



THAKRAL
CORPORATION LTD

BLUEPRINT FOR SUSTAINABLE GROWTH



ANNUAL REPORT
2023

TABLE OF CONTENTS

01	CORPORATE PROFILE
02	CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S JOINT STATEMENT
08	FINANCIAL HIGHLIGHTS
13	OUR NETWORK
14	CORPORATE INFORMATION
15	PRINCIPAL OFFICERS
16	OUR CORE BUSINESSES
	- AUSTRALIA
	- JAPAN, SINGAPORE & NEW ECONOMY VENTURES
	- CHINA, HONG KONG AND OTHERS
38	BOARD OF DIRECTORS
43	KEY PERSONNEL
45	CORPORATE GOVERNANCE REPORT
71	DIRECTORS' STATEMENT & FINANCIAL STATEMENTS
146	SHAREHOLDERS' INFORMATION
148	NOTICE OF ANNUAL GENERAL MEETING
154	ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND RE-ELECTION
173	PROXY FORM

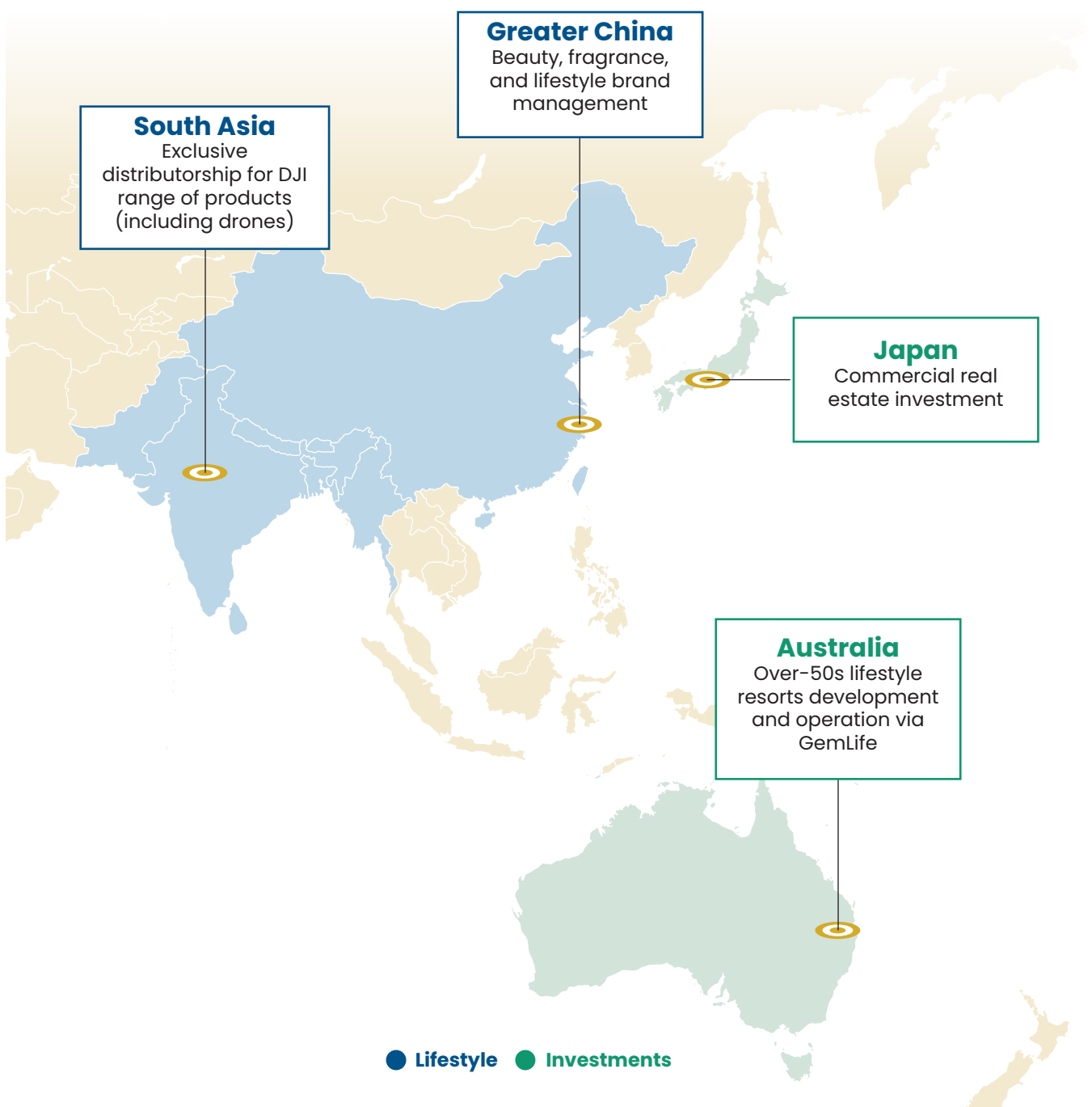


CORPORATE PROFILE

Thakral Corporation Ltd is listed on the SGX Mainboard since December 1995. The Group's core business comprises a growing investment portfolio in Australia, Japan and Singapore. Investments in Australia include the development and management of over-50s lifestyle resorts under the GemLife brand. The Japanese investment portfolio consists of landmark commercial buildings in Osaka, the country's second largest city.

The Group also invests in the management and marketing of leading beauty, fragrance and lifestyle brands in Asia, serving customers directly through retail flagship stores, multi-brand specialty retailers and e-commerce platforms.

Furthermore, the Group makes strategic investments in new economy ventures that complement its existing business relationships and networks, including acting as a cornerstone investor or participating in early funding. These investments aim to harness potential synergies and explore new business opportunities.



CHAIRMAN & CHIEF EXECUTIVE OFFICER'S JOINT STATEMENT

DEAR SHAREHOLDERS,

FY2023 has been a satisfactory year for Thakral Corporation Ltd (the "Company") and its subsidiaries (collectively, the "Group") financially and operationally. Our strategic focus on high-growth and resilient segments has enabled the Group to forge towards creating generational value through entrepreneurship and innovation.

Our investment in GemLife, which started as a joint-venture for over-50s lifestyle resorts business in Australia, is a testament to our strategy of value creation. In 2023, GemLife contributed record numbers to the Group on the back of continuing demand from a growing aging population in Australia. In a short span of 7 years, GemLife established a distinctive presence in the market by living up to its goal of providing an active and vibrant lifestyle for the over-50s communities to live the lifestyle they truly deserve through luxury homes, active and engaged living with exceptional amenities at premium locations.

The Group's Lifestyle business also performed well in 2023. Prominent brands have entrusted us to expand their fragrance business in China and we have achieved encouraging growth through our well-located, experiential stores. Additionally, in South Asia, our exclusive distributorship for DJI drones and accessories, has also been performing well, embarking into the rapidly growing agricultural and enterprise market.

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Our strategic focus on high-growth and resilient segments has enabled the Group to forge towards creating generational value through entrepreneurship and innovation.

With the established businesses fully focussed on growth, we undertook a few strategic initiatives, including the internal restructuring in Australia, a share swap in Current-Body Thakral joint venture, the acquisition of Thakral Innovations Pvt Ltd in India and investments in new economy ventures, to streamline costs and maximise potential returns in the coming years. Overall, such initiatives enable us to lay a stronger foundation to foster consistent value creation.

As we reflect on the Group's journey, we are pleased to convey our collective commitment towards fostering sustainable growth – a blueprint that has been at the heart of our endeavours.



Inderbethal Singh Thakral
Executive Director and Chief Executive Officer

Natarajan Subramaniam
Independent Non-Executive Chairman
and Lead Independent Director

RESILIENT FINANCIAL PERFORMANCE

Revenue for the year ended 31 December 2023 ("FY2023") increased 32.3% year-on-year (yoy) to S\$212.3 million, primarily driven by the growth in the lifestyle business. The Group recorded a more than two-fold increase in profit from operations to S\$15.3 million. Share of profit of associates and joint ventures increased 12.3% yoy to S\$34.8 million in FY2023 on the back of the strong performance of GemLife.

Revenue

S\$212.3 million



32.3% from FY2022

There was a significant one-off charge of S\$20.4 million in FY2023 due to the internal restructuring of the Group's investment in the Australian business under Thakral Capital Holdings Pte Ltd (the "TCH Restructuring"). These costs were principally relating to settlement of dues payable to the Australian Executives. The TCH Restructuring is expected to result in significant cost savings going forward and a greater focus on GemLife as our core growth strategy in Australia.

With an eye to the future, the Group made further investments in CurrentBody-UK and new economy ventures in FY2023. These investments, along with the one-time TCH Restructuring costs, primarily contributed to a decrease in the Group's cash balance to S\$11.3 million as at 31 December 2023 compared to S\$20.1 million as at 31 December 2022.

The Board has proposed a final dividend of 2.0 Singapore cents per share. Adding to the 2.0 Singapore cents per share distributed earlier, the Company will have a dividend yield of approximately 6.7% (based on the closing share price of S\$0.595 as at 28 February 2024).

SHAPING TOMORROW'S LEGACY

Our core businesses have developed strong frontiers of growth and are set on a steady long-term growth path.

Real Estate Investments

The returns from our real estate investments are mainly accounted as share of profit from associates and joint ventures in the financial statements and recorded a 12.3% yoy growth to S\$34.8 million (including share of profit from the erstwhile CurrentBody JV) in FY2023.

Powered by our 31.7%-owned associate, GemLife in Australia, the collective Investments achieved a segmental profit (before one-off restructuring costs) of S\$44.6 million in FY2023, a 19.6% increase compared to the previous financial year.

Our real estate investments are primarily located in two key geographies – Australia and Japan.

Australia

GemLife

GemLife continues to be one of our strongest engines of growth. It hit a notable milestone this year, achieving settlements of 361 homes, representing a 66% increase from the 218 houses delivered in 2022. This represents GemLife's best performance to date since inception. GemLife's cumulative occupied homes across 9 resorts stood at 1,449 as at 31 December 2023.

Navigating industry-wide supply chain disruptions commendably, GemLife has managed to stay on or even ahead of schedule on its construction and development projects. Almost 150 homes have been delivered at the Palmwoods resort in just over 18 months and first home settlements have occurred at Tweed Waters and Gold Coast. Operations at all other locations are progressing on schedule including Highfields, Woodend, Maroochy Quays and Pacific Paradise which are settling homes in the final stages. With a robust portfolio pipeline of delivering over 6,500 homes in the next decade, GemLife is already one of the leading brands in the over-50's resort style living segment in Australia.

With its luxury homes, strategic locations, vibrant communities, and strong market positioning, GemLife offers a compelling proposition to outperform expectations & to achieve sustained growth with its weekly recurring site fees. We look forward to its growth in its contributions in the coming years.

Share of Profit from Associates and JVs – Investments

S\$34.8 million

(including share of profit from the erstwhile CurrentBody JV)



12.3% from FY2022

CHAIRMAN & CHIEF EXECUTIVE OFFICER'S JOINT STATEMENT



**Cumulative
Homes Settled** **361
units**



66% from FY2022



RENDER OF GEMLIFE MORETON BAY CLUB HOUSE

Other residential properties in Australia

All apartments in the Thornton Street project have been sold and construction is progressing well with practical completion expected around 1H2024. The Parkridge Noosa project is left with one final apartment, which is currently leased out, to be sold. Additionally, demand for housing in Gladstone has improved with increased selling prices, and the remaining 13 Gladstone houses held as at the end of the year are expected to be sold in FY2024. Of these, 6 have already been sold in the first 2 months of 2024. Due to developing market conditions, we remain selective in undertaking new projects in this segment.

Strong Occupancy



100%

5 Properties



up from 3
in FY2022

86%

1 Property

Japan

The Group's commercial office properties in Osaka, Japan have demonstrated resilience, maintaining competitive level of rent relative to the general market. Supported by lean supply in 2023, overall rentals held up well and are expected to remain competitive going into 2024, even against an increase in Grade A office supply. Occupancy rates for the Group's co-invested office properties were higher with 5 out of its 6 office properties reporting 100% occupancy as at 31 December 2023. The Group also divested its R Hotels Inn, netting an after-tax gain of S\$1.7 million and remains on the lookout to sell the remaining hotel and 2 office buildings at the right price.

Looking ahead, the prime location of these properties and gradual increase in rentals serve as opportunities for the Group to capture any potential upside.

Lifestyle

Our Lifestyle business achieved notable growth yet again, growing by an impressive 44.2% to S\$198.7 million for the year and accounting for 93.6% of the Group's revenue for FY2023.

In June 2023, the Group exchanged its 50% stake in the CurrentBody Thakral joint venture ("CurrentBody JV") for a 10% stake in the parent of CurrentBody.com Limited ("CB"). This strategic investment will pave the way for a stronger operational footprint from improved global exposure in the at-home beauty device segment. Through this mutually beneficial arrangement, CB will also be able to leverage our extensive network in Asia, showcasing our commitment towards value creation for our stakeholders.

Overall segment profits, which includes the 1H2023 profits and the divestment gain from the CurrentBody JV, doubled to S\$13.2 million this year. This underscores the effectiveness of our shift towards prioritising higher-margin growth ventures.

The Group continues to see a positive impact from increased sales of leading fragrance brands and its distribution of cutting-edge technologies, including drones and camera products, across South Asia. To that end, the Group opened four more retail stores for fragrances in Hong Kong and Macau in FY2023. Through this expanding retail network, the Group aims to create brand immersion hubs in strategic locations to establish deeper consumer connections and promoting recurring demand.

Additionally, having identified yet another exciting opportunity, the Group completed the acquisition of Thakral Innovations Pvt Ltd in end December 2023 to boost the distribution of lifestyle products regionally. Leveraging on their local expertise, the Group aims to expand its drone distribution beyond the consumer sector to promote beneficial applications in the expansive agriculture and enterprise sectors in India and the other South Asian countries.

New Economy Ventures and Impact Investing

Our Blueprint for Sustainable Growth breaks ground with impactful new economy ventures, ensuring a brighter future through innovation. We look to strategically invest in emerging opportunities in the fields of Real Estate, Web 3.0 Technology and Climate Driven Impact Investments creating synergies across our diverse businesses, which are committed to creating long-lasting environmental or social impact, going beyond mere profit generation.

Two uniquely innovative ventures that we invested in – BillionBricks, a Singapore-based award winning net-zero venture that utilises integrated solar roofing that generates clean energy for large-scale affordable housing communities, and Climate Alpha, an AI-powered analytic platform to navigate climate volatility, to drive future-proof real estate strategies – made exciting progress. BillionBricks kick-started new collaborations on net-zero homes in the Philippines and Climate Alpha have expanded their services globally to offer data-driven solutions to a wider audience.



BILLIONBRICKS LAUNCHED SIENNA, ITS SUSTAINABLE, INNOVATIVE AND MODERN, NET-ZERO HOUSE DESIGN IN 2023
© COPYRIGHT 2024 BILLIONBRICKS. ALL RIGHTS RESERVED.

Lifestyle Revenue

S\$198.7 million



44.2% from FY2022

CHAIRMAN & CHIEF EXECUTIVE OFFICER'S JOINT STATEMENT

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Our commitment to driving sustainable growth remains undeterred, underpinned by a strategic vision and a resilient business model. Our four key pillars of sustainability – innovate, collaborate, empower and uphold – guide our efforts to create shared value within the communities we operate in, as well as for our partners who we operate with. Giving back to the masses, supporting social causes and empowering communities remains a priority at every level of the value chain.

The Group renewed its long-term collaboration with North East CDC until 2025. Through the North East Growth Fund, the Group provided essentials like milk and diapers for children up to 6 years old to low-income families residing within the North East district in Singapore.

The Group also continues its community growth and support initiatives through donations to various social enterprises, including Sree Narayana Mission, UOB Global Heartbeat Virtual Run/Walk 2023, various programs and services by the Malay Youth Literary Association and a one-off donation to support the flood victims in Punjab.



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We are honoured to receive the People's Association Community Spirit (PACS) Awards 2023 – Merit Award, for the second consecutive year.

In view of the rising costs in Singapore on mobility equipment and to maximise the purchasing power of the dollar, the Group leveraged on its strong sourcing network in China to directly procure the mobility equipment. These wheelchairs and walkers were delivered to several organisations and individual beneficiaries in Singapore and significantly aided the improvement of the beneficiaries' mobility and independence.

In addition to our direct efforts, our associates and investee companies are also embedding sustainability in their operations. BillionBricks' award-winning net-zero homes are transforming the real-estate sustainability landscape in India and the Philippines. There are on-going efforts to reduce the carbon footprint at our Japanese investment properties. In 2023, GemLife's Gold Coast and Moreton Bay resorts received full certification under the Urban Development Institute of Australia's EnviroDevelopment program with the latter achieving six out of six 'leaves' for the elements assessed under the program which includes ecosystems, community, energy, water, materials and waste. We are truly proud to be investing in socially and environmentally responsible businesses.



At Thakral, we strive to uphold the high standards of integrity, ethics and corporate governance in our pursuit of being a trusted partner. In recognition of this, the Group was conferred a Winner of the Most Transparent Company Award (Consumer Discretionary) in SIAS Investors' Choice Awards 2023, also for the second consecutive year. We appreciate the value of this prestigious award which affirms our ongoing efforts in maintaining high transparency and good governance.

We look forward to sharing further details of the Group's sustainability efforts in our upcoming sustainability report for FY2023.

ACKNOWLEDGEMENTS

None of our achievements would be possible without all our stakeholders. The Board wishes to thank all customers, suppliers, employees, bankers, business partners and shareholders for your unwavering support through the years.

Our Independent Non-Executive Directors Mr Lee Ying Cheun and Mr Dileep Nair retired at the end of FY2023 and the Board records its appreciation for their invaluable contribution to the Group over the years.

On behalf of the Board, we would like to put on record our heartfelt gratitude to Mr Natarajan Subramaniam, the Independent Non-Executive Chairman and Lead Independent Director of the Group, who will be retiring at the conclusion of our annual general meeting in April 2024 ("AGM"). His leadership, dedication, guidance and support have been instrumental to the Group's growth. Following his retirement from the Board, Mr Subramaniam will be appointed as an Advisor of the Group and the Investment Committee of the Company till end of 2024 to provide a smooth transition for the newly appointed Board members.

We are pleased to onboard two new Independent Non-Executive Directors, Mr Nagaraj Sivaram and Ms Janice Wu in FY2023 and extend our welcome to Mr Ashmit Singh Thakral, the newly appointed Alternate Director to Mr Kartar Singh Thakral in March 2024. We also look forward to welcoming Mr Lim Swe Guan as our new Independent Non-Executive Chairman to lead the Board upon approval of his election at the Company's AGM. Together, they will add greater diversity and bring fresh perspectives to the Board.

Led by an experienced management team and a clear vision that is being realised through appropriate growth strategies, the Group will push to deliver sustainable returns over the long-term.

Natarajan Subramaniam

Independent Non-Executive Chairman and
Lead Independent Director

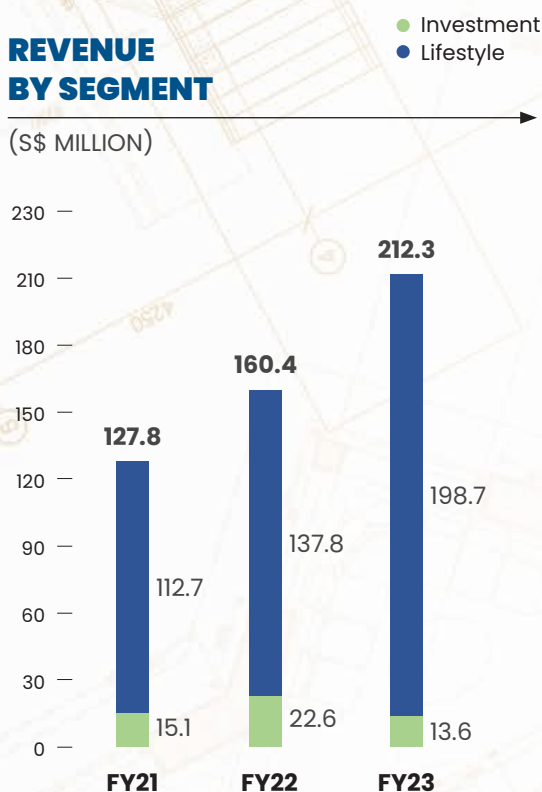
Inderbethyl Singh Thakral

Executive Director and Chief Executive Officer

FINANCIAL HIGHLIGHTS

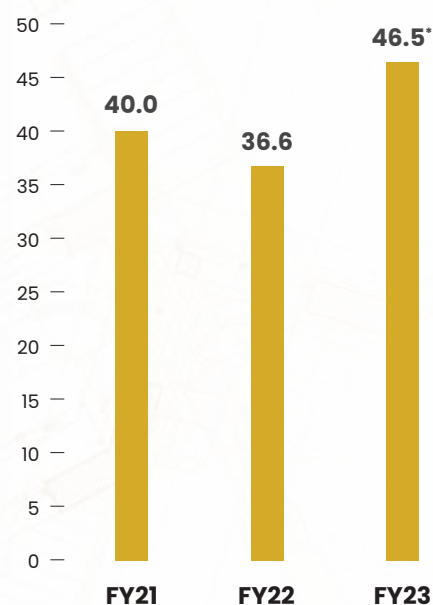
REVENUE BY SEGMENT

(S\$ MILLION)



PROFIT BEFORE TAX

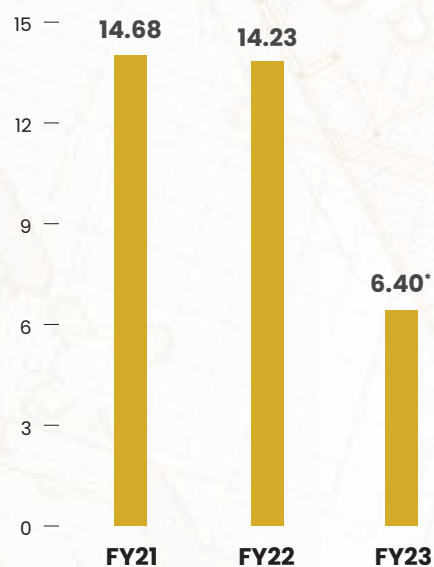
(S\$ MILLION)



* Before restructuring costs of S\$20.4 million

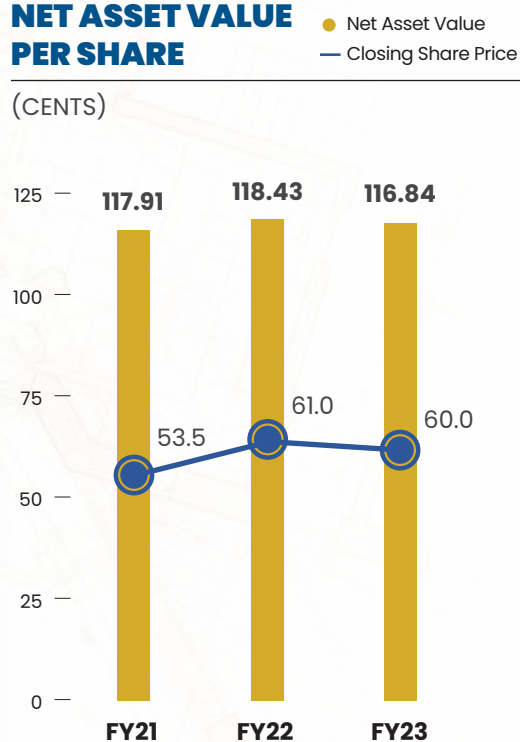
EARNINGS PER SHARE

(CENTS)



NET ASSET VALUE PER SHARE

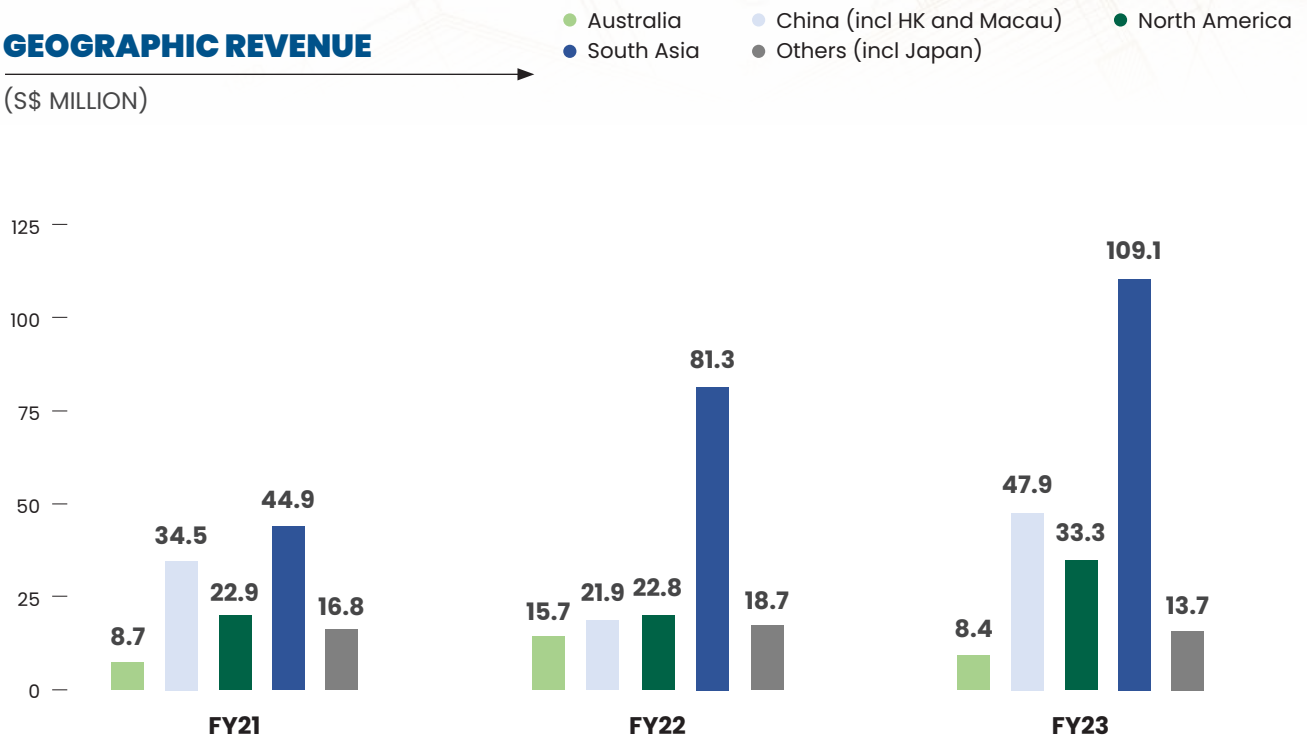
(CENTS)



