



THAKRAL
CORPORATION LTD

ADAPTING TO CHANGE

ANNUAL REPORT 2021



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CORPORATE PROFILE

Thakral Corporation Ltd is listed on the SGX Mainboard since December 1995. The Group's core business today comprises a growing real estate investment portfolio in Australia, Japan and Singapore. Its investments in Australia include the development and management of over-50s lifestyle resorts under the GemLife brand, a joint venture with the Puljich family. Its Japanese investment portfolio comprises landmark commercial buildings and business hotels in Osaka, the country's second largest city. The Group also makes strategic investments in the digital economy, especially those in the blockchain and fintech space.

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



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

Thakral has progressively transformed into an innovative and resilient investment group, creating sustainable value through robust real estate investments and new economy ventures, such as our investment in Intrepid Group, a leading regional e-commerce service provider for brands across Southeast Asia.

Our GemLife JV is one of the fastest growing companies in the over-50s lifestyle resort living space in Australia managing and developing award-winning lifestyle resorts for the over-50s population, with more than 4,500 homes in the pipeline. The group has also successfully completed 17 projects with an end value surpassing A\$5 billion over the past 10 years in Australia's gateway cities and has 14 upcoming premium real estate projects.

Other investments include 430,000 sq ft of office properties in Japan and the management & marketing of leading beauty, fragrance and lifestyle brands in China and Southeast Asia, with exclusive distributorship of DJI for India and South Asia.

We remain committed to business transformation, good governance and transparency to continue delivering outstanding value to our shareholders. Our 'people-first' tenet is an integral part of our corporate culture and this maiden award acts as additional motivation for us to strive further.



www.thakralcorp.com



CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S JOINT STATEMENT



INDERBETHAL SINGH THAKRAL
Executive Director and Chief Executive Officer

NATARAJAN SUBRAMANIAM
Independent Non-Executive Chairman
and Lead Independent Director

DEAR SHAREHOLDERS,

ADAPTING TO CHANGE

We are pleased to report that FY2021 will be remembered as a year of resilience and recovery made possible by our Group's comprehensive strategies, solid fundamentals, and strong teamwork – enabling us to deliver double-digit gains in both revenue and profits that surpassed our pre-COVID levels – amid a pandemic-hit global landscape!

Group net profit grew by 73% to S\$28.1 million compared to S\$16.2 million in FY2020 with revenue increasing 42% to S\$127.8 million from S\$90.1 million in FY2020. Profit attributable to shareholders more than doubled – rising 164% to reach S\$17.3 million in FY2021 from S\$6.5 million in FY2020. This was also 90% higher than the S\$9.1 million net attributable profit recorded in FY2019.

In view of our exceptional performance, we are delighted that shareholders were rewarded with a second interim dividend of 2 cents per share. This brings the total dividend to 4 cents for FY2021 – up from 3 cents paid for FY2020. Dividend yield has improved to 7.5% – which is one of the highest among SGX-listed companies¹.

“ Our Group's comprehensive strategies, solid fundamentals and strong teamwork enabled us to deliver double-digit gains in both revenue and profits, surpassing the pre-pandemic level! ”

¹ Dividends Ranking, 31 December 2021, <http://www.dividendsranking.com/country-Singapore.html>

Despite higher expenses and income taxes, the Group's bottom-line improved – benefiting from much stronger contributions from its associates and joint ventures, principally because of valuation gains from its investment properties together with a robust turnaround of operations in our Lifestyle business segment.

PERSEVERANCE AND PROGRESS TOWARDS BUILDING A RESILIENT FUTURE

Global economies are recovering gradually although economic recovery remains uneven – we were fortunate to have been with the right policies at the right time and where our core businesses have made progress during a challenging period.

The applicable strategic decisions, relentless efforts and perseverance of our people and prudent guidance of our Board, helped to manage downside risks and take advantage of new market opportunities. The sectors and countries that we operate in also proved to be resilient and the Group was spared major upheaval during these difficult times.

Core Businesses: Creating Value

Real Estate Investments

Our real estate investment portfolio forms the bulk or around 84% of our Group's total assets in FY2021.

This segment also accounts for most of the Group's profit. It reported a 25% higher segment result of S\$40.3 million

for the year ended 31 December 2021 compared to S\$32.2 million in the previous year. Revenue in this segment dipped to S\$15.1 million in FY2021 from S\$20.7 million in FY2020. Revenue decreased with completion of projects and no fresh projects to replace them.

