FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

THAKRAL CORPORATION LTD

Securities

THAKRAL CORPORATION LTD - SG1AJ2000005 - AWI

Stapled Security

No

Announcement Details

Announcement Title

Financial Statements and Related Announcement

Date &Time of Broadcast

24-Feb-2022 17:22:19

Status

New

Announcement Sub Title

Full Yearly Results

Announcement Reference

SG220224OTHRY8IK

Submitted By (Co./ Ind. Name)

Anil Daryanani

Designation

Chief Financial Officer

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please refer to attached Press Release and Unaudited Results for the full year ended 31 December 2021.

Additional Details

For Financial Period Ended

31/12/2021

Attachments

ThakralCorp_FY2021_PR_20220224.pdf

ThakralCorp_Results_FY2021_20220224.pdf

Total size =812K MB

THAKRAL CORPORATION LTD

(Incorporated in the Republic of Singapore on 7 October 1993)
(Company Registration No. 199306606E)

PRESS RELEASE

Thakral's Net Profit jumps 60% to S$26 million
Revenue grows by 42% to S$127.8 million for FY2021 over FY2020

- Group Net Asset Value per share rises to S$1.15 from S$1.13 in FY2020
- Group Earnings Per Share rises to 12.45 cents from 5 cents in FY2020
- All sectors report higher earnings compared to FY2020
- Second Interim Dividend of 2 cents per share

Singapore, 24 February 2022

SGX Mainboard-listed Thakral Corporation Ltd ("Thakral" or the "Group") delivered a sterling performance in FY2021 - capitalising on pandemic-driven market opportunities to drive growth and boost earnings.

For the financial year ended 31 December 2021 (FY2021), the Group's net profit grew by 60% to S$26 million compared to S$16.2 million in FY2020 with revenue surging 42% to S$127.8 million from S$90.1 million in FY2020. Profit attributable to shareholders rose substantially by 146% to reach S$16.1 million in FY2021 from S$6.5 million in FY2020.

In view of the Group's performance, the Group has proposed to reward shareholders with a second interim dividend of 2 cents per share - bringing the total dividend to 4 cents for FY2021.

Despite higher expenses and income taxes, the Group's bottom-line grew - benefiting from much stronger contributions from its associates and joint ventures, in particular, valuation gains from its investment properties as well as a robust turnaround of operations in its Lifestyle business segment.

The Group's Lifestyle business segment rebounded with a profit of S$1.9 million in FY2021 compared to a loss of S$4.3 million in FY2020. This profit turnaround included a fair value gain of S$0.9 million from its investment in e-commerce service provider Intrepid.

Share of profits from associates and joint ventures of S$27.6 million increased by 73 % from S$15.9 million in FY2020 and was mainly attributable to valuation gains on the underlying property assets.

Valuation gains from investment properties increased almost 4-fold to S$3.3 million from S$0.8 million in FY2020.

With improved demand for its houses in Gladstone Australia, the Group recorded a fair valuation uplift on these of S$2.3 million for the year. Its Riverwalk office property in Singapore also appreciated by S$1 million in FY2021.

Foreign exchange losses declined by 63% to S$0.16 million in FY2021 from S$0.42 million in FY2020.

For the six months ended 31 December 2021 (2HFY2021), the Group's net profit eased 21% to S$10.9 million from S$13.8 million registered in the corresponding period last year.

GemLife continues to do exceptionally well - benefiting from its product, location advantages, goodwill and public awareness generated by its quality product and facilities. Management's exceptional efforts to help residents to cope with the pandemic was well received by residents.

Its solid performance was also lifted by a buoyant residential market in Australia driven by buyers keen to unlock their wealth through downsizing and relocating to less congested locations[1].

Completed sales of houses at GemLife's five active resorts were more than a third higher than last year. Including net unrealised valuation uplifts on land, the Group's share of GemLife's profit was about S$17.3 million in FY2021, compared to S$6.4 million in FY2020.

The Group also posted positive returns from its investments in Japan. The sale of the Riverpoint Kitahama Building in Osaka in Q3FY2021 netted a gain of about S$2.5 million compared to the original acquisition cost. All the loans against the Japanese investment properties were refinanced in Q4FY2021.

The Group continued to renew and sign-up new lease rentals as valuations of most of the Group's office property investments in Japan improved in FY2021.

While the 3 hotel properties in Osaka remain affected by the travel restrictions imposed, valuations stayed relatively stable as the economy is expected to recover to its pre-COVID-19 peak level in Q3 2022[2].

Revenue for FY2021 and 2HFY2021 climbed 42% and 40% respectively to S$127.8 million and S$66 million respectively.

The sales surge was mainly due to the Lifestyle business which booked in a 62% rise in revenue to S$112.7 million in the year under review against S$69.4 million the year earlier. The revenue rise was attributed to higher sales of DJI products as well as stronger demand for the Group's fragrance products in FY2021.

---

[1] *Benefits can boom with rightsizing, the new downsizing*
https://www.afr.com/property/residential/benefits-can-boom-with-rightsizing-the-new-downsizing-20210629-p585c6

[2] *Japan Major Report - Japan Market Outlook 2022*
https://www.cbre.co.jp/en/research-reports/Japan-Major-Report---Japan-Market-Outlook-2022

The Group's Investment businesses saw lower revenues mainly due to construction delays for the completion of its Oxford Residences project in Sydney Australia.

Net Asset Value Per Share and Earnings Per Share

Net Asset Value of the Group per share as at 31 December 2021 edged up to S$1.15 from S$1.13 as at 31 December 2020.

The Group's FY2021 earnings per share more than doubled to 12.45 cents from 5 cents for FY2020.

Working Capital

Funds from its Japanese investments in Q4FY2021 as well as disposal gains from the Group's sale of its GLNG houses in Gladstone Australia helped improve the Group's cash balances as at 31 December 2021 to S$9.7 million from S$5.8 million as at 31 December 2020.

The Group's net cash outflow from operating activities rose to S$14 million for the current year compared to a net outflow of S$7.8 million in the previous year, due to net changes in working capital components.

Inventories also rose to S$14.7 million as at 31 December 2021 from S$8.3 million as at 31 December 2020, mainly due to the overall higher customer demand for DJI and fragrance products.

Segmental Performance of Core Businesses

The Group's core business segments showed notable improvement in FY2021.

Real Estate Investments

This business segment achieved revenues of S$15.1 million and segment result of S$38 million for the year ended 31 December 2021 respectively compared to S$20.7 million and S$32.2 million respectively in the previous year.

Australia

GemLife Joint Venture

The GemLife joint venture continues to deliver stellar results.

Sales and settlements at the Bribie Island, Highfields, Woodend, Maroochy Quays and the Pacific Paradise resorts are progressing well, with over 870 homes already occupied. Bribie Island has now completed all 404 homes, more than two years ahead of schedule.

Civil works of the final stages at Highfields and Woodend are underway with completion of the infrastructure required at those resorts, with only residential construction to commence. The clubhouse at Maroochy Quays was launched for the residents in September 2021, and civil works on the last stage is due to begin soon.

The Summer House at Pacific Paradise is now open and works are underway on Stage 2 of the resort. The first settlement at Palmwoods will be in Q1 2022, and house construction at Tweed Waters and Rainbow Beach will begin in the same quarter. Sales at all three resorts have been very strong with Tweed Waters almost sold out.

With the completion of the Sales & Experience Centre at Gold Coast, sales enquiries at this site have been strong and civil works have started in January 2022.

GemLife, a joint venture which the Group has with the Puljich family involving the development and management of over-50s lifestyle resorts in Australia, is currently exploring a number of potential expansion and growth opportunities including potentially a merger of its business with Living Gems, a company owned by the Puljich family operating a similar business. Whilst parties are still in preliminary discussions and there is no assurance that any firm agreement or understanding would be entered into, a merger of the businesses of GemLife and Living Gems could potentially make GemLife (together with Living Gems) one of the largest land lease operators in Australia. GemLife is looking to grow to more than 10,000 land lease homes across some 40 locations, including looking out for opportunities for sites outside Queensland, where most of its projects are located.

Other Residential Projects

The Group's other Australian property projects are progressing well. Almost all units at Parkridge Noosa have been settled and the Group has fully recouped its investment with partial returns received in Q4FY2021. The balance returns should be settled in FY2022.

Practical completion of the Oxford Residences in Sydney's Bondi Junction has been pushed back due to construction delays, including COVID-19 interruptions, but is expected by the end of Q1 2022. The delays have resulted in cost increases affecting the Group's returns for which provisions have been made in the FY2021 financial statements.

A number of Gladstone houses have been sold in FY2021 with prices and rentals continuing to improve from the previous year.

