THAKRAL
CORPORATION LTD

INVESTING FOR TOMORROW

ANNUAL REPORT 2022

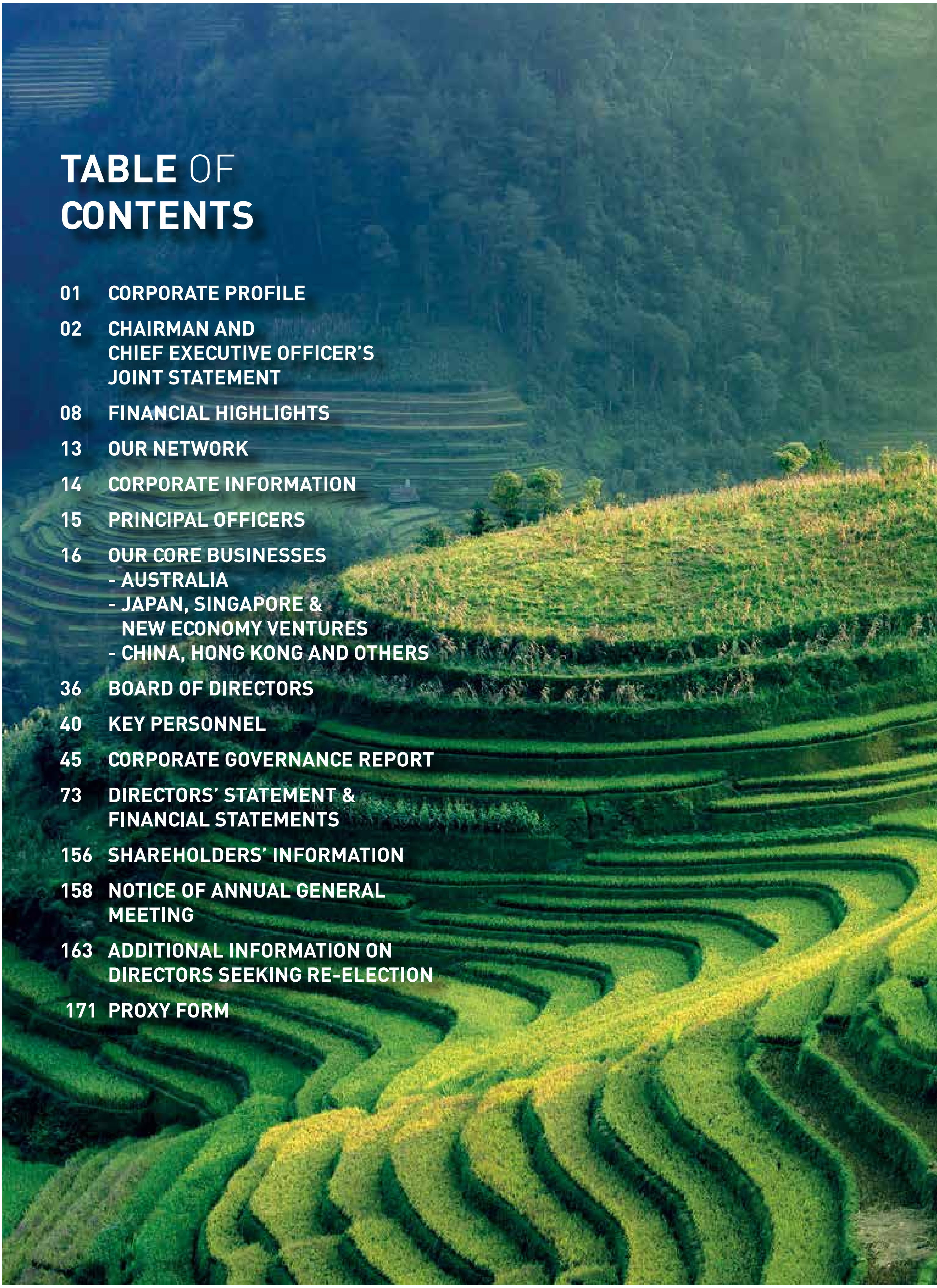


TABLE OF CONTENTS

CORPORATE **PROFILE**

Thakral Corporation Ltd is listed on the SGX Mainboard since December 1995. The Group's core business 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 in Osaka, the country's second largest city.

The Group also makes strategic investments, including as a cornerstone investor or participating in early funding series, in new economy ventures which complement its existing business relationships and network, harness potential synergies and explore new business opportunities.

The Group's other investments include the management and marketing of leading beauty, fragrance and lifestyle brands in Asia. 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 e-commerce platform.

CHAIRMAN & CHIEF EXECUTIVE OFFICER'S
JOINT STATEMENT

DEAR SHAREHOLDERS,

INVESTING FOR TOMORROW

The financial year ended 31 December 2022 ("FY2022") was a year of significant progress for the Group as we continued to build on our strengths to create long-term value and sustainable returns.

Despite inflationary pressures, intensifying geopolitical tensions, rising interest rates and supply chain disruptions, the strategies which the Group had adopted and the markets we operate in saw improvement in sales in all our core business segments.

Dividends

4.5 cents

12.5% from FY2021

Shareholders were rewarded with a 5-year high, total dividend pay-out of 4.5 cents for FY2022 – giving a yield of around 8% (based on the closing share price of S$0.565 on 28 February 2023).

The Group's strong performance strengthened its financial position, and cash balances more than doubled to S$20.1 million in FY2022. Our stronger capital base also enabled us to enhance shareholder value via share buybacks totalling approximately S$1.75 million from December 2022 to January 2023.

The year was also undoubtedly a transformative year for the Group and as part of our social responsibility, we made our first foray into Impact Investing as one of our new trajectories to drive our ESG efforts.

INDERBETHAL SINGH THAKRAL
Executive Director and Chief Executive Officer

NATARAJAN SUBRAMANIAM
Independent Non-Executive Chairman and Lead Independent Director

PERFORMANCE HIGHLIGHTS

We were delighted to be named **Winner of the Most Transparent Company Award (Consumer Discretionary)** in the SIAS Investors' Choice Awards 2022 – bettering that of the previous year when we were named Runner Up in the same category! We will continue to maintain our rigorous and transparent corporate governance framework, regardless of the recognition and awards, as it is entrenched in our values.

Resilient Performance

Revenue

S$160.4 million

26% from FY2021

Investment Revenue

S$22.6 million

50% from FY2021

Lifestyle Revenue

S$137.8 million

22% from FY2021

We delivered a set of steady profits on stronger top-line in FY2022 with Group revenue of S$160.4 million and net profit attributable to shareholders of S$18.6 million.

Income from our Real Estate Investment business was up almost 50% to S$22.6 million in FY2022 while the Lifestyle business reported a jump of 22.3% in sales to S$137.8 million.

Our associates and joint ventures continued their stellar performance contributing a share of profits of S$31.0 million, some 16% lower than the previous year due to the weakening of the currencies against the Singapore dollar in the countries we operate in. With high currency volatility, the Group incurred a foreign exchange loss of S$0.6 million during the year under review.

Healthy Financial Position

As at 31 December 2022, our cash balances grew to S$20.1 million from S$9.7 million on 31 December 2021, mainly from the repayment to the Group by GemLife of debt instruments upon completion of refinancing, recoupment of the investment from the Oxford Bondi project, net proceeds from the sales of the GLNG houses as well as the capital reduction from a Japanese property investment entity.

Inventories increased to S$17.8 million as at 31 December 2022 from S$14.7 million on 31 December 2021, mainly due to the overall higher turnover of DJI and fragrance products to cater to the larger market and customer base.

Gearing Ratio

0.33

from 0.40 in FY2021

We also improved our operating performance as we reduced our net cash outflow from operating activities to S$10.8 million compared to a net outflow of S$14.0 million in the previous year.

CORE BUSINESSES: POWERING AHEAD

The Group's core business segments showed notable improvement in FY2022.

We continue to see healthy demand for GemLife homes in Australia while our Lifestyle business enjoyed a sales boost from its DJI and fragrance products.

Real Estate Investments

Our real estate investments cover three key geographies – Australia, Japan and Singapore.

Including the share of profit of associates and valuation gains on investment properties in both years, the Group's Investment business achieved an almost 50% growth in revenue and a segment result of S$37.2 million in the current year.

CHAIRMAN & CHIEF EXECUTIVE OFFICER'S **JOINT STATEMENT**

Australia

GemLife Joint Venture

Cumulative Occupied Homes

1,088

218 units from FY2021

The Group remains focused on growing the GemLife business in the over-50s lifestyle resorts as it continues to deliver excellent results.

GemLife home sales were well ahead of targets with over 394 unconditional, 234 conditional and 48 deposits on hand while actual settlements are tracking forecasts with 1,088 homes occupied as of 31 December 2022. It has recently launched Moreton Bay resort whilst its Highfields, Woodend, Maroochy Quays and Pacific Paradise resorts are now settling homes in the final stages.

SUMMERHOUSE AT GEMLIFE MAROOCHY QUAYS

GemLife over the past 4 years has established itself as a strong brand in the over-50s lifestyle living space on the back of efficient management, excellent locations for our resorts and also the personalised feeling that residents experience and are proud to endorse. This has helped underpin the strong demand with most of our resorts experiencing strong sales.

GemLife has its own integrated homebuilding capabilities and this has helped us to continue to deliver homes to our buyers despite the industry-wide disruptions and cost escalations. The GemLife team continues to look for ways to improve productivity and also continues to offer improved facilities to the buyers in each of our new resorts.

It has a pipeline that will lead to about 7,000 homes which will put GemLife as one of the leading players in the over-50's resort style living segment in Australia.

We encourage our shareholders and readers to visit the GemLife website and enjoy reading the informative monthly newsletters for updates on its resorts.

Other residential properties in Australia

All apartments have been sold in the Thornton Street project in Brisbane's inner-city suburb of Kangaroo Point and construction is progressing well with practical completion forecast towards the end of 2023. The Parkridge Noosa project has been completed successfully with only one dwelling remaining to be settled.

The Group divested a total of 35 Gladstone houses in FY2022, with a balance of 18 houses remaining in the portfolio. All bank borrowings against these houses have been fully settled and the remaining houses are expected to be disposed in FY2023.

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

Japan

Strong Occupancy

- 100% — 3 Properties
- >92% — 2 Properties
- >80% — Latest Property

The Group's office properties saw 100% occupancy in three of its six properties, over 92% in another two and more than 80% in its Umeda Pacific Building. Overall rentals have held up well and are still catching up to the general market rental levels and should remain competitive. The Group had set out to build a portfolio to offer steady recurring returns, and this portfolio has achieved its objective, and we are confident that it will continue to do so in the coming years. The excellent locations of our properties may also offer strong upside when the market for commercial office properties in Osaka sees a revival in demand. However, the weakening of the Japanese Yen has resulted in lower valuations when reporting in Singapore Dollars.

Sales of hospitality assets could also improve as many hotel owners who held back selling their hotels during the pandemic may be looking to sell at better prices with the recovery in tourist numbers and a weak Japanese Yen. The Group will remain on the lookout for good opportunities to divest its remaining two hotels in Osaka at the right price.

We continue to explore opportunities for capital recycling to generate income and enhance the Japanese portfolio.

Singapore

According to market reports, office prices were on a recovery path last year. Singapore's commercial property deals climbed as demand for Singapore property was broad-based, with Central Business District offices receiving the most interest, largely from global investors[1].

As a result of this rebound in market sentiment, the valuation of the Group's Riverwalk office unit in Singapore improved by S$1.4 million in FY2022.

Lifestyle and Other Investments

Our Lifestyle business recorded a commendable performance – reflecting the success of our pivot to focus on higher margin growth businesses. This segment benefitted from rising sales of top-selling fragrance brands as well as our distribution of innovative technologies such as drone and camera products in South Asia.

The Lifestyle business continued its strong growth track record as segment profit increased to S$6.5 million in FY2022 from S$2.0 million last year. Its better bottom line was boosted by rising sales of fragrances, considerably improved sales of drones and other products to South Asia **(by 81% to S$81.3 million making it the Group's largest geographical market in terms of revenue!)**, a contribution of about S$1.8 million from the CurrentBody-Thakral joint venture as well as a divestment gain of S$2.2 million from Ascential's acquisition of the Group's stake in Intrepid.

Lifestyle Product Sales to South Asia

S$81.3 million

81% from FY2021

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

[1] S'pore commercial property deals defy regional slowdown, recording best quarter ever: Report, 10 August 2022 https://www.straitstimes.com/business/property/singapore-commercial-property-deals-defy-regional-slowdown-recording-the-best-quarter-ever-msci-report

New Economy Ventures and Impact Investing

The Group also made investments in innovative new economy ventures to help identify additional growth avenues in pursit of new growth trajectories in technology as well as impact investing.

In connection with the Group's new economy ventures, we are pleased to share that W Capital Markets Pte Ltd's founder was named a winner at the Entrepreneur of the Year Award 2022 and Fraction recently received the FinTech 2023 best startup award in Thailand.

The Group became a cornerstone investor in BillionBricks, a Singapore-based climate-tech venture that combines clean energy and large-scale affordable housing to create carbon-negative communities to combat climate change. More recently, the Group has also invested in Climate Alpha, an AI-powered analytic platform that drives future-proof real estate strategies. This is part of the Group's broader strategy to continue to capitalise on tech innovations and impact investing, and ride on this growing industry to harness potential synergies to help identify additional growth avenues. This latest investment will widen our footprint in the proptech sector.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

The Group's sustainability and corporate social responsibility goals continue to focus on value creation for our shareholders, employees, customers, suppliers, business partners and other key stakeholders. Rigorous corporate governance practices, 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.

We are honoured to receive a **Merit Award under the People's Association Community Spirit (PACS) Awards 2022** in recognition of our contributions towards the community.

PACS AWARDS 2022 PRESENTATION CEREMONY
(PHOTO CREDIT: PEOPLE'S ASSOCIATION)

Milk & Diaper Support

Renewed 3-year commitment

The Group renewed its support for another 3 years towards sponsoring the North East Growth Fund, which provides milk and diaper support for children up to 6 years old from low-income families residing within the North East district in Singapore. With the support from the Group, the North East Growth Fund is able to provide support to 125 children annually to ensure that their basic growth needs are not compromised.

In addition to the steps taken towards impact investing, the Group also continues to contribute and care for the less fortunate through donations under various initiatives including UOB Global Heartbeat Virtual Run/ Walk 2022, various programs and services by the Malay Youth Literary Association and Dementia Singapore in supporting dementia patients and their caregivers towards building a more inclusive society and a one-off donation to support flood victims in Malaysia.

GemLife continues to be actively committed to having a positive social impact on the areas around its resorts, supporting the wider community through a range of social responsibility initiatives, including ongoing support of community arts, sports clubs and events.

Taking a pro-active approach towards sustainability, GemLife officially launched its sustainability strategy in June 2022, setting out a formal framework for its ongoing and long-term commitment to sustainable practices in working towards achieving a net-positive impact on the community and what it creates. Its over-50s lifestyle resorts 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 with central, community batteries installed, to operate renewable energy virtual power plants.

Its flagship Gold Coast development has been **recently recognised for environmental sustainability**, achieving certification under the Urban Development Institute of Australia's EnviroDevelopment program.

Similarly, energy efficient air-conditioning and lighting continues to be 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 FY2022.

INVESTING IN NEW GROWTH CATALYSTS FOR A BETTER TOMORROW

New opportunities continue to unfold worldwide as we transit from living with COVID-19 and increasingly embrace technology and sustainable practices. We anticipate that the global economy will move to a more sustainable model over the coming years and companies which take advantage of this trend will stand to gain from its vast socio-economic potential.

Impact investing is another growing sector that we have recently embarked on to make socially responsible investments to harness potential synergies which complement our real estate investment portfolio when investing for tomorrow.

With the strengths of our core businesses and strategic plans in place, we are poised to capitalise on these growth opportunities to deliver long-term sustainable value to our stakeholders.

Looking ahead, we remain optimistic of our future and will harness our resources to make the most of the anticipated post-pandemic recovery while treading cautiously to pursue growth trajectories in our key markets and beyond.

ACKNOWLEDGEMENTS

We would like to express the Board's appreciation to shareholders, bankers, suppliers and business partners for their support.

We would also like to thank all employees for their dedication and accomplishments during the year. The Group would not have been able to achieve its growth without their contribution.

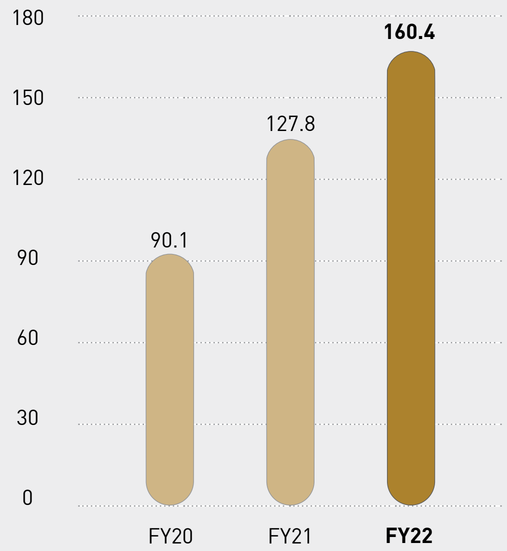
We remain grateful to our fellow members of the Board for their advice and guidance throughout the year.

NATARAJAN SUBRAMANIAM
Independent Non-Executive Chairman and
Lead Independent Director

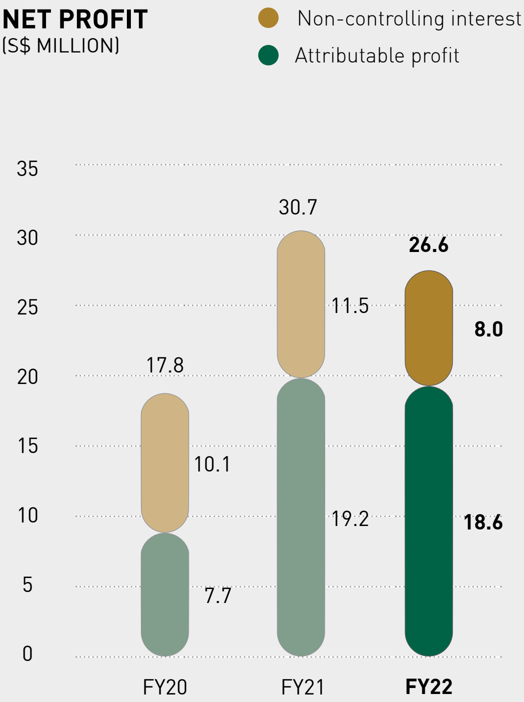
INDERBETHAL SINGH THAKRAL
Executive Director and Chief Executive Officer

FINANCIAL **HIGHLIGHTS**

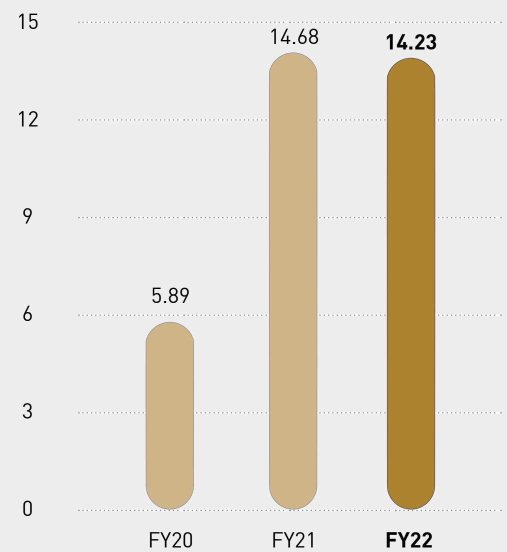
REVENUE
(S$ MILLION)



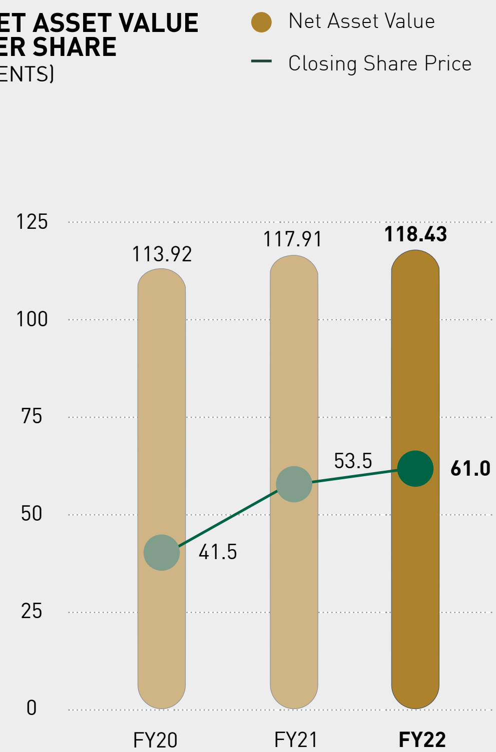
NET PROFIT
(S$ MILLION)



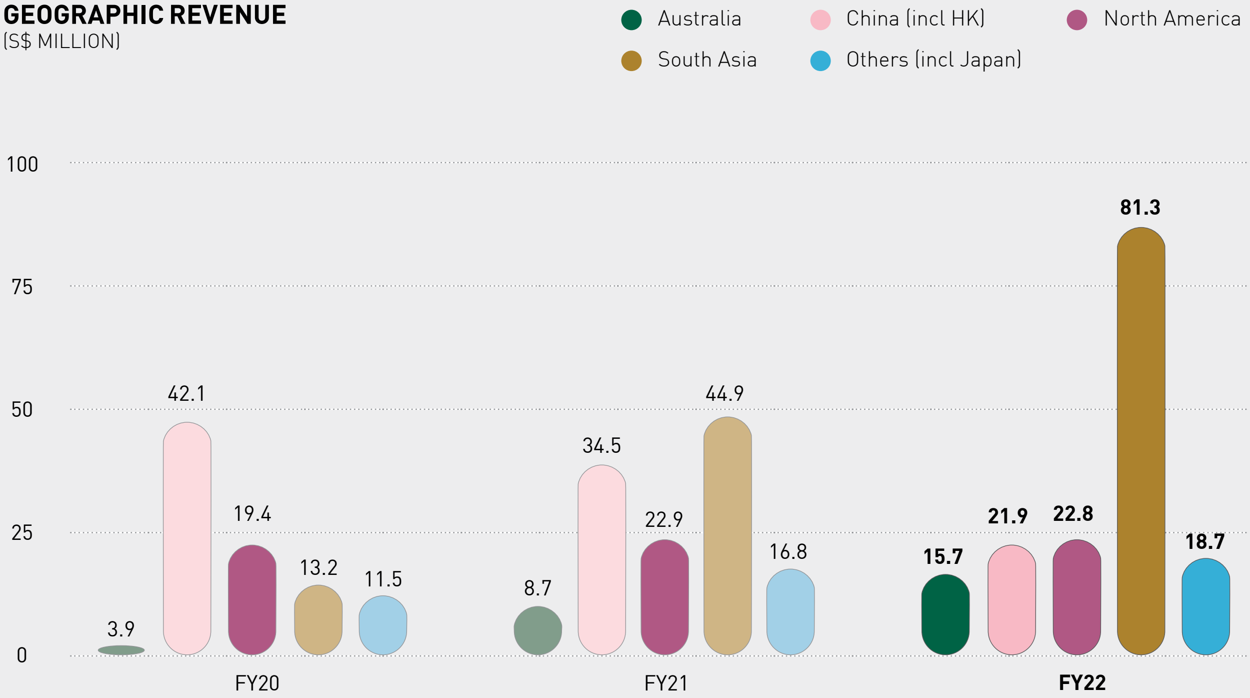
EARNINGS PER SHARE
(CENTS)