The improved segment performance was due to the increased share of profit from our associates and joint ventures as well as unrealised valuation gains from our investment properties.

Australia

GemLife Over-50s Lifestyle Resorts

Owing its success principally to its superior product, location advantages, and public awareness generated by its quality resorts and facilities as well as the professionalism of its management team, our GemLife joint venture with the Puljich family continues to deliver stellar results.

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

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



GEMLIFE PACIFIC PARADISE POOL HOUSE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S JOINT STATEMENT

Civil works of the final stages at Highfields and Woodend are underway with completion of the infrastructure required at those resorts, with only residential construction to commence. The clubhouse at Maroochy Quays was launched for the residents in September 2021, and civil works on the last stage are due to begin soon. The Summer House at Pacific Paradise is now open and works are underway on Stage 2 of the resort.

The settlement of the first home at Palmwoods is expected to take place in Q2 2022, and house construction at Tweed Waters and Rainbow Beach will begin in the same quarter. Sales at all three resorts have been very strong with Tweed Waters almost sold out.

With the completion of the Sales & Experience Centre at GemLife Gold Coast, sales enquiries at this site have been encouraging with civil works started in January 2022. The A\$200 million GemLife Gold Coast project is set on a 46-hectare elevated site in Pimpama capturing the city skyline and mountain views and will be the city's largest resort of its kind according to local developers². It will ultimately comprise 365 homes, delivered in stages over three plus years, along with fitness, wellness, relaxation and recreation amenities designed for today's increasingly active and healthy over-50s.



GEMLIFE GOLD COAST

GemLife additionally secured various sites during FY2021 and is looking to add a few more sites in the coming years to bring its pipeline to over 6,500 homes.

GemLife is also currently exploring potential expansion and growth opportunities including a possible merger of its business with Living Gems, a company owned by the Puljich family, our joint venture partner at GemLife, operating a similar business. The parties are still at the preliminary discussions stage and an agreement or understanding has yet to be reached. A merger of the businesses of GemLife and Living Gems could potentially

make GemLife (together with Living Gems) one of the largest land lease operators in Australia. GemLife is looking to grow to more than 10,000 land lease homes across some 40 locations, including looking out for opportunities for sites outside Queensland, where most of its projects are located.

GemLife is expected to continue to create strong value for the Group.

Other Residential Projects

Almost all units at Parkridge Noosa have been settled and the Group has fully recouped its investment with all payments to be settled in FY2022.



PARKRIDGE NOOSA

Practical completion of the Oxford Residences in Sydney's Bondi Junction was pushed back due to construction delays, including COVID-19 interruptions; despite this, the Group has recouped most of its investment in February 2022.

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

Construction of the Thornton Street project in Brisbane is ongoing and completion is expected in July 2023.

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

Japan

Our Japanese investments continued to report strong returns in FY2021. The sale of the Riverpoint Kitahama Building in Osaka in Q3FY2021 netted a gain of about S\$2.5 million compared to the original acquisition cost. All the loans against the Japanese investment properties were refinanced in Q4FY2021.

Japan's real estate sector is gradually recovering although office rentals remain soft. Tenants are deliberate in

² New \$200m over-50s 'gem' for Gold Coast, <https://australianseniorsnews.com.au/featured/new-200m-over-50s-gem-for-gold-coast/>

confirming lease renewals, but lease renewals of office properties have seen some improvement in rates and consequently in property valuations. The Group continued to renew and sign-up new lease rentals as valuations of most of the Group's office property investments in Japan improved in FY2021.

Our three hotel investments in Japan continue to face challenges as Japan's hospitality sector remains subdued as a result of continuing border restrictions due to the Omicron variant which has disrupted the recovery of tourism in the country.

However, according to Savills Research & Consultancy, hotels saw some recovery in occupancy in the second half of 2021 and investment volumes in the hotel sector were on par with the previous year and are expected to increase in 2022³.

Singapore

Our Riverwalk office property in Singapore benefitted from a modest recovery in the office real estate market – chalking up an unrealised valuation gain of S\$1 million to pre-COVID levels.

Lifestyle Business and Other Investments

Kudos to our Lifestyle team as their hard work and sharp execution paid off – accomplishing a profitable turnaround of this business segment!

We were able to identify new market opportunities arising from the pandemic and our investments in high-growth tech businesses contributed to our positive results.