Construction of the Thornton Street project in Brisbane is well underway and on track for completion in July 2023.

The Group will remain selective in undertaking new potential projects in residential and other real estate segments to minimise market risks.

Japan

Japan's real estate sector is gradually recovering although office rentals remain soft.

Tenants are relatively slow in confirming lease renewals but lease renewals of office properties have seen some improvement in rates and valuations.

Japan's hospitality sector remains subdued as the Omicron variant has further disrupted the recovery of tourism as border restrictions continue in the country.

However, according to Savills Research & Consultancy, hotels saw some recovery in occupancy in the second half of 2021 and investment volumes in the hotel sector were on par with the previous year and are expected to increase in 2022[3].

Lifestyle in China and Hong Kong

The Lifestyle business segment returned to the black as revenue and profit stabilised.

Turnover was boosted by rising sales of DJI products after the appointment of the Group's Hong Kong subsidiary as an exclusive distributor for South Asia for commercial and consumer products. Based in Shenzhen, DJI is a leading global brand of civilian drones and creative camera technology.

The Group's fragrance products business also performed well with sales tripling from FY2020.

The Group continues to work with other brand-owners to beef up its portfolio of premium fragrance, beauty and lifestyle brands and drive scale.

The higher sales helped lift this segment to report a profit of S$1.9 million for FY2021 which included a fair value gain of S$0.9 million from e-commerce provider Intrepid.

Leveraging on the e-commerce boom brought on by the COVID-19 pandemic, the Group's joint venture with UK-based online beauty devices platform - CurrentBody - achieved breakeven on strong top-line growth in FY2021 - a year ahead of schedule.

Going Forward

Mr. Natarajan Subramaniam, Independent Non-Executive Chairman and Lead Independent Director of Thakral, said: "Our performance in FY2021 has been more than satisfactory - despite the challenges faced during the year. In spite of the pandemic which triggered major disruptions worldwide, the Group's earlier strategies have enabled it to grow both revenue and profits."

He added, "Our Lifestyle business was a beneficiary of market opportunities arising from the pandemic. Our distribution of innovative technologies such as drone and camera products in big markets such as South Asia has yielded positive results.

"We believe that the drone sector is going to play a major role for large mapping schemes, in the mining and agricultural sectors.

[3] *Japan Hospitality - February 2022*
https://www.savills.co.jp/research_articles/167577/205203-0

"To tap this immense market potential, the Group has made a small investment in a drone analytics, compliance and mission control start-up in India, Skylark Drones, to help grow the end-market by integrating drones into enterprise workflows across sectors.

"The Group's investments in e-commerce were also timely with both Intrepid and CurrentBody gaining significantly from the pandemic-driven online shopping boom."

In line with its vision to seek new growth trajectories with tech innovation, Thakral has also invested in a fintech company - Fraction. This Hong Kong-based firm, which operates a one-stop, full-service blockchain-based platform that enables fractionalized digital ownership, trading, and investment of any real-world asset, will provide an alternative channel for owners to monetise real estate assets while opening up access to this asset class by mass-market and small investors.

Commenting on the Group's outlook for real estate investments, Mr. Subramaniam said, "Our investments in Australia - particularly for GemLife which targets quality lifestyle resorts for the over 50s - have continued to perform well. We have also managed to gain from the residential real estate market in Australia which remained resilient despite the pandemic concerns."

"Going forward, the Group will focus on growing the GemLife retirement resorts business, which has been enjoying an upswing from favourable tailwinds."

In Japan, CBRE expects domestic consumption and production to rebound in Q4 2021, with the economy expecting to recover to its pre-COVID peak level in Q3 2022. Tenants are expected to become more active as the economy recovers. In many cities, the pace of the rise in vacancy is expected to lose momentum in 2022.

Investor appetite is likely to rise along with the normalization of the economy and continued loose monetary policy. In addition to continued strong purchasing in the logistics, residential, and office sectors, retail and hotel investments are set to gradually resume in 2022. Total investment in 2021 is estimated to be on par with the volume in 2020, which was up 11% from the previous year. Investment volume in 2022 is forecast to increase by about 10%[2].

While these trends augur well for 2022, the prevailing global health, economic and geopolitical risks as well as inflationary pressures together with interest rate movements could dampen recovery. The Group will therefore continue to stay nimble and prudent while managing potential risks ahead.

The Group maintains a cautious outlook for FY2022.

About Thakral

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 also makes strategic investments in the digital economy, especially those in the blockchain and fintech space.

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.

Release issued on behalf of Thakral Corporation Ltd
by Stratagem Consultants Pte Ltd

For more information, please contact:

Ms Tham Moon Yee: tmy@stratagemconsultants.com
Mr Soh Tiang Keng: tksoh@stratagemconsultants.com

Tel: (65) 6227 0502

THAKRAL

CORPORATION LTD

(Company Registration No. 199306606E)

Condensed Financial Statements
For the year ended 31 December 2021

Table of Contents | Page

Condensed Financial Statements for the year ended 31 December 2021

INCOME STATEMENTS

These figures have not been audited.

	Note	Group			Group		
		S$000		%	S$000		%
		Year ended		Increase /	Six months ended		Increase /
		31Dec 2021	31Dec 2020	(Decrease)	31Dec 2021	31Dec 2020	(Decrease)
CONSOLIDATED INCOME STATEMENT							
Revenue	4	127,796	90,121	42	66,013	47,102	40
Cost of sales		(99,933)	(62,554)	60	(56,412)	(33,265)	70
Gross profit	4	27,863	27,567	1	9,601	13,837	(31)
Other operating income	5	1,065	751	42	370	427	(13)
Distribution costs	6	(5,673)	(4,720)	20	(3,297)	(2,369)	39
Administration expenses	7	(18,392)	(17,896)	3	(11,379)	(11,222)	1
Depreciation on property, plant and equipment		(468)	(453)	3	(162)	(222)	(27)
Profit (loss) from operations		4,395	5,249	(16)	(4,867)	451	NM
Valuation gain (loss) on investment properties / assets held for sale, net	16	3,330	847	293	(35)	847	NM
Finance income		22	67	(67)	10	21	(52)
Finance costs		(2,281)	(2,102)	9	(1,255)	(1,005)	25
Foreign exchange loss	8	(155)	(417)	(63)	(137)	(173)	(21)
Share of profit of associates and joint ventures, net	18, 19	27,929	15,940	75	21,704	16,076	35
Profit before income tax		**33,240**	**19,584**	**70**	**15,420**	**16,217**	**(5)**
Income tax	9	(6,979)	(3,373)	107	(4,199)	(2,449)	71
Profit for the year / period		**26,261**	**16,211**	**62**	**11,221**	**13,768**	**(18)**
Profit attributable to:							
Equity holders of the Company		16,297	6,534	149	7,349	6,293	17
Non-controlling interests		9,964	9,677	3	3,872	7,475	(48)
		26,261	16,211	62	11,221	13,768	(18)

NM – Not meaningful

STATEMENTS OF OTHER COMPREHENSIVE INCOME

	Note	S$000 Year ended 31Dec 2021	S$000 Year ended 31Dec 2020	% Increase / (Decrease)	S$'000 Six months ended 31Dec 2021	S$'000 Six months ended 31Dec 2020	% Increase / (Decrease)
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME							
Profit for the year / period		**26,261**	**16,211**	**62**	**11,221**	**13,768**	**(18)**
Other comprehensive (loss) income							
Items that may be reclassified subsequently to profit or loss							
Translation (loss) gain arising on consolidation	10	(14,140)	10,428	NM	(6,957)	4,316	NM
Other comprehensive (loss) income for the year / period, net of tax		**(14,140)**	**10,428**	**NM**	**(6,957)**	**4,316**	**NM**
Total comprehensive income for the year / period		**12,121**	**26,639**	**(54)**	**4,264**	**18,084**	**(76)**
Total comprehensive income attributable to:							
Equity holders of the Company		7,565	13,927	(46)	2,799	9,835	(72)
Non-controlling interests		4,556	12,712	(64)	1,465	8,249	(82)
		12,121	26,639	(54)	4,264	18,084	(76)

