No former partner or director of the Company's existing auditing firm has acted as a member of the Company's Audit Committee.

The Audit Committee's Terms of Reference clearly set out its authority and duties. The terms of reference were last reviewed and revised in December 2020. While focusing in particular on the areas of financial reporting, risk management and internal controls, the Audit Committee has been tasked:

- to review the annual financial statements and the auditors' report thereon before they are presented to the Board;
- to review the announcements for the interim and full year results and all other announcements relating to the Company's financial performance prior to the approval by the Board of Directors;
- to assess and provide a negative confirmation on the character and integrity of the CFO (or its equivalent rank) of the Company as and when required under the Listing Manual;
- to review and confirm the assurance from the CEO and the CFO on the financial records and financial statements;
- to discuss with the internal and external auditors, their audit plan, the nature, scope and methodology of their audit process and the results that can be expected to be attained and ensuring that the scope of the internal and external auditors' examination has not been restricted or influenced in any manner by Management;
- to review the adequacy, effectiveness, independence, scope and results of the external audit and internal audit function and the independence and objectivity of the external auditors;
- to review and recommend to the Board (i) proposals to shareholders on the appointment, re-appointment and removal of the external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- to evaluate the performance of the external auditors, taking into consideration the Audit Quality Indicators Disclosure Framework published by ACRA;
- to review at least annually the adequacy and effectiveness of the Company's internal controls, including governance, financial, operational, compliance, environmental and information technology controls, and risk management policies and systems established by Management;
- to review the appointment, termination, evaluation and remuneration of the head of the internal audit function, and ensure that internal audit function (i) is adequately resourced and staffed with competent personnel and that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies; (ii) has unfettered access to all the Company's documents, records, properties and personnel, including the committee, and (iii) has appropriate standing within the Company and (iv) is independent of the activities it audits;
- to review and discuss with internal and/or external auditors their report on major accounting and control issues observed during the annual audit and review management's implementation of the recommended improvement actions;

- to meet and discuss problems and concerns, if any, arising from the quarterly, interim and final audits, and any matters which the external auditors may wish to discuss and with the internal auditors without the presence of Management at least annually;

- to discuss the internal accounting controls with Management and be satisfied with their implementation and effectiveness;

- to review the arrangements for monitoring compliance with important regulatory or legal requirements and for monitoring sensitive transactions;

- to review the nature and appropriate disclosure of interested person transactions and related party transactions at least on a half yearly basis;

- to report to the Board how the committee has discharged its responsibilities and whether it was able to discharge its duties independently and to include a list of its activities set out under Practice Guidance 10 of the Code in its report to the Board;

- to review the policy and arrangements by which staff of the Company or any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The committee shall ensure that arrangements are in place for such concerns to be raised independently investigated, and for appropriate follow-up actions to be taken;

- to follow up on any complaints received from staff members as a result of the Group's whistle blowing policy; and

- to examine any other matters referred to by the Board.

The Audit Committee has explicit authority to investigate any matter within its terms of reference. It has full access to and co-operation from the Management and been provided the reasonable resources to enable it to discharge its function properly. The executive management of the Company attends all meetings of the Audit Committee on invitation. The external auditor and the outsourced Internal Auditors ("IA") have unrestricted access to the Audit Committee and are present at all quarterly Audit Committee meetings. The Audit Committee meets with the external and the outsourced IA, without the presence of the Management, at least once a year.

The Audit Committee has met thrice during FY2020 and details of their activities are disclosed in the Directors' Statement and has discharged its responsibility and duties independently. As part of its duties, the Audit Committee has reported to the Board:

(a) the significant issues and judgements that the Audit Committee considered in relation to the financial statements, and how these issues were addressed;

(b) the Audit Committee's assessment of the adequacy and effectiveness of internal controls and risk management systems;

(c) the Audit Committee's assessment of the adequacy, effectiveness and independence of the internal audit function;

(d) the Audit Committee's assessment of the independence and objectivity of the external auditors, taking into consideration the requirements under the Accountants Act (Chapter 2) of Singapore, including but not limited to, the aggregate and respective fees paid for audit and non-audit services and the cooperation extended by Management to allow an effective audit;

(e) the Audit Committee's assessment of the quality of the work carried out by the external auditors, and the basis of such assessment, such as the use of ACRA's Audit Quality Indicators Disclosure Framework;

(f) during the year there were no matters advised through the whistle-blowing channel.

The aggregate amount of fees paid to the auditors, broken down into audit and non-audit services have been disclosed in the notes to financial statements. In accordance with its terms of reference and as required under Rule 1207(6)(b) of the Listing Manual, the Audit Committee has undertaken a review of all non-audit services provided by the auditors for FY2020 and confirmed that they would not, in the Audit Committee's opinion, affect the independence and objectivity of the auditors.

The Company has appointed a suitable auditing firm which is registered with the ACRA to meet its audit obligations in accordance with Rule 712 of the Listing Manual. The Company's Singapore-incorporated subsidiaries are audited by the same auditing firm of the Company in Singapore. The Company has also appointed suitable auditing firms to audit its significant foreign-incorporated subsidiaries. Accordingly, the Company has complied with Rule 715 of the Listing Manual.

The Board provides negative assurance confirmation to shareholders in relation to its unaudited interim financial results in accordance with listing rule 705(5) to assure shareholders that to the best of the Board's knowledge, nothing has come to the attention of the Board which may render such unaudited results to be false or misleading in any material aspect.

In addition, all directors and key executives of the Company provided a letter of undertaking pursuant to Rule 720(1) of the Listing Manual of SGX-ST.

Internal Audit

The internal audit function is outsourced to Ruihua Certified Public Accountants, Shanghai which has adequate resources of suitably qualified and experienced personnel and the staff assigned have the relevant qualifications and experience to meet the standards of the Institute of Internal Auditors. The outsourced IA's primary line of reporting is to the Chairman of the Audit Committee, with administrative reporting to the Chief Financial Officer. The appointment, termination, evaluation and fee of the outsourced IA is reviewed and approved by the Audit Committee.

Ruihua Certified Public Accountants is one of the top 10 accounting firms in China with official practicing license covering securities related financial institutions with core service in auditing and assurance services.

The Head of Internal Audit holds a Certified Internal Auditor ('CIA') and Bachelor of Economics qualifications and is a partner at Ruihua. He has 15 years of extensive experience in the fields of risk management, IT compliance advisory, internal audit, internal control advisory and business re-engineering.

The Head of Internal Audit is assisted by an Internal Audit Manager and a Senior Internal Auditor.

The partner heading the internal audit function and the team members have the relevant experience and qualifications to conduct the internal audit of the Group companies.

The internal audit charter is approved by the Audit Committee and the outsourced internal audit function is independent of the functions it audits. It functions in accordance with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics. In addition, the outsourced IA has appropriate standing within the Group.

The Audit Committee reviews the annual internal audit plans. The Audit Committee reviews the reports of internal audit each quarter, including the reports on Related Party Transactions. All improvements to controls recommended by the outsourced IA and accepted by the Audit Committee are monitored for implementation. The Audit Committee reviews the adequacy, effectiveness and the performance of the outsourced internal audit function annually. The Audit Committee is of the view that the outsourced internal audit function is adequately resourced, effective, independent of the functions it audits and has performed its function satisfactorily.

Key Audit Matters

The External Auditors reported on the following four Key Audit Matters in their audit report of the Group for FY2020:

- Valuation of Inventories
- Valuation of Investment Properties and assets held for sale
- Valuation of financial assets measured at fair value through income statement
- Valuation of debt instruments measured at fair value through income statement

The four matters identified by the External Auditors principally relate to how the valuation of each class of assets is arrived at for inclusion in the Group's statement of financial position. Notes 2 and 3 to the financial statements set out the key assumptions used to arrive at their respective valuations and the bases on which the valuations are included in the Group's financial statements.

The Committee reviewed with Management the assumptions and bases as set out in Notes 2 & 3 of the financial statements and the methods used to arrive at the valuations.

In addition, the Audit Committee discussed the four Key Audit Matters with the External Auditors. During the discussion, the Audit Committee reaffirmed the assumptions, bases and methods used to arrive at the valuations as set out in Notes 2 & 3 of the financial statements and the External Auditors advised the Audit Committee that they were satisfied with the accounting treatment of the items listed as key accounting matters in their report.

The Audit Committee, following the discussions with the External Auditors and Management, concluded that the methods used for estimating and arriving at the valuation of each of the above category of assets were appropriate and in compliance with the relevant accounting standards.

Whistle-blowing Policy

The Audit Committee has established and put in place a whistle-blowing policy and procedures to provide employees and any other person with well-defined and accessible channels within the Group, including direct communication via electronic mail and designated postal mailbox available only to the Audit Committee and outsourced IA, for reporting of suspected fraud, corruption, dishonest practices or other similar matters. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly and, to the extent possible, be protected from reprisal. In promoting and creating fraud control awareness, the whistle-blowing policy and procedures are circulated to all existing and newly recruited employees by the human resource department.

The Audit Committee oversees the administration of the policy while the outsourced IA administers the policy. In addition to reporting upon the receipt of any complaint, the outsourced IA also furnishes quarterly reports to the Audit Committee stating the number and nature of complaints received, the results thereof, follow up action and the unresolved complaints, if any. Thereafter, summarised results and follow up measures are advised to the Board of Directors after review by the Audit Committee. The policy and procedures statement is reviewed annually by the Audit Committee and the approved document is circulated to employees after each annual review. On 25 February 2021, the Audit Committee reviewed and approved the policy and procedures statement and did not recommend any changes to the document. The policy and procedures statement has been circulated to employees after the review.

Interested Person Transactions Policy

The Company has adopted an internal policy in respect of any transaction with interested persons and has set out the procedures for review and approval of the Company's interested person transactions.

The following table sets out the disclosure required under Rule 907 of the SGX-ST Listing Manual in respect of interested person transactions for the financial year under review:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the year ended 31 December 2020 under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S$100,000)
		S$'000	S$'000
Thakral Brothers (Pte) Ltd and subsidiaries	Associate of controlling shareholder		
Purchases, net of returns		–	967
Sales, net of returns		–	620

Dealings in Securities

The Company has adopted internal codes to comply with the requirements of the Listing Manual. Its officers are prohibited from dealing in the Company's securities during the period commencing one month before the announcement of the Company's half year and full year results, until after the release of the relevant results announcement. In the event where the Company releases its results in any quarter for the purpose of declaring dividend, or other reasons, its officers shall be prohibited from dealing in the Company's securities during the period commencing two weeks before the announcement of such quarterly results. The Company notifies its officers in advance of the commencement of each of the window closure periods. The internal code also highlights to its officers that it is an offence to deal in the securities of the Company while in possession of unpublished price sensitive information and discourages officers from dealing in the Company's securities on short-term considerations.

SHAREHOLDERS 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.

The Board 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. It recognises, protects and facilitates the exercise of shareholders' rights, and continually reviews and updates such governance arrangements. It provides shareholders a balanced and understandable assessment of its performance, position and prospects.

Shareholders are entitled to receive the Company's Annual Report together with the relevant AGM notice to be updated on the annual performance of the Group and be notified to attend the AGM, either in person or be represented by proxy, to exercise their vote on resolutions proposed at the AGM. In consideration of the COVID-19 pandemic, safe distancing measures and for the health and safety of shareholders, the Company made arrangements to hold its general meetings electronically via live webcast in 2020. As part of this arrangement, shareholders were able to join the live webcast of the general meetings electronically and submit their votes via the proxy forms to appoint the Chairman of the AGM as their proxy to vote on their behalf in accordance with their voting instruction. Shareholders were also able to submit their questions in advance during their pre-registration process and the Company had addressed the substantive and relevant questions relating to the resolutions prior the webcast.

In an effort to provide a more interactive AGM in 2021, the Company has arranged with its meeting vendor to enable shareholders to join the meeting electronically instead of a webcast meeting. Additionally, shareholders will be allowed to ask questions in audio-visual mode during the AGM.

As part of the Company's continued effort to contribute to the protection of the environment, a digital version of the Company's Annual Report is accessible by shareholders through the Company's website. Shareholders may request to receive a printed copy of the Company's Annual Report at no additional cost. Additionally, shareholders are being notified of all general meetings through electronic copy of notices of general meetings released via the SGXNet together with the proxy form at least 14 days in advance to provide ample time for them to make arrangement to join and participate in all general meetings. The notices of general meetings and proxy forms are also made available on the Company's website.

While the Company has considered providing longer notice period and to avoid scheduling meetings during peak periods when the meetings may coincide with those of other companies particularly for AGMs to enhance shareholder participation in general meetings, its corporate and finance team is constrained by the tight reporting deadline during the same season for annual report production, auditing, first quarter results and sustainability reporting.

Management makes an effort to present an update on the Company's performance, position and prospects to shareholders at the AGM, being the principal forum for dialogue with shareholders. All directors of the Company, save for any unanticipated circumstances, shall be present (by way of electronic means until the pandemic situation has been stabilised with further relaxation of safe distancing measures) at the AGM and all general meetings to address queries from shareholders. Shareholders will therefore have the opportunity to exchange their views on the Group's affairs as well as address questions to the Board. The Chief Financial Officer and representatives of the external auditors are also present at the AGM to address shareholders' queries on the Group's financials, if required, at the invitation of the Chairman. Directors and where applicable, Management, also make themselves available before and after general meetings to interact with shareholders.

In the event that the shareholders are unable to attend the general meetings in person, the Company's Constitution allows such shareholders to appoint one or two proxies to attend and vote on their behalf. The Company's Constitution takes into consideration all requirements for compliance with the Companies Act as well as the Listing Manual, including allowing corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate at general meetings as proxies provided the grantor of the proxies is able to certify that the proxies have been duly appointed in accordance with the instructions of the beneficial owners of shares held through them and for shareholders who are CPF investors, with proper request submitted through their agent bank within the stipulated timeline, to attend and vote at the Company's general meetings. Though the Company's Constitution allows for absentia voting through mail, electronic mail or fax at general meetings of shareholders, the process has not been implemented in view of concerns over security, integrity and other related pertinent issues of such voting methods. Meanwhile, shareholders are to continue appointing the Chairman of the forthcoming AGM, to be held convened and held by way of electronic means, as their proxy to vote in accordance with their instructions.

The Company ensures that the minutes of its general meetings have been prepared to include substantial and relevant queries from shareholders relating to the agenda of the meeting and responses from the Board and Management. The minutes of the Company's general meetings are available for shareholders' inspection upon their request in accordance with the Company's Constitution and pursuant to any applicable legislation. Minutes of the Company's general meetings commencing from 2019 have also been made available on the Company's website.

The Company also ensures that there are separate resolutions at general meetings on each distinct issue. As recommended by the Code and as required by the Listing Manual, all resolutions at general meetings are voted by poll. The voting and polling procedures are read out to shareholders prior the carrying out each procedure during general meetings.

The Company has engaged electronic polling agent and has implemented compulsory polling for all resolutions at all its general meetings in accordance with the listing rule requirement. An independent scrutineer is also appointed to validate the vote tabulation procedures. The Company also announces through SGXNET the detailed results of the poll conducted at its general meetings showing the number of votes cast for and against each resolution and the respective percentages.

Dividend Policy

The Company aims to create a long-term sustainable dividend policy in the form of regular dividend payments to its shareholders while maintaining a balance between its dividend distributions and an efficient capital structure with adequate liquidity to meet the Group's working capital requirements and future operational and investment needs (the "**Dividend Policy**").

The Company's Dividend Policy is to declare and pay dividend twice a year, in line with its growth prospects. There will be two dividend payments, one by end September of the same financial year and the other by end of April of the following year. The quantum of dividend will be at the discretion of the Board taking into consideration the overall cash and financial position, and future operational and investment needs of the Group. The Company's declaration and payment of dividends shall be determined at the sole discretion of the Board.

Total interim dividend of 3 cents per ordinary share has been declared for FY2020. The first interim dividend was paid on 27 August 2020 and the second interim dividend will be paid on 28 April 2021.

Engagement with Shareholders

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

The Company recognises the importance of engaging in effective communications with its shareholders and is, at all times, committed to provide shareholders and the investing public, timely, relevant, transparent and quality information on its financial data, corporate strategies as well as material updates and developments of the Group. Hence, the Company has in place an investor relations policy to promote regular, effective and fair communication with shareholders whereby pertinent information can be regularly conveyed to shareholders. The investor relations policy was reviewed by the Board at its February 2021 meeting.

In ensuring that shareholders and investors are given proper attention, the Company has continuously engaged an investor relations agency to support the investor relations function and responsibility.

The contact details of the Company and its Investor Relations Agent are available on the Company's website to enable shareholders and investors to submit their enquiries through various means such as online submission, electronic mail, facsimile, telephone and post. The Lead Independent Director is contactable via his email which is available on the Company's website.

Shareholders are kept informed of changes of the Group which would likely affect the price or value of the Company's shares on a timely basis. The Board provides such information and quarterly and full year financial statements and review of the Company's performance, financial position and all other reportable information via announcements through SGXNET. In line with continuing disclosure requirements under the Listing Manual, the Company observes an "open door" policy in dealing with analysts, journalists, stockholders and others and will avoid selective disclosure at all times. Information disseminated through SGXNET, are made available on the Company's website to allow for fair access to information through these channels by shareholders and the investing public. To facilitate dissemination, the Company's investor relations agency would also provide copies of the information to various news agencies and media.

The Company's website is well maintained and updated on a timely basis. The website provides comprehensive and up to date information on the Group including its corporate profile, principal businesses, directors' profile, corporate milestones, its general announcements for up to the last one year, results announcements and annual reports for the past 3 years as well as analyst reports up to the past year. Details of the Company's share price and charts are currently accessible through SGX's website.

The Company, through its investor relations agency, organises briefing for its results announcement and major updates where appropriate. Such briefings are to explain and assist analysts and media to better understand the Group's results and business. From time to time, additional meetings or interviews with analysts and the media (either on a group or one-on-one basis) may be scheduled to provide updates on the Group's major developments. Where presentation slides are used at such briefings and all other meetings/interviews with analysts and media, these are released via SGXNET and uploaded on the Company's website.

The Company may also participate periodically in roadshows hosted by analyst and stock broking firms to create more awareness of the Group's business and direction.

Through interaction of the Company's senior management with the media and analysts, the Company obtains feedback of the issues that may be of concern to investors and shareholders so that these matters can be addressed in the future.

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.

The Board recognises the importance of relationships with material stakeholders may have an impact on the Group's long-term sustainability. It adopts an inclusive approach by considering the needs and interests of its material stakeholders, as part of its overall responsibility to ensure that the best interests of the Group are served.

As part of the Group's sustainability journey, the Group has arrangements in place to identify, engage and manage its material stakeholder groups. The following table covers a list of key stakeholder groups, various methods of engagement, key issues raised, and how our Company responded to them during FY2020:

Stakeholder Group	Mode of Engagement	Frequency	Areas of Concern	How We Responded
Investors	• General Meetings • Press Releases • Public Conferences and Events • Publications • Email/Phone Enquiries and Feedback	• Annually • Half yearly • Ad Hoc	• Higher financial return • Property management • Trend of beauty, wellness and lifestyle categories • Quality half yearly and ad hoc press releases • Relevant company announcements	• By forging strong ties with its shareholders and investors by rewarding them with positive returns through systematic corporate governance practices. • By being transparent with its shareholders and investors through the publication of annual reports and sustainability reports on annual basis. • By communicating with them on a regular basis.
Regulators	• Surveys • Electronic Communications • Regulatory Submissions	• Annually • Half yearly • Ad Hoc	• High standards of corporate governance • Regulatory compliance	• By being highly committed to regulatory compliance. • By ensuring the Group is complying with all relevant existing regulatory requirements.
Customer	• Customer Feedback • Management Summit • Trade Shows and Product Launches	• Frequent and on-going	• Market presence of the brand • Customer health and safety • Security of properties	• By ensuring customers are satisfied. • By ensuring customers' needs are always catered effectively through operational sustainability and high-quality business practices.
Suppliers	• Feedback via email/ phone call/meetings	• Frequent and on-going	• Procurement practices • Market practices • Customer health and safety	• By forming longstanding relationships with suppliers through effective communication between the Group and its suppliers.

Stakeholder Group	Mode of Engagement	Frequency	Areas of Concern	How We Responded
Employees	• Performance Appraisal/Training	• Annually • Ad Hoc	• Competence development • Performance management • Fair employment practices	• By being committed in developing and supporting employees via relevant training programs.
Community	• Various Communication	• Regular and on-going • Ad Hoc	• Eco-friendly development • Electricity consumption • Comply with local requirements on environment	• By being committed in enhancing the living standards and health of the local communities through incorporating sustainability measures in its business model and being more environmentally conscious. • By being committed in supporting worthy social and community causes for the environments it operates in to contribute back to society and helping those in need in the local community.
Top Management	• Board and its Sub-committees Meetings • Regular Discussions	• Half yearly/ Ad Hoc • Regular and on-going	• Economic performance • Indirect economic impacts	• By being highly committed in delivering strong results and enhance its business performance with sustainable business measures in place.