Distribution of innovative technologies such as drone and related camera products in markets such as South Asia has also been productive. We achieved strong sales of DJI drone and photography products especially in India – after our Hong Kong subsidiary clinched the exclusive distributorship for South Asia for commercial and consumer products.

Our strategic revamp of our product portfolio to focus on premium brands of beauty, fragrance and lifestyle products with decent margins also paid off. Indeed, our fragrance sales tripled in FY2021 from FY2020.

A fair value gain of S\$0.9 million from our stake in e-commerce provider Intrepid further boosted our segment profit to S\$2 million for FY2021.

Leveraging on the e-commerce boom brought on by the COVID-19 pandemic, the Group's joint venture with UK-based online beauty devices platform – CurrentBody, has also posted strong top-line growth in FY2021 and more importantly, broke even a year ahead of schedule.

HEALTHY FINANCIAL POSITION

Funds from our Japanese investments in Q4FY2021 as well as disposal gains from the sale of our GLNG houses in Gladstone Australia helped grow the Group's cash balances

as at 31 December 2021 to S\$9.7 million from S\$5.8 million as at 31 December 2020.

More working capital will be used as our operational activities increase, including inventory, to cater to the overall higher customer demand for DJI and fragrance products.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

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

In FY2021, we continued working closely with the community to make a positive impact during the prolonged pandemic. The Group donated masks to The Hong Kong Buddhist Association, oxygen concentrators and personal protection equipment to India through United Sikhs and Mata Kaulan Trust respectively to help combat the COVID-19 virus.

The Group continued for the third consecutive year to sponsor the North East Growth Fund (Milk & Diaper programme), introduced to help needy families residing in Singapore's North East district to defray some of the cost of raising young children. The Group's contribution supports 250 children per year in Singapore with the purchase of milk formula for needy families with children aged 3 years and below. Additionally, the Group made a donation for Grocery Support to assist 200 isolated seniors and needy families in the North East district during the COVID-19 Phase 2 Heightened Alert in Singapore.



GROCERY SUPPORT DURING COVID-19 PHASE 2 HEIGHTENED ALERT IN SINGAPORE

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S JOINT STATEMENT

The Group has also increased its donations to charitable organisations during the pandemic to give a hand to more people, including caregivers, in need during this difficult period. These included the 2021 UOB Global Heartbeat Virtual Run/Walk, various programs and services during the pandemic by the Malay Youth Literary Association and Let's Care for Caregivers by Sun-Dac.

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

In Australia, we continue to encourage our partners to meet all applicable green standards, obtain energy efficiency and green ratings wherever possible and to deliver designs and use eco-friendly materials to minimise the environmental impact on the community where the developments are located. GemLife's over-50s lifestyle resorts are designed to offer residents high quality liveable units that are both attractive and environmentally-friendly. Every GemLife home and clubhouse is fitted with solar panels designed to power the entire site.

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

We look forward to sharing further details of the Group's sustainability efforts in our upcoming sustainability report for FY2021.

INVESTING IN INNOVATION AND NEW CAPABILITIES

The gradual easing of COVID-19 restrictions and the reopening of borders for vaccinated travel across key markets promises a brighter horizon for the Group in the coming months.

The global digital transformation is likely to intensify to boost productivity and fuel new growth and adapt to change. We are putting together plans to strengthen our digital capabilities and boost innovation to improve efficiency and performance amid an increasingly complex and competitive landscape.

We have already leveraged on digital transformation to reinvigorate our Lifestyle businesses through latest e-commerce and technology services to streamline operations and enhance customer experience and productivity.

Consumers and regulators are increasingly recognising the advantages of accessibility, durability and efficiency offered by commercial drones that make cutting edge enterprise level solutions available in fields such as agriculture, manufacturing, mining, public safety and



SKYLARK DRONES ENTERPRISE LEVEL SOLUTIONS (PHOTOS: SKYLARK DRONES)

surveillance. To further tap the immense market potential for drones apart from just selling them, the Group has made a small investment in a drone start-up in India, Skylark Drones, which will focus on integrating drones into enterprise workflows with advanced capabilities across several sectors.

In line with our vision to seek new growth trajectories with tech innovation, the Group is also exploring a digital future for real estate investing. Tokenisation of real estate is now rapidly changing real estate investing, by providing greater access to a wider range of property assets at a fraction of the investment otherwise required for such assets. The tokenisation of the real estate sector is set to drastically expand the depth of the capital markets, as well as deliver further liquidity.