STATEMENTS OF FINANCIAL POSITION

	Note	Group (S$ '000) as at		Company (S$ '000) as at	
		31Dec 2021	31Dec 2020	31Dec 2021	31Dec 2020
ASSETS					
Current assets					
Cash and bank balances	11	9,678	5,816	769	36
Trade receivables	12	12,245	7,355	-	-
Other receivables and prepayments	13	7,989	5,227	150	107
Amount owing by subsidiary corporations		-	-	1,250	938
Debt instruments measured at fair value through income statement / amortised cost	14	18,663	21,664	-	-
Inventories	15	14,745	8,321	-	-
Assets held for sale	16	19,755	13,787	-	-
Total current assets		83,075	62,170	2,169	1,081
Non-current assets					
Other receivables	13	4,564	10,089	-	-
Debt instruments measured at fair value through income statement / amortised cost	14	56,715	54,366	-	-
Property, plant and equipment	17	1,555	1,636	16	20
Right-of-use assets	18	1,310	873	-	20
Investment properties	16	29,746	45,218	-	-
Subsidiary corporations		-	-	103,116	105,675
Joint ventures	19	34,513	17,321	-	-
Associates	20	73,060	73,890	-	-
Financial assets measured at fair value through income statement	21	51,609	45,757	1,681	-
Total non-current assets		253,072	249,150	104,813	105,715
Total assets		336,147	311,320	106,982	106,796
LIABILITIES AND EQUITY					
Current liabilities					
Trade and bills payables	22	3,086	1,222	-	-
Trust receipts	23	23,108	14,027	-	-
Bank and other borrowings	23	24,383	24,662	1,250	938
Lease liabilities	23	791	556	-	21
Other payables	24	18,960	12,720	854	594
Provisions		3,021	2,813	52	52
Income tax payable		1,157	1,522	-	-
Total current liabilities		74,506	57,522	2,156	1,605
Non-current liabilities					
Amount owing to subsidiary corporations		-	-	11,698	11,639
Bank and other borrowings	23	12,455	13,619	2,957	4,063
Lease liabilities	23	545	251	-	-
Other payables	24	667	379	-	-
Deferred tax liability	25	20,980	16,511	-	-
Total non-current liabilities		34,647	30,760	14,655	15,702
Total liabilities		109,153	88,282	16,811	17,307
Capital, reserves and non-controlling interests					
Issued capital	26	72,579	72,579	72,579	72,579
Reserves		77,682	75,332	17,592	16,910
Equity attributable to equity holders of the Company		150,261	147,911	90,171	89,489
Non-controlling interests		76,733	75,127	-	-
Total equity		226,994	223,038	90,171	89,489
Total liabilities and equity		336,147	311,320	106,982	106,796

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2021

S$'000

Group	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
Balance at 1 Jan 2021	**72,579**	**(9,084)**	**763**	**36**	**(257)**	**83,874**	**147,911**	**75,127**	**223,038**
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	8,948	8,948	6,092	15,040
Other comprehensive loss for the period	-	-	-	-	(4,182)	-	(4,182)	(3,001)	(7,183)
	-	-	-	-	(4,182)	8,948	4,766	3,091	7,857
Transactions with owners, recognised directly in equity									
Recognition of share-based payments of a subsidiary corporation	-	-	-	10	-	-	10	4	14
Transfer from asset revaluation reserve to retained earnings on disposal of assets held for sale	-	-	(763)	-	-	763	-	-	-
Dividend (Note 27)	-	-	-	-	-	(2,617)	(2,617)	-	(2,617)
	-	-	(763)	10	-	(1,854)	(2,607)	4	(2,603)
Balance at 30 Jun 2021	**72,579**	**(9,084)**	**-**	**46**	**(4,439)**	**90,968**	**150,070**	**78,222**	**228,292**
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	7,349	7,349	3,872	11,221
Other comprehensive loss for the period	-	-	-	(2)	(4,548)	-	(4,550)	(2,407)	(6,957)
	-	-	-	(2)	(4,548)	7,349	2,799	1,465	4,264
Transactions with owners, recognised directly in equity									
Cash contributions from non-controlling shareholders in a subsidiary corporation	-	-	-	-	-	-	-	596	596
Dividend (Note 27)	-	-	-	-	-	(2,617)	(2,617)	-	(2,617)
Dividends to non-controlling shareholders in subsidiary corporations	-	-	-	-	-	-	-	(3,552)	(3,552)
Recognition of share-based payments of a subsidiary corporation	-	-	-	9	-	-	9	2	11
	-	-	-	9	-	(2,617)	(2,608)	(2,954)	(5,562)
Balance at 31 Dec 2021	**72,579**	**(9,084)**	**-**	**53**	**(8,987)**	**95,700**	**150,261**	**76,733**	**226,994**

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2020

S$'000

Group	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
Balance at 1 Jan 2020	**72,579**	**(9,084)**	**763**	**16**	**(7,648)**	**78,649**	**135,275**	**62,917**	**198,192**
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	241	241	2,202	2,443
Other comprehensive income for the period	-	-	-	-	3,851	-	3,851	2,261	6,112
	-	-	-	-	3,851	241	4,092	4,463	8,555
Transactions with owners, recognised directly in equity									
Recognition of share-based payments of a subsidiary corporation	-	-	-	7	-	-	7	2	9
Balance at 30 Jun 2020	**72,579**	**(9,084)**	**763**	**23**	**(3,797)**	**78,890**	**139,374**	**67,382**	**206,756**
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	6,293	6,293	7,475	13,768
Other comprehensive income for the period	-	-	-	2	3,540	-	3,542	774	4,316
	-	-	-	2	3,540	6,293	9,835	8,249	18,084
Transactions with owners, recognised directly in equity									
Dividend (Note 27)	-	-	-	-	-	(1,309)	(1,309)	-	(1,309)
Dividend to non-controlling shareholders in a subsidiary corporation	-	-	-	-	-	-	-	(508)	(508)
Recognition of share-based payments of a subsidiary corporation	-	-	-	11	-	-	11	4	15
	-	-	-	11	-	(1,309)	(1,298)	(504)	(1,802)
Balance at 31 Dec 2020	**72,579**	**(9,084)**	**763**	**36**	**(257)**	**83,874**	**147,911**	**75,127**	**223,038**

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2021

S$'000

Company	Issued capital	Retained earnings	Total
Balance as at 1 Jan 2021	**72,579**	**16,910**	**89,489**
Loss for the period, representing total comprehensive loss for the period	-	(1,376)	(1,376)
Transactions with owners, recognised directly in equity			
Dividend (Note 24)	-	(2,617)	(2,617)
Balance as at 30 Jun 2021	**72,579**	**12,917**	**85,496**
Profit for the period, representing total comprehensive income for the period	-	7,292	7,292
Transactions with owners, recognised directly in equity			
Dividend (Note 27)	-	(2,617)	(2,617)
Balance as at 31 Dec 2021	**72,579**	**17,592**	**90,171**

Year ended 31 December 2020

S$'000

Company	Issued capital	Retained earnings	Total
Balance as at 1 Jan 2020	**72,579**	**25,807**	**98,386**
Loss for the period, representing total comprehensive loss for the period	-	(3,342)	(3,342)
Balance as at 30 Jun 2020	**72,579**	**22,465**	**95,044**
Loss for the period, representing total comprehensive loss for the period	-	(4,246)	(4,246)
Transactions with owners, recognised directly in equity			
Dividend (Note 27)	-	(1,309)	(1,309)
Balance as at 31 Dec 2020	**72,579**	**16,910**	**89,489**