NET ASSET VALUE PER SHARE
(CENTS)

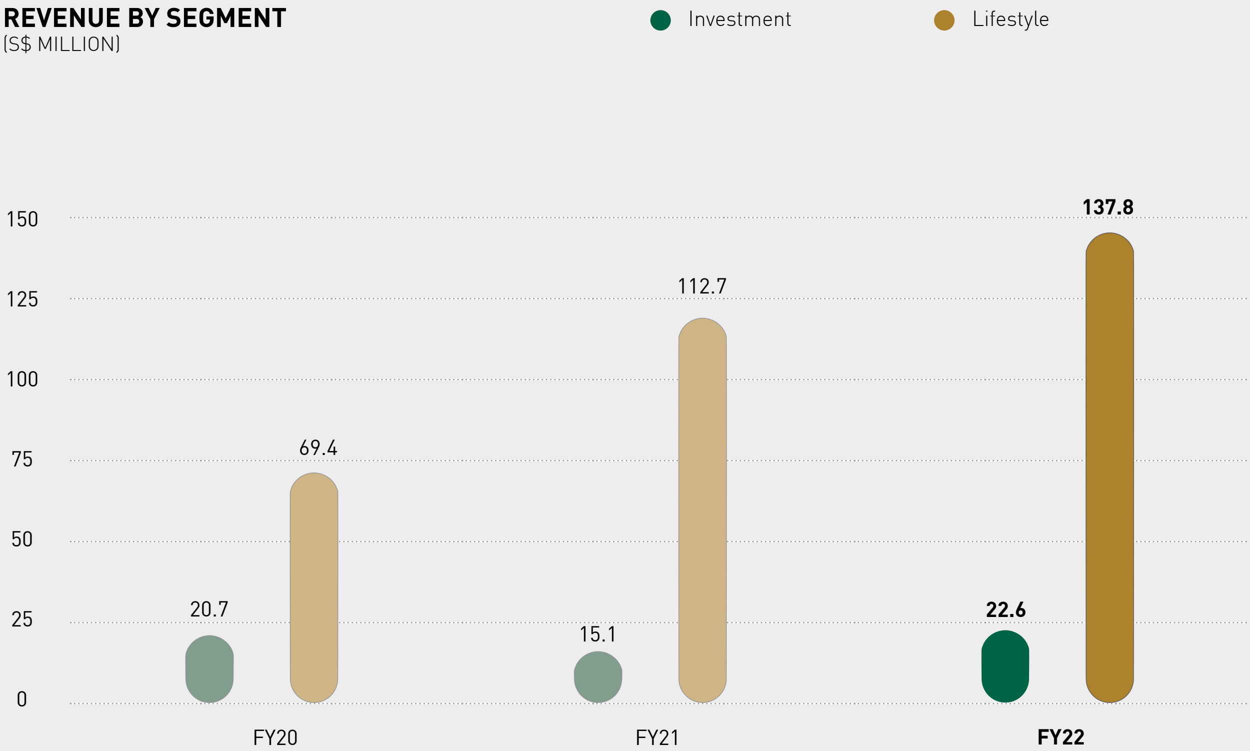


GEOGRAPHIC REVENUE
(S$ MILLION)



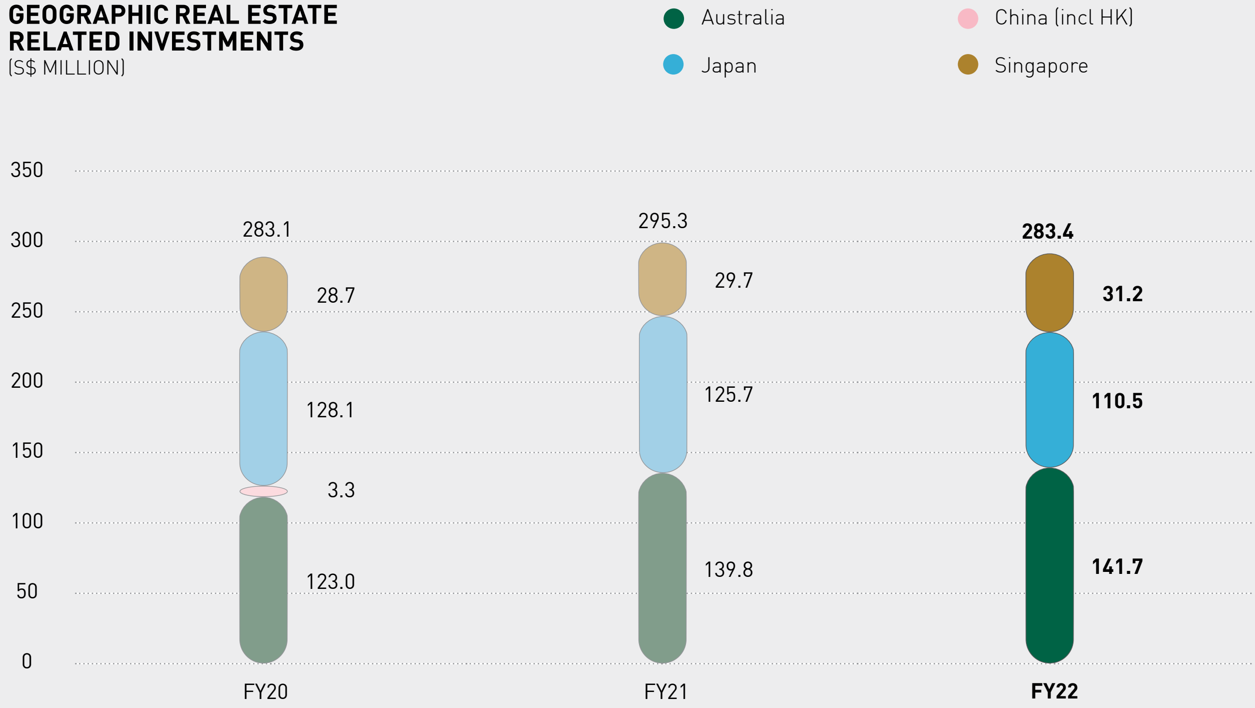
Note: Based on the location of customers and source of income from these regions

REVENUE BY SEGMENT
(S$ MILLION)

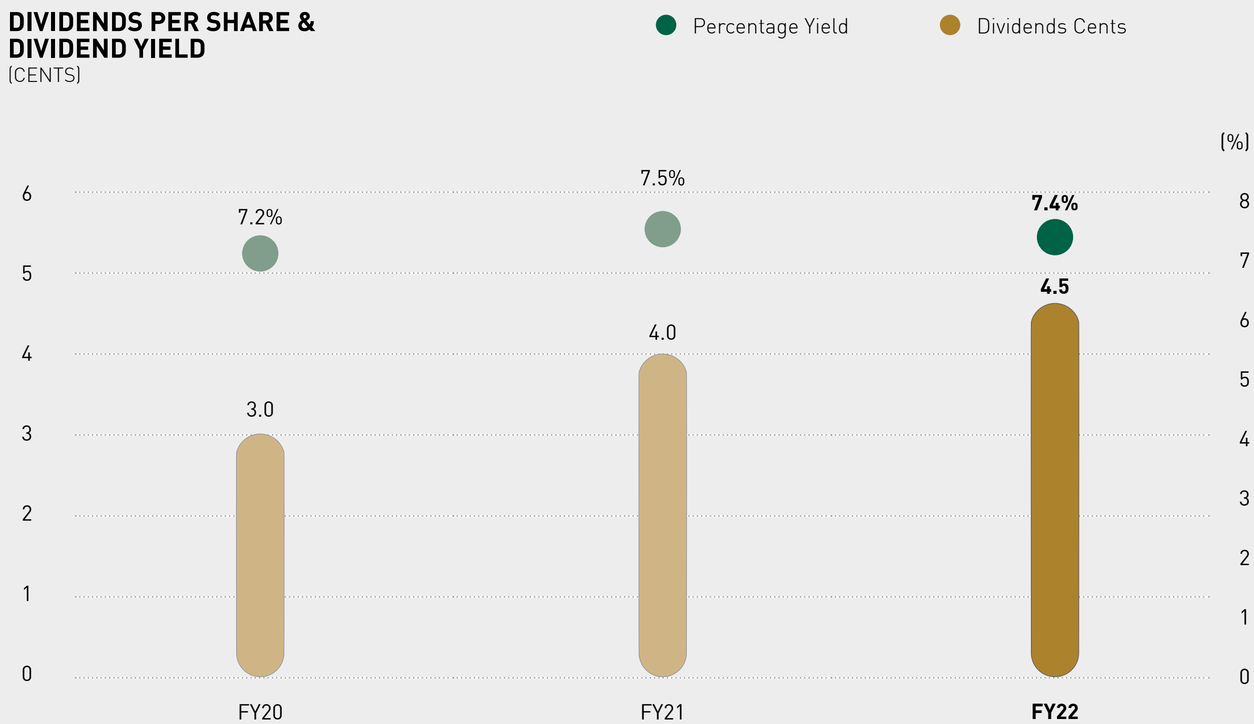


FINANCIAL HIGHLIGHTS

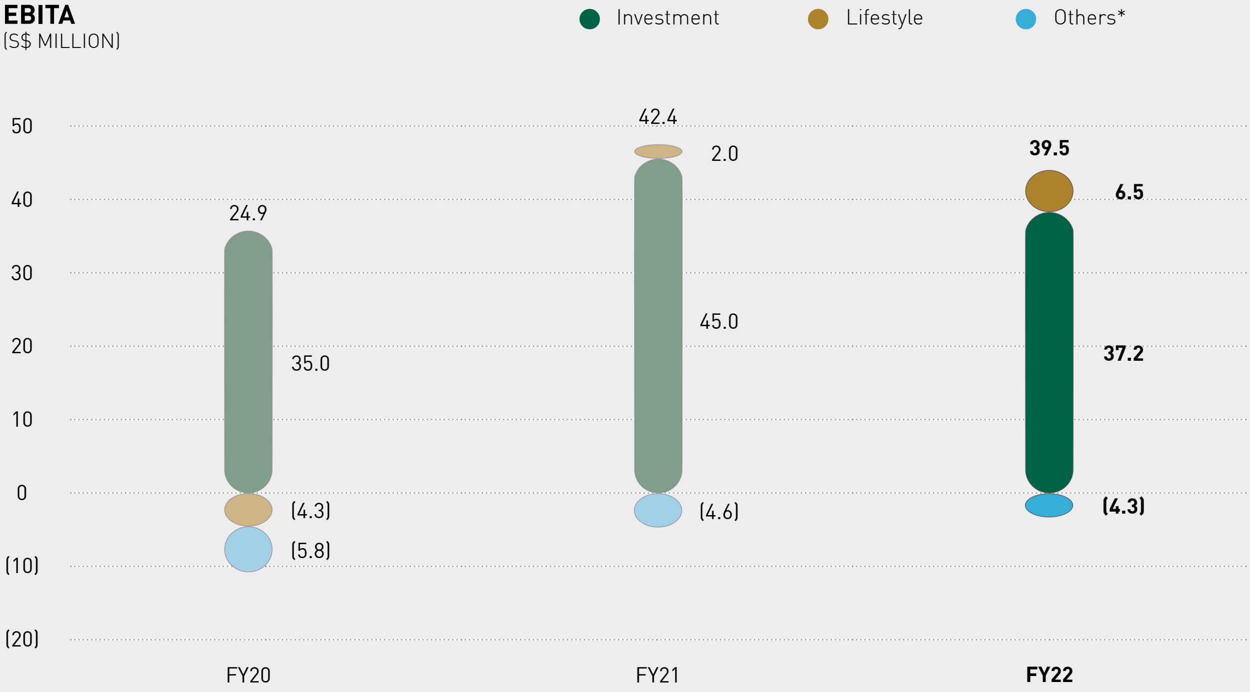
GEOGRAPHIC REAL ESTATE RELATED INVESTMENTS
(S$ MILLION)



DIVIDENDS PER SHARE & DIVIDEND YIELD
(CENTS)



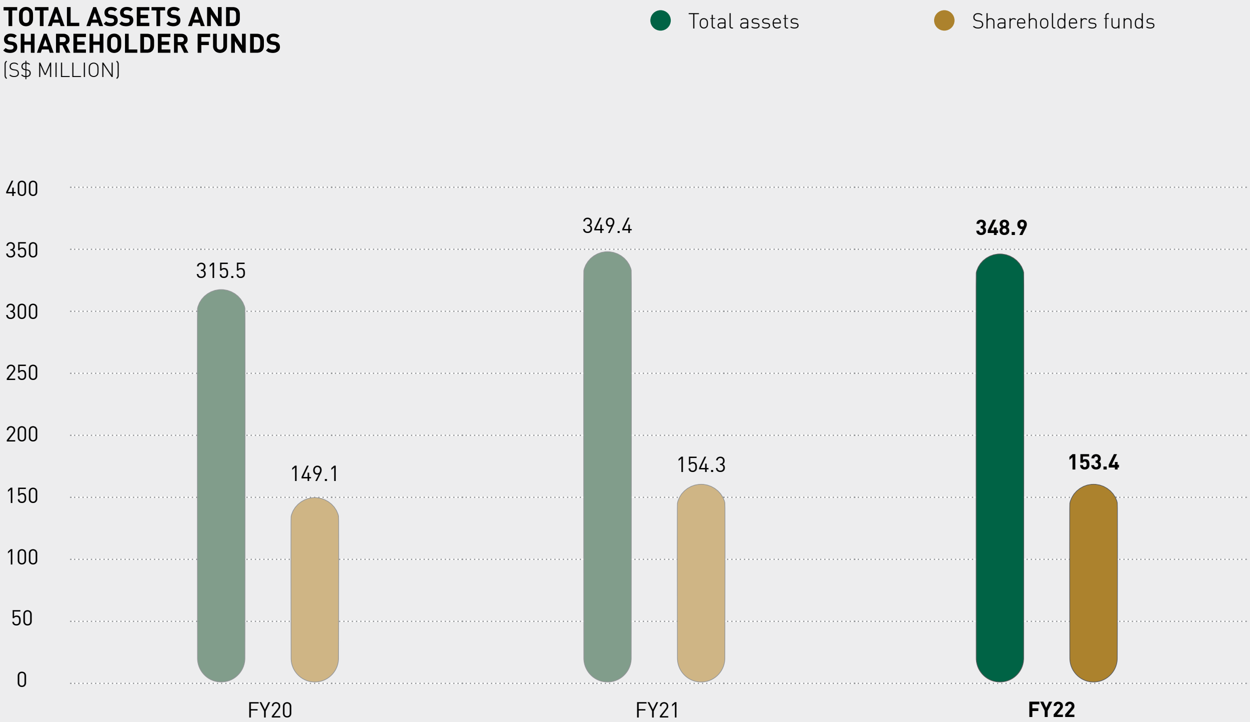
EBITA
(S$ MILLION)



* Includes unallocated corporate expenses

Note: Includes valuation / disposal gain on properties

TOTAL ASSETS AND SHAREHOLDER FUNDS
(S$ MILLION)

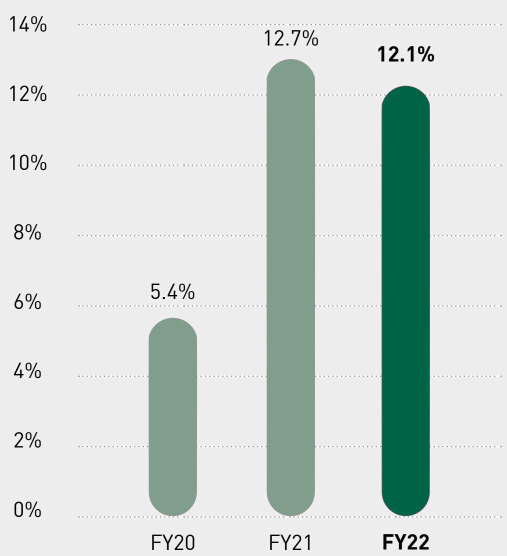


FINANCIAL HIGHLIGHTS

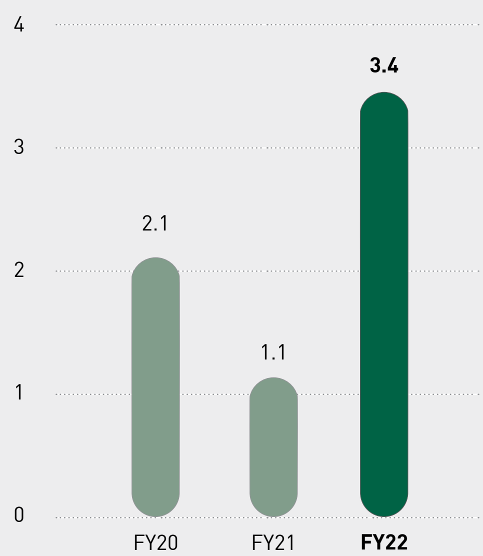
AVERAGE SHARE PRICE
(S$)

GEARING RATIO

RETURN ON EQUITY



INTEREST COVERAGE
(TIMES)



OUR NETWORK


CHINA
JAPAN
HONG KONG
INDIA
MYANMAR
LAOS
PHILIPPINES
VIETNAM
THAILAND
CAMBODIA
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
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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.
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

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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

Aw Xin-Pei
Date of Appointment:
29 April 2022

INTERNAL AUDITOR

Da Hua Consulting
17F China Insurance Building
No. 166 Lujiazui East Road
Shanghai 200120
People's Republic of China

PRINCIPAL BANKERS

Australia and New Zealand Banking Group
Australia

Commonwealth Bank of Australia
Australia

Westpac Banking Corporation
Australia

Bank of Communications Co., Ltd.
China

United Overseas Bank Limited
China, Hong Kong and Singapore

Xiamen International Bank Co., Ltd.
China

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

Stephanie Tay (Ms)
Senior Manager
Corporate & Sustainability

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

Bikramjit 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

Ashmit Singh Thakral
Chief Financial Officer
GemLife Group

Michael James Stubbs
Chief Financial Officer

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
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
Executive Director (China)

Sean Qiu
Financial Controller (China)

SINGAPORE SOURCING & TECHNOLOGY PVT LTD
Delhi, India

Gurmeet Singh
Senior Vice President

OUR

CORE BUSINESSES

AUSTRALIA

THAKRAL CAPITAL AUSTRALIA PTY LTD
Brisbane and Sydney, Australia

THAKRAL CAPITAL HOLDINGS PTE LTD
Singapore

GEMLIFE GROUP
Australia

The Group's business in Australia is now by far the largest component of its core operations in terms of net assets as well as profitability.

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 participates in higher yielding, niche high-end property projects in gateway cities such as Sydney, Melbourne and Brisbane. 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$587 million of capital into projects with an end value surpassing A$7.4 billion.

TCAP has completed 22 projects, with another 10 in the pipeline, and 11 under construction.

GemLife, the Group's joint venture with the Puljich family has established itself as one of the leading players in the over-50s lifestyle resort living sector in Australia within just 6 years from inception and is now one of Australia's most respected brands in this segment. The Group pivoted into this sector where the demand outpaces the supply and is expected to provide sustainable long-term returns.

To date, GemLife has a pipeline of around 7,000 homes across the eastern seaboard in various development stages, with 1,088 homes occupied.

RENDER OF COUNTRY CLUB FOYER OF GEMLIFE GOLD COAST RESORT

CURRENT PROJECTS

THORNTON STREET RESIDENCES

GLNG HOUSING PROJECT

UPDATES AT GEMLIFE RESORTS

CELEBRATION DINNER HELD IN JUNE 2022 FOR FULL SETTLEMENT

CONSTRUCTION FOR STAGE 5 FEATURING 66 HOME SITES COMMENCED IN NOVEMBER 2022

RENDER OF OUTDOOR RECREATIONAL PRECINCT LAUNCHED IN JUNE 2022

CONSTRUCTION FOR AN OFF-SITE CARAVAN STORAGE COMPOUND IN KULUIN AND STAGE FOUR OF THE RESORT COMMENCED IN Q3 AND Q4 2022 RESPECTIVELY