The Company has in FY2020 engaged its sustainability consultant to conduct a stakeholder engagement through online survey to understand the key sustainability areas and concerns that are of importance to its material stakeholder groups, which include its major shareholder, the Board, Senior Management and selected Middle Management personnel. The results analysis provided insights on the alignment of existing sustainability areas of concern with stakeholder expectations, as well as identified areas of improvement for the development of future sustainability reports.

The Company's corporate website is well maintained and updated on a timely basis to allow for communication and engagement with all stakeholders.

FINANCIAL
CONTENTS

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of Thakral Corporation Ltd (the "Company") and its subsidiary corporations (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the year ended December 31, 2020.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 79 to 156 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 December 31, 2020, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this report are:

Natarajan Subramaniam	(Chairman)
Kartar Singh Thakral	
Inderbethal Singh Thakral	
Lee Ying Cheun	
Dileep Nair	
Bikramjit Singh Thakral	(Appointed on January 2, 2020)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except as disclosed in paragraphs 3 and 4 below.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as disclosed below:

Name of directors and companies in which interests are held	Shareholdings registered in name of directors		Shareholdings in which directors are deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
The Company				
(ordinary shares)				
Kartar Singh Thakral	–	–	65,692,560	65,692,560
Inderbethal Singh Thakral	–	–	65,692,560	65,692,560
Bikramjit Singh Thakral	–	–	65,692,560	65,692,560
Subsidiary - Thakral Japan Properties Pte Ltd				
(ordinary shares)				
Kartar Singh Thakral	–	–	566,099	566,099
Inderbethal Singh Thakral	–	–	566,099	566,099
Bikramjit Singh Thakral	–	–	566,099	566,099
Subsidiary - TJP Pte Ltd				
(ordinary shares)				
Kartar Singh Thakral	–	–	2,117,581	2,117,581
Inderbethal Singh Thakral	–	–	2,117,581	2,117,581
Bikramjit Singh Thakral	–	–	2,117,581	2,117,581
Subsidiary - Thakral Umeda Properties Pte Ltd				
(ordinary shares)				
Kartar Singh Thakral	–	–	1,636,000	1,636,000
Inderbethal Singh Thakral	–	–	1,636,000	1,636,000
Bikramjit Singh Thakral	–	–	1,636,000	1,636,000

By virtue of Section 7 of the Singapore Companies Act, Mr Kartar Singh Thakral, Mr Inderbethal Singh Thakral and Mr Bikramjit Singh Thakral are deemed to have an interest in all the related corporations of the Company.

Mr Bikramjit Singh Thakral was an alternate director to Mr Kartar Singh Thakral before becoming a director on January 2, 2020.

The directors' interest in the share capital and debentures of the Company at January 21, 2021 were the same at December 31, 2020.

4 SHARE OPTIONS

a) The Company does not have any share option scheme currently in effect.

b) The Thakral Capital Holdings Pte Ltd (the "TCH") Employees' Share Option Scheme 2015 (the "TCH Scheme") was approved at an Extraordinary General Meeting on April 29, 2015. The members of the Compensation Committee administering the TCH Scheme during the financial year were Messrs Natarajan Subramaniam (Chairman), Lee Ying Cheun and Dileep Nair. There are 20,000 options granted in 2020 under the TCH Scheme. No share options were granted at a discount during the year and no options were granted to directors and controlling shareholders of the company and the associates.

c) The options relating to the TCH Scheme on ordinary shares of TCH and outstanding at the end of the year were as follows:

Date of grant	At beginning of year	Granted	At end of year	Exercise price per share	Exercisable period
November 1, 2018	30,000	–	30,000	S$99	November 1, 2021 to October 31, 2026
November 1, 2018	25,000	–	25,000	S$120	November 1, 2021 to October 31, 2026
November 1, 2018	23,300	–	23,300	S$135	November 1, 2021 to October 31, 2026
August 17, 2020	–	20,000	20,000	S$141	August 17, 2023 to August 16, 2028
	78,300	20,000	98,300		

The options granted will be exercisable from the 3rd anniversary after the relevant Date of Grant ("Vesting Date") or earlier upon a Liquidity Event[1] and will expire on the 5th anniversary of the relevant Vesting Date, or such earlier date as may be determined by the Compensation Committee of the Company.

95,650 share options outstanding at the end of the year were granted to various grantees who each had received more than 5% of the options available under the TCH Scheme.

5 AUDIT COMMITTEE

The Audit Committee comprises three members, all of whom are non-executive and independent directors. The members of the Committee are:

Natarajan Subramaniam
Lee Ying Cheun
Dileep Nair

The Audit Committee met three times since the last Annual General Meeting ("AGM") and reviewed the following, where relevant, with the executive management and external and internal auditors of the Company:

a) the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

b) the Group's financial and operating results and accounting policies;

1 (a) The separate listing on a recognised stock exchange of TCH or its successor in title pursuant to any corporate reorganisation pursuant to an initial public offering, a reverse takeover or the merger with a listed entity; (b) a trade sale of more than 25% of the issued capital in TCH by way of transfer of existing TCH Shares and/or the issue of new TCH shares such that the new shareholder holds more than 25% of the issued capital in TCH; or (c) the completion of a sale or series of sales of all or substantially all of the assets and businesses of TCH to one or more third parties.

5 AUDIT COMMITTEE (CONTINUED)

c) the audit plans and results of the audit of the external auditors;

d) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company before their submission to the directors of the Company and external auditors' report on those financial statements;

e) the half-yearly and full year announcements as well as the related press releases on the results and financial position of the Group and the Company;

f) the co-operation and assistance given by the management to the Group's external auditors; and

g) the re-appointment of the external auditors of the Group.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE BOARD

Mr Kartar Singh Thakral

Mr Inderbethal Singh Thakral

March 30, 2021

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Thakral Corporation Ltd (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at December 31, 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 79 to 156.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") 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 December 31, 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company 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 year. 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.

I. Valuation of inventories

As at December 31, 2020, the Group has inventories amounting to S$8,321,000.

Inventories are to be carried at the lower of cost and net realisable value. In determining the net realisable value of the Group's inventories, an estimation is performed based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration the fluctuations of selling prices or cost, or any inventories on hand that may not be realised, directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

Allowance has been made for certain products which have aged significantly and continue to sell slowly.

There is an inherent risk on valuation of inventories and allowance for aged inventories and/or products that may be approaching end-of-life requiring exercise of certain management judgement and estimate in determining the allowance for obsolescence.

Management reviews the inventory listing monthly and assesses the inventories on an item by item basis. This review also involves comparison of the carrying value of the inventory with the respective net realisable value. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made based on the position as at December 31, 2020.

The Group has made disclosures on inventories in Note 11 to the financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

I. Valuation of inventories (CONTINUED)

Our audit procedures and responses thereon:

Audit procedures included the following:

a) evaluated the design and implementation of relevant controls over valuation of inventories;

b) attended year-end inventory counts to observe the existence of the inventory and if there were any damaged inventories;

c) assessed the appropriateness of the allowance for inventories by evaluating the inventories allowance policy and methodology with reference to the historical accuracy of the allowance against actual losses;

d) tested the inventories aging and recalculated the allowance for aged inventories against the Group's inventories allowance policy; and

e) tested the net realisable value of inventories by comparing to samples of sales transactions after period end. Where there were no subsequent sales, we verified to online selling prices of competitors.

Based on procedures performed, we noted management's assessment of allowance for inventories is reasonable. We have also assessed the appropriateness of the relevant disclosures included in the consolidated financial statements.

II. Valuation of investment properties and assets held for sale

The Group's investment properties and assets held for sale amounting to S$45,218,000 and S$13,787,000 respectively, are stated at their estimated fair value.

The fair values of the Group's investment properties located in Singapore and Australia and assets held for sale located in the People's Republic of China ("PRC") and Australia are determined on the basis of valuations carried out at year end by independent professional valuers having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The fair values are determined based on an open market basis by making reference to the recent transactions of similar properties in similar location and condition under the prevailing market conditions.

There are inherent risks on fair value estimates which may differ from the prices and locations at which these properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also certain estimates require an assessment of uncontrollable factors such as overall market conditions.

Management assessed that the fair values of the investment properties and assets held for sale are reasonable and changes in fair values during the year have been properly accounted for.

The Group has made disclosures on assets held for sale and investment properties in Notes 12 and 15 to the financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

II. Valuation of investment properties and assets held for sale (CONTINUED)

Our audit procedures and responses thereon:

Audit procedures included the following:

a) assessed the competency, objectivity and capabilities of the independent professional valuers;

b) evaluated management's internal assessment and the professional valuers' terms of appointment, scope of work and valuation methodology;

c) reviewed management's internal assessments and independent valuation reports, discussed with the professional valuers and assessed the appropriateness of the significant judgements, estimates and assumptions used by management and valuers; and

d) reviewed management's assumption for changes in classification for transfers of investment properties to assets held for sale.

Based on procedures performed, we noted management's and valuers' key assumptions to be within the reasonable range of our expectations. We have also assessed the appropriateness of disclosures regarding the basis and hierarchy of fair value included in the consolidated financial statements.

III. Valuation of financial assets measured at fair value through income statement

As at December 31, 2020, the Group has unquoted investments classified as financial assets measured at fair value through income statement ("FVTIS") amounting to S$45,756,000.

The fair value of the financial assets measured at FVTIS is estimated based on the Group's share of the net asset values of the investees, which approximates its fair value as at the end of the reporting period. The investees' main assets are office and hotel buildings in Japan which are leased to external parties. The fair values of these buildings have been determined on the basis of valuations carried out by external independent professional valuers.

The fair values have been determined based on discounted cash flows. The key judgements and estimates include discount rate, rental rate and capitalisation rate.

There are inherent risks on such fair value estimates which may differ from the prices and locations at which these properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of uncontrollable factors, such as overall market conditions.

Management assessed that the fair values of the financial assets are reasonable and changes in fair values during the year have been properly accounted for.

The Group has made disclosures on these financial assets measured at FVTIS in Note 20 to the financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

III. Valuation of financial assets measured at fair value through income statement (CONTINUED)

Our audit procedures and responses thereon:

Audit procedures included the following:

a) reviewed the latest financial information of the investee and evaluated the recoverability of investment;

b) assessed the competency, objectivity and capabilities of the independent professional valuers;

c) evaluated management's internal assessment and professional valuers' terms of appointment, scope of work and valuation methodology;

d) reviewed management's internal assessment and independent valuation reports, and assessed the appropriateness of the significant judgements, estimates and assumptions used by management and the professional valuers; and

e) verified that key information provided by management to the professional valuers was reasonable.

Based on procedures performed, we noted management's key assumptions and estimates to be within the reasonable range of our expectations. We have also assessed the appropriateness of disclosures regarding the basis and hierarchy of fair value of the investment included in the consolidated financial statements.

IV. Valuation of debt instruments measured at fair value through income statement

As at December 31, 2020, the Group has debt instruments amounting to S$71,704,000, which are extended to third parties and joint venture entities for development projects in Australia. These debt instruments earn fixed interest income on the principal amount and variable returns less withholding tax at the relevant rate.

Management assessed the terms of the contracts and concluded that the variable returns determined at each reporting period of the project are a component of the fair value for accounting purposes. Accordingly, the debt instruments are carried at FVTIS.

Judgements and estimates have been made with regard to the accounting for the variable returns which have been determined at the end of each reporting period. Changes in these estimates could affect the reported amounts of fair value changes and the fair value of the debt instruments.

There is also a risk that the debt instruments measured at FVTIS are not properly assessed for impairment and not recorded at net recoverable value. This assessment involves significant judgement and estimates including the projected profits, discount rates used which take into account sales risk, construction risks, settlement default risks and delay risks. This is also dependent on the progress of the property development projects and any indicators of project cost over-runs and losses that may affect the counterparties' ability to repay the debt instruments.

Management assessed that the fair values of the debt instruments are reasonable and changes in fair values during the year have been properly accounted for.

The Group has made disclosures on these debt instruments in Note 10 to the financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

IV. Valuation of debt instruments measured at fair value through income statement (CONTINUED)

Our audit procedures and responses thereon:

Audit procedures included the following:

a) reviewed the formula of the discounted cash flow model and reasonableness of assumptions on variable returns used in estimating the fair value of the debt instruments;

b) reviewed management's basis of interest rates and compared against market rates;

c) reviewed management's assessment of credit risk and recoverability of the debt instruments;

d) verified to loan agreements and perform background search of the counterparties for new loans; and

e) verified to project status reports to ascertain the progress of property development projects and any indicators of project costs over-runs and losses that may affect the counterparties' ability to repay the loans.

Based on procedures performed, we noted management's key assumptions and estimates to be within the reasonable range of our expectations. We have also assessed the appropriateness of the accounting treatment and disclosures included in the consolidated financial statements.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the 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)s, 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibility 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 skepticism throughout the audit. We also:

(a) 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.

(b) 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.

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

(d) 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.

(e) 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.

(f) 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 year 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 Mr Rankin Brandt Yeo.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

March 30, 2021

STATEMENTS OF
FINANCIAL POSITION
DECEMBER 31, 2020

	Note	Group		Company	
		2020	2019	2020	2019
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Current assets					
Cash and bank balances	7	**5,816**	10,822	**36**	383
Trade receivables	8	**7,355**	8,493	**–**	–
Other receivables and prepayments	9	**5,227**	6,026	**107**	80
Amounts owing by a subsidiary corporation	16	**–**	–	**938**	–
Debts instruments measured at fair value through income statement / amortised cost	10	**21,664**	35,193	**–**	–
Inventories	11	**8,321**	9,647	**–**	–
Assets held for sale	12	**13,787**	–	**–**	–
Total current assets		**62,170**	70,181	**1,081**	463
Non-current assets					
Other receivables	9	**10,089**	5,809	**–**	–
Debts instruments measured at fair value through income statement / amortised cost	10	**54,366**	19,540	**–**	–
Property, plant and equipment	13	**1,636**	1,879	**20**	27
Right-of-use assets	14	**873**	1,947	**20**	61
Investment properties	15	**45,218**	62,268	**–**	–
Subsidiary corporations	16	**–**	–	**105,675**	111,204
Joint ventures	17	**17,321**	9,576	**–**	–
Associates	18	**73,890**	61,337	**–**	–
Derivative financial instrument	19	**–**	–	**–**	–
Financial assets measured at fair value through income statement	20	**45,757**	46,120	**–**	–
Total non-current assets		**249,150**	208,476	**105,715**	111,292
Total assets		**311,320**	278,657	**106,796**	111,755

See accompanying notes to financial statements.

STATEMENTS OF

FINANCIAL POSITION

DECEMBER 31, 2020

		Group		Company	
	Note	2020	2019	2020	2019
		S$'000	S$'000	S$'000	S$'000
LIABILITIES AND EQUITY					
Current liabilities					
Trade and bills payables	21	**1,222**	3,498	**–**	–
Trust receipts	22	**14,027**	10,268	**–**	–
Bank and other borrowings	23	**24,662**	21,487	**938**	178
Lease liabilities	24	**556**	1,319	**21**	42
Other payables	25	**12,720**	12,488	**594**	562
Provisions	26	**2,813**	2,999	**52**	52
Income tax payable		**1,522**	1,898	**–**	–
Total current liabilities		**57,522**	53,957	**1,605**	834
Non-current liabilities					
Amount owing to subsidiary corporations	16	**–**	–	**11,639**	12,515
Bank and other borrowings	23	**13,619**	12,417	**4,063**	–
Lease liabilities	24	**251**	547	**–**	20
Other payables	25	**379**	–	**–**	–
Deferred tax liability	27	**16,511**	13,544	**–**	–
Total non-current liabilities		**30,760**	26,508	**15,702**	12,535
Capital, reserves and non-controlling interests					
Issued capital	28	**72,579**	72,579	**72,579**	72,579
Reserves	29	**75,332**	62,696	**16,910**	25,807
Equity attributable to equity holders of the Company		**147,911**	135,275	**89,489**	98,386
Non-controlling interests	16	**75,127**	62,917	**–**	–
Total equity		**223,038**	198,192	**89,489**	98,386
Total liabilities and equity		**311,320**	278,657	**106,796**	111,755

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2020

	Note	Group 2020 S$'000	Group 2019 S$'000
Revenue	31	**90,121**	107,871
Cost of sales		**(62,554)**	(65,889)
Gross profit		**27,567**	41,982
Other operating income	32	**751**	3,621
Distribution costs		**(4,720)**	(9,171)
Administration expenses		**(17,896)**	(17,861)
Other operating expenses		**(870)**	(1,104)
Share of profit of associates and joint ventures	17, 18	**15,940**	13,216
Finance income		**67**	158
Finance costs	33	**(2,102)**	(3,318)
Valuation gains (losses) on investment properties and assets held for sale, net	15	**847**	(3,160)
Profit before income tax		**19,584**	24,363
Income tax	34	**(3,373)**	(4,357)
Profit for the year	35	**16,211**	20,006
Profit attributable to:			
Equity holders of the Company		**6,534**	9,078
Non-controlling interests		**9,677**	10,928
		16,211	20,006
Basic earnings per share (cents)	37	**4.99**	6.94
Diluted earnings per share (cents)	37	**4.99**	6.94

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2020

	Group	
	2020	2019
	S$'000	S$'000
Profit for the year	**16,211**	20,006
Other comprehensive income (loss)		
Items that will not be reclassified subsequently to profit or loss		
Revaluation surplus on transfer of property from property, plant and equipment to investment properties, net of tax	**–**	467
Items that may be reclassified subsequently to profit or loss		
Translation gain (loss) arising on consolidation	**10,428**	(1,659)
Other comprehensive income (loss) for the year, net of tax	**10,428**	(1,192)
Total comprehensive income for the year	**26,639**	18,814
Total comprehensive income attributable to:		
Equity holders of the Company	**13,927**	8,386
Non-controlling interests	**12,712**	10,428
	26,639	18,814

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2020

	Issued capital	Capital reserve	Asset revaluation reserve	Options reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group									
Balance at January 1, 2019	72,579	(9,084)	296	2	(6,489)	74,805	132,109	49,606	181,715
Total comprehensive income for the year:									
Profit for the year	–	–	–	–	–	9,078	9,078	10,928	20,006
Other comprehensive income for the year	–	–	467	–	(1,159)	–	(692)	(500)	(1,192)
Total	–	–	467	–	(1,159)	9,078	8,386	10,428	18,814
Transactions with owners, recognised directly in equity:									
Cash contributions from non-controlling shareholders in a subsidiary corporation	–	–	–	–	–	–	–	4,674	4,674
Dividends (Note 36)	–	–	–	–	–	(5,234)	(5,234)	–	(5,234)
Dividends to non-controlling shareholders	–	–	–	–	–	–	–	(1,795)	(1,795)
Recognition of share-based payments of a subsidiary corporation	–	–	–	14	–	–	14	4	18
Total	–	–	–	14	–	(5,234)	(5,220)	2,883	(2,337)
Balance at December 31, 2019	72,579	(9,084)	763	16	(7,648)	78,649	135,275	62,917	198,192

See accompanying notes to financial statements.

STATEMENTS OF
CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2020

	Issued capital	Capital reserve	Asset revaluation reserve	Options reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group									
Balance at January 1, 2020	72,579	(9,084)	763	16	(7,648)	78,649	135,275	62,917	198,192
Total comprehensive income for the year:									
Profit for the year	–	–	–	–	–	6,534	6,534	9,677	16,211
Other comprehensive income for the year	–	–	–	2	7,391	–	7,393	3,035	10,428
Total	–	–	–	2	7,391	6,534	13,927	12,712	26,639
Transactions with owners, recognised directly in equity:									
Dividend (Note 36)	–	–	–	–	–	(1,309)	(1,309)	–	(1,309)
Dividends to non-controlling shareholders	–	–	–	–	–	–	–	(508)	(508)
Recognition of share based payments of a subsidiary corporation	–	–	–	18	–	–	18	6	24
Total	–	–	–	18	–	(1,309)	(1,291)	(502)	(1,793)
Balance at December 31, 2020	72,579	(9,084)	763	36	(257)	83,874	147,911	75,127	223,038

See accompanying notes to financial statements.