* After restructuring costs of S\$20.4 million

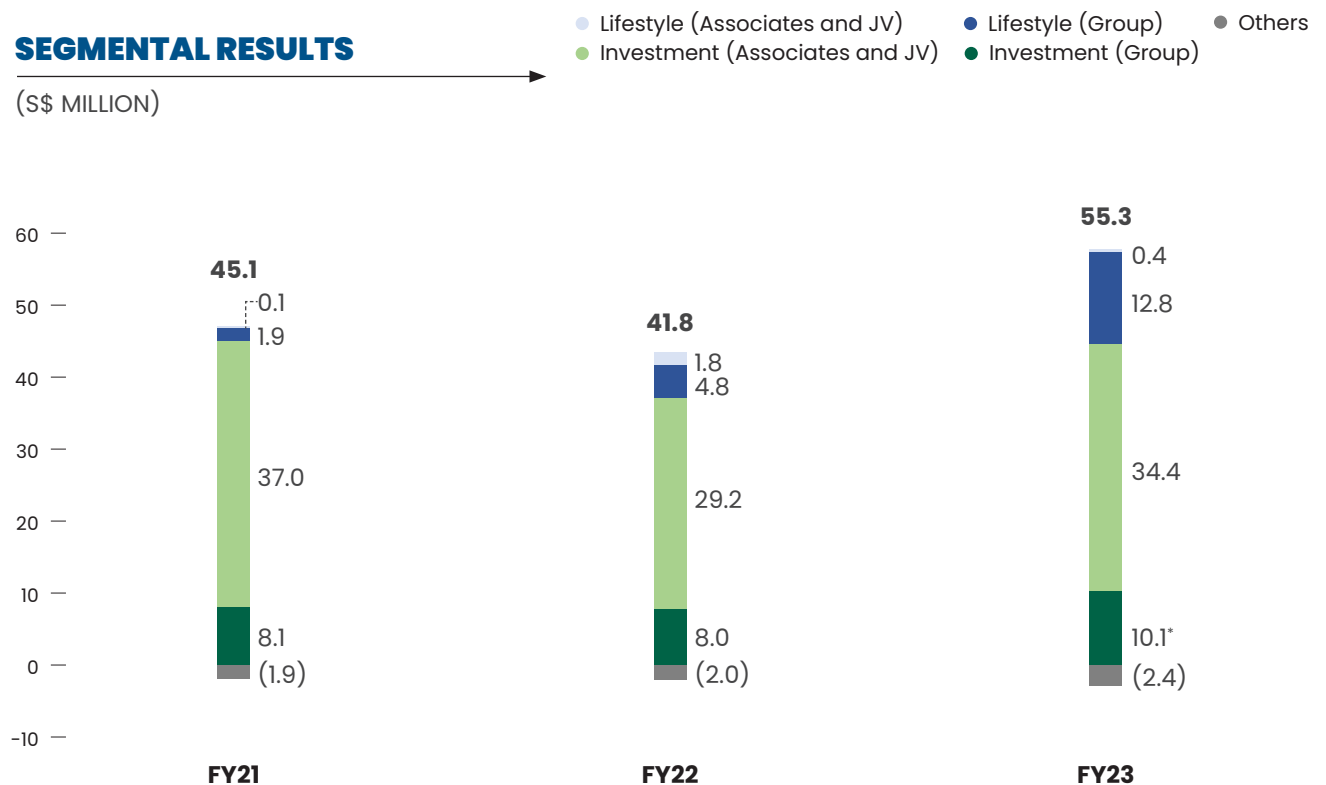
GEOGRAPHIC REVENUE

(S\$ MILLION)



SEGMENTAL RESULTS

(S\$ MILLION)

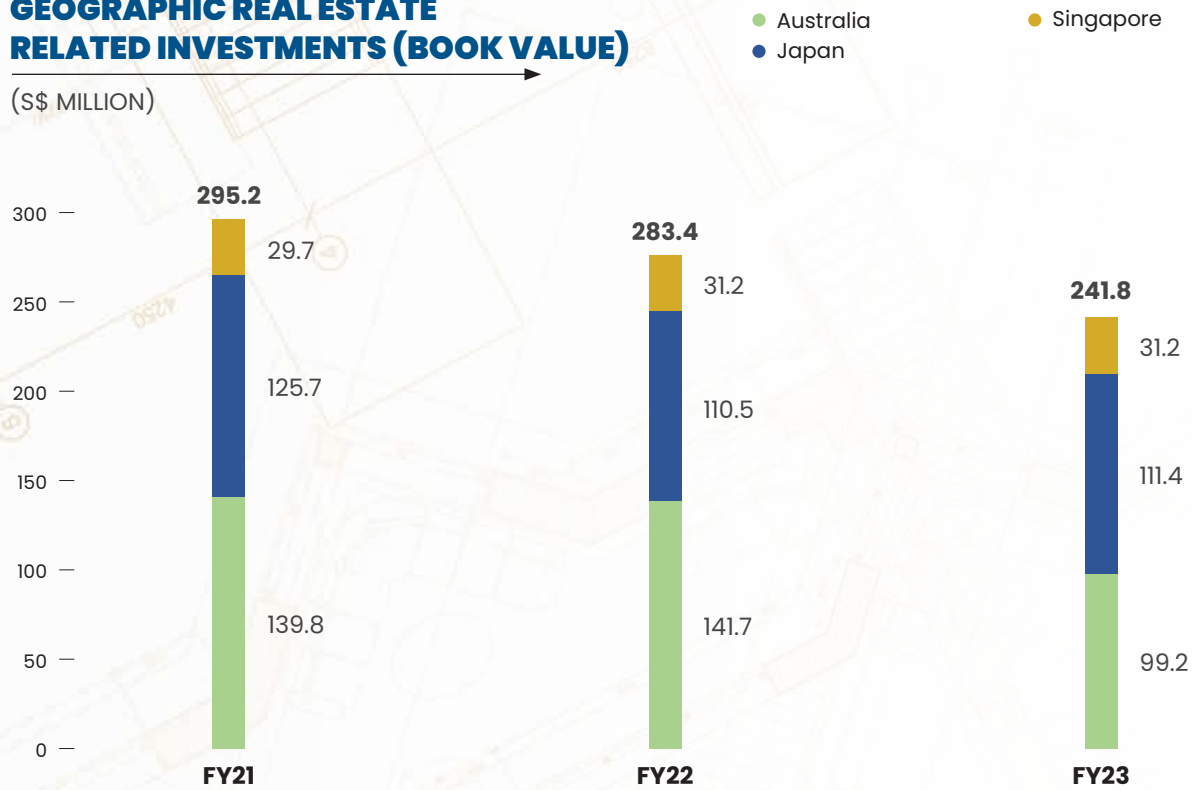


* Before restructuring costs of S\$20.4 million

FINANCIAL HIGHLIGHTS

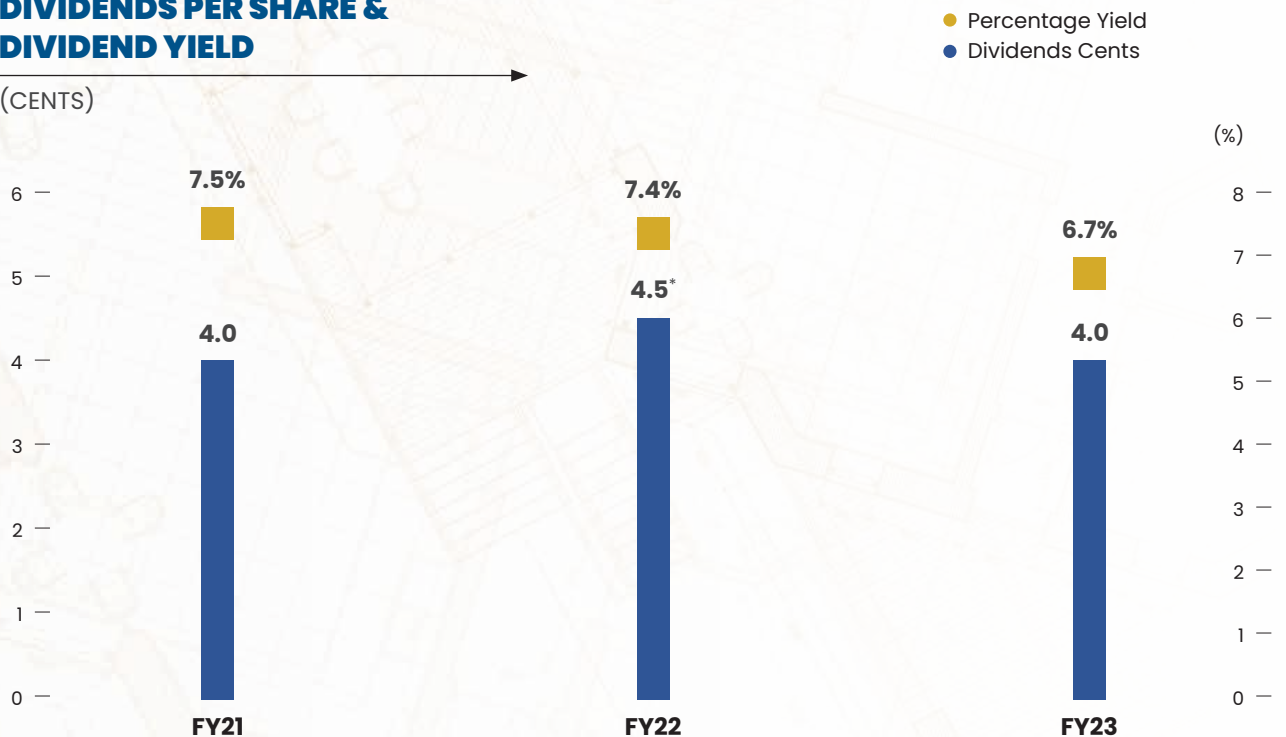
GEOGRAPHIC REAL ESTATE RELATED INVESTMENTS (BOOK VALUE)

(S\$ MILLION)



DIVIDENDS PER SHARE & DIVIDEND YIELD

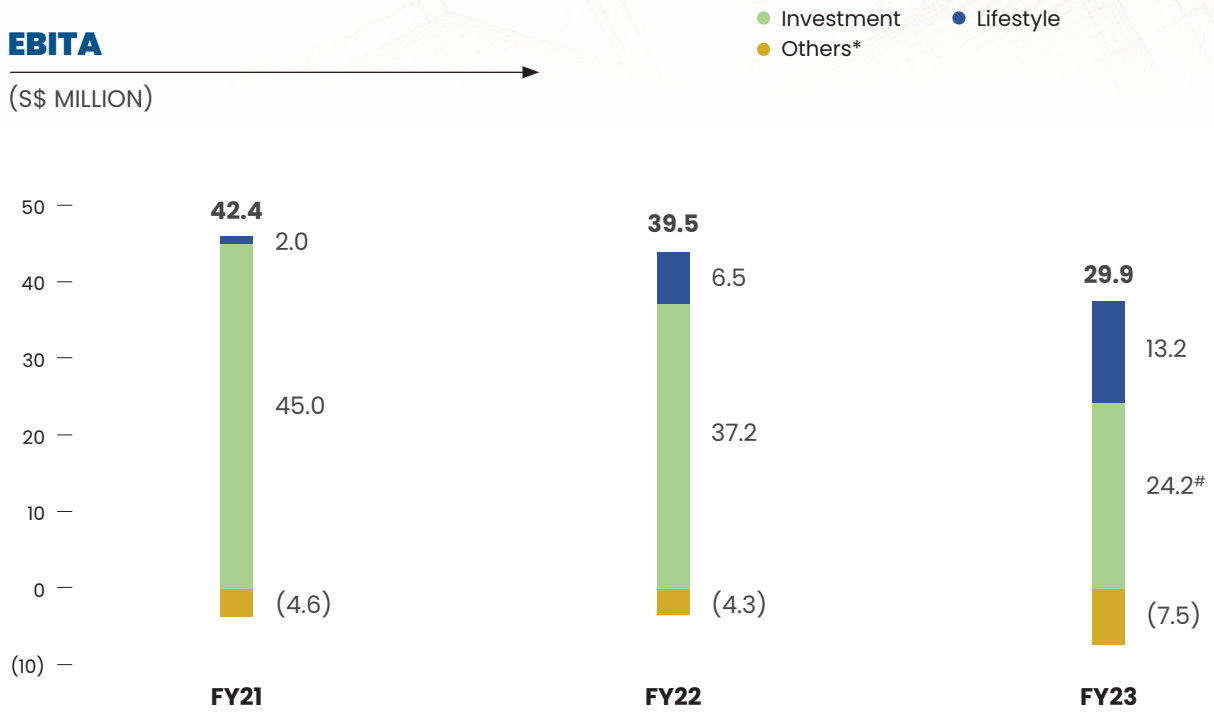
(CENTS)



* Including special dividend of 0.5 cent

EBITA

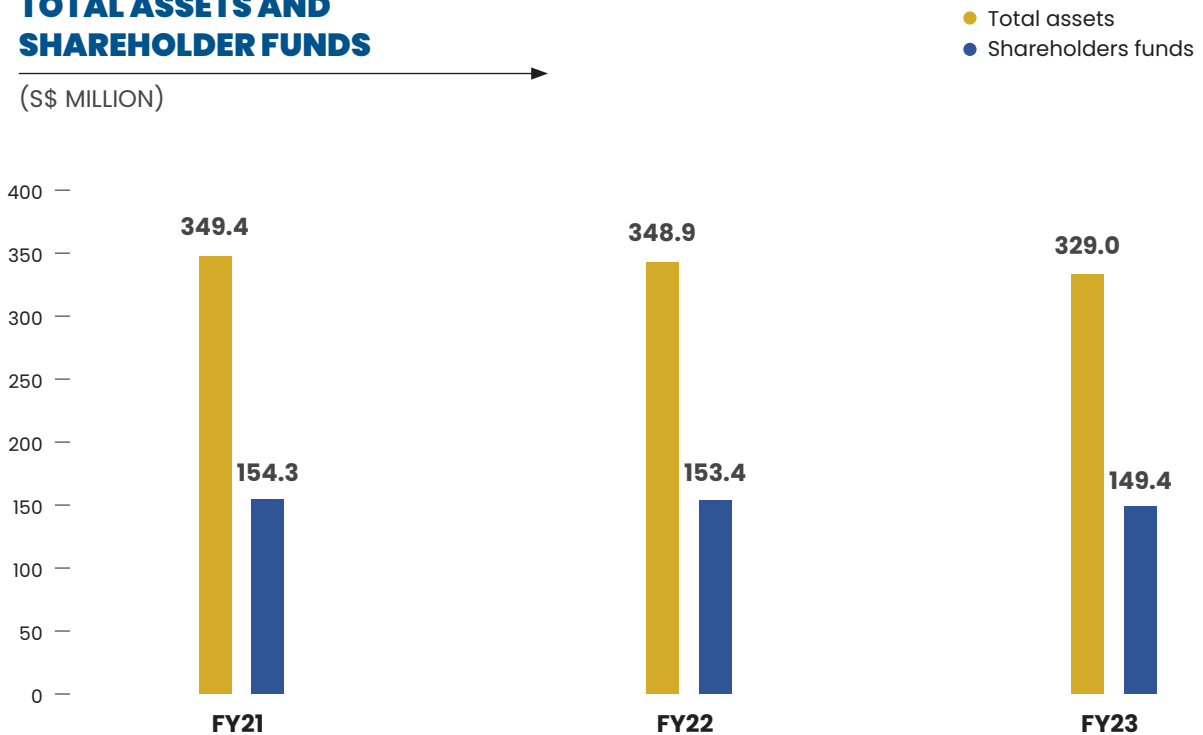
(S\$ MILLION)



* Includes unallocated corporate expenses
[#] After restructuring costs of S\$20.4 million
 Note: Includes valuation / disposal gain on properties

TOTAL ASSETS AND SHAREHOLDER FUNDS

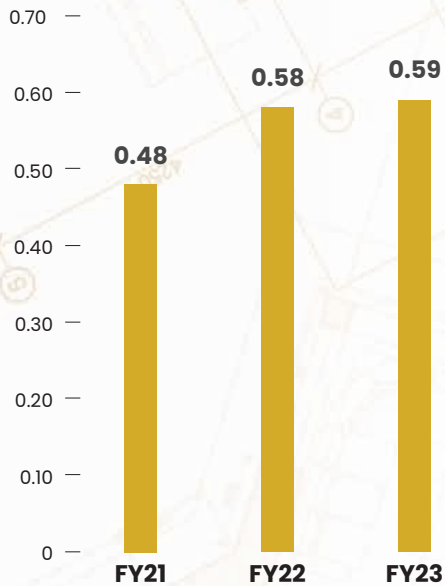
(S\$ MILLION)



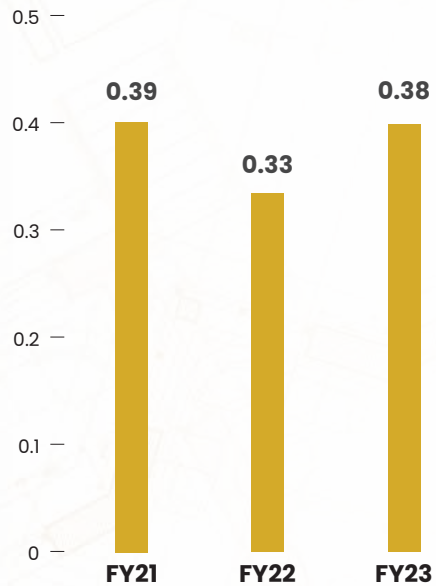
FINANCIAL HIGHLIGHTS

AVERAGE SHARE PRICE

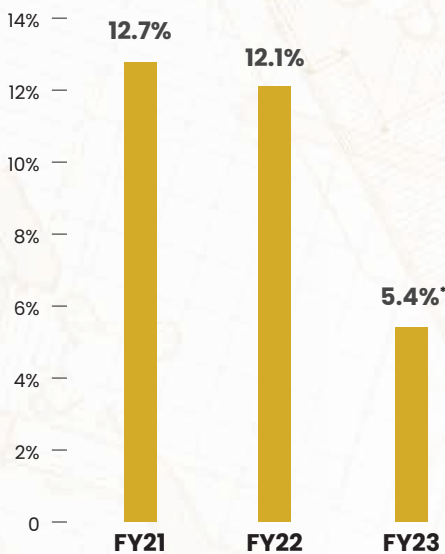
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GEARING RATIO

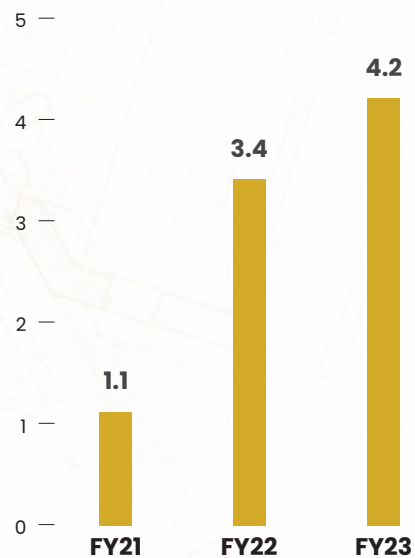


RETURN ON EQUITY



INTEREST COVERAGE

(TIMES)



* After restructuring costs of S\$20.4 million

OUR NETWORK



CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE

Kartar Singh Thakral
(Alternate: Ashmit Singh Thakral)

Inderbethal Singh Thakral

NON-EXECUTIVE:

Natarajan Subramaniam
(Chairman and Lead Independent Director)

Nagaraj Sivaram
(Independent)

Janice Wu Sung Sung
(Independent)

Bikramjit Singh Thakral
(Non-Independent)

COMPANY SECRETARIES

Chan Wan Mei

Chan Lai Yin

REGISTERED OFFICE

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

Nagaraj Sivaram
(Vice Chairman)

Janice Wu Sung Sung

COMPENSATION COMMITTEE

Natarajan Subramaniam
(Chairman)

Nagaraj Sivaram

Bikramjit Singh Thakral

NOMINATION COMMITTEE

Natarajan Subramaniam
(Chairman)

Bikramjit Singh Thakral

Janice Wu Sung Sung

INVESTMENT COMMITTEE

Natarajan Subramaniam
(Chairman)

Kartar Singh Thakral
(Alternate: Ashmit Singh Thakral)

Inderbethal Singh Thakral

Bikramjit Singh Thakral

Janice Wu Sung Sung

INVESTOR RELATIONS CONSULTANCY

Financial PR
4 Robinson Road
#04-01 The House of Eden
Singapore 048543
Tel: (65) 6438 2990
Fax: (65) 6438 0064

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

Bank of Communications Co., Ltd.
China

Commonwealth Bank of Australia
Australia

Habib Bank Zurich (Hong Kong)
Limited
Hong Kong

National Australia Bank Limited
Australia

United Overseas Bank Limited
China, Hong Kong and Singapore

Westpac Banking Corporation
Australia

Xiamen International Bank Co., Ltd.
China

PRINCIPAL OFFICERS

THAKRAL CORPORATION LTD

Singapore

Kartar Singh Thakral
Executive Director

Inderbethal Singh Thakral
Chief Executive Officer &
Executive Director

Rikhipal Singh Thakral
Advisor to Investment
Committee

Bikramjit Singh Thakral
Non-Executive Director

Ashmit Singh Thakral
Alternate Director to
Kartar Singh Thakral

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

Inderbethal Singh Thakral
Executive Director

Bikramjit Singh Thakral
Non-Executive Director

THAKRAL CAPITAL HOLDINGS PTE LTD

Singapore

Natarajan Subramaniam
Non-Executive Chairman &
Director

Inderbethal Singh Thakral
Executive Director

Bikramjit Singh Thakral
Non-Executive Director

THAKRAL CAPITAL HOLDINGS (AUSTRALIA) PTY LTD

THAKRAL CAPITAL AUSTRALIA PTY LTD

Australia

Ashmit Singh Thakral
Chief Financial Officer and Director
GemLife Group

THAKRAL JAPAN PROPERTIES PTE LTD

TJP PTE LTD

THAKRAL UMEDA PROPERTIES PTE LTD

Singapore

Kartar Singh Thakral
Executive Director

Inderbethal Singh Thakral
Executive Director

Rikhipal Singh Thakral
Non-Executive Director

Bikramjit Singh Thakral
Non-Executive Director

THAKRAL BROTHERS LTD

Osaka, Japan

Indergopal Singh Thakral
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

SINGAPORE SOURCING & TECHNOLOGY PVT LTD

Haryana, India

Gurmeet Singh
Senior Vice President

THAKRAL INNOVATIONS PVT LTD

Bengaluru, India

Kanwaljeet Singh Bawa
Director

Nirmala Sridhar (Mrs)
Director

Santosh Naik
Chief Executive Officer

Damodar Nayak
Chief Financial Officer

OUR CORE BUSINESSES

AUSTRALIA

THAKRAL CAPITAL HOLDINGS (AUSTRALIA) PTY LTD
THAKRAL CAPITAL AUSTRALIA PTY LTD
Australia

GEMLIFE GROUP
Australia

THAKRAL CAPITAL HOLDINGS PTE LTD
Singapore

Recognising the demographic shifts and the gap in the supply of over-50s lifestyle resort living, the Group pivoted into the Manufactured Home Estates/Land Lease Community sector in Australia where it is expected to provide sustainable long-term returns.

The Group currently holds a 31.7% equity interest in the GemLife Group which has established itself as one of the leading operators in the over-50s lifestyle resort living sector in Australia within just 7 years from inception.

GemLife is now one of Australia's most respected brands in this segment and is also one of the youngest and fastest growing operators in this space. It has 1,449 homes occupied as at 31 December 2023 and a pipeline of around 5,100 homes to be delivered within the next decade.