BULK EARTHWORKS IN STAGES TWO AND THREE ARE MOVING AHEAD

BULK EARTHWORKS AND CIVIL WORKS FULLY COMPLETED IN NOVEMBER 2022

UPDATES AT GEMLIFE RESORTS

CONSTRUCTION FOR STAGE TWO COMMENCED IN DECEMBER 2022

DEVELOPMENT APPROVAL ACHIEVED IN Q4 2022 AND LAND SETTLED IN Q1 2023

GemLife™

PALMWOODS

FIRST RESIDENTS MOVED IN IN MAY 2022

SUMMER HOUSE OPENED IN OCTOBER 2022

313 METRES OF ELEVATED BOARDWALK TAKING SHAPE

CONSTRUCTION FOR COUNTRY CLUB COMMENCED IN FEBRUARY 2023

UPDATES AT GEMLIFE RESORTS

GemLife™
RAINBOW BEACH

BLOCKWORK OF TWO-LEVEL COUNTRY CLUB BEGAN IN NOVEMBER 2022

CIVIL WORKS ACROSS THE SITE COMPLETED IN DECEMBER 2022

RENDER OF THE SUMMER HOUSE

FINAL STAGE OF RESIDENTIAL HOMES CONSTRUCTION COMMENCED IN NOVEMBER 2022

FINAL STAGE HOMES LAUNCHED IN DECEMBER 2022

DEVELOPMENT APPROVAL FOR 147 HOMES RECEIVED IN Q3 2021

GEMLIFE RESORTS
CONSTRUCTION COMPLETION STATUS

AS AT DECEMBER 31, 2022

GemLife HIGHFIELDS

75% of overall project

GemLife PALMWOODS

55% of overall project

GemLife PACIFIC PARADISE

65% of overall project

GemLife MAROOCHY QUAYS

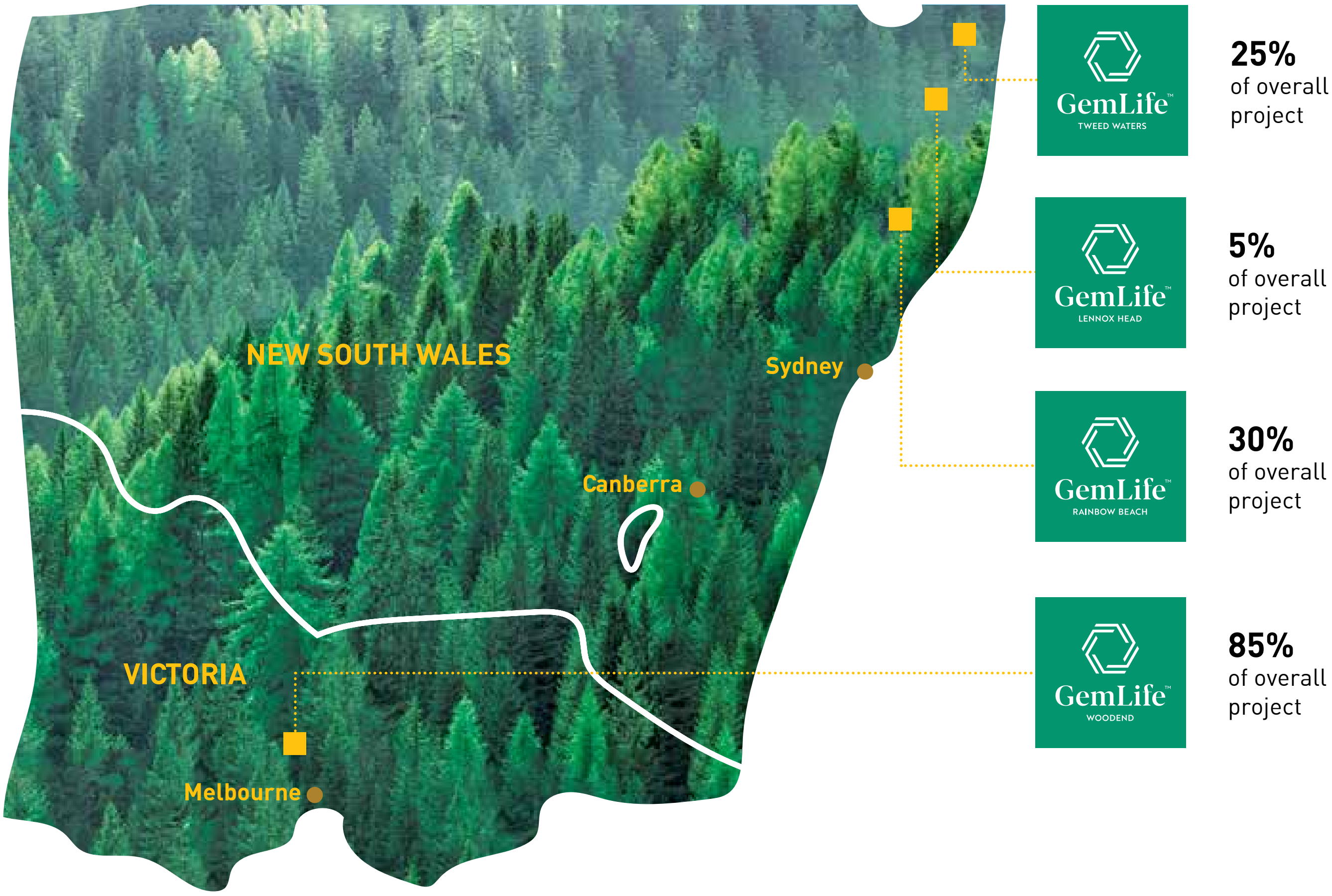
80% of overall project

GemLife BRIBIE ISLAND

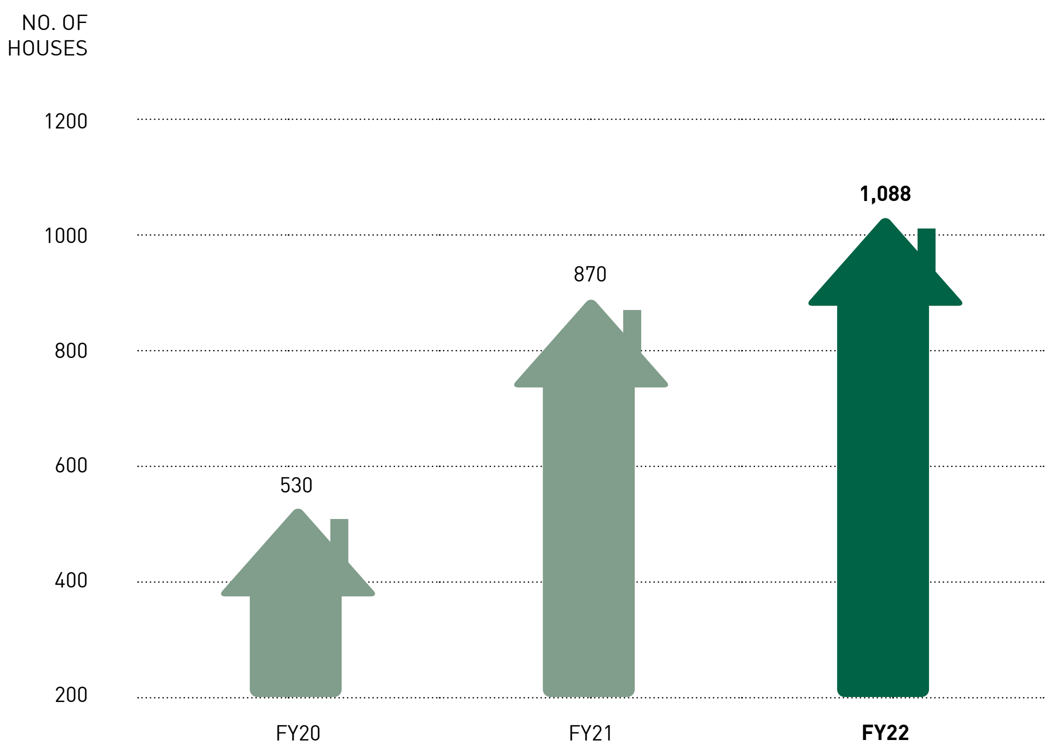
100% of overall project

GemLife GOLD COAST

10% of overall project



GEMLIFE CUMULATIVE OCCUPIED HOME PROGRESSION STATUS



OUR
CORE BUSINESSES

JAPAN, SINGAPORE & NEW ECONOMY VENTURES

THAKRAL JAPAN PROPERTIES PTE LTD
Singapore

TJP PTE LTD
Singapore

THAKRAL UMEDA PROPERTIES PTE LTD
Singapore

THAKRAL REALTY (S) PTE LTD
Singapore

BILLIONBRICKS
Singapore

CLIMATE ALPHA
Singapore

W CAPITAL MARKETS PTE LTD
Singapore

INVESTAX
Singapore

FRACTION
Hong Kong

JAPAN

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 six commercial buildings – Yotsubashi Nakano Building, Yotsubashi East Building, Itachibori Square, Utsubo East Building, Yotsubashi Grand and Umeda Pacific Building; and two business hotels – Best Western Osaka Tsukamoto Hotel and a hotel property (formerly known as R Hotels Inn) in Kita-Umeda, Osaka.

As part of the Group's strategy to actively manage its office property portfolio, it is continuing its efforts to sell the remaining two hotels. The Group may recycle some of its capital through the sale of such non-core properties for reinvesting in niche properties or other opportunities to optimise the value of its overall investment portfolio.

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.

SINGAPORE

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

NEW ECONOMY VENTURES

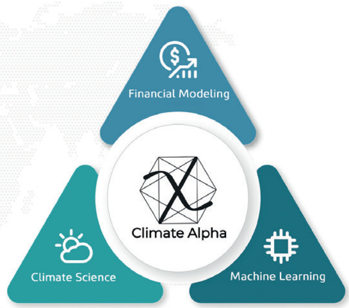
In line with our strategy of expanding our investment portfolio to improve returns to shareholders, the Group makes strategic minority investments, including as a cornerstone or early series funding investor in new economy ventures. These investments include (i) W Capital Markets Pte Ltd, a Singapore-based investment banking firm with a strong pipeline of projects poised to tap Asia's rising capital markets for growth; (ii) Fraction, a Hong Kong-based one-stop, full-service fractional ownership blockchain platform that enables trading, investment and secure ownership of fractions of any real-world asset, with an initial focus on real estate; and (iii) InvestaX, a Singapore based, MAS-licensed investment and trading platform for blockchain-based digital securities and security tokens of global private markets deals. More recently in relation to impact investing, the Group has became a cornerstone investor in BillionBricks, a climate-tech venture that combines clean energy and large-scale affordable housing to create carbon-negative communities to combat climate change as well as invested in Climate Alpha, an AI-powered analytic platform that drives future-proof real estate strategies.

NEW ECONOMY VENTURES

Climate Alpha

**From mitigation to adaptation:
Climate Alpha prices the future of geography**

Climate Alpha is an **AI-powered analytics platform** that drives **future-proof real estate strategies**. It employs machine-learning techniques to combine hundreds of socioeconomic, demographic and market indicators with **multiple climate scenarios** to generate land and property value **forecasts for every year through 2040.**



OUR LATEST NEW ECONOMY VENTURE INVESTMENT - CLIMATE ALPHA, AN AI-POWERED REAL ESTATE ANALYTICS PLATFORM

BREAKING NEW GROUND IN SUSTAINABLE COMMUNITY DEVELOPMENT: BILLIONBRICKS' NET-ZERO COMMUNITY TACKLES GLOBAL HOUSING AND CLIMATE CHALLENGES HEAD-ON (PHOTO CREDIT: BILLIONBRICKS)

FRACTION RECENTLY RECEIVED THE FINTECH 2023 BEST STARTUP AWARD IN THAILAND

OSAKA, JAPAN - FREEHOLD PROPERTIES

ITACHIBORI SQUARE BUILDING, CORNER PROPERTY OFF YOTSUBASHI SUJI, HONMACHI
• LAND AREA - 813 SQM • GFA - 5,618 SQM
• EFFECTIVE OWNERSHIP - 55%

RETROFITTING COMMON AREAS WITH ENERGY EFFICIENT AIR-CONS AND LED LIGHTING

UTSUBO EAST BUILDING, CORNER PROPERTY OFF YOTSUBASHI SUJI, HONMACHI
• LAND AREA - 762 SQM • GFA - 4,953 SQM
• EFFECTIVE OWNERSHIP - 55%

RENOVATION WORKS INCLUDING CHANGE OF ELEVATOR AND ENERGY EFFICIENT LED LIGHTING

OSAKA, JAPAN - FREEHOLD PROPERTIES

YOTSUBASHI EAST BUILDING AT THE CORNER OF YOTSUBASHI SUJI, SHINSAIBASHI
• LAND AREA - 525 SQM • GFA - 4,695 SQM
• EFFECTIVE OWNERSHIP - 50%

YOTSUBASHI NAKANO BUILDING ALONG YOTSUBASHI 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 - 55%

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

BEST WESTERN OSAKA TSUKAMOTO HOTEL, TSUKAMOTO
- LAND AREA - 525 SQM • EFFECTIVE OWNERSHIP - 50%
- NO. OF ROOMS - 105

HOTEL PROPERTY IN KITA-UMEDA, NAKATSU, KITA-KU
- LAND AREA - 516 SQM • EFFECTIVE OWNERSHIP - 50%
- NO. OF ROOMS - 120

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, Hong Kong and Macau, the Group focuses on the management and marketing of leading premium beauty, fragrance and lifestyle brands, which display solid underlying growth as Asian consumers continue to enhance their lifestyle, including upgrading what, where and how they buy. As part of this, the Group is opening retail point-of-sale in high-end shopping malls and department stores for some of the brands it manages in all three markets.

The Group also continues to support the sourcing needs of Asian and global 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 device brands Panasonic, Philips and Currentbody Skin, hair care brand John Masters Organics, fragrance brands Maison Margiela, Ralph Lauren, Viktor & Rolf, Diesel and Cacharel as well as lifestyle brands such as DJI.

The Group's Hong Kong subsidiary is an exclusive distributor for DJI's commercial and consumer range products for South Asia, covering seven territories including India.

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.

CURRENTBODY-THAKRAL
AT-HOME BEAUTY DEVICES

JOHN MASTERS ORGANICS

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 e-commerce platform.

It has also invested in Skylark, an India-based drone management software and services company, which complement the Group's existing business relationships and network and to harness potential synergies and explore new business opportunities.

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, Australia and India.

MAISON MARGIELA

CHINA, HONG KONG AND OTHERS

DJI CONSUMER AND COMMERCIAL PRODUCTS

DJI CONSUMER AND COMMERCIAL PRODUCTS

BOARD OF DIRECTORS

NATARAJAN SUBRAMANIAM Age 84

Independent Non-Executive Chairman and Lead Independent Director

First appointed as a Director : 15 November 1995
Last re-elected as a Director : 29 April 2021
Length of service as a Director(as at 31 December 2022): 27 years 1 month
Board Committee(s) served on:
- Chairman of Audit Committee, Compensation Committee and Investment Committee
- Member of Nomination Committee

Academic & Professional Qualification(s):
- University of Malaya in Singapore – Bachelor of Arts Degree
- Institute of Chartered Accountants in England and Wales – Fellow
- Institute of Singapore Chartered Accountants – Fellow
- Singapore Institute of Directors – Fellow

Present Directorships in other listed companies:
- Nil

Other Appointments:
- AWWA Ltd – Member of Nomination Committee

Past Directorships in listed companies held over the preceding 3 years:
- Nil

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 and a Director of the Company's principal subsidiaries, SJ Property Investments Pte Ltd and Nihon Property Investments Pte Ltd.

KARTAR SINGH THAKRAL Age 89

Executive Director

First appointed as a Director : 7 October 1993
Last re-elected as a Director : 29 April 2021
Length of service as a Director (as at 31 December 2022): 29 years 2 months
Board Committee(s) served on:
- Member of Investment Committee

Academic & Professional Qualification(s):
- Nil

Present Directorships in other listed companies:
- Nil

Other Appointments:
- Thakral Family Group of Companies – Chairman
- Nishan-E-Sikhi Charitable Trust, India – Founder Trustee
- Singapore Sikh Education Foundation – Trustee
- Sri Guru Nanak Sat Sang Sabha – Trustee

Past Directorships in listed companies held over the preceding 3 years:
- Nil

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 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 both the re-positioning of the Group's businesses and entry into the Japanese and Australian investments, which 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 a Non-Executive Director of Australia listed Thakral Holdings Limited till 22 October 2012 and 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 Businessman 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 a patron of Singapore Khalsa Association, Singapore Sikh Welfare Council and Central Sikh Gurdwara Board.

BOARD OF **DIRECTORS**

INDERBETHAL SINGH THAKRAL Age 63
Executive Director and Chief Executive Officer

First appointed as a Director : 12 August 1994
Last re-elected as a Director : 29 April 2022
Length of service as a Director (as at 31 December 2022): 28 years 4 months
Board Committee(s) served on:
- Member of Investment Committee

Academic & Professional Qualification(s):
- Nil

Present Directorships in other listed companies:
- Nil

Other Appointments:
- Sahib Sri Guru Gobind Singh Ji Education Trust, Hong Kong (a charitable organisation) – Chairman

Past Directorships in listed companies held over the preceding 3 years:
- Nil

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 investments in markets such as Japan, Australia and Singapore and the repositioning of the lifestyle business to focus on beauty, fragrance and Lifestyle products.

Having broadened the Group's income streams beyond China, Mr Bethal continues to spearhead the Group's strategic growth 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.

LEE YING CHEUN Age 81
Independent Non-Executive Director

First appointed as a Director : 15 November 1995
Last re-elected as a Director : 29 April 2021
Length of service as a Director (as at 31 December 2022): 27 years 1 month
Board Committee(s) served on:
- Chairman of Nomination Committee
- Member of Audit Committee and Compensation Committee

Academic & Professional Qualification(s):
- University of Singapore – Bachelor of Science and Bachelor of Science with Honours (Applied Chemistry)
- All India Management Association – Honorary Fellow

Present Directorships in other listed companies:
- Nil

Other Appointments:
- Nil

Past Directorships in listed companies held over the preceding 3 years:
- Nil

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 had completed programs in Operations Research at University of Birmingham, Training Methodologies in Turin and Management of Small/Medium Size Enterprises in Osaka and Advanced Management Programs at INSEAD and Harvard. He sits on the Board of various Singapore subsidiaries of the Company.

DILEEP NAIR Age 72
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 2022): 7 years 11 months
Board Committee(s) served on:
- Member of the Audit Committee, Compensation Committee and Nomination Committee

Academic & Professional Qualification(s):
- McGill University – Bachelor of Engineering
- Harvard University – Master in Public Administration

Present Directorships in other listed companies:
- Keppel DC REIT Management Pte. Ltd., the Manager of Singapore listed Keppel DC REIT – An Independent Director and a member of the Audit and Risk Committee

Other Appointments:
- Formerly Singapore listed Singapore Reinsurance Corporation Limited – An Independent Director and Chairman of the Audit Committee
- MS First Capital Insurance Limited – Independent Director
- Health Sciences Authority of Singapore – Director
- Civil Service College of Singapore – Part-time lecturer

Past Directorships in listed companies held over the preceding 3 years:
- Nil

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 was awarded the Public Service Medal (Silver) in 1994 by the Singapore Government and the Friendship Medal in 2013 by the Government of Laos.

BIKRAMJIT SINGH THAKRAL Age 47
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 2022): 3 years
Board Committee(s) served on:
- Member of Nomination Committee and Investment Committee

Academic & Professional Qualification(s):
- National University of Singapore – Bachelor of Business Administration (Honours)
- Harvard Business School – Executive Education

Present Directorships in other listed companies:
- India listed Thakral Services (India) Ltd – Non-Executive Director

Other Appointments:
- Thakral One Pte Ltd – Chief Executive Officer and a Director
- Thakral Family Group of Companies – Part of the leadership team for mergers and acquisitions matters

Past Directorships in listed companies held over the preceding 3 years:
- Nil

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 electronic 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.

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 joined the Thakral Family Group of companies (the "Family Group") in 1979 and is presently an Executive Director overseeing 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, information technology and sustainability functions. Prior to his appointment as CFO, Anil was the Group Financial Controller.

Anil joined the Group in 1982 and has more than 40 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 one of the founding members of the Group. He is responsible for a key part of the Group's sales and marketing operations.

Kanwaljeet joined the Group in 1977 and has more than 45 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. Kanwaljeet contributed strongly to the listing of the Group in 1995 and subsequently to the growth in overall sales of the Group. He had also successfully secured exclusive distributorship from DJI for South Asia for commercial and consumer drone and photography products. With the help of his team, he manages the sourcing, distribution and market development of these products in the allocated territories.

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, fragrance 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.

KEY PERSONNEL

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 and fragrance 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 10 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 and fragrance. He is actively looking at opportunities in the sector where businesses are leveraging on technology and tech start-up in the beauty and fragrance segment in China.

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.

SATBIR SINGH THAKRAL

Executive Director
Thakral China Ltd

Mr Satbir Singh Thakral is appointed as an Executive Director of the Company's principal subsidiary, Thakral China Ltd in 2023. He is responsible for managing investments within New Economy Ventures, exploring investment avenues which bring synergies to the Company's diverse set of core businesses, overseeing the manufacturing and operations scope for Currentbody Lifestyle business and continuing his marketing roles and responsibilities. Prior to this appointment, he was the Marketing Director of the Group's Lifestyle Division.

Satbir provides strategic leadership in nurturing lifestyle, tech and beauty brands to premium positioning. With a keen sense of design aesthetics and marketing. He has extensive experience in e-commerce and DTC activities having worked directly with industry leaders such as Alibaba, Tencent and ByteDance. His expertise involves digital marketing, social-commerce, retail & events management. He is a tech savant with a hawk-eye for trends driving the next wave of tech innovation.

Satbir attained his Executive Education from Stanford University Graduate School of Business.

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 25 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 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 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. He was a Non-Executive Chairman of ASX listed Open Learning Limited. 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 35 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 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 was until recently a Non-Executive Director of ASX listed ICSGlobal Limited. Victor 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 30 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.

ASHMIT SINGH THAKRAL

Chief Financial Officer
GemLife Group

Mr Ashmit Singh Thakral is the Chief Financial Officer of GemLife Group, the over-50s lifestyle resorts joint venture with the Puljich family in Australia. He has been involved with GemLife since joining the Company's principal subsidiary, Thakral Capital Australia Pty Ltd in Sydney in February 2017 working as an Investment Manager.

With over 10 years of experience in the finance industry, Ashmit has covered various roles and responsibilities including credit/risk analysis, financial structuring & modelling, feasibility analysis, and overall project management and financial reporting. He was an Investment Manager in the Property Investment Division of the Thakral Family Group of companies, and also received extensive experience working in various external firms. Ashmit was a General Partner of a multi-million dollar fund which invested in second market shares of billon-dollar valued US private companies during his time living in Shanghai. He also worked as a credit/risk analyst in ST Asset Management, a subsidiary of Temasek Holdings which is an investment arm of the Singaporean Government.

Ashmit holds a Bachelor's & Master's Degree in Mathematics from the University of Oxford, UK.

CORPORATE
GOVERNANCE REPORT

The Company is committed to continually enhancing shareholder value and safeguard the interest of all its stakeholders through sound 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 2022 ("FY2022"), 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 which was last amended on 11 January 2023 (the "Code") for FY2022. Explanations have been provided for deviations from the Code within this report.

The Company is pleased to be conferred **The Most Transparent Company Award (MTCA) 2022 – Consumer Discretionary** as a recognition of our commitment and effort to delivering a high level of openness with regard to our governance and performance. The award in 2022 is an improvement from our runner-up position in 2021. The SIAS Investors' Choice Awards (ICA) recognises excellence in companies adopting corporate governance practices with rigour and the MTCA is supported by the Singapore Exchange and endorsed by esteemed industry organisations and institutions. We continue to believe in the principles of good governance and transparency, coupled with sound business strategies with the view to create a resilient business and continue to enhance value for our stakeholders.

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 growth. It provides corporate directions, ensures that financial and human resources are adequate to meet its objectives, has in place a framework of prudent and effective controls which enables risks to be assessed and managed, regularly reviews management performance and rigorously 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 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 1967 (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 indispensable to performing their roles on the Board and its committees. From time to time, the Company disseminates information to Board members to enable them to attend appropriate webinars/seminars/workshops, and 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 training required by the respective professional bodies.

All directors of the Company have attended relevant sustainability training during FY2022. Relevant webinars/conferences/training programmes attended by the directors in FY2022 include the following:

- ACRA-SGX-SID Audit Committee Seminar 2022 (Financial oversight, accountability and reporting – Moving the needle);
- Leadership Diversity and Firm Performance: A Study of Singapore-Listed Companies;
- Sustainability Reporting for the Future;
- Getting Ready for TCFD Reporting;
- LED – Environmental, Social and Governance Essentials (Core);
- AC Chapter Pit-Stop Series:
  - (i) Maximising the Value of Internal Audit;
  - (ii) Understanding the Emerging Sustainability Reporting;
- Green Economy: Business & Sustainability in Japan;
- The Evolving Roles of Nominating Committees;
- Corporate Governance Conference 2022; and
- SID Corporate Governance Roundup 2022.

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 members to keep them updated on the industrial trends, financial environment and regulatory changes and developments.

The Company also organises on-site visits 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. Other than the regular business reports, updates on overseas operations and investments, electronic meetings continue to be held with overseas management to obtain the status of the operations as well as the business environment.

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 updated by the Board in December 2022, 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 fees, remuneration and payments on retirement payable to non-executive directors which are subject to shareholders' approval;
- 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, environmental, 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.

<u>Delegation of Authority and Duties by the Board</u>

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.

<u>Board Process and Attendance at Board, Board Committees and General Meetings</u>

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. Meeting materials and routine reports to the Board have been digitalised for access through a secure Board portal since end of 2017 as part of the Company's ongoing effort in reducing its carbon footprint by reducing usage of papers.

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 FY2022 are as follows:

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

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

<u>Investment Committee</u>

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 2022. 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 FY2022 includes the review and approval of, and where applicable, recommending to the Board for approval:

- New or additional investment proposals in Australia, China 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 viewed as 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 FY2022, comprising Nomination Committee members, Mr Dileep Nair and Mr Bikramjit Singh Thakral, and in consultation with 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 its 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-committee level, and constantly challenge in a rigorous and constructive manner the proposals proposed by Management and/or the major shareholder. In the view of the special committee, they have never failed 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. 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.