STATEMENTS OF

CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2020

	Issued capital	Retained earnings	Total
	S$'000	S$'000	S$'000
Company			
Balance at January 1, 2019	72,579	32,645	105,224
Loss for the year, representing total comprehensive loss for the year	–	(1,604)	(1,604)
Transactions with owners, recognised directly in equity:			
Dividends (Note 36)	–	(5,234)	(5,234)
Balance at December 31, 2019	72,579	25,807	98,386
Loss for the year, representing total comprehensive loss for the year	–	(7,588)	(7,588)
Transactions with owners, recognised directly in equity:			
Dividend (Note 36)	–	(1,309)	(1,309)
Balance at December 31, 2020	**72,579**	**16,910**	**89,489**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF
CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

	Group	
	2020	2019
	S$'000	S$'000
OPERATING ACTIVITIES		
Profit before income tax	**19,584**	24,363
Adjustments for:		
Depreciation expenses	**1,856**	2,135
Share of profit of associates and joint ventures	**(15,940)**	(13,216)
Dividend income from financial assets measured at FVTIS	**(7,384)**	(1,567)
Fair value gain and interest income on debt instruments measured at FVTIS / amortised cost	**(9,636)**	(12,518)
Fair value loss (gain) on financial assets measured at FVTIS	**1,852**	(9,846)
Interest expense	**2,102**	3,318
Interest income	**(67)**	(158)
Gain on disposal of investment properties	**(391)**	(90)
Loss (Gain) on disposal of property, plant and equipment	**32**	(3,468)
Valuation (gains) losses on investment properties and assets held for sale, net	**(847)**	3,160
Net unrealised foreign exchange (gain) loss	**(51)**	273
Share-based payment expenses	**24**	18
Provision for employee benefits	**389**	549
Allowance for inventories	**509**	1,533
Impairment loss recognised on trade receivables	**22**	174
Impairment loss recognised on other receivables and prepayments	**–**	42
Operating cash flows before movements in working capital	**(7,946)**	(5,298)
Trade receivables	**1,086**	1,296
Other receivables and prepayments	**4,198**	(6,055)
Inventories	**874**	12,808
Trade and bills payables	**(2,336)**	(468)
Other payables and provisions	**(243)**	(3,485)
Cash used in operations	**(4,367)**	(1,202)
Income tax paid	**(1,446)**	(3,245)
Interest paid	**(2,004)**	(5,334)
Interest received	**65**	201
Net cash used in operating activities	**(7,752)**	(9,580)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF
CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

	Group	
	2020	2019
	S$'000	S$'000
INVESTING ACTIVITIES		
Additions to property, plant and equipment	**(210)**	(226)
Proceeds from disposal of property, plant and equipment	**–**	4,588
Investments in associates	**(382)**	(25,556)
Additions to joint ventures	**(951)**	(87)
Dividend received from financial assets measured at FVTIS	**–**	4,917
Proceeds from disposal of financial assets measured at FVTIS	**–**	8,255
Repayments of debt instruments measured at FVTIS / amortised cost - current and non-current	**21,747**	58,509
Additions to debt instruments measured at FVTIS / amortised cost - current and non-current	**(28,292)**	(30,018)
Proceeds from disposal of investment properties	**6,830**	1,191
Net cash (used in) generated from investing activities	**(1,258)**	21,573
FINANCING ACTIVITIES		
Dividends paid to non-controlling shareholders in a subsidiary corporation	**(508)**	(1,795)
Dividends paid	**(1,309)**	(5,234)
Cash contributions from non-controlling shareholders in subsidiary corporations	**–**	4,674
Increase in fixed deposits with maturities exceeding three months	**(95)**	(82)
Decrease (Increase) in pledged fixed deposits	**19**	(33)
Increase (Decrease) in trust receipts	**3,785**	(640)
(Decrease) Increase in factoring loan	**(1,006)**	204
Repayments of lease liabilities	**(1,371)**	(1,658)
Increase in other loans	**1,806**	15,444
Repayments of other loans	**(18)**	(21,120)
Loans from banks	**21,038**	1,653
Repayments of bank loans	**(18,507)**	(4,100)
Net cash generated from (used in) financing activities	**3,834**	(12,687)
Net decrease in cash and cash equivalents	**(5,176)**	(694)
Cash and cash equivalents at beginning of year (Note 7)	**7,906**	8,688
Net effect of exchange rate changes in the balance of cash held in foreign currencies	**143**	(88)
Cash and cash equivalents at end of year (Note 7)	**2,873**	7,906

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration No. 199306606E) is incorporated and domiciled in Singapore with its registered office and principal place of business at 20 Upper Circular Road, #03-06 The Riverwalk, Singapore 058416. The Company is listed on the mainboard of the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary corporations are disclosed in Note 16.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended December 31, 2020 were authorised for issue by the Board of Directors on March 30, 2021.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and SFRS(I)s.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 Inventories or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary corporations. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary corporation begins when the Company obtains control over the subsidiary corporation and ceases when the Company loses control of the subsidiary corporation. Specifically, income and expenses of a subsidiary corporation acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary corporation.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary corporations is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary corporations to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiary

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investments in subsidiary corporations are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiary corporations and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits respectively*;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payments awards transactions of the acquirer are measured in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets

Financial assets are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through income statement (FVTIS).

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTIS if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Financial assets at FVTIS

Financial assets that do not met the criteria for being measured at amortised cost or FVTOCI are measured at FVTIS. Specifically:

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTIS. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTIS upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. Changes in fair value are recognised in profit or loss and are included in the “revenue” line item. Fair value is determined in the manner described in Note 4(b)(v).

- Financial assets at FVTIS are measured at fair value as at each reporting date, with any fair value gains or losses recognised in the income statement to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the line item “revenue”. Changes in fair value are recognised in profit or loss and are included in the “revenue” line item. Fair value is determined in the manner described in Note 4(b)(v).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “other operating income/expenses” line item; and

- for financial assets measured at FVTIS that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “other operating income/expenses” line item.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost and loan commitments. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations, namely the leisure goods and electronic equipment market and the residential properties construction industry.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant increase in credit risk (CONTINUED)

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet the following criteria are generally not recoverable.

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group generally writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payment to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables, finance lease receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12 months ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables (including amount owing to subsidiary corporations) are initially recognised at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis except for short-term payables when the effect of discounting is immaterial.

Interest-bearing loans are initially recognised at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

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 payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTIS and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the “other operating income/expenses” line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTIS, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments

From time to time and in the normal course of business, the Group may enter into forward exchange contracts and options to hedge its currency exposure arising from firm commitments to suppliers for the purchase of goods and borrowings denominated in foreign currencies.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group does not apply hedge accounting on derivative financial instruments.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

INVENTORIES - Inventories are measured at the lower of cost (calculated using weighted average cost method) and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives using the straight-line method, on the following bases:

Leasehold land	-	43 to 50 years
Buildings	-	40 years or the unexpired term of the lease, which ever is earlier
Leasehold improvements, furniture and fixtures and office equipment	-	4 to 10 years
Motor vehicles	-	5 years

No depreciation is charged on freehold land.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The allocation of the cost of leasehold properties between land and buildings has been determined by an independent firm of professional valuers.

Fully depreciated assets still in use are retained in the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

INVESTMENT PROPERTIES - Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair value of the investment properties are included in the profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

NON-CURRENT ASSETS HELD FOR SALE – Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Investment properties classified as assets held for sale were stated at fair value.

ASSOCIATES AND JOINT VENTURE - An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group’s share of losses of an associate or a joint venture exceeds the Group’s interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group’s share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SFRS(I) 1-28 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group’s investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill, if any) is tested for impairment in accordance with SFRS(I) 1-36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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 the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

SHARE-BASED PAYMENTS - From time to time, the Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest and adjusted for the effect of non market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the options reserve.

Details of the determination of fair value of such options are disclosed in Note 30.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION - The Group recognises revenue from the following major sources:

- Product sales
- Fair value changes on debt instruments
- Dividend income from financial assets measured at FVTIS
- Management fee and service income
- Rental income
- Fair value changes on financial assets

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Sale of goods

The Group sells various beauty, wellness and lifestyle products to the wholesale market and directly to customers. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered/shipped to the customer as per the terms of the sale, this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

For sale of goods to retail customers, revenue is recognised when control of the goods has transferred or when the service is completed, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods or services.

Interest income

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income is recognised when the shareholder's right to receive payment has been established.

Management fees and service income

Management fee and service income is recognised on an accrual basis.

Rental income

Rental income is recognised on a straight line basis over the lease term.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value changes on debt instruments and financial assets

Fair value gains or losses are recorded on debt instruments and financial assets, on fair value measurement at each reporting date, with any gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans (including state-managed retirement benefit schemes, such as the Singapore Central Provident Fund) are charged as an expense when employees have rendered the services entitling them to the contributions.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual or other statutory leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

EMPLOYEE LONG SERVICE PAYMENT - The provision for long service is provided based on the qualifying employees' basic salaries and their respective length of service in accordance with the applicable rules and regulations in their respective countries of employment.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiary corporations operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiary corporations and interests in joint ventures except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively) or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Exchange differences on transactions entered into in order to hedge certain foreign currency risks are described in the accounting policies on derivative financial instruments above.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation, all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying the entity's accounting policies

The following are the critical judgements, apart from those involving estimates (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Accounting for entities under TMK structure

The Group has several subsidiaries, with principal activities being investment holding companies to invest in Japanese properties through a Japan tokutei mokuteki kaisha ("TMK"). Due to the nature of the TMK structure, the Group is required to have more than 25% of common shares which would represent significant influence over TMK.

The management has determined that the Group has significant influence over the TMKs by holding 33% common shares (include voting power, with no rights to dividends and residual assets).

TMK Legal 1 and TMK Japan TCAP are accounted for as associate companies using the equity method with share of profits of 93.6% (43.1% preferred shares (include rights to dividends and residual assets) and 50.5% preferred shares (include rights to dividends and residual assets but no voting power)) and 99.5% (49% preferred shares (include rights to dividends and residual assets) and 50.5% preferred shares (include rights to dividends and residual assets but no voting power)) respectively. Preferred shares (include rights to dividends and residual assets but no voting power) are held indirectly in a Japanese vehicle through a TK (tokumei kumiai) operator which the Group does not have a right to control and the Group has agreed to delegate all authority to the TK operator which can only be lifted through the dissolution of the TMK.

Due to the complexity in ownership structure, management would have to exercise judgment to assess whether the Group has significant influence over the investments, and if this is a single investment. Therefore the classification of the investment, could have a material effect on the financial statements of the Group.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year, are discussed below.

(i) Allowances for inventories

As at December 31, 2020, the Group has inventories amounting to S$8,321,000 (2019: S$9,647,000).

Inventories are to be carried at the lower of cost or net realisable value. In determining the net realisable value of the Group's inventories, an estimation is performed based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration the fluctuations of selling prices or cost, or any inventories on hand that may not be realised, directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

Allowance has been made for certain lifestyle products which have aged significantly and continue to sell slowly. There is an inherent risk on valuation of inventories and allowance for aged inventories and / or products that may be approaching end-of-life requiring exercise of certain management judgement and estimates in determining the allowance for obsolescence.

The carrying amount of the Group's inventories is disclosed in Note 11.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (CONTINUED)

(ii) Impairment loss on trade and other receivables

The Group assesses at each reporting date the allowance required for its receivables. The Group considers factors such as the probability of significant financial difficulties of the debtor, historical defaults or significant delay in payments and economic conditions. Significant judgement is made by management in determining the amount and timing of future cash flows, estimated based on historical loss experience for assets with similar credit risk characteristics and any relevant forward-looking adjustments, including taking into consideration the credit-worthiness, past collection history, settlement arrangements, subsequent receipts and on-going dealings with the debtor.

The carrying amounts of the Group's trade and other receivables are disclosed in Notes 8 and 9 respectively.

(iii) Valuation of investment properties and assets held for sale

The Group's investment properties and assets held for sale amounting to S$45,218,000 (2019: S$62,268,000) and S$13,787,000 (2019: S$Nil) respectively, are stated at their estimated fair value.

The fair values of the Group's investment properties located in Singapore and Australia and assets held for sale located in the People's Republic of China ("PRC") and Australia are determined on the basis of valuations carried out at year end by independent professional valuers having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The fair values are determined based on an open market basis by making reference to the recent transactions of similar properties in similar location and condition under the prevailing market conditions.

There are inherent risks on fair value estimates which may differ from the prices and locations at which these properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of uncontrollable factors, such as overall market conditions.

Management assessed that the fair value of the investment properties and assets held for sale are reasonable and changes in fair value during the year have been properly accounted for.

The carrying amounts of assets held for sale and investment properties are disclosed in Notes 12 and 15.

(iv) Valuation of financial assets measured at FVTIS

As at December 31, 2020, the Group has unquoted investment measured at FVTIS amounting to S$45,756,000 (2019: S$46,119,000).

The fair value of the financial assets measured at FVTIS is estimated based on the Group's share of the net asset value of the investee, which approximates its fair value as at the end of the reporting period. The investee's main assets are office and hotel buildings (2019: office, hotel and retail buildings) in Japan which are leased to external parties.

The fair values of these buildings have been determined on the basis of valuations carried out by external independent professional valuers.

The fair values have been determined based on discounted cash flows. The key judgements and estimates include discount rate, rental rate and capitalisation rate.

There are inherent risks on such fair value estimates which may differ from the prices and location at which these properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of uncontrollable factors, such as overall market conditions.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (CONTINUED)

(iv) Valuation of financial assets measured at FVTIS (CONTINUED)

Management assessed that the fair value of the financial assets is reasonable and changes in fair value during the year have been properly accounted for.

The Group has made disclosures on these financial assets measured at FVTIS in Note 20 to the financial statements.

(v) Valuation of debt instruments measured at FVTIS

As at December 31, 2020, the Group has debt instruments amounting to S$71,704,000 (2019: S$52,626,000) which are extended to third parties and the joint venture entities for development projects in Australia. These debt instruments earn fixed interest income on the principal amount and variable returns less withholding tax at the relevant rate.

The management has assessed the terms of the contracts and concluded that the variable returns determined at each reporting period of the project are a component of the fair value for accounting purposes. Accordingly, the debt instruments are carried at FVTIS.

Judgements and estimates have been made with regard to the accounting for the variable returns, which have been determined at the end of each reporting period. Changes in these estimates could affect the reported amounts of fair value changes and the fair value of the debt instruments.

There is also a risk that the debt instruments measured at FVTIS are not properly assessed for impairment and not recorded at net recoverable value. This assessment involves significant judgement and estimates including the projected profits, discount rates used which take into account sales risk, construction risks, settlement default risks and delay risks. This is also dependent on the progress of the property development projects and any indicators of project delays, cost over-runs and losses that may affect the counterparties' ability to repay the debt instruments.

Management assessed that the fair value of the financial assets is reasonable and changes in fair value during the year have been properly accounted for.

Further details of these debt instruments are disclosed in Note 10.

(vi) Impairment of investments in subsidiary corporations

Determining whether investments in subsidiary corporations are impaired requires an estimation of the recoverable amount of the investment in subsidiary corporations as at the end of the reporting period. Management has estimated the recoverable amount based on the fair value less cost to sell and is satisfied that the recoverable amounts are higher than the carrying value of the subsidiary corporations which has been stated net of an impairment loss of S$128,326,000 (2019: S$120,658,000). The fair value less cost to sell is determined by reference to the estimated realisable values of the net tangible assets of the subsidiary corporations.

The carrying amounts of the Company's investments in subsidiary corporations are disclosed in Note 16.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2020	2019	2020	2019
	S$'000	S$'000	S$'000	S$'000
Financial assets				
Financial assets at amortised cost	**25,410**	27,008	**1,005**	390
Debt instruments at amortised cost	**4,326**	2,107	**–**	–
Debt instruments measured at FVTIS	**71,704**	52,626	**–**	–
Financial assets measured at FVTIS	**45,757**	46,120	**–**	–
Financial liabilities				
Lease liabilities	**807**	1,866	**21**	62
Payables, at amortised cost	**62,812**	54,798	**17,234**	13,255

The Group does not have any significant financial instruments which are subject to enforceable master netting arrangements or similar netting agreements.

(b) *Financial risk management policies and objectives*

The Group's overall policy with respect to managing risk arising in the normal course of the Group's business as well as that associated with financial instruments is to minimise the potential adverse effects on the financial performance of the Group. The policies for managing specific risks are summarised below.

There has been no significant change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's credit risk is primarily attributable to its cash and cash equivalents, trade receivables, other receivables and debt instruments. Cash and cash equivalents are placed with credit-worthy financial institutions. Debt instruments, representing the Group's investments in real estate projects in Australia, are entered into following an in-depth due diligence process and only upon meeting the Group's investment criteria. The Group has adopted a stringent procedure in extending credit terms to customers and monitoring its credit risk. Credit evaluations are performed on customers requiring credit over a certain amount. Where appropriate, security deposits, post-dated cheques, letters of credit, cash and/or advance payments are required for new customers and those with an unacceptable credit assessment. Trade receivables consist of a large number of customers, spread across diverse geographical areas.

The carrying amount of financial assets recorded in the financial statements, which are net of any expected losses, represents the Group's maximum exposure to credit risk.

Further details of credit risks on trade receivables, other receivables and debt instruments measured at FVTIS which are provided to key management are disclosed in Notes 8, 9 and 10 respectively.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (CONTINUED)

(i) Credit risk management (CONTINUED)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the country and industry in which customers operate also has an influence on credit risk but to a lesser extent. At the end of the reporting period, the Group has certain concentration of credit risk as approximately 44% (2019: 53%) of the total trade and other receivables (excluding advances to suppliers and prepayments) were due from the Group's ten largest customers.

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or Lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				S$'000	S$'000	S$'000
Group						
December 31, 2020						
Trade receivables	**8**	**(i)**	**Lifetime ECL (simplified approach)**	**8,318**	**(963)**	**7,355**
Other receivables	**9**	**(ii)**	**12months ECL**	**12,239**	**–**	**12,239**
					(963)	
December 31, 2019						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	9,449	(956)	8,493
Other receivables	9	(ii)	12months ECL	7,693	–	7,693
					(956)	

(i) For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Note 8 includes further details on the loss allowance for trade receivables.

(ii) For other receivables, the Group has applied a 12-month ECL to measure the loss allowance. The counterparties generally have a low risk of default and do not have any past-due amounts.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (CONTINUED)

(ii) Interest rate risk management

The primary source of the Group's interest rate risk relates to interest-bearing bank deposits and its borrowings from banks. The interest-bearing bank deposits and borrowings of the Group are disclosed in Notes 7, 22 and 23. As certain rates are based on interbank offer rates, the Group is exposed to cash flow interest rate risk. This risk is not hedged.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for interest-bearing financial liabilities at the end of the reporting period and the stipulated change taking place at the beginning of the year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used and represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the profit before tax for the year ended December 31, 2020 of the Group would decrease/increase by S$33,000 (2019: S$48,000).

The Company has no variable interest-bearing instruments and is not affected by the changes in interest rates.

(iii) Foreign exchange risk management

The Group transacts business in various foreign currencies that are not the functional currencies of the transacting subsidiary corporations, including the United States dollar, Hong Kong dollar, Japanese Yen and Australian dollar. The Group is therefore exposed to foreign exchange risk. Foreign exchange exposures are monitored by management on an ongoing basis. Foreign currencies received are kept in foreign currency accounts and are converted to the respective functional currencies of the Group companies on an as-needed basis so as to manage the foreign exchange exposure.

In addition, the Company has a number of investments in foreign subsidiary corporations, whose net assets are exposed to currency translation risk.

Management enters into foreign exchange options to manage foreign exchange rate risk. The Group's commitments on such options are disclosed in Note 19. The Group does not currently designate its foreign currency accounts or commitments as hedged items for the purpose of measuring hedge effectiveness and hedging the translation of its foreign operations in accordance with SFRS(I) 9 Financial Instruments.

The Group does not enter into derivative foreign exchange contracts for trading or speculative purposes.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management policies and objectives* (CONTINUED)

(iii) Foreign exchange risk management (CONTINUED)

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities, after excluding monetary items treated as part of net investment in a foreign operation, denominated in significant currencies other than the respective Group entities' functional currencies are as follows:

	Group				Company			
	Assets		Liabilities		Assets		Liabilities	
	2020	2019	2020	2019	2020	2019	2020	2019
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
United States dollar	**15,914**	10,423	**21,320**	16,743	**21**	22	**–**	–
Hong Kong dollar	**15**	854	**5,278**	5,406	**–**	14	**84,420**	81,626
Australian dollar	**1,153**	465	**1,988**	1,662	**–**	350	**–**	–
Japanese yen	**1,367**	1,070	**130**	1,315	**2,594**	713	**5,745**	585

The above carrying amounts include related company balances that are not denominated in the functional currencies of the respective entities and are eliminated on consolidation (Note 5).