CONSOLIDATED STATEMENT OF CASH FLOWS

(S$ '000)	Note	Year ended 31Dec 2021	Year ended 31Dec 2020	Six months ended 31Dec 2021	Six months ended 31Dec 2020
OPERATING ACTIVITIES					
Profit before income tax		33,240	19,584	15,420	16,217
Adjustments for:					
Depreciation expenses (including on Right-of-use assets)		1,500	1,856	659	921
Share of profit of associates and joint ventures, net		(27,929)	(15,940)	(21,704)	(16,076)
Dividend income from financial assets measured at FVTIS		-	(7,384)	-	(379)
Fair value gain and interest income on debt instruments measured at FVTIS / amortised cost		(6,192)	(9,636)	(1,946)	(4,561)
Fair value (gain) loss on financial assets measured at FVTIS		(5,547)	1,852	1,456	(2,844)
Interest expense		2,281	2,102	1,255	1,005
Interest income		(22)	(67)	(10)	(21)
Gain on disposal of investment properties / assets held for sale		(706)	(391)	(164)	(271)
(Gain) loss on disposal of property, plant and equipment		(6)	32	(6)	(1)
Valuation (gain) loss on investment properties / assets held for sale		(3,330)	(847)	35	(847)
Net unrealised foreign exchange loss (gain)		292	(51)	425	(13)
Share-based payment expenses		25	24	11	15
Provision for employee benefits		299	389	187	240
Allowance for (reversal) inventories		573	509	(13)	(221)
Impairment loss recognised on trade receivables		206	22	206	19
Impairment loss recognised on other receivables		151	-	151	-
Operating cash flows before movements in working capital		(5,165)	(7,946)	(4,038)	(6,817)
Trade receivables		(4,987)	1,086	(2,703)	3,245
Other receivables and prepayments		(1,429)	4,198	(1,399)	279
Inventories		(6,796)	874	(2,834)	1,172
Trade and bills payables		1,845	(2,336)	(342)	(882)
Other payables and provisions		5,995	(243)	5,934	2,392
Cash used in operations		(10,537)	(4,367)	(5,382)	(611)
Income tax paid		(1,472)	(1,446)	(935)	(672)
Interest paid		(2,046)	(2,004)	(1,262)	(919)
Interest received		33	65	5	28
Net cash used in operating activities		(14,022)	(7,752)	(7,574)	(2,174)
INVESTING ACTIVITIES					
Additions to property, plant and equipment		(366)	(210)	(297)	(6)
Proceeds from disposal of property, plant and equipment		6	-	6	-
Investments in associates		(577)	(382)	(201)	(382)
Returns from an associate		5,502	-	5,502	-
Investments in joint ventures		(728)	(951)	(384)	(208)
Additions to financial assets measured at FVTIS		(1,691)	-	(624)	-
Dividend received from financial assets measured at FVTIS		3,467	-	2,739	-
Repayments of debt instruments measured at FVTIS / amortised cost		9,679	21,747	9,271	21,022
Additions to debt instruments measured at FVTIS / amortised cost		(8,287)	(28,292)	(7,683)	(18,005)
Proceeds from disposal of investment properties / assets held for sale		12,553	6,830	4,818	4,024
Net cash generated from (used in) investing activities		19,558	(1,258)	13,147	6,445
FINANCING ACTIVITIES					
Dividends paid to non-controlling shareholders in subsidiary corporations		(3,552)	(508)	(3,552)	(508)
Dividends paid		(5,234)	(1,309)	(2,617)	(1,309)
Cash contributions from non-controlling shareholders in a subsidiary corporation		596	-	596	-
(Increase) decrease in fixed deposits with maturities exceeding three months		(15)	(95)	1	1
Decrease (increase) in pledged fixed deposits		39	19	(290)	(371)
Increase in trust receipts		8,987	3,785	4,177	1,027
Increase (decrease) in factoring loan		287	(1,006)	303	(819)
Repayments of lease liabilities		(948)	(1,371)	(484)	(685)
Increase in other loans		1,988	1,806	442	147
Repayments of other loans		(1,808)	(18)	(1,295)	-
Loans from banks		21,602	21,038	14,651	7,817
Repayments of bank loans		(23,485)	(18,507)	(16,227)	(15,583)
Net cash (used in) generated from financing activities		(1,543)	3,834	(4,295)	(10,283)
Net increase (decrease) in cash and cash equivalents		3,993	(5,176)	1,278	(6,012)
Cash and cash equivalents at beginning of year / period		2,873	7,906	5,590	8,914
Net effect of exchange rate changes in the balance of cash held in foreign currencies		(145)	143	(147)	(29)
Cash and cash equivalents at end of year / period		6,721	2,873	6,721	2,873
Cash and cash equivalents were represented by:-					
Fixed deposits with maturities	11	6,721	2,873	6,721	2,873
		6,721	2,873	6,721	2,873

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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 principal activity of the Company is that of investment holding.

The principal activities of the Group are:

1. Investments in real estate, retirement living and other strategic investments (including opportunistic investments)
2. Management and marketing of leading beauty, wellness and lifestyle brands and products

2. BASIS OF PREPARATION

The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards set out in Other Information item (5) below.

These condensed financial statements are presented in Singapore dollar which is the Company's functional currency.

USE OF JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, 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 significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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.

The critical judgement, 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 is the accounting for entities under the TMK structure (accounted for as associates).

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

- allowance for inventories
- impairment loss on other receivables
- valuation of investment properties and assets held for sale
- valuation of financial assets measured at fair value through income statement (FVTIS)
- valuation of debt instruments measured at FVTIS

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEASONAL OPERATIONS

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

4. REVENUE AND GROSS PROFIT

	S$'000		%	S$'000		%
	Year ended		Increase /	Six months ended		Increase /
	31 Dec 2021	31 Dec 2020	(Decrease)	31 Dec 2021	31 Dec 2020	(Decrease)
Product sales	111,787	69,445	61	63,299	37,289	70
Management fee and other service income	2,276	2,578	(12)	1,273	1,068	19
Rental income	1,994	2,930	(32)	951	961	(1)
Investment income						
Fair value changes and interest income on debt instruments	6,192	9,636	(36)	1,946	4,561	(57)
Dividend income from financial assets measured at FVTIS	-	7,384	(100)	-	379	(100)
Fair value changes on financial assets measured at FVTIS	5,547	(1,852)	NM	(1,456)	2,844	NM
Sub-total for investment income	*11,739*	*15,168*	*(23)*	*490*	*7,784*	*(94)*
Total	127,796	90,121	42	66,013	47,102	40

All streams of revenue are recognised at a point in time, except rental income and management and other service income which are recognised on a straight-line basis over the lease term/service period.

Despite intermittent COVID-19 related closures and lockdowns in its various markets, the Lifestyle Division achieved solid growth in its lifestyle and fragrance product categories while the revenue at the Investment Division decreased mainly due to the completion and settlement of several projects that were not replaced as well as a charge taken against accrued returns on the Oxford Bondi project due to construction delays. Consolidated gross profit for the year was about level with that achieved in the previous year.

5. OTHER OPERATING INCOME

	S$'000		%	S$'000		%
	Year ended		Increase /	Six months ended		Increase /
	31 Dec 2021	31 Dec 2020	(Decrease)	31 Dec 2021	31 Dec 2020	(Decrease)
Government subsidies	274	277	(1)	164	96	71
Gain on disposal of investment properties / assets held for sale	706	391	81	164	271	(39)
Others	85	83	2	42	60	(30)
Total	1,065	751	42	370	427	(13)

i. Government subsidies in the current period mainly represent a VAT refund in China along with certain COVID-19 related subsidies in other jurisdictions.
ii. The gain on disposal of investment properties in the current year arose from the sale of the GLNG houses in Gladstone and the properties in China.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. DISTRIBUTION COSTS

	S$'000		%	S$'000		%
	Year ended		Increase /	Six months ended		Increase /
	31Dec 2021	31Dec 2020	(Decrease)	31Dec 2021	31Dec 2020	(Decrease)
Staff costs	(2,076)	(1,982)	5	(1,043)	(887)	18
Advertising & promotion	(2,064)	(829)	149	(1,522)	(512)	197
Transportation	(531)	(630)	(16)	(282)	(303)	(7)
Travelling expenses	(197)	(226)	(13)	(140)	(173)	(19)
Others	(805)	(1,053)	(24)	(310)	(494)	(37)
Total	(5,673)	(4,720)	20	(3,297)	(2,369)	39

i. Marketing activities had been reduced last year because of business disruption from COVID-19 and were gradually resumed this year.
ii. Transport costs decreased mainly due to continuing arrangements that had been put in place with certain service providers in view of the lower level of activity during last year.
iii. Travelling remains curtailed this year.
iv. Others include depreciation charged (in accordance with SFRS(I) 16 *Leases*) on right-of-use assets for the leased warehouse. The reduction in Others is mainly due to lower storage expenses.

7. ADMINISTRATION EXPENSES

	S$'000		%	S$'000		%
	Year ended		Increase /	Six months ended		Increase /
	31Dec 2021	31Dec 2020	(Decrease)	31Dec 2021	31Dec 2020	(Decrease)
Staff costs (including executive directors)	(12,879)	(10,555)	22	(8,340)	(6,232)	34
Directors' fees	(719)	(670)	7	(360)	(335)	7
Professional fees	(1,567)	(1,228)	28	(867)	(600)	45
Depreciation on right-of use assets / rent and rates - office premises	(911)	(967)	(6)	(428)	(460)	(7)
Travelling expenses	(150)	(151)	(1)	(57)	(55)	4
Insurance	(348)	(262)	33	(195)	(133)	47
Bad debt recovered	324	45	620	290	(1)	NM
Allow ance for doubtful debts	(357)	(22)	NM	(357)	(19)	NM
Others	(1,785)	(4,086)	(56)	(1,065)	(3,387)	(69)
Total	(18,392)	(17,896)	3	(11,379)	(11,222)	1

i. Staff costs were higher mainly from a gradual normalisation of performance linked pay this year.
ii. Professional fees were higher mainly due to certain legal advisory fees as well as valuation fees.
iii. Travelling remains curtailed this year.
iv. Insurance increased in view of the premiums paid for the coverage of certain stocks held in overseas warehouses.
v. Recovery of all the scheduled amounts due from an ex-customer whose debts had previously been written off was made in the 2nd half of this year. An allowance for doubtful debt was made in respect of a customer in India which is still being followed up for recovery in the current year.
vi. Others last year had included donations of personal protective equipment which was not repeated to the same extent this year.