The Company is pleased to advise that its two long serving independent directors, Mr Natarajan Subramaniam and Mr Lee Ying Cheun have submitted themselves under the two-tier re-election at the Company's annual general meeting held on 29 April 2021 and obtained full shareholders' support to affirm their independence and continue to serve as independent directors in compliance with listing rule 210(5)(d)(iii). With the removal of the 2-tier voting and implementation of the 9-year tenure for independent directors, Mr Subramaniam, Mr Lee and Mr Nair will not be seeking re-election as Independent Directors at the Company's annual general meeting for the financial year ending 31 December 2023. The transitional arrangements provided by the SGX should enable smooth transition as well as planning, assessing and identifying suitable candidates to meet the future requirements for Board members.

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 and inclusive 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 and inclusivity 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. The Board does not have a quota for the number of women directors on the Board, and the number will be determined by the availability of suitable candidates. Gender diversity will be an important criterion under consideration when a vacancy on the Board is to be filled in future and the requirement by the SGX to replace long serving independent directors by the AGM in 2024, will be an opportune moment to achieve gender diversity.

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 enabling feedback from such meetings to be provided to the Board. Non-executive directors also meet with Management and where required, shall schedule visit to overseas offices to review and provide constructive guidance of the Group's key operations.

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 cognizant 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. A Special Committee of the Board is currently reviewing potential replacements for the 3 Independent Directors who will not be eligible for re-election as Independent Directors after the 2024 AGM in the current year as well as before April 2024.

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 non-executive directors, which includes the Chairman, have met once during FY2022 without Management's presence to discuss the Group's current and future operations and financial position. 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 and revised in December 2022.

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 regarding 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 in consideration of different time horizons for directors, in particular the appointment and/or replacement of the Chairman, CEO 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 FY2022 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;
- review of its terms of reference; and
- review of appointment of director on the Board of a principal subsidiary in Singapore.

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.

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 able 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 FY2022, the Nomination Committee confirmed 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 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.

CORPORATE
GOVERNANCE REPORT

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 its Committees had operated effectively. Board members concurred that the Chairman had 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 updated in December 2022. 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 to link rewards to the Group's 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 FY2022 included:

- review of proposed directors' fees;
- review and recommending of year-end bonuses, salary increments and extension of option expiry period;
- review and recommending the key performance indicators and guidelines for determining performance bonus for the chief executive and other senior management persons;
- discussion on disclosure of relationship between remuneration, performance and value creation;
- recommendation to the Board of a retirement scheme for long serving Directors and employees; 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. It has put in place a remuneration policy for directors and senior management to support the key strategies of the Group to create a strong performance-oriented environment, including to encourage value creation for the Group and its stakeholders, and be able to attract, develop and retain talent.

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 who have served more than ten years with the Group to be paid ex-gratia payments on retirement, death or permanent disability 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 growth 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 considers 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 considered where the non-executive director has rendered services beyond his normal duties. There were no payments in FY2022 for additional contributions.

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 considered 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 FY2022 is tabulated below:

Directors' Remuneration:

Name of Director	Remuneration	Fees	Salary	Bonus/ Ex-gratia	Benefits	Total
	S$'000	%	%	%	%	%
Inderbethal Singh Thakral	1,945.1	–	14	62	24	100
Kartar Singh Thakral	315.4	–	98	–	2	100
Natarajan Subramaniam	394.0[1]	100	–	–	–	100
Lee Ying Cheun	140.0	100	–	–	–	100
Dileep Nair	135.5	100	–	–	–	100
Bikramjit Singh Thakral	99.0	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 FY2022.

Key Management Personnel's Remuneration:

Name of Executive	Salary	Bonus/ Ex-gratia	Benefits	Total
	%	%	%	%
S$750,000 to S$1,000,000				
Kanwaljeet Singh Dhillon	38	34	28	100
S$500,000 to S$750,000				
Kevin Charles Barry	61	38	1	100
Greggory John Piercy	61	38	1	100
Victor Shkolnik	61	38	1	100
Anil Moolchand Daryanani	49	37	14	100
Torsten Stocker	78	21	1	100
S$250,000 to S$500,000				
Michael James Stubbs	73	26	1	100

No share options have been granted to any key management personnel during FY2022.

The aggregate remuneration paid/payable to the key management personnel (who are not directors or the CEO) for FY2022 was S$4,088,000.

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$500,000 to S$600,000				
Indergopal Singh Thakral	23	29	48	100
S$400,000 to S$500,000				
Satbir Singh Thakral	17	36	47	100
Ashmit Singh Thakral	94	–	6	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 an Executive Director of Thakral China Ltd while Ashmit is the Chief Financial Officer 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 FY2022.

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 FY2022.

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 FY2022. No share options were granted at a discount in FY2022, 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
		Exercise Price (S$)	Validity	No. of Options		
Kevin Charles Barry	–	99	*	7,500	–	7,500
	–	120	*	6,250	–	6,250
	–	135	*	5,800	–	5,800
	–	141	**	5,000	–	5,000
	–	**–**	**–**	**24,550**	**–**	**24,550**
Greggory John Piercy	–	99	*	7,500	–	7,500
	–	120	*	6,250	–	6,250
	–	135	*	5,800	–	5,800
	–	141	**	5,000	–	5,000
	–	**–**	**–**	**24,550**	**–**	**24,550**
Victor Shkolnik	–	99	*	7,500	–	7,500
	–	120	*	6,250	–	6,250
	–	135	*	5,800	–	5,800
	–	141	**	5,000	–	5,000
	–	**–**	**–**	**24,550**	**–**	**24,550**
Jiyuan Liu	–	99	*	6,000	–	6,000
	–	120	*	1,500	–	1,500
	–	135	*	1,500	–	1,500
	–	141	**	1,500	–	1,500
	–	**–**	**–**	**10,500**	**–**	**10,500**
Michael James Stubbs	–	120	*	4,000	–	4,000
	–	135	*	4,000	–	4,000
	–	141	**	3,500	–	3,500
	–	**–**	**–**	**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.

Details of the options granted have been disclosed in the Directors' Statement on page 75.

[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.

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 (including sanctions-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 half yearly 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 FY2022 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 (including sanctions-related), 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 (including sanctions-related), environmental and information technology risks as at the end of FY2022 and was concurred by the Audit Committee.

Sanctions-related risk disclosure

The United States Government has designated DJI/SZ DJI Technology Co., Ltd., one of the most popular drone makers in the world and one of the Group's suppliers, as a national security concern to prevent the transfer of technology from the US to the supplier.

After checking with DJI Technology, the Group has concluded that the designation by the US Government has no impact on the financials of the Group.

The Board and the Audit Committee shall be responsible for (a) monitoring the Group's risk of becoming subject to, or violating, any sanctions law; and (b) ensuring timely and accurate disclosures to SGX and other relevant authorities.

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 the formerly 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.

None of the Audit Committee members were ever a former partner or director of the Company's existing auditing firm, Deloitte & Touche LLP and none of them hold any financial interests in Deloitte & Touche LLP.

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 2022. While focusing in particular on the areas of financial reporting, risk management and internal controls, the Audit Committee has been tasked to:

- 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 ensure that the internal review of the identified processes relating to sustainability reporting be included in the internal audit plan, which should cover key aspects of the sustainability report, and that such internal review be conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors;
- 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 include the Committee's comments in the Annual Report on the Key Audit Matters included by the External Auditors in respect of the audit of the Group's financial statements;
- to meet and discuss problems and concerns, if any, arising from the 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 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 met thrice during FY2022, 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 (2004) 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) the re-appointment of the external auditors of the Group;

(g) an internal review of the Group's sustainability reporting processes has been performed; and

(h) 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 FY2022 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, Deloitte & Touche LLP which is registered with ACRA to meet its audit obligations in accordance with Rule 712 of the Listing Manual. The Company's Singapore-incorporated subsidiaries and associated company are audited by the same auditing firm of the Company in Singapore. Accordingly, the Company has complied with Rule 715 of the Listing Manual.

The Group has appointed the same global audit firm for its significant foreign-incorporated subsidiaries and associates except as stated in its audited financial statements for the year ended 31 December 2022. In respect of the entities not audited by Deloitte member firms, the Board and Audit Committee of the Company had reviewed and were satisfied with the competency, capabilities and independence of their auditors. For significant subsidiaries, the Company's auditors have also supervised the work of the component auditors including discussions throughout the audit, obtaining clearance reports and other deliverables and review of their working papers. The Company's Board and Audit Committee are therefore satisfied that the appointment of the relevant audit firms did not compromise the standard and effectiveness of the audit of the significant foreign subsidiaries and associates. Accordingly, the Company has also complied with Rule 716(1) of the Listing Manual.

The Board provides negative assurance confirmation to shareholders in relation to its unaudited half yearly 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 Da Hua Consulting, Shanghai, China 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.

Da Hua Consulting is the consulting arm of Da Hua Certified Public Accountants, China ("Da Hua"). Founded in 1985, Da Hua is one of the top 10 large-scale accounting firms in China, one of the first batch of domestic firms approved to engage in H-share listing audits, and a pilot firm carrying out the program for collectivized development of large-scale accounting firms launched by the Ministry of Finance of the People's Republic of China. In 2013, Da Hua joined Moore Global, the world's tenth largest accounting network and became its only coordinator and liaison office in China. Da Hua has more than 8,000 employees, including more than 1,500 Chinese certified public accountants, and about 200 professionals with certified public accountant qualifications in such developed countries as the United States, the United Kingdom, and Australia, who can provide international services.

The Head of Internal Audit for the Group holds a Certified Internal Auditor ('CIA') and Bachelor of Economics qualifications and is a partner at Da Hua Consulting. He was a former partner at Ruihua Certified Public Accountants, Shanghai (the former outsourced IA firm of the Group), leading the internal audit function of the companies under the Group for over 4 years and has more than 18 years of extensive experience in the fields of risk management, IT compliance advisory, internal audit, internal control advisory and business re-engineering.

The partner heading the Group's internal audit function and the team members have the relevant experience and qualifications to conduct the internal audit of the companies under the Group. He is assisted by an Internal Audit Manager and a Senior Internal Auditor.

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 half year, 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 two Key Audit Matters in their audit report of the Group for the year ended 31 December 2022.

- Valuation of financial assets measured at fair value through income statement
- Valuation of debt instruments measured at fair value through income statement

Both the matters identified by the External Auditors above relate to the methodology used for valuation of each class of assets 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 the respective valuations and bases on which such valuations are included in the Group's financial statements.

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

The Audit Committee also discussed the two Key Audit Matters with the External Auditors during which the assumptions, bases and methods used to arrive at the valuations as set out in Notes 2 and 3 of the financial statements were confirmed to be appropriate. The External Auditors also confirmed to the Committee that they agreed with the Group's treatment of the key accounting matters stated in their audit report.

Following the discussions with the External Auditors and Management, the Committee concluded that the methods used for estimating and arriving at the valuation of each of the above category of assets were both appropriate and in accordance 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 half yearly 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 28 February 2023, the Audit Committee reviewed and approved the policy and procedures statement and recommended certain updates to be made 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 2022 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
Emway Singapore Pte. Ltd. Sales, net of returns	Associate of controlling shareholder	4,331	–

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 or trade 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 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 decided to hold its general meetings electronically from 2020 till 2022. As part of this arrangement, shareholders were able to join the Company's 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 general meetings. In an effort to provide more interaction at virtual general meetings, the Company had arranged with its meeting vendor since 2021 to enable shareholders to join general meetings electronically instead via a webcast meeting. Thus, allowing shareholders to be able to ask questions in audio-visual mode during virtual general meetings. In 2022, shareholders were able to vote real-time during the Company's annual general meeting. The Company also took into consideration the new timeline to address shareholders' queries ahead of the proxy submission deadline and responded promptly to queries as well as additional queries ahead of the submission timeline.

The Company has taken note to organise a virtual information session to address shareholders' queries for certain corporate actions required by SGX should real-time online voting not be available.

In view of the easing pandemic, the Company will resume holding its forthcoming AGM physically to provide more interaction with its shareholders.

As part of the Company's continuous 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. Shareholders are also notified of all general meetings through printed notices of general meetings mailed to them together with the proxy form at least 14 days in advance to provide ample time for them to make arrangement to attend and participate in all general meetings. Additionally, 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 and sustainability reporting.

Management presents an update on the Group'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 at the AGM and all general meetings to address queries from shareholders. Shareholders will therefore be able to express 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.

The Company's Constitution allows shareholders who are unable to attend general meetings in person, 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. The grantor of the proxies is required 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 including but not limited to voting by mail, electronic mail or facsimile at general meetings of shareholders, the process has not been adopted in view of concerns over security, integrity and other related pertinent issues of such voting methods.

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 to 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.

For FY2022, an interim dividend of 2 cents per ordinary share was paid to shareholders on 25 August 2022, and a second interim dividend of 2 cents and a special interim dividend of 0.5 cent per ordinary share have been declared on 28 February 2023.

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 fully 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 2023 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 Consultancy 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, half yearly and full year financial statements, 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 always avoid selective disclosure. 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 material stakeholders, as part of its overall responsibility to ensure that the best interests of the Group are served.

CORPORATE
GOVERNANCE REPORT

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 the material stakeholder groups, various methods of engagement, key issues raised, and how our Company responded to them during FY2022 in working towards being a trusted partner in delivering innovative value streams:

Stakeholder Group	Mode of Engagement	Frequency	Areas of Concern	How We Responded
Investors	• General Meetings • Press Releases • Publications • Email/Phone Enquiries and Feedback	• Annually • Half yearly • Ad Hoc	• Higher financial return • Property management • Trend of premium beauty, fragrance 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
Customers	• Customer Feedback • Management Summit • Trade Shows & 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
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

Stakeholder Group	Mode of Engagement	Frequency	Areas of Concern	How We Responded
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

In FY2022, the Company has through its new sustainability consultancy conducted interviews and online survey to understand the key sustainability areas and concerns that are of importance to its material internal and external stakeholder groups respectively. The results analysis for FY2022 has provided guidance and helped to re-align the importance of relevant economic, environmental, social and governance topics for development of the Company's sustainability reporting direction.

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 financial year ended December 31, 2022.

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 82 to 155 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, 2022, 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 statement are:

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

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 for the options mentioned in paragraph 4 of the Directors' statement.

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 1967 except as disclosed below:

Name of directors and companies in which interests are held	Shareholdings in which directors are deemed to have an interest	
	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 1967, 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.

The directors' interest in the share capital and debentures of the Company at January 21, 2023 were the same at December 31, 2022.

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 no new options granted in 2022 under the TCH scheme. No share options were granted at a discount during the financial year and no options were granted to directors and controlling shareholders of the Company and their associates.

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

Date of grant	At beginning of financial year	Granted	At end of financial 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
	98,300	–	98,300		

The share 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 share 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 Audit Committee are:

Natarajan Subramaniam (Chairman)
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;

1 (a) The separate listing on a recognised stock exchange of TCH or its successor in title 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)

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

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

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

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

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, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THAKRAL CORPORATION LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the 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, 2022, and the consolidated statement of 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 82 to 155.

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 1967 (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, 2022 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 *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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (CONTINUED)

Key audit matters	How the matter was addressed in the audit
Valuation of financial assets measured at fair value through income statement	
As at December 31, 2022, the Group has unquoted equity investments in Japan which is classified as financial assets measured at fair value through income statement ("FVTIS") amounting to S$46,743,000. The fair values of the financial assets measured at FVTIS are estimated based on the Group's share of the adjusted net asset values of the investee companies, which approximate the fair values as at the end of the reporting period. The investee companies are property-holding companies, which own office and hotel properties in Japan. The fair values of these properties have been determined on the basis of valuations carried out by external independent professional valuers. The fair valuation of the financial assets measured at FVTIS is considered to be a matter of significance as the valuation process requires the application of judgement in determining the appropriate valuation methodology and use of subjective assumptions, including fair values of the underlying properties held by the investee companies, and adjustments made to market-based data and benchmarks for any difference in nature, location or condition of the specific properties. A change in these key assumptions will likely have an impact on the valuation. The Group has made disclosures on these financial assets measured at FVTIS in Note 20 to the consolidated financial statements.	Our audit procedures included the following: a) assessed the design and implementation of key controls over management's review of the valuation of financial assets measured at FVTIS; b) reviewed the latest financial information of the investee companies used by the Group in determining the net assets values of the investee companies; c) assessed the competency, objectivity and capabilities of the independent professional valuers for the property valuations; d) evaluated management's process of appointment and determination of the scope of work of the independent professional valuers for the property valuations, as well as their process of reviewing, and accepting the independent professional valuers' valuation and valuation methodology; and e) involved our internal valuation specialist, where appropriate, to assist us in evaluating the appropriateness of the valuation methodology applied and key assumptions used. Based on procedures performed, we noted that the valuation methods and key assumptions used to be within the reasonable range of our expectations. We have also reviewed the adequacy and appropriateness of disclosures made in the consolidated financial statements.

INDEPENDENT
AUDITOR'S REPORT
TO THE MEMBERS OF THAKRAL CORPORATION LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (CONTINUED)

Key audit matters	How the matter was addressed in the audit
Valuation of debt instruments measured at fair value through income statement	
As at December 31, 2022, the Group has debt instruments measured at fair value through income statement ("FVTIS") amounting to S$65,817,000, which pertains to debts extended to third parties and joint venture entities for property development projects in Australia. These debt instruments carry fixed interest rate on the principal amount outstanding and entitlement to share variable returns less withholding tax at the relevant rate from the investments. The fair values of the debt instruments measured at FVTIS are estimated using the discounted cash flow model. The determination of the cash flows projections, particularly the key assumptions for the variable returns, involve high degree of judgement and is subject to significant estimation uncertainty. These key assumptions include discount rate, 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. A change in these key assumptions will likely have an impact on the valuation. The Group has made disclosures on these debt instruments measured at FVTIS in Note 11 to the consolidated financial statements.	Our audit procedures included the following: a) assessed the design and implementation of key controls over management's review of the valuation of debt instruments measured at FVTIS; b) assessed the discounted cash flow model and evaluated the appropriateness of management's basis and reasonableness of key assumptions on the variable returns used in estimating the fair value of the debt instruments; c) Corroborated key inputs, including the discount rate used in the valuation by comparing them against historical information and market factors; and d) verified to project status reports to ascertain the progress of property development projects and any indicators of project cost over-runs and losses that may affect the counterparties' ability to repay the debt instruments. Based on procedures performed, we noted that the key assumptions and estimates to be within the reasonable range of our expectations. We have also reviewed the adequacy and appropriateness of the 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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 Aw Xin-Pei.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

March 30, 2023

STATEMENTS OF
FINANCIAL POSITION

DECEMBER 31, 2022

		Group			Company	
	Note	Dec 31 2022	Dec 31 2021	Jan 1 2021	2022	2021
		S$'000	S$'000 (Restated)	S$'000 (Restated)	S$'000	S$'000
ASSETS						
Current assets						
Cash and bank balances	7	**20,058**	9,678	5,816	**2,380**	769
Derivative financial instruments	8	**128**	–	–	**–**	–
Trade receivables	9	**12,714**	12,245	7,355	**–**	–
Other receivables and prepayments	10	**6,073**	7,989	5,227	**146**	150
Amounts owing by a subsidiary corporation	17	**–**	–	–	**1,256**	1,250
Debt instruments measured at fair value through income statement and amortised cost	11	**21,790**	18,663	21,664	**–**	–
Inventories	12	**17,832**	14,745	8,321	**–**	–
Assets held for sale	13	**6,299**	19,755	13,787	**–**	–
Total current assets		**84,894**	83,075	62,170	**3,782**	2,169
Non-current assets						
Other receivables	10	**4,472**	4,564	10,089	**–**	–
Debt instruments measured at fair value through income statement and amortised cost	11	**48,700**	56,715	54,366	**–**	–
Property, plant and equipment	14	**1,375**	1,555	1,636	**18**	16
Right-of-use assets	15	**491**	1,310	873	**–**	–
Investment properties	16	**31,158**	29,746	45,218	**–**	–
Subsidiary corporations	17	**–**	–	–	**103,093**	103,116
Joint ventures	18	**67,678**	45,773	21,534	**–**	–
Associates	19	**60,776**	75,042	73,890	**–**	–
Financial assets measured at fair value through income statement	20	**49,328**	51,609	45,757	**1,681**	1,681
Total non-current assets		**263,978**	266,314	253,363	**104,792**	104,813
Total assets		**348,872**	349,389	315,533	**108,574**	106,982

See accompanying notes to financial statements.

STATEMENTS OF
FINANCIAL POSITION

DECEMBER 31, 2022

	Note	Group Dec 31 2022	Group Dec 31 2021	Group Jan 1 2021	Company 2022	Company 2021
		S$'000	S$'000 (Restated)	S$'000 (Restated)	S$'000	S$'000
LIABILITIES AND EQUITY						
Current liabilities						
Trade and bills payables	21	**4,178**	3,086	1,222	**–**	–
Trust receipts	22	**21,141**	23,108	14,027	**–**	–
Bank and other borrowings	23	**21,275**	24,383	24,662	**1,256**	1,250
Lease liabilities	24	**342**	791	556	**–**	–
Other payables	25	**24,676**	22,676	14,110	**1,066**	854
Provisions	26	**6,131**	3,021	2,813	**52**	52
Income tax payable		**1,022**	1,157	1,522	**–**	–
Total current liabilities		**78,765**	78,222	58,912	**2,374**	2,156
Non-current liabilities						
Amount owing to subsidiary corporations	17	**–**	–	–	**12,885**	11,698
Bank and other borrowings	23	**8,466**	12,455	13,619	**1,733**	2,957
Lease liabilities	24	**135**	545	251	**–**	–
Other payables	25	**1,274**	667	379	**–**	–
Deferred tax liability	27	**31,932**	24,612	17,775	**–**	–
Total non-current liabilities		**41,807**	38,279	32,024	**14,618**	14,655
Capital, reserves and non-controlling interests						
Issued capital	28	**71,838**	72,579	72,579	**71,838**	72,579
Reserves	29	**81,549**	81,724	76,501	**19,744**	17,592
Equity attributable to equity holders of the Company		**153,387**	154,303	149,080	**91,582**	90,171
Non-controlling interests		**74,913**	78,585	75,517	**–**	–
Total equity		**228,300**	232,888	224,597	**91,582**	90,171
Total liabilities and equity		**348,872**	349,389	315,533	**108,574**	106,982

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

YEAR ENDED DECEMBER 31, 2022

	Note	Group 2022 S$'000	Group 2021 S$'000 (Restated)
Revenue	31	**160,422**	127,796
Cost of sales		**(121,200)**	(99,933)
Gross profit		**39,222**	27,863
Other operating income	32	**3,279**	1,065
Distribution costs		**(6,647)**	(5,673)
Administration expenses		**(28,048)**	(20,718)
Other operating expenses		**(1,306)**	(623)
Share of profit of associates and joint ventures	18, 19	**30,972**	37,041
Finance income		**45**	22
Finance costs	33	**(2,336)**	(2,281)
Fair value gains on investment properties and assets held for sale, net	13, 16	**1,412**	3,330
Profit before income tax		**36,593**	40,026
Income tax	34	**(10,019)**	(9,358)
Profit for the year	35	**26,574**	30,668
Profit attributable to:			
Equity holders of the Company		**18,617**	19,207
Non-controlling interests		**7,957**	11,461
		26,574	30,668
Basic earnings per share (cents)	37	**14.23**	14.68
Diluted earnings per share (cents)	37	**14.23**	14.68
Profit for the year		**26,574**	30,668
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign exchange differences on translation of foreign operations		**(22,139)**	(14,212)
Other comprehensive loss for the year, net of tax		**(22,139)**	(14,212)
Total comprehensive income for the year		**4,435**	16,456
Total comprehensive income (loss) attributable to:			
Equity holders of the Company		**5,052**	10,438
Non-controlling interests		**(617)**	6,018
		4,435	16,456

See accompanying notes to financial statements.