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase or decrease in the relevant foreign currencies against the functional currency of each Group entity. 10% is the sensitivity rate representing management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where they give rise to an impact on the Group's profit or loss and/or equity.

If the relevant foreign currency weakens by 10% against the functional currency of each Group entity, profit before tax and other equity will increase or (decrease) by:

	United States dollar impact		Hong Kong dollar impact		Japanese yen impact		Australian dollar impact	
	2020	2019	2020	2019	2020	2019	2020	2019
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group								
Profit for the year	**563**	638	**526**	453	**(123)**	25	**87**	121
Other equity	**(22)**	(6)	**–**	2	**–**	–	**(3)**	(1)
Company								
Profit for the year	**(2)**	(2)	**8,045**	8,161	**(133)**	(13)	**–**	(35)

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (CONTINUED)

(iii) Foreign exchange risk management (CONTINUED)

Foreign currency sensitivity (CONTINUED)

If the relevant foreign currency strengthens by 10% against the functional currency of each Group entity, profit before tax and other equity will increase or (decrease) by the same amount as in the above table.

The Group's sensitivity to foreign currencies has decreased in relation to the United States dollar during the current year mainly due to the decrease in trade and bills payable denominated in United States dollars outstanding as at the end of the year.

The Group's foreign currency sensitivity in relation to the Australian dollar has decreased in the year due to lower inter-company balances denominated in Australian dollars.

The Group's foreign currency sensitivity in relation to the Hong Kong dollar has increased in the year due to higher inter-company balances denominated in Hong Kong dollars.

The Group's foreign currency sensitivity in relation to the Japanese yen has increased in the year due to higher inter-company balances denominated in Japanese yen.

(iv) Liquidity risk management

The objective of liquidity management is to ensure that the Group has sufficient funds to meet its contractual and financial obligations. To manage this risk, the Group monitors its net operating cash flow and maintains a level of cash and cash equivalents deemed adequate by management for working capital purposes so as to mitigate the effects of fluctuations in cash flows.

The Group also utilises bank and other borrowings for working capital purposes.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management policies and objectives* (CONTINUED)

(iv) Liquidity risk management (CONTINUED)

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	More than 5 years	Adjustment	Total
	%	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
December 31, 2020						
Non-interest bearing	**–**	**10,504**	**–**	**–**	**–**	**10,504**
Lease liabilities (fixed rate)	**4.49**	**594**	**246**	**–**	**(33)**	**807**
Variable interest rate instruments	**3.43**	**6,309**	**456**	**–**	**(228)**	**6,537**
Fixed interest rate instruments	**3.39**	**35,227**	**12,119**	**–**	**(1,575)**	**45,771**
		52,634	**12,821**	**–**	**(1,836)**	**63,619**
December 31, 2019						
Non-interest bearing	–	10,626	–	–	–	10,626
Lease liabilities (fixed rate)	4.53	1,382	564	–	(80)	1,866
Variable interest rate instruments	3.75	2,606	7,411	–	(367)	9,650
Fixed interest rate instruments	4.32	28,460	7,564	–	(1,502)	34,522
		43,074	15,539	–	(1,949)	56,664
Company						
December 31, 2020						
Lease liabilities (fixed rate)	**4.40**	**22**	**–**	**–**	**(1)**	**21**
Non-interest bearing	**–**	**594**	**5,912**	**–**	**–**	**6,506**
Fixed interest rate instruments	**2.08**	**1,039**	**9,911**	**–**	**(222)**	**10,728**
		1,655	**15,823**	**–**	**(223)**	**17,255**
December 31, 2019						
Lease liabilities (fixed rate)	4.40	43	21	–	(2)	62
Non-interest bearing	–	562	6,618	–	–	7,180
Fixed interest rate instruments	1.43	265	5,897	–	(87)	6,075
		870	12,536	–	(89)	13,317

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (CONTINUED)

(iv) Liquidity risk management (CONTINUED)

Non-derivative financial liabilities (CONTINUED)

The maximum amount that the Company could be forced to settle under the financial guarantee contract in Note 39, if the full outstanding guaranteed amount is claimed by the counterparty to the guarantee, is S$42,192,000 (2019: S$39,273,000). The earliest period that the guarantee could be called is within 1 year (2019: 1 year) from the end of the reporting period. The Company considers that it is more likely that no amount will be payable under the arrangement.

Derivative financial instruments

The fair value of the derivative financial instrument was S$Nil as at December 31, 2019 and the instrument expired on January 13, 2020.

(v) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

The following financial instruments are measured at fair value:

	Level 1	Level 2	Level 3	Total
	S$'000	S$'000	S$'000	S$'000
Group				
December 31, 2020				
Debt instruments measured at FVTIS	**–**	**–**	**71,704**	**71,704**
Financial assets measured at FVTIS:				
- Unquoted investments	**–**	**–**	**45,756**	**45,756**
- Club debenture	**–**	**–**	**1**	**1**
December 31, 2019				
Debt instruments measured at FVTIS	–	–	52,626	52,626
Financial assets measured at FVTIS:				
- Unquoted investments	–	–	46,119	46,119
- Club debenture	–	–	1	1

No sensitivity analysis has been performed for the club debenture as it is not material.

Please refer to Notes 10, 19 and 20 for further information on the fair value of debt instruments, derivative financial instrument and unquoted investment respectively.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (CONTINUED)

(v) Fair value of financial assets and financial liabilities (CONTINUED)

Financial assets measured at fair value based on level 3

	Financial assets measured at FVTIS	Debt instruments measured at FVTIS
	S$'000	**S$'000**
Group		
As at December 31, 2018	44,744	71,889
Additions	–	28,125
Repayments	(8,255)	(58,509)
Fair value gain for the year	9,846	12,295
Translation adjustment	(215)	(1,174)
As at December 31, 2019	46,120	52,626
Additions	–	26,772
Repayments	–	(21,747)
Fair value (loss) gain for the year	(1,852)	9,230
Translation adjustment	1,489	4,823
As at December 31, 2020	**45,757**	**71,704**

Company

The Company had no financial assets or liabilities carried at fair value in 2019 and 2020.

There were no significant transfers between the various levels of the fair value hierarchy during the year.

(vi) Equity price risk management

The Group is exposed to equity risks arising from unquoted investment classified as financial assets measured at FVTIS. The investments are held for long-term rather than trading purposes. The Group does not actively trade financial assets measured at FVTIS. Further details of its financial assets measured at FVTIS are disclosed in Note 20.

Price sensitivity

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

In respect of FVTIS, if the significant inputs (as disclosed in Note 20) to the valuation model had been 3% higher or lower while all other variables were held constant, the profit before tax for the year would increase or decrease by S$2,734,000 (2019: S$3,097,000) respectively.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(c) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance except where decisions are made to exit businesses or close companies.

The capital structure of the Group consists of debts, which includes the borrowings disclosed in Notes 22 and 23 and equity attributable to owners of the Company, comprising issued capital and reserves as disclosed in Notes 28 and 29. The Group monitors capital using a gearing ratio, which is total debt divided by equity. As at December 31, 2020, the Group's gearing ratio is 0.36 (2019: 0.34).

Two subsidiary corporations of the Company are required to maintain a minimum net worth level in order to comply with a covenant for trade finance facilities from banks. All subsidiary corporations are in compliance with externally imposed capital requirements for the years ended December 31, 2019 and 2020.

The review of the Group's capital management policies and objectives is conducted by the Audit Committee and the Board. The Group's overall strategy remains unchanged from 2019.

5 RELATED COMPANY TRANSACTIONS

The Company is a subsidiary of Prime Trade Enterprises Limited, incorporated in the British Virgin Islands, by virtue of its 50.2% shareholding in the Company. The ultimate controlling party is Thakral Group Limited, incorporated in Singapore, whose interest in the Company is held through Prime Trade Enterprises Limited. The parent companies do not prepare consolidated financial statements available for public use.

Some of the Company's transactions and arrangements are with the subsidiary corporations in the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. Balances due to/from subsidiary corporations are unsecured, interest-free and repayable on demand except for interest-bearing loans with subsidiary corporations which are considered as non-current as disclosed in Note 16.

Transactions between the Company and its subsidiary corporations have been eliminated on consolidation and are therefore not disclosed in this note.

6 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. Balances with related parties are unsecured, interest-free and repayable on demand, except for interest-bearing loans as disclosed in Note 23 for co-investment in debt instruments.

6 RELATED PARTY TRANSACTIONS (CONTINUED)

Significant transactions with related parties (ie. companies in which directors have interest) were as follows:

	2020		2019	
	The Company	Subsidiary corporations of the Company	The Company	Subsidiary corporations of the Company
	S$'000	S$'000	S$'000	S$'000
Sales, net of returns	–	970	–	1,031
Sales to joint ventures, net of returns	–	262	–	–
Purchases, net of returns	–	(1,681)	–	(2,682)
Service fees income	–	–	–	7
Service fees paid	–	(25)	–	(26)
Commission paid	–	(1)	–	(3)
Interest expenses	–	(200)	(38)	(260)
Rental income	–	1,059	–	1,221
Lease payments under operating lease	(15)	(32)	(18)	(59)
Issue of shares	–	–	–	8,927

No expense has been recognised during the year for bad or doubtful debts in respect of the amounts owed by related parties.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2020	2019
	S$'000	S$'000
Short-term benefits	6,890	6,477
Post-employment benefits	15	15
	6,905	6,492

The remuneration of directors and key management is determined by the Compensation Committee having regard to the performance of individuals and market trends.

7 CASH AND BANK BALANCES

	Group		Company	
	2020	2019	2020	2019
	S$'000	S$'000	S$'000	S$'000
Fixed deposits	**258**	163	**–**	–
Pledged fixed deposits	**2,693**	2,759	**–**	–
Cash and bank balances	**2,865**	7,900	**36**	383
Current	**5,816**	10,822	**36**	383
Less:				
Fixed deposits with maturities exceeding three months	**(250)**	(157)	**–**	–
Fixed deposits that have been placed with banks against trust receipts	**(2,693)**	(2,759)	**–**	–
Cash and cash equivalents	**2,873**	7,906	**36**	383

Fixed deposits bear interest at an average effective interest rate of 2.28% (2019: 2.44%) per annum and are for a weighted average tenure of approximately 204 days (2019: 276 days).

8 TRADE RECEIVABLES

	Group	
	2020	2019
	S$'000	S$'000
Trade receivables	**8,318**	9,304
Management fee and other service income receivable	**–**	145
Loss allowance	**(963)**	(956)
	7,355	8,493

Included in trade receivables is an amount of S$175,000 (2019: S$Nil) due from joint ventures (Note 6). No allowance has been made against this amount.

The average credit period on sale of goods is 32 days (2019: 31 days). No interest is charged on the overdue trade receivables. Loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

8 TRADE RECEIVABLES (CONTINUED)

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Group					
	Not past due	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
December 31, 2020						
Expected credit loss rate	**3.19%**	**2.23%**	**2.69%**	**4.02%**	**76.22%**	
Estimated total gross carrying amount at default	**6,377**	**573**	**313**	**91**	**964**	**8,318**
Lifetime ECL	**(203)**	**(13)**	**(8)**	**(4)**	**(735)**	**(963)**
						7,355
December 31, 2019						
Expected credit loss rate	3.00%	2.89%	3.19%	6.10%	71.84%	
Estimated total gross carrying amount at default	6,134	1,382	878	82	973	9,449
Lifetime ECL	(184)	(40)	(28)	(5)	(699)	(956)
						8,493

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Lifetime ECL - not credit-impaired			
	Collectively assessed	Individually assessed	Lifetime ECL - credit-impaired	Total
	S$'000	S$'000	S$'000	S$'000
Group				
Balance as at December 31, 2018	–	126	722	848
Net re-measurement of loss allowance	–	98	76	174
Amounts written off	–	–	(56)	(56)
Translation adjustment	–	–	(10)	(10)
Balance as at December 31, 2019	–	224	732	956
Net re-measurement of loss allowance	–	30	(10)	20
Amounts written off	–	–	(5)	(5)
Translation adjustment	–	–	(8)	(8)
Balance as at December 31, 2020	**–**	**254**	**709**	**963**

8 TRADE RECEIVABLES (CONTINUED)

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in financial difficulties and/or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements. The Group's trade receivables that are past due at the reporting date but not impaired relates to debtors where there is no change in credit quality of these customers as the Group had assessed them to be recoverable based on past payment history, ongoing dealings and settlement arrangements, including subsequent receipts after year-end.

9 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2020	**2019**	**2020**	**2019**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Other receivables				
Advances to suppliers	**1,209**	2,606	**–**	–
Deposits	**902**	949	**7**	7
VAT/Tax recoverable	**1,099**	935	**5**	4
Prepayments	**769**	601	**71**	69
Interest receivable	**20**	17	**–**	–
Dividends receivable	**7,315**	–	**–**	–
Advances to joint ventures	**1,233**	3,820	**–**	–
Loan to an associate	**1,151**	1,115	**–**	–
Others	**1,618**	1,792	**24**	–
Total	**15,316**	11,835	**107**	80
Less: Non-current other receivables	**(10,089)**	(5,809)	**–**	–
Classified as current other receivables and prepayments	**5,227**	6,026	**107**	80

The loan to an associate which is unsecured and bears a fixed interest rate of 1.5% (2019: 1.5%) per annum is due on October 31, 2024.

In 2019, included in advances to suppliers is an amount of S$250,000 (2020: S$Nil) advanced to related parties (Note 6). No allowance has been made against this amount.

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

9 OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Movements in loss allowances for other receivables were as follows:

	Group	
	2020	2019
	S$'000	S$'000
Balance at beginning of year	–	194
Translation adjustment	–	1
Charge for the year	–	42
Amounts written-off	–	(237)
Balance at end of year	–	–

10 DEBT INSTRUMENTS MEASURED AT FAIR VALUE THROUGH INCOME STATEMENT/ AMORTISED COST

	Group	
	2020	2019
	S$'000	S$'000
Debt instruments:		
Current		
At fair value	**21,154**	35,193
At amortised cost	**510**	–
	21,664	35,193
Non-Current		
At fair value	**50,550**	17,433
At amortised cost	**3,816**	2,107
	54,366	19,540
	76,030	54,733

The debt instruments denominated in Australian dollars are secured by, inter alia, first or second mortgages over the land of the projects, first or second mortgages and debentures over the borrower and other project related entities as well as personal guarantees by owners/principal shareholders of certain developers.

The current and non-current debt instruments are extended to third parties and the joint venture entities for development projects in Australia.

Included in above is an amount of S$42,231,000 (2019: S$10,914,000) advanced to the joint venture entities.

Changes in the fair value of debt instruments measured at FVTIS, amounting to S$9,230,000 have been included in profit or loss for the year as part of “revenue”.

10 DEBT INSTRUMENTS MEASURED AT FAIR VALUE THROUGH INCOME STATEMENT/ AMORTISED COST (CONTINUED)

Description	Fair values 2020	Fair values 2019	Fair value hierarchy	Valuation technique(s)	Significant unobservable input(s)	Average rate
	S$'000	S$'000				
Unquoted debt instruments at FVTIS	**71,704**	52,626	Level 3	Discounted cash flows	Discount rates	17% (2019: 20%)

Any significant isolated (decreases) increases in these inputs would result in a significantly higher (lower) fair value measurement.

11 INVENTORIES

	Group 2020	Group 2019
	S$'000	S$'000
Finished goods and goods for resale	**8,321**	9,647

The cost of inventories recognised as an expense includes a charge of S$509,000 (2019: S$1,533,000) in respect of allowance for adjustment in carrying value of inventories to net realisable value.

12 ASSETS HELD FOR SALE

	Group 2020	Group 2019
	S$'000	S$'000
Freehold land and buildings:		
Freehold land and buildings - Australia	**10,493**	–
Leasehold land and buildings - PRC	**3,294**	–
	13,787	–

These assets, which are expected to be sold within 12 months, have been classified as assets held for sale and presented separately in the statement of financial position. Negotiations with several interested parties have taken place for assets held for sale in the PRC and certain properties in Australia are expected to be sold within 12 months.

As at December 31, 2020, the Group has pledged the assets held for sale located in Australia, having a carrying amount of approximately S$10,493,000 (2019: S$Nil) to secure banking facilities granted to the Group.

12 ASSETS HELD FOR SALE (CONTINUED)

Details of the Group's significant assets held for sale are as follows:

Description and location	Existing use	Leasehold or freehold	Tenure and unexpired lease term
Dongshan Plaza Guangzhou, PRC	Office	Leasehold	25 years till January 23, 2045
Villas in City in City Zhongshan City, Guangdong, PRC	Residential	Leasehold	47 years till January 5, 2067
Residential units in the city of Gladstone, Queensland, Australia	Residential	Freehold	N.A.

Fair value measurement of the Group's assets held for sale in the PRC and Australia

The fair values of the Group's assets held for sale in the PRC and Australia at December 31, 2020 have been determined on the basis of valuations carried out by independent firms of professional valuers having appropriate recognised professional qualification and recent experience in the location and category of the properties being valued, and not related to the Group. The fair value was determined based on an open market basis by making reference to the recent transactions of similar properties in similar location and condition under the prevailing market conditions. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique from prior year.

The Group classified its assets held for sale using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at the end of the reporting period, the fair value measurements of the Group's properties are classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the year.

Details of valuation techniques and significant unobservable inputs used in the fair value measurement are as follows:

Description	Fair value 2020	Fair value 2019	Valuation technique(s)	Significant unobservable input(s)	Range
	S$'000	S$'000			
Office properties	**1,839**	–	Direct comparison approach	Price per square meter (1)	S$3,540 – S$3,633 (2019: S$3,807 – S$3,830)
Residential properties	**1,455**	–	Direct comparison approach	Price per square meter (1)	S$1,723 – S$1,752 (2019: S$1,721 – S$1,722)
Residential properties	**10,493**	–	Direct comparsion approach	Selling prices per unit (1)	S$315,041 – S$370,935 (2019: S$273,947 – S$325,902)

(1) Price per square meter and selling price per unit is based on recent transactions adjusted for property type, age and location. Any significant isolated increases (decreases) in the estimated price per square meter would result in a significantly higher (lower) fair value measurement.

13 PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings	Leasehold land and buildings	Leasehold improvements, furniture and fixtures and office equipment	Motor vehicles	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Group					
At December 31, 2018	1,286	1,262	3,833	1,233	7,614
Translation adjustments	(5)	(3)	(71)	(27)	(106)
Transfer to investment properties (Note 15)	–	(469)	–	–	(469)
Additions	–	–	214	12	226
Disposals	(1,281)	–	(140)	(114)	(1,535)
At December 31, 2019	–	790	3,836	1,104	5,730
Translation adjustments	–	–	114	41	155
Additions	–	–	210	–	210
Disposals	–	–	(314)	–	(314)
At December 31, 2020	**–**	**790**	**3,846**	**1,145**	**5,781**
Accumulated depreciation:					
At December 31, 2018	162	169	2,500	780	3,611
Translation adjustments	(1)	(1)	(53)	(19)	(74)
Transfer to investment properties (Note 15)	–	(167)	–	–	(167)
Depreciation	8	18	405	91	522
Disposals	(169)	–	(88)	(111)	(368)
At December 31, 2019	–	19	2,764	741	3,524
Translation adjustments	–	–	79	29	108
Depreciation	–	13	348	92	453
Disposals	–	–	(282)	–	(282)
At December 31, 2020	**–**	**32**	**2,909**	**862**	**3,803**
Impairment:					
At December 31, 2018	–	176	335	–	511
Translation adjustments	–	(1)	(8)	–	(9)
Transfer to investment properties (Note 15)	–	(175)	–	–	(175)
At December 31, 2019	–	–	327	–	327
Translation adjustments	–	–	15	–	15
At December 31, 2020	–	–	342	–	342
Carrying amount:					
At December 31, 2020	**–**	**758**	**595**	**283**	**1,636**
At December 31, 2019	–	771	745	363	1,879

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

In prior years, the Group made payment in full to secure the right-of-use of certain leasehold land and buildings amounting to S$758,000 (2019: S$771,000). These right-of-use assets are presented within property, plant & equipment.

	Leasehold improvements, furniture and fixtures and office equipment
	S$'000
Company	
Cost:	
At December 31, 2018	148
Additions	15
At December 31, 2019	163
Additions	4
Disposals	(89)
At December 31, 2020	**78**
Accumulated depreciation:	
At December 31, 2018	129
Depreciation	7
At December 31, 2019	136
Depreciation	11
Disposals	(89)
At December 31, 2020	58
Carrying amount:	
At December 31, 2020	**20**
At December 31, 2019	27

14 RIGHT-OF-USE ASSETS

The Group leases several assets including office space, apartments and warehouses. The average lease term is 3 years (2019: 3 years).