GEMLIFE'S NEW NATIONAL HEADQUARTERS AT HELENSVALE, QUEENSLAND

CURRENT PROJECTS



THORNTON STREET RESIDENCES



GLNG HOUSING PROJECT

UPDATES AT GEMLIFE RESORTS



STAGE SIX HOMES LAUNCHED IN NOVEMBER 2023 ARE SELLING STRONGLY



SETTLEMENTS IN THE FINAL STAGE COMMENCED IN Q3 2023



DEVELOPMENT APPROVAL FOR 147 HOMES RECEIVED IN Q3 2021



THE RESORT IS NEARLY SOLD OUT, WITH JUST A FEW HOMES REMAINING IN Q1 2024



FIRST HOMEOWNERS MOVED IN IN Q4 2023 AND WORK IS PROGRESSING WELL ON THE WATERFRONT COUNTRY CLUB, WITH THE GROUND SLAB COMPLETED

UPDATES AT GEMLIFE RESORTS



WORK FOR THE STUNNING THREE-LEVEL COUNTRY CLUB COMMENCED IN Q1 2023 WITH THE EXTERNAL STRUCTURE NEAR COMPLETION
(IMAGE: RENDER OF THE ROOFTOP POOL)



RECEIVED FULL CERTIFICATION UNDER THE URBAN DEVELOPMENT INSTITUTE OF AUSTRALIA'S (UDIA) ENVIRODEVELOPMENT PROGRAM ACHIEVING FIVE OUT OF SIX 'LEAVES' FOR THE ELEMENTS ASSESSED UNDER THE PROGRAM WHICH INCLUDES ECOSYSTEMS, COMMUNITY, ENERGY, WATER, MATERIALS AND WASTE



STAGE TWO RESIDENTIAL CONSTRUCTION COMMENCED IN Q3 2023 AND STAGE ONE RESIDENTS MOVED INTO THEIR BRAND NEW HOMES IN Q4 2023



LUXURY HOMES OPEN DAY IN Q1 2024 WITH CONTEMPORARY SPLIT-LEVEL DISPLAY HOMES

UPDATES AT GEMLIFE RESORTS



STAGE ONE LAUNCHED IN Q4 2023 AND HOUSE CONSTRUCTION COMMENCED IN Q1 2024



RECEIVED FULL CERTIFICATION UNDER THE UDIA'S ENVIRODEVELOPMENT PROGRAM ACHIEVING SIX OUT OF SIX 'LEAVES' FOR THE ELEMENTS ASSESSED UNDER THE PROGRAM WHICH INCLUDES ECOSYSTEMS, COMMUNITY, ENERGY, WATER, MATERIALS AND WASTE



STRETCHES OF THE BOARDWALK OPENED FOR THE RESIDENTS IN Q2 2023



CONSTRUCTION OF COUNTRY CLUB ON TRACK FOR OPENING IN Q2 2024



- FINAL STAGE HOMES SOLD OUT! HOMEOWNERS MOVED IN STARTING Q2 2023
- CONSTRUCTION ON THE RESORT'S MAIN COUNTRY CLUB IS PROGRESSING WELL, TO BE COMPLETED AROUND MID-2024

UPDATES AT GEMLIFE RESORTS



STAGE THREE TWO-STOREY HOMES LAUNCHED IN Q2 2023



- SUMMER HOUSE COMPLETED IN Q3 2023
- COUNTRY CLUB OFFICIALLY OPENED IN Q4 2023

NEW GEMLIFE OFFICE & VIRTUAL POWER PLANT



NEW NATIONAL HEADQUARTERS AT HELENSVALE, QUEENSLAND



- GEMLIFE'S PIONEERING VIRTUAL POWER PLANT ("VPP") ROLL OUT LAUNCHED ON 29 MAY 2023 AT MAROOCHY QUAYS
- 700 HOMES HAVE BEEN CONNECTED TO VPP ACROSS THE FIRST THREE COMMUNITIES – MAROOCHY QUAYS, PALMWOODS AND BRIBIE ISLAND
- GEMLIFE WILL BE INSTALLING VPP IN ALL THE EXISTING COMMUNITIES BY THE END OF 2024
- ALL NEW COMMUNITIES TO BE IN-BUILT WITH VPP

GEMLIFE RESORTS CONSTRUCTION COMPLETION STATUS AS AT DECEMBER 31, 2023

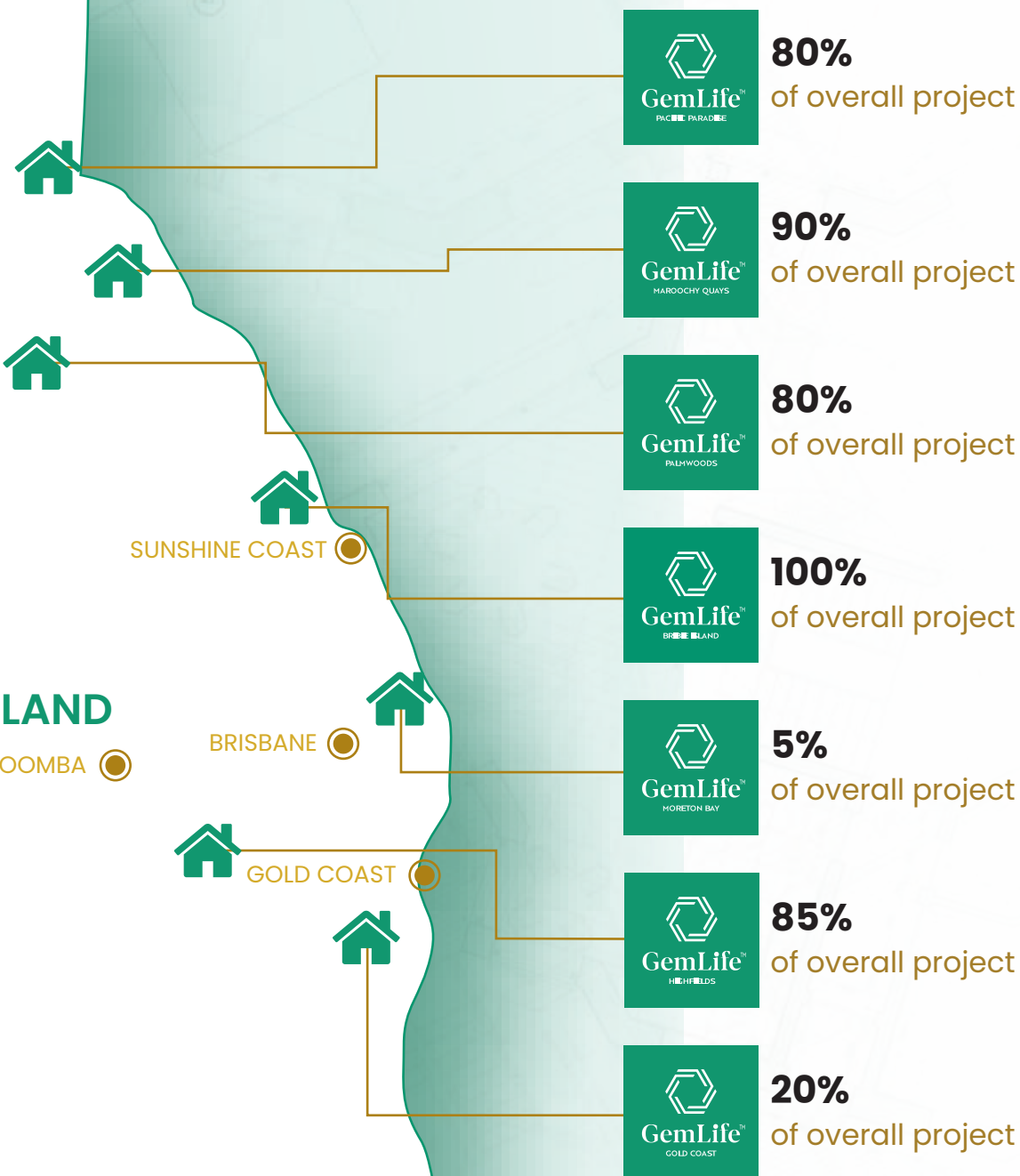
QUEENSLAND

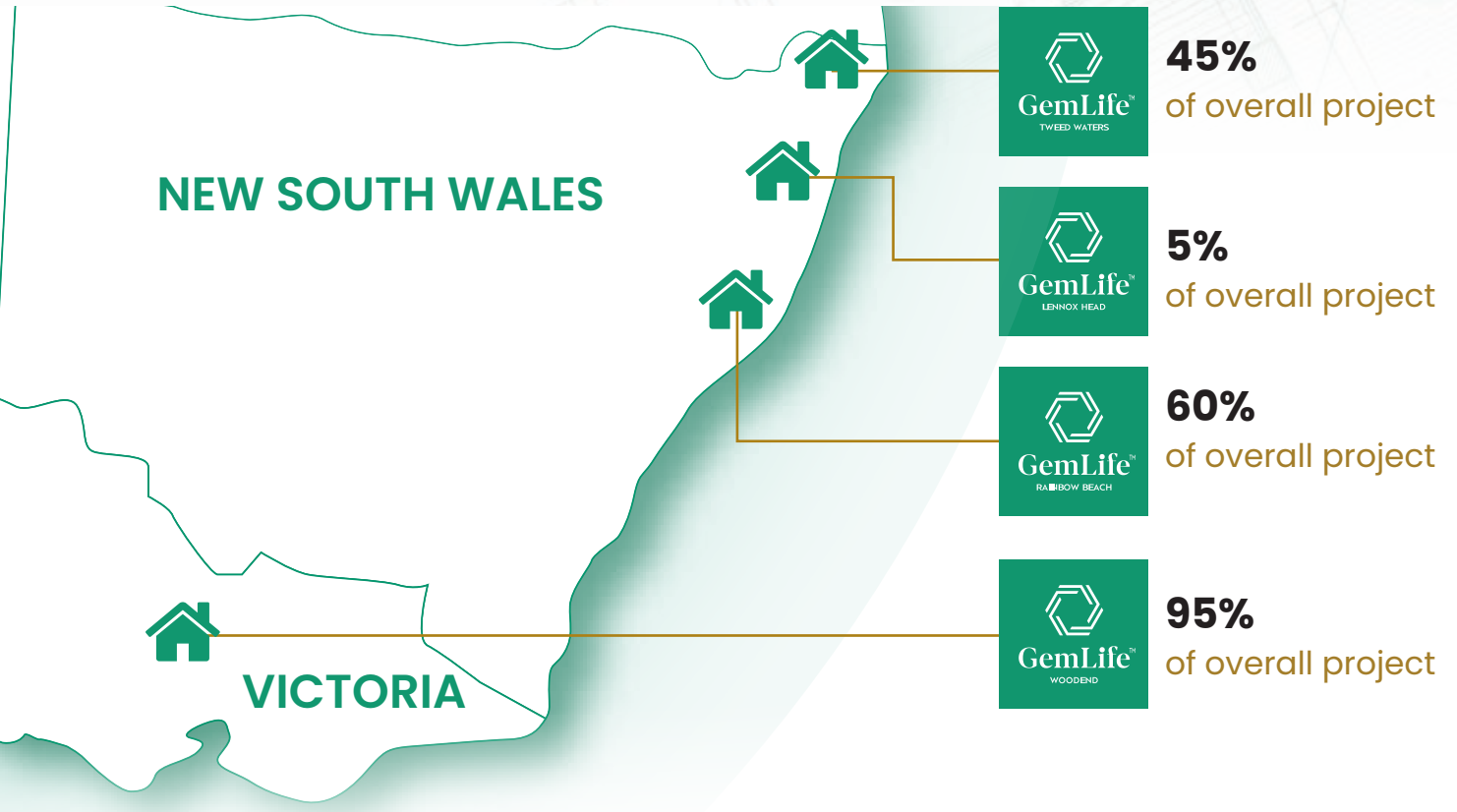
TOOWOOMBA ●

BRISBANE ●

GOLD COAST ●

SUNSHINE COAST ●





GEMLIFE CUMULATIVE OCCUPIED HOME PROGRESSION STATUS



OUR CORE BUSINESSES

JAPAN & SINGAPORE

THAKRAL JAPAN PROPERTIES PTE LTD
Singapore

TJP PTE LTD
Singapore

THAKRAL UEDA PROPERTIES PTE LTD
Singapore

THAKRAL REALTY (S) PTE LTD
Singapore

NEW ECONOMY VENTURES

BILLIONBRICKS
Singapore

CLIMATE ALPHA
Singapore

INVESTAX
Singapore

PRIMA ASSET MANAGEMENT PTE LTD
Singapore

W CAPITAL MARKETS PTE LTD
Singapore

FRACTION
Hong Kong

JAPAN

The Group's Japanese investment portfolio is structured through its pooled investment subsidiaries, Thakral Japan Properties Pte Ltd, TJP Pte Ltd and Thakral Ueda Properties Pte Ltd. The portfolio has grown significantly in Osaka 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 a business hotel – Best Western Osaka Tsukamoto Hotel.

As part of the Group's strategy to actively manage its office property portfolio, it is continuing its efforts to sell the remaining hotel and two office buildings at the right price. 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.

NEW ECONOMY VENTURES

New Economy Ventures is a strategic investment arm of the Company that focuses on exploring and investing in emerging opportunities in the fields of Real Estate, Web 3.0 Technology, and Climate driven impact investments.



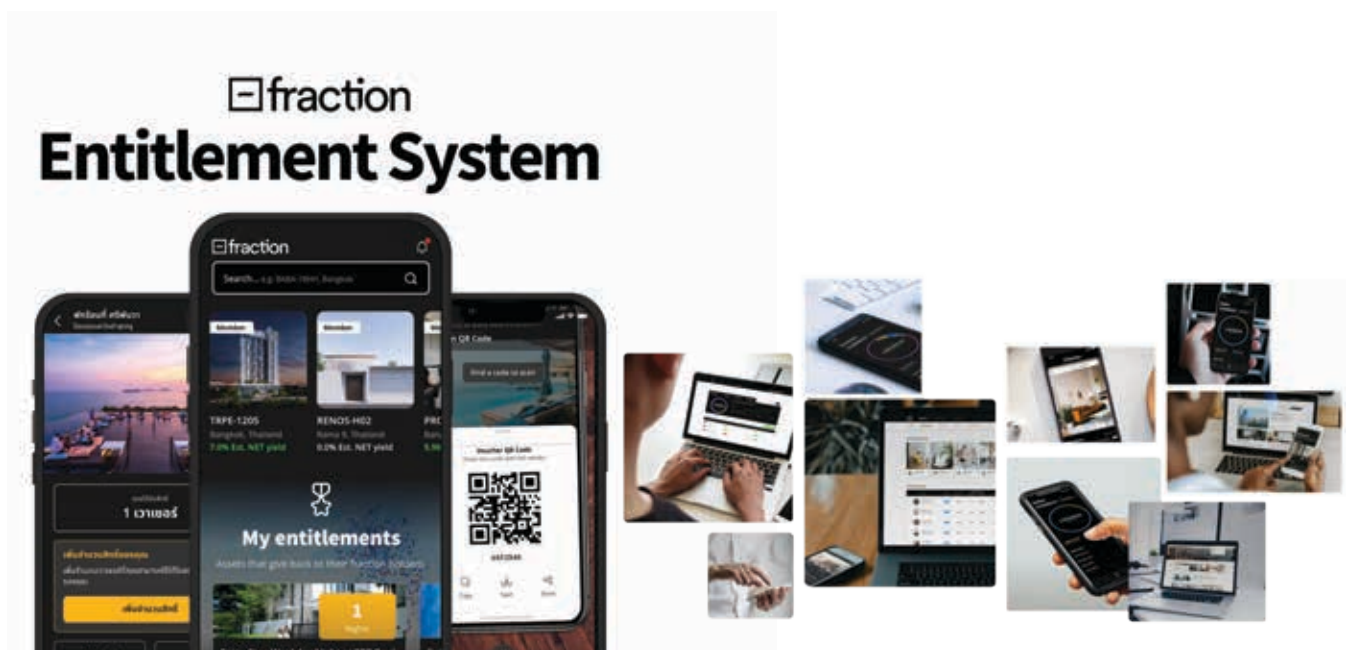
THE RIVERWALK OFFICE UNIT, SINGAPORE
• GFA - 1765 SQM



The mandate of New Economy Ventures is to identify, evaluate, and partner with innovative startups and projects that have the potential to create synergies with the Company's diverse set of core businesses, as well as to generate long-term value and impact for the Company and its stakeholders. New Economy Ventures leverages the Group's expertise, network, and resources to support the growth and development of its portfolio companies and projects.

The Group has made impact investments in two ventures that address climate change: BillionBricks, which aims to create carbon-negative communities by combining clean energy and large-scale affordable housing; and Climate Alpha, an AI-powered analytic platform that drives future-proof real estate strategies.

The Group also makes strategic minority investments from the NEV portfolio, as a cornerstone or early series funding investor. These investments include Fraction, a Thailand-based tokenisation platform that offers a blockchain-based one-stop, full-service solution to trade, invest and to own fractions of any real-world asset, with a primary focus on real estate; InvestaX, a Singapore-based, MAS-licensed platform for investing and trading blockchain-based digital securities and security tokens of global private markets deals; Prima Asset Management - a pure real estate investment that has leased its HQ showroom to high-profile tenant, Tesla Motors, that provides strong returns, consistent cash flow and annual rent escalation; and W Capital Markets Pte Ltd, a Singapore-based investment banking firm with a robust pipeline of projects to leverage Asia's growing capital markets.



FRACTION'S ENTITLEMENT SYSTEM ENABLES TRADING, INVESTMENT AND SECURED OWNERSHIP OF FRACTIONS OF ANY REAL-WORLD ASSET

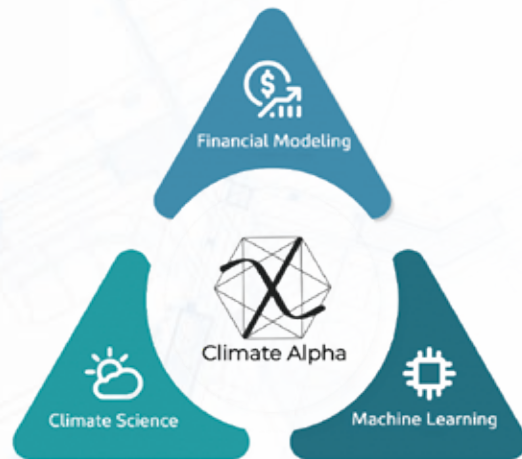
NEW ECONOMY VENTURES



Climate Alpha

From mitigation to adaption: 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.



CLIMATE ALPHA, AN AI-POWERED REAL ESTATE ANALYTICS PLATFORM



billionBricks

Powered by the sun | In partnership with Archinet



BILLIONBRICKS BUILDS NET-ZERO HOMES THAT ARE ENERGY-EFFICIENT, SELF-SUSTAINING, AND AFFORDABLE
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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%

OSAKA, JAPAN – FREEHOLD PROPERTIES



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

PROPERTIES IDENTIFIED FOR CAPITAL REDEPLOYMENT



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



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



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

OUR CORE BUSINESSES

CHINA, HONG KONG AND OTHERS

THAKRAL CHINA LTD

Shanghai,
People's Republic of China

**THAKRAL BEAUTY
(SHANGHAI) LTD**

Shanghai,
People's Republic of China

**THAKRAL CORPORATION
(HK) LIMITED**

Hong Kong

**THAKRAL
BROTHERS LTD**

Osaka, Japan

**SINGAPORE SOURCING &
TECHNOLOGY PVT LTD**

Haryana, India

**THAKRAL INNOVATIONS
PVT LTD**

Bengaluru, India

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

Brands managed by the Group include fragrance brands Maison Margiela, Ralph Lauren, Viktor & Rolf and Mugler, hair care brand John Masters Organics as well as brands such as DJI.

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.

In China, Hong Kong and Macau, the Group focuses on the management and marketing of leading premium beauty, fragrance and lifestyle brands. As part of this, the Group is opening retail points-of-sale in high-end shopping malls and department stores for some of the brands it manages.



RALPH LAUREN COUNTER, SHANGHAI RAFFLES CITY

The Group's Hong Kong subsidiary is the exclusive distributor for DJI's commercial and consumer range products for South Asia, covering seven countries including India. Thakral Innovations Pvt Ltd, India will be responsible for serving commercial and enterprise customers in agriculture, infrastructure, mining, security and other sectors in India. 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 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.

The Group's interior furnishing and building materials 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.

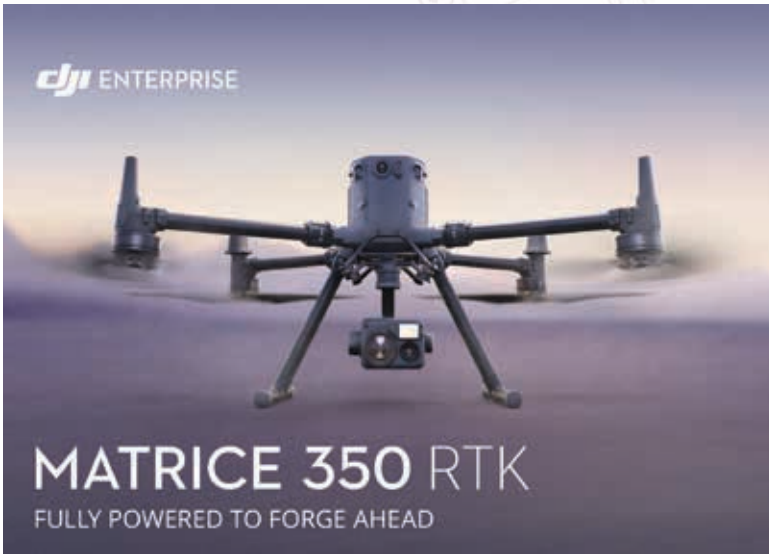
In addition, the Group has swapped its 50% stake in the China-focused joint venture with CurrentBody for a 10% equity shareholding in the parent company of CurrentBody to further increase the alignment of interests and focus on strong growth going forward.



MAISON MARGIELA STORE, SHANGHAI

SOUTH ASIA





BOARD OF DIRECTORS

NATARAJAN SUBRAMANIAM Age 85

Independent Non-Executive Chairman and Lead Independent Director

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 Blackburn 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.

Following his retirement from the Board, Mr Subramaniam will be appointed as an Advisor of the Group and the Investment Committee of the Company till end of 2024 to provide a smooth transition for the newly appointed Board members.

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 2023): 28 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 Principal Appointments:

- Nil
-

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

- Nil
-



KARTAR SINGH THAKRAL Age 90

Executive Director

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.

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 2023): 30 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 Principal Appointments:

- Thakral Family Group of Companies – Chairman
 - Nishan-E-Sikhi Charitable Trust, India – Vice-Chairman and 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
-



BOARD OF DIRECTORS



INDERBETHAL SINGH THAKRAL Age 64
Executive Director and Chief Executive Officer

Mr Inderbethyl 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 in these markets for positive and sustainable returns. He has a long and illustrious track record having led the Group's operations in Hong Kong and China since 1984.

Mr Bethal is a Director of the Company's various subsidiaries in China, Hong Kong and Singapore.

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 2023): 29 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 Principal Appointments:

- Sahib Sri Guru Gobind Singh Ji Education Trust, Hong Kong (a charitable organization) – Chairman

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

- Nil
-



BIKRAMJIT SINGH THAKRAL Age 48
Non-Independent Non-Executive Director

Mr Bikramjit Singh Thakral ("Bikram") is a Non-Independent Non-Executive Director of the Company.

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 Corporation's new ventures in 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.

First appointed as a Director: 2 January 2020

Last re-elected as a Director: 27 April 2023

Length of service as a Director
(as at 31 December 2023): 4 years

Board Committee(s) served on:

- Member of Compensation Committee, 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 Principal 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
-



NAGARAJ SIVARAM Age 64
Independent Non-Executive Director

Mr Nagaraj Sivaram is an Independent Non-Executive Director of the Company.

He was an assurance partner in Ernst & Young (“EY”), Singapore and retired from the firm in June 2019 after 35 years with the firm. Mr Sivaram’s audit experience included the audit of listed companies and multinationals in the food and beverage, logistics and real estate industries. His business advisory experience encompassed financial due diligence work for EY’s Transaction Advisory Services Group. As Technical Partner for many years, he advised other partners on complex accounting and auditing issues, conducted training, and set policies relating to risk management for the assurance practice of the firm.

Mr Sivaram was a member of the Accounting Standards Council, the standard setter in Singapore for nine years and received the Public Service Medal in 2018 for having served as its Deputy Chairman for several years. He was also active on multiple committees of the Institute of Singapore Chartered Accountants, the Accounting and Corporate Regulatory Authority and the Singapore chapter of the Institute of Chartered Accountants in England and Wales.

First appointed as a Director: 1 October 2023

Last re-elected as a Director: N.A.

Length of service as a Director
(as at 31 December 2023): 3 Months

Board Committee(s) served on:

- Vice Chairman of Audit Committee and Member of Compensation Committee

Academic & Professional Qualification(s):

- Bachelor of Commerce, University of Bombay
- Institute of Chartered Accountants in England and Wales – Fellow
- Institute of Singapore Chartered Accountants – Fellow

Present Directorships in other listed companies:

- ESR-LOGOS Funds Management (S) Limited (Manager of ESR LOGOS REIT) – Director
- British and Malayan Holdings Limited – Director
- Frasers Hospitality Asset Management Pte. Ltd. (REIT Manager of Hospitality Real Estate Investment Trust) – Director
- Frasers Hospitality Asset Management Pte. Ltd. (Trustee-Manager of Frasers Hospitality Trust) – Director

Other Principal Appointments:

- Land Transport Authority – Board Member

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

- G. K. Goh Holdings Limited – Director



JANICE WU SUNG SUNG Age 54
Independent Non-Executive Director

Ms Janice Wu is an Independent Non-Executive Director of the Company.

Ms Wu is the Executive Vice-President of Corporate Development at Cuscaden Peak Investments Pte Ltd. She leads its M&A and Investments teams in mergers and acquisitions, capital re-cycling and portfolio management and oversees its sustainability initiatives. She sits on the boards of Cuscaden’s joint ventures, including MobileOne Ltd, Memphis 1 Pte Ltd, Prime US REIT Management Pte. Ltd. (the Manager of SGX-listed Prime US REIT), Woodleigh Mall Pte Ltd and Woodleigh Residences Pte Ltd. She is also a Director of iFast Corporation Ltd, a company listed on the SGX and MSI Global Pte Ltd, a wholly-owned subsidiary of the Land Transport Authority.

Ms Wu holds a Bachelor of Laws (Honours) degree from the National University of Singapore and was admitted as an advocate and solicitor of the Supreme Court of Singapore. She has attended the Executive Development Program at Kellogg School of Management, the Business Sustainability Management Program by University of Cambridge’s Centre for Sustainability Leadership and the Advanced Management Program at Wharton Business School.

First appointed as a Director: 1 October 2023

Last re-elected as a Director: N.A.

Length of service as a Director
(as at 31 December 2023): 3 Months

Board Committee(s) served on:

- Member of Audit Committee, Investment Committee and Nomination Committee

Academic & Professional Qualification(s):

- Advocate and solicitor, Supreme Court of Singapore
- National University of Singapore – Bachelor of Laws (Honours) degree

Present Directorships in other listed companies:

- iFast Corporation Ltd – Non-Executive Director
- Prime US REIT Management Pte. Ltd – Non-Executive Director

Other Principal Appointments:

- Cuscaden Peak Investments Private Limited – Executive Vice-President of Corporate Development
- M1 Limited – Director
- Memphis 1 Pte Ltd – Director
- The Woodleigh Mall Pte Ltd – Director
- The Woodleigh Residences Pte. Ltd. – Director
- MSI Global Private Limited – Director

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

- Mindchamps Preschool Limited – Director

BOARD OF DIRECTORS



ASHMIT SINGH THAKRAL Age 35

Alternate Director to Mr Kartar Singh Thakral

Mr Ashmit Singh Thakral is the Alternate Director to Mr Kartar Singh Thakral, an Executive Director of the Company.

Mr Ashmit Singh Thakral is the Chief Financial Officer (“CFO”) of GemLife Group which develops and manages over-50s lifestyle resorts under the GemLife brand in Australia. He has been involved with GemLife since joining the Company’s principal subsidiary, Thakral Capital Australia Pty Ltd as an Investment Manager in 2017, where he worked with the Australian Executive Management team at the time on various other property development projects in Australia. As the CFO of GemLife from 2020, he spearheaded the financial strategy and ensure the financial funding to support the rapid growth of GemLife and improved its supply-chain management, delivery lead-time and know-how capabilities through the purchase of a joinery partner. He is concurrently acting as the CFO for Living Gems from October 2022 and had successfully led the Living Gems team in the sale of 5 assets to Stockland for A\$210 million in July 2023.

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. Ashmit gained extensive experience as the General Partner of a fund investing in the secondary market shares of billion-dollar valued US private companies during his time living in Shanghai. He also worked as a credit/risk analyst facilitating investment decisions for purchasing corporate bonds of global listed entities.

Ashmit is an Executive Director of the Company’s various subsidiary entities in Australia.



LIM SWE GUAN Age 69

Proposed Independent Non-Executive Chairman

Mr Lim Swe Guan has extensive experience in the investment management and real estate sectors. From 1986 to 1995, he was with Jones Lang Wootton in Sydney, where his last held position was Research Director. He joined Suncorp Investments, Brisbane, Australia and worked as the Portfolio Manager of Property Funds from 1995 to 1997. From 1997 to 2008, he was with the Government of Singapore Investment Corporation, where his last held position was Regional Manager. From 2008 to 2011, he was the Managing Director of GIC Real Estate. His responsibilities included being the Regional Head of Property Investment for Australia, Japan, India and Southeast Asia and the Global Head of the Corporate Investments Group that invests in public REITs and property companies.