The Group, in order to get a fuller understanding of FinTech/DeFi, has made initial investments in a couple of fintech companies – one of which is Fraction, a Hong Kong and Thailand based fintech start-up which leverages on blockchain technologies to enable digital fractional ownership of assets that can help unlock the value of real estate assets. The Group has also invested in InvestaX, a Singapore based fintech which is a MAS-licensed investment and trading platform for digital securities and security tokens of global private markets deals. Both these start-ups aim to use blockchain technology to bring investment into real estate and capital market transactions that are usually available only to large or private equity investors within the reach of small investors.

We will continue to monitor this sector and how we can create strategic synergy with similar startups with a view to expanding our real estate operations.

In FY2021, the Group also took a 5% stake in W Capital Markets Pte Ltd, a dynamic corporate finance firm with a Capital Markets Services licence as an accredited Mainboard IPO issue manager and an authorised Catalyst Full Sponsor by the Singapore Exchange. This will give us access to substantial deal flow in the firm's investment pipeline which should assist to deliver strong returns in the long-term. This investment is in line with our strategy of expanding our investment portfolio to improve returns to shareholders.

In terms of our real estate investments, we will continue with our focus in Australia, particularly for GemLife, as it continues to benefit from favourable tailwinds of growing demand for quality over-50s lifestyle living, as well as continue to look for investment opportunities selectively in the residential real estate market which remain buoyant despite the pandemic.

In Japan, we will stay focused on opportunities to consolidate returns from our investments.

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

Investor appetite is likely to rise along with the normalization of the economy and continuing loose monetary policy. In addition to continued strong buyer interest in the logistics, residential, and office sectors, growth in retail and hotel investments are set to gradually resume in 2022. Total investment in 2021 is estimated to be on par with the volume in 2020, which was up 11% from the previous year. Investment volume in 2022 is forecast to increase by about 10%³.

While these trends augur well for 2022, the prevailing global health, economic and geopolitical risks as well as inflationary pressures together with interest rate movements could have a major impact on recovery. The recent increased COVID cases in China may also result in more supply shocks.

Barring any unforeseen circumstances, the Group therefore maintains a cautiously optimistic outlook for FY2022 and continues to stay nimble and prudent while managing potential risks ahead when seeking growth opportunities in our key markets in Australia, Japan and the rest of the Asia Pacific region.

ACKNOWLEDGEMENTS

We would like to place on record the Board's appreciation to shareholders, bankers, suppliers and business partners for their support. We thank all employees for their dedication, accomplishments and loyalty during the year. The Group would not have been able to achieve its growth without their contribution.

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

NATARAJAN SUBRAMANIAM

Independent Non-Executive Chairman and
Lead Independent Director

INDERBETHAL SINGH THAKRAL

Executive Director and Chief Executive Officer

FINANCIAL HIGHLIGHTS

REVENUE (S\$ MILLION)



NET PROFIT (S\$ MILLION)



** Includes gain (S\$3.5 mil) from sale of Thakral Building in Osaka in FY19

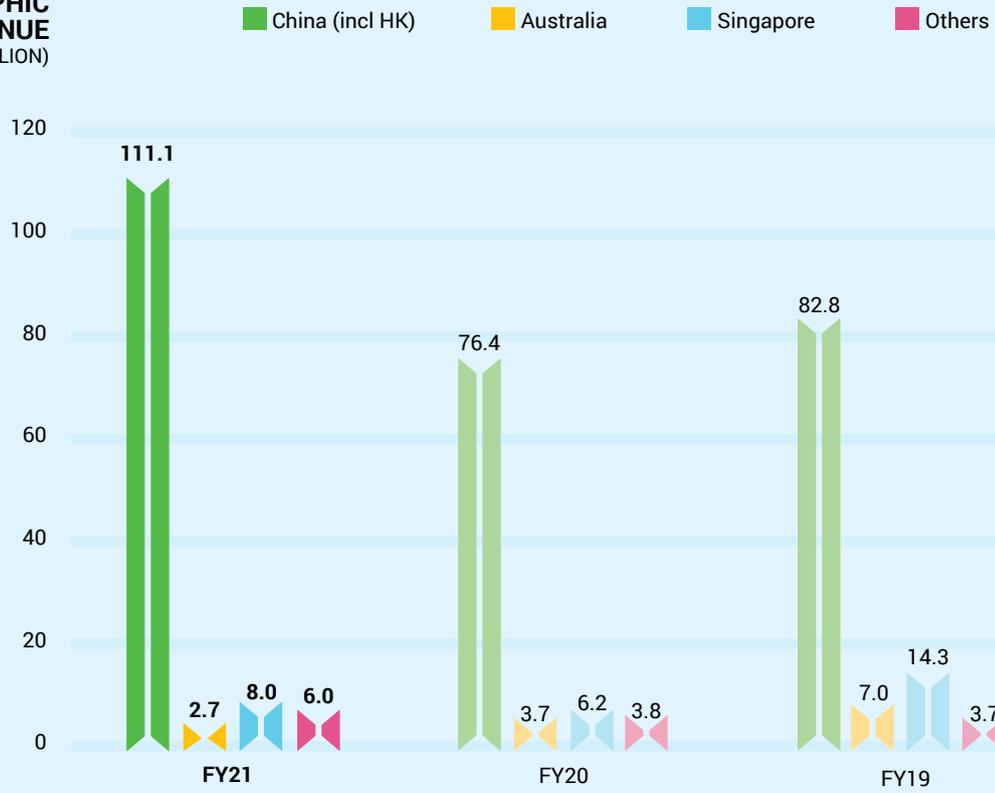
EARNINGS PER SHARE (CENTS)