	Office space	Apartments	Warehouses	Motor vehicles	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Group					
Cost:					
At January 1, 2019	3,018	347	938	–	4,303
Additions	101	341	–	86	528
Disposal	(265)	–	–	–	(265)
At December 31, 2019	2,854	688	938	86	4,566
Translation adjustments	83	(10)	(13)	2	62
Additions	315	–	–	–	315
Disposal	(1,000)	–	(925)	–	(1,925)
At December 31, 2020	**2,252**	**678**	**–**	**88**	**3,018**
Accumulated depreciation:					
At January 1, 2019	753	215	75	–	1,043
Depreciation	948	174	472	19	1,613
Disposal	(37)	–	–	–	(37)
At December 31, 2019	1,664	389	547	19	2,619
Translation adjustments	34	(12)	(21)	–	1
Depreciation	855	175	352	21	1,403
Disposal	(1,000)	–	(878)	–	(1,878)
At December 31, 2020	**1,553**	**552**	**–**	**40**	**2,145**
Carrying amount:					
At December 31, 2020	**699**	**126**	**–**	**48**	**873**
At December 31, 2019	1,190	299	391	67	1,947

The expired contracts were either replaced by new leases for identical underlying assets or extended through exercising the extension options. This resulted in additions to right-of-use assets of S$0.3 million (2019: S$0.5 million) in 2020.

14 RIGHT-OF-USE ASSETS (CONTINUED)

	Office space
	S$'000
Company	
Cost:	
At January 1, 2019, December 31, 2019 and December 31, 2020	**122**
Accumulated depreciation:	
At January 1, 2019	20
Depreciation	41
At December 31, 2019	61
Depreciation	41
At December 31, 2020	**102**
Carrying amount:	
At December 31, 2020	**20**
At December 31, 2019	61

15 INVESTMENT PROPERTIES

	Group	
	2020	2019
	S$'000	S$'000
Freehold land and buildings:		
- Australia	**16,494**	29,053
Leasehold land and buildings:		
- Singapore	**28,724**	29,697
- People's Republic of China ("PRC")	**–**	3,518
	45,218	62,268

Movements in investment properties were as follows:

	Group	
	2020	2019
	S$'000	S$'000
Balance at beginning of year	**62,268**	66,489
Transfer from property, plant and equipment (Note 13)	**–**	630
Disposals	**(6,439)**	(1,101)
Valuation gains (losses) for the year recognised in profit or loss, net	**847**	(3,160)
Translation adjustment	**2,329**	(590)
Transfers to assets held for sale	**(13,787)**	–
Balance at end of year	**45,218**	62,268

During the year, the Group recognised valuation gains on investment properties amounting to S$847,000 (2019: valuation losses S$3,160,000) in profit or loss.

15 INVESTMENT PROPERTIES (CONTINUED)

The property rental income from the Group's investment properties (including assets held for sale) leased out under operating leases amounted to S$2,930,000 (2019: S$6,946,000). Direct operating expenses (including repairs and maintenance) arising from the properties that generated rental income during the year amounted to S$710,000 (2019: S$782,000).

As at December 31, 2020, the Group has pledged investment properties having a carrying amount of approximately S$45,218,000 (2019: S$58,750,000) to secure banking facilities granted to the Group.

Details of the Group's significant investment properties are as follows:

Description and location	Existing use	Leasehold or freehold	Tenure and unexpired lease term
20 Upper Circular Road #03-06, The Riverwalk, Singapore	Office	Leasehold	59 years till December 14, 2079
Residential units in the city of Gladstone, Queensland, Australia	Residential	Freehold	N.A.

<u>Fair value measurement of the Group's investment properties in Singapore and Australia</u>

The fair values of the Group's investment properties in Singapore and Australia at December 31, 2020 have been determined on the basis of valuations carried out by independent firms of professional valuers having appropriate recognised professional qualification and recent experience in the location and category of the properties being valued, and not related to the Group. The fair value was determined based on an open market basis by making reference to the recent transactions of similar properties in similar location and condition under the prevailing market conditions. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There was no change to the valuation technique from prior year.

The Group classified its investment properties using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at the end of the reporting period, the fair value measurements of the Group's properties are classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the year.

Details of valuation techniques and significant unobservable inputs used in the fair value measurement are as follows:

Description	Fair value 2020	Fair value 2019	Valuation technique(s)	Significant unobservable input(s)	Range
	S$'000	**S$'000**			
Office properties	**28,724**	31,696	Direct comparison approach	Price per square meter [(1)]	S$16,714 (2019: S$3,807 – S$17,281)
Residential properties	**–**	1,519	Direct comparison approach	Price per square meter [(1)]	S$Nil (2019: S$1,721 – S$1,722)
Residential properties	**16,494**	29,053	Direct comparsion approach	Selling prices per unit [(1)]	S$315,041 – S$370,935 (2019: S$273,947 – S$325,902)

(1) Price per square meter and selling price per unit is based on recent transactions adjusted for property type, age and location. Any significant isolated increases (decreases) in the estimated price per square meter would result in a significantly higher (lower) fair value measurement.

16 SUBSIDIARY CORPORATIONS

	Company	
	2020	2019
	S$'000	S$'000
Unquoted equity shares, at cost	306,557	306,557
Amounts owing to subsidiary corporations (non-trade)	(78,527)	(77,465)
Cost of investment held by the Company	228,030	229,092
Amounts owing by subsidiary corporations (non-trade)	5,971	2,770
Less: Impairment loss	(128,326)	(120,658)
	105,675	111,204
Amount owing by a subsidiary corporation (non-trade) – current	938	–
Amount owing to subsidiary corporations (non-trade)	(11,639)	(12,515)

Management has assessed that intercompany amounts owing by the Company to its wholly-owned subsidiary, Thakral Corporation (HK) Limited ("TCHK"), of S$78,527,000 (2019: S$77,465,000) as at December 31, 2020 arising primarily from Group restructuring exercise involving the Company and TCHK are not expected to be repaid in the foreseeable future and therefore treated as deemed capital reduction and offset against the cost of investment in TCHK.

Movements in impairment loss for investments in subsidiary corporations and allowance for amounts owing by subsidiary corporations were as follows:

	Company	
	2020	2019
	S$'000	S$'000
Balance at beginning of year	120,658	113,117
Impairment loss for investment in subsidiary corporations	7,668	7,541
Balance at end of year	128,326	120,658

Management has made an additional impairment loss of S$7,668,000 (2019: S$7,541,000) for certain subsidiary corporations based on an assessment of their recoverable values, which is fair value less costs to sell. The net impairment in 2020 and 2019 occurred mainly as a result of the decrease in the net asset values of certain subsidiary corporations from a combination of operational losses and changes in exchange rates of the currencies in which their net assets are denominated.

Amounts owing by subsidiary corporations (non-trade) include a loan of S$1,612,000 (2019: S$1,561,000) which bears interest at 2.25% (2019: 2.25%) per annum and is denominated in Japanese Yen. The remaining amounts are interest-free and mainly denominated in Japanese yen.

Amounts owing to subsidiary corporations (non-trade) include a loan of S$5,726,000 (2019: S$5,897,000) which bears interest at 1.27% (2019: 1.27%) per annum and is denominated in Japanese Yen. The remaining amounts are interest-free and mainly denominated in Hong Kong dollars.

16 SUBSIDIARY CORPORATIONS (CONTINUED)

The principal subsidiary corporations of the Company and the Group are as follows:

Name of subsidiary corporation	Country of incorporation and operation	Cost of investment held by the Company		Effective equity interest held by the Group		Principal activities
		2020	2019	2020	2019	
		S$'000	S$'000	%	%	
Thakral Corporation (HK) Limited (2)	Hong Kong	**151,111**	152,173	**100**	100	Marketing and distributing beauty, wellness and lifestyle products
Thakral Brothers Ltd (1)	Japan	**7,543**	7,543	**100**	100	Marketing and distributing beauty, wellness and lifestyle products
Thakral Lifestyle Pte Ltd	Singapore	**7,716**	7,716	**100**	100	Marketing and distributing beauty, wellness and lifestyle products
Thakral Capital Holdings Pte Ltd	Singapore	**30,612**	30,612	**75**	75	Investment holding
Thakral Realty (S) Pte Ltd	Singapore	**9,000**	9,000	**100**	100	Investment holding
TJP Pte Ltd	Singapore	**15,433**	15,433	**53**	53	Investment holding
Thakral Umeda Properties Pte Ltd	Singapore	**6,602**	6,602	**56**	56	Investment holding
Thakral China Ltd (3)	People's Republic of China	*	*	**100**	100	Investment holding and marketing and distributing beauty, wellness and lifestyle products
Thakral Beauty (Shanghai) Ltd (formerly known as Thakral Electronics (Shanghai) Ltd) (3)	People's Republic of China	*	*	**100**	100	Marketing and distributing beauty, wellness and lifestyle products
TCAP Pte Ltd	Singapore	*	*	**75**	75	Investment holding
Thakral Capital Investments Ltd (2)	Hong Kong	*	*	**75**	75	Investment holding
Thakral Capital Australia Pty Ltd (4)	Australia	*	*	**75**	75	Origination, execution, and management of investment opportunities
SJ Property Investments Pte Ltd	Singapore	*	*	**53**	53	Investment holding

16 SUBSIDIARY CORPORATIONS (CONTINUED)

Name of subsidiary corporation	Country of incorporation and operation	Cost of investment held by the Company		Effective equity interest held by the Group		Principal activities
		2020	2019	2020	2019	
		S$'000	S$'000	%	%	
Nihon Property Investments Pte Ltd	Singapore	*	*	**56**	56	Investment holding
LNG Trust [5]	Australia	*	*	**75**	75	Property development
LNG Trust No. 2 [5]	Australia	*	*	**75**	75	Property development
Thakral Japan Properties Pte Ltd	Singapore	*	*	**50.6**	50.6	Investment holding
TCAP Partners Pty Ltd [6]	Australia	*	*	**75**	75	Investment holding

* Held by subsidiary corporations

The above subsidiary corporations are audited by Deloitte & Touche LLP, Singapore except for subsidiary corporations that are indicated below:

(1) Audited by Matsui C.P.A. Office, Japan
(2) Audited by Moore Stephens CPA Limited, Hong Kong
(3) Audited by Da Hua Certified Public Accountants, PRC (member firm of Moore Global Network Limited)
(4) Not required to be audited by law in country of incorporation
(5) Audited by Deloitte & Touche LLP, Singapore for purposes of consolidation
(6) Audited by Thomas Noble & Russell, Australia

Information about the composition of the Group at the end of the financial year is as follows:

Principal activity	Country of incorporation and operation	Number of wholly-owned subsidiary corporations	
		2020	2019
Investments	Hong Kong	**1**	1
	Singapore	**1**	1
Marketing and distributing beauty, wellness and lifestyle Products	Singapore	**1**	1
	China	**5**	5
	Hong Kong	**4**	4
	British Virgin Islands	**1**	1
	Japan	**1**	1
	Mauritius	**1**	1
	India	**1**	1
Others	Hong Kong	**1**	1
		17	17

16 SUBSIDIARY CORPORATIONS (CONTINUED)

Principal activity	Country of incorporation and operation	Number of non wholly-owned subsidiary corporations	
		2020	2019
Investments	Singapore	**8**	8
	Australia	**11**	12
	Hong Kong	**2**	2
		21	22

The table below shows details of non-wholly owned subsidiary corporations of the Group that have material non-controlling interests:

Name of subsidiary corporation	Country of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit (Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2020	2019	2020	2019	2020	2019
		%	%	S$'000	S$'000	S$'000	S$'000
Thakral Japan Properties Pte Ltd	Singapore	**49.4**	49.4	**2,147**	4,461	**22,244**	19,496
Thakral Capital Holdings Pte Ltd and its subsidiary corporations	Singapore	**25**	25	**3,565**	3,307	**23,614**	18,873
TJP Pte Ltd and its subsidiary corporation	Singapore	**47**	47	**1,576**	3,161	**19,400**	17,280
Thakral Umeda Properties Pte Ltd and its subsidiary corporation	Singapore	**44**	44	**2,389**	(1)	**9,869**	7,268
Total				**9,677**	10,928	**75,127**	62,917

16 SUBSIDIARY CORPORATIONS (CONTINUED)

Summarised financial information in respect of each of the Group's subsidiary corporations that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Thakral Japan Properties Pte Ltd		Thakral Capital Holdings Pte Ltd and its subsidiary corporations		TJP Pte Ltd and its subsidiary corporation		Thakral Umeda Properties Pte Ltd and its subsidiary corporation	
	2020	2019	2020	2019	2020	2019	2020	2019
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Current assets	**2,120**	1,915	**33,986**	40,611	**143**	164	**44**	–
Non-current assets	**52,334**	46,122	**89,168**	62,826	**48,296**	43,039	**26,729**	19,411
Current liabilities	**(651)**	(422)	**(21,842)**	(8,269)	**(1,227)**	(1,171)	**(1,265)**	(773)
Non-current liabilities	**(8,788)**	(7,578)	**(6,855)**	(19,675)	**(2,821)**	(2,253)	**(874)**	–
Equity attributable to owners of the Company	**22,771**	20,541	**70,842**	56,620	**24,991**	22,499	**14,765**	11,370
Non-controlling interests	**22,244**	19,496	**23,614**	18,873	**19,400**	17,280	**9,869**	7,268
Revenue	**5,547**	11,416	**13,928**	21,723	**3**	12	**–**	–
Net other income (expenses)	**(1,203)**	(2,388)	**332**	(8,494)	**3,355**	6,721	**5,443**	(3)
Profit (Loss) for the year	**4,344**	9,028	**14,260**	13,229	**3,358**	6,733	**5,443**	(3)
Profit (Loss) attributable to owners of the Company	**2,197**	4,567	**10,695**	9,922	**1,782**	3,572	**3,054**	(2)
Profit (Loss) attributable to the non-controlling interests	**2,147**	4,461	**3,565**	3,307	**1,576**	3,161	**2,389**	(1)
Profit (Loss) for the year	**4,344**	9,028	**14,260**	13,229	**3,358**	6,733	**5,443**	(3)
Other comprehensive (loss) income attributable to owners of the Company	**763**	(129)	**5,052**	(734)	**744**	(117)	**147**	(36)
Other comprehensive (loss) income attributable to the non-controlling interests	**745**	(126)	**1,684**	(245)	**658**	(104)	**115**	(28)
Other comprehensive (loss) income for the year	**1,508**	(255)	**6,736**	(979)	**1,402**	(221)	**262**	(64)

16 SUBSIDIARY CORPORATIONS (CONTINUED)

	Thakral Japan Properties Pte Ltd		Thakral Capital Holdings Pte Ltd and its subsidiary corporations		TJP Pte Ltd and its subsidiary corporation		Thakral Umeda Properties Pte Ltd and its subsidiary corporation	
	2020	2019	2020	2019	2020	2019	2020	2019
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Total comprehensive income (loss) attributable to owners of the Company	**2,960**	4,438	**15,747**	9,188	**2,526**	3,455	**3,201**	(37)
Total comprehensive income (loss) attributable to the non-controlling interests	**2,892**	4,335	**5,249**	3,062	**2,234**	3,057	**2,504**	(29)
Total comprehensive income (loss) for the year	**5,852**	8,773	**20,996**	12,250	**4,760**	6,512	**5,705**	(66)
Dividends to non-controlling interests	**(593)**	–	**(508)**	(1,795)	**–**	–	**–**	–
Net cash (outflow) inflow from operating activities	**(66)**	(1,052)	**(2,393)**	(22,699)	**21**	(820)	**(29)**	(3)
Net cash inflow (outflow) from investing activities	**–**	13,059	**885**	29,403	**–**	(7,854)	**(378)**	(19,411)
Net cash inflow (outflow) from financing activities	**58**	(12,037)	**(2,758)**	(5,445)	**(66)**	8,751	**452**	19,414
Net cash (outflow) inflow	**(8)**	(30)	**(4,266)**	1,259	**(45)**	77	**45**	–

Financial support

At the end of the reporting period, the Company has agreed to provide financial support to certain subsidiary corporations that are in net liability position of S$ 6.1 million (2019: S$5.5 million).

17 JOINT VENTURES

	Group	
	2020	2019
	S$'000	S$'000
Cost of investment in joint ventures	**1,118**	1,118
Share of post-acquisition profit	**14,397**	8,745
Advanced to joint ventures	**951**	–
Translation adjustment	**855**	(287)
	17,321	9,576

17 JOINT VENTURES (CONTINUED)

The investment in joint ventures represents the Group's investment in the retirement living joint venture, under the GemLife brand, with one of Australia's developers in the resort style retirement homes sector. As at December 31, 2020, ten resorts with more than 4,500 homes to be built throughout the east coast of Australia have been committed, of which five resorts have commenced construction. The carrying value of the Group's equity interest in these joint venture entities as at December 31, 2020 is S$17,321,000 (2019: S$9,576,000).

Name of joint venture	Place of incorporation and operation	Proportion of ownership interest	Proportion of voting power held	Principal activity
GTH group of entities [1]	Australia	49.9%	49.9%	Property development
CBT group of entities	Singapore	50%	50%	Marketing and distributing beauty products

(1) Audited by Thomas Noble & Russell, Australia

The joint ventures are accounted for using the equity method in these consolidated financial statements.

GTH Group of joint ventures

	Group	
	2020	2019
	S$'000	S$'000
Current assets	**156,497**	96,032
Non-current assets	**224,273**	98,579
Current liabilities	**(32,543)**	(53,816)
Non-current liabilities - due to joint venture shareholders	**(60,092)**	(21,251)
Non-current liabilities - borrowings and other payables	**(253,804)**	(100,353)

The above amounts of assets and liabilities include the following:

	Group	
	2020	2019
	S$'000	S$'000
Cash and cash equivalents	**6,275**	670
Current financial liabilities (excluding trade and other payable)	**(2,142)**	(34,185)
Non-current financial liabilities - due to joint venture shareholders	**(60,092)**	(21,251)
Non-current financial liabilities - borrowings (excluding trade and other payable)	**(216,303)**	(95,890)

	2020	2019
	S$'000	S$'000
Revenue	**120,254**	76,147
Profit for the year	**12,791**	10,998
Total comprehensive income for the year	**12,799**	11,002

17 JOINT VENTURES (CONTINUED)

GTH Group of joint ventures (CONTINUED)

The above profit for the year include the following:

	2020	2019
	S$'000	S$'000
Depreciation	(1,519)	(1,024)
Interest income	4,708	6,277
Interest expense	(22,300)	(17,202)
Income tax credit	(3,140)	(2,436)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint ventures recognised in these consolidated financial statements:

	Group	
	2020	2019
	S$'000	S$'000
Net assets of the joint ventures	34,331	19,191
Proportion of the Group's ownership interest in joint ventures	49.9%	49.9%
Carrying amount of the Group's interest in the joint ventures	17,131	9,576

CBT Group of joint ventures

	Group	
	2020	2019
	S$'000	S$'000
Current assets	1,605	375
Non-current assets	7	34
Current liabilities	(2,542)	(286)
Non-current liabilities	(542)	(398)

The above amounts of assets and liabilities include the following:

	Group	
	2020	2019
	S$'000	S$'000
Cash and cash equivalents	338	39

	2020	2019
	S$'000	S$'000
Revenue	1,459	34
Loss for the year	(1,081)	(409)
Other comprehensive income for the year	–	–
Total comprehensive loss for the year	(1,081)	(409)

17 JOINT VENTURES (CONTINUED)

CBT Group of joint ventures (CONTINUED)

The above loss for the year include the following:

	2020	2019
	S$'000	S$'000
Interest expense	**(10)**	(1)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint ventures recognised in these consolidated financial statements:

	Group	
	2020	2019
	S$'000	S$'000
Net liabilities of the joint ventures	**(1,472)**	(275)
Proportion of the Group's ownership interest in joint ventures	**50%**	50%

18 ASSOCIATES

	Group	
	2020	2019
	S$'000	S$'000
Cost of investment in associates	**44,082**	43,700
Share of post-acquisition profit	**27,805**	17,517
Translation adjustment	**2,003**	120
	73,890	61,337

Details of material associates

Details of the Group's significant associates are as follows:

Name of associate	Place of incorporation and operation	Proportion of ownership interest		Proportion of voting power held		Principal activity
		2020	2019	2020	2019	
		%	%	%	%	
TMK Japan TCAP (1)	Japan	**99.5**	99.5	**33**	33	Investment holding
TMK Legal 1 (2)	Japan	**93.6**	93.5	**33**	33	Investment holding

(1) Audited by Deloitte & Touche LLP, Singapore and Grant Thornton Taiyo LLC for purpose of consolidation (2019: Audited by Grant Thornton Taiyo LLC)

(2) Audited by Deloitte & Touche LLP, Singapore for purposes of consolidation

The associates are accounted for using the equity method in these consolidated financial statements.