STATEMENTS OF
CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2022

		Reserves							
	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, 2021	72,579	(9,084)	763	36	(257)	83,874	147,911	75,127	223,038
Prior year adjustment (Note 41)	–	–	–	–	–	1,169	1,169	390	1,559
Balance at January 1, 2021, as restated	72,579	(9,084)	763	36	(257)	85,043	149,080	75,517	224,597
Total comprehensive income for the year:									
Profit for the year, as restated	–	–	–	–	–	19,207	19,207	11,461	30,668
Other comprehensive loss for the year	–	–	–	(2)	(8,767)	–	(8,769)	(5,443)	(14,212)
Total	–	–	–	(2)	(8,767)	19,207	10,438	6,018	16,456
Transactions with equity holders of the Company, recognised directly in equity:									
Cash contributions from non-controlling shareholders in a subsidiary corporation	–	–	–	–	–	–	–	596	596
Dividends (Note 36)	–	–	–	–	–	(5,234)	(5,234)	–	(5,234)
Dividends to non-controlling shareholders	–	–	–	–	–	–	–	(3,552)	(3,552)
Recognition of share-based payments of a subsidiary corporation	–	–	–	19	–	–	19	6	25
Transfer from asset revaluation reserve to retained earnings on disposal of assets held for sale	–	–	(763)	–	–	763	–	–	–
Total	–	–	(763)	19	–	(4,471)	(5,215)	(2,950)	(8,165)
Balance at December 31, 2021, as restated	72,579	(9,084)	–	53	(9,024)	99,779	154,303	78,585	232,888

See accompanying notes to financial statements.

STATEMENTS OF
CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2022

	Issued capital	Reserves: Capital reserve	Reserves: Options reserve	Reserves: 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
Group								
Balance at January 1, 2022	72,579	(9,084)	53	(9,024)	99,779	154,303	78,585	232,888
Total comprehensive income for the year:								
Profit for the year	–	–	–	–	18,617	18,617	7,957	26,574
Other comprehensive loss for the year	–	–	(4)	(13,561)	–	(13,565)	(8,574)	(22,139)
Total	–	–	(4)	(13,561)	18,617	5,052	(617)	4,435
Transactions with equity holders of the Company, recognised directly in equity:								
Cancellation of purchased shares	(741)	–	–	–	–	(741)	–	(741)
Cancellation of shares of a subsidiary corporation purchased from a non-controlling shareholder	–	–	–	–	–	–	(1,222)	(1,222)
Dividends (Note 36)	–	–	–	–	(5,234)	(5,234)	–	(5,234)
Dividends to non-controlling shareholders	–	–	–	–	–	–	(1,835)	(1,835)
Recognition of share-based payments of a subsidiary corporation	–	–	7	–	–	7	2	9
Total	(741)	–	7	–	(5,234)	(5,968)	(3,055)	(9,023)
Balance at December 31, 2022	71,838	(9,084)	56	(22,585)	113,162	153,387	74,913	228,300

See accompanying notes to financial statements.

STATEMENTS OF
CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2022

	Issued capital	Retained earnings	Total
	S$'000	S$'000	S$'000
Company			
Balance at January 1, 2021	72,579	16,910	89,489
Profit for the year, representing total comprehensive income for the year	–	5,916	5,916
Dividends (Note 36), representing transactions with equity holders of the Company, recognised directly in equity	–	(5,234)	(5,234)
Balance at December 31, 2021	72,579	17,592	90,171
Profit for the year, representing total comprehensive income for the year	–	7,386	7,386
Transactions with equity holders of the Company, recognised directly in equity:			
Dividends (Note 36)	–	(5,234)	(5,234)
Cancellation of purchased shares	(741)	–	(741)
Balance at December 31, 2022	**71,838**	**19,744**	**91,582**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

YEAR ENDED DECEMBER 31, 2022

	Group	
	2022	2021
	S$'000	S$'000 (Restated)
OPERATING ACTIVITIES		
Profit before income tax	**36,593**	40,026
Adjustments for:		
Depreciation for property, plant, and equipment and right-of-use assets	**1,186**	1,500
Share of profit of associates and joint ventures	**(30,972)**	(37,041)
Fair value gain and interest income on debt instruments measured at FVTIS and amortised cost	**(13,588)**	(6,192)
Fair value gain on financial assets measured at FVTIS	**(5,660)**	(5,547)
Interest expense	**2,336**	2,281
Interest income	**(45)**	(22)
Gain on disposal of financial assets measured at FVTIS	**(2,212)**	–
Gain on disposal of investment properties and assets held for sale	**(966)**	(706)
Gain on disposal of property, plant and equipment	**(26)**	(6)
Fair value loss on derivative financial instruments	**270**	–
Fair value gains on investment properties and assets held for sale	**(1,412)**	(3,330)
Net unrealised foreign exchange loss	**898**	292
Share-based payment expenses	**9**	25
Provision for employee benefits	**3,519**	299
Allowance for inventories	**857**	573
Impairment loss recognised on trade receivables	**309**	206
Impairment loss recognised on other receivables	**95**	151
Operating cash flows before movements in working capital	**(8,809)**	(7,491)
Trade receivables	**(1,076)**	(4,987)
Other receivables and prepayments	**1,289**	(1,429)
Inventories	**(4,491)**	(6,796)
Trade payables and bills payables	**1,225**	1,845
Other payables and provisions	**3,740**	8,321
Cash used in operations	**(8,122)**	(10,537)
Income tax refunded (paid)	**115**	(1,472)
Interest paid	**(2,807)**	(2,046)
Interest received	**34**	33
Net cash used in operating activities	**(10,780)**	(14,022)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF
CASH FLOWS

YEAR ENDED DECEMBER 31, 2022

	Group	
	2022	2021
	S$'000	S$'000 (Restated)
INVESTING ACTIVITIES		
Additions to property, plant and equipment	**(288)**	(366)
Proceeds from disposal of property, plant and equipment	**76**	6
Investments in associates	**–**	(577)
Capital return from an associate	**8,918**	5,502
Dividend received from an associate	**842**	–
Additions to joint ventures	**–**	(728)
Additions to financial assets measured at FVTIS	**(899)**	(1,691)
Dividend received from financial assets measured at FVTIS	**–**	3,467
Proceeds from disposal of financial assets measured at FVTIS	**4,855**	–
Repayments of debt instruments measured at FVTIS and amortised cost	**20,387**	9,679
Additions to debt instruments measured at FVTIS and amortised cost	**(6,813)**	(8,287)
Proceeds from disposal of investment properties and assets held for sale	**13,051**	12,553
Net cash from investing activities	**40,129**	19,558
FINANCING ACTIVITIES		
Purchase of shares for cancellation	**(741)**	–
Dividends paid to non-controlling shareholders in subsidiary corporations	**(1,835)**	(3,552)
Dividends paid	**(5,234)**	(5,234)
Cash contributions from non-controlling shareholders in subsidiary corporations	**–**	596
Purchase of shares of a subsidiary corporation from a non-controlling shareholder for cancellation	**(1,222)**	–
Increase in fixed deposits with maturities exceeding three months	**(131)**	(15)
(Increase) Decrease in pledged fixed deposits	**(136)**	39
Proceeds from trust receipts	**89,566**	79,490
Repayments of trust receipts	**(91,490)**	(70,503)
(Decrease) Increase in factoring loan	**(309)**	287
Repayments of lease liabilities	**(848)**	(948)
Proceeds from bank and other borrowings	**5,791**	23,590
Repayments of bank and other borrowings	**(11,509)**	(25,293)
Additions to derivative financial instruments	**(401)**	–
Net cash used in financing activities	**(18,499)**	(1,543)
Net increase in cash and cash equivalents	**10,850**	3,993
Cash and cash equivalents at beginning of year (Note 7)	**6,721**	2,873
Net effect of exchange rate changes in the balance of cash held in foreign currencies	**(791)**	(145)
Cash and cash equivalents at end of year (Note 7)	**16,780**	6,721

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 17.

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, 2022 were authorised for issue by the Board of Directors on March 30, 2023.

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 1967 and Singapore Financial Reporting Standards (International) ("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.

ADOPTION OF NEW AND REVISED STANDARDS - On January 1, 2022, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are mandatorily effective and are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the disclosures or on the amounts reported for the current or prior years.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At the date of authorisation of these financial statements, the Group and the Company have not applied the following SFRS(I) pronouncements that have been issued but are not yet effective:

Effective for annual periods beginning on or after January 1, 2024

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-1 and SFRS(I): *Practice Statement 2: Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

The management does not expect that the adoption of the amendments to SFRS(I) in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary corporation.

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation. Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

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.

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 *Financial Instruments* when applicable, or 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 businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest 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)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognition 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.

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, 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.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised in the Group's 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.

<u>Financial assets</u>

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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.

<u>Classification of financial assets</u>

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of financial assets (CONTINUED)

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 foregoing 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 debt instruments and of allocating interest income over the relevant period.

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 instruments on initial recognition.

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. 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets at FVTIS

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

- Investments in equity instruments are classified as at FVTIS, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- 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 profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in income statement 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, exchange differences are recognised in profit or loss in the "other operating income/expenses" line item; and

- for financial assets measured at FVTIS, exchange differences are recognised in profit or loss in the "other operating income/expenses" line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on trade receivables, other receivables, debt instruments measured at amortised cost and financial guarantee contracts. 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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;
- significant increases in credit risk on other financial instruments of the same 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.

Despite the foregoing, 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 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 financial guarantee contracts, the Group considers changes in the risk that the specified debtor will default on the contract.

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 financial assets 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).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 180 days past due, unless the Group has reasonable and supportable information to demonstrate otherwise.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 financial guarantee contracts, 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 financial guarantee contracts, 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.

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, except for trade receivables for which the simplified approach was used.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Trade and other payables, bills payable and trust receipts are subsequently measured at amortised cost, using the effective interest method, except for short-term balances when the effect of discounting is immaterial.

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.

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 at FVTIS, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Derivative financial instruments

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, investments in associates and financial assets measured at FVTIS 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.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the group has both a legally enforceable right and intention to offset. 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Group as lessee (CONTINUED)

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

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.

Depreciation is recognised so as to write off the cost of assets over the shorter period of lease term and useful life of the assets using the straight-line method, on the following bases:

Office space	-	2 to 3 years
Apartments	-	2 years
Warehouses	-	2 years
Motor vehicles	-	3 years

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.

CASH AND CASH EQUIVALENTS - In the statement of financial position, cash and bank balances comprise cash and bank balances, and fixed deposits. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

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, whichever is earlier
Leasehold improvements, furniture and fixtures and office equipment	-	4 to 10 years
Motor vehicles	-	5 years

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 VENTURES - An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

If there is objective evidence that the group's net investment in an associate or joint venture is impaired, the requirements of SFRS(I) 1-36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in an associate or a 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.

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 - 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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, fragrance 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management fees and service income

Management fee and service income is recognised at a point in time on an accrual basis.

Rental income

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

Fair value changes on debt instruments measured at FVTIS and financial assets measured at FVTIS

Debt instruments measured at FVTIS and financial assets measured at FVTIS are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss.

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.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax is the tax expected to be payable or recoverable 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiary corporations and interests in joint ventures and associates 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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Exchange differences are recognised in profit or loss for the period in which they arise except for:

- exchange differences on transactions entered in exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

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 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.

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.

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).

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

Critical judgements in applying the entity's accounting policies (CONTINUED)

(i) Accounting for entities under TMK structure (CONTINUED)

TMK Legal 1 and TMK Japan TCAP are accounted for as associate companies using the equity method with share of profits of 93.4% (45.2% preferred shares (include rights to dividends and residual assets) and 48.2% 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 judgement 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) Valuation of financial assets measured at FVTIS

As at December 31, 2022, the Group has unquoted equity investments in Japan which is classified as financial assets measured at fair value through income statement ("FVTIS") as disclosed in Note 20 to the consolidated financial statements.

The fair values of the financial assets measured at FVTIS are estimated based on the Group's share of the adjusted net asset values of the investee companies, which approximate the fair values as at the end of the reporting period. The investee companies are property-holding companies, which own office and hotel properties in Japan. The fair values of these properties have been determined on the basis of valuations carried out by external independent professional valuers.

The fair valuation of the financial assets measured at FVTIS is considered to be a matter of significance as the valuation process requires the application of judgement in determining the appropriate valuation methodology and use of subjective assumptions, including fair values of the underlying properties held by the investee companies, and adjustments made to market-based data and benchmarks for any difference in nature, location or condition of the specific properties. A change in these key assumptions will likely have an impact on the valuation.

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

Key sources of estimation uncertainty (CONTINUED)

(ii) Valuation of debt instruments measured at FVTIS

As at December 31, 2022, the Group has debt instruments measured at fair value through income statement ("FVTIS") as disclosed in Note 11 to the consolidated financial statements, which pertains to debts extended to third parties and joint venture entities for property development projects in Australia. These debt instruments carry fixed interest rate on the principal amount outstanding and entitlement to share variable returns less withholding tax at the relevant rate from the investments.

The fair values of the debt instruments measured at FVTIS are estimated using the discounted cash flow model. The determination of the cash flows projections, particularly the key assumptions for the variable returns, involve high degree of judgement and is subject to significant estimation uncertainty. These key assumptions include discount rate, 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. A change in these key assumptions will likely have an impact on the valuation.

(iii) 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 of disposal 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 as disclosed in Note 17.

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	
	2022	2021	2022	2021
	S$'000	S$'000 (Restated)	S$'000	S$'000
Financial assets				
Financial assets at amortised cost	**43,785**	28,960	**3,683**	2,062
Financial assets mandatorily at FVTIS	**115,145**	126,987	**1,681**	1,681
Derivative financial instruments	**128**	–	**–**	–
Financial liabilities				
Financial liabilities at amortised cost	**76,474**	80,223	**16,940**	16,759
Lease liabilities	**477**	1,336	**–**	–

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

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

(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 limit. 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 which are provided to key management are disclosed in Notes 9, 10 and 11 respectively.

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 56% (2021: 49%) of the total trade and other receivables (excluding advances to suppliers and prepayments) were due from the Group's ten largest customers.

Cash and cash equivalents held with reputable financial institutions have high credit ratings assigned by international credit rating agencies and are considered to have low credit risk. The cash and cash equivalents are measured at 12-months expected credit losses and are subject to immaterial credit loss.

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, trust receipts and 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 income tax for the year ended December 31, 2022 of the Group would decrease/increase by S$222,000 (2021: S$257,000).

(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 from time to time.

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:

	Assets		Liabilities	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Group				
United States dollar	**13,695**	19,137	**41,405**	14,528
Hong Kong dollar	**28,839**	10,681	**33,540**	20,784
Australian dollar	**4,047**	1,806	**5,129**	–
Japanese yen	**9**	833	**11,885**	293
Company				
United States dollar	**1,903**	523	**–**	–
Hong Kong dollar	**1,256**	–	**6,668**	6,286
Australian dollar	**–**	1	**–**	–
Japanese yen	**5**	1,966	**6,203**	5,382

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.

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

	Profit for the year		Other equity	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Group				
Impact on:				
United States dollar	**2,805**	(469)	**(20)**	8
Hong Kong dollar	**4,529**	1,005	**(94)**	5
Australian dollar	**(407)**	(180)	**2**	–
Japanese yen	**1,190**	(54)	**(3)**	–
Company				
Impact on:				
United States dollar	**(190)**	(52)	**–**	–
Hong Kong dollar	**541**	629	**–**	–
Australian dollar	**–**	–	**–**	–
Japanese yen	**620**	(35)	**–**	–

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 conversely as in the above table.

The Group's sensitivity to foreign currencies has increased in relation to the United States dollar during the current year mainly due to the increase in trust receipts 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 increased in the year due to higher 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 in trust receipts 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, 2022						
Non-interest bearing	**–**	**24,318**	**1,274**	**–**	**–**	**25,592**
Lease liabilities	**3.83**	**405**	**137**	**–**	**(65)**	**477**
Fixed interest rate instruments	**4.90**	**3,428**	**3,564**	**–**	**(317)**	**6,675**
Variable interest rate instruments	**6.37**	**42,126**	**4,878**	**–**	**(2,797)**	**44,207**
		70,277	**9,853**	**–**	**(3,179)**	**76,951**
December 31, 2021						
Non-interest bearing	–	20,277	–	–	–	20,277
Lease liabilities	3.69	883	561	–	(108)	1,336
Fixed interest rate instruments	6.28	1,764	7,587	–	(561)	8,790
Variable interest rate instruments	2.47	47,439	5,011	–	(1,294)	51,156
		70,363	13,159	–	(1,963)	81,559
Company						
December 31, 2022						
Non-interest bearing	**–**	**1,066**	**8,308**	**–**	**–**	**9,374**
Fixed interest rate instruments	**1.96**	**1,347**	**6,369**	**–**	**(150)**	**7,566**
		2,413	**14,677**	**–**	**(150)**	**16,940**
December 31, 2021						
Non-interest bearing	–	854	6,452	–	–	7,306
Fixed interest rate instruments	2.05	1,355	8,293	–	(195)	9,453
		2,209	14,745	–	(195)	16,759

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 and the Group 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$41,556,000 (2021: S$43,627,000). The earliest period that the guarantee could be called is within 1 year (2021: 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. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

(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 debt instruments measured at FVTIS (Note 11) and financial assets measured at FVTIS (Note 20) of the Group and the Company are measured on level 3 of the fair value hierarchy.

Financial assets measured at fair value based on level 3

	Derivative financial instruments	Financial assets measured at FVTIS	Debt instruments measured at FVTIS
	S$'000	S$'000	S$'000
Group			
As at January 1, 2021	–	45,757	71,704
Additions	–	1,691	8,287
Repayments	–	–	(9,679)
Fair value gain for the year	–	5,547	6,192
Transfer	–	2,717	1,609
Translation adjustment	–	(4,103)	(2,735)
As at December 31, 2021	–	51,609	75,378
Additions	401	899	2,036
Disposal	–	(2,643)	–
Repayments	–	–	(20,387)
Fair value (loss) gain for the year	(270)	5,660	13,480
Translation adjustment	(3)	(6,197)	(4,690)
As at December 31, 2022	**128**	**49,328**	**65,817**

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 (CONTINUED)

	Financial assets measured at FVTIS
	S$'000
Company	
As at January 1, 2021	–
Additions	1,681
As at December 31, 2021 and December 31, 2022	**1,681**

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 of the Japanese investment had been 3% higher or lower while all other variables were held constant, the profit before income tax for the year would increase or decrease by S$3,042,000 (2021: S$2,616,000) respectively.

(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 equity holders 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, 2022, the Group's gearing ratio is 0.33 (2021: 0.41).

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

(c) *Capital management policies and objectives* (CONTINUED)

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, 2021 and 2022.

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 the previous financial year.

5 RELATED COMPANY TRANSACTIONS

The Company is a subsidiary of Thakral Group Limited, incorporated in Singapore, by virtue of its 50.7% shareholding in the Company. The parent company does not prepare consolidated financial statements available for public use.

Related companies in these financial statements refer to members of the ultimate holding company's group of companies. 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 17.

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.

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

	2022		2021	
	Company	Group	Company	Group
	S$'000	S$'000	S$'000	S$'000
Sales, net of returns	–	4,588	–	214
Sales to joint ventures, net of returns	–	475	–	865
Purchases, net of returns	–	(453)	–	(1,069)
Purchases from joint ventures, net of returns	–	(36)	–	(4)
Service fees paid	–	(118)	–	(97)
Commission paid	–	(1)	–	(4)
Interest expenses	–	(29)	–	(234)
Rental income	–	1,221	–	1,221
Lease payments under operating lease	(18)	–	(18)	–

6 RELATED PARTY TRANSACTIONS (CONTINUED)

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2022	**2021**
	S$'000	**S$'000**
Short-term benefits	**7,081**	8,725
Post-employment benefits	**15**	15
	7,096	8,740

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	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Fixed deposits	**393**	271	**–**	–
Pledged fixed deposits	**2,391**	2,694	**–**	–
Cash and bank balances	**17,274**	6,713	**2,380**	769
Current	**20,058**	9,678	**2,380**	769
Less:				
Fixed deposits with maturities exceeding three months	**(387)**	(263)	**–**	–
Fixed deposits that have been placed with banks against trust receipts	**(2,391)**	(2,694)	**–**	–
Pledged deposits that have been placed with banks against bank loan	**(500)**	–	**–**	–
Cash and cash equivalents in the consolidated statement of cash flows	**16,780**	6,721	**2,380**	769

Fixed deposits bear interest at an average effective interest rate of 1.57% (2021: 0.79%) per annum and are for a weighted average tenure of approximately 275 days (2021: 239 days).

8 DERIVATIVE FINANCIAL INSTRUMENTS

	Group	
	2022	2021
	S$'000	S$'000
Foreign exchange option	128	–

The total notional amount of outstanding forward foreign exchange option to which the Group entered into 2022 were as follows:

Outstanding contracts	Contractual exchange rate		Foreign currency	Contract value	Fair value
			US$'000	JPY'000	S$'000
USD call JPY put (less than 1 year)	138.78	JPY/USD	2,000	277,560	26
USD call JPY put (less than 1 year)	134.65	JPY/USD	5,000	673,250	102
			7,000	950,810	128

At December 31, 2022, the fair value of the Group's currency derivatives was estimated to be approximately S$128,000, which also represents the changes in the fair value of non-hedging currency derivatives charged to profit or loss in the year.

Derivatives are classified as Level 2 instruments. The Group manage the foreign currency exposures by using the foreign currency option.

9 TRADE RECEIVABLES

	Group	
	2022	2021
	S$'000	S$'000
Trade receivables	**14,157**	13,211
Management fee and other service income receivable	**1**	216
Less: loss allowance	**(1,444)**	(1,182)
	12,714	12,245

Included in trade receivables is an amount of S$839,000 (2021: S$643,000) due from related parties and joint ventures (Note 6).

The average credit period on sale of goods is 28 days (2021: 28 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.

9 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, 2022						
Expected credit loss rate	**1.77%**	**2.42%**	**2.74%**	**2.97%**	**94.67%**	
Estimated total gross carrying amount at default	**9,573**	**2,560**	**329**	**438**	**1,258**	**14,158**
Lifetime ECL	**(169)**	**(62)**	**(9)**	**(13)**	**(1,191)**	**(1,444)**
						12,714
December 31, 2021						
Expected credit loss rate	2.33%	3.21%	3.05%	2.27%	66.84%	
Estimated total gross carrying amount at default	10,576	996	393	132	1,330	13,427
Lifetime ECL	(246)	(32)	(12)	(3)	(889)	(1,182)
						12,245

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 - Non credit-impaired, individually assessed	Lifetime ECL - credit-impaired	Total
	S$'000	S$'000	S$'000
Group			
Balance as at January 1, 2021	254	709	963
Net re-measurement of loss allowance	50	156	206
Amounts written off	(5)	–	(5)
Translation adjustment	18	–	18
Balance as at December 31, 2021	317	865	1,182
Net re-measurement of loss allowance	(8)	317	309
Amounts written off	–	(22)	(22)
Translation adjustment	(25)	–	(25)
Balance as at December 31, 2022	**284**	**1,160**	**1,444**

9 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.