8. FOREIGN EXCHANGE LOSS

Foreign exchange translation loss for the period mainly arose from the translation of monetary assets and liabilities, denominated in foreign currencies, outstanding as at the end of the period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. INCOME TAX

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

	S$'000 Year ended		% Increase /	S$'000 Six months ended		% Increase /
	31Dec 2021	31Dec 2020	(Decrease)	31Dec 2021	31Dec 2020	(Decrease)
Current taxation:						
- Provision for taxation in respect of current period	(1,206)	(1,003)	20	(1,100)	(745)	48
- Overprovision in prior years	59	15	293	43	15	187
Deferred tax:						
- Amount charged for taxation in respect of deferred tax liabilities in current period	(5,832)	(2,385)	145	(3,142)	(1,719)	83
Total	(6,979)	(3,373)	107	(4,199)	(2,449)	71

Income tax for the period mainly relates to the withholding tax on the income from Investment Division projects, the deferred tax on the fair value gain on the financial assets measured at fair value through income statement as well as the share of profit of associates and joint venture.

10. TRANSLATION GAIN / LOSS ARISING ON CONSOLIDATION

The unrealised translation loss for the period arose from the retranslation of the investments and net assets of overseas subsidiaries denominated in foreign currencies mainly on the weakening of JPY and AUD against the SGD.

11. CASH AND BANK BALANCES

	Group S$'000 as at		Company S$'000 as at	
	31Dec 2021	31Dec 2020	31Dec 2021	31Dec 2020
Fixed deposits	271	258	-	-
Pledged fixed deposits	2,694	2,693	-	-
Cash and bank balances	6,713	2,865	769	36
	9,678	5,816	769	36
Less:				
Fixed deposits with maturities exceeding three months	(263)	(250)	-	-
Fixed deposits that have been placed with banks against trust receipts	(2,694)	(2,693)	-	-
Cash and cash equivalents	6,721	2,873	769	36

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. TRADE RECEIVABLES

Trade receivables as at 31 December 2021 increased in view of the higher level of sales activity this year.

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.

13. OTHER RECEIVABLES AND PREPAYMENTS

Aggregate other receivables as at 31 December 2021 decreased due to receipt of accrued dividends from a Japanese investment entity.

14. DEBT INSTRUMENTS MEASURED AT FAIR VALUE THROUGH INCOME STATEMENT / AMORTISED COST

Of the total of S$75.4 million as at 31 December 2021 (31 Dec 20: S$76.0 million), debt instruments due by the GemLife joint venture entities amount to S$46.1 million (31 Dec 20: S$42.2 million).

The debt instruments measured at FVTIS earn fixed interest income on the principal amount and variable returns. The management has assessed the terms of 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. Judgement and estimates have been made about 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 debt instruments.

15. INVENTORIES

Inventories as at 31 December 2021 increased mainly due to the stocking up of DJI and fragrance products to cater to the larger market and customer base. Allowance for inventories of S$0.6 million (2020: S$0.5 million) was made during the period.

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 the events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. INVESTMENT PROPERTIES / ASSETS HELD FOR SALE

Assets held for sale at the end of the current financial period represent the houses in Gladstone which the Group expects to sell in the next 12 months. The properties in China included under assets held for sale as at 31 December 2020 were all sold during the year.

Movements in the Group's investment properties and assets held for sale were as follows:

	S$'000		S$'000	
	Investment Properties		Assets held for sale	
	Year ended		Year ended	
	31Dec 2021	31Dec 2020	31Dec 2021	31Dec 2020
Balance at beginning of year	45,218	62,268	13,787	-
Disposals	-	(6,439)	(12,021)	-
Valuation gain for the period recognised in profit or loss	2,617	847	713	-
Translation adjustment	(632)	2,329	(181)	-
Transfers (to assets held for sale)/from investment properties	(17,457)	(13,787)	17,457	13,787
Balance at end of year	29,746	45,218	19,755	13,787

The fair values of the Group's properties in Singapore and Australia at 31 December 2021 have been determined on the basis on 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 methodology from the prior year.

The Group classified its 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 period.

The most significant unobservable inputs used in the fair value measurement are price per square meter of S$17,300 (2020: S$16,700) for the office property in Singapore and selling price per unit of S$402,000 – S$485,000 (2020: S$315,000 – S$371,000) for the residential properties in Australia.

17. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2021, the Group acquired assets amounting to S$366,000 (2020: S$210,000). There was no significant disposal of assets this year but the Group disposed of assets at net book value of S$32,000 in the year ended 31 December 2020.

18. RIGHT-OF-USE ASSETS

The increase in right-of-use assets mainly arose due to new leases signed for the office in Shanghai and warehouse in Hong Kong during the year.

19. JOINT VENTURES

This mainly represents the Group's interest in the joint venture entities for the GemLife retirement housing business. The increase represents the Group's share of the joint venture's profit, which includes unrealised net valuation uplifts on land, recognised this year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

20. ASSOCIATES

This represents the Group's investment in office buildings and a business hotel in Japan through pooled investment structures that are accounted for as associates by the Group in view of its significant influence over the entities. This includes the share of profit and unrealised net valuation gains of the underlying properties, net of the partial return from a Japanese associate and the translation loss on the weakening of JPY against SGD during the year.

21. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH INCOME STATEMENT

This mainly represents the Group's investments in commercial properties and hotel buildings in Japan through pooled investment structures which are accounted for as financial assets measured at fair value through income statement as well as the other strategic equity investments. The increase in the period mainly represents the valuation uplifts on the office property investments in Japan and additions to the strategic investments, net of the translation loss on the weakening of JPY against SGD during the year.

The fair value of the major 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 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.

22. TRADE AND BILLS PAYABLE

Aggregate trade and bills payable were higher in view of the higher level of operations.

23. BORROWINGS

Aggregate borrowings (including trust receipts and lease liabilities) as at 31 December 2021 increased compared to 31 December 2020 mainly due to the additional financing taken for the purchase of goods.

	Group S$'000 as at		Company S$'000 as at	
	31Dec 2021	31Dec 2020	31Dec 2021	31Dec 2020
Amount repayable in one year or less, or on demand				
Secured *	47,032	38,307	-	21
Unsecured	1,250	938	1,250	938
Amount repayable after one year				
Secured *	5,460	5,466	-	-
Unsecured	7,540	8,404	2,957	4,063

* Includes lease liabilities

Details of any collaterals

Charges over property in Singapore; pledged bank deposits of S$2.7 million; corporate guarantees by the Company and certain subsidiary corporations.

Mortgages over the land owned by certain Australian subsidiaries in Gladstone, general fixed and floating charges over the assets of these subsidiaries.

Lease liabilities are considered to be secured by the underlying leased assets.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

24. OTHER PAYABLES

Aggregate other payables increased from last year mainly due to higher accruals of year end bonus and advanced received.

25. DEFERRED TAX LIABILITIES

Higher deferred tax liabilities as at 31 Dec 2021 arose from the deferred tax charged on the fair value gain on the financial assets measured at fair value through income statement and the share of profits of associates and joint venture.

26. SHARE CAPITAL

	Group and Company			
	31Dec 2021	31Dec 2020	31Dec 2021	31Dec 2020
	Number of ordinary shares		S$'000	S$'000
Issued and fully paid:				
At end of period and beginning of period	130,860,616	130,860,616	72,579	72,579

27. DIVIDENDS

	S$'000 Year ended	
	31Dec 2021	31Dec 2020
Ordinary dividend declared (tax-exempt one-tier)		
- Interim (paid on 16 Dec 2021; last year paid on 27 Aug 2020)	2,617	1,309
- Second interim (payable date to be confirmed; last year paid on 28 Apr 2021)	2,617	2,617
	5,234	3,926

A tax-exempt (one-tier) interim dividend of S$0.02 per share (total dividend of S$2,617,000) was paid to shareholders on 16 December 2021 in respect of the financial year ended 31 December 2021.

A tax-exempt (one-tier) second interim dividend of S$0.02 per share (total dividend of S$2,617,000) was paid to shareholders on 28 April 2021 in respect of the financial year ended 31 December 2020.

26. FINANCIAL ASSETS AND LIABILITIES

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

	Group (S$ '000) as at		Company (S$ '000) as at	
	31Dec 2021	31Dec 2020	31Dec 2021	31Dec 2020
Financial assets				
Financial assets at amortised cost	28,960	25,410	2,062	1,005
Debt instruments at amortised cost	-	4,326	-	-
Debt instruments measured at FVTIS	75,378	71,704	-	-
Financial assets measured at FVTIS	51,609	45,757	1,681	-
Financial liabilities				
Lease liabilities	1,336	807	-	21
Payables, at amortised cost	76,507	62,812	16,759	17,234

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

26. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Fair value measurement

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 quote 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.