TMK Legal 1 was acquired in December 2019. The Group has significant influence over both associates by virtue of its voting power in the entities.

18 ASSOCIATES (CONTINUED)

	TMK Japan TCAP			TMK Legal 1	
	2020	2019	2019	2020	2019
	S$'000	S$'000 (restated)	S$'000	S$'000	S$'000
Current assets	**9,878**	9,942	9,422	**7,594**	9,502
Non-current assets	**147,270**	137,052	134,531	**104,688**	90,292
Current liabilities	**(1,742)**	(1,505)	(1,313)	**(4,328)**	(1,471)
Non-current liabilities	**(108,002)**	(103,352)	(100,503)	**(79,433)**	(77,567)

	2020	2019	2020	2019
	S$'000	S$'000	S$'000	S$'000
Revenue	**7,276**	5,416	**2,529**	–
Profit for the year	**3,938**	7,853	**6,780**	–
Total comprehensive income for the year	**3,938**	7,853	**6,780**	–

During 2019, TMK Japan TCAP had not recognised a right-of-use asset and its corresponding lease liability. Accordingly, certain line items in the financial statements for the year ended December 31, 2019 have been restated. There is no impact to the income statement amounts.

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associates recognised in these consolidated financial statements:

	TMK Japan TCAP		TMK Legal 1	
	2020	2019	2020	2019
	S$'000	S$'000	S$'000	S$'000
Net assets of the associate	**47,404**	42,137	**28,521**	20,476
Proportion of the Group's ownership interest	**99.5%**	99.5%	**93.6%**	93.5%
Carrying amount of the Group's interest	**47,167**	41,926	**26,728**	19,411

19 DERIVATIVE FINANCIAL INSTRUMENT

The Group previously used foreign exchange options to manage its exposure to foreign exchange rates on the capital invested in its financial asset (Note 20).

The above option expired in January 2020.

20 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH INCOME STATEMENT

	Group	
	2020	2019
	S$'000	S$'000
Financial assets measured at FVTIS		
At fair value:		
Unquoted investments	**45,756**	46,119
Club debenture	**1**	1
Total	**45,757**	46,120

20 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH INCOME STATEMENT (CONTINUED)

Description	Fair value 2020	Fair value 2019	Fair value hierarchy	Valuation technique(s)	Significant unobservable input(s)	Range
	S$'000	S$'000				
Unquoted investments	**45,756**	46,119	Level 3	See Note (a) below	See Note (a) below	S$6,004 to S$8,068 (2019: S$5,300 to S$34,614)

Note (a)

The fair value of the unquoted investments is estimated based on the Group's share of the net asset value of the investees, which approximates their fair values as at the end of the reporting period. The investees' main assets are two office buildings and two hotel buildings (2019: two office buildings, two hotel buildings and one retail property) in Japan which are leased out to external parties. The significant input used in valuing the underlying properties is price per square meter, which is based on recent transactions adjusted for property type, age and location. Any significant isolated increases (decreases) in the estimated price per square meter would result in a significantly higher (lower) fair value measurement.

21 TRADE AND BILLS PAYABLES

	Group 2020	Group 2019
	S$'000	S$'000
Trade payables - outside parties	**1,071**	3,498
Bills payable	**151**	–
	1,222	3,498

The average credit period on purchases of goods is 14 days (2019: 27 days).

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs.

Bills payable represent the amounts payable to a supplier against documents sent through bank.

22 TRUST RECEIPTS

Trust receipts represent short term financing provided by banks (including those under Enterprise Singapore's Enterprise Financing Scheme) at market interest rates for the purchase of goods.

The trust receipts are secured by certain fixed deposits placed with the banks, second legal mortgage over a property in Singapore as well as corporate guarantees by the Company.

The average effective interest rates paid are as follows:

	Group 2020	Group 2019
	%	%
Trust receipts	**3.41**	4.67

23 BANK AND OTHER BORROWINGS

	Group	
	2020	2019
	S$'000	S$'000
Other loans	**4,342**	2,071
Bank loans	**33,939**	31,833
	38,281	33,904
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(24,662)**	(21,487)
Amount due for settlement after 12 months	**13,619**	12,417

	Company	
	2020	2019
	S$'000	S$'000
Other loans	**–**	178
Bank loans	**5,001**	–
	5,001	178
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(938)**	(178)
Amount due for settlement after 12 months	**4,063**	–

Other loans

Other loans include loans from certain related parties of S$2,251,000 (2019: S$1,893,000) which are arranged at fixed interest rate of 9% to 10% (2019: 9% to 10%) per annum, to provide funding for the investments in Australia. The loans are unsecured but recourse is limited to the underlying investments. The loans have no fixed terms of repayment and shall be repaid upon settlements of the underlying projects.

Bank loans (secured)

Bank loans include loans drawn from a bank in Australia amounting to S$6,520,000 (2019: S$8,654,000) which are secured by, inter alia, mortgages over the land owned by certain Australian subsidiary corporations, general fixed and floating charges over the assets of these subsidiary corporations as well as the subsidiary corporations that lease the residential properties to the lessees. The loans are repayable in quarterly instalments with a final payment in 2023 (2019: 2021).

Centain loans were drawn from a bank in China amounting to S$1,928,000 (2019: S$1,608,000) during the year. They are secured by corporate guarantee by a subsidiary corporation.

A loan of S$16,000 (2019: S$996,000), with certain trade receivable factored on a full recourse basis, is obtained from a bank during the year. The loan is secured by a fixed deposit placed with the bank as well as corporate guarantee by the Company.

Certain bank loans amounting to S$20,475,000 (2019: S$20,575,000) are secured by the property in Singapore as well as corporate guarantee by the Company. Included in these loans is a 5-year term loan of S$5,475,000 (2019: S$5,575,000), which is required to be repaid by monthly instalments and a final payment in 2023. Included in the bank loans is a money market loan of S$15,000,000 (2019: S$15,000,000), which is repayable in full every agreed interest period by cash or re-drawing the loan.

23 BANK AND OTHER BORROWINGS (CONTINUED)

Bank loan (unsecured)

A 5-year term loan of S$5 million (2019: S$Nil) was drawn under the Singapore Government's Temporary Bridging Loan Programme from a bank by the Company during the year.

The average effective interest rates paid on bank and other borrowings are as follows:

	Group	
	2020	2019
	%	%
Other loans	10.42	10.71
Bank loans	2.49	3.66

The estimated fair values of the non-current loans approximate their carrying values as the loans are expected to be repriced on a timely basis depending on movements in the market lending rates, except for the fixed interest rate loan instruments. Management is of the view that the fair value of the fixed interest loans approximates the carrying value of the loans as the interest rates commensurate with the internal rate of returns and risks associated with the property development projects, and these loans are solely obtained to fund these projects.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

				Non-cash changes			
	January 1, 2020	Financing cash flow	Interest paid	Foreign exchange movement	Accrued interest	New lease liabilities	December 31, 2020
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Trust receipts (Note 22)	10,268	3,785	(512)	(26)	512	–	14,027
Bank and other borrowings	33,904	3,313	(1,424)	966	1,522	–	38,281
Lease liabilities (Note 24)	1,866	(1,371)	(68)	(3)	68	315	807
	46,038	5,727	(2,004)	937	2,102	315	53,115

				Non-cash changes			
	January 1, 2019	Financing cash flow	Interest paid	Foreign exchange movement	Accrued interest	New lease liabilities	December 31, 2019
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Trust receipts (Note 22)	10,968	(640)	–	(60)	–	–	10,268
Bank and other borrowings	44,352	(7,919)	(3,110)	(528)	1,109	–	33,904
Lease liabilities (Note 24)	3,284	(1,658)	(119)	–	119	240	1,866
	58,604	(10,217)	(3,229)	(588)	1,228	240	46,038

24 LEASE LIABILITIES

	Group		Company	
	2020	**2019**	**2020**	**2019**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Maturity analysis:				
Year 1	**594**	1,382	**22**	43
Year 2	**227**	458	**–**	21
Year 3	**19**	106	**–**	–
Less: Unearned interest	**(33)**	(80)	**(1)**	(2)
	807	1,866	**21**	62
Analysed as:				
Current	**556**	1,319	**21**	42
Non-current	**251**	547	**–**	20
	807	1,866	**21**	62

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

25 OTHER PAYABLES

	Group		Company	
	2020	**2019**	**2020**	**2019**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Accruals	**5,685**	5,068	**594**	562
Advances from customers	**3,534**	4,273	**–**	–
Value added tax (VAT)/other tax payable	**283**	1,087	**–**	–
Sundry creditors	**3,597**	2,060	**–**	–
Total	**13,099**	12,488	**594**	562
Less: Non-current other payables	**(379)**	–	**–**	–
Classified as current other payables	**12,720**	12,488	**594**	562

Included in sundry creditors is an amount of S$140,000 (2019: S$315,000) due to related parties (Note 6) for rental deposits and the reimbursement of expenses paid on behalf of the Group.

26 PROVISIONS

	Employee benefits
	S$'000
Group	
As at January 1, 2019	2,706
Translation adjustment	(47)
Provision for the year	549
Utilisation	(209)
As at December 31, 2019	2,999
Translation adjustment	65
Provision for the year	389
Utilisation	(640)
As at December 31, 2020	2,813
Company	
As at January 1, 2019, at December 31, 2019 and at December 31, 2020	52

The provisions are made in respect of the Group's and Company's potential liability for long-service and leave payments to employees of certain subsidiary corporations upon their leaving the Group and Company respectively.

27 DEFERRED TAX LIABILITY

The following are the major deferred tax liabilities recognised by the Group and the movements thereon during the current and prior reporting periods, primarily from fair value gain on financial assets measured at FVTIS and revaluation gains on investment properties:

	Group	
	2020	2019
	S$'000	S$'000
Balance as at beginning of year	**13,544**	10,593
Translation adjustment	**582**	(117)
Charge to other comprehensive income for the year	**–**	36
Charge to profit or loss for the year (Note 34)	**2,385**	3,032
Balance as at beginning of year	**16,511**	13,544

28 ISSUED CAPITAL

	Group and Company			
	2020	2019	2020	2019
	Number of ordinary shares		S$'000	S$'000
Issued and fully paid:				
- At end of year and beginning of year	**130,860,616**	130,860,616	**72,579**	72,579

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All fully paid ordinary shares, which have no par value, carry one vote per share without restrictions.

29 RESERVES

The capital reserve arose upon the reorganisation of shareholdings in the subsidiary corporations under common control.

The asset revaluation reserve arose on the revaluation of land and buildings before the transfer to investment properties. Where revalued land or buildings are sold, the portion of the asset revaluation reserve that relates to that asset is effectively realised and transferred directly to retained earnings. The asset revaluation reserve is not available for distribution to the Company's shareholders.

The options reserve arises on the grant of share options to employees under the employee share option scheme. Further information about share-based payments to employees is set out in Note 30.

Exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiary corporations into Singapore dollars are brought into account by entries made directly to the foreign currency translation reserve.

30 SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company had a share option scheme for all employees of the Group which expired on March 30, 2011. There are no outstanding share options as at December 31, 2020 under this scheme.

Thakral Capital Holdings Pte Ltd ("TCH"), a subsidiary corporation of the Company, also has a share option scheme for all TCH Group employees and directors which had been approved at an Extraordinary General Meeting on April 29, 2015 (the "TCH Scheme"). Options are exercisable at prices specified at the time of the grant. If options granted remain unexercised after a period of 5 years (depending on the term specified in the options) from the relevant vesting date, the options expire. Except for certain specified circumstances, options are forfeited if the employee leaves the TCH Group.

	Group			
	2020		2019	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
		S$		S$
Outstanding at beginning of year	**78,300**	**116**	78,300	116
Granted during the year	**20,000**	**141**	–	–
Outstanding at end of year	**98,300**	**121**	78,300	116

The Group recognised total expenses of S$24,000 (2019: S$18,000) related to equity-settled share-based payment transactions during the year.

31 REVENUE

	Group	
	2020	2019
	S$'000	S$'000
Product sales	**69,445**	73,406
Fair value changes and interest income on debt instruments	**9,636**	12,518
Dividend income from financial assets measured at FVTIS	**7,384**	1,567
Management fee and other service income	**2,578**	3,588
Rental income (Notes 15 and 40)	**2,930**	6,946
Fair value changes on financial assets measured at FVTIS	**(1,852)**	9,846
	90,121	107,871

All streams of revenue are recognised at a point in time, except rental income which is recognised on a straight line basis over the lease term.

32 OTHER OPERATING INCOME

	Group	
	2020	2019
	S$'000	S$'000
Government grant	**277**	4
Gain on disposal of freehold land and building	**–**	3,471
Gain on disposal of investment properties	**391**	90
Others	**83**	56
	751	3,621

33 FINANCE COSTS

	Group	
	2020	2019
	S$'000	S$'000
Interest expense to third parties	**1,902**	3,020
Interest expense to related parties (Note 6)	**200**	298
	2,102	3,318

34 INCOME TAX

	Group	
	2020	2019
	S$'000	S$'000
Current taxation:		
- Provision for taxation in respect of current year	**1,003**	1,458
- Overprovision in prior years	**(15)**	(133)
Deferred tax:		
- Amount charged for taxation in respect of deferred tax liabilities in current year (Note 27)	**2,385**	3,032
Income tax expense for the year	**3,373**	4,357

The income tax is calculated at 17% (2019: 17%) of the estimated assessable profit for the year. The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2020	2019
	S$'000	S$'000
Profit before income tax	**19,584**	24,363
Income tax charge at statutory rate of 17%	**3,329**	4,142
Tax effect of:		
- Expenses that are not deductible in determining taxable profit	**1,974**	2,046
- Income that is not taxable in determining taxable profit	**(3,284)**	(2,973)
- Current year's tax losses not recognised	**1,606**	1,743
- Different tax rates of the subsidiary corporations operating in other jurisdictions	**(92)**	(39)
- Tax effect on utilisation of deferred tax benefits previously not recognised	**(145)**	(429)
- Overprovision of tax in respect of prior years	**(15)**	(133)
Total income tax expense for the year	**3,373**	4,357

34 INCOME TAX (CONTINUED)

The Group has estimated tax loss carryforwards which are available for offsetting against future taxable income as follows:

	Group	
	2020	2019
	S$'000	S$'000
Amount at beginning of year	**252,070**	246,894
Tax losses expired during the year	**(2,304)**	(1,673)
Amount in current year	**9,445**	10,251
Translation adjustment	**4,001**	1,392
Adjustment for prior years after finalisation	**(2,121)**	(2,272)
Amount utilised in current year	**(853)**	(2,522)
Amount at end of year	**260,238**	252,070
Deferred tax benefit on above not recorded (based on applicable tax rates in various jurisdictions)	**46,304**	44,644

The Group has estimated temporary differences from capital allowances available for offsetting against future taxable income as follows:

	Group	
	2020	2019
	S$'000	S$'000
Amount at beginning of year	**196**	229
Amount in current year	**203**	5
Amount utilised in current year	**(129)**	(38)
Amount at end of year	**270**	196
Deferred tax benefit on above not recorded	**46**	33

The realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances are subject to agreement by the relevant countries' tax authorities in which the Group operates. These amounts are available for offset against future taxable income of the subsidiary corporations concerned subject to compliance with certain provisions of the relevant countries' income tax regulations. Future tax benefits arising from these unutilised tax losses and capital allowances have not been recognised in the financial statements as there is no reasonable certainty of their realisation in the foreseeable future.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiary corporations for which deferred tax liabilities have not been recognised is S$0.67 million (2019: S$0.66 million). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the timing differences and it is probable that such differences will not reverse in the foreseeable future.

35 PROFIT FOR THE YEAR

	Group	
	2020	2019
	S$'000	S$'000
Profit for the year is arrived at after charging (crediting):		
Directors' remuneration:		
of the Company	**1,958**	1,961
of subsidiary corporations	**4,005**	3,752
Total directors' remuneration	**5,963**	5,713
Cost of inventories recognised as expense	**60,434**	64,830
Audit fees:		
Paid to auditors of the Company		
Current year	**390**	322
Paid to other auditors		
Current year	**245**	256
Overprovision in prior year	**–**	(4)
Non-audit fees paid to auditors:		
Auditors of the Company	**48**	45
Other auditors	**12**	35
Loss (Gain) on disposal of property, plant and equipment	**32**	(3,471)
Allowance for inventories recognised in cost of sales	**509**	1,533
Foreign currency exchange adjustment loss	**417**	582
Impairment loss on financial assets		
Impairment loss on trade receivables	**22**	174
Impairment loss on other receivables	**–**	42
Total impairment loss on financial assets recognised in administration expenses	**22**	216
Depreciation of property, plant and equipment	**453**	522
Depreciation of right-of-use assets	**1,403**	1,613
Employee benefits expense (including directors' remuneration)		
Salaries, wages, bonus and others	**12,171**	13,984
Defined contribution plans	**548**	1,175
Total employee benefits expense	**12,719**	15,159

36 DIVIDENDS

A tax-exempt (one-tier) interim dividend of S$0.01 per share (total dividend of S$1,309,000) was paid to shareholders on August 27, 2020 in respect of the financial year ended December 31, 2020. Another tax-exempt (one-tier) second interim dividend of S$0.02 per share was declared and payable on a date to be announced later.

A tax-exempt (one-tier) interim dividend of S$0.02 per share (total dividend of S$2,617,000) and another tax-exempt (one-tier) second interim dividend of S$0.02 per share (total dividend of S$2,617,000) were paid to shareholders on August 30, 2019 and November 29, 2019 respectively in respect of the financial year ended December 31, 2019.

37 BASIC AND DILUTED EARNINGS PER SHARE (CENTS)

The earnings per share is calculated by dividing the Group's net profit attributable to equity holders of the Company by the existing weighted average number of shares in issue during the year as follows:

	2020	2019
	Cents	Cents
Basic earnings per share	**4.99**	6.94
Diluted earnings per share	**4.99**	6.94
Weighted average number of ordinary shares	**130,860,616**	130,860,616

The calculation of the basic and diluted earnings per share is based on:

	Group	
	2020	2019
	S$'000	S$'000
Profit for the year attributable to equity holders of the Company	**6,534**	9,078

38 SEGMENT INFORMATION

The Group, which operates in four geographical segments being Australia, the People's Republic of China (including Hong Kong), Singapore and others (India and Japan), has 3 main core divisional activities. The reportable segments provided to the Group's chief operating decision makers are based on the types of activities, as described below:

(a) Investments ("INV")

This includes real estate and property investments in Australia, People's Republic of China, Japan and Singapore.

(b) Lifestyle ("LIFE")

This division comprises marketing and distributing beauty, wellness and lifestyle products in India, Japan, People's Republic of China (including Hong Kong), Singapore and in various export markets and related investments.

(c) Others ("OTH")

For those other activities which do not fall into the above categories.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Segment revenue and expense: Segment revenue and expense are the operating revenue and expense reported in the Group's consolidated statement of profit or loss that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and property, plant and equipment, net of allowances. Capital additions include the total cost incurred to acquire property, plant and equipment directly attributable to the segment. Segment liabilities include all operating liabilities.

Inter-segment transfers: Segment revenue and expenses include transfers between business segments. Inter-segment sales are charged at prevailing market prices. These transfers are eliminated on consolidation.

38 SEGMENT INFORMATION (CONTINUED)

Information regarding the Group's reportable segments is presented below.

Group's reportable segments

Year ended December 31, 2020

	INV	LIFE	OTH	TOTAL
	S$'000	S$'000	S$'000	S$'000
Revenue				
External revenue	20,680	69,441	–	90,121
Result				
Segment operating result	14,644	(3,562)	(1,449)	9,633
Valuation gains on investment properties, net	847	–	–	847
Share of profit (loss) of associates and joint ventures	16,673	(733)	–	15,940
Segment result	32,164	(4,295)	(1,449)	26,420
Unallocated corporate expenses				(4,384)
Finance income				67
Finance costs				(2,102)
Foreign exchange loss				(417)
Profit before income tax				19,584
Income tax				(3,373)
Profit for the year				16,211
Other information				
Capital expenditure:				
Property, plant and equipment	–	206	4	210
Depreciation expenses	57	1,747	52	1,856
Assets				
Segment assets	272,146	32,896	6,278	311,320
Total assets				311,320
Liabilities				
Segment liabilities	35,841	28,768	5,640	70,249
Income tax payable				1,522
Deferred tax liability				16,511
Total liabilities				88,282

38 SEGMENT INFORMATION (CONTINUED)

Group's reportable segments (CONTINUED)

Year ended December 31, 2019

	INV	LIFE	OTH	TOTAL
	S$'000	S$'000	S$'000	S$'000
Revenue				
External revenue	34,464	73,407	–	107,871
Result				
Segment operating result	27,403	(9,322)	(1,538)	16,543
Gain on disposal of properties	–	3,471	–	3,471
Valuation losses on investment properties, net	(3,160)	–	–	(3,160)
Share of profit (loss) of associate and joint ventures	13,303	(87)	–	13,216
Segment result	37,546	(5,938)	(1,538)	30,070
Unallocated corporate expenses				(1,965)
Finance income				158
Finance costs				(3,318)
Foreign exchange loss				(582)
Profit before income tax				24,363
Income tax				(4,357)
Profit for the year				20,006
Other information				
Capital expenditure:				
Property, plant and equipment	–	211	15	226
Depreciation expenses	108	2,020	7	2,135
Assets				
Segment assets	245,353	31,916	1,388	278,657
Total assets				278,657
Liabilities				
Segment liabilities	35,671	28,747	605	65,023
Income tax payable				1,898
Deferred tax liability				13,544
Total liabilities				80,465

38 SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operations are located in Australia, India, Japan, People's Republic of China (including Hong Kong) and Singapore.