NET ASSET VALUE (CENTS)



GEOGRAPHIC REVENUE
(S\$ MILLION)



Note: 1) Based on the aggregate of the revenue from companies incorporated in those countries
2) It does not represent the revenue arising in or derived from these countries

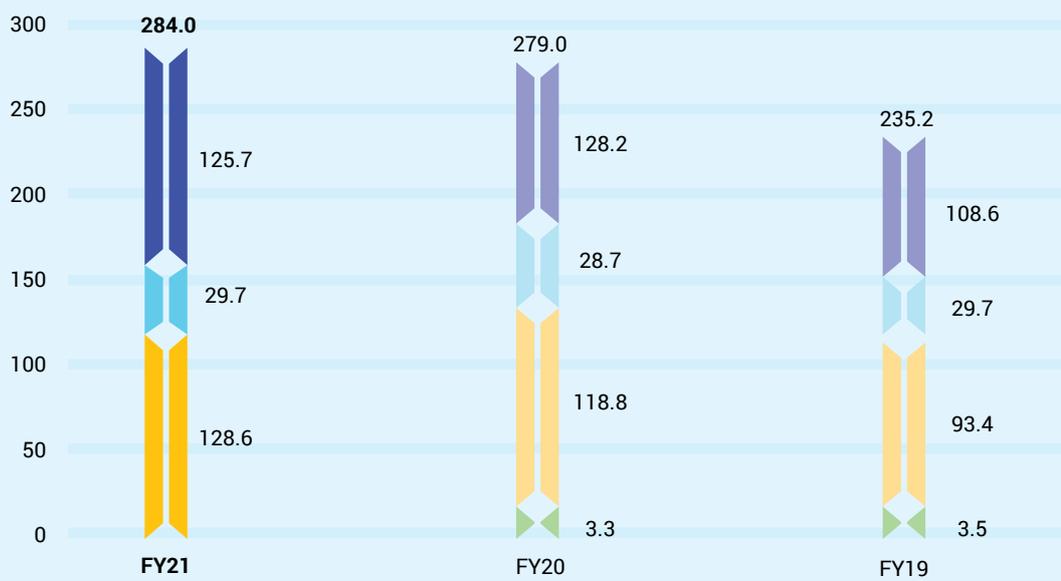
REVENUE BY SEGMENT
(S\$ MILLION)



FINANCIAL HIGHLIGHTS

GEOGRAPHIC REAL ESTATE RELATED INVESTMENTS (S\$ MILLION)