	Group (S$ '000)			
	Level 1	Level 2	Level 3	Total
31 Dec 2021				
Debt instruments measured at FVTIS	-	-	75,378	75,378
Financial assets measured at FVTIS				
- Unquoted investments	-	-	51,608	51,608
- Club debenture	-	-	1	1
31 Dec 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

27. RELATED PARTY TRANSACTIONS

Significant transactions with related parties (ie, companies in which directors have interest) were as follows:

	S$000 Year ended 31 Dec 2021		S$000 Year ended 31 Dec 2020	
	The Company	Subsidiary corporations of the Company	The Company	Subsidiary corporations of the Company
Sales, net of returns	-	214	-	970
Sales to joint ventures, net of returns	-	865	-	262
Purchases, net of returns	-	(1,069)	-	(1,681)
Purchases from joint ventures, net of returns	-	(4)	-	-
Service fees paid	-	(97)	-	(25)
Commission paid	-	(4)	-	(1)
Interest expenses	-	(234)	-	(200)
Rental income	-	1,221	-	1,059
Lease payments under operating lease	(18)	-	(15)	(32)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

28. 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 as follows:

a) Investments ("INV") - includes real estate, retirement living and other strategic investments (including opportunistic investments) in Australia, People's Republic of China, Japan and Singapore
b) Lifestyle ("LIFE") – comprises management and marketing of beauty, wellness and lifestyle brands and products in India, Japan, Peoples' Republic of China (including Hong Kong), Singapore and in various export markets and related investments
c) Others ("OTH") - those other activities which do not fall into the above categories

Group's reportable segments

S$'000
Year ended 31 December 2021

	INV	LIFE	OTH	TOTAL
Revenue				
External revenue	15,087	112,709	-	127,796
Result				
Segment operating result	7,047	1,901	(1,877)	7,071
Valuation gain on investment properties / assets held for sale	3,330	-	-	3,330
Share of profit of associates and joint ventures	27,869	60	-	27,929
Segment result	38,246	1,961	(1,877)	38,330
Unallocated corporate expenses				(2,676)
Finance income				22
Finance costs				(2,281)
Foreign exchange loss				(155)
Profit before income tax				33,240
Income tax expense				(6,979)
Profit for the year				26,261
Other information				
Capital expenditure: Property, plant and equipment	-	360	6	366
Depreciation expenses (including on Right-of-use assets)	83	1,387	30	1,500
Assets				
Segment assets	281,886	48,727	5,534	336,147
Total assets				336,147
Liabilities				
Segment liabilities	35,374	46,535	5,107	87,016
Income tax payable				1,157
Deferred tax liability				20,980
Total liabilities				109,153

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

28. SEGMENT INFORMATION (CONTINUED)

S$'000
Year ended 31 December 2020

	INV	LIFE	OTH	TOTAL
Revenue				
External revenue	20,680	69,441	-	90,121
Result				
Segment operating result	14,644	(3,562)	(1,449)	9,633
Valuation gain on investment properties / assets held for sale	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 expenses				(3,373)
Profit for the year				16,211
Other information				
Capital expenditure: Property, plant and equipment	-	206	4	210
Depreciation expenses (including on Right-of-use assets)	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

Geographical information

S$'000

Geographical segments:	**Revenue**	
	Year ended	
	31 Dec 2021	31 Dec 2020
People's Republic of China (including Hong Kong)	111,121	76,435
Australia	2,655	3,741
Singapore	8,004	6,196
Others	6,016	3,749
	127,796	90,121

The basis of the information stated under geographical segment above is the aggregate of the revenues from companies incorporated in those countries. It does not represent the revenue arising in or derived from these countries.

OTHER INFORMATION

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

The Company did not have any outstanding convertibles or treasury shares as at 31 December 2021 and 31 December 2020.

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

The outstanding share options under the Thakral Capital Holdings Pte Ltd Employees' Share Option Scheme were 98,300 as at 31 December 2021 and 31 December 2020; of which, 78,300 options are exercisable during the period from 1 November 2021 to 31 October 2026 and 20,000 options are not exercisable until 17 August 2023.

To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares was 130,860,616 as at 31 December 2021 and 31 December 2020.

A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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

These condensed financial statements have not been audited or reviewed.

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

Not applicable.

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

Except as disclosed in item (5) below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2020.

OTHER INFORMATION

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

On 1 January 2021, the Group has adopted all the SFRS(I) pronouncements that are effective from that date and are relevant to its operations.

The following SFRS(I) pronouncements were issued but not effective and that may be relevant to the Group and the Company in the periods of their initial application.

Amendments to SFRS(I) 16	*COVID-19-Related Rent Concessions beyond June 30, 2021*
Amendments to SFRS(I) 1-1	*Classification of Liabilities as Current or Non-current*
Amendments to SFRS(I) 3	*Reference to the Conceptual Framework*
Amendments to SFRS(I) 1-16	*Property, Plant and Equipment – Proceeds before Intended Use*
Annual improvements to SFRS(I) Standards 2018 – 2020 Cycle	
	Amendments to SFRS(I) 1 - First-time Adoption of International Standards, SFRS(I) 9 Financial instruments and SFRS(I) 16 Leases

The management do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

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

	Year ended 31 Dec 2021	Year ended 31 Dec 2020
(i) Based on the weighted average number of ordinary shares on issue	12.45 cents	4.99 cents
(ii) On a fully diluted basis	12.45 cents	4.99 cents

	Six months ended 31 Dec 2021	Six months ended 31 Dec 2020
(i) Based on the weighted average number of ordinary shares on issue	5.62 cents	4.81 cents
(ii) On a fully diluted basis	5.62 cents	4.81 cents

Basic earnings per share and diluted earnings per share are computed on the profit for the above periods after taxation and deduction of non-controlling interests divided by 130,860,616 being the adjusted weighted average number of shares in issue during the periods ended 31 December 2021 and 31 December 2020.

(7) Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	As at 31 Dec 2021	As at 31 Dec 2020
Group	114.83 cents	113.03 cents
Company	68.91 cents	68.38 cents

OTHER INFORMATION

(8) A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review – Year ended 31 December 2021

Revenue & Profitability

The Group is pleased to report another profitable year significantly marked by a strong performance both in our GemLife over 50s lifestyle resorts JV and our property portfolio in Japan collectively seeing an increase of profits by about 50% over last year. At the same time, we also saw a welcome return to profitability of the Lifestyle business. The Group remained buoyant despite the impact from periodic outbreaks of COVID-19 in its various markets, enabling the Group to report a 62% increase in consolidated net profit to S$26.3 million for the year ended 31 December 2021 from S$16.2 million in the previous year. There was also a 42% improvement in turnover to S$127.8 million from S$90.1 million compared to the previous year. In view of the Group's performance, the Group has proposed to reward shareholders with a second interim dividend of 2 cents per share - bringing the total dividend to 4 cents for FY2021.

The growth in turnover (which only includes revenue of subsidiaries and not that of associates/joint ventures such as GemLife and certain Japanese entities) was attributable mainly to higher sales at the Lifestyle business which rose by 62% to S$112.7 million in the year compared to S$69.4 million in the earlier year, notwithstanding the continuing intermittent interruptions from COVID-19 in its various markets. Turnover was boosted principally by rising sales of DJI products following the appointment of the Hong Kong subsidiary as an exclusive distributor for South Asia for commercial and consumer products. The Group believes there is further potential as it builds out its network in the appointed markets and upon their return to normalcy. The Group has also made a small investment in a drone analytics, compliance and mission control start-up in India, Skylark Drones, to help grow the end-market by integrating drones into enterprise workflows across sectors. This aligns with the Indian Government's vision to establish a world-leading drone ecosystem in India, pursuant to which drone regulations in the country were liberalised during the year. The Group's fragrance products business also performed well this year, with sales about 3 times those achieved in FY2020 and a strong contribution to gross profits. The Group continues to work with other brand-owners to strengthen its portfolio of premium fragrance, beauty and lifestyle brands and drive scale.

With a view to seeding future growth/profit contributors, providing an alternate channel for the Group to reach-out to a larger pool of potential investors or monetize its real estate assets as well as provide liquidity for our investors in the future, the Group made a small strategic investment in Q4-FY21 in Fraction, a fintech start-up that helps property owners digitize ownership of their assets, digitally fractionalize that ownership into small blocks via securitised tokens and then list and trade these tokens/fractions on an Ethereum-based platform run by Fraction.