The following table provides an analysis of:

a) the Group's sales by geographical market, irrespective of the origin of the goods/services.

b) additions to property, plant and equipment and the carrying amount of segment assets analysed by the geographical area in which the respective companies are incorporated.

	Revenue		Capital expenditure		Non-current assets*	
	2020	2019	2020	2019	2020	2019
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
People's Republic of China (including Hong Kong)	**76,435**	82,809	**206**	173	**1,485**	6,161
Australia	**3,741**	7,034	**–**	–	**16,654**	29,285
Singapore	**6,196**	14,307	**4**	15	**29,501**	30,496
Others	**3,749**	3,721	**–**	38	**87**	152
	90,121	107,871	**210**	226	**47,727**	66,094

The basis of the information stated under the geographical segment above is the aggregate of the relevant figures from companies incorporated in those countries.

* Non-current assets other than financial assets, associate and joint ventures.

Information about major customers

Included in revenue of S$69,441,000 (2019: S$73,407,000) arising from the Lifestyle segment are revenue of approximately S$14,104,000 (2019: S$19,719,000) which arose from sales to 1 (2019: 2) of the Group's largest customers.

39 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

	Group		Company	
	2020	2019	2020	2019
	S$'000	S$'000	S$'000	S$'000
Guarantees given to banks in respect of bank facilities utilised by subsidiary corporations in the Group	**1,928**	1,608	**34,518**	31,839
Guarantee given to a supplier in respect of credit payments obligation for purchases by a subsidiary corporation in the Group	**–**	–	**1,011**	–

At the end of the reporting period, the Group has granted certain Interest and/or Cost Overrun Guarantees for a maximum of S$2.5 million (2019: S$2.4 million) to certain banks in respect of bank facilities utilised by the borrowers of the Group's debt instruments for the development projects in Australia. There has been no call/demand from the banks on the guarantees to date.

39 CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

Contingent Liabilities (CONTINUED)

At the end of the reporting period, the Group has granted certain Guarantees for a maximum of S$32.5 million (2019: S$30.2 million) to certain banks in respect of bank facilities utilised by the borrowers of the Group's debt instruments for the development projects in Australia. There has been no call/demand from the banks on the guarantees to date.

The Company and its subsidiary, TJP Pte. Ltd., have granted an all moneys guarantee to the bondholder of the Group's unquoted investee, Godo Kaisha LEGAL 1, for unpaid principal amount of the bonds of JPY600 million (equivalent to S$7,674,000) (2019: S$7,434,000) as at December 31, 2020 and interest in relation to the investment in the Umeda Pacific Building in Osaka, Japan. There has been no call/demand from the bondholder on the guarantee to date.

Commitments

As at December 31, 2020, the investment subsidiary corporation of the Group, Thakral Capital Investments Limited ("TCIL"), has entered into the following agreements to participate in the development of the projects in Australia in respect of which the full amount of capital committed for those projects have not been recorded as liabilities in the financial statements. The details of the projects are as follows:

(a) Projects owned by the joint venture entities where TCIL has committed to provide or procure the provision of about A$130.0 million (equivalent to S$132.1 million) (2019: A$100.0 million (equivalent to S$94.5 million)) by way of progressive subscriptions of debt instruments. Monies of A$32.9 million (equivalent to S$33.5 million) (2019: A$6.5 million (equivalent to S$6.1 million)) have been recorded as debt instruments in Note 10 for the amounts provided by the Group. As at December 31, 2020, the Group has procured the provision of approximately A$80.1 million (equivalent to S$81.4 million) (2019: A$53.6 million (equivalent to S$50.7 million)). Additional capital required shall be sourced from, inter alia, external capital providers by way of mezzanine debt.

(b) Projects where TCIL has committed to provide or procure the provision of about A$14.3 million (equivalent to S$14.5 million) (2019: A$31.5 million (equivalent to S$29.8 million)) by way of progressive subscriptions of debt instruments. Monies of A$8.8 million (equivalent to S$9.0 million) (2019: A$25.9 million (equivalent to S$24.5 million)) have been recorded as debt instruments in Note 10 for the amounts provided by the Group. As at December 31, 2020, the Group has procured the provision of approximately A$11.5 million (equivalent to S$11.7 million) (2019: A$28.7 million (equivalent to S$27.1 million)). Additional capital required shall be sourced from, inter alia, external capital providers by way of mezzanine debt.

As at December 31, 2020, Nihon Property Investments Pte Ltd, an investment subsidiary corporation of the Group, committed to invest JPY117 million (S$1.5 million) (2019: JPY147 million (S$1.8 million)) in an investee in Japan for operational requirement. The investment should be funded from the Group's internal resources as well as shareholders of its immediate holding company, Thakral Umeda Properties Pte Ltd.

40 OPERATING LEASE ARRANGEMENTS

The Group as lessee

At December 31, 2020, the Group is committed to S$171,000 (2019: S$40,000) for short-term leases.

40 OPERATING LEASE ARRANGEMENTS (CONTINUED)

The Group as lessor

Operating leases, in which the Group is the lessor, relate to investment property owned by the Group with lease terms negotiated for an average of 3 years with no extension options. The lessee does not have an option to purchase the property at the expiry of the lease period.

	Group	
	2020	2019
	S$'000	S$'000
Maturity analysis of operating lease payments:		
Year 1	**1,121**	1,555
Year 2	**37**	654
Year 3	**–**	4
Total	**1,158**	2,213

41 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements were issued but not effective and are expected to have an impact to the Group and the Company in the periods of their initial application.

Effective date is deferred indefinitely

- *Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The management anticipates that the adoption of the above SFRS(I) and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

SHAREHOLDERS' INFORMATION

AS AT MARCH 29, 2021

Issued and fully paid-up capital	:	S$72,498,724.21
Number of issued shares	:	130,860,616
Class of shares	:	Ordinary share
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1- 99	1,790	26.98	71,672	0.05
100 - 1,000	3,010	45.37	1,004,972	0.77
1,001 - 10,000	1,322	19.93	5,219,880	3.99
10,001 - 1,000,000	499	7.52	26,953,577	20.60
1,000,001 and above	13	0.20	97,610,515	74.59
Total	**6,634**	**100.00**	**130,860,616**	**100.00**

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Name of Shareholder	(No. of Shares)	%	(No. of Shares)	%
Prime Trade Enterprises Limited	65,692,560	50.20	–	–
Kartar Singh Thakral	–	–	65,692,560(1)	50.20
Inderbethal Singh Thakral	–	–	65,692,560(1)	50.20
Bikramjit Singh Thakral	–	–	65,692,560(1)	50.20
Gurmukh Singh Thakral	–	–	65,692,560(1)	50.20
Karan Singh Thakral	–	–	65,692,560(1)	50.20
Rikhipal Singh Thakral	–	–	65,692,560(1)	50.20
Indergopal Singh Thakral	–	–	65,692,560(1)	50.20
Thakral Group Limited (as trustee of the S S Thakral Trust)	–	–	65,692,560(2)	50.20
Beneficiaries of the S S Thakral Trust	–	–	65,692,560(3)	50.20

Notes:

(1) Mr. Kartar Singh Thakral, head of the Thakral Family, and the members and/or directors of Thakral Group Limited, Messrs Inderbethal Singh Thakral, Gurmukh Singh Thakral (Alternate Director: Mr. Bikramjit Singh Thakral), Karan Singh Thakral, Rikhipal Singh Thakral and Indergopal Singh Thakral have the authority to dispose of, or to exercise control over the disposal of, the 65,692,560 ordinary shares of Thakral Corporation Ltd (the "Shares") held by Prime Trade Enterprises Limited in which Thakral Group Limited is deemed interested (whether such authority is or is capable of being made subject to restraint or restriction). Therefore, Messrs Kartar Singh Thakral, Inderbethal Singh Thakral, Bikramjit Singh Thakral, Gurmukh Singh Thakral, Karan Singh Thakral, Rikhipal Singh Thakral and Indergopal Singh Thakral are also deemed interested in the Shares held by Prime Trade Enterprises Limited.

(2) Thakral Group Limited, as the holding company of Prime Trade Enterprises Limited, is deemed interested in the Shares held by Prime Trade Enterprises Limited. Thakral Group Limited, a public company limited by guarantee, is the trustee of the S S Thakral Trust, a full discretionary trust for the benefit of certain members of the extended Thakral Family.

(3) Where any property held in trust consist of or include shares and a person knows, or has reasonable grounds for believing, that he has an interest under the trust, he shall be deemed to have an interest in those shares. Therefore, the beneficiaries of the S S Thakral Trust are also deemed interested in the Shares held by Prime Trade Enterprises Limited.

SHAREHOLDERS' INFORMATION

AS AT MARCH 29, 2021

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Prime Trade Enterprises Limited	65,692,560	50.20
2.	Citibank Nominees Singapore Pte Ltd	11,555,780	8.83
3.	HSBC (Singapore) Nominees Pte Ltd	3,292,908	2.52
4.	DBS Nominees (Private) Limited	3,056,172	2.34
5.	Sing Investments & Finance Nominees (Pte) Ltd	2,829,901	2.16
6.	Kanwaljeet Singh Dhillon	1,627,485	1.24
7.	Venture Delta Limited	1,585,603	1.21
8.	Harminder Kaur Pasricha	1,582,558	1.21
9.	Atma Singh S/O Lal Singh	1,418,450	1.08
10.	CGS-CIMB Securities (Singapore) Pte. Ltd.	1,366,980	1.04
11.	Amarjit Kaur	1,343,300	1.03
12.	Maybank Kim Eng Securities Pte. Ltd.	1,141,712	0.87
13.	Raffles Nominees (Pte.) Limited	1,117,106	0.85
14.	United Overseas Bank Nominees (Private) Limited	979,827	0.75
15.	Wee Hian Kok	740,971	0.57
16.	Phillip Securities Pte Ltd	729,729	0.56
17.	OCBC Nominees Singapore Private Limited	708,178	0.54
18.	Tan Kim Koon	545,000	0.42
19.	J & H Singh Pty Ltd	527,519	0.40
20.	Khong Lai Cheong	443,150	0.34
Total		**102,284,889**	**78.16**

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on information available to the Company as at March 29, 2021, approximately 48.05% of the issued shares of the Company is held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

The Company did not hold any treasury shares as at March 29, 2021.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Eighth Annual General Meeting of the Company will be convened and held by way of electronic means on Thursday, 29 April 2021 at 11 a.m. for the purpose of transacting the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 December 2020 together with the Auditors' Report thereon.

   (Resolution 1)

2. To re-elect the following directors who are retiring under Regulation 107(2) of the Company's Constitution:

   (i) Mr. Kartar Singh Thakral **(Resolution 2)**

   (ii) Mr. Natarajan Subramaniam **(Resolution 3)**

   (iii) Mr. Lee Ying Cheun **(Resolution 4)**

   The profile of the above Directors and the additional information pursuant to Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") have been set out under the Board of Directors and Additional Information on Directors Seeking Re-election sections in the Company's Annual Report 2020 respectively.

3. That contingent upon the passing of Ordinary Resolutions 3 and 4 above, members to approve the continued appointment of the following directors as independent Director, pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, that will take effect on 1 January 2022:

   (i) Mr. Natarajan Subramaniam **(Resolution 5)**

   (ii) Mr. Lee Ying Cheun **(Resolution 6)**

4. That contingent upon the passing of Ordinary Resolutions 5 and 6 above, members (excluding the Directors and Chief Executive Officer ("**CEO**") of the Company, and associates of such Directors and CEO), to approve the following directors' continued appointment as an independent Director, pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST:

   (i) Mr. Natarajan Subramaniam **(Resolution 7)**

   (ii) Mr. Lee Ying Cheun **(Resolution 8)**

   [See Explanatory Note (i)]

   Mr. Natarajan Subramaniam if re-elected as a Director of the Company, will remain as the Lead Independent Director, Chairman of the Audit Committee and Compensation Committee and a member of Nomination Committee and will be considered independent for the purposes of Rule 704(8) of Listing Manual of the SGX-ST.

   Mr. Lee Ying Cheun if re-elected as a Director of the Company, will remain as the Chairman of the Nomination Committee, a member of the Audit and Compensation Committees and will be considered independent for the purposes of Rule 704(8) of Listing Manual of the SGX-ST.

5. To approve the payment of Directors' fees of S$718,500 for the year ending 31 December 2021, to be paid quarterly in arrears. (31 December 2020: S$670,250)

   (Resolution 9)

6. To re-appoint Deloitte & Touche LLP as the Company's Auditors and to authorise the Directors to fix their remuneration.

   (Resolution 10)

7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. **Authority to allot and issue shares**

That pursuant to Section 161 of the Companies Act, Cap. 50 (the "**Companies Act**") and Rule 806 of the Listing Manual of the SGX-ST, the Directors be empowered to allot and issue shares (whether by way of rights, bonus or otherwise) and convertible securities in the capital of the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares (including shares to be issued in accordance with the terms of convertible securities issued, made or granted pursuant to this Resolution) to be allotted and issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares in the capital of the Company at the time of the passing of this Resolution, of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to all shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares in the capital of the Company and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force (i) until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in accordance with the terms of convertible securities issued, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of such convertible securities.

(Resolution 11)

[See Explanatory Note (ii)]

9. **Renewal of Shareholders' Mandate for Interested Person Transactions**

That for the purposes of Chapter 9 of the Listing Manual of the SGX-ST: -

(a) approval be and is hereby given for the Company, its subsidiaries and its associated companies or any of them to enter, in the ordinary course of business, into the transactions and arrangements for the sale and purchase of consumer electronics and electrical products as described in Section 2.3.1 of the Appendix to Annual Report 2020 dated 14 April 2021 (the "**Appendix**"), with any party who is of the class or classes of interested persons described in Section 2.4.1 of the Appendix, provided that all such transactions and arrangements are made on normal commercial terms in accordance with the review procedures for interested person transactions as set out in Section 3 of the Appendix, and that the Directors of the Company be and are hereby authorised to take such steps and exercise such discretion as the Directors of the Company may in their absolute discretion deem fit, advisable or necessary in connection with all such transactions and arrangements (the "**Shareholders' Mandate**");

(b) the Shareholders' Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting; and

(c) authority be given to the Directors to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the Shareholders' Mandate as they may think fit.

(Resolution 12)

[See Explanatory Note (iii)]

10. **Renewal of the Share Buyback Mandate**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage, at such price or prices as may be determined by the Directors in their discretion from time to time up to the Maximum Price, whether by way of:

(i) on-market purchases transacted through the trading system of the SGX-ST or on another stock exchange (the "**Other Stock Exchange**") on which the issuer's equity securities are listed (the "**Market Acquisitions**"); and/or

(ii) off-market acquisitions in accordance with an equal access scheme as defined in Section 76C of the Companies Act (the "**Off-Market Acquisitions**"),

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, the Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy Back Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law or the Constitution of the Company to be held; and

(iii) the date on which purchases and acquisitions of Shares by the Company pursuant to the Share Buy Back Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five market days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Acquisitions or, as the case may be, the day of the making of the offer pursuant to the Off-Market Acquisitions, and deemed to be adjusted for any corporate action that occurs during such five-market day period and the day on which the purchases are made;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Acquisitions;

"**Maximum Percentage**" means that number of issued Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution; and

"**Maximum Price**" in the case of a Market Acquisition, means 105% of the Average Closing Price and in the case of an Off-Market Acquisition pursuant to an equal access scheme, means 120% of the Average Closing Price; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution; and

(e) to the extent that any action in connection with the matters referred to in the above paragraphs of this Resolution or the transactions contemplated and/or authorised by this Resolution has been performed or otherwise undertaken (whether partially or otherwise), they be and are hereby approved, ratified and confirmed.

(Resolution 13)

[See Explanatory Note (iv)]

By Order of the Board

Chan Wan Mei
Company Secretary
Singapore

Date: 14 April 2021

Explanatory Notes

(i) Mr. Natarajan Subramaniam and Mr. Lee Ying Cheun, were appointed as an independent director of the Company since 15 November 1995, has served the Board beyond nine years. Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, requires a director who has been a director for an aggregate period of more than nine years (whether before or after listing) and whose continued appointment as an independent director to seek approval in separate resolutions by (A) all shareholders; and (B) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the company, and associates of such directors and chief executive officer. Accordingly, Mr. Natarajan Subramaniam and Mr. Lee Ying Cheun will be required to adhere to the above two-tier voting mechanism should they wish to seek for re-election.

Rule 210(5)(d)(iii) provides that the continued appointment as independent director, after an aggregated period of more than 9 years on the Board, must sought and approved in separate resolutions by (a) all members and (b) members excluding Directors, CEO, and their associates. Consequently, upon the passing of Ordinary Resolutions 3 to 8, Mr. Natarajan Subramaniam and Mr. Lee Ying Cheun will continue to serve as Independent Director, until the earlier of his retirement or resignation; or the conclusion of the twenty-eighth annual general meeting following the passing of Resolutions (3) to (8).

(ii) The Ordinary Resolution 11 proposed in item 8 above, if passed, will empower the Directors from the date of this Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is the earlier, to allot and issue shares (whether by way of rights, bonus or otherwise) and convertible securities in the Company. The number of shares and convertible securities that the Directors may allot and issue under this resolution would not exceed fifty per centum (50%) of the total number of issued shares in the capital of the Company at the time of the passing of this resolution. For issue of shares and convertible securities other than on a pro rata basis to all shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed twenty per centum (20%) of the total number of issued shares in the capital of the Company.

For the purpose of this resolution, the percentage of issued shares is based on the Company's issued shares at the time this proposed Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this proposed Ordinary Resolution is passed and any subsequent consolidation or subdivision of shares.

(iii) The Ordinary Resolution 12 proposed in item 9 above, if passed, will authorise the Interested Person Transactions as described in the Appendix and recurring in the year and will empower the Directors to do all acts necessary to give effect to the Shareholders' Mandate. This authority will, unless previously revoked or varied by the Company at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

(iv) The Ordinary Resolution 13, if passed, will renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in this proposed Ordinary Resolution. The Company may use internal or external sources of funds to finance the purchase or acquisition of its ordinary shares. Please refer to the appendix to the annual report of the Company for the financial year ended 31 December 2020 dated 14 April 2021.

Notes:

(a) The Annual General Meeting (the "**AGM**") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on SGXNet and the Company's website at the URL http://www.thakralcorp.com/investor-relations/general-meetings.

(b) A member will be able to participate at the AGM by watching the AGM proceedings via electronic means (in particular, arrangements by which the meeting can be electronically accessed via live audio-visual meeting or audio-only stream) via mobile phones, tablets or computers. In order to do so, a member must pre-register by 11 a.m. on 26 April 2021, at the URL https://online.meetings.vision/thakral-agm-registration for the Company to authenticate his/her/its status as members. Authenticated members will receive email instructions on how to access the live audio-visual meeting of the proceedings of the AGM by 12 noon on 28 April 2021. Members who do not receive an email by 12 noon on 28 April 2021, but have registered by the 26 April 2021 deadline, may contact the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at shareregistry@incorp.asia.

(c) Submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Notice of AGM dated 14 April 2021. The Notice of AGM may be accessed at the Company's website at the URL http://www.thakralcorp.com/investor-relations/general-meetings, and will also be made available on SGXNet.

As part of the Company's effort to improve interaction with members of the AGM, members will be able to ask questions when joining the AGM via live audio-visual meeting mode. The Chairman of the meeting will endeavour to address all substantial and relevant questions submitted in advance and those questions which are related to the resolutions to be tabled for approval at the AGM during the live AGM. The Company will publish the minutes of the AGM on its website, and the minutes will include the responses to the substantial and relevant questions which are addressed during the AGM.