First appointed as a Director: 1 March 2024

Last re-elected as a Director: N.A.

Length of service as a Director
(as at 31 December 2023): N.A.

Board Committee(s) served on:

- Investment Committee

Academic & Professional Qualification(s):

- University of Oxford (Trinity College) – MMath Masters in Mathematics, First Class Honours

Present Directorships in other listed companies:

- Nil

Other Principal Appointments:

- TCAP Australia Group of Entities – Executive Director
- GemLife Group of Entities – Chief Financial Officer and Director
- Living Gems – Chief Financial Officer

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

- Nil

Proposed date of appointment: 26 April 2024

Proposed Board Committee(s) to be served on:

- Chairman of Compensation Committee and Investment Committee
- Member of Audit Committee and Nomination Committee

Academic & Professional Qualification(s):

- University of Singapore – Bachelor of Science in Estate Management (Honours)
- The Colgate Darden Graduate School of Business, The University of Virginia – Master of Business Administration
- Institute of Chartered Financial Analysts – Chartered Financial Analyst

Present Directorships in other listed companies:

- Cromwell EREIT Management Pte. Ltd. (Manager of SGX-listed Cromwell European REIT) – Chair and Independent Non-Executive Director

Other Principal Appointments:

- TrustCapital Advisors Investment Management – Independent Advisor
- Fife Capital Singapore Pte Limited – Independent Investment Committee Member
- Asia Pacific Real Estate Association Limited – Director

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

- Nil

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 extensive 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).

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. He is also a board observer for Thakral’s investment in CurrentBody, a leading global platform for at-home beauty devices.

KEY PERSONNEL

KANWALJEET SINGH DHILLON

Managing Director
Thakral Corporation (HK) Limited

Mr Kanwaljeet Singh Dhillon is the Managing Director of Thakral Corporation (HK) Limited. He joined the Group in 1977 and has more than 45 years of experience in consumer electronics trading and distribution.

Kanwaljeet is responsible for a key part of the Lifestyle's sales and marketing operations in Hong Kong, India and South Asia. In addition, he mentors the younger leadership and imparts his skills, vast market knowledge and expertise in the trading and distribution business.

Kanwaljeet's mastery of the Chinese market has been a strong enabler for the Group's growth in Hong Kong and China. He contributed strongly to the listing of the Group in 1995 and subsequently to the growth in overall sales of the Group as well as the transformation and expansion of the Lifestyle business over the past decade.

Leveraging on his proven track record and wide network, Kanwaljeet continues to achieve outstanding sales performance and market share for the Group in the consumer drone segment for DJI and successfully secured the exclusive distributorship from DJI for South Asia for commercial and consumer drone, photography products and accessories for the Group.

Kanwaljeet continues to be dynamic and actively manages the sourcing, distribution and market development of these products in the allocated territories with his agile team.

Kanwaljeet graduated with a Bachelor of Commerce Degree from Punjab University, India.

SATBIR SINGH THAKRAL

Executive Director
Thakral China Ltd

Mr Satbir Singh Thakral is an Executive Director of the Company's principal subsidiary, Thakral China Ltd. He is responsible for managing investments within the Group's New Economy Ventures portfolio, exploring investment avenues which bring synergies to the Company's diverse set of core businesses, overseeing the marketing roles and responsibilities for the Group's Lifestyle Division.

Satbir has provided strategic leadership in nurturing lifestyle, tech and beauty brands to premium positioning in his previous roles. 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.

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 of Project Glow Topco Limited, the parent company of CurrentBody.com Limited, a global leading platform for at-home beauty devices.

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.

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.

CORPORATE GOVERNANCE REPORT

The Company is committed to continually enhancing shareholder value and safeguarding 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 2023 ("FY2023"), 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 FY2023. Explanations have been provided for deviations from the Code within this report.

The Company is pleased to be a Winner of **The Most Transparent Company Award (MTCA) – Consumer Discretionary** for two consecutive years in 2022 and 2023. 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 creating a resilient business and continuing 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, annually 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 corporate 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 Development

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. Induction was conducted for the two independent non-executive directors appointed on 1 October 2023.

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 in 2023, including the two new directors appointed in October 2023, have attended relevant sustainability training. Relevant webinars/conferences/training programmes attended by the directors in FY2023 include the following:

CORPORATE GOVERNANCE REPORT

- ACRA-SGX-SID Audit and Risk Committee Seminar 2023 (Sustainability: Opportunities, risk and governance);
- SGTI Forum – Upholding ESG with Strong Governance;
- SID Conference – Navigating an Unscripted Word: Conform, Perform and Transform;
- TCFD Readiness: Introduction to TCFD and Impact on Financial Statements;
- TCFD Reporting;
- ISSB (S1 & S2) for Sustainability Reporting;
- SIAS Corporate Governance Conference;
- Optimising Investors Relations: Strengthening Communication Strategy for Success; and
- MIPIM Asia Summit 2023.

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 Board members to keep them updated on the industrial trends, financial, environmental 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 get updates on 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 2023, 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;

CORPORATE GOVERNANCE REPORT

- 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 of indemnities and guarantees by the Company and its subsidiaries;
- issuing and changes to equity or debt securities and major financing facilities; and
- disclosure of directors' interests and loan agreements in connection with controlling shareholders' interest in relation to share pledging arrangements.

Delegation of Authority and Duties by the Board

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

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

The Board meets at least thrice yearly for its regular scheduled meetings, and whenever necessary for the discharge of its duties. All Board and Board Committee 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 Committee 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, financial results, announcements, 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.

CORPORATE GOVERNANCE REPORT

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 FY2023 are as follows:

Director	Board	Audit Committee	Compensation Committee	Nomination Committee	General Meetings
No. of Meetings held	4	4	1	1	2
Natarajan Subramaniam	4/4	4/4	1/1	1/1	2/2
Kartar Singh Thakral	4/4	NA	NA	NA	0/2
Inderbethal SinghThakral	4/4	NA	NA	NA	2/2
Lee Ying Cheun (Retired on 31 December 2023)	3/4	4/4	1/1	1/1	2/2
Dileep Nair (Retired on 31 December 2023)	4/4	4/4	1/1	1/1	2/2
Bikramjit Singh Thakral	4/4	NA	NA	1/1	2/2
Nagaraj Sivaram* (Appointed on 1 October 2023)	1/1	1/1	-	NA	1/1
Janice Wu Sung Sung* (Appointed on 1 October 2023)	1/1	1/1	NA	-	1/1

* Attendance was based on applicable meetings with effect from their appointment

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.

The Investment Committee did not hold any formal meetings in 2023 but held discussions from time to time and approved all matters via written resolutions.

Investment Committee

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

Mr Natarajan Subramaniam	(Chairman)
Mr Kartar Singh Thakral	(Member)
(Alternate: Mr Ashmit Singh Thakral)	
Mr Inderbethal Singh Thakral	(Member)
Mr Bikramjit Singh Thakral	(Member)
Ms Janice Wu Sung Sung	(Member)

The Investment Committee has written Terms of Reference that detail the responsibilities of its members. Its terms of reference were last reviewed and updated by the Board in January 2024. 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;

CORPORATE GOVERNANCE REPORT

- 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 Committee in FY2023 included the review and approval of, and where applicable, recommending to the Board for approval:

- new investment proposals in Thailand and India;
- divestment of hotel in Japan;
- appointment of sub-committee to negotiate the terms of the restructuring of the Company's subsidiary, Thakral Capital Holdings Pte Ltd ("TCH") with the minority shareholders of TCH.
- progressive review of matters in connection with internal restructuring of TCH and its group of companies; 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 thought 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, Dileep Nair, Nagaraj Sivaram and Ms Janice Wu 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 FY2023, comprising Nomination Committee members, Mr Dileep Nair, Mr Bikramjit Singh Thakral and Ms Janice Wu and in consultation with the two executive directors and Mr Nagaraj Sivaram 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 had acted, and were 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 conducted 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 had each continued to demonstrate independence in conduct, character and judgement in deliberations of the Board and at its sub-committee level, and constantly challenged in a rigorous and constructive manner the proposals proposed by Management and/or the major shareholder. In the opinion of the special committee, they had never failed to act in the best interests of the Company in discharging their director's duties and responsibilities, and continued 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 continued to be independent though they had been directors for more than nine years. The Nomination Committee and the Board, after due review, considered both Mr Subramaniam and Mr Lee as independent directors.

Mr Lee and Mr Nair retired from the Board on 31 December 2023. Mr Subramaniam will be retiring at the conclusion of the Company's annual general meeting ("AGM") to be held on 26 April 2024. Two new independent non-executive directors were

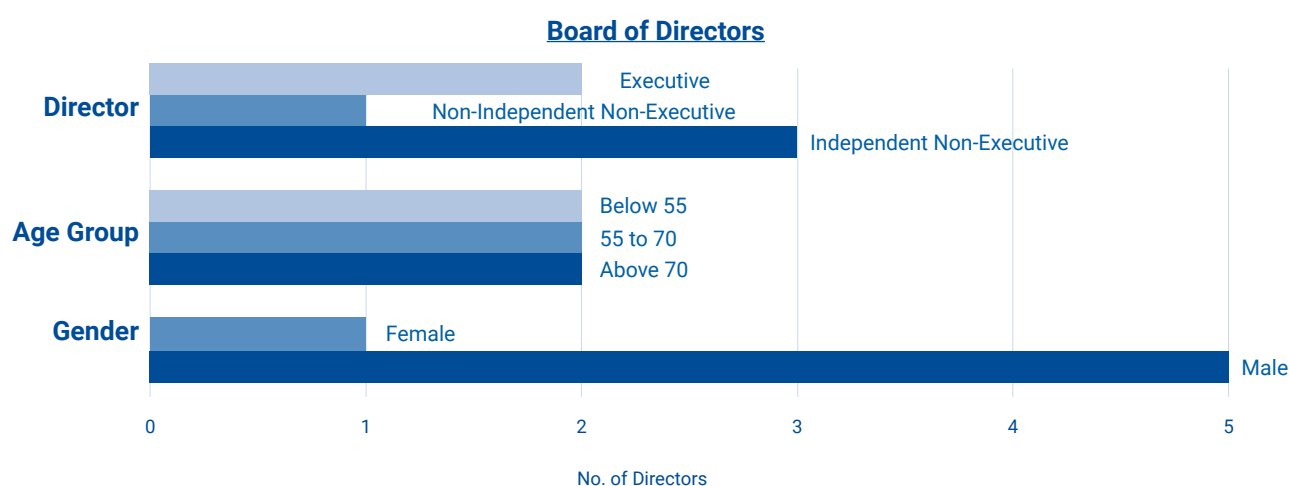
CORPORATE GOVERNANCE REPORT

appointed to the Board on 1 October 2023 to enable a smooth transition with the retirement of all 3 independent directors within a short period of time. Appointment of an independent non-executive chairman to succeed Mr Subramaniam will be put up for shareholders' approval at the forthcoming AGM.

Board and Board Committees Composition and Size

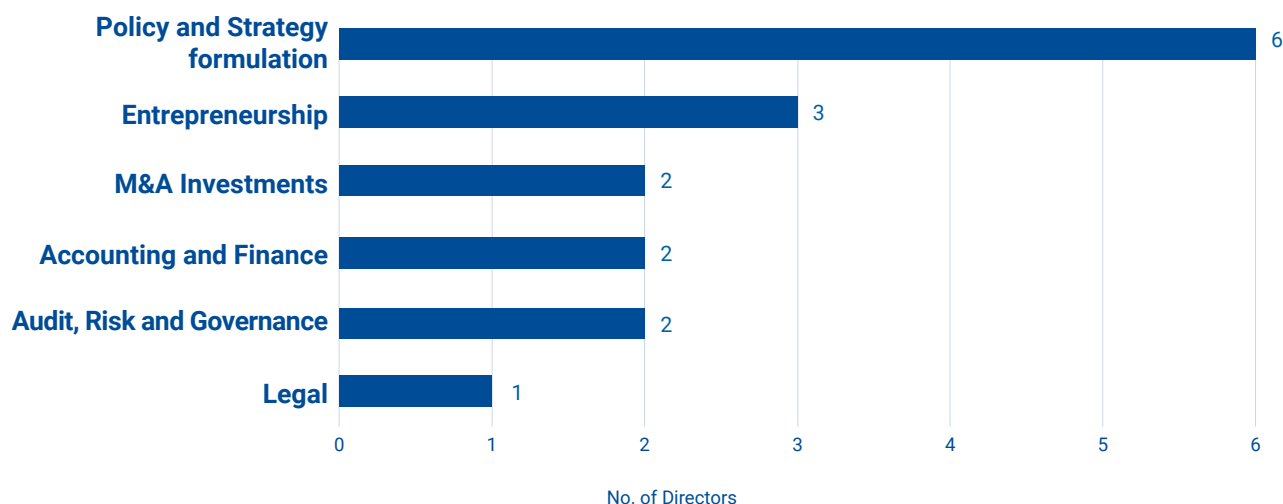
The Board currently consists of six directors of whom three are independent and non-executive, one is a non-independent and non-executive and two are executive (one of whom has appointed an alternate). Non-executive directors make up a majority of the Board. There is an appropriate level of independence 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, laws, M&A, investments, 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



*Excluding Alternate Director

Core Competencies



*Including overlapping core skills by certain directors and excluding Alternate Director

CORPORATE GOVERNANCE REPORT

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 to foster productive debate.

The Board, through the Nomination Committee, ensures an 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. All directors are seasoned in policy and strategy formulation. The three independent non-executive directors have accounting, financial and legal 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, bringing valuable contribution to the Board and adds new views and visions from a different generation.

Appointments to the Board are made on the 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. The Board is pleased to advise the appointment of its first female director on 1 October 2023. Diversity continues to be an important criterion under consideration when a vacancy on the Board is to be filled.

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, visit overseas offices to review and provide constructive guidance for 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 has addressed and met these when appointing new Board members in 2023. A Special Committee of the Board has completed the sourcing of replacements for the 3 Independent Directors who will not be eligible for re-election as Independent Directors after the 2024 AGM. Two independent non-executive directors were appointed on 1 October 2023 and shareholders' approval will be sought for appointing an independent non-executive Chairman at the Company's 2024 AGM. Following the appointment of new Board members, the Board and the Nomination Committee are satisfied that there is an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity among the directors. The Board does not anticipate appointment of additional members in the near future.

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.

CORPORATE GOVERNANCE REPORT

Independent non-executive directors, which includes the Chairman, have met once during FY2023 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 Natarajan Subramaniam	(Chairman)
Mr Bikramjit Singh Thakral	(Member)
Ms Janice Wu Sung Sung	(Member)

Except for Mr Bikramjit Singh Thakral, the members of the Nomination Committee are independent non-executive directors. The Lead Independent Director is the Chairman 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 2023.

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, (i) 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, and (ii) appointments of Senior Executive Officers as well as employees who are substantial shareholders, those related to directors or substantial shareholders of the Group;
- 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;

CORPORATE GOVERNANCE REPORT

- 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 FY2023 included:

- reviewing and recommending the re-election of directors at AGM;
- reviewing and determining 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;
- reviewing of its terms of reference; and
- reviewing the appointment and retirement of directors of the Company and compositions of various Board Committees.

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.

A working committee of the Board, formed to search for suitable candidates to gradually succeed Independent Directors of the Company who will not be continuing in office due to the 9-year tenure for independent directors, had successfully identified suitable candidates during 2023 for submission to the Nomination Committee for review and recommendation to the Board. All recommendations of the working committee were reviewed by the Nomination Committee and submitted to the Board for its approval.

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 FY2023, 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.

CORPORATE GOVERNANCE REPORT

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.

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's Constitution provides for appointment of alternate directors. Mr Ashmit Singh Thakral has been appointed as an alternate director to the Executive Director, Mr Kartar Singh Thakral. Ashmit bears all the duties and responsibilities of a director of the Board as well as of the Board committee in which Mr Kartar Singh Thakral is a member. His appointment enables him to be groomed to be a full director of the Board at a future date.

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, save for two new directors who joined in the last quarter of FY2023, 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.

CORPORATE GOVERNANCE REPORT

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 as follow:

Mr Natarajan Subramaniam	(Chairman)
Mr Nagaraj Sivaram	(Member)
Mr Bikramjit Singh Thakral	(Member)

Except for Mr Bikramjit Singh Thakral, the members of the Compensation Committee are independent non-executive directors.

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 2023. 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 deemed appropriate, recommend to the Board the 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.

CORPORATE GOVERNANCE REPORT

The main activities of the Compensation Committee in FY2023 included:

- reviewing of proposed directors' fees;
- reviewing and recommending of year-end bonuses and salary increments;
- reviewing and recommending the key performance indicators and guidelines for determining performance bonus for the chief executive officer and other senior management personnel;
- discussing on disclosure of relationship between remuneration, performance and value creation;
- recommending to the Board of a retirement scheme for certain long serving executive directors and key management personnel;
- reviewing of its terms of reference;
- reviewing of remuneration policy for directors and senior management; and
- reviewing of matters in connection with internal restructuring of the Company's subsidiary, Thakral Capital Holdings Pte Ltd and its group of companies.

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 on 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 were no termination, retirement or post-employment benefits granted to any director, the CEO or key management personnel save for the benefits accruing to the Australian key management personnel pursuant to the restructuring agreement between the Australian Executive Directors and Thakral Capital Holdings Pte Ltd and its group of companies.

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. In January 2024, the Board appointed an independent executive recruitment services company to review the remuneration of Senior Management personnel. Upon completion of the review, it reported that the remuneration paid to the Senior Management personnel was in consonance with remuneration received by management of other listed companies of similar size.

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.

CORPORATE GOVERNANCE REPORT

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. Mr. Subramaniam, who is also the Non-Executive Chairman of Thakral Capital Holdings Pte Ltd ("TCH"), was paid a Director's fee of S\$50,000 (same as FY2022) and for his additional work relating to the internal restructuring of TCH and its group of companies, an additional payment of S\$100,000 was approved by the Company's Compensation Committee and the Board. This additional amount was paid to him by TCH in February 2024.

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 FY2023 is tabulated below:

Directors' Remuneration:

Name of Director	Remuneration	Fees	Salary	Bonus/ Ex-gratia	Benefits	Total
	S\$'000	%	%	%	%	%
Inderbethal Singh Thakral	1,930.0	-	14	62	24	100
Kartar Singh Thakral	315.5	-	98	-	2	100
Natarajan Subramaniam	494.0 ¹	100	-	-	-	100
Lee Ying Cheun	140.0	100	-	-	-	100
Dileep Nair	135.5	100	-	-	-	100
Bikramjit Singh Thakral	99.0	100	-	-	-	100
Nagaraj Sivaram ²	21.3	100	-	-	-	100
Janice Wu Sung Sung ²	21.3	100	-	-	-	100

¹ Includes non-executive director's fee and S\$100,000 for additional work in relation to internal restructuring from the Company's principal subsidiary, Thakral Capital Holdings Pte Ltd and its group of companies.

² For the period from 1 October to 31 December 2023, subject to approval at the Company's AGM to be held on 26 April 2024.

No share options have been granted to any director during FY2023.

CORPORATE GOVERNANCE REPORT

Key Management Personnel's Remuneration:

Name of Executive	Option Cancellation Fees	Salary	Bonus/ Ex-gratia	Benefits	Total
	%	%	%	%	%
S\$6,500,000 to S\$6,750,000					
Victor Shkolnik*	86	3	9	2	100
S\$6,250,000 to S\$6,500,000					
Kevin Charles Barry*	86	3	9	2	100
Greggory John Piercy*	86	3	9	2	100
S\$2,750,000 to S\$3,000,000					
Michael James Stubbs*	73	5	20	2	100
S\$1,000,000 to S\$1,250,000					
Kanwaljeet Singh Dhillon	-	32	39	29	100
S\$500,000 to S\$750,000					
Anil Moolchand Daryanani	-	48	39	13	100
Torsten Stocker	-	74	25	1	100

* Employed only for part of the year; benefits include severance and other terminal payments

No share options have been granted to any key management personnel during FY2023.

The aggregate remuneration paid/payable in FY2023 to the key management personnel (who are not directors or the CEO) (including the Australian key executives who were only employed for part the year) was S\$26,386,000. This figure includes the relevant accounting provisions made in previous years but only settled in FY2023.

The Company is of the view that it may not be in the 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				
Ashmit Singh Thakral	-	82	18	100
Indergopal Singh Thakral	19	34	47	100
S\$400,000 to S\$500,000				
Satbir Singh Thakral	15	42	43	100

Mr Indergopal Singh Thakral is a substantial shareholder of the Company, the grand-nephew and nephew of Mr Kartar Singh Thakral and Mr Inderbethyl 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 Inderbethyl Singh Thakral respectively. Satbir is an Executive Director of Thakral China Ltd while Ashmit is the Chief Financial Officer and a Director of the GemLife Group, an Executive Director of various subsidiaries of the Company in Australia and the Executive Alternate Director to Mr Kartar Singh Thakral.

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 FY2023.

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 FY2023.

CORPORATE GOVERNANCE REPORT

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 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.

An aggregate of 98,300 options had been granted under the TCH ESOS since its adoption and prior to 31 December 2023. No share options were granted at a discount or granted to directors and controlling shareholders of the Company and their associates during FY2023.

Pursuant to an internal restructuring of TCH and its group of companies, all options granted as well as the remaining options under TCH ESOS were acquired by the Company and cancelled upon completion of the restructuring in August 2023. Consequent to the internal restructuring exercise, the TCH ESOS has been terminated. Accordingly, there were no outstanding options under the TCH ESOS scheme as at 31 December 2023.

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 FY2023 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

CORPORATE GOVERNANCE REPORT

in addressing governance, financial, operational, compliance (including sanctions-related), environmental and information technology risks as at the end of FY2023 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 Nagaraj Sivaram	(Vice Chairman)
Ms Janice Wu Sung Sung	(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 Sivaram was an assurance partner in Ernst & Young, Singapore and retired from the firm in June 2019 after 35 years with the firm. He has an extensive professional assurance experience in various industries and is a Fellow of the Institute of Chartered Accountants in England and Wales and the Institute of Singapore Chartered Accountants. The Board has determined that he has adequate qualification and experience in accounting and financial management matters.

Ms Wu is proficient in mergers and acquisitions, capital re-cycling and portfolio management and has extensive commercial experience including real estate investments. She has also been a member of the Audit Committee of Singapore-listed iFast Corporation Ltd. The Board has determined that she has the requisite knowledge, business background and experience and is appropriately qualified to discharge her 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 in December 2023. While focusing in particular on the areas of financial reporting, risk management and internal controls, the Audit Committee has been tasked:

- to review the annual financial statements and the auditors' report thereon before they are presented to the Board;
- to review the announcements for the interim and full year results and all other announcements relating to the Company's financial performance prior to the approval by the Board of Directors;
- to 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;

CORPORATE GOVERNANCE REPORT

- 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 and 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.

CORPORATE GOVERNANCE REPORT

The Audit Committee met four times during FY2023, 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 management of material ESG factors and disclosure process has been performed;
- (h) the review of interested person transactions in connection with various arrangements with Orion (GB) Ltd, UK and UPS Vietnam;
- (i) the acquisition of Thakral Innovations Pvt Ltd from Thakral Services (India) Ltd to strengthen the Group's lifestyle business in India; and
- (j) 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 FY2023 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 the 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 2023. 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.

CORPORATE GOVERNANCE REPORT

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 5 years and has more than 19 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 Key Audit Matters in their audit report of the Group for FY2023:

- Valuation of financial assets measured at fair value through income statement
- Restructuring activity

The matters identified by the External Auditors above relate to the methodology used for the valuation of financial assets for inclusion in the Group's statement of financial position and as well as to the inputs in the determination of the transaction value in relation to the restructuring of the Group's shareholding in Thakral Capital Holdings Pte Ltd and its group of companies. Notes 2 and 3 to the financial statements set out the key assumptions used to arrive at the respective valuations of the financial assets and the bases on which such valuations are included in the Group's financial statements or used as an input in the determination of the transaction value.

The Audit 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 the discussion, the Committee advised the External Auditors that the assumptions, bases and methods used to arrive at the valuations as set out in Notes 2 and 3 of the financial statements were appropriate and in conformity with the relevant Accounting Standards. The External Auditors advised the Committee that they were in agreement with the Group's treatment of the key accounting matters stated in their audit report.

CORPORATE GOVERNANCE REPORT

Following the discussions with the External Auditors and Management, the Committee is of the view that the methods used for assessing and arriving at the relevant valuations under each of the above matters have been dealt with appropriately in the financial statements 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 29 February 2024, the Audit Committee reviewed and approved the policy and procedures statement and recommended certain administrative updates to the staff circular. 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 2023 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. Sale of goods, net of returns	Associate of controlling shareholder	1,358	-
My Futureworld Sdn Bhd Purchase of goods, net of returns	Associate of controlling shareholder	-	1,006
Thakral Services (India) Ltd / Mr Gurmukh Singh Thakral Consideration for acquisition of a subsidiary corporation – Thakral Innovations Pvt Ltd	Associate of controlling shareholder / controlling shareholder	1,128	-

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

CORPORATE GOVERNANCE REPORT

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. All officers have provided an annual confirmation that they have complied with the Company's internal code. The Company and its officers have not dealt with the Company's securities during the window closure periods under the Company's internal code and have complied with Listing Rule 207(19)(c). 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.

The Company resumed holding its AGM in-person in 2023 to improve interaction with its shareholders. In view of higher attendance at past in-person general meetings of the Company and taking into consideration the significantly higher expense of hybrid meetings, no hybrid AGM has been considered.

The Company shall continue to address shareholders' queries ahead of the proxy submission deadline as well as during general meetings. No questions were received in advance from shareholders for its general meetings held in 2023.

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 together with 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. The notices of general meetings and proxy forms are also made available on the Company's website.

While the Company has considered providing a 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 (including by way of electronic means) 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 in absentia voting including but not limited to voting by mail, electronic mail or fax 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.

CORPORATE GOVERNANCE REPORT

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 December of the same financial year and the other by end of June 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.

An interim dividend of 2 cents per ordinary share was paid on 26 September 2023. A final dividend of 2 cents per ordinary share has been proposed for approval at the Company's annual general meeting, bringing the total dividends for FY2023 to 4 cents per ordinary share.

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 providing shareholders and the investing public, with 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 2024 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 and half yearly and full year financial statements and review of the Company's performance, financial position and all other reportable information via announcements through SGXNET. In line with continuing disclosure requirements under the Listing Manual, the Company observes an "open door" policy in dealing with analysts, journalists, stockholders and others and will 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.