10 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	**S$'000**	**S$'000**	**S$'000**
Advances	**2,875**	4,311	**–**	–
Deposits	**1,260**	1,101	**4**	4
Value added tax/Tax recoverable	**609**	1,078	**17**	5
Prepayments	**1,118**	1,316	**82**	102
Interest receivable	**19**	9	**–**	–
Dividends receivable	**2,946**	3,376	**–**	–
Others	**1,808**	1,510	**43**	39
Less: loss allowance	**(90)**	(148)	**–**	–
Total	**10,545**	12,553	**146**	150
Less: Non-current other receivables and prepayments	**(4,472)**	(4,564)	**–**	–
Classified as current other receivables and prepayments	**6,073**	7,989	**146**	150

Included in others is an amount of S$1,000 (2021: S$33,000) for reimbursement of expense from related parties and joint ventures (Note 6). The Group monitors the credit risk of other receivables that are in scope of SFRS(I) 9 based on the past due information to assess if there is any significant increase in credit risk. 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.

Movements in loss allowances for other receivables were as follows:

	Group	
	2022	2021
	S$'000	**S$'000**
Balance at beginning of year	**148**	–
Translation adjustment	**(9)**	(3)
Charge for the year	**95**	151
Amounts written-off	**(144)**	–
Balance at end of year	**90**	148

11 DEBT INSTRUMENTS MEASURED AT FAIR VALUE THROUGH INCOME STATEMENT AND AMORTISED COST

	Group	
	2022	**2021**
	S$'000	**S$'000**
Debt instruments:		
Current		
At fair value	**17,117**	18,663
At amortised cost	**4,673**	–
	21,790	18,663
Non-current		
At fair value	**48,700**	56,715
Total	**70,490**	75,378

The debt instruments amounting S$70,490,000 (2021: S$75,378,000) 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 debt instruments are denominated in Australian Dollars.

Debt instruments amounting to S$48,231,000 (2021: S$46,114,000) are extended to the joint venture entities and the remaining balances is to third parties for development projects in Australia.

Gain on the fair value of debt instruments measured at FVTIS, amounting to S$13,422,000 (2021: S$6,192,000) have been included in profit or loss for the year as part of "revenue".

Description	Fair values Dec 31, 2022	Fair values Dec 31, 2021	Fair value hierarchy	Valuation technique(s)	Significant unobservable input(s)	Average rate
	S$'000	**S$'000**				
Unquoted debt instruments at FVTIS	**65,817**	75,378	Level 3	Discounted cash flows	Discount rates	14% (2021: 16%)

Any significant isolated (decreases) increases in these inputs would result in a significantly higher (lower) fair value measurement.

12 INVENTORIES

	Group	
	2022	**2021**
	S$'000	**S$'000**
Finished goods and goods for resale	**17,832**	14,745

The cost of inventories recognised as an expense includes a charge of S$857,000 (2021: S$573,000) in respect of allowance for adjustment in carrying value of inventories to net realisable value.

13 ASSETS HELD FOR SALE

	Group	
	2022	2021
	S$'000	S$'000
Freehold land and buildings – Australia	**6,299**	19,755

Movements in assets held for sale were as follows:

	Group	
	2022	2021
	S$'000	S$'000
Balance at beginning of year	**19,755**	13,787
Translation adjustments	**(778)**	(181)
Fair value gains for the year recognised in profit or loss, net	**–**	713
Transfer from investment properties (Note 16)	**–**	17,457
Disposal	**(12,678)**	(12,021)
Balance at end of year	**6,299**	19,755

These assets, which are expected to be sold within 12 months from the end of the reporting period, have been classified as assets held for sale and presented separately in the consolidated statement of financial position. Negotiations with several interested parties have taken place and certain properties in Australia are expected to be sold within 12 months.

As at December 31, 2022, the Group has pledged the assets held for sale located in Australia to secure banking facilities granted to the Group.

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
Residential units in the city of Gladstone, Queensland, Australia	Residential	Freehold	N.A.

<u>Fair value measurement of the Group's assets held for sale in Australia</u>

The fair values of the Group's assets held for sale at December 31, 2022 and 2021 have been determined on the basis of valuation carried out by independent firm of professional valuer 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. 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.

13 ASSETS HELD FOR SALE (CONTINUED)

Details of valuation techniques and significant unobservable inputs used in the fair value measurement are as follows:

Description	Fair value Dec 31, 2022	Dec 31, 2021	Valuation technique(s)	Significant unobservable input(s)	Range
	S$'000	S$'000			
Residential properties – Australia	**6,299**	19,755	Direct comparison approach	Adjustment made to the selling price per unit (1)	S$379,000 – S$448,000 (2021: S$402,000 – S$485,000)

(1) 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.

14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings	Leasehold improvements, furniture and fixtures and office equipment	Motor vehicles	Total
	S$'000	S$'000	S$'000	S$'000
Group				
Cost:				
At January 1, 2021	790	3,846	1,145	5,781
Translation adjustments	–	134	48	182
Additions	–	366	–	366
Disposals	–	(39)	(11)	(50)
At December 31, 2021	790	4,307	1,182	6,279
Translation adjustments	–	(287)	(90)	(377)
Transfer from right-of-use assets	–	–	71	71
Additions	–	78	210	288
Disposals	–	(26)	(127)	(153)
At December 31, 2022	**790**	**4,072**	**1,246**	**6,108**
Accumulated depreciation:				
At January 1, 2021	32	2,909	862	3,803
Translation adjustments	–	104	40	144
Depreciation	13	387	68	468
Disposals	–	(39)	(11)	(50)
At December 31, 2021	45	3,361	959	4,365
Translation adjustments	–	(235)	(80)	(315)
Transfer from right-of-use assets	–	–	50	50
Depreciation	13	297	101	411
Disposals	–	(25)	(81)	(106)
At December 31, 2022	**58**	**3,398**	**949**	**4,405**

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land and buildings	Leasehold improvements, furniture and fixtures and office equipment	Motor vehicles	Total
	S$'000	S$'000	S$'000	S$'000
Group (cont'd)				
Impairment:				
At January 1, 2021	–	342	–	342
Translation adjustments	–	17	–	17
At December 31, 2021	–	359	–	359
Translation adjustments	–	(31)	–	(31)
At December 31, 2022	**–**	**328**	**–**	**328**
Carrying amount:				
At December 31, 2022	**732**	**346**	**297**	**1,375**
At December 31, 2021	745	587	223	1,555

	Leasehold improvements, furniture and fixtures and office equipment
	S$'000
Company	
Cost:	
At January 1, 2021	78
Additions	6
At December 31, 2021	84
Additions	10
At December 31, 2022	**94**
Accumulated depreciation:	
At January 1, 2021	58
Depreciation	10
At December 31, 2021	68
Depreciation	8
At December 31, 2022	**76**
Carrying amount:	
At December 31, 2022	**18**
At December 31, 2021	16

15 RIGHT-OF-USE ASSETS

The Group leases several assets including office space, apartments and warehouses. The average lease term is 3 years (2021: 3 years).

	Office space	Apartments	Warehouses	Motor vehicles	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Group					
Cost:					
At January 1, 2021	2,252	678	–	88	3,018
Translation adjustments	53	10	–	(7)	56
Additions	714	344	406	–	1,464
Disposal	(1,606)	(688)	–	–	(2,294)
At December 31, 2021	1,413	344	406	81	2,244
Translation adjustments	(90)	(2)	(3)	(10)	(105)
Transfer to property, plant and equipment	–	–	–	(71)	(71)
Additions	16	–	–	–	16
Disposal	(15)	–	–	–	(15)
At December 31, 2022	**1,324**	**342**	**403**	**–**	**2,069**
Accumulated depreciation:					
At January 1, 2021	1,553	552	–	40	2,145
Translation adjustments	47	8	–	(4)	51
Depreciation	655	171	186	20	1,032
Disposal	(1,606)	(688)	–	–	(2,294)
At December 31, 2021	649	43	186	56	934
Translation adjustments	(49)	(4)	(6)	(7)	(66)
Transfer to property, plant and equipment	–	–	–	(50)	(50)
Depreciation	393	175	206	1	775
Disposal	(15)	–	–	–	(15)
At December 31, 2022	**978**	**214**	**386**	**–**	**1,578**
Carrying amount:					
At December 31, 2022	**346**	**128**	**17**	**–**	**491**
At December 31, 2021	764	301	220	25	1,310

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$0.02 million (2021: S$1.5 million) in 2022.

15 RIGHT-OF-USE ASSETS (CONTINUED)

Office space	Cost	Accumulated depreciation	Carrying amount
	S$'000	S$'000	S$'000
Company			
At January 1, 2021	122	102	20
Depreciation	–	20	(20)
Disposals	(122)	(122)	–
At December 31, 2021 and December 31, 2022	–	–	–

16 INVESTMENT PROPERTIES

	Group	
	2022	2021
	S$'000	S$'000
Leasehold land and buildings:		
- Singapore	**31,158**	29,746

Movements in investment properties were as follows:

	Group	
	2022	2021
	S$'000	S$'000
Balance at beginning of year	**29,746**	45,218
Fair value gains for the year recognised in profit or loss, net	**1,412**	2,617
Translation adjustment	**–**	(632)
Transfers to assets held for sale (Note 13)	**–**	(17,457)
Balance at end of year	**31,158**	29,746

During the financial year, the Group recognised valuation gain on investment properties amounting to S$1,412,000 (2021: S$2,617,000) in profit or loss.

The property rental income from the Group's investment properties (including assets held for sale) leased out under operating leases amounted to S$1,366,000 (2021: S$1,994,000). Direct operating expenses (including repairs and maintenance) arising from the properties that generated rental income during the financial year amounted to S$608,000 (2021: S$797,000).

As at December 31, 2022, the Group has pledged investment properties having a carrying amount of approximately S$31,158,000 (2021: S$29,746,000) to secure banking facilities granted to the Group.

16 INVESTMENT PROPERTIES (CONTINUED)

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	57 years till December 14, 2079

Fair value measurement of the Group's investment properties in Singapore

The fair values of the Group's investment properties in Singapore 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.

In 2021, the investment properties in Australia, have been classified as assets held for sale and are expected to be sold within 12 months from the end of the reporting period.

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 2022	Fair value 2021	Valuation technique(s)	Significant unobservable input(s)	Range
	S$'000	**S$'000**			
Office properties	**31,158**	29,746	Direct comparison approach	Adjustment made to the price per square meter(1)	S$18,100 (2021: S$17,300)

(1) Price per square meter 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.

17 SUBSIDIARY CORPORATIONS

	Company	
	2022	2021
	S$'000	S$'000
Unquoted equity shares, at cost	**306,557**	306,557
Amounts owing to subsidiary corporations (non-trade) (i)	**(84,093)**	(81,694)
Cost of investment held by the Company	**222,464**	224,863
Amounts owing by subsidiary corporations (non-trade) (iii)	**6,010**	4,758
Less: impairment loss (ii)	**(125,381)**	(126,505)
	103,093	103,116
Amount owing by a subsidiary corporation (non-trade) – current (iii)	**1,256**	1,250
Amount owing to subsidiary corporations (non-trade) (iv)	**(12,885)**	(11,698)

(i) Management has assessed that intercompany amounts owing by the Company to its wholly-owned subsidiary, Thakral Corporation (HK) Limited ("TCHK"), of S$84,093,000 (2021: S$81,694,000) as at December 31, 2022 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	
	2022	2021
	S$'000	S$'000
Balance at beginning of year	**126,505**	128,326
Reversal of impairment loss for investment in subsidiary corporations	**(1,124)**	(1,821)
Balance at end of year	**125,381**	126,505

(ii) Management has reversed impairment loss of S$1,124,000 (2021: S$1,821,000) for certain subsidiary corporations based on an assessment of their recoverable values, which is fair value less costs to sell. The net reversal of impairment in 2022 (2021: reversal impairment) occurred mainly as a result of the increase (2021: increase) in the recoverable amount 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.

(iii) Amounts owing by subsidiary corporations (non-trade) include a loan of S$1,289,000 (2021: S$1,476,000) which bears interest at 2.25% (2021: 2.25%) per annum and is denominated in Japanese yen. The remaining amounts are interest-free and mainly denominated in Japanese yen.

(iv) Amounts owing to subsidiary corporations (non-trade) include a loan of S$4,579,000 (2021: S$5,246,000) which bears interest at 1.28% (2021: 1.27%) per annum and is denominated in Japanese yen and loans of S$1,727,000 (2021: S$222,000) which bear interest at 5% (2021: 5%) per annum and are denominated in United States dollars, Singapore dollars and Japanese yen. The remaining amounts are interest-free and mainly denominated in Hong Kong dollars.

17 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
		2022	2021	2022	2021	
		S$'000	S$'000	%	%	
Thakral Corporation (HK) Limited [2]	Hong Kong	**147,944**	147,944	**100**	100	Marketing and distributing beauty, fragrance and lifestyle products
Thakral Brothers Ltd [1]	Japan	**7,543**	7,543	**100**	100	Marketing and distributing beauty, fragrance and lifestyle products
Thakral Lifestyle Pte Ltd	Singapore	**7,716**	7,716	**100**	100	Marketing and distributing beauty, fragrance and lifestyle products and investment holding
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	**54.7**	53	Investment holding
Thakral Umeda Properties Pte Ltd	Singapore	**6,602**	6,602	**56**	56	Investment holding
Thakral China Ltd [7]	People's Republic of China	*	*	**100**	100	Investment holding and marketing and distributing beauty, fragrance and lifestyle products
Thakral Beauty (Shanghai) Ltd [3]	People's Republic of China	*	*	**100**	100	Marketing and distributing beauty, fragrance 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	*	*	**54.7**	53	Investment holding

17 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
		2022	2021	2022	2021	
		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 Deloitte Touche Tohmatsu, 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

(7) Audited by Shanghai XinGaoXin Certified Public Accountants, PRC

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	
		2022	2021
Investments	Singapore	**1**	1
Marketing and distributing beauty, fragrance and lifestyle products	Singapore	**1**	1
	China	**5**	5
	Hong Kong	**3**	3
	British Virgin Islands	**1**	1
	Japan	**1**	1
	Mauritius	**1**	1
	India	**1**	1
Others	Hong Kong	**1**	1
		15	15

17 SUBSIDIARY CORPORATIONS (CONTINUED)

Principal activity	Country of incorporation and operation	Number of non wholly-owned subsidiary corporations	
		2022	2021
Investments	Singapore	**8**	8
	Australia	**10**	10
	Hong Kong	**2**	2
Marketing and distributing beauty, fragrance and lifestyle products	Macau	**1**	–
		21	20

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 allocated to non-controlling interests		Accumulated non-controlling interests	
		2022	2021	2022	2021	2022	2021
		%	%	S$'000	S$'000 (Restated)	S$'000	S$'000 (Restated)
Thakral Japan Properties Pte Ltd	Singapore	**49.4**	49.4	**2,283**	2,139	**21,790**	22,432
Thakral Capital Holdings Pte Ltd and its subsidiary corporations	Singapore	**25**	25	**4,021**	4,157	**26,851**	26,497
TJP Pte Ltd and its subsidiary corporation	Singapore	**45.3**	47	**1,375**	4,498	**17,554**	19,976
Thakral Umeda Properties Pte Ltd and its subsidiary corporation	Singapore	**44**	44	**278**	667	**8,718**	9,680
Total				**7,957**	11,461	**74,913**	78,585

17 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	
	2022	2021	2022	2021	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000 (Restated)	S$'000	S$'000	S$'000	S$'000
Current assets	**2,613**	3,426	**32,948**	41,426	**8,658**	709	**226**	233
Non-current assets	**50,141**	50,619	**120,309**	102,686	**36,481**	48,483	**24,378**	26,568
Current liabilities	**(47)**	(53)	**(27,226)**	(23,763)	**(583)**	(537)	**(2,135)**	(1,935)
Non-current liabilities	**(8,612)**	(8,597)	**(18,628)**	(14,363)	**(3,806)**	(3,941)	**(887)**	(840)
Equity attributable to owners of the Company	**22,305**	22,963	**80,552**	79,489	**23,196**	24,738	**12,864**	14,346
Non-controlling interests	**21,790**	22,432	**26,851**	26,497	**17,554**	19,976	**8,718**	9,680
Revenue	**5,664**	5,532	**15,971**	8,271	**32**	30	**–**	–
Net other (expenses) income	**(1,046)**	(1,203)	**118**	8,356	**3,005**	9,552	**633**	1,519
Profit for the year	**4,618**	4,329	**16,089**	16,627	**3,037**	9,582	**633**	1,519
Profit attributable to owners of the Company	**2,335**	2,190	**12,068**	12,470	**1,662**	5,084	**355**	852
Profit attributable to the non-controlling interests	**2,283**	2,139	**4,021**	4,157	**1,375**	4,498	**278**	667
Profit for the year	**4,618**	4,329	**16,089**	16,627	**3,037**	9,582	**633**	1,519
Other comprehensive loss attributable to owners of the Company	**(2,993)**	(1,997)	**(5,506)**	(2,732)	**(3,193)**	(1,750)	**(1,835)**	(1,193)
Other comprehensive loss attributable to the non-controlling interests	**(2,924)**	(1,952)	**(1,835)**	(911)	**(2,582)**	(1,548)	**(1,240)**	(934)
Other comprehensive loss for the year	**(5,917)**	(3,949)	**(7,341)**	(3,643)	**(5,775)**	(3,298)	**(3,075)**	(2,127)

17 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	
	2022	2021	2022	2021	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000 (Restated)	S$'000	S$'000	S$'000	S$'000
Total comprehensive (loss) income attributable to owners of the Company	**(658)**	193	**6,562**	9,738	**(1,531)**	3,334	**(1,480)**	(341)
Total comprehensive (loss) income attributable to the non-controlling interests	**(641)**	187	**2,186**	3,246	**(1,207)**	2,950	**(962)**	(267)
Total comprehensive (loss) income for the year	**(1,299)**	380	**8,748**	12,984	**(2,738)**	6,284	**(2,442)**	(608)
Dividends to non-controlling interests	**–**	–	**(1,835)**	(754)	**–**	(2,798)	**–**	–
Net cash (outflow) inflow from operating activities	**(58)**	(734)	**(10,209)**	(9,037)	**(254)**	(4,670)	**(419)**	(213)
Net cash (outflow) inflow from investing activities	**(535)**	3,326	**21,009**	10,263	**9,137**	5,271	**–**	(554)
Net cash (outflow) inflow from financing activities	**(1,128)**	(630)	**(7,082)**	(1,280)	**(1,824)**	(112)	**441**	772
Net cash (outflow) inflow	**(1,721)**	1,962	**3,718**	(54)	**7,059**	489	**22**	5

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$6.6 million (2021: S$6.1 million).

18 JOINT VENTURES

	Group		
	Dec 31, 2022	Dec 31, 2021	Jan 1, 2021
	S$'000	S$'000 (Restated)	S$'000 (Restated)
Cost of investment in joint ventures	**1,118**	1,118	1,118
Share of post-acquisition profit	**69,133**	43,066	18,610
Advanced to joint ventures	**1,633**	1,679	951
Translation adjustment	**(4,206)**	(90)	855
	67,678	45,773	21,534

18 JOINT VENTURES (CONTINUED)

The investment in joint ventures mainly represents the Group's investment in the over-50s living joint venture, under the GemLife brand, with one of Australia's developers in the resort style over-50s homes sector.

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		
	Dec 31, 2022	**Dec 31, 2021**	**Jan 1, 2021**
	S$'000	**S$'000**	**S$'000**
		(Restated)	**(Restated)**
Current assets	**42,274**	30,692	46,368
Non-current assets	**679,596**	470,345	343,160
Current liabilities	**(47,286)**	(40,042)	(32,543)
Non-current liabilities – due to joint venture shareholders	**(75,267)**	(73,346)	(60,092)
Non-current liabilities – borrowings and other payables	**(469,140)**	(298,033)	(253,804)

The above amounts of assets and liabilities include the following:

	Group		
	Dec 31, 2022	**Dec 31, 2021**	**Jan 1, 2021**
	S$'000	**S$'000**	**S$'000**
Cash and cash equivalents	**7,240**	6,484	6,275
Current financial liabilities (excluding trade and other payable)	**(3,771)**	(3,371)	(2,142)
Non-current financial liabilities – due to joint venture shareholders	**(75,267)**	(73,346)	(60,092)
Non-current financial liabilities – borrowings (excluding trade and other payable)	**(404,414)**	(246,378)	(216,303)

	Group	
	2022	**2021**
	S$'000	**S$'000**
		(Restated)
Revenue	**131,643**	186,973
Profit for the year	**48,704**	49,268
Total comprehensive income for the year	**48,704**	49,286

18 JOINT VENTURES (CONTINUED)

GTH Group of joint ventures (CONTINUED)

The above profit for the year include the following:

	Group	
	2022	2021
	S$'000	S$'000
Depreciation	**(4,496)**	(3,170)
Interest income	**–**	812
Interest expense	**(20,516)**	(29,560)
Income tax expense	**(17)**	(3,887)

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	
	Dec 31, 2022	Dec 31, 2021	Jan 1, 2021
	S$'000	S$'000 (Restated)	S$'000 (Restated)
Net assets of the joint ventures	**130,177**	89,616	42,775
Proportion of the Group's ownership interest in joint ventures	**49.9%**	49.9%	49.9%
Carrying amount of the Group's interest in the joint ventures	**64,954**	44,716	21,342

CBT Group of joint ventures

	Group	
	2022	2021
	S$'000	S$'000
Current assets	**6,144**	3,461
Non-current assets	**73**	5
Current liabilities	**(2,835)**	(1,321)
Non-current liabilities	**(1,202)**	(3,329)

The above amounts of assets and liabilities include the following:

	Group	
	2022	2021
	S$'000	S$'000
Cash and cash equivalents	**940**	1,073

	Group	
	2022	2021
	S$'000	S$'000
Revenue	**14,485**	5,311
Profit for the year	**3,361**	68
Total comprehensive income for the year	**3,431**	68

18 JOINT VENTURES (CONTINUED)

CBT Group of joint ventures (CONTINUED)

The above income for the year include the following:

	Group	
	2022	2021
	S$'000	S$'000
Depreciation	**(31)**	(2)
Interest expense	**(167)**	(107)
Income tax expense	**(133)**	–

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	
	2022	2021
	S$'000	S$'000
Net assets (liabilities) of the joint ventures	**2,303**	(1,184)
Proportion of the Group's ownership interest in joint ventures	**50%**	50%

19 ASSOCIATES

	Group	
	2022	2021
	S$'000	S$'000
Cost of investment in associates	**30,239**	39,157
Share of post-acquisition profit	**45,295**	40,390
Dividend paid by an associate	**(842)**	–
Translation adjustment	**(13,916)**	(4,505)
	60,776	75,042

The investments in associates represent the Group's investments in office buildings and hotel buildings held through the TMK structures in Japan.

Details of the Group's significant associates, audited by Deloitte Touche Tohmatsu, Japan are as follows:

Name of associate	Place of incorporation and operation	Proportion of ownership interest		Proportion of voting power held		Principal activity
		2022	2021	2022	2021	
TMK Japan TCAP	Japan	**99.5%**	99.5%	**33%**	33%	Investment holding
TMK Legal 1	Japan	**93.4%**	93.4%	**33%**	33%	Investment holding

The associates are accounted for using the equity method in these consolidated financial statements.