(d) Due to the current COVID-19 restriction orders in Singapore, a member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed at the Company's website at the URL http://www.thakralcorp.com/investor-relations/general-meetings, and will also be made available on SGXNet.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstention from voting, in respect of a Resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that Resolution will vote or abstain from voting at his discretion.

Persons who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore), other than CPF and SRS investors, and who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings via live audio-visual meeting or audio-only stream; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary through which they hold such shares as soon as possible in order to make the necessary arrangements for them to participate in the AGM.

CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5 p.m. on 19 April 2021, being 7 working days before the AGM.

(e) The Chairman of the Meeting, as proxy, need not be a member of the Company.

(f) The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

(i) if submitted by post, be deposited at the registered office of the Company at 20 Upper Circular Road, #03-06 The Riverwalk, Singapore 058416; or

(ii) if submitted electronically, be submitted via email to the Company at proxyform@thakralcorp.com.sg,

in either case, not less than 72 hours before the time appointed for the AGM.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

(g) The Annual Report 2020 and Appendices in relation to proposed renewal of general mandate for interested person transactions and proposed renewal of the Share Buyback Mandate may be accessed at the Company's website at the URL http://www.thakralcorp.com/investor-relations/annual-reports-and-circulars.

(h) Shareholders who observe the AGM proceedings are reminded that the AGM is private. Invitation to Shareholders to attend the AGM via live audio-visual meeting and audio-only stream, shall not be forwarded to anyone who is not a Shareholder of Company or who is not authorised to attend the AGM.

Recording of the AGM proceedings in whatever form is also strictly prohibited. The Company seeks Shareholders' patience and understanding during the AGM proceedings in the event of any technical disruptions.

(i) Due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to change the arrangements for the AGM at short notice. Members should check the Company's website at the URL http://www.thakralcorp.com/investor-relations/general-meetings or SGXNet for the latest updates on the status of the AGM.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes (the "**Warranty**"); and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of the Warranty.

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

Name of Director	Kartar Singh Thakral
Date of Appointment	7 October 1993
Date of last re-election (if applicable)	27 April 2018
Age	87
Country of principal residence	Singapore
The Board's comments on this re-election (including rationale, selection criteria, and the search and nomination process)	The Nomination Committee ("NC") and the Board have reviewed the re-election of Mr. Kartar Singh Thakral ("Mr. Kartar Singh") taking into consideration his quality of participation, attendance, time commitment, contribution and performance when discharging his duties and responsibilities. Mr. Kartar Singh has extensive knowledge in all the areas in which the Group operates. He has an excellent record in steering the Group successfully through its peaks and troughs through many business cycles. His foresight and astute reading of the macro economic trends have continuously benefitted the Group. The sale of the Group's Hong Kong warehouse at the height of the property cycle is one example of his foresight. He was pivotal in the re-positioning of the Group's businesses, and entry into the Japanese and Australia investments are now being rewarded. Mr. Kartar Singh continues to provide insight and guidance on the Group's operations and contributes effectively in his role as an Executive Director and at the Board, Board Committee and operational levels. The NC and the Board recommend the re-election of Mr. Kartar Singh as an Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive Director. Provides insights and guidance on the Group's operations.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Investment Committee Member.
Professional qualifications	None.

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

	Natarajan Subramaniam	Lee Ying Cheun
	15 November 1995	15 November 1995
	30 April 2019	30 April 2019
	82	79
	Singapore	Singapore
	The Nomination Committee ("NC") and the Board have reviewed the re-election of Mr. Natarajan Subramaniam, including a thorough and comprehensive review of his independence by the NC, taking into consideration his independence in his conduct, character and judgement as well as acting in the best interests of the Company. The NC during the review, assessed the quality of his involvement and participation, regularity of his attendance at meetings, time commitment, contribution and performance when discharging his duties and responsibilities as a member of the Board as well as its sub-committees. Mr. Subramaniam's professional qualification and extensive accounting, finance experience as well as his business and industrial knowledge of the businesses of the Group coupled with his Chairman's role of leading the Board members and Independent Directors effectively in the past decade is an on-going valuable contribution to the Board and the Company. He has discharged his duties and responsibilities as the Chairman and on the Board and various Board Committees diligently and objectively, and continues to contribute effectively and positively to the Company. The NC and the Board recommend the re-election of Mr. Subramaniam as an Independent Non-Executive Director of the Company.	The Nomination Committee ("NC") and the Board have reviewed the re-election of Mr. Lee Ying Cheun, including a thorough and comprehensive review of his independence by the NC, taking into consideration his independence in conduct, character and judgement as well as acting in best interests of the Company. The NC during the review, assessed both the quality of his involvement and participation, and the regularity of his attendance at meetings, time commitment, contribution and performance when discharging his duties and responsibilities as a member of the Board as well as its sub-committees. Mr. Lee's academic background, his extensive business background and experience in both local and overseas private and public companies as well as in Singapore government statutory boards and foreign service provide on-going valuable contribution to the Board and the Company. He has discharged his duties and responsibilities on the Board and various Board Committees diligently and objectively, and continues to contribute effectively and positively to the Company. The NC and the Board recommend the re-election of Mr. Lee as an Independent Non-Executive Director of the Company.
	Non-executive	Non-executive
	Independent Non-Executive Chairman, Lead Independent Director, Chairman of (i) Audit Committee, (ii) Compensation Committee and (iii) Investment Committee, and Member of Nomination Committee.	Independent Non-Executive Director, Chairman of Nomination Committee, Member of Audit Committee and Member of Compensation Committee.
	• Bachelor of Arts Degree, University of Malaya in Singapore • Fellow of the Institute of Chartered Accountants in England and Wales, the Institute of Singapore Chartered Accountants and the Singapore Institute of Directors	• Bachelor of Science and Bachelor of Science with Honours (Applied Chemistry), University of Singapore • Advanced Management Programs at INSEAD and Harvard • Honorary Fellow of the All India Management Association

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

Name of Director	Kartar Singh Thakral
Working experience and occupation(s) during the past 10 years	Thakral Corporation Ltd • October 1993 to Present – Executive Director • November 2011 to Present – Member of the Investment Committee • May 2001 to December 2019 – Member of the Nomination Committee • November 1995 to December 2011 – Executive Chairman Thakral Family Group of Companies • 1952 to Present – Chairman Singapore Trade Development Board • 1995 to 1998 – Director Australia listed Thakral Holdings Limited (privatized in 2012) • March 1994 to October 2012 – Joint Chairman and Non-Executive Director
Shareholding interest in the listed issuer and its subsidiaries	Thakral Corporation Ltd - Deemed interest in 65,692,560 ordinary shares Subsidiaries: Thakral Japan Properties Pte. Ltd. - Deemed interest in 566,099 ordinary shares TJP Pte. Ltd. - Deemed interest in 2,117,581 ordinary shares Thakral Umeda Properties Pte. Ltd. - Deemed interest in 1,636,000 ordinary shares
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	– Father of (i) Mr. Inderbethal Singh Thakral, the Group CEO and Executive Director of the Company, a controlling shareholder of the Company, a director of various principal subsidiaries of the Company and a substantial shareholder of the Company's principal subsidiaries - Thakral Japan Properties Pte. Ltd., TJP Pte. Ltd and Thakral Umeda Properties Pte. Ltd.; (ii) Mr. Rikhipal Singh Thakral, Advisor to the Investment Committee of the Company, a controlling shareholder of the Company, a director of the Company's principal subsidiaries, Thakral Lifestyle Pte. Ltd., Thakral Japan Properties Pte. Ltd., TJP Pte. Ltd and Thakral Umeda Properties Pte. Ltd., a substantial shareholder of the Company's principal subsidiaries - Thakral Japan Properties Pte. Ltd. and Thakral Umeda Properties Pte. Ltd., a controlling shareholder of Company's principal subsidiary - TJP Pte. Ltd; and (iii) Mr. Gurmukh Singh Thakral and Mr. Karan Singh Thakral, controlling shareholders of the Company.

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

Natarajan Subramaniam	Lee Ying Cheun
Thakral Corporation Ltd • January 2012 to Present – Independent Non-Executive Chairman • November 2000 to December 2011 – Deputy Chairman of the Board, Independent Ernst & Young, Singapore ("EY") • 1 January 1971 – 30 June 1976 – Staff Person • 1July 1976 to 31 December 1993 – Partner • 1 January 1994 to 31 December 2003 – Associate of EY	2001 to 2017 • Bu Chang Group, China – Corporate Investment Adviser 1998 to 2007 • Executive and non-executive positions in various Singapore and overseas companies 1994 to 1998 • WBL Corporation Limited – Group General Manager 1985 to 1994 • Trade Development Board, Singapore – Deputy CEO and concurrent appointment as Director on several of the Board's enterprises and from 1986 to 1988 as the Singapore Commercial Representative to Beijing, China 1966 to 1984 • Economic Development Board – Various senior local and overseas positions, with last position as Director (Chemical Industry Division)
No	No
No	No

DIRECTORS SEEKING RE-ELECTION

Name of Director	Kartar Singh Thakral
	− Grandfather of (i) Mr. Bikramjit Singh Thakral, Non-Independent Non-Executive Director of the Company and a director and substantial shareholder of various principal subsidiaries of the Company; (ii) Mr. Satbir Singh Thakral, Marketing Director of the Group's Lifestyle Division; (iii) Mr. Ashmit Singh Thakral, Finance Director of GemLife Group, the Group's joint venture in retirement resorts in Australia. − Grand-uncle of Mr. Indergopal Singh Thakral, Managing Director of the Company's principal subsidiary, Thakral China Ltd and a controlling shareholder of the Company. − Controlling shareholder of the Company with deemed interest in 65,692,560 ordinary shares. − Director of the principal subsidiary – TJP Pte. Ltd. − Substantial shareholder of the Company's principal subsidiaries – Thakral Japan Properties Pte. Ltd., TJP Pte. Ltd and Thakral Umeda Properties Pte. Ltd.
Conflict of Interest (including any competing business)	Being a Thakral Family member, Mr. Kartar Singh is deemed to be interested in all businesses of the Thakral Family Group of Companies of which some are in competing business with the Group's Lifestyle business. However, Mr. Kartar Singh is not actively involved in the business operations of the Thakral Family Group of Companies. Where any conflict of interest may arise, Mr. Kartar Singh shall abstain from all involvement of any such matters. Further, a general mandate is in place to govern the trading of consumer electronics and electrical products between the Company and the Thakral Family Group of Companies.
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships	
Past (for the last 5 years)	Directorships: 1. Express Leasing Pte Ltd 2. Thakral Asia Limited 3. Thakral Holdings (HK) Limited 4. Kingsgate (Melbourne) Pty Ltd 5. Thakral Australia Pty Ltd 6. Thakral Corporation Pty Ltd 7. Thakral Investments Pty Ltd 8. 254 George Street Pty Ltd 9. ACN 101 765 280 Pty Ltd 10. ACN 101 806 099 Pty Ltd 11. ACN 101 765 306 Pty Ltd 12. ACN 104 151 500 Pty Ltd 13. Replay Investments Pty Ltd 14. Sohan Holdings Limited 15. JBS Pte Ltd (F.K.A Sovereign Investments Pte Ltd) 16. Crown Base Investment Limited

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

Natarajan Subramaniam	Lee Ying Cheun
No	No
Yes	Yes
Directorships: 1. Emerio Globesoft Pte Ltd 2. Warisan Global Sendirian Berhad	1. Bu Chang Group, China – Corporate Investment Adviser 2. Thakral Capital Holdings Pte. Ltd. – Alternate Director

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

Name of Director		Kartar Singh Thakral
Present		Directorships: 1. Thakral Corporation (HK) Limited 2. Thakral Corporation (Mauritius) Limited 3. Thakral China Ltd 4. TJP Pte. Ltd. 5. Thakral (Indo-China) Pte Ltd 6. Thakral Timepiece Pte Ltd 7. Thakral Investment Holdings Pte Ltd 8. Thakral Asia Pte Ltd 9. Purearth Infrastructure Limited 10. Preview Investments Limited (Under Deregistration) 11. Thakral Investments Limited 12. In Sewa Foundation Limited 13. Thakral Foundation Limited 14. Trade Harvest Investments Limited Other principal commitments: 1. Nishan-E-Sikhi Trust, India – Founder Trustee 2. Singapore Sikh Education Foundation – Trustee 3. Sri Guru Nanak Sat Sang Sabha – Trustee
Disclosure on the following matters concerning the Director:		
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?	No
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?	No
c)	Whether there is any unsatisfied judgment against him?	No
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?	No

DIRECTORS SEEKING RE-ELECTION

Natarajan Subramaniam	Lee Ying Cheun
Directorships: 1. AWWA Ltd 2. Thakral Capital Holdings Pte. Ltd. 3. SJ Property Investments Pte. Ltd. 4. Nihon Property Investments Pte. Ltd.	Directorships: 1. Thakral Lifestyle Pte. Ltd. 2. TCAP Pte. Ltd. 3. Thakral Realty (S) Pte Ltd 4. SJ Property Investments Pte. Ltd. 5. Nihon Property Investments Pte. Ltd.
No	No
No	No
No	No
No	No

Name of Director	Kartar Singh Thakral
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?	No
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?	No
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?	No
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?	No
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?	No
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	No

Natarajan Subramaniam	Lee Ying Cheun
No	No
No	No
No	No
No	No
No	No
No	No

Name of Director	Kartar Singh Thakral
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?	No
Disclosure applicable to the proposed appointment of Director only:	
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.

Natarajan Subramaniam	Lee Ying Cheun
No	No
N.A.	N.A.

This page has been intentionally left blank.

THAKRAL CORPORATION LTD

(Incorporated in the Republic of Singapore)
Company Registration No.: 199306606E

PROXY FORM

IMPORTANT

1. The Annual General Meeting (the "**AGM**") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of the AGM will not be sent to members. Instead, the Notice of the AGM will be sent to members by electronic means via publication on SGXNet and the Company's website at http://www.thakralcorp.com/investor-relations/general-meetings.
2. Alternative arrangements relating to attendance at the AGM via electronic means (in particular, arrangements by which the meeting can be electronically accessed via live audio-visual meeting or audio-only stream), submission of questions in advance of the AGM via email, addressing of substantial and relevant questions prior to, or at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Notice of AGM dated 14 April 2021. The Notice of AGM may be accessed at the Company's website at http://www.thakralcorp.com/investor-relations/general-meetings, and will also be made available on SGXNet.
3. **Due to the current COVID-19 restriction orders in Singapore, a member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**
4. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5 p.m. on 19 April 2021, being 7 working days before the AGM. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
5. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of the AGM dated 14 April 2021.
6. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

I/We ______________________ (Name) ______________________ (NRIC/Passport/Co. Reg. No.)

of ____ (Address)

being a member/members of Thakral Corporation Ltd (the "**Company**") hereby appoint the **Chairman of the Meeting** as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be convened and held by way of electronic means on Thursday, 29 April 2021 at 11 a.m. and at any adjournment thereof.

I/We direct the Chairman of the Meeting to vote for or against or to abstain from voting the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated hereunder.

No.	Ordinary Resolutions	For#	Against#	Abstain#
1.	Directors' Statement and Audited Financial Statements for the year ended 31 December 2020			
2.	Re-election of Mr. Kartar Singh Thakral as a Director pursuant to Regulation 107(2) of the Constitution of the Company			
3.	Re-election of Mr. Natarajan Subramaniam as a Director pursuant to Regulation 107(2) of the Constitution of the Company			
4.	Re-election of Mr. Lee Ying Cheun as a Director pursuant to Regulation 107(2) of the Constitution of the Company			
5.	To approve Mr. Natarajan Subramaniam's continued appointment as an Independent Director by Members			
6.	To approve Mr. Lee Ying Cheun's continued appointment as an Independent Director by Members			
7.	To approve Mr. Natarajan Subramaniam's continued appointment as an Independent Director by Members (excluding the Directors and Chief Executive Officer ("CEO") of the Company, and associates of such Directors and CEO)			
8.	To approve Mr. Lee Ying Cheun's continued appointment as an Independent Director by Members (excluding the Directors and CEO of the Company, and associates of such Directors and CEO)			
9.	Approval of Directors' fees amounting to S$718,500 for the year ending 31 December 2021, to be paid quarterly in arrears			
10.	Re-appointment of Deloitte & Touche LLP as Auditors			
11.	Authority to allot and issue shares			
12.	Renewal of Shareholders' Mandate for Interested Person Transactions			
13.	Renewal of the Share Buyback Mandate			

If you wish the Chairman of the Meeting as your proxy to cast all your votes 'For' or 'Against' or to 'Abstain' from voting on a Resolution, please tick (√) in the 'For' or 'Against' or 'Abstain' box provided in respect of that Resolution. Alternatively, please indicate the number of votes that the Chairman of the Meeting as your proxy is directed to vote 'For', 'Against' or to 'Abstain' from voting, in respect of that Resolution. If you mark the 'Abstain' box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll. In the absence of specific directions in respect of a Resolution, the appointment of the Chairman of the Meeting as your proxy will vote or abstain from voting at his discretion.

Dated this __________ day of ________________ 2021

Total number of shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Member(s)/Common Seal

IMPORTANT: Please read notes overleaf.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you only have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing the Chairman of the Meeting as proxy shall be deemed to relate to all the shares held by you.

2. Due to the current COVID-19 restriction orders in Singapore, a member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. This proxy form may be accessed at the the Company's website at the URL http://www.thakralcorp.com/investor-relations/general-meetings, and will also be made available on SGXNet. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstention from voting, in respect of a Resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as a proxy for that Resolution will vote or abstain from voting at his discretion.

   CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5 p.m. on 19 April 2021, being 7 working days before the AGM.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be deposited at the registered office of the Company at 20 Upper Circular Road, #03-06 The Riverwalk, Singapore 058416; or

   (b) if submitted electronically, be submitted via email to the Company at proxyform@thakralcorp.com.sg,

   in either case, not less than 72 hours before the time appointed for the AGM.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be submitted by post with the instrument of proxy, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

6. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor is not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) appointing the Chairman of the Meeting as proxy. In addition, in the case of a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the members accept and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2021.

Fold Here

Affix
Stamp
Here

PROXY FORM

The Company Secretary
THAKRAL CORPORATION LTD
20 Upper Circular Road
#03-06 The Riverwalk
Singapore 058416

Fold Here

GROUP
OFFICES

SINGAPORE

Thakral Corporation Ltd

Thakral Capital Holdings Pte Ltd

Thakral Realty (S) Pte Ltd

Thakral Japan Properties Pte Ltd

TJP Pte Ltd

Thakral Umeda Properties Pte Ltd

20 Upper Circular Road
#03-06 The Riverwalk
Singapore 058416

Tel (65) 63368966
Fax (65) 63367225

www.thakralcorp.com
www.tcap.com.sg

Thakral Lifestyle Pte Ltd

CBT At-Home Beauty Holdings Pte Ltd

20 Upper Circular Road
#03-06 The Riverwalk
Singapore 058416

Tel (65) 65330315

AUSTRALIA

Thakral Capital Australia Pty Ltd

SYDNEY OFFICE
Level 3, 20 Bond Street
Sydney, NSW 2000
Australia

Tel (61-2) 80737888
Fax (61-2) 80737889

BRISBANE OFFICE
Level 1, 283 Elizabeth Street
Brisbane, QLD 4000
Australia

Tel (61-4) 87744157
Fax (61-2) 80737889

www.thakralcapital.com.au

GemLife Group

Unit 7, 93 Burnside Road
Stapylton, QLD 4207
Australia

www.gemlife.com.au

CHINA

Thakral China Ltd

CBT At-Home Beauty (Shanghai) Ltd

5/F, Xinyan Building B
65 Guiqing Road
Shanghai 200233
People's Republic of China

Tel (86-21) 61917722
Fax (86-21) 61917711

JAPAN

Thakral Brothers Ltd

702 NPC Building Honmachi
No. 1-2, 2-Chome
Kitakyuhoji-machi Chuo-ku
Osaka 541-0057
Japan

Tel (81-6) 62646226
Fax (81-6) 62660290

HONG KONG

Thakral Corporation (HK) Limited

Unit G1, 1/F Kaiser Estate
Phase 2
47-53 Man Yue Street
Hunghom, Kowloon
Hong Kong

Tel (852) 27227752
Fax (852) 27245039
(852) 27394336

INDIA

Singapore Sourcing & Technology Pvt Ltd

802 8th Floor
Time Tower, M G Road
Gurgaon Haryana
122006
India

Tel (91-12) 44310520

THAKRAL
CORPORATION LTD

Co. Reg. No. 199306606E

20 Upper Circular Road,
#03-06 The Riverwalk,
Singapore 058416
Tel (65) 6336 8966
Fax (65) 6336 7225
www.thakralcorp.com