GemLife surged strongly to capitalise on its product, location advantages, goodwill and public awareness that resulted from steps taken by its management to help residents cope with the pandemic. It also continued to benefit from a buoyant residential market and buyers relocating to less congested locales from inner cities as part of their move to down-size. Completed sales of houses at the 5 active resorts were over a third higher than last year. Including net unrealised valuation uplifts on land, the Group's share of GemLife's profit was about S$17.3 million this year (included under 'share of profit of associates and joint venture'), compared to S$6.4 million last year.

Overall, revenue at the Investment business was S$15.1 million this year, down from S$20.7 million in the prior year. This was mainly because of the completion and settlement of several projects as well as a reduction of S$5.0 million of the accrued return on the Oxford Bondi project necessitated due to construction delays. With returns in this market segment having dropped below the Group's targeted levels, we have been selective in undertaking new projects and have therefore not replaced the settling projects, resulting in the revenue decline. Demand for housing in Gladstone has seen an increase in the 2nd half of the year with the announcement that Fortescue Future Industries plans to set up a A$115 million manufacturing facility in Aldoga, west of Gladstone as part a larger plan to build the world's largest green energy hydrogen manufacturing facility in Central Queensland. The Group continues to sell these houses gradually and sales in the current year, along with the gains on the sale of the Group's remaining properties in China, enabled it to recognise a disposal gain of S$0.7 million in the year compared to S$0.4 million in the previous year. Stronger valuations for the Group's remaining houses in Gladstone also enabled the recognition of a fair valuation uplift of S$2.3 million for the year.

The Group sold the Riverpoint Kitahama Building in Osaka in Q3 this year at a net gain of about S$2.5 million compared to the original acquisition cost and also completed the refinancing of all the loans against the properties in Q4. As many smaller Japanese companies remain extremely cost-conscious, with required floor space tending to be smaller than prior to the pandemic, Grade-B buildings – which are the Group's investments in Japan – are generally favoured over Grade-A buildings. The country's vaccination rate is over 80% as at the end of December 2021 and the number of COVID-19 cases has plummeted, although there is a recent surge due to the Omicron variant. According to Google Mobility, countrywide office utilisation is only around 10% lower than pre-pandemic levels, showing that many companies have welcomed employees back to the office (source: Savills Research; Regional Japanese Office Markets Dec 2021). Despite commercial properties in Osaka seeing moderate rental corrections of 2.6% compared to the previous year, and vacancies increasing to 4.3% from 1.5% in 2020 mainly due to new supply, current rental levels in Osaka are still higher overall than they were two years ago and office fundamentals in Japan appear stable overall. Furthermore, average rental levels at the Group's properties are yet to catch up with average market rentals. Accordingly, renewing/new lease rentals and valuations of most of the Group's office property investments in Japan improved in FY21. The three hotels in Osaka continue to remain affected by the pandemic-related travel restrictions, even as market values for these assets support the Group's carrying levels. Rentals for one hotel with a restructured lease agreement continue to be received in a timely manner. Rental for the hotel taken up by the Hoshino Group commenced in Feb-2022 at nominal levels, and normalisation is dependent on the return of inbound travel. The search for a new tenant for the third hotel which remains vacant is continuing. The Group will continue to look at opportunities to sell the hotel assets when the prices stabilise. With the government gradually and selectively easing COVID-19 restrictions despite the rise of new variants, expectations for a recovery in 2022 are rising in both the economy and the real estate market.

The Group's joint venture with CurrentBody also saw strong top-line (GMV) growth and achieved break-even this year, a year earlier than expected. Overall, the share of profits from associates and joint ventures, which includes GemLife and certain Japanese investment entities, grew from S$15.9 million in 2020 to S$27.9 million in 2021, including unrealised fair valuation uplifts.

Singapore's resilience amidst the COVID-19 pandemic has improved market sentiment and restored investor confidence, resulting in more tech, fintech as well as international professional services firms establishing themselves here. The office market's recovery continues to accelerate and improved sufficiently to enable the Group to reverse the write down of its Riverwalk office property in FY2020, with an unrealised valuation gain of S$1.0 million being taken up this year.

Consolidated gross profit of S$27.9 million for the year compared to S$27.6 million earned in the previous year. Consolidated gross profit of S$9.6 million for the 2nd half-year was lower than the S$13.8 million achieved in the previous corresponding period primarily due to the reduced contribution from the Investment Division that was partly offset by the improved contribution from the Lifestyle Division in the current period. Comparison between the 2 periods was also affected by the fair valuations of certain investments having been taken up in the first half of this year as against the mainly end-of-year uplifts taken up previously.

Operating profit declined to S$4.4 million in the year from S$5.2 million achieved in the previous year. Operating loss of S$4.9 million in the 2nd half arose mainly due to the lower gross profit levels as well as accrual of performance linked incentives for management and staff in the period.

Net Finance costs at S$2.3 million for this year were about 11% higher than the S$2.0 million incurred in the previous year, mainly on account of higher trade financing usage by the Lifestyle Division.

Profit attributable to shareholders of S$16.3 million for the year was 149% higher than the S$6.5 million in the previous financial year.

<u>Expenses</u>
Distribution expenses of S$5.7 million rose by 20% over S$4.7 million incurred in the prior year mainly from the resumption of advertising and promotion activities that had to be curtailed in the previous year.

Aggregate Administration expenses, excluding donations, COVID-19 related subsidies in both periods and other one-offs, was about 15% higher than those in the previous year in view of accrual of higher performance linked pay to management and staff this year.

Foreign exchange loss of S$0.2 million in the current year reduced compared to the S$0.4 million in the previous year.

Income tax charge for the year of S$7.0 million as against S$3.4 million for the previous year was mainly from the accrual of withholding tax on the fair value gains taken up on the various investments.

Statement of Financial Position and Cash Flow

Inventories increased to S$14.7 million as at 31 December 2021 from S$8.3 million as at 31 December 2020, mainly due to the overall higher turnover of DJI and fragrance products to cater to the larger market and customer base. The inventory turnover period reduced to 42 days from 53 days for the previous year.

Trade receivables as at 31 December 2021 also increased to S$12.2 million from S$7.4 million at 31 December 2020 with the higher level of activity. The trade receivables turnover period narrowed to 28 days from 32 days for the previous year. Aggregate other receivables decreased to S$12.6 million from S$15.3 million due to partial receipt of accrued dividends from a Japanese investment entity.

Aggregate debt instruments measured at fair value through income statement/amortised cost of S$75.4 million as at 31 December 2021 while almost level with the S$76.0 million as at 31 December 2020 included the recoupment of the investment and partial returns from the Parkridge Noosa project with the bulk of this being reinvested in the Thornton Street project. The remaining return from the Parkridge Noosa project will continue to be received progressively during FY22.

Joint ventures doubled from S$17.3 million as at 31 December 2020 to S$34.5 million as at 31 December 2021 mainly due to the profit contribution including land valuation uplifts recorded by the GemLife entities.

Financial assets measured at fair value through income statement as at 31 December 2021 grew to S$51.6 million compared to S$45.8 million as at 31 December 2020 from a combination of the increase in fair values of the underlying property assets as well as the new investments made during the year.

Sales of all the residential and commercial properties in China were completed during FY2021. The remaining houses in Gladstone, Australia were reclassified reflecting the Group's intention to sell these within the next 12 months. Assets held for sale as at 31 December 2021 accordingly increased to S$19.8 million from S$13.8 million as at 31 December 2020.

Aggregate borrowings (including lease liabilities) grew to S$61.3 million as at 31 December 2021 from S$53.1 million as at 31 December 2020 mainly due to the additional financing taken for the purchase of goods during the year.

Cash balances as at 31 December 2021 improved to S$9.7 million from S$5.8 million as at 31 December 2020, mainly from returns received from the Japanese investments in Q4-FY21. The Group saw a net cash outflow from operating activities of S$14.0 million for the current year compared to a net outflow of S$7.8 million in the previous year, mainly from the net changes in working capital components.

Net Asset Value

Net Asset Value per share increased to 114.83 cents as at 31 December 2021 compared to 113.03 cents as at 31 December 2020. This reflects the profit for the period, the translation loss from the retranslation of the investments and net assets of certain overseas subsidiaries/investees denominated in foreign currencies upon the weakening of the relevant currency against the Singapore Dollar, and the dividends paid to shareholders during the year.

Performance Summary

Investments
Including the share of profit of associates and valuation gains on investment properties in both periods, the collective Investments achieved revenues of S$15.1 million and segment result of S$38.2 million for the year ended 31 December 2021 respectively compared to S$20.7 million and S$32.2 million respectively for the prior year.

Australia
The Australian property market has been a stellar performer in 2021 with median prices significantly higher than they were 12 months ago in every capital city and most regional areas. Some segments have been standout performers such as the up-market areas in most capital cities and premium regional areas such as Gold Coast, Sunshine Coast (especially Noosa) and coastal NSW (Byron Bay).