19 ASSOCIATES (CONTINUED)

	TMK Japan TCAP		TMK Legal 1	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
Current assets	**12,062**	12,756	**6,015**	5,771
Non-current assets	**149,849**	190,200	**92,754**	102,639
Current liabilities	**(3,059)**	(2,087)	**(1,703)**	(954)
Non-current liabilities	**(122,269)**	(152,147)	**(70,968)**	(79,015)
Revenue	**6,318**	6,469	**2,895**	1,991
Profit for the year	**3,697**	11,051	**1,315**	1,833
Total comprehensive income for the year	**3,697**	11,051	**1,315**	1,833

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	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
Net assets of the associate	**36,583**	48,722	**26,098**	28,441
Proportion of the Group's ownership interest	**99.5%**	99.5%	**93.4%**	93.4%
Carrying amount of the Group's interest	**36,398**	48,475	**24,378**	26,567

20 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH INCOME STATEMENT

	Group		Company	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
At fair value:				
Unquoted equity investments – Japan	**46,743**	47,252	**–**	–
Unquoted equity investments - Other	**2,585**	4,357	**1,681**	1,681
Total	**49,328**	51,609	**1,681**	1,681

20 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH INCOME STATEMENT (CONTINUED)

Description	Fair value 2022	Fair value 2021	Fair value hierarchy	Valuation technique(s)	Significant unobservable input(s)	Range
	S$'000	S$'000				
Group						
Unquoted equity investments - Japan	**46,743**	47,252	Level 3	See Note (a) below	See Note (a) below	S$5,368 to S$6,648 (2021: S$5,796 to S$7,391)
Unquoted equity investments - Others	**2,585**	4,357	Level 3	See Note (b) below	See Note (b) below	See Note (b) below
Company						
Unquoted equity investments - Others	**1,681**	1,681	Level 3	See Note (b) below	See Note (b) below	See Note (b) below

(a) The fair value of the financial assets measured at FVTIS is estimated based on the Group's share of the adjusted net asset values of the investees, which approximates the fair value as at the end of the reporting period. The investees are property-holding companies, and their main assets are office and hotel properties in Japan which are leased to external parties or vacant. The valuation is dependent on the valuation methodology applied and the underlying key assumptions used, particularly price per square meter of the underlying properties held by the investees and adjustment made to market data and benchmarks for any difference in nature, location or condition of the specific properties. Any significant isolated increases (decreases) in the estimated price per square meter would result in a significantly higher (lower) fair value measurement.

(b) The fair value of the other unquoted investments is estimated based on the latest issue price of the underlying equity investments.

Subsequent to the financial year end, the Company invested in certain unquoted investments for a total consideration of US$2.2 million (S$3 million).

21 TRADE AND BILLS PAYABLES

	Group 2022	Group 2021
	S$'000	S$'000
Trade payables - outside parties	**3,967**	2,510
Bills payable	**211**	576
	4,178	3,086

The average credit period on purchases of goods is 11 days (2021: 7 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) bears an interest rate up to 2.50% (2021: 2.50%) per annum over the cost of funds for the financial institution lender.

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.

22 TRUST RECEIPTS (CONTINUED)

The average effective interest rates paid are as follows:

	Group	
	2022	**2021**
	%	**%**
Trust receipts	**7.39**	2.79

23 BANK AND OTHER BORROWINGS

	Group		Company	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Other loans	**2,127**	4,583	**–**	–
Bank loans	**27,614**	32,255	**2,989**	4,207
	29,741	36,838	**2,989**	4,207
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(21,275)**	(24,383)	**(1,256)**	(1,250)
Amount due for settlement after 12 months	**8,466**	12,455	**1,733**	2,957

Other loans

Other loans as at December 31, 2021 included loans from certain related parties of S$2,398,000 which were arranged at fixed interest rate ranges from 9% to 10% per annum, to provide funding for the investments in Australia. The loans were unsecured and recourse was limited to the underlying investments. The loans were repaid in full during the financial year.

Bank loans (secured)

Bank loans include loans drawn from a bank in Australia amounting to S$Nil (2021: S$4,773,000) 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.

Certain loans were drawn from banks in China amounting to S$4,015,000 (2021: S$2,756,000) during the financial year. They are secured by corporate guarantee by a subsidiary corporation.

A loan of S$Nil (2021: S$304,000), with certain trade receivables factored on a full recourse basis, was obtained from a bank during the previous year. The loan was secured by a fixed deposit placed with the bank as well as corporate guarantee by the Company.

Certain bank loans amounting to S$19,915,000 (2021: S$20,215,000) 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$4,915,000 (2021: S$5,215,000), which is required to be repaid by monthly instalments which bears an interest rate at 1.50% (2021: 1.50%) per annum over the applicable 3 months SWAP offer rate or 1.50% per annum over the prevailing 3-months cost of fund whichever is higher. The loan has been extended for another 5 years with a final payment in 2028. Included in the bank loans is a money market loan of S$15,000,000 (2021: S$15,000,000) which bears an interest rate at 1.50% (2021: 1.50%) per annum over the bank's cost of funds or applicable SWAP offer rate, whichever is higher.

23 BANK AND OTHER BORROWINGS (CONTINUED)

Bank loan (unsecured)

A 5-year term loan of S$3.0 million (2021: S$4.2 million), which bears a fixed interest rate at 3% (2021: 3%) per annum, was drawn under the Singapore Government's Temporary Bridging Loan Programme from a bank by the Company.

The average effective interest rates paid on bank and other borrowings are as follows:

	Group	
	2022	**2021**
	%	**%**
Other loans	**7.50**	9.30
Bank loans	**5.15**	2.40

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.

	Trust receipts (Note 22)	**Bank and other borrowings (Note 23)**	**Lease liabilities (Note 24)**	**Total**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Group				
At January 1, 2021	14,027	38,281	807	53,115
Non-cash changes				
- New lease liabilities	–	–	1,464	1,464
- Foreign exchange movement	94	(262)	13	(155)
- Accrued interest	644	1,594	43	2,281
Financing cash flow	8,987	(1,416)	(948)	6,623
Interest paid	(644)	(1,359)	(43)	(2,046)
At December 31, 2021	23,108	36,838	1,336	61,282
Non-cash changes				
- New lease liabilities	–	–	16	16
- Foreign exchange movement	(43)	(410)	(27)	(480)
- Accrued interest	1,027	1,083	37	2,147
Financing cash flow	(1,924)	(6,027)	(848)	(8,799)
Interest paid	(1,027)	(1,743)	(37)	(2,807)
At December 31, 2022	**21,141**	**29,741**	**477**	**51,359**

24 LEASE LIABILITIES

	Group	
	2022	2021
	S$'000	S$'000
Maturity analysis:		
Year 1	**405**	883
Year 2	**137**	413
Year 3	**–**	148
Less: Unearned interest	**(65)**	(108)
	477	1,336
Analysed as:		
Current	**342**	791
Non-current	**135**	545
	477	1,336

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	
	Dec 31, 2022	Dec 31, 2021	Jan 1, 2021	2022	2021
	S$'000	S$'000 (Restated)	S$'000 (Restated)	S$'000	S$'000
Accruals	**17,114**	12,690	7,075	**1,023**	854
Advances from customers	**4,439**	6,001	3,534	**–**	–
Value added tax/other tax payable	**97**	151	283	**–**	–
Sundry creditors	**4,300**	4,501	3,597	**43**	–
Total	**25,950**	23,343	14,489	**1,066**	854
Less: Non-current other payables	**(1,274)**	(667)	(379)	**–**	–
Classified as current other payables	**24,676**	22,676	14,110	**1,066**	854

Included in sundry creditors is an amount of S$309,000 (Dec 31, 2021: S$337,000; Jan 1, 2021: S$140,000) due to related parties and joint ventures (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, 2021	2,813
Translation adjustment	71
Provision for the year	299
Utilisation	(162)
As at December 31, 2021	3,021
Translation adjustment	(297)
Provision for the year	3,519
Utilisation	(112)
As at December 31, 2022	**6,131**
Company	
As at January 1, 2021, December 31, 2021 and December 31, 2022	**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 liability recognised by the Group and the movements thereon during the current and prior reporting periods, primarily from fair value gain on financial assets and debt instruments measured at FVTIS and share of profit of joint venture and associates.

	Fair value gain on financial asset	Debt instruments measured at FVTIS	Share of profit of joint venture and associates	Total
	S$'000	S$'000	S$'000	S$'000
As at January 1, 2021	8,788	2,444	5,279	16,511
Prior year adjustment	–	–	1,264	1,264
Translation adjustment	(760)	(90)	(524)	(1,374)
Charge to profit or loss for the year (Note 34)	569	121	7,521	8,211
Balance as at December 31, 2021	8,597	2,475	13,540	24,612
Translation adjustment	(1,128)	(369)	(1,645)	(3,142)
Charge to profit or loss for the year (Note 34)	1,143	1,048	8,271	10,462
Balance as at December 31, 2022	**8,612**	**3,154**	**20,166**	**31,932**

28 ISSUED CAPITAL

	Group and Company			
	2022	2021	2022	2021
	Number of ordinary shares		S$'000	S$'000
Issued and fully paid:				
At beginning of year	**130,860,616**	130,860,616	**72,579**	72,579
Cancellation of purchased shares	**(1,343,800)**	–	**(741)**	–
At end of year	**129,516,816**	130,860,616	**71,838**	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.

Subsequent to the financial year end, the Company purchased and cancelled 1,633,400 ordinary shares for a total consideration of S$1,010,000.

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, 2022 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			
	2022		2021	
	Number of share options	Weighted average exercise price S$	Number of share options	Weighted average exercise price S$
Outstanding at beginning of year and end of year	**98,300**	**121**	98,300	121

The Group recognised total expenses of S$9,000 (2021: S$25,000) related to equity-settled share-based payment transactions during the year.

31 REVENUE

	Group	
	2022	2021
	S$'000	S$'000
Product sales	**137,819**	111,787
Management fee and other service income	**1,953**	2,276
Rental income (Notes 16 and 40)	**1,366**	1,994
Interest income	**108**	–
Fair value changes on debt instruments measured at FVTIS	**13,480**	6,192
Fair value changes on financial assets measured at FVTIS	**5,696**	5,547
	160,422	127,796

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	
	2022	2021
	S$'000	S$'000
Gain on disposal of financial assets measured at FVTIS	**2,212**	–
Gain on disposal of investment properties and assets held for sale	**966**	706
Government grant	**26**	274
Others	**75**	85
	3,279	1,065

33 FINANCE COSTS

	Group	
	2022	2021
	S$'000	S$'000
Interest expense to third parties	**2,307**	2,047
Interest expense to related parties (Note 6)	**29**	234
	2,336	2,281

34 INCOME TAX

	Group	
	2022	2021
	S$'000	S$'000 (Restated)
Current taxation:		
- Provision for taxation in respect of current year	**510**	1,206
- Overprovision in prior years	**(953)**	(59)
Deferred tax:		
- Amount charged for taxation in respect of deferred tax liabilities in current year (Note 27)	**10,462**	8,211
Income tax expense for the year	**10,019**	9,358

The income tax is calculated at 17% (2021: 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	
	2022	2021
	S$'000	S$'000 (Restated)
Profit before income tax	**36,593**	40,026
Income tax charge at statutory rate of 17%	**6,221**	6,804
Tax effects of:		
- Expenses that are not deductible in determining taxable profit	**1,930**	2,419
- Income that is not taxable in determining taxable profit	**(47)**	(2,118)
- Current year's tax losses not recognised	**817**	848
- Different tax rates of the subsidiary corporations operating in other jurisdictions	**2,895**	2,296
- Tax effect on utilisation of deferred tax benefits previously not recognised	**(844)**	(832)
- Overprovision of tax in respect of prior years	**(953)**	(59)
Total income tax expense for the year	**10,019**	9,358

34 INCOME TAX (CONTINUED)

The Group has estimated tax loss carryforwards which are available for offsetting against future taxable income as follows:

	Group	
	2022	2021
	S$'000	S$'000
Amount at beginning of year	**243,829**	260,238
Tax losses expired during the year	**(10,823)**	(7,275)
Amount in current year	**4,750**	4,989
Translation adjustment	**5,883**	(3,864)
Adjustment for prior years after finalisation	**(1,432)**	(5,362)
Amount utilised in current year	**(5,062)**	(4,897)
Amount at end of year	**237,145**	243,829
Deferred tax benefit on above not recorded (based on applicable tax rates in various jurisdictions)	**41,692**	43,242

The Group has estimated temporary differences from capital allowances available for offsetting against future taxable income as follows:

	Group	
	2022	2021
	S$'000	S$'000
Amount at beginning of year	**260**	270
Amount in current year	**89**	63
Amount utilised in current year	**(55)**	(73)
Amount at end of year	**294**	260
Deferred tax benefit on above not recorded	**50**	44

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$0.54 million (2021: S$0.61 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	
	2022	2021
	S$'000	S$'000 (Restated)
Profit for the year is arrived at after charging (crediting):		
Directors' remuneration:		
of the Company	**3,009**	2,746
of subsidiary corporations	**3,575**	5,057
Total directors' remuneration	**6,584**	7,803
Cost of inventories recognised as expense	**117,751**	95,928
Audit fees:		
Paid to auditors of the Company		
Current year	**394**	338
Paid to other auditors		
Current year	**264**	271
Over-provision for prior year	**(2)**	–
Non-audit fees paid to auditors:		
Auditors of the Company	**48**	68
Other auditors	**14**	15
Gain on disposal of property, plant and equipment	**(26)**	(6)
Allowance for inventories recognised in cost of sales	**857**	573
Foreign currency exchange adjustment loss	**625**	155
Impairment loss on financial assets		
Impairment loss on trade receivables	**309**	206
Impairment loss on other receivables	**95**	151
Total impairment loss on financial assets recognised in administration expenses	**404**	357
Fair value loss on derivative financial instruments	**270**	–
Depreciation of property, plant and equipment	**411**	468
Depreciation of right-of-use assets	**775**	1,032
Employee benefits expense (including directors' remuneration)		
Salaries, wages, bonus and others	**23,114**	16,860
Defined contribution plans	**1,059**	687
Total employee benefits expense	**24,173**	17,547

36 DIVIDENDS

Total tax-exempt (one-tier) interim dividends of S$0.04 per share (totalling S$5,234,000), comprising S$0.02 per share each, were paid to shareholders on December 16, 2021 and April 8, 2022 in respect of the financial year ended December 31, 2021.

On August 25, 2022, a tax-exempt (one-tier) interim dividend of S$0.02 per share (total dividend of S$2,617,000) was paid to shareholders, in respect of the current year. In addition, another tax-exempt (one-tier) interim dividend of S$0.02 per share and a tax-exempt (one-tier) special interim dividend of S$0.005 per share were approved and declared on February 28, 2023.

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:

	2022	2021
	Cents	Cents (Restated)
Basic earnings per share	**14.23**	14.68
Diluted earnings per share	**14.23**	14.68
Weighted average number of ordinary shares	**130,832,172**	130,860,616

The calculation of the basic and diluted earnings per share is based on:

	Group	
	2022	2021
	S$'000	S$'000 (Restated)
Profit for the year attributable to equity holders of the Company	**18,617**	19,207

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, over-50s living and other strategic investments in Australia, People's Republic of China, Japan and Singapore.

(b) Lifestyle ("LIFE")

This division comprises management and marketing of beauty, fragrance and lifestyle brands and 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.

38 SEGMENT INFORMATION (CONTINUED)

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.

Information regarding the Group's reportable segments is presented below.

Group's reportable segments

Year ended December 31, 2022

	INV	LIFE	OTH	TOTAL
	S$'000	S$'000	S$'000	S$'000
Revenue				
External revenue	22,603	137,819	–	160,422
Result				
Segment operating result	6,624	4,768	(1,970)	9,422
Fair value gain on investment properties	1,412	–	–	1,412
Share of profit of associates and joint ventures	29,208	1,764	–	30,972
Segment result	37,244	6,532	(1,970)	41,806
Unallocated corporate expenses				(2,297)
Finance income				45
Finance costs				(2,336)
Foreign exchange loss				(625)
Profit before income tax				36,593
Income tax				(10,019)
Profit for the year				26,574
Other information				
Capital expenditure:				
Property, plant and equipment	–	278	10	288
Right-of-use assets	–	16	–	16
Depreciation of property, plant and equipment and right-of-use assets	33	1,101	52	1,186
Assets				
Segment assets	295,237	49,232	4,403	348,872
Total assets				348,872
Liabilities				
Segment liabilities	36,832	45,441	5,345	87,618
Income tax payable				1,022
Deferred tax liability				31,932
Total liabilities				120,572

38 SEGMENT INFORMATION (CONTINUED)

Group's reportable segments (CONTINUED)

Year ended December 31, 2021

	INV S$'000	LIFE S$'000	OTH S$'000	TOTAL S$'000
Revenue				
External revenue	15,087	112,709	–	127,796
Result				
Segment operating result (restated)	4,721	1,901	(1,877)	4,745
Fair value gains on investment properties, net	3,330	–	–	3,330
Share of profit of associates and joint ventures (restated)	36,981	60	–	37,041
Segment result (restated)	45,032	1,961	(1,877)	45,116
Unallocated corporate expenses				(2,676)
Finance income				22
Finance costs				(2,281)
Foreign exchange loss				(155)
Profit before income tax (restated)				40,026
Income tax (restated)				(9,358)
Profit for the year (restated)				30,668
Other information				
Capital expenditure:				
Property, plant and equipment	–	360	6	366
Right-of-use assets	–	1,464	–	1,464
Depreciation of property, plant and equipment and right-of-use assets	83	1,387	30	1,500
Assets				
Segment assets	295,128	48,727	5,534	349,389
Total assets				349,389
Liabilities				
Segment liabilities	39,090	46,535	5,107	90,732
Income tax payable				1,157
Deferred tax liability				24,612
Total liabilities				116,501

38 SEGMENT INFORMATION (CONTINUED)

Geographical information

The following tables provide an analysis of:

a) the Group's sales by geographic market is based on the location of customers and source of income from these regions (instead of the aggregate of revenues from companies incorporated in those countries as was previously being disclosed),

	Revenue	
	2022	2021
	S$'000	S$'000
South Asia	**81,322**	44,861
North America	**22,779**	22,870
People's Republic of China (including Hong Kong)	**21,921**	34,484
Australia	**15,722**	8,740
Japan	**5,824**	5,768
Others	**12,854**	11,073
	160,422	127,796

Information about major customers

Included in revenue of S$137,819,000 (2021: S$112,709,000) arising from the Lifestyle segment are revenues of approximately S$36,768,000 (2021: S$34,363,000) which arose from sales to 2 (2021: 2) of the Group's largest customers.

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:

	Capital expenditure		Non-current assets*	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
People's Republic of China (including Hong Kong)	**272**	**313**	**1,041**	**1,910**
Australia	**–**	–	**–**	66
Singapore	**13**	6	**31,911**	30,507
Others	**3**	47	**72**	128
	288	366	**33,024**	32,611

* Non-current assets other than financial assets, associates and joint ventures.

39 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

	Group		Company	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
Guarantees given to banks in respect of bank facilities utilised by subsidiary corporations in the Group	**4,015**	2,756	**41,556**	43,627
Guarantee given to a supplier in respect of credit payments obligation for purchases by a subsidiary corporation in the Group	**–**	–	**3,888**	2,122

39 CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

Commitments (CONTINUED)

At the end of the reporting period, the Group has granted certain Interest and/or Cost Overrun Guarantees for a maximum of S$0.6 million (2021: S$0.9 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.

As at December 31, 2022, the investment subsidiary corporations of the Group, Thakral Capital Investments Limited ("TCIL") and Thakral Capital Australia Pty Ltd ("TCAP"), have 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$118.8 million) (2021: A$130.0 million (equivalent to S$127.4 million)) by way of progressive subscriptions of debt instruments. Monies of A$33.4 million (equivalent to S$30.5 million) (2021: A$32.9 million (equivalent to S$32.3 million)) have been recorded as debt instruments in Note 11 for the amounts provided by the Group. As at December 31, 2022, the Group has procured the provision of approximately A$120.2 million (equivalent to S$109.9 million) (2021: A$80.1 million (equivalent to S$78.5 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$9.0 million (equivalent to S$8.2 million) (2021: A$20.5 million (equivalent to S$20.1 million)) by way of progressive subscriptions of debt instruments. Monies of A$9.0 million (equivalent to S$8.2 million) (2021: A$16.7 million (equivalent to S$16.4 million)) have been recorded as debt instruments in Note 11 for the amounts provided by the Group. As at December 31, 2022, the Group has procured the provision of approximately A$9.0 million (equivalent to S$8.2 million) (2021: A$19.4 million (equivalent to S$19.0 million)). Additional capital required shall be sourced from, inter alia, external capital providers by way of mezzanine debt.

As at December 31, 2022, the Company committed to invest US$1.5 million (S$2.0 million) in an investee in Singapore. The investment shall be funded from the Group's internal resources.

As at December 31, 2021, Thakral Lifestyle Pte Ltd, a subsidiary corporation of the Group had committed to invest INR22.65 million (S$0.4 million) in an investee in India.

40 OPERATING LEASE ARRANGEMENTS

The Group as lessee

At December 31, 2022, the Group is committed to S$58,000 (2021: S$381,000) for short-term leases.

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	
	2022	**2021**
	S$'000	**S$'000**
Maturity analysis of operating lease payments:		
Year 1	**1,332**	1,348
Year 2	**610**	1,221
Year 3	**–**	610
Total	**1,942**	3,179

41 PRIOR YEAR ADJUSTMENT

The Group's investment in GTH Group of entities ("GemLife"), an Australian entity, was recorded as an Investment in Joint Venture (Note 18) in accordance with SFRS(I) 1-28 *Investments in Associates and Joint Ventures*.

During the year, the Group was notified that its joint venture, GemLife, had reviewed and revised its accounting practices to align with other entities in the similar industry. As a result, the cost of the resort infrastructure assets (e.g., resort clubhouse, swimming pool, gardens etc.), which were previously capitalised as part of inventories and released to profit and loss as and when homes were sold by GemLife, are now recorded as investment properties (subject to fair value adjustments) at the end of each reporting period ("GemLife restatement").