CORPORATE GOVERNANCE REPORT

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. In reaching out to investors and to provide more insight and better understanding of the Group's businesses, the Company participated in the Kopi-C interview as well as SIAS Corporate Connect, both of which were supported by the SGX Group, in September and October 2023 respectively.

Investor Relations Calendar 2023			
Q1	Q2	Q3	Q4
<p>Media Interview with Edge Prop Singapore - Thakral's investment medley: Beauty, tech, affordable housing and retirement resorts</p> <p>Press Release and Unaudited Results for FY2022</p> <p>Press Release - Thakral invests in AI-powered real estate analytics platform - Climate Alpha</p> <p>Press Release - Launching of GemLife Moreton Bay, Queensland</p>	<p>Business Update Presentation</p> <p>30th Annual General Meeting</p> <p>Press Release - Thakral invests in a 10% stake in the holding company of CurrentBody (Recognises S\$3.1 million profit on the divestment of its initial investment in CBT, including year-to-date contribution)</p>	<p>Press Release, Presentation and Unaudited Results for 1HFY2023</p> <p>Press Release - Thakral nets S\$1.7 million from Osaka Hotel Property Divestment.</p> <p>Announcement - Appointment of two new Independent Non-Executive Directors and Members of Various Board Committees</p> <p>1HFY2023 Corporate Presentation and Analyst Briefing</p> <p>kopi-C interview with CEO, "We've re-invented ourselves from VCRs to Drones"</p>	<p>Securities Investors Association (Singapore) (SIAS) Corporate Connect Webinar</p> <p>SIAS Investors' Choice Awards 2023 - Winner of the Most Transparent Company Award (Consumer Discretionary)</p> <p>Announcement - Retirement of Independent Non-Executive Directors and Changes to Composition of Board Committees</p> <p>Extraordinary General Meeting 2023 - Ratification of the Internal Restructuring of Thakral Capital Holdings Pte. Ltd., and its Group of Companies</p> <p>Announcement - Acquisition of Shares in Thakral Innovations Pvt Ltd, India to strengthen the Group's lifestyle business in India</p>

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.

CORPORATE GOVERNANCE REPORT

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 who 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.

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 FY2023 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	<ul style="list-style-type: none"> General Meetings Press Releases Public Conferences and Events Publications Email/Phone Enquiries and Feedback/ Social media channel 	<ul style="list-style-type: none"> Annually Half yearly Ad Hoc 	<ul style="list-style-type: none"> Higher financial return Property management Trend of premium beauty, fragrance and lifestyle categories Quality half yearly and ad hoc press releases Relevant company announcements 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Surveys Electronic Communications Regulatory Submissions 	<ul style="list-style-type: none"> Annually Half yearly Ad Hoc 	<ul style="list-style-type: none"> High standards of corporate governance Regulatory compliance 	<ul style="list-style-type: none"> By being highly committed to regulatory compliance By ensuring the Group is complying with all relevant existing regulatory requirements
Customers	<ul style="list-style-type: none"> Customer Feedback Management Summit Trade Shows & Product Launches 	<ul style="list-style-type: none"> Frequent and on-going 	<ul style="list-style-type: none"> Market presence of the brand Customer health and safety Security of properties 	<ul style="list-style-type: none"> By ensuring customers are satisfied By ensuring customers' needs are always catered effectively through operational sustainability and high-quality business practices

CORPORATE GOVERNANCE REPORT

Stakeholder Group	Mode of Engagement	Frequency	Areas of Concern	How We Responded
Suppliers	<ul style="list-style-type: none"> Feedback via email/ phone call/meetings 	<ul style="list-style-type: none"> Frequent and on-going 	<ul style="list-style-type: none"> Procurement practices Market practices Customer health and safety 	<ul style="list-style-type: none"> By forming longstanding relationships with suppliers through effective communication between the Group and its suppliers
Employees	<ul style="list-style-type: none"> Performance Appraisal Training 	<ul style="list-style-type: none"> Annually Ad Hoc 	<ul style="list-style-type: none"> Competence development Performance management Fair employment practices 	<ul style="list-style-type: none"> By being committed in developing and supporting employees via relevant training programs
Community	<ul style="list-style-type: none"> Various Communication 	<ul style="list-style-type: none"> Regular and on-going Ad Hoc 	<ul style="list-style-type: none"> Eco-friendly development Electricity consumption Comply with local requirements on environment 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Board and its Sub-committees Meetings Regular Discussions 	<ul style="list-style-type: none"> Half yearly Ad Hoc Regular and on-going 	<ul style="list-style-type: none"> Economic performance Indirect economic impacts 	<ul style="list-style-type: none"> By being highly committed in delivering strong results and enhance its business performance with sustainable business measures in place

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

71	DIRECTORS' STATEMENT
75	INDEPENDENT AUDITOR'S REPORT
80	STATEMENTS OF FINANCIAL POSITION
82	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
83	STATEMENTS OF CHANGES IN EQUITY
86	CONSOLIDATED STATEMENT OF CASH FLOWS
88	NOTES TO FINANCIAL STATEMENTS



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, 2023.

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 80 to 145 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, 2023, 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	
Bikramjit Singh Thakral	
Nagaraj Sivaram	(Appointed on October 1, 2023)
Janice Wu Sung Sung	(Appointed on October 1, 2023)
Ashmit Singh Thakral	(Alternate to Kartar Singh Thakral and appointed on March 1, 2024)

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.

DIRECTORS' STATEMENT

3 Directors' interest in shares in 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 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
<u>Subsidiary - Thakral Japan Properties Pte Ltd</u>		
(ordinary shares)		
Kartar Singh Thakral	566,099	566,099
Inderbethal Singh Thakral	566,099	566,099
Bikramjit Singh Thakral	566,099	566,099
<u>Subsidiary - TJP Pte Ltd</u>		
(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
<u>Subsidiary - Thakral Umeda Properties Pte Ltd</u>		
(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 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, 2024 were the same at December 31, 2023.

DIRECTORS' STATEMENT

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, Dileep Nair and Nagaraj Sivaram. Mr Lee Ying Cheun and Mr Dileep Nair retired on December 31, 2023. There are no new options granted in 2023 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. As a result of the restructuring activity as disclosed in Note 17, the TCH Scheme was terminated during the year.
- 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	Cancelled	At end of financial year	Exercise price per share	Exercisable period
November 1, 2018	30,000	(30,000)	–	S\$99	November 1, 2022 to October 31, 2026
November 1, 2018	25,000	(25,000)	–	S\$120	November 1, 2022 to October 31, 2026
November 1, 2018	23,300	(23,300)	–	S\$135	November 1, 2022 to October 31, 2026
August 17, 2020	20,000	(20,000)	–	S\$141	August 17, 2023 to August 16, 2028
	<u>98,300</u>	<u>(98,300)</u>	–		

The share options granted were exercisable from the 3rd anniversary after the relevant Date of Grant ("Vesting Date") or earlier upon a Liquidity Event¹ and would 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.

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)
Nagaraj Sivaram (Vice-Chairman)
Janice Wu Sung Sung

The members of the Audit Committee during the year who retired on December 31, 2023 were:

Lee Ying Cheun
Dileep Nair

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

- a) the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;
- b) the Group's financial and operating results and accounting policies;

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

DIRECTORS' STATEMENT

5 Audit committee (Continued)

- 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;
- g) the re-appointment of the external auditors of the Group;
- h) the internal review of the Group's management of material ESG factors and disclosure process conducted by external internal audit firm;
- i) interested person transactions in connection with various arrangements with Orion (GB) Ltd, UK and UPS Vietnam;
- j) the acquisition of Thakral Innovations Pvt Ltd from Thakral Services (India) Ltd to strengthen the Group's lifestyle business in India; and
- k) during the year there were no matters advised through the whistle-blowing channel.

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 directors



Mr Inderbethal Singh Thakral



Mr Bikramjit Singh Thakral

March 26, 2024

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, 2023, 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 material accounting policy information, as set out on pages 80 to 145.

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, 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the 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.

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

Valuation of financial assets measured at fair value through income statement

As at December 31, 2023, 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\$43,252,000.

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 19 to the consolidated financial statements.

How the matter was addressed in the audit

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

Restructuring activity

As disclosed in Note 17, in 2023, the Group together with the Australian Executives undertook a strategic review of the Group structure and the remuneration of the Australian Executives. The Group entered into an agreement with the Australian Executives resulting in the following:

- (i) the transfer of a 25% equity interest in Thakral Capital Holdings Pte Ltd ("TCH") from the Australian Executives to the Group;
- (ii) the transfer of a 18.2% equity interest in the GTH joint ventures from the Group to Australian Executives;
- (iii) cancellation of the TCH Scheme and the share options issued under this scheme; and
- (iv) cancellation of the existing shareholder agreement with Australian Executives.

The fair value of the equity interest exchanged are estimated based on the Group's share of the adjusted net asset values of the investee companies, which approximated the fair values as at June 30, 2023. The fair value of the adjusted net tangible assets has been determined on the basis of valuations carried out by external independent professional valuers.

The fair valuation of the restructuring activity 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. A change in these key assumptions will likely have an impact on the valuation.

The Group has made disclosures on these restructuring in Note 17 to the consolidated financial statements.

How the matter was addressed in the audit

Our audit procedures included the following:

- a) assessed the design and implementation of key controls over management's review of the adjusted net assets;
- b) assessed the competency, objectivity and capabilities of the independent external overseas professional valuers;
- c) evaluated management's internal assessment and the professional valuer's terms of appointment, scope of work and valuation methodology;
- d) review management's internal assessments and independent valuation reports, discuss with the professional valuers and assessed the appropriateness of the significant judgements, estimates and assumptions used by management and valuers;
- e) reviewed management's restructuring memo with the supporting documents; and
- f) discussed and reviewed component auditors' reporting package including the involvement of internal valuation specialist, audit clearance, and the audit working papers to obtain an understanding of the work performed by them.

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.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THAKRAL CORPORATION LTD

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THAKRAL CORPORATION LTD

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.



Public Accountants and
Chartered Accountants
Singapore

March 26, 2024

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023

	Note	Group		Company	
		2023	2022	2023	2022
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and bank balances	7	11,257	20,058	1,108	2,380
Derivative financial instruments		2	128	–	–
Trade receivables	8	17,258	12,714	–	–
Other receivables	9	9,415	6,073	136	146
Amounts owing by subsidiary corporations	16	–	–	1,294	1,256
Debt instruments measured at fair value through income statement and amortised cost	10	3,812	21,790	–	–
Inventories	11	25,464	17,832	–	–
Assets held for sale	12	4,958	6,299	–	–
Total current assets		72,166	84,894	2,538	3,782
Non-current assets					
Other receivables	9	756	4,472	–	–
Debt instruments measured at fair value through income statement and amortised cost	10	43,650	48,700	–	–
Property, plant and equipment	13	2,193	1,375	18	18
Right-of-use assets	14	5,204	491	–	–
Investment property	15	31,158	31,158	–	–
Subsidiary corporations	16	–	–	195,877	103,093
Joint ventures	17	–	67,678	–	–
Associates	18	124,058	60,776	–	–
Financial assets measured at fair value through income statement	19	49,272	49,328	4,992	1,681
Deferred tax assets	26	528	–	–	–
Total non-current assets		256,819	263,978	200,887	104,792
Total assets		328,985	348,872	203,425	108,574

See accompanying notes to financial statements.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023

	Note	Group		Company	
		2023	2022	2023	2022
		S\$'000	S\$'000	S\$'000	S\$'000
LIABILITIES AND EQUITY					
Current liabilities					
Trade and bills payables	20	10,025	4,178	-	-
Trust receipts	21	26,710	21,141	-	-
Bank and other borrowings	22	22,493	21,275	1,294	1,256
Lease liabilities	23	1,768	342	-	-
Other payables	24	19,469	24,676	882	1,066
Provisions	25	3,115	6,131	52	52
Income tax payable		953	1,022	-	-
Total current liabilities		84,533	78,765	2,228	2,374
Non-current liabilities					
Amount owing to subsidiary corporations	16	-	-	109,638	12,885
Bank and other borrowings	22	6,887	8,466	439	1,733
Lease liabilities	23	3,558	135	-	-
Other payables	24	8,419	1,274	-	-
Provision	25	126	-	-	-
Derivative financial instruments		87	-	-	-
Deferred tax liability	26	24,624	31,932	-	-
Total non-current liabilities		43,701	41,807	110,077	14,618
Capital, reserves and non-controlling interests					
Issued capital	27	70,820	71,838	70,820	71,838
Reserves	28	78,586	81,549	20,300	19,744
Equity attributable to equity holders of the Company		149,406	153,387	91,120	91,582
Non-controlling interests	16	51,345	74,913	-	-
Total equity		200,751	228,300	91,120	91,582
Total liabilities and equity		328,985	348,872	203,425	108,574

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2023

	Note	Group	
		2023	2022
		S\$'000	S\$'000
Revenue	29	212,269	160,422
Cost of sales		(166,367)	(121,200)
Gross profit		45,902	39,222
Other operating income	30	3,342	3,279
Distribution costs		(14,057)	(6,647)
Administration expenses		(19,365)	(28,048)
Other operating expenses		(1,101)	(1,306)
Share of profit of associates and joint ventures	17, 18	34,792	30,972
Finance income		233	45
Finance costs	31	(3,781)	(2,336)
Fair value gains on investment properties and assets held for sale	12, 15	584	1,412
Profit before restructuring cost		46,549	36,593
Restructuring costs	17	(20,380)	-
Profit before income tax		26,169	36,593
Income tax	32	(7,723)	(10,019)
Profit for the year	33	18,446	26,574
Profit attributable to:			
Equity holders of the Company		8,182	18,617
Non-controlling interests	16	10,264	7,957
		18,446	26,574
Basic earnings per share (cents)	35	6.40	14.23
Diluted earnings per share (cents)	35	6.40	14.23
Profit for the year		18,446	26,574
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign exchange differences on translation of foreign operations		(10,357)	(22,139)
Other comprehensive loss for the year, net of tax		(10,357)	(22,139)
Total comprehensive income for the year		8,089	4,435
Total comprehensive income (loss) attributable to:			
Equity holders of the Company		2,219	5,052
Non-controlling interests		5,870	(617)
		8,089	4,435

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2023

	Reserves (Note 28)				Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	Issued capital	Capital reserve	Options reserve	Foreign currency translation reserve				
	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
<i>Total comprehensive income for the year:</i>								
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
<i>Transactions with equity holders of the Company, recognised directly in equity:</i>								
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 34)	-	-	-	-	(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, 2023

	Reserves (Note 28)				Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	Issued capital	Capital reserve	Options reserve	Foreign currency translation reserve				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group								
Balance at January 1, 2023	71,838	(9,084)	56	(22,585)	113,162	153,387	74,913	228,300
<i>Total comprehensive income for the year:</i>								
Profit for the year	-	-	-	-	8,182	8,182	10,264	18,446
Other comprehensive loss for the year	-	-	(1)	(5,962)	-	(5,963)	(4,394)	(10,357)
Total	-	-	(1)	(5,962)	8,182	2,219	5,870	8,089
<i>Transactions with equity holders of the Company, recognised directly in equity:</i>								
Arising on restructuring of certain subsidiary corporations (Note 17)	-	627	-	-	-	627	(28,714)	(28,087)
Recognition of share-based payments of a subsidiary corporation	-	-	3	-	-	3	2	5
Cancellation of purchased shares	(1,018)	-	-	-	-	(1,018)	-	(1,018)
Cancellation of share-based payments of a subsidiary corporation	-	-	(58)	-	-	(58)	-	(58)
Dividends (Note 34)	-	-	-	-	(5,754)	(5,754)	-	(5,754)
Dividends to non-controlling shareholders	-	-	-	-	-	-	(726)	(726)
Total	(1,018)	627	(55)	-	(5,754)	(6,200)	(29,438)	(35,638)
Balance at December 31, 2023	70,820	(8,457)	-	(28,547)	115,590	149,406	51,345	200,751

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2023

	Issued capital	Retained earnings	Total
	S\$'000	S\$'000	S\$'000
Company			
Balance at January 1, 2022	72,579	17,592	90,171
Profit for the year, representing total comprehensive income for the year	–	7,386	7,386
<i>Transactions with equity holders of the Company, recognised directly in equity:</i>			
Dividends (Note 34)	–	(5,234)	(5,234)
Cancellation of purchased shares	(741)	–	(741)
Balance at December 31, 2022	71,838	19,744	91,582
Profit for the year, representing total comprehensive income for the year	–	6,310	6,310
<i>Transactions with equity holders of the Company, recognised directly in equity:</i>			
Dividends (Note 34)	–	(5,754)	(5,754)
Cancellation of purchased shares	(1,018)	–	(1,018)
Balance at December 31, 2023	70,820	20,300	91,120

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

	Group	
	2023	2022
	S\$'000	S\$'000
OPERATING ACTIVITIES		
Profit before income tax	26,169	36,593
Adjustments for:		
Depreciation for property, plant, and equipment and right-of-use assets	2,289	1,186
Share of profit of associates and joint ventures	(34,792)	(30,972)
Dividend income from financial assets measured at FVTIS	(2,036)	-
Fair value gain and interest income on debt instruments measured at FVTIS and amortised cost	(7,022)	(13,588)
Fair value gain on financial assets measured at FVTIS	(2,068)	(5,660)
Interest expense	3,781	2,336
Interest income	(233)	(45)
Bargain purchase on acquisition of a subsidiary (Note 39)	(14)	-
Gain on disposal of financial assets measured at FVTIS	-	(2,212)
Gain on share swap of a joint venture	(2,751)	-
Loss (Gain) on disposal of investment properties and assets held for sale	7	(966)
Loss (Gain) on disposal of property, plant and equipment	68	(26)
Fair value loss on derivative financial instruments	431	270
Fair value gains on investment property and assets held for sale	(584)	(1,412)
Net unrealised foreign exchange (gain) loss	(586)	898
Share-based payment expenses	5	9
Provision for employee benefits	216	3,519
Allowance for inventories	896	857
Impairment losses on financial assets	107	404
Restructuring costs	20,380	-
Operating cash flows before movements in working capital	4,263	(8,809)
Trade receivables	(3,671)	(1,076)
Other receivables	(2,017)	1,289
Inventories	(8,913)	(4,491)
Trade and bills payables	5,673	1,225
Other payables and provisions	(4,702)	3,740
Cash used in operations	(9,367)	(8,122)
Income tax (paid) refunded	(2,241)	115
Interest paid	(3,529)	(2,807)
Interest received	223	34
Net cash used in operating activities	(14,914)	(10,780)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

	Group	
	2023	2022
	S\$'000	S\$'000
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1,386)	(288)
Proceeds from disposal of property, plant and equipment	16	76
Investments in associates	(1,118)	–
Capital return from an associate	4,422	8,918
Dividend received from an associate	421	842
Additions to financial assets measured at FVTIS	(3,318)	(899)
Dividend received from financial assets measured at FVTIS	4,431	–
Proceeds from disposal of financial assets measured at FVTIS	–	4,855
Capital return from a financial asset measured at FVTIS	1,460	–
Repayments of debt instruments measured at FVTIS and amortised cost	8,371	20,387
Additions to debt instruments measured at FVTIS and amortised cost	(3,113)	(6,813)
Proceeds from disposal of investment properties and assets held for sale	1,823	13,051
Acquisition of a subsidiary corporation (Note 39)	(1,128)	–
Net cash from investing activities	10,881	40,129
FINANCING ACTIVITIES		
Purchase of shares for cancellation	(1,018)	(741)
Dividends paid to non-controlling shareholders in subsidiary corporation	(726)	(1,835)
Dividends paid	(5,754)	(5,234)
Purchase and cancellation of shares of a subsidiary corporation from a non-controlling shareholder	–	(1,222)
Decrease (Increase) in fixed deposits with maturities exceeding three months	62	(131)
Decrease (Increase) in pledged fixed deposits	567	(136)
Proceeds from trust receipts	119,461	89,566
Repayments of trust receipts	(113,731)	(91,490)
Decrease in factoring loan	–	(309)
Repayments of lease liabilities	(1,853)	(848)
Proceeds from bank and other borrowings	11,233	5,791
Repayments of bank and other borrowings	(11,423)	(11,509)
Additions to derivative financial instruments	(404)	(401)
Proceeds from disposal of derivative financial instruments	179	–
Net cash used in financing activities	(3,407)	(18,499)
Net (decrease) increase in cash and cash equivalents	(7,440)	10,850
Cash and cash equivalents at beginning of year (Note 7)	16,780	6,721
Net effect of exchange rate changes in the balance of cash held in foreign currencies	(687)	(791)
Cash and cash equivalents at end of year (Note 7)	8,653	16,780

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1 General information

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

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

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

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended December 31, 2023 were authorised for issue by the board of directors on March 26, 2024.

1.1 Basis of preparation

The financial statements have been prepared on the historical cost basis, except as disclosed in the material accounting policy information, and are drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s"). The financial statements are expressed in Singapore dollars.

1.2 Adoption of new and revised Standards

In the current year, the Group and the Company have applied all the new and revised SFRS (I) Accounting Standards that are mandatorily effective for an accounting period that begins on or after January 1, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except as below.

Amendments to SFRS (I) 1-1 and SFRS (I) Practice Statement 2: Disclosure of Accounting Policies

The Group has adopted the amendments to SFRS (I) 1-1 for the first time in the current year. The amendments change the requirements in SFRS (I) 1-1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in SFRS(I) 1-1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Group has applied materiality guidance in SFRS(I) Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policy information'.

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: *Non-current Liabilities with Covenants*
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*

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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

2 Material accounting policy information

Subsidiary corporations

Subsidiary corporations are entities controlled by the Group. Control is achieved when the Group 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. Details of the Group's significant subsidiary corporations and composition of the Group are disclosed in Note 16.

Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Company and its subsidiary corporations. Consolidation of a subsidiary corporation begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. When necessary, adjustments are made to the financial statements of subsidiary corporations to align their accounting policies with the those of the Group. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation. Changes in the Group's interests in subsidiary corporations that do not result in a loss of control are accounted for as equity transactions.

Non-controlling interests in subsidiary corporations are identified separately from the Group's equity and are initially 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. Subsequent to the acquisition date, the carrying amounts of non-controlling interests are adjusted for the non-controlling interests' share of changes in equity. Losses are attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Company's Separate financial statements

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

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. Details of the Group's material associates are disclosed in Note 18.

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. Details of the Group's material joint venture are disclosed in Note 17.

Equity method of accounting

The results and assets and liabilities of associates and joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. Investment in each associate or joint venture is initially recognised at cost, and are subsequently accounted for by including the Group's share of its profit or loss and other comprehensive income or loss in the carrying amount of the investment until the date on which significant influence or joint control ceases. Dividends received reduce the carrying amount of the investment. 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.

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 consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group. When necessary, adjustments are made to align the associate's or joint venture's accounting policies with those of the Group.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

2 Material accounting policy information (Continued)

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 and statement of changes in equity 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 respective Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

Upon the disposal of the entire interest in a foreign operation during the year, all of the exchange differences accumulated in the foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Fair value measurement

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 if market participants would take those characteristics 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*.

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:

- a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- b) 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
- c) Level 3 inputs are unobservable inputs for the asset or liability.

Refer to Notes 12 and 15 for details of non-financial assets and financial instruments that are measured at fair value on basis described above or where such fair values are disclosed.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

2 Material accounting policy information (Continued)

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

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Financial assets are initially measured at fair value (except for trade receivables that do not have a significant financing component which are measured at transaction price), net of transaction costs that are directly attributable to the acquisition or issue of financial assets (other than those at fair value through profit or loss). Transaction costs directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Classification of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through income statement ('FVTIS') based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group classifies its financial assets in the following measurement categories. The basis of classification and subsequent measurement of the financial assets are further described in the respective notes.

Measurement category	Criteria	Financial assets
Financial assets at amortised cost	Financial assets that are 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.	Cash and cash equivalents (Note 7) Trade and other receivables (Notes 8 and 9)
Financial assets at FVTIS	By default, all other financial assets are subsequently measured at fair value through income statement (FVTIS).	Unquoted equity investments (Note 19)
Debt instrument at amortised cost	Debt instruments that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.	Debt instruments measured at amortised cost (Note 10)
Debt instruments classified as at FVTOCI	Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI.	–
Debt instrument at FVTIS	By default, all other debt instruments are subsequently measured at fair value through income statement (FVTIS).	Debt instruments measured at fair value through income statement (Note 10)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

2 Material accounting policy information (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on trade receivables, other receivables and debt instruments measured at amortised cost. 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 ECL incorporates forward-looking information and is a probability weighted estimate of 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. Details about the Group's credit risk management and impairment policies are disclosed in Note 4 (c)(i).

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.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements 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 at amortised cost

Financial liabilities at amortised cost include trade and other payables, bills payable and trust receipts. These are initially measured at fair value, net of transaction costs that are directly attributable to the acquisition or issue of the financial liabilities, and are subsequently measured at amortised cost using the effective interest method, except for short-term balances when the effect of discounting is immaterial.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

3 Critical accounting judgements and key sources of estimation uncertainty

This section sets out the critical accounting judgements that have been applied as well as the key sources of estimation uncertainty that may have a material impact on the Group's financial statements.

Details of critical accounting judgements and key sources of estimation uncertainty which are specific to a line item in the financial statements are described within the note for that line item.

3.1 Critical judgements in applying the Group's material accounting policies

The critical judgements, apart from those involving estimations reported in Note 3.2, that management has made in the process of applying the Group's material accounting policies and that have the most significant effect on the amounts reported in the financial statements are as follows and further explained in the respective notes:

- Note 18 'Associates': *Accounting for entities under TMK structure*

3.2 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 may have a significant risk of causing a material adjustment to the carrying amounts of specific assets and liabilities within the next financial year, are related to the following areas, and further explained in the respective notes:

- Note 10 'Debt instruments measured at fair value through income statement and amortised cost': *Valuation of debt instruments measured at FVTIS*
- Note 15 'Investment property': *Fair value measurement of the Group's investment property*
- Note 16 'Subsidiary corporations': *Impairment of investments in subsidiary corporations*
- Note 19 'Financial assets measured at fair value through income statement: *Valuation of financial assets measured at FVTIS*

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	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Financial assets at amortised cost	37,971	43,785	2,438	3,683
Financial assets measured at FVTIS	92,136	115,145	4,992	1,681
Derivative financial instruments	2	128	–	–
Financial liabilities				
Financial liabilities at amortised cost	86,517	76,474	112,253	16,940
Lease liabilities	5,326	477	–	–
Derivative financial instruments	87	–	–	–

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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

4 Financial instruments, financial risks and capital management (Continued)

(b) 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 10) and financial assets measured at FVTIS (Note 19) of the Group and the Company are measured on level 3 of the fair value hierarchy.