Parkridge Noosa has been a very successful project, benefiting from surging demand away from capital cities to premium regional areas. All units have now settled, save for three which are due for settlement shortly. The Group had fully recouped its investment and partial returns in the project in Q4-FY21, with settlement of the balance returns to continue in FY22. Practical completion of the Oxford Residences in Sydney's Bondi Junction has been pushed back due to construction delays, including Covid interruptions, but is expected by the end of Q1-2022. A number of Gladstone houses have been sold this year with prices and rentals inching up from those seen last year. The construction of the Thornton Street project in Brisbane is well underway and on track for completion in July 2023. The Group continues to review potential projects in residential and other market segments.

GemLife continues to grow steadily in the resort style retirement living segment in Australia. Sales and settlements at the Bribie Island, Highfields, Woodend, Maroochy Quays and the Pacific Paradise resorts are progressing well, with over 870 homes already occupied. Bribie Island is now complete, with all 404 homes finished – more than 2 years ahead of expectations. Civil works of the final stages at Highfields and Woodend are underway which will complete the infrastructure required at those resorts, with only residential construction remaining. The clubhouse at Maroochy Quays was launched to the residents in September 2021, and civil works on the last stage is due to commence soon. The Summer House at Pacific Paradise is now open and works are underway on Stage 2 of the resort. The first settlement at Palmwoods will occur in Q1 2022, and house construction at Tweed Waters & Rainbow Beach will commence in Q1 2022. Sales at all three resorts have been very strong and Tweed Waters is almost sold out. With the completion of the Sales & Experience Centre at Gold Coast, enquiry has been very strong and civil works are commencing in January 2022.

<u>Japan</u>
All-grade vacancy rates in Osaka continued their slow ascent this half-year to the highest levels since 2017 largely due to some smaller new buildings that still sit more than half empty. Rents have also dipped slightly over the past half-year and are now at levels prevailing just before the pandemic.

The Group experienced a general trend of tenants delaying lease renewals and new leasing transactions taking longer to conclude during the year. Even then, lease renewals of office properties were at improved rates that were closer to market. As noted above, the office part of the portfolio saw a strong net uplift in valuations.

Lifestyle
Sales at the Lifestyle business rose 62% to S$112.7 million for the year compared to S$69.4 million for the previous corresponding period. The Division turned the corner this year and reported a segment profit of S$2.0 million that was boosted by a fair value gain of S$0.9 million recognised on the Intrepid investment following the completion of its B-round of financing in May 2021 at a higher valuation than the original investment by the Group. The business had incurred a segment loss of S$4.3 million in the previous year.

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

Not applicable.

OTHER INFORMATION

(10) A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Australian housing values grew 22.1% last year – a rate not seen since the 1980s – with the total number of home sales in 2021 approximately 40% above the decade average. However, the market is showing signs that this extraordinary rate of growth is slowing across most capital cities. It is expected that much higher housing prices combined with low income growth and the possibility of higher, albeit modest, interest rate rises may have seen the two biggest capital cities of Sydney and Melbourne hit their peak late last year. Current indicators however suggest that Brisbane & Southeast Queensland could still have further growth in 2022. It is likely that affordability challenges will progressively weigh on housing demand in 2022. As noted above, declining returns and the state of the market have resulted in the Investment Division settling the projects underway and being highly selective about new ones. It has therefore been concentrating on growing the GemLife retirement resorts business, which has been enjoying an upswing from favourable tailwinds. In this respect, the downsizer market is still strong and, with state borders now officially open, further inter-state immigration to Queensland is expected. With global supply issues, the building industry is experiencing rising costs, and supply of new homes is quite limited, which means demand for existing suburban homes is still high. As GemLife buyers need to sell their existing homes to buy into a GemLife resort, GemLife is well positioned to benefit from this, while utilising its established supply chains to deliver homes in a cost-efficient manner.

GemLife, a joint venture which the Group has with the Puljich family involving the development and management of over-50s lifestyle resorts in Australia, is currently exploring a number of potential expansion and growth opportunities including potentially a merger of its business with Living Gems, a company owned by the Puljich family operating a similar business. Whilst parties are still in preliminary discussions and there is no assurance that any firm agreement or understanding would be entered into, a merger of the businesses of GemLife and Living Gems could potentially make GemLife (together with Living Gems) one of the largest land lease operators in Australia. GemLife is looking to grow to more than 10,000 land lease homes across some 40 locations, including looking out for opportunities for sites outside Queensland, where most of its projects are located.

In Japan, according to CBRE's survey, more than 60% of respondents indicated that they would either increase their office floor space or maintain current levels. Small to medium-sized companies – which are principally the occupants of the Group's properties in Japan – are less likely to reduce their office space and more likely to maintain them at current levels. These trends have already become visible in Tokyo's office market since the beginning of this year. Significant new Grade-A supply is expected to come on market between 2022 and 2024 in Osaka, pushing vacancies to 9.6% by Q4-2024 and leading to asking rents for Grade-A properties being adjusted downward more than those for Grade-B properties. In comparison, new Grade-B supply over the next three years is expected to be just 2.3% (23,000 tsubo) of the existing Grade-B stock. While some vacancies are inevitable because of the abundant new Grade-A supply and projected to reach 4.7% by Q4-2024, the demand for Grade-B properties – which are the Group's investments in Japan – among a wide range of smaller companies and industries should make them sought-after.

The World Bank considers that the global economy is facing fresh threats of a pronounced slowdown from COVID-19 variants and a rise in inflation, debt, and income inequality that could endanger the recovery in emerging and developing economies. It expects global growth to decelerate from 5.5% in 2021 to 4.1% in 2022 as pent-up demand dissipates and as fiscal and monetary support is unwound across the world. The rapid spread of the Omicron variant indicates that the pandemic will likely continue to disrupt economic activity in the near term. In addition, a notable deceleration in major economies – including the United States and China – will weigh on external demand in emerging and developing economies. Global economic recovery is facing significant headwinds amid new waves of COVID-19 infections, persistent labour market challenges, lingering supply-chain issues and rising inflationary pressures.

The Group expects the business environment to remain challenging in FY2022. For the Lifestyle business in particular, downside risks remain high in view of the escalating spread of the Omicron variant in many of its markets as well as from the emergence of new variants in future.

OTHER INFORMATION

(11) Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended)
Yes, a second interim dividend of S$0.02 per share has been declared.

An interim dividend of S$0.02 per share was paid on 16 December 2021.

(b) (i) Amount per share S$0.02 per share

(ii) Previous corresponding period S$0.02 per share (paid on 28 Apr 2021)

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)
Tax exempt

(d) The date the dividend is payable
To be confirmed

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined
To be confirmed

(12) If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision
Not applicable

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

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the year ended 31 December 2021 (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		-	213
Operating lease income received / receivable		3,663	-
Consultancy fee paid / payable		152	-

OTHER INFORMATION

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

See Note 30 – Segment Information (page 17-18) to the Condensed Consolidated Financial Statements

(15) In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

See item (8) on review of performance

(16) A breakdown of revenue

	S$'000		%
	Year ended 31 Dec 2021	Year ended 31 Dec 2020	Increase / (Decrease)
a) Revenue reported for first half year	61,783	43,019	44
b) Net profit after tax before deducting non-controlling interests reported for first half year	15,040	2,443	516
c) Revenue reported for second half year	66,013	47,102	40
d) Net profit after tax before deducting non-controlling interests reported for second half year	11,221	13,768	(18)

(17) Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

Name	Age	Family relationship with any director and / or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Indergopal Singh Thakral	38	(i) Substantial shareholder of the Company, (ii) grandnephew of the Company's Director and substantial shareholder, Mr Kartar Singh Thakral, and (iii) nephew of the Company's CEO, Director and substantial shareholder, Mr Inderbethal Singh Thakral	Managing Director of the Company's wholly-owned indirect subsidiary, Thakral China Ltd. since 2017	No change
Satbir Singh Thakral	34	(i) Grandson of the Company's Director and substantial shareholder, Mr Kartar Singh Thakral, and (ii) son of the Company's CEO, Director and substantial shareholder, Mr Inderbethal Singh Thakral	Marketing Director of Thakral Lifestyle group since 2017	No change

Confirmation pursuant to Rule 720(1)

It is confirmed that the Company has procured undertakings from all its Directors and executive officers.

ON BEHALF OF THE BOARD
Kartar Singh Thakral
Director

Inderbethal Singh Thakral
Director
24 February 2022

BY ORDER OF THE BOARD
Chan Wan Mei
Chan Lai Yin
Company Secretaries
24 February 2022