The impact of the GemLife restatement to the Group's share of profit of associates and joint ventures and associated impact to bonus payment and related tax are as follows:

Consolidated Statement of Financial Position

	December 31, 2021			January 1, 2021		
	As previously reported	Adjustment	As restated	As previously reported	Adjustment	As restated
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Total current assets	83,075	–	83,075	62,170	–	62,170
Joint ventures	34,513	11,260	45,773	17,321	4,213	21,534
Total non-current assets	255,054	11,260	266,314	249,150	4,213	253,363
Total assets	338,129	11,260	349,389	311,320	4,213	315,533
Other payables	18,960	3,716	22,676	12,720	1,390	14,110
Total current liabilities	74,506	3,716	78,222	57,522	1,390	58,912
Deferred tax liability	21,234	3,378	24,612	16,511	1,264	17,775
Total non-current liabilities	34,901	3,378	38,279	30,760	1,264	32,024
Total liabilities	109,407	7,094	116,501	88,282	2,654	90,936
Reserves	78,600	3,124	81,724	75,332	1,169	76,501
Equity attributable to equity holders of the Company	151,179	3,124	154,303	147,911	1,169	149,080
Non-controlling interests	77,543	1,042	78,585	75,127	390	75,517
Total equity	228,722	4,166	232,888	223,038	1,559	224,597
Total liabilities and equity	338,129	11,260	349,389	311,320	4,213	315,533

41 PRIOR YEAR ADJUSTMENT (CONTINUED)

Consolidated Statement of Comprehensive Income
For the year ended December 31, 2021

	As previously reported	Adjustment	As restated
	S$'000	S$'000	S$'000
Administration expenses	(18,392)	(2,326)	(20,718)
Share of profit of associates and joint ventures	29,994	7,047	37,041
Profit before tax	35,305	4,721	40,026
Income tax expenses	(7,244)	(2,114)	(9,358)
Profit for the year	28,061	2,607	30,668
Profit attributable to:			
Equity holders of the Company	17,252	1,955	19,207
Non-controlling interests	10,809	652	11,461
	28,061	2,607	30,668
Total comprehensive income attributable to:			
Equity holders of the Company	8,483	1,955	10,438
Non-controlling interests	5,366	652	6,018
	13,849	2,607	16,456

	Cents	Cents	Cents
Earnings per share			
Basic earnings per share	13.18	1.50	14.68
Diluted earnings per share	13.18	1.50	14.68

Consolidated Statement of Cash Flows
For the year ended December 31, 2021

	As previously reported	Adjustment	As restated
	S$'000	S$'000	S$'000
Profit before tax	35,305	4,721	40,026
Share of profit of associates and joint ventures	29,994	7,047	37,041

SHAREHOLDERS' INFORMATION

AS AT MARCH 27, 2023

Issued and fully paid-up capital	:	S$70,747,614.13
Number of issued shares	:	127,883,416
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	1,794	28.28	71,771	0.06
100 - 1,000	2,896	45.65	962,196	0.75
1,001 - 10,000	1,195	18.83	4,730,397	3.70
10,001 - 1,000,000	449	7.08	24,034,838	18.79
1,000,001 and above	10	0.16	98,084,214	76.70
Total	**6,344**	**100.00**	**127,883,416**	**100.00**

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Direct Interest (No. of Shares)	%	Deemed Interest (No. of Shares)	%
Thakral Group Limited (as trustee of the S S Thakral Trust)	65,692,560	51.37	–	–
Kartar Singh Thakral	–	–	65,692,560 (1)	51.37
Inderbethal Singh Thakral	–	–	65,692,560 (1)	51.37
Bikramjit Singh Thakral	–	–	65,692,560 (1)	51.37
Gurmukh Singh Thakral	–	–	65,692,560 (1)	51.37
Karan Singh Thakral	–	–	65,692,560 (1)	51.37
Rikhipal Singh Thakral	–	–	65,692,560 (1)	51.37
Indergopal Singh Thakral	–	–	65,692,560 (1)	51.37
Beneficiaries of the S S Thakral Trust	–	–	65,692,560 (2)	51.37

Notes:

(1) Mr. Kartar Singh Thakral, a member 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 Thakral Group Limited (as trustee of the S S Thakral Trust) 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 Thakral Group Limited (as trustee of the S S Thakral Trust).

(2) 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 Thakral Group Limited (as trustee of the S S Thakral Trust) although no specific beneficiaries have been identified as of March 27, 2023.

SHAREHOLDERS' **INFORMATION**

AS AT MARCH 27, 2023

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Thakral Group Limited	65,692,560	51.37
2.	Citibank Nominees Singapore Pte Ltd	16,243,175	12.70
3.	HSBC (Singapore) Nominees Pte Ltd	4,884,958	3.82
4.	DBS Nominees (Private) Limited	2,481,072	1.94
5.	Kanwaljeet Singh Dhillon	1,627,485	1.27
6.	Maybank Securities Pte. Ltd.	1,610,974	1.26
7.	Harminder Kaur Pasricha	1,582,558	1.24
8.	Atma Singh s/o Lal Singh	1,572,350	1.23
9.	Amarjit Kaur	1,343,300	1.05
10.	Phillip Securities Pte Ltd	1,045,782	0.82
11.	United Overseas Bank Nominees (Private) Limited	930,012	0.73
12.	Wee Hian Kok	861,371	0.67
13.	OCBC Nominees Singapore Private Limited	667,828	0.52
14.	J & H Singh Pty Ltd	527,519	0.41
15.	Leong Han Ming	480,800	0.38
16.	Toh Yong Qing	412,700	0.32
17.	Au Soo Luan	321,261	0.25
18.	Morph Investments Ltd	320,000	0.25
19.	OCBC Securities Private Limited	312,732	0.24
20.	Nandakumar Athappan	300,000	0.23
Total		**103,218,437**	**80.70**

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on information available to the Company as at March 27, 2023, approximately 46.69% 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 27, 2023.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirtieth Annual General Meeting of Thakral Corporation Ltd (the "**Company**") will be held on Thursday, 27 April 2023 at 11 a.m. at Merchant Court Ballroom, Lobby Level, Paradox Singapore Merchant Court at Clarke Quay, 20 Merchant Road, Singapore 058281 for the following purposes:

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 2022 together with the Auditors' Report thereon.

   (Resolution 1)

2. To re-elect the following directors who are retiring pursuant to Regulation 107(2) of the Company's Constitution respectively, and who, being eligible, offer themselves for re-election:

   (i) Mr. Dileep Nair **(Resolution 2)**

   (ii) Mr. Bikramjit Singh Thakral **(Resolution 3)**

   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 2022 respectively.

   Mr. Dileep Nair if re-elected as a Director of the Company, will remain as a member of the Audit Committee, Compensation Committee and Nomination Committee of the Company, and will be considered independent for the purposes of Rule 704(8) of Listing Manual of the SGX-ST.

3. To approve the payment of Directors' fees of S$718,500 for the year ending 31 December 2023, to be paid quarterly in arrears. (31 December 2022: S$718,500)

   (Resolution 4)

4. To re-appoint Deloitte & Touche LLP as the Company's Auditors and to authorise the Directors to fix their remuneration.

   (Resolution 5)

5. 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:

6. **Authority to allot and issue shares**

   That pursuant to Section 161 of the Companies Act 1967 (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 6)

   [See Explanatory Note (i)]

7. **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 2022 dated 12 April 2023 (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 7)

[See Explanatory Note (ii)]

8. **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 Company'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 applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback 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 Buyback 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 Buyback 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 traded on the SGX-ST over the last five market days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Acquisition by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Acquisition, and deemed to be adjusted for any corporate action that occurs during the relevant five-market day period and the day on which the Market Acquisition is made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Acquisition;

"**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 Acquisition;

"**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 unless: (i) the Company has, at any time during the relevant period, reduced its share capital by a special resolution under Section 78C of the Companies Act; or (ii) the court has, at any time during the relevant period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event, the total number of issued Shares excluding treasury shares and subsidiary holdings shall be taken to be the total number of issued Shares excluding treasury shares and subsidiary holdings as altered by the special resolution of the Company or the order of the Court, as the case may be. Any Shares which are held as treasury shares or subsidiary holdings will be disregarded for the purposes of computing the 10% limit; 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;

(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 8)

[See Explanatory Note (iii)]

By Order of the Board

Chan Wan Mei
Company Secretary
Singapore

Date: 12 April 2023

Explanatory Notes

(i) The Ordinary Resolution 6 proposed in item 6 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.

(ii) The Ordinary Resolution 7 proposed in item 7 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.

(iii) The Ordinary Resolution 8, if passed, will renew the share buyback 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, or a combination of both, to finance the purchase or acquisition of its issued ordinary shares. Please refer to the appendix to the annual report of the Company for the financial year ended 31 December 2022 dated 12 April 2023.

Notes

(a) **Submission of Questions**: Members, including CPF Investors and SRS Investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the Annual General Meeting (the "**AGM**") to the Chairman of the Meeting in advance of the AGM in the following manner:

(i) ***Via email***: Members may submit their questions via email to proxyform@thakralcorp.com.sg; and/or

(ii) ***By post***: Members may submit their questions by post to the Company's registered office at 20 Upper Circular Road, #03-06 The Riverwalk, Singapore 058416.

When sending in questions via email or by post, please also provide the following details: (a) full name; (b) address; and (c) the manner in which the shares are held (e.g. via CDP, CPF, SRS and/or scrip) for verification purpose.

All questions submitted in advance of the AGM via any of the above channels must be received by **11 a.m. on 19 April 2023**.

Members (including CPF Investors and SRS Investors) and, where applicable, appointed proxy(ies), may at the AGM ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the AGM.

The Company will endeavour to address all substantial and relevant questions received from members prior to the AGM by publishing the responses to such questions on the Company's website at the URL http://www.thakralcorp.com/investor-relations/general-meetings and via publication on SGXNet before 11 a.m. on 22 April 2023 (the "**Pre-AGM Reply**"). The Company will address those substantial and relevant questions which have not already been addressed in the Pre-AGM Reply, as well as those received during the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

The Company will publish the minutes of the AGM on its website and on SGXNet within one (1) month from the date of the AGM, and the minutes will include the responses to the substantial and relevant questions from members which are addressed during the AGM.

(b) **Voting**: A member who wishes to exercise his/her/its voting rights at the AGM may:

(i) (where such members are individuals) vote in person at the AGM or (where such members are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the Meeting) to attend and vote at the AGM on their behalf; or

(ii) (where such members are individuals or corporates) appoint the Chairman of the Meeting as their proxy to vote on his/her/its behalf at the AGM.

(c) **Submission of Proxy Instruments**: Members who wish to submit instruments appointing a proxy(ies) must do so in the following manner:

(i) if submitted by post, the instrument must be lodged with the registered office of the Company at 20 Upper Circular Road, #03-06 The Riverwalk, Singapore 058416; or

(ii) if submitted electronically, the instruments must be submitted via email to the Company at proxyform@thakralcorp.com.sg,

in each case, by **11 a.m. on 24 April 2023 (not less than 72 hours before the time appointed for the AGM)**.

The accompanying proxy form for the AGM may be accessed via the Company's website at the URL http://www.thakralcorp.com/investor-relations/general-meetings, and will also be made available on SGXNet.

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. **Members are strongly encouraged to submit completed proxy forms electronically**.

Where a member (whether individual or corporate) appoints an individual or 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 proxy for that resolution will vote or abstain from voting at his/her discretion.

If the appointor is a corporation, the instrument appointing a proxy must be executed under the corporation's common seal or signed by its attorney or an officer on behalf of the corporation.

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM (i.e. **11 a.m. on 24 April 2023**), as certified by The Central Depository (Pte) Limited to the Company.

(d) A proxy need not be a member of the Company. The Chairman of the Meeting, as proxy, need not be a member of the Company.

(e) (i) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument; and (ii) a member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

(f) The Annual Report 2022 and accompanying appendices in relation to the proposed renewal of general mandate for interested person transactions and the 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 and on SGXNet. **Printed copies of these documents will not be sent to shareholders**.

(g) Members should check the Company's website at the URL http://www.thakralcorp.com/investor-relations/general-meetings for the latest updates on the status of the AGM.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) 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 proxies and representatives appointed for the AGM (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**

Information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Directors seeking re-election as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

Name of Director	Dileep Nair	Bikramjit Singh Thakral
Date of Appointment	2 January 2015	2 January 2020
Date of last re-election (if applicable)	12 June 2020	12 June 2020
Age	72	47
Country of principal residence	Singapore	Singapore
The Board's comments on this re-election (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Nomination Committee ("NC") and the Board have reviewed the re-election of Mr. Dileep Nair, including review of this independence by the NC, taking into consideration his quality of participation, attendance, time commitment, contribution and performance when discharging his duties and responsibilities. Mr. Nair's extensive experience with government ministries and financial institutions have added to the existing pool of expertise available to the Board. 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. Nair as an Independent Non-Executive Director of the Company.	The Nomination Committee ("NC") and the Board have reviewed the re-election of Mr. Bikramjit Singh Thakral ("Mr. Bikram") taking into consideration his quality of participation, attendance, time commitment, contribution and performance when discharging his duties and responsibilities. Mr. Bikram's experience gained throughout his tenure as a Director and a member of the Nomination Committee and Investment Committee of the Company enabled him to perform and discharge his duties smoothly and efficiently on the Board and the Board Committees. He is well versed in strategy consultancy and has vast business exposure and networks and adds new perspectives from a different generation. With his qualification, skills, experience and familiarity with the Company's businesses, Mr. Bikram continues to contribute positively to the Company. The NC and the Board recommend the re-election of Mr. Bikram as Non-Independent Non-Executive Director of the Company. The NC and the Board recommend the re-election of Mr. Bikram as Non-Independent Non-Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

Name of Director	Dileep Nair	Bikramjit Singh Thakral
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director and Member of Audit Committee, Compensation Committee and Nomination Committee.	Non-Independent Non-Executive Director and Member of Nomination Committee and Investment Committee.
Professional qualifications	• Bachelor of Engineering, McGill University • Master in Public Administration, Harvard University	• Bachelor of Business Administration (Honours), National University of Singapore with a Bachelor • Attended executive education at the Harvard Business School
Working experience and occupation(s) during the past 10 years	Ministry of Foreign Affairs Singapore • 2013 to 2016 – Singapore High Commissioner to Ghana • 2013 to 2011 – Ambassador of Singapore in Lao People's Democratic Republic • 2005 to 2011 – Consul-General in Dubai United Nations • 2000 to 2005 – Under-Secretary General for Internal Oversight DBS Bank Ltd • 1998 to 2000 – Managing Director Post Office Savings Bank of Singapore • 1997 to 1998 – Chief Executive Officer	Thakral Corporation Ltd • 2 January 2020 to Present – Non-Independent Non-Executive Director, member of Nomination Committee and Investment Committee • July 2013 to 1 January 2020 – Alternate Director to Mr. Kartar Singh Thakral • May 2014 to 1 January 2020 – Alternate to Mr. Kartar Singh Thakral as member of the Nomination Committee and Investment Committee Thakral One Pte Ltd • 2007 to Present – Chief Executive Officer • 2003 to 2006 – Executive Vice President Thakral Services (India) Ltd • 2008 to Present – Non-Executive Director • 2003 to 2007 – Senior Consultant Monitor Group LLC (now part of Deloitte Consulting LLP) • 2000 to 2003 – Management Consultant

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

Name of Director	Dileep Nair	Bikramjit Singh Thakral
Shareholding interest in the listed issuer and its subsidiaries	No	Thakral Corporation Ltd - Deemed interest in 65,692,560 ordinary shares Subsidiaries: 1. Thakral Japan Properties Pte. Ltd. - Deemed interest in 566,099 ordinary shares 2. TJP Pte. Ltd. - Deemed interest in 2,117,581 ordinary shares 3. 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	No	1. Non-Independent and Non-Executive Director of the Company, a member of the Nomination Committee and Investment Committee of the Company and a controlling shareholder of the Company with deemed interest in 65,692,560 ordinary shares. 2. Director of the principal subsidiaries – Thakral Capital Holdings Pte. Ltd., Thakral Realty (S) Pte Ltd, Thakral Japan Properties Pte. Ltd., TJP Pte. Ltd. and Thakral Japan Umeda Properties Pte. Ltd. 3. Grandson of the Company's Executive Director and controlling shareholder, Mr. Kartar Singh Thakral. 4. Nephew of the Company's CEO, Executive Director and controlling shareholder, Mr. Inderbethal Singh Thakral. 5. Son of the Company's controlling shareholder, Mr. Gurmukh Singh Thakral. 6. Nephew of the Company's controlling shareholders, Mr. Karan Singh Thakral and Mr. Rikhipal Singh Thakral. 7. Cousin of the Company's controlling shareholder, Mr. Indergopal Singh Thakral.

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

Name of Director	Dileep Nair	Bikramjit Singh Thakral
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments including Directorships		
Past (for the last 5 years)	1. Singapore Management University – Part-time lecturer 2. Agri-Food & Veterinary Authority of Singapore – Director	1. JBS Pte Ltd (Formerly known as Sovereign Investments Pte Ltd) (Under voluntary deregistration) – Director 2. Topnotch Dragon Limited (Deregistered) – Director 3. Thakral Corporation Ltd (Singapore listed) – Alternate Director 4. THG Pte Ltd – Director 5. Prime Trade Enterprises Limited – Director 6. Tri Team Investments Ltd – Director 7. Skybest Resources Limited – Director
Present	1. Keppel DC REIT Management Pte. Ltd., the Manager of Singapore listed Keppel DC REIT – An Independent Director and a member of the Audit and Risk Committee 2. Formerly Singapore listed Singapore Reinsurance Corporation Limited – An Independent Director and Chairman of the Audit Committee 3. MS First Capital Insurance Limited – Independent Director 4. Health Sciences Authority of Singapore – Director 5. Civil Service College of Singapore – Part-time lecturer	1. One Sovereign Investments Pte Ltd – Director 2. Thakral One Pte Ltd – CEO & Director 3. Thakral Pte Ltd – Director 4. Thakral Group Limited – Alternate Director 5. Universal Procurement Systems Pte Ltd – Director 6. One Futureworld (Singapore) Pte Ltd – Director 7. Toyspedia Pte Ltd – Director 8. Thakral Japan Properties Pte. Ltd. – Director 9. TJP Pte. Ltd. – Director 10. Thakral Umeda Properties Pte. Ltd. – Director 11. Thakral Realty (S) Pte Ltd – Director 12. Thakral Capital Holdings Pte. Ltd. – Director 13. My Futureworld Sdn Bhd – Director 14. I Future Sdn Bhd (Formerly known as Noriko Sdn Bhd) – Director 15. Thakral One Sdn Bhd – Director 16. Thakral One Private Limited – Director

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

Name of Director	Dileep Nair	Bikramjit Singh Thakral
		17. Thakral Information Systems Private Limited – Director 18. Trust Solutions Private Limited – Director 19. EMCO Toys Limited – Director 20. Noriko Electrical Co Limited – Director 21. Thakral One (HK) Limited – Director 22. Thakral Services (India) Ltd (India listed) – Director 23. Samuel Holdings Ltd – Director 24. Thakral Infotech Inc – Director 25. Thakral One (Private) Limited – Director 26. Thakral Group of Companies – Advisor, Mergers & Acquisitions 27. Thakral Land Pte Ltd – Director 28. Thakral Prime Pte Ltd – Director 29. Trendmasters Pte Ltd – Director 30. DK Trust Pte Ltd – Director
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	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	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Dileep Nair	Bikramjit Singh Thakral
c) Whether there is any unsatisfied judgment against him?	No	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	No
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	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	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	No

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

Name of Director	Dileep Nair	Bikramjit Singh Thakral
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	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	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 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	No	No

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

Name of Director		Dileep Nair	Bikramjit Singh Thakral
	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	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.	N.A.

THAKRAL CORPORATION LTD

(Company Registration No. 199306606E)
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT

1. Pursuant to Section 181(1C) of the Companies Act 1967 of Singapore (the "**Act**"), a Relevant Intermediary (as defined in the Act) may appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting (the "**AGM**").
2. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.
3. CPF or SRS investors who wish to vote should approach their respective Agent Banks or SRS Operators to submit their votes by 5 p.m. on 17 April 2023.
4. 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. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of proxy(ies) 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:

Name	NRIC/Passport No.	Address	Proportion of Shareholdings	
			No. of Shares	%
and/or				

or failing him/her, *the **Chairman of the AGM** as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 11 a.m. on 27 April 2023 at Merchant Court Ballroom, Lobby Level, Paradox Singapore Merchant Court at Clarke Quay, 20 Merchant Road, Singapore 058281 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

VOTING WILL BE CONDUCTED BY POLL. IF YOU WISH TO EXERCISE ALL YOUR VOTES "FOR", "AGAINST" OR "ABSTAIN" THE ORDINARY RESOLUTIONS AS INDICATED HEREUNDER, PLEASE INDICATE SO WITH A "✓" WITHIN THE BOX PROVIDED.

No.	Ordinary Resolutions	For#	Against#	Abstain#
1.	Directors' Statement and Audited Financial Statements for the year ended 31 December 2022			
2.	Re-election of Mr. Dileep Nair as a Director pursuant to Regulation 107(2) of the Constitution of the Company			
3.	Re-election of Mr. Bikramjit Singh Thakral as a Director pursuant to Regulation 107(2) of the Constitution of the Company			
4.	Approval of Directors' fees amounting to S$718,500 for the year ending 31 December 2023, to be paid quarterly in arrears			
5.	Re-appointment of Deloitte & Touche LLP as Auditors			
6.	Authority to allot and issue shares			
7.	Renewal of Shareholders' Mandate for Interested Person Transactions			
8.	Renewal of the Share Buyback Mandate			

* *Delete as appropriate*
\# *If you wish to exercise your votes both "For" and "Against" as well as to "Abstain" from the resolution, please indicate the number of shares in the box provided. In the absence of specific directions, the proxy/proxies may vote or abstain from voting at his/her discretion.*

Dated this __________ day of ________________ 2023

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 BEFORE COMPLETING THIS PROXY FORM

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 a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member who wishes to exercise his/her/its voting rights at the AGM may (i) (where such members are individuals) vote at the AGM, or (where such members are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the Meeting) to attend and vote at the AGM on their behalf; or (ii) (where such members are individuals or corporates) appoint the Chairman of the AGM as their proxy to vote on his/her/its behalf at the AGM.

   This proxy form may be accessed via 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 an individual or the Chairman of the AGM 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 proxy for that resolution will vote or abstain from voting at his/her discretion.

   CPF Investors and SRS Investors:

   (a) may attend and vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by **5.00 p.m. on 17 April 2023**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by the cut-off date.

3. (i) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument; and (ii) a member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

4. A proxy need not be a member of the Company. The Chairman of the AGM, as proxy, need not be a member of the Company.

5. The instrument appointing proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged with 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 each case, by **11 a.m. on 24 April 2023 (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. **Members are strongly encouraged to submit completed proxy forms electronically**.

6. The instrument appointing the proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the 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 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), if the instrument appointing the proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

7. The Company shall be entitled to reject an instrument appointing the proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument of proxy (including any related attachment). In addition, in the case shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM (i.e. 11 a.m. on 24 April 2023), 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 member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2023.

Fold Here

Affix
Stamp
Here

AGM 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

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Sydney, NSW 2000
Australia
Tel (61-2) 80737888
Fax (61-2) 80737889

BRISBANE OFFICE
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Brisbane, QLD 4000
Australia
Tel (61-4) 87744157
Fax (61-2) 80737889
www.thakralcapital.com.au

GemLife Group

Suite 202, Level 2
M1 Connect Business Hub
120-122 Siganto Drive
Helensvale, QLD 4212
Australia
www.gemlife.com.au

CHINA

Thakral China Ltd
CBT At-Home Beauty (Shanghai) Ltd

Suite 2101
Caohejing Kehui Plaza
1188 Qinzhou Road (North)
Shanghai 200233
People's Republic of China
Tel (86-21) 61917722
Fax (86-21) 61917711

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Thakral Corporation (HK) Limited

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Tel (852) 27227752
Fax (852) 27245039
(852) 27394336

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Thakral Brothers Ltd

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Osaka 541-0057
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Fax (81-6) 62660290

INDIA

Singapore Sourcing & Technology Pvt Ltd

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Gurgaon Haryana
122006
India
Tel (0124) 4090 132

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CORPORATION LTD

Co. Reg. No. 199306606E

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