Financial assets and liabilities measured at fair value based on level 3

	Derivative financial liabilities	Derivative financial assets	Financial assets measured at FVTIS	Debt instruments measured at FVTIS
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
As at January 1, 2022	–	–	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
Additions	–	404	3,318	3,113
Non-cash changes related to share swap	–	–	–	1,463
Disposal	–	(179)	–	–
Capital return / repayments	–	–	(1,460)	(3,522)
Settlement for restructuring	–	–	–	(28,644)
Fair value (loss) gain for the year	(87)	(344)	2,068	6,257
Dividend income from debt instrument	–	–	–	244
Translation adjustment	–	(7)	(3,982)	(1,864)
As at December 31, 2023	(87)	2	49,272	42,864
Company				
As at January 1, 2022 and December 31, 2022	–	–	1,681	–
Additions	–	–	3,319	–
Fair value loss for the year	–	–	(8)	–
As at December 31, 2023	–	–	4,992	–

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

4 Financial instruments, financial risks and capital management (Continued)

(c) *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.

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 57% (2022: 56%) 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.

The Group's and the Company's other receivables are considered to have low risk of default.

Collateral held as security and other credit enhancements

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

4 Financial instruments, financial risks and capital management (Continued)

(c) Financial risk management policies and objectives (Continued)

(i) Credit risk management (Continued)

ECL assessment of trade receivables

The following table details the risk profile of trade receivables 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					Total
	Not past due	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
December 31, 2023						
Expected credit loss rate	1.63%	2.43%	2.83%	4.13%	21.17%	
Estimated total gross carrying amount at default	9,422	4,281	1,238	509	2,692	18,142
Lifetime ECL	(154)	(104)	(35)	(21)	(570)	(884)
						<u>17,258</u>
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)
						<u>12,714</u>

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:

Group	Lifetime ECL - Non credit-impaired, individually assessed	Lifetime ECL - credit-impaired	Total
	S\$'000	S\$'000	S\$'000
Balance as at January 1, 2022	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
Net re-measurement of loss allowance	107	-	107
Amounts written off	-	(649)	(649)
Translation adjustment	(18)	-	(18)
Balance as at December 31, 2023	373	511	884

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

4 Financial instruments, financial risks and capital management (Continued)

(c) *Financial risk management policies and objectives* (Continued)

(i) *Credit risk management* (Continued)

ECL assessment of 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.

Movements in loss allowances for other receivables were as follows:

	Group	
	2023	2022
	S\$'000	S\$'000
Balance at beginning of year	90	148
Translation adjustment	(4)	(9)
Charge for the year	-	95
Amounts written-off	-	(144)
Balance at end of year	86	90

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Material accounting policy information

ECL - Trade receivables

The Group applies the simplified approach in SFRS(I) 9 to measure the loss allowance at an amount equal to lifetime ECL for trade receivables and contract assets. The loss allowance is estimated using a provision matrix by reference to past default experience of the customers and an analysis of the customers' current financial position, adjusted for factors that are specific to the customers, general economic conditions of the industry in which the customers operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group has significantly increased the expected loss rates for trade receivables from the prior year based on its judgement of the impact of current economic conditions and the forecast direction at the reporting date. There has been no change in the estimation techniques during the current reporting period.

The Group considers default has occurred when a trade receivable is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Group writes off a trade receivable or a contract asset 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. 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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

4 Financial instruments, financial risks and capital management (Continued)

(c) Financial risk management policies and objectives (Continued)

(i) Credit risk management (Continued)

ECL - Other receivables

Other receivables are considered to have low risk of default as they are not due for payment at the end of the reporting period and there has been no significant increase in credit risk since initial recognition, as the Group has not identified any indications of adverse changes in business, financial or economic conditions that are expected to cause a significant change in the counterparty's ability to meet its repayment obligations. The loss allowance is measured at an amount equal to 12-months ECL and is determined to be immaterial.

The Group's current credit risk grading framework comprises the following categories:

Credit risk category	Definition of category	Basis for recognising ECL	
		Trade Receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts.	Lifetime ECL – not credit-impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle in full.	Lifetime ECL – not credit-impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources.	Lifetime ECL – not credit-impaired	
In default	There is evidence indicating the asset is credit impaired.	Lifetime ECL – credit-impaired	
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off	

(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, 21 and 22. 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, 2023 of the Group would decrease/increase by S\$260,000 (2022: S\$222,000).

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

4 Financial instruments, financial risks and capital management (Continued)

(c) Financial risk management policies and objectives (Continued)

(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 from time to time.

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	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
United States dollar	16,462	13,695	48,694	41,405
Hong Kong dollar	41,021	28,839	80,952	33,540
Australian dollar	12,446	4,047	7,763	5,129
Japanese yen	8	9	25,992	11,885
Company				
United States dollar	468	1,903	–	–
Hong Kong dollar	1,294	1,256	6,744	6,668
Australian dollar	404	–	2,658	–
Japanese yen	4	5	19,626	6,203

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).

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

4 Financial instruments, financial risks and capital management (Continued)

(c) Financial risk management policies and objectives (Continued)

(iii) Foreign exchange risk management (Continued)

Foreign currency sensitivity

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

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

	Profit for the year		Other equity	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
<u>Impact on:</u>				
United States dollar	3,241	2,805	(11)	(20)
Hong Kong dollar	4,100	4,529	68	(94)
Australian dollar	(1,262)	(407)	17	2
Japanese yen	2,608	1,190	(9)	(3)
Company				
<u>Impact on:</u>				
United States dollar	(47)	(190)	-	-
Hong Kong dollar	545	541	-	-
Australian dollar	(40)	-	-	-
Japanese yen	1,962	620	-	-

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

4 Financial instruments, financial risks and capital management (Continued)

(c) *Financial risk management policies and objectives* (Continued)

(iii) *Foreign exchange risk management* (Continued)

Foreign currency sensitivity (Continued)

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

As of December 31, 2023, the Group's current liabilities exceed its current assets by S\$12.4 million. The Group also had unutilised credit facilities of approximately S\$10.36 million for working capital purposes. Additionally, as at the date of this report, the Group has converted its money market loan amounting to S\$15 million to a long-term bank loan.

Taking into consideration all the factors above, management has concluded that the Group will have sufficient financial resources to enable the Group to continue as a going concern for at least the next twelve months from the date of this report.

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

4 Financial instruments, financial risks and capital management (Continued)

(c) 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	Adjustment	Total
	%	S\$'000	S\$'000	S\$'000	S\$'000
Group					
December 31, 2023					
Non-interest bearing	–	29,154	1,274	–	30,428
Lease liabilities	5.69	2,110	3,777	(561)	5,326
Fixed interest rate instruments	5.48	1,817	2,277	(201)	3,893
Variable interest rate instruments	6.55	51,107	4,525	(3,436)	52,196
		84,188	11,853	(4,198)	91,843
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
Company					
December 31, 2023					
Non-interest bearing	–	882	90,121	–	91,003
Fixed interest rate instruments	4.10	1,342	20,015	(107)	21,250
		2,224	110,136	(107)	112,253
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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

4 Financial instruments, financial risks and capital management (Continued)

(c) *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 37, if the full outstanding guaranteed amount is claimed by the counterparty to the guarantee, is S\$46,317,000 (2022: S\$41,556,000). The earliest period that the guarantee could be called is within 1 year (2022: 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) *Equity price risk management*

The Group is exposed to equity risks arising from unquoted investments 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 19.

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 19) to the valuation model of the FVTIS 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\$2,351,000 (2022: S\$3,042,000) respectively.

(d) *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 21 and 22 and equity attributable to equity holders of the Company, comprising issued capital and reserves as disclosed in Notes 27 and 28. The Group monitors capital using a gearing ratio, which is total debt divided by equity. As at December 31, 2023, the Group's gearing ratio is 0.38 (2022: 0.33).

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.

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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

5 Related company transactions

The Company is a subsidiary of Thakral Group Limited, incorporated in Singapore, by virtue of its 51.4% shareholding in the Company.

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 16.

Transactions between the Company and its subsidiary corporations have been eliminated on consolidation and are therefore not disclosed in this note.

6 Related party transactions

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. Balances with related parties are unsecured, interest-free and repayable on demand.

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

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Sales, net of returns	2,425	4,588	-	-
Sales to joint ventures, net of returns	3	475	-	-
Sales to associates, net of returns	29	-	-	-
Purchases, net of returns	(1,705)	(453)	-	-
Purchases from joint ventures, net of returns	(85)	(36)	-	-
Service fees paid	(109)	(118)	-	-
Commission paid	-	(1)	-	-
Interest expenses	-	(29)	-	-
Rental income	1,221	1,221	-	-
Rental expenses	(34)	-	-	-
Lease payments under operating lease	-	-	(18)	(18)

Compensation of directors and key management personnel

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

	Group	
	2023	2022
	S\$'000	S\$'000
Short-term benefits ⁽¹⁾	21,405	7,081
Post-employment benefits	12	15
	21,417	7,096

The remuneration of directors and key management is determined by the Compensation Committee, considering the performance of individuals and market trends.

(1) In 2023, short-term benefits include the option cancellation fees and other charges taken up in connection with the restructuring activity as disclosed in Note 17.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

7 Cash and bank balances

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed deposits	4,121	393	–	–
Pledged fixed deposits	2,286	2,391	–	–
Cash and bank balances	4,850	17,274	1,108	2,380
Current	11,257	20,058	1,108	2,380
Less:				
Fixed deposits with maturities exceeding three months	(318)	(387)	–	–
Fixed deposits that have been placed with banks against trust receipts	(2,286)	(2,391)	–	–
Pledged deposits that have been placed with banks against bank loan	–	(500)	–	–
Cash and cash equivalents in the consolidated statement of cash flows	8,653	16,780	1,108	2,380

Fixed deposits bear interest at an average effective interest rate of 5.07% (2022: 1.57%) per annum and are for a weighted average tenure of approximately 119 days (2022: 275 days).

Material accounting policy information

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 than investment or other purposes.

8 Trade receivables

	Group	
	2023	2022
	S\$'000	S\$'000
Trade receivables	18,142	14,158
Less: loss allowance (Note 4(c)(i))	(884)	(1,444)
	17,258	12,714

The average credit period on sale of goods is 26 days (2022: 28 days). No interest is charged on the overdue trade receivables.

Included in trade receivables is an amount of S\$359,000 (2022: S\$839,000) due from related parties, associates and joint ventures (Note 6).

Material accounting policy information

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 60 days and are therefore classified as current. Trade receivables are initially measured at their transaction price, unless they contain significant financing components, when they are recognised at fair value. They are subsequently measured at amortised cost, less loss allowance.

Details about the Group's credit risk management and impairment policies are disclosed in Note 4(c)(i).

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

9 Other receivables

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Advances	3,116	2,875	–	–
Deposits	1,937	1,260	4	4
Value added tax/Tax recoverable	818	609	25	17
Prepayments	1,465	1,118	75	82
Interest receivable	29	19	–	–
Dividends receivable	348	2,946	–	–
Others	2,544	1,808	32	43
Less: loss allowance (Note 4(c)(i))	(86)	(90)	–	–
Total	10,171	10,545	136	146
Less: Non-current other receivables	(756)	(4,472)	–	–
Classified as current other receivables	9,415	6,073	136	146

Material accounting policy information

Other receivables are recognised initially at fair value and are subsequently measured at amortised cost, less loss allowance.

Details about the Group's credit risk management and impairment policies are disclosed in Note 4(c)(i).

10 Debt instruments measured at fair value through income statement and amortised cost

	Group	
	2023	2022
	S\$'000	S\$'000
Current		
At fair value	3,812	17,117
At amortised cost	–	4,673
	3,812	21,790
Non-current		
At fair value	39,052	48,700
At amortised cost	4,598	–
	43,650	48,700
Total	47,462	70,490

The debt instruments amounting S\$38,074,000 (2022: S\$70,490,000) 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\$34,262,000 (2022: S\$48,231,000) are extended to the GTH group of entities and the remaining balances are to third parties for development projects in Australia.

Gains on the fair value of debt instruments measured at FVTIS, amounting to S\$6,501,000 (2022: S\$13,422,000) have been included in profit or loss as part of "revenue" for the year.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

10 Debt instruments measured at fair value through income statement and amortised cost (Continued)

Description	Fair values		Fair value hierarchy	Valuation technique(s)	Significant unobservable input(s)	Average rate
	2023	2022				
	S\$'000	S\$'000				
Unquoted debt instruments at FVTIS	42,864	65,817	Level 3	Discounted cash flows	Discount rates	14% (2022: 14%)

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

11 Inventories

	Group	
	2023	2022
	S\$'000	S\$'000
Finished goods and goods for resale	25,464	17,832

Inventories are expected to be recovered no more than twelve months after the reporting period.

The cost of inventories recognised as an expense includes a charge of S\$896,000 (2022: S\$857,000) in respect of allowance for adjustment in carrying value of inventories to net realisable value.

Material accounting policy information

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.

12 Assets held for sale

	Group	
	2023	2022
	S\$'000	S\$'000
Freehold land and buildings – Australia	4,958	6,299

At fair value:

At beginning of year	6,299	19,755
Translation adjustments	(96)	(778)
Fair value gains for the year recognised in profit or loss	584	–
Disposal	(1,829)	(12,678)
At end of year	4,958	6,299

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

12 Assets held for sale (Continued)

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.

As at December 31, 2023, 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.

Fair value measurement of the Group's assets held for sale

The fair values of the Group's assets held for sale at the respective financial years ended have been determined on the basis of valuation carried out by Acumentis Pty Ltd, an 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.

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

Description	Fair value		Valuation technique(s)	Significant unobservable input(s)	Range (per sqm)
	2023	2022			
	S\$'000	S\$'000			
Residential properties – Australia	4,958	6,299	Direct comparison approach	Adjustment made to the selling price per unit ⁽¹⁾	S\$396,000 – S\$441,000 (2022: S\$379,000 – S\$448,000)

(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.

Material accounting policy information

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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

13 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, 2022	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
Translation adjustments	–	(149)	(55)	(204)
Addition from acquisition of a subsidiary corporation	–	29	–	29
Additions	–	1,342	44	1,386
Disposals	–	(784)	(72)	(856)
At December 31, 2023	790	4,510	1,163	6,463
Accumulated depreciation:				
At January 1, 2022	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
Translation adjustments	–	(126)	(46)	(172)
Depreciation	13	353	130	496
Disposals	–	(700)	(72)	(772)
At December 31, 2023	71	2,925	961	3,957
Impairment:				
At January 1, 2022	–	359	–	359
Translation adjustments	–	(31)	–	(31)
At December 31, 2022	–	328	–	328
Translation adjustments	–	(15)	–	(15)
At December 31, 2023	–	313	–	313
Carrying amount:				
At December 31, 2023	719	1,272	202	2,193
At December 31, 2022	732	346	297	1,375

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

13 Property, plant and equipment (Continued)

Material accounting policy information

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:

Leasehold land	-	61 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. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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.

14 Right-of-use assets

The Group leases several assets including office space, apartments, warehouses and retail stores. The average lease term is 3 years (2022: 3 years).

	Office space	Apartments	Warehouses	Motor vehicles	Retail stores	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group						
At January 1, 2022	764	301	220	25	-	1,310
Translation adjustments	(41)	2	3	(3)	-	(39)
Additions	16	-	-	-	-	16
Transfer to property, plant and equipment	-	-	-	(21)	-	(21)
Depreciation	(393)	(175)	(206)	(1)	-	(775)
At December 31, 2022	346	128	17	-	-	491
Translation adjustments	(15)	(1)	4	-	15	3
Additions	890	-	1,625	-	3,988	6,503
Depreciation	(356)	(127)	(279)	-	(1,031)	(1,793)
At December 31, 2023	865	-	1,367	-	2,972	5,204

The Group leases several assets including leasehold land and buildings, plant and equipment and IT equipment. The lease term ranges from 2 to 5 years (2022: 2 to 3 years). The Group's obligations are secured by the lessor's title to the leased assets.

The Group does not have options to extend the office space, apartments, warehouses and retail stores leases in both years.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

14 Right-of-use assets (Continued)

Material accounting policy information

The Group as lessee

The right-of-use asset is initially measured at cost comprising the initial lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs and any restoration costs. The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

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 5 years
Apartments	-	2 years
Warehouses	-	5 years
Motor vehicles	-	3 years
Retail stores	-	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. 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.

15 Investment property

	Group	
	2023	2022
	S\$'000	S\$'000
At fair value		
Balance at beginning of year	31,158	29,746
Fair value gains for the year recognised in profit or loss	-	1,412
Balance at end of year	31,158	31,158

The property rental income from the Group's investment properties (including assets held for sale) leased out under operating leases amounted to S\$1,496,000 (2022: S\$1,366,000). Direct operating expenses (including repairs and maintenance) arising from the properties that generated rental income during the financial year amounted to S\$516,000 (2022: S\$608,000).

As at December 31, 2023, the Group has pledged investment properties having a carrying amount of approximately S\$31,158,000 (2022: S\$31,158,000) to secure banking facilities granted to the Group.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

15 Investment property (Continued)

Details of the Group's investment property is 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	56 years till December 14, 2079

Material accounting policy information

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.

Key sources of estimation uncertainty

Fair value measurement of the Group's investment properties

The fair value measurement of the Group's investment property at December 31, 2023 and 2022 have been determined on the basis of valuations carried out at the respective year end dates by Colliers International Group Inc, independent 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 valuation conforms to International Valuation Standards.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for 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.

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

Description	Fair value		Valuation technique	Significant unobservable input	Range (per sqm)
	2023	2022			
	S\$'000	S\$'000			
Office properties	31,158	31,158	Direct comparison approach	Adjustment made to the price per square meter ⁽¹⁾	S\$18,100 (2022: S\$18,100)

(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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

16 Subsidiary corporations

	Company	
	2023	2022
	S\$'000	S\$'000
Unquoted equity shares, at cost	387,563	306,557
Amounts owing to subsidiary corporations (non-trade) ⁽ⁱ⁾	(82,469)	(84,093)
Cost of investment held by the Company	305,094	222,464
Amounts owing by subsidiary corporations (non-trade) ⁽ⁱⁱ⁾	11,893	6,010
Less: impairment loss ⁽ⁱⁱ⁾	(121,110)	(125,381)
	195,877	103,093
Amount owing by subsidiary corporations (non-trade) – current ⁽ⁱⁱⁱ⁾	1,294	1,256
Amount owing to subsidiary corporations (non-trade) ^(iv)	(109,638)	(12,885)

- (i) Management has assessed that intercompany amounts owing by the Company to its wholly-owned subsidiary, Thakral Corporation (HK) Limited (“TCHK”), of S\$82,469,000 (2022: S\$84,093,000) as at December 31, 2023 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.
- (ii) Movements in impairment loss for investments in subsidiary corporations and allowance for amounts owing by subsidiary corporations were as follows:

	Company	
	2023	2022
	S\$'000	S\$'000
Balance at beginning of year	125,381	126,505
Reversal of impairment loss for investment in subsidiary corporations	(4,271)	(1,124)
Balance at end of year	121,110	125,381

Management has reversed impairment loss of S\$4,271,000 (2022: S\$1,124,000) 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 occurred mainly as a result of the increase in the recoverable amount of certain subsidiary corporations from a combination of operational profits 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\$1,179,000 (2022: S\$1,289,000) which bears interest at 2.25% (2022: 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\$4,189,000 (2022: S\$4,579,000) which bears interest at 1.28% (2022: 1.28%) per annum and is denominated in Japanese yen and loans of S\$14,911,000 (2022: S\$1,727,000) which bear interest at 5% (2022: 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 Australian and Hong Kong dollars.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

16 Subsidiary corporations (Continued)

The principal subsidiary corporations of the Company and the Group are as follows:

Name of subsidiary corporation	Country of incorporation and operation	Cost of investment held by the Company		Effective equity interest held by the Group		Principal activities
		2023	2022	2023	2022	
		S\$'000	S\$'000	%	%	
Thakral Corporation (HK) Limited ⁽²⁾	Hong Kong	147,169	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	100	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	54.7	Investment holding
Thakral Umeda Properties Pte Ltd	Singapore	6,602	6,602	56	56	Investment holding
Thakral Capital Investments Ltd ⁽²⁾	Hong Kong	81,005	*	100	75	Investment holding
Thakral Capital Holdings (Australia) Pty Ltd ⁽⁴⁾⁽⁷⁾	Australia	#	-	100	-	Investment holding
Thakral China Ltd ⁽³⁾	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	*	*	100	75	Investment holding

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

16 Subsidiary corporations (Continued)

Name of subsidiary corporation	Country of incorporation and operation	Cost of investment held by the Company		Effective equity interest held by the Group		Principal activities
		2023	2022	2023	2022	
		S\$'000	S\$'000	%	%	
Thakral Capital Australia Pty Ltd ⁽⁴⁾	Australia	*	*	100	75	Origination, execution, and management of investment opportunities
SJ Property Investments Pte Ltd	Singapore	*	*	54.7	54.7	Investment holding
Nihon Property Investments Pte Ltd	Singapore	*	*	56	56	Investment holding
LNG Trust ⁽⁵⁾	Australia	*	*	100	75	Property development
LNG Trust No 2 ⁽⁵⁾	Australia	*	*	100	75	Property development
Thakral Japan Properties Pte Ltd	Singapore	*	*	50.6	50.6	Investment holding
TCAP Partners Pty Ltd ⁽⁶⁾	Australia	*	*	100	75	Investment holding

Less than S\$1,000

* 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 Deloitte Touche Tohmatsu, Brisbane, Australia (2022: Thomas Noble & Russell, Australia)
- (7) Incorporated during the year

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

16 Subsidiary corporations (Continued)

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	
		2023	2022
Investments	Singapore	4	1
	Australia	11	–
	Hong Kong	2	–
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	2	1
Others	Hong Kong	1	1
		32	15

Principal activity	Country of incorporation and operation	Number of non wholly-owned subsidiary corporations	
		2023	2022
Investments	Singapore	5	8
	Australia	1	10
	Hong Kong	–	2
Marketing and distributing beauty, fragrance and lifestyle products	Macau	1	1
		7	21

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

16 Subsidiary corporations (Continued)

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	
		2023	2022	2023	2022	2023	2022
		%	%	S\$'000	S\$'000	S\$'000	S\$'000
Thakral Japan Properties Pte Ltd	Singapore	49.4	49.4	3,299	2,283	23,192	21,790
Thakral Capital Holdings Pte Ltd and its subsidiary corporations	Singapore	–	25	2,238	4,021	–	26,851
TJP Pte Ltd and its subsidiary corporation	Singapore	45.3	45.3	3,987	1,375	19,485	17,554
Thakral Umeda Properties Pte Ltd and its subsidiary corporation	Singapore	43.7	44	740	278	8,668	8,718
Total				10,264	7,957	51,345	74,913

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

16 Subsidiary corporations (Continued)

Summarised financial information in respect of each of the Group's subsidiary corporations that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Thakral Japan Properties Pte Ltd		Thakral Capital Holdings Pte and its subsidiary corporations		TJP Pte Ltd and its subsidiary corporation		Thakral Umeda Properties Pte Ltd and its subsidiary corporation	
	2023	2022	2023*	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current assets	1,617	2,613	-	32,948	1,990	8,658	205	226
Non-current assets	53,156	50,141	-	120,309	51,141	36,481	25,952	24,378
Current liabilities	(126)	(47)	-	(27,226)	(24)	(583)	(3,589)	(2,135)
Non-current liabilities	(7,715)	(8,612)	-	(18,628)	(8,596)	(3,806)	(1,169)	(887)
Equity attributable to owners of the Company	23,740	22,305	-	80,552	25,026	23,196	12,731	12,864
Non-controlling interests	23,192	21,790	-	26,851	19,485	17,554	8,668	8,718
Revenue	4,100	5,664	5,369	15,971	12	32	-	-
Net other (expenses) income	2,577	(1,046)	3,583	118	8,794	3,005	1,685	633
Profit for the year	6,677	4,618	8,952	16,089	8,806	3,037	1,685	633
Profit attributable to owners of the Company	3,378	2,335	6,714	12,068	4,819	1,662	945	355
Profit attributable to the non-controlling interests	3,299	2,283	2,238	4,021	3,987	1,375	740	278
Profit for the year	6,677	4,618	8,952	16,089	8,806	3,037	1,685	633
Other comprehensive loss attributable to owners of the Company	(1,942)	(2,993)	(3,510)	(5,506)	(2,042)	(3,193)	(1,115)	(1,835)
Other comprehensive loss attributable to the non-controlling interests	(1,898)	(2,924)	(1,170)	(1,835)	(1,690)	(2,582)	(867)	(1,240)
Other comprehensive loss for the year	(3,840)	(5,917)	(4,680)	(7,341)	(3,732)	(5,775)	(1,982)	(3,075)

* The amounts for Thakral Capital Holdings and its subsidiary corporations pertain to the period up to June 30, 2023, before the TCH restructuring.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

16 Subsidiary corporations (Continued)

	Thakral Japan Properties Pte Ltd		Thakral Capital Holdings Pte and its subsidiary corporations		TJP Pte Ltd and its subsidiary corporation		Thakral Umeda Properties Pte Ltd and its subsidiary corporation	
	2023	2022	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total comprehensive income (loss) attributable to owners of the Company	1,436	(658)	3,204	6,562	2,778	(1,531)	(170)	(1,480)
Total comprehensive income (loss) attributable to the non-controlling interests	1,401	(641)	1,068	2,186	2,297	(1,207)	(127)	(962)
Total comprehensive income (loss) for the year	2,837	(1,299)	4,272	8,748	5,075	(2,738)	(297)	(2,442)
Dividends to non-controlling interests	-	-	-	(1,835)	(726)	-	-	-
Net cash (outflow) inflow from operating Activities	(1,556)	(58)	-	(10,209)	(9,858)	(254)	1,250	(419)
Net cash inflow (outflow) from investing Activities	1,482	(535)	-	21,009	4,733	9,137	(1,252)	-
Net cash (outflow) inflow from financing Activities	-	(1,128)	-	(7,082)	(1,866)	(1,824)	-	441
Net cash (outflow) inflow	(74)	(1,721)	-	3,718	(6,991)	7,059	(2)	22

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\$0.4 million (2022: S\$6.6 million).

Key sources of estimation uncertainty

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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

17 Joint ventures

Restructuring activity

In 2023, the Group together with the Australian Executives⁽¹⁾ undertook a strategic review of the Australian Group structure and the remuneration of the Australian Executives. The Group entered into an agreement with the Australian Executives (the "TCH restructuring") resulting inter alia in the following:

- (i) the transfer of a 25% equity interest in Thakral Capital Holdings Pte Ltd ("TCH") from the Australian Executives to the Group;
- (ii) the transfer of a 18.2% equity interest in the GTH joint ventures from the Group to Australian Executives;
- (iii) cancellation of the TCH Scheme and the share options issued under this scheme; and
- (iv) cancellation of the existing shareholder agreement with the Australian Executives.

Following completion of the restructuring, TCH became a wholly-owned subsidiary of the Group and holds a remaining 31.7% equity interest in the GTH Group of companies. Consequent to the restructuring, the remaining 31.7% equity interest was reclassified to associates (Note 18).

The Group recorded a restructuring cost and capital reserve amounting to S\$20.4 million and S\$0.6 million in relation to the restructuring activity.

⁽¹⁾ Who were, until early August 2023, responsible for the management and day-to-day operations of the Group's investment business in Australia.

Share swap

The Group's 50% shareholding in CBT At-Home Beauty Holdings Pte Ltd. and its subsidiary ("CBT group of entities") was also swapped for a direct minority investment in CBT group's parent company. With the share swap the Group recorded a gain on the share swap of a joint venture amounting to S\$2.8 million (Note 30).

In 2022, the investment in joint ventures mainly represented 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.

Joint ventures

	Group	
	2023	2022
	S\$'000	S\$'000
Cost of investment in joint ventures	*	1,118
Share of post-acquisition profit	*	69,133
Advances to joint ventures	*	1,633
Translation adjustment	*	(4,206)
	*	67,678

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

17 Joint ventures (Continued)

Name of joint venture	Place of incorporation and operation	Proportion of ownership interest 2022	Proportion of voting power held 2022	Principal activity
GTH group of entities	Australia	49.9%	49.9%	Property development
CBT group of entities	Singapore	50%	50%	Marketing and distributing beauty products

The joint ventures were accounted for in these consolidated financial statements using the equity method.

GTH Group of joint ventures

	Group	
	2023	2022
	S\$'000	S\$'000
Current assets	*	42,274
Non-current assets	*	679,596
Current liabilities	*	(47,286)
Non-current liabilities – due to joint venture shareholders	*	(75,267)
Non-current liabilities – borrowings and other payables	*	(469,140)

The above amounts of assets and liabilities include the following:

	Group	
	2023	2022
	S\$'000	S\$'000
Cash and cash equivalents	*	7,240
Current financial liabilities (excluding trade and other payable)	*	(3,771)
Non-current financial liabilities – due to joint venture shareholders	*	(75,267)
Non-current financial liabilities – borrowings (excluding trade and other payable)	*	(404,414)

	Group	
	2023	2022
	S\$'000	S\$'000
Revenue	80,493	131,643
Profit for the year	17,773	48,704
Total comprehensive income for the year	17,773	48,704

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

17 Joint ventures (Continued)

GTH Group of joint ventures (Continued)

The above profit for the year includes the following:

	Group	
	2023	2022
	S\$'000	S\$'000
Depreciation	(2,547)	(4,496)
Interest income	1	–
Interest expense	(13,557)	(20,516)
Income tax expense	(6)	(17)

2023 figures above pertain to the period before the reclassification to associates.

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	
	2023	2022
	S\$'000	S\$'000
Net assets of the joint ventures	*	130,177
Proportion of the Group's ownership interest in joint ventures	*	49.9%
Carrying amount of the Group's interest in the joint ventures	*	64,954

* Consequent to the restructuring, the remaining 31.7% equity interest in the GTH group was reclassified to associates (Note 18).

CBT Group of joint ventures

	Group	
	2023	2022
	S\$'000	S\$'000
Current assets	–	6,144
Non-current assets	–	73
Current liabilities	–	(2,835)
Non-current liabilities	–	(1,202)

The above amounts of assets and liabilities include the following:

	Group	
	2023	2022
	S\$'000	S\$'000
Cash and cash equivalents	–	940

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

17 Joint ventures (Continued)

CBT Group of joint ventures (Continued)

	Group	
	2023	2022
	S\$'000	S\$'000
Revenue	8,190	14,485
Profit for the year	745	3,361
Total comprehensive income for the year	748	3,431

The above income for the year include the following:

	Group	
	2023	2022
	S\$'000	S\$'000
Depreciation	(12)	(31)
Interest expense	-	(167)
Income tax expense	(411)	(133)

2023 figures above pertain to the period before the share swap.

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	
	2023	2022
	S\$'000	S\$'000
Net assets of the joint ventures	-	2,303
Proportion of the Group's ownership interest in joint ventures	-	50%

18 Associates

	Group	
	2023	2022
	S\$'000	S\$'000
Cost of investment in associates	24,653	30,239
Share of post-acquisition profit	117,203	45,295
Dividend paid by an associate	(1,263)	(842)
Translation adjustment	(16,535)	(13,916)
	124,058	60,776

The share of post-acquisition profit above included the share of profit of GTH Group of entities (S\$49.7 million) transferred from joint venture upon completion of the restructuring.

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

18 Associates (Continued)

Details of the Group's significant associates are as follows:

Name of associate	Place of incorporation and operation	Proportion of ownership interest		Proportion of voting power held		Principal activity
		2023	2022	2023	2022	
TMK Japan TCAP ⁽¹⁾	Japan	99.5%	99.5%	33%	33%	Investment holding
TMK Legal 1 ⁽¹⁾	Japan	93.8%	93.4%	33%	33%	Investment holding
GTH Group of entities ⁽²⁾	Australia	31.7%	–	31.7%	–	Property development

(1) Audited by Deloitte & Touche Tohmatsu, Japan

(2) Audited by Deloitte Touche Tohmatsu, Brisbane, Australia (2022: Thomas Noble & Russell, Australia)

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

	TMK Japan TCAP		TMK Legal 1		GTH Group
	2023	2022	2023	2022	2023*
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current assets	11,786	12,062	6,841	6,015	68,239
Non-current assets	134,692	149,849	85,709	92,754	817,698
Current liabilities	(4,936)	(3,059)	(1,970)	(1,703)	(58,307)
Non-current liabilities	(99,426)	(122,269)	(62,921)	(70,968)	(655,423)
Revenue	5,223	6,318	3,337	2,895	136,696
Profit for the year	13,776	3,697	2,717	1,315	29,281
Total comprehensive income for the year	13,776	3,697	2,717	1,315	29,281

* 2023 figures above for GTH Group relate to the period after the reclassification from Joint Venture (Note 17).

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		GTH Group
	2023	2022	2023	2022	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Net assets of the associate	42,113	36,583	27,659	26,098	172,297
Proportion of the Group's ownership interest	99.5%	99.5%	93.8%	93.4%	31.7%
Carrying amount of the Group's interest	41,899	36,398	29,952	24,378	56,207

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

18 Associates (Continued)

Critical judgements in applying the Group's accounting policies

Accounting for entities under TMK structure

The Group has several subsidiary corporations, 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 the TMKs.

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

TMK Legal 1 and TMK Japan TCAP are accounted for as associate companies using the equity method with share of profits of 93.8% (2022: 93.4%) (45.4% preferred shares (include rights to dividends and residual assets) and 48.4% 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) 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.

19 Financial assets measured at fair value through income statement

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
At fair value:				
Unquoted equity investments – Japan	43,252	46,743	–	–
Unquoted equity investments - Others	6,020	2,585	4,992	1,681
Total	49,272	49,328	4,992	1,681

Description	Fair value		Fair value hierarchy	Valuation technique(s)	Significant unobservable input(s)	Range
	2023	2022				
	S\$'000	S\$'000				
Group						
Unquoted equity investments - Japan	43,252	46,743	Level 3	See Note (a) below	See Note (a) below	S\$5,030 to S\$6,308 (2022: S\$5,368 to S\$6,648)
Unquoted equity investments - Others	6,020	2,585	Level 3	See Note (b) below	See Note (b) below	See Note (b) below
Company						
Unquoted equity investments - Others	4,992	1,681	Level 3	See Note (b) below	See Note (b) below	See Note (b) below

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

19 Financial assets measured at fair value through income statement (Continued)

- (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.

Key sources of estimation uncertainty

Valuation of financial assets measured at FVTIS

As at December 31, 2023, the Group has unquoted equity investments in Japan which are classified as financial assets measured at fair value through income statement ("FVTIS").

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.

20 Trade and bills payables

	Group	
	2023	2022
	S\$'000	S\$'000
Trade payables - outside parties	9,940	3,967
Bills payable	85	211
	10,025	4,178

The average credit period on purchases of goods is 15 days (2022: 11 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.

21 Trust receipts

Trust receipts represent short term financing provided by banks, bearing an interest rate up to 2.50% (2022: 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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

21 Trust receipts (Continued)

The average effective interest rates paid are as follows:

	Group	
	2023	2022
	%	%
Trust receipts	7.85	7.39

22 Bank and other borrowings

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Other loans	2,160	2,127	–	–
Bank loans	27,220	27,614	1,733	2,989
	29,380	29,741	1,733	2,989
Less: Amount due for settlement within 12 months (shown under current liabilities)	(22,493)	(21,275)	(1,294)	(1,256)
Amount due for settlement after 12 months	6,887	8,466	439	1,733

Bank loans (secured)

Bank loans include loans drawn from a bank in Australia amounting to S\$2.0 million (2022: S\$Nil) 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\$3,339,000 (2022: S\$4,015,000) during the financial year. They are secured by corporate guarantee by a subsidiary corporation.

Certain bank loans amounting to S\$19,606,000 (2022: S\$19,915,000) 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\$4,606,000 (2022: S\$4,915,000), which is required to be repaid by monthly instalments which bears an interest rate at 1.5% (2022: 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 (2022: S\$15,000,000) which bears an interest rate at 1.5% (2022: 1.50%) per annum over the bank's cost of funds or applicable SWAP offer rate, whichever is higher. Subsequent to the year end, the Group has converted its money market loan amounting to S\$15 million to a long-term bank loan for 5 years.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

22 Bank and other borrowings (Continued)

Bank loan (unsecured)

A 5-year term loan of S\$1.7 million (2022: S\$3.0 million), which bears a fixed interest rate at 3% (2022: 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	
	2023	2022
	%	%
Other loans	7.50	7.50
Bank loans	5.42	5.15

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.

Group	Trust receipts (Note 21)	Bank and other borrowings (Note 22)	Lease liabilities (Note 23)	Total
	S\$'000	S\$'000	S\$'000	S\$'000
At January 1, 2022	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
Non-cash changes				
- New lease liabilities	-	-	6,352	6,352
- Foreign exchange movement	(161)	(423)	350	(234)
- Accrued interest	1,701	1,804	276	3,781
Financing cash flow	5,730	(190)	(1,853)	3,687
Interest paid	(1,701)	(1,552)	(276)	(3,529)
At December 31, 2023	26,710	29,380	5,326	61,416

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

23 Lease liabilities

	Group	
	2023	2022
	S\$'000	S\$'000
Maturity analysis:		
Year 1	2,110	405
Year 2	2,025	137
Years 3 - 5	1,752	-
Less: Unearned interest	(561)	(65)
	5,326	477
Analysed as:		
Current	1,768	342
Non-current	3,558	135
	5,326	477

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.

Material accounting policy information

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. A right-of-use asset and a corresponding lease liability are recognised with respect to all lease arrangements, except for short-term leases (those 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.

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.

The incremental borrowing rate depends on the term, currency and start date of the lease, and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

Lease payments included in the measurement of the Group's lease liabilities comprise mainly of fixed lease payments over the lease terms.

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.

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. Lease liability is remeasured by discounting the revised lease payments using a revised discount rate when there is a change in the lease term upon exercising extension options not previously included in the determination of the lease term. A corresponding adjustment is made to the related right-of-use asset.

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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

24 Other payables

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Accruals	9,582	17,114	829	1,023
Advances from customers	7,255	4,439	-	-
Value added tax/other tax payable	231	97	-	-
Sundry creditors	10,820	4,300	53	43
Total	27,888	25,950	882	1,066
Less: Non-current other payables	(8,419)	(1,274)	-	-
Classified as current other payables	19,469	24,676	882	1,066

Included in sundry creditors is an amount of S\$632,000 (2022: S\$309,000) due to related parties, associates and joint ventures (Note 6) for rental deposits and the reimbursement of expenses paid on behalf of the Group.

25 Provisions

	Employee benefits	Restoration provision	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
At January 1, 2022	3,021	-	-	3,021
Translation adjustment	(297)	-	-	(297)
Provision for the year	3,519	-	-	3,519
Utilisation	(112)	-	-	(112)
At December 31, 2022	6,131	-	-	6,131
Translation adjustment	(147)	(2)	(4)	(153)
Provision for the year	374	154	167	695
Utilisation	(3,432)	-	-	(3,432)
At December 31, 2023	2,926	152	163	3,241

	Group	
	2023	2022
	S\$'000	S\$'000
Analysed as:		
Current	3,115	6,131
Non-current	126	-
	3,241	6,131

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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

25 Provisions (Continued)

Material accounting policy information

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 the 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 reporting date, 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 the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a 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.

26 Deferred tax

The following are the major deferred tax liabilities and assets 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	Tax losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at January 1, 2022	8,597	2,475	13,540	–	24,612
Translation adjustment	(1,128)	(369)	(1,645)	–	(3,142)
Charge to profit or loss (Note 32)	1,143	1,048	8,271	–	10,462
As at December 31, 2022	8,612	3,154	20,166	–	31,932
Adjustment	–	(623)	(12,007)	–	(2,067)
Translation adjustment	(1,283)	(134)	(650)	7	(2,060)
Charge (credit) to profit or loss (Note 32)	386	656	6,347	(535)	6,854
As at December 31, 2023	7,715	3,053	13,856	(528)	24,096

Material accounting policy information

Deferred tax is the tax expected to be payable or recoverable on 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 (i) initial recognition of goodwill; or (ii) initial recognition of assets and liabilities in a transaction that is not a business combination, and at the time of the transaction affects neither accounting nor taxable profit, and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiary corporations and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for deductible temporary differences associated with such investments and interests only if it is probable that future taxable amounts will be available to utilise those temporary differences.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

26 Deferred tax (Continued)

Material accounting policy information (Continued)

Deferred tax assets are reviewed at each reporting date 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 tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption. For the freehold land and buildings measured at revalued amount, the Group expects the carrying amount to be recovered through use.

Offsetting

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. 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 they relate to income taxes levied by the same taxation authority.

27 Issued capital

	Group and Company			
	2023	2022	2023	2022
	Number of ordinary shares		S\$'000	S\$'000
Issued and fully paid:				
At beginning of year	129,516,816	130,860,616	71,838	72,579
Cancellation of purchased shares	(1,646,500)	(1,343,800)	(1,018)	(741)
At end of year	127,870,316	129,516,816	70,820	71,838

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.

28 Reserves

The capital reserve arose upon the reorganisation of shareholdings in the subsidiary corporations under common control.

The options reserve arises on the grant of share options to employees under the employee share option scheme. The Company does not have any share option scheme currently in effect. The TCH Scheme was terminated and the share options issued under this scheme were cancelled during the year.

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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

29 Revenue

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. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 *Operating Segments* (see Note 36).

	Group	
	2023	2022
	S\$'000	S\$'000
Product sales	198,704	137,819
Fair value changes on debt instruments measured at FVTIS	6,257	13,480
Dividend income from financial assets measured at FVTIS	2,036	–
Management fee and other service income	1,421	1,953
Rental income (Notes 15 and 38)	1,496	1,366
Fair value changes on financial assets measured at FVTIS	2,068	5,696
Interest income on debt instruments measured at amortised cost	287	108
	212,269	160,422

Material accounting policy information

The Group recognises revenue from the following major sources:

- Product sales
- Fair value changes on debt instruments measured at FVTIS
- 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 on selling 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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

29 Revenue (Continued)

Material accounting policy information (Continued)

Dividend income

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

Management fees and service income

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

30 Other operating income

	Group	
	2023	2022
	S\$'000	S\$'000
Gain on share swap of a joint venture (Note 17)	2,751	–
Bargain purchase on acquisition of a subsidiary corporation	14	–
Gain on disposal of financial assets measured at FVTIS	–	2,212
Gain on disposal of investment properties and assets held for sale	–	966
Government grant	–	26
Divided income from debt instruments	244	–
Interest income from debt instruments	234	–
Others	99	75
	3,342	3,279

31 Finance costs

	Group	
	2023	2022
	S\$'000	S\$'000
Interest on borrowings	3,781	2,307
Interest expense to related parties (Note 6)	–	29
	3,781	2,336

Material accounting policy information

Borrowing costs are recognised in profit or loss using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (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) through the expected life of the financial liability, or, where appropriate, a shorter period, to the amortised cost of a financial liability.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

32 Income tax

	Group	
	2023	2022
	S\$'000	S\$'000
Current taxation:		
- Current year tax	913	510
- Overprovision in prior years	(44)	(953)
Deferred tax expenses (Note 26)	6,854	10,462
Income tax expense for the year	7,723	10,019

The income tax is calculated at 17% (2022: 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2023	2022
	S\$'000	S\$'000
Profit before income tax	26,169	36,593
Income tax charge at statutory rate of 17%	4,449	6,221
Tax effects of:		
- Expenses that are not deductible in determining taxable profit	3,560	1,930
- Income that is not taxable in determining taxable profit	(937)	(47)
- Current year's tax losses not recognised	456	817
- Different tax rates of the subsidiary corporations operating in other jurisdictions	1,730	2,895
- Tax effect on utilisation of deferred tax benefits previously not recognised	(959)	(844)
- Tax effect of previously unrecognised and unused tax losses now recognised as deferred tax assets	(535)	-
- Overprovision of tax in respect of prior years	(44)	(953)
- Utilisation of previous years unutilised tax losses	3	-
Total income tax expense for the year	7,723	10,019

Subject to the agreement by the tax authorities, at the reporting date, the Group has unused tax losses of S\$219.1 million (2022: S\$237.1 million) available for offset against future profits. A deferred tax asset has been recognised in respect of S\$0.5 million (2022: Nil) of such losses. No deferred tax asset has been recognised in respect of the remaining S\$218.6 million (2022: S\$237.1 million) as it is not considered probable that there will be future tax profits available. Included in unrecognised tax losses are losses of S\$25.8 million (2022: S\$29.9 million) that will expire in the next 5 years. Other losses may be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

32 Income tax (Continued)

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

	Group	
	2023	2022
	S\$'000	S\$'000
Amount at beginning of year	294	260
Amount in current year	734	89
Amount utilised in current year	(142)	(55)
Amount at end of year	886	294
Deferred tax benefit on above not recorded	146	50

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\$0.49 million (2022: S\$0.54 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.

Material accounting policy information

Income tax expense represents the sum of the tax currently payable and deferred tax. It is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

33 Profit for the year

	Group	
	2023	2022
	S\$'000	S\$'000
Profit for the year is arrived at after charging (crediting):		
Directors' remuneration:		
of the Company	3,157	3,009
of subsidiary corporations	14,432	3,575
Total directors' remuneration	17,589	6,584
Cost of inventories recognised as expense	165,033	117,751
Audit fees:		
Paid to auditors of the Company		
Current year	460	394
Underprovision for prior year	30	–
Paid to other auditors		
Current year	249	264
Overprovision for prior year	(2)	(2)
Non-audit fees paid to auditors:		
Auditors of the Company	41	48
Other auditors	5	14
Loss (gain) on disposal of property, plant and equipment	68	(26)
Allowance for inventories recognised in cost of sales	896	857
Foreign currency exchange adjustment loss	174	625
Impairment loss on financial assets		
Impairment loss on trade receivables	107	309
Impairment loss on other receivables	–	95
Total impairment loss on financial assets recognised in administration expenses	107	404
Fair value loss on derivative financial instruments	431	270
Depreciation of property, plant and equipment	496	411
Depreciation of right-of-use assets	1,793	775
Employee benefits expense (including directors' remuneration)		
Salaries, wages, bonus and others	15,799	23,114
Defined contribution plans	678	1,059
Total employee benefits expense	16,477	24,173

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

33 Profit for the year (Continued)

Material accounting policy information

The material accounting policy information relating to the items disclosed in this note that are not mentioned elsewhere in the financial statements are as below:

Defined contribution plans

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Employee leave entitlement

Other employment benefits include employee entitlements to annual leave which 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.

34 Dividends

A tax-exempt (one-tier) second interim dividend of S\$0.02 per share (total S\$2,617,000) was paid to shareholders on April 8, 2022 in respect of the financial year ended December 31, 2021. In addition, a tax-exempt (one-tier) interim dividend S\$0.02 per share (total S\$2,617,000) was paid to shareholders on August 25, 2022 in respect of financial year ended December 31, 2022. Total dividends of S\$5,234,000 were approved and paid during the year ended December 31, 2022.

A tax-exempt (one-tier) second interim dividend of S\$0.02 per share and a special interim dividend of S\$0.005 per share (total S\$3,197,000) was paid to shareholders on May 11, 2023 in respect of the financial year ended December 31, 2022. In addition, a tax-exempt (one-tier) interim dividend S\$0.02 per share (total S\$2,557,000) was paid to shareholders on September 25, 2023 in respect of the year ended December 31, 2023. Total dividends of S\$5,754,000 were approved and paid during the year ended December 31, 2023.

In addition, a final tax-exempt (one-tier) dividend of S\$0.02 per share in respect of the year ended December 31, 2023 was proposed on February 29, 2024, subject to shareholders' approval.

35 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:

	2023	2022
	Cents	Cents
Basic earnings per share	6.40	14.23
Diluted earnings per share	6.40	14.23
Weighted average number of ordinary shares	127,929,940	130,832,172

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

35 Basic and diluted earnings per share (cents) (Continued)

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

	Group	
	2023	2022
	S\$'000	S\$'000
Profit for the year attributable to equity holders of the Company	8,182	18,617

Material accounting policy information

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by adjusting the profit for the year attributable to owners of the Company and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

36 Segment information

The Group, which operates in four geographical segments being Australia, the People's Republic of China (including Hong Kong and Macau), 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 and Macau), Singapore and in various export markets and related investments.

(c) Others ("OTH")

For those other activities which do not fall into the above categories.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Segment revenue and expense: Segment revenue and expense are the operating revenue and expense reported in the Group's consolidated statement of profit or loss that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and property, plant and equipment, net of allowances. Capital additions include the total cost incurred to acquire property, plant and equipment directly attributable to the segment. Segment liabilities include all operating liabilities.

Inter-segment transfers: Segment revenue and expenses include transfers between business segments. Inter-segment sales are charged at prevailing market prices. These transfers are eliminated on consolidation.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

36 Segment information (Continued)

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

Group's reportable segments

Year ended December 31, 2023

	INV	LIFE	OTH	TOTAL
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue				
External revenue	13,565	198,704	-	212,269
Segment operating result	9,954	12,823	(2,444)	20,333
Fair value loss on derivative financial instruments	(406)	(25)	-	(431)
Fair value gain on investment properties	584	-	-	584
Share of profit of associates and joint ventures	34,418	374	-	34,792
Segment result before restructuring costs	44,550	13,172	(2,444)	55,278
Restructuring costs	(20,380)	-	-	(20,380)
Segment result	24,170	13,172	(2,444)	34,898
Unallocated corporate expenses				(5,007)
Finance income				233
Finance costs				(3,781)
Foreign exchange loss				(174)
Profit before income tax				26,169
Income tax				(7,723)
Profit for the year				18,446
Other information				
Capital expenditure:				
Property, plant and equipment	-	1,376	10	1,386
Right-of-use assets	-	6,503	-	6,503
Depreciation of property, plant and equipment and right-of-use assets	13	2,267	9	2,289
Assets				
Segment assets	256,549	68,899	3,009	328,457
Deferred tax assets				528
Total assets				328,985
Liabilities				
Segment liabilities	30,262	67,250	5,145	102,657
Income tax payable				953
Deferred tax liability				24,624
Total liabilities				128,234

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

36 Segment information (Continued)

Group's reportable segments (Continued)

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

36 Segment information (Continued)

Geographical information

The following tables provides 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:

	Revenue	
	2023	2022
	S\$'000	S\$'000
South Asia	109,068	81,322
People's Republic of China (including Hong Kong and Macau)	47,855	21,921
North America	33,253	22,779
Australia	8,362	15,722
Japan	4,111	5,824
Others	9,620	12,854
	212,269	160,422

Information about major customers

Included in revenue of S\$198,704,000 (2022: S\$137,819,000) arising from the Lifestyle segment are revenues of approximately S\$46,148,000 (2022: S\$36,768,000) which arose from sales to 2 (2022: 2) of the Group's largest customers.

- b) additions to property, plant and equipment, right-of-use assets, and the carrying amount of segment assets analysed by the geographical area in which the respective companies are incorporated.

	Capital expenditure		Non-current assets*	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
People's Republic of China (including Hong Kong and Macau)	7,835	272	6,554	1,041
Singapore	10	13	31,897	31,911
Others	44	3	104	72
	7,889	288	38,555	33,024

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

37 Contingent liabilities and commitments

Contingent Liabilities

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Guarantees given to banks in respect of bank facilities utilised by subsidiary corporations in the Group	3,339	4,015	46,317	41,556
Guarantee given to a supplier in respect of credit payments obligation for purchases by a subsidiary in the Group	-	-	5,194	3,888

As at December 31, 2022, the Group had granted certain Interest and/or Cost Overrun Guarantees for a maximum of S\$0.6 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 had been no call/demand from the banks on the guarantees to date.

Commitments

As at December 31, 2023, the investment subsidiary 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\$116.9 million) (2022: A\$130.0 million (equivalent to S\$118.8 million)) by way of progressive subscriptions of debt instruments. Monies of A\$19.4 million (equivalent to S\$17.4 million) (2022: A\$33.4 million (equivalent to S\$30.5 million)) have been recorded as debt instruments in Note 10 for the amounts provided by the Group. As at December 31, 2023, the Group has procured the provision of approximately A\$120.2 million (equivalent to S\$108.1 million) (2022: A\$120.2 million (equivalent to S\$109.9 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 million (equivalent to S\$8.1 million) (2022: A\$9.0 million (equivalent to S\$8.2 million)) by way of progressive subscriptions of debt instruments. Monies of A\$ nil (2022: A\$9.0 million (equivalent to S\$8.2 million)) have been recorded as debt instruments in Note 10 for the amounts provided by the Group. As at December 31, 2023, the Group has procured the provision of approximately A\$9.0 million (equivalent to S\$8.1 million) (2022: A\$9.0 million (equivalent to S\$8.2 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 had committed to invest US\$1.5 million (S\$2.0 million) in an investee in Singapore. This was fully settled in 2023.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

38 Operating lease arrangements

The Group as lessee

At December 31, 2023, the Group is committed to S\$137,000 (2022: S\$58,000) 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	
	2023	2022
	S\$'000	S\$'000
Maturity analysis of operating lease payments:		
Year 1	610	1,332
Year 2	-	610
Total	610	1,942

Material accounting policy information

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.

39 Acquisition of a subsidiary corporation

On December 28, 2023, the Group acquired 100% of the issued share capital of Thakral Innovations Private Ltd ("TIPL"), obtaining control of TIPL.

TIPL is an entity incorporated in India with its principal activity being the sale and servicing of electronic security equipment and qualifies as a business as defined in SFRS(I) 3. TIPL was acquired for various reasons, the primary reason being to gain access to TIPL's already established network and assembled workforce (instead of setting up new facilities which may take time to reach optimum levels).

The initial accounting for the acquisition of TIPL has only been provisionally determined at the end of reporting period. At the date of finalisation of these consolidation financial statements, the necessary market valuations and other calculations had not been finalised and they have therefore only been provisionally determined based on the management's best estimate of the likely values.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

39 Acquisition of a subsidiary corporation (Continued)

Identifiable assets acquired and liabilities assumed at the date of acquisition

	2023
	S\$'000
Current assets	
Trade and other receivables	1,685
Inventories	203
Non-current assets	
Property, Plant and Equipment	29
Other receivables	48
Current liabilities	
Trade and other payables	(562)
Provisions	(261)
Net identifiable assets acquired	1,142

Bargain purchase arising on acquisition

	2023
	S\$'000
Consideration	1,128
Less: Net acquisition-date amounts of the identifiable assets acquired and the liabilities assumed	(1,142)
Bargain purchase arising on acquisition	(14)

Material accounting policy information

Business combinations

The Group accounts for the above business combination using the acquisition method. The consideration transferred in the business combination is the sum of the acquisition-date fair values of cash transferred by the group and liabilities incurred by the group to the former owners of the acquiree, in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred in the consolidated financial statements.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities are recognised and measured in accordance with SFRS(I) 1-12.

SHAREHOLDERS' INFORMATION

AS AT MARCH 21, 2024

Issued and fully paid-up capital	:	S\$70,739,636.37
Number of issued shares	:	127,870,316
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	1,781	28.60	71,193	0.06
100 - 1,000	2,831	45.45	939,874	0.73
1,001 - 10,000	1,162	18.66	4,573,821	3.58
10,001 - 1,000,000	444	7.13	24,781,782	19.38
1,000,001 and above	10	0.16	97,503,646	76.25
Total	6,228	100.00	127,870,316	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 21, 2024.

SHAREHOLDERS' INFORMATION

AS AT MARCH 21, 2024

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	16,239,125	12.70
3.	HSBC (Singapore) Nominees Pte Ltd	4,126,458	3.23
4.	DBS Nominees (Private) Limited	2,528,905	1.98
5.	Kanwaljeet Singh Dhillon	1,627,485	1.27
6.	Harminder Kaur Pasricha	1,582,558	1.24
7.	Maybank Securities Pte. Ltd.	1,578,274	1.23
8.	Atma Singh s/o Lal Singh	1,565,450	1.22
9.	Amarjit Kaur	1,343,300	1.05
10.	Phillip Securities Pte Ltd	1,219,531	0.95
11.	Wee Hian Kok	929,371	0.73
12.	United Overseas Bank Nominees (Private) Limited	906,387	0.71
13.	OCBC Nominees Singapore Private Limited	661,778	0.52
14.	J & H Singh Pty Ltd	527,519	0.41
15.	Leong Han Ming	522,700	0.41
16.	Eng Koon Hock	504,700	0.39
17.	Morph Investments Ltd	380,000	0.30
18.	Plapied Stephane Hugues	353,000	0.28
19.	Au Soo Luan	321,261	0.25
20.	OCBC Securities Private Limited	310,232	0.24
Total		102,920,594	80.48

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on information available to the Company as at March 21, 2024, approximately 46.53% 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 21, 2024.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-first Annual General Meeting of Thakral Corporation Ltd (the “Company”) will be held on Friday, 26 April 2024 at 10.30 a.m. at Pacific 1, Level 1, Pan Pacific Singapore, 7 Raffles Boulevard, Marina Square, Singapore 039595 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 2023 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a final tax-exempt (one-tier) dividend of 2 cents per share for the financial year ended 31 December 2023. **(Resolution 2)**
3. To re-elect the following directors who are retiring under the Company’s Constitution, and who, being eligible, offer themselves for re-election:
 - (i) Mr. Kartar Singh Thakral (pursuant to Regulation 107(2)) **(Resolution 3)**
 - (ii) Mr. Nagaraj Sivaram (pursuant to Regulation 108) **(Resolution 4)**
 - (iii) Ms. Janice Wu Sung Sung (pursuant to Regulation 108) **(Resolution 5)**

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 Election and Re-election sections in the Company’s Annual Report 2023 respectively.

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

Ms. Janice Wu Sung Sung if re-elected as a Director of the Company, will assume the role of the Chairman of the Nomination Committee, and remain as a member of the Audit Committee and Investment Committee of the Company, and will be considered independent for the purposes of Rule 704(8) of Listing Manual of the SGX-ST.
4. To note the retirement of Mr. Natarajan Subramaniam as the Independent Non-Executive Chairman and Lead Independent Director of the Company.
[See Explanatory Note (i)]
5. To approve the payment of additional Directors’ fees of S\$42,500 for the year ended 31 December 2023. **(Resolution 6)**
[See Explanatory Note (ii)]
6. To approve the payment of Directors’ fees of S\$540,056 for the year ending 31 December 2024, to be paid quarterly in arrears. (31 December 2023, including the above additional fees: S\$761,000) **(Resolution 7)**
7. To re-appoint Deloitte & Touche LLP as the Company’s Auditors and to authorise the Directors to fix their remuneration. **(Resolution 8)**
8. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF 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:

9. That Mr. Lim Swe Guan @ Lim Swee Guan be appointed as an Independent Non-Executive Director pursuant to Regulation 108 of the Company.

(Resolution 9)

[See Explanatory Note (iii)]

The profile and the additional information pursuant to Appendix 7.4.1 of the Listing Manual of the SGX-ST of Mr. Lim have been set out under the Board of Directors and Additional Information on Directors Seeking Election and Re-election sections in the Company's Annual Report 2023 respectively.

Mr. Lim, if elected as a Director of the Company, will be appointed as the Chairman of the Board, the Compensation Committee and the Investment Committee, and a member of the Audit 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.

10. **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 10)

[See Explanatory Note (iv)]

11. **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 2023 dated 11 April 2024 (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 11)

[See Explanatory Note (v)]

NOTICE OF ANNUAL GENERAL MEETING

12. 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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.

[See Explanatory Note (vi)]

(Resolution 12)

By Order of the Board

Chan Wan Mei
Company Secretary
Singapore

Date: 11 April 2024

Explanatory Notes

- (i) Mr. Natarajan Subramaniam has indicated that he will retire at the conclusion of the Annual General Meeting to be held on 26 April 2024 (the "AGM"). Upon Mr. Subramaniam's retirement, he will cease as the Lead Independent Director and the Chairman of the Audit Committee, Compensation Committee, Nomination Committee and Investment Committee of the Company.
- (ii) The Ordinary Resolution 6 proposed in item 5 above, is in connection to the fees to be paid to the two Independent Non-Executive Directors, appointed on 1 October 2023, for the period from 1 October 2023 to 31 December 2023 as their fees have not been included in the Directors' fees approved at the Annual General Meeting of the Company held on 27 April 2023.
- (iii) The Ordinary Resolution 9 proposed in item 9 above, is to appoint Mr. Lim as an Independent Non-Executive Director and the Chairman of the Board to succeed Mr. Natarajan Subramaniam, the Independent Non-Executive Chairman and Lead Independent Director who will be retiring at the conclusion of the Company's AGM.
- (iv) The Ordinary Resolution 10 proposed in item 10 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.
- (v) The Ordinary Resolution 11 proposed in item 11 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.
- (vi) The Ordinary Resolution 12 proposed in item 12 above, 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 2023 dated 11 April 2024.

NOTICE OF ANNUAL GENERAL MEETING

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 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 5 p.m. on 18 April 2024**.

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 22 April 2024 (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 10.30 a.m. on 23 April 2024 (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. **10.30 a.m. on 23 April 2024**), as certified by The Central Depository (Pte) Limited to the Company.

NOTICE OF ANNUAL GENERAL MEETING

- (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 2023 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 Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes (the "**Warranty**"); and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of the Warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND 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 election and re-election as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

Name of Director	Kartar Singh Thakral	Nagaraj Sivaram
Date of Appointment	7 October 1993	1 October 2023
Date of last re-election (if applicable)	29 April 2021	Not Applicable
Age	90	64
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)	<p>The Nomination Committee ("NC") and the Board have reviewed the re-election of Mr. Kartar Singh Thakral ("Mr. Kartar Singh") taking into consideration his quality of participation, attendance, time commitment, contribution and performance when discharging his duties and responsibilities.</p> <p>Mr. Kartar Singh has extensive knowledge in all the areas in which the Group operates. He has an excellent record in steering the Group successfully through its peaks and troughs through many business cycles. His foresight and astute reading of the macro economic trends have continuously benefitted the Group. He was pivotal in the re-positioning of the Group's businesses, and entry into the Japanese and Australia investments which provides sustainable streams of investment return. 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 at operational levels.</p> <p>The NC and the Board recommend the re-election of Mr. Kartar Singh as an Executive Director of the Company.</p>	<p>The Nomination Committee ("NC") and the Board have reviewed the re-election of Mr. Nagaraj Sivaram, including review of his independence by the NC, taking into consideration his experience, involvement and contribution at Committee and Board meetings.</p> <p>Mr. Sivaram's experience as an assurance partner with the audit of listed companies along with his role as a technical partner, has enriched the Board's collective expertise. He has fulfilled his duties and responsibilities on the Board and various Board Committees objectively. He continues to contribute effectively and positively to the Company.</p> <p>The NC and the Board recommend the re-election of Mr. Sivaram as an Independent Non-Executive Director of the Company.</p>
Whether appointment is executive, and if so, the area of responsibility	Executive Director. Provides insights and guidance on the Group's operations.	Non-Executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Investment Committee Member.	Independent Non-Executive Director, Vice Chairman of Audit Committee and Member of Compensation Committee

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND RE-ELECTION

Janice Wu Sung Sung	Lim Swe Guan @ Lim Swee Guan
1 October 2023	26 April 2024
Not Applicable	Not Applicable
54	69
Singapore	Singapore
<p>The Nomination Committee (“NC”) and the Board have reviewed the re-election of Ms. Janice Wu Sung Sung, including review of her independence by the NC, taking into consideration her experience, involvement and contribution at Committee and Board meetings.</p> <p>Ms. Wu’s considerable experience in guiding M&A and Investment teams, along with her diverse roles in real estate, digital, and venture capital investments, enhances the collective expertise within the Board. She has fulfilled her duties and responsibilities on the Board and various Board Committees objectively and continues to contribute effectively and positively to the Company.</p> <p>The NC and the Board recommend the re-election of Ms. Wu as an Independent Non-Executive Director of the Company.</p>	<p>A working committee was formed to search for a suitable Independent Non-Executive Chairman of the Board to replace the current Chairman who will be retiring from office at the 2024 Annual General Meeting due to the 9-year tenure limit for independent directors.</p> <p>The working committee had completed its search and interview process and recommended the appointment of Mr. Lim Swe Guan @ Lim Swee Guan to the Nomination Committee (“NC”) of the Company for review. The NC after reviewing the credentials and extensive experience of Mr. Lim concluded that he would be well-suited to replace the retiring Independent Non-Executive Chairman and recommended him to the Board.</p> <p>The Board of Directors has accepted the recommendation of the NC which had reviewed Mr. Lim’s qualifications, leadership skills and extensive experience, including in investment management and real estate sectors, and taking into consideration the current needs of the Company to succeed its long-serving Independent Non-Executive Chairman, and is satisfied that Mr. Lim’s relevant knowledge and extensive experience will provide further diversity of skills, insights and valuable contribution to the Board, and recommended the appointment of Mr. Lim as the Independent Non-Executive Chairman of the Board, the Chairman of the Compensation Committee and Investment Committee, and a member the Audit Committee and Nomination Committee of the Company.</p> <p>The NC and the Board consider Mr. Lim to be independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.</p>
Non-Executive.	Non-Executive
Independent Non-Executive Director and a Member of the Audit Committee, Investment Committee and Nomination Committee	Independent Non-Executive Chairman, Chairman of Compensation Committee and Investment Committee, and a Member of Audit Committee and Nomination Committee.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND RE-ELECTION

Name of Director	Kartar Singh Thakral	Nagaraj Sivaram
Professional qualifications	None.	<ul style="list-style-type: none"> • Bachelor of Commerce, University of Bombay • Fellow, Institute of Chartered Accountants in England and Wales • Fellow, Institute of Singapore Chartered Accountants
Working experience and occupation(s) during the past 10 years	<p>Thakral Corporation Ltd</p> <ul style="list-style-type: none"> • October 1993 to Present – Executive Director • November 2011 to Present – Member of the Investment Committee • May 2001 to December 2019 – Member of the Nomination Committee • November 1995 to December 2011 – Executive Chairman <p>Thakral Family Group of Companies 1952 to Present – Chairman</p> <p>Australia listed Thakral Holdings Limited (privatised in 2012) March 1994 to October 2012 – Joint Chairman and Non-Executive Director</p>	Audit Partner, Ernst & Young LLP from 1996 to 2019
Shareholding interest in the listed issuer and its subsidiaries	<p>Thakral Corporation Ltd</p> <ul style="list-style-type: none"> - Deemed interest in 65,692,560 ordinary shares <p>Subsidiaries:</p> <p>Thakral Japan Properties Pte. Ltd.</p> <ul style="list-style-type: none"> - Deemed interest in 566,099 ordinary shares <p>TJP Pte. Ltd.</p> <ul style="list-style-type: none"> - Deemed interest in 2,117,581 ordinary shares <p>Thakral Umeda Properties Pte. Ltd.</p> <ul style="list-style-type: none"> - Deemed interest in 1,636,000 ordinary shares 	None

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND RE-ELECTION

Janice Wu Sung Sung	Lim Swe Guan @ Lim Swee Guan
<ul style="list-style-type: none"> • Advocate and Solicitor, Supreme Court of Singapore • Bachelor of Laws (Honours) degree, National University of Singapore 	<ul style="list-style-type: none"> • Bachelor of Science in Estate Management (Honours), University of Singapore • Master of Business Administration from the Colgate Darden Graduate School of Business, The University of Virginia • Chartered Financial Analyst, Institute of Chartered Financial Analysts
<p>2022 to Present Cuscaden Peak Investments Private Limited Executive Vice-President, Corporate Development Leads M&A and investments teams in acquisitions, capital re-cycling and portfolio management, as well as oversees sustainability initiatives.</p> <p>1998 to 2022 Singapore Press Holdings Limited Executive Vice-President, Corporate Development Held various positions across functions, with active involvement in legal advisory work, M&A transactions, joint ventures, property acquisition, corporate planning and analytics.</p>	<p>2008 to 2011 GIC Real Estate Managing Director</p> <p>1997 to 2008 Government of Singapore Investment Corporation Held various positions where last held position was Regional Manager.</p>
None	None

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND RE-ELECTION

Name of Director	Kartar Singh Thakral	Nagaraj Sivaram
<p>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</p>	<ul style="list-style-type: none"> • Father of (i) Mr. Inderbethal Singh Thakral, the Group CEO and Executive Director of the Company, a controlling shareholder of the Company, a director of various principal subsidiaries of the Company and a substantial shareholder of the Company's principal subsidiaries - Thakral Japan Properties Pte. Ltd., TJP Pte. Ltd and Thakral Umeda Properties Pte. Ltd.; (ii) Mr. Rikhipal Singh Thakral, Advisor to the Investment Committee of the Company, a controlling shareholder of the Company, a director of the Company's principal subsidiaries, Thakral Lifestyle Pte. Ltd., Thakral Japan Properties Pte. Ltd., TJP Pte. Ltd and Thakral Umeda Properties Pte. Ltd., a substantial shareholder of the Company's principal subsidiaries - Thakral Japan Properties Pte. Ltd. and Thakral Umeda Properties Pte. Ltd., a controlling shareholder of Company's principal subsidiary - TJP Pte. Ltd; and (iii) Mr. Gurmukh Singh Thakral and Mr. Karan Singh Thakral, controlling shareholders of the Company. • Grandfather of (i) Mr. Bikramjit Singh Thakral, Non-Independent Non-Executive Director of the Company and a director and substantial shareholder of various principal subsidiaries of the Company; (ii) Mr. Satbir Singh Thakral, Executive Director of the Company's principal subsidiary, Thakral China Ltd; (iii) Mr. Ashmit Singh Thakral, CFO of GemLife Group, the Group's associated company in over-50s lifestyle resorts in Australia. • Grand-uncle of Mr. Indergopal Singh Thakral, Managing Director of the Company's principal subsidiary, Thakral China Ltd and a controlling shareholder of the Company. • Controlling shareholder of the Company with deemed interest in 65,692,560 ordinary shares. • Director of the principal subsidiary – TJP Pte. Ltd. • Substantial shareholder of the Company's principal subsidiaries – Thakral Japan Properties Pte. Ltd., TJP Pte. Ltd and Thakral Umeda Properties Pte. Ltd. 	<p>None</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND RE-ELECTION

Janice Wu Sung Sung	Lim Swe Guan @ Lim Swee Guan
None	None

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND RE-ELECTION

Name of Director	Kartar Singh Thakral	Nagaraj Sivaram
Conflict of Interest (including any competing business)	Being a Thakral Family member, Mr. Kartar Singh is deemed to be interested in all businesses of the Thakral Family Group of Companies of which some are in competing business with the Group's Lifestyle business. However, Mr. Kartar Singh is not actively involved in the business operations of the Thakral Family Group of Companies. Where any conflict of interest may arise, Mr. Kartar Singh shall abstain from all involvement of any such matters. Further, a general mandate is in place to govern the trading of consumer electronics and electrical products between the Company and the Thakral Family Group of Companies.	None
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)	<ol style="list-style-type: none"> 1. Express Leasing Pte Ltd 2. Thakral Asia Limited 3. Thakral Holdings (HK) Limited 4. Kingsgate (Melbourne) Pty Ltd 5. Thakral Australia Pty Ltd 6. Thakral Corporation Pty Ltd 7. Thakral Investments Pty Ltd 8. 254 George Street Pty Ltd 9. ACN 101 765 280 Pty Ltd 10. ACN 101 806 099 Pty Ltd 11. ACN 101 765 306 Pty Ltd 12. ACN 104 151 500 Pty Ltd 13. Replay Investments Pty Ltd 14. Sohan Holdings Limited 15. JBS Pte Ltd (F.K.A Sovereign Investments Pte Ltd) 16. Crown Base Investment Limited 	<ul style="list-style-type: none"> • Audit Partner, Ernst & Young LLP • Director, G. K. Goh Holdings Limited

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND RE-ELECTION

Janice Wu Sung Sung	Lim Swe Guan @ Lim Swee Guan
None	None
Yes	Yes
<ol style="list-style-type: none"> 1. Alternate Director, Streetsine Singapore Pte. Ltd. 2. Alternate Director, Streetsine Technology Group Pte. Ltd. 3. Alternate Director, Qoo10 Pte. Ltd. 4. Director, MindChamps PreSchool Limited 5. Director, Heritage Media Private Limited 6. Director, SGCM Pte. Ltd. 7. Director, SGCarmart Financial Services Pte Ltd 8. Director, WM 2 Pte. Ltd. 9. Director, WM 3 Pte. Ltd. 10. Director, WM 8 Pte. Ltd. 11. Director, WR 8 Pte. Ltd. 12. Director, SG Domain Pte. Ltd. 13. Director, Digi Ventures Private Limited 14. Director, CP Interactive International Pte Ltd (fka SPH Interactive International Pte Ltd) 15. Director, Straits AlphaOne Pte Ltd (fka SPH AlphaOne Pte Ltd) 16. Director, Invest Media Pte Ltd 17. Director, Singapore Newspaper Services Private Limited 18. Director, Callisto 8 Pte. Ltd. 19. Director, Callisto 3 Pte. Ltd. 20. Director, Callisto 2 Pte. Ltd. 21. Director, Callisto 1 Pte. Ltd. 22. Director, CM Domain Pte. Ltd. 23. Director, Straits Fund Management Services Pte. Ltd. (fka SPH Fund Management Services Pte Ltd) 24. Chairman, Seletar Mall Pte Ltd 	<ul style="list-style-type: none"> • Director, General Property Trust Group • Independent Director, Sunway Berhad

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND RE-ELECTION

Name of Director	Kartar Singh Thakral	Nagaraj Sivaram
Other Principal Commitments including Directorships (Cont'd)		
Present	Directorships: <ol style="list-style-type: none"> 1. Thakral Corporation (HK) Limited 2. Thakral Corporation (Mauritius) Limited 3. Thakral China Ltd 4. TJP Pte. Ltd. 5. Thakral (Indo-China) Pte Ltd 6. Thakral Timepiece Pte Ltd 7. Thakral Investment Holdings Pte Ltd 8. Thakral Asia Pte Ltd 9. Purearth Infrastructure Limited 10. Thakral Investments Limited 11. In Sewa Foundation Limited 12. Thakral Foundation Limited Other Principal Commitments: <ol style="list-style-type: none"> 1. Nishan-E-Sikhi Charitable Trust, India – Vice-Chairman and Founder Trustee 2. Singapore Sikh Education Foundation – Trustee 3. Sri Guru Nanak Sat Sang Sabha – Trustee 	Other Principal Commitments: <ol style="list-style-type: none"> 1. Board Member, Land Transport Authority 2. Director, ESR-LOGOS Funds Management (S) Limited (Manager of ESR LOGOS REIT) 3. Director, British and Malayan Holdings Limited 4. Director, Frasers Hospitality Asset Management Pte. Ltd. (REIT Manager of Hospitality Real Estate Investment Trust) 5. Director, Frasers Hospitality Asset Management Pte. Ltd. (Trustee-Manager of Frasers Hospitality Trust)
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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND RE-ELECTION

Janice Wu Sung Sung	Lim Swe Guan @ Lim Swee Guan
<p>Principal Commitments:</p> <ol style="list-style-type: none"> 1. Executive Vice President, Cuscaden Peak Investments Pte Ltd 2. Director, iFast Corporation Ltd 3. Director, Prime US REIT Management Pte. Ltd. 4. Director, M1 Limited 5. Director, Memphis 1 Pte Ltd 6. Director, The Woodleigh Mall Pte Ltd 7. Director, The Woodleigh Residences Pte. Ltd. 8. Director, MSI Global Pte Ltd 	<p>Principal Commitments:</p> <ol style="list-style-type: none"> 1. Chair and Independent Non-Executive Director, Cromwell EREIT Management Pte. Ltd. (Manager of Cromwell European REIT) 2. Independent Advisor, CIMB-Trust Capital Advisors 3. Independent Investment Committee Member, Fife Capital Singapore Pte Limited 4. Director, Asia Pacific Real Estate Association Limited
No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND RE-ELECTION

Name of Director	Kartar Singh Thakral	Nagaraj Sivaram
Disclosure on the following matters concerning the Director (Cont'd):		
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
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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND RE-ELECTION

Janice Wu Sung Sung	Lim Swe Guan @ Lim Swee Guan
No	No
No	No
No	No
No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND RE-ELECTION

Name of Director	Kartar Singh Thakral	Nagaraj Sivaram
Disclosure on the following matters concerning the Director (Cont'd):		
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
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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND RE-ELECTION

Janice Wu Sung Sung	Lim Swe Guan @ Lim Swee Guan
No	No
No	No
No	No
No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND RE-ELECTION

Name of Director	Kartar Singh Thakral	Nagaraj Sivaram
Disclosure on the following matters concerning the Director (Cont'd):		
<p>j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <ul style="list-style-type: none"> 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 <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND RE-ELECTION

Janice Wu Sung Sung	Lim Swe Guan @ Lim Swee Guan
No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND RE-ELECTION

Name of Director	Kartar Singh Thakral	Nagaraj Sivaram
Disclosure on the following matters concerning the Director (Cont'd):		
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:		
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>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.</p> <p>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).</p>	N.A.	N.A.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AND RE-ELECTION

Janice Wu Sung Sung	Lim Swe Guan @ Lim Swee Guan
No	No
N.A.	<p>Yes.</p> <p>Mr. Lim is the Chair and Independent Non-Executive Director of Cromwell EREIT Management Pte. Ltd., the Manager of SGX-listed Cromwell European REIT.</p>

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PROXY FORM

IMPORTANT

- 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").
- 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.
- 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 2024.
- 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.
- 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 10:30 a.m. on 26 April 2024 at Pacific 1, Level 1, Pan Pacific Singapore, 7 Raffles Boulevard, Marina Square, Singapore 039595 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 2023			
2.	To declare a final tax-exempt (one-tier) dividend of 2 cents per share for the year ended 31 December 2023			
3.	Re-election of Mr. Kartar Singh Thakral as a Director pursuant to Regulation 107(2) of the Constitution of the Company			
4.	Re-election of Mr. Nagaraj Sivaram as a Director pursuant to Regulation 108 of the Constitution of the Company			
5.	Re-election of Ms. Janice Wu Sung Sung as a Director pursuant to Regulation 108 of the Constitution of the Company			
6.	Approval of additional Directors' fees amounting to S\$42,500 for the year ended 31 December 2023			
7.	Approval of Directors' fees amounting to S\$540,056 for the year ending 31 December 2024, to be paid quarterly in arrears			
8.	Re-appointment of Deloitte & Touche LLP as Auditors			
9.	Appointment of Mr. Lim Swe Guan @ Lim Swee Guan as an Independent Non-Executive Director pursuant to Regulation 108 of the Company			
10.	Authority to allot and issue shares			
11.	Renewal of Shareholders' Mandate for Interested Person Transactions			
12.	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 _____ 2024

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 EGM 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 2024**) 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 10:30 a.m. on 23 April 2024 (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. 10:30 a.m. on 23 April 2024), 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 11 April 2024.

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
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Tel (65) 63368966
Fax (65) 63367225
www.thakralcorp.com
www.tcap.com.sg

Thakral Lifestyle Pte Ltd

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#03-06 The Riverwalk
Singapore 058416
Tel (65) 65330315

AUSTRALIA

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Thakral Capital Australia Pty Ltd

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www.thakralcapital.com.au

GemLife Group

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(852) 27394336

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