China Australia Singapore Japan

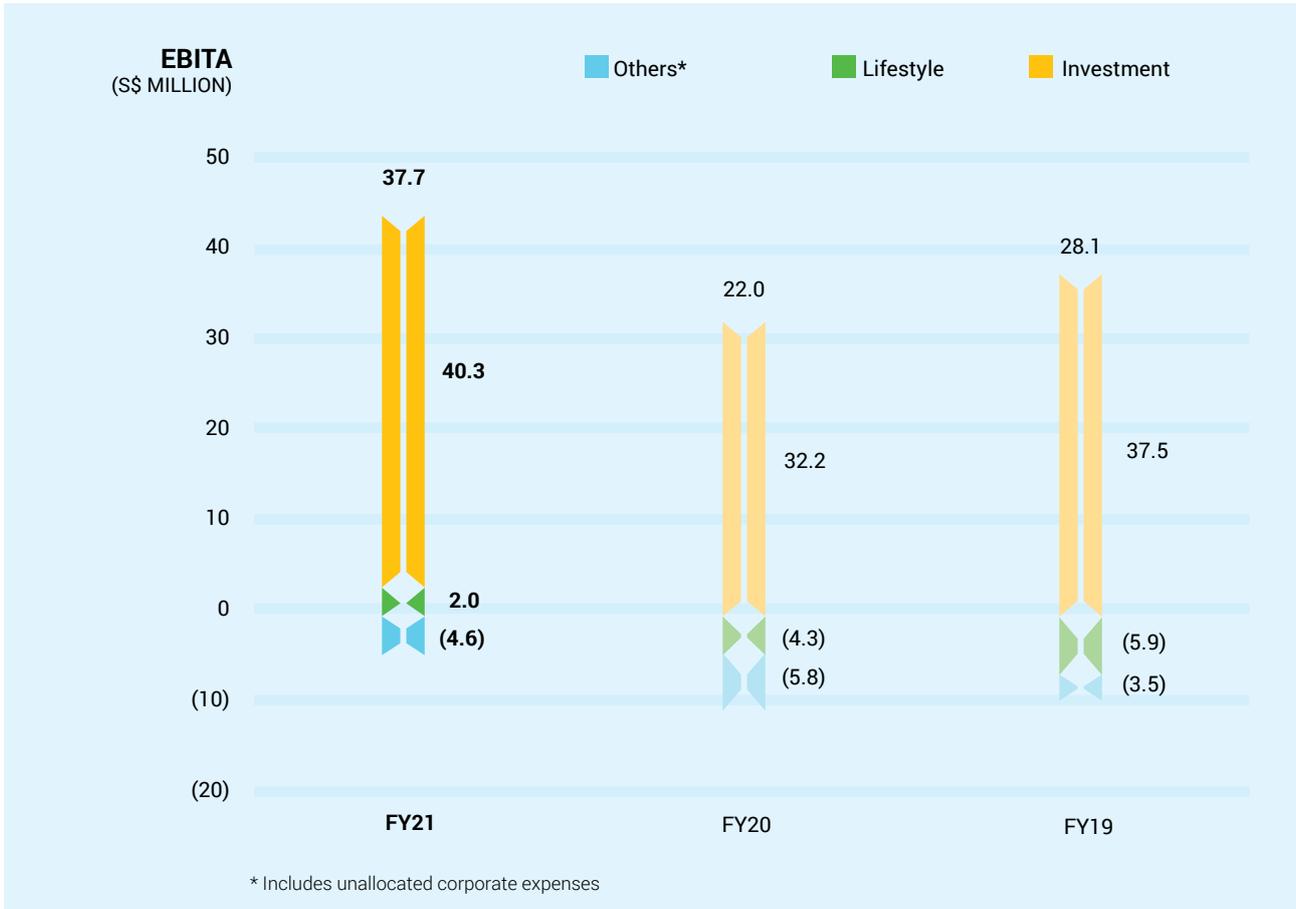


DIVIDENDS PER SHARE & DIVIDEND YIELD (CENTS)

(%)

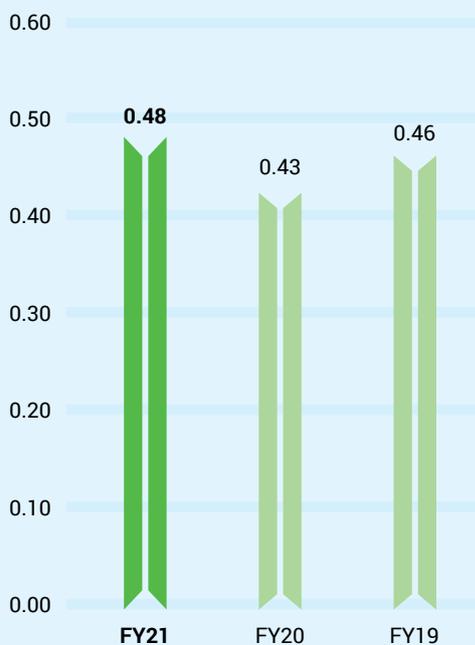


Note: Dividend yield is calculated based on the Company's year end closing share price of each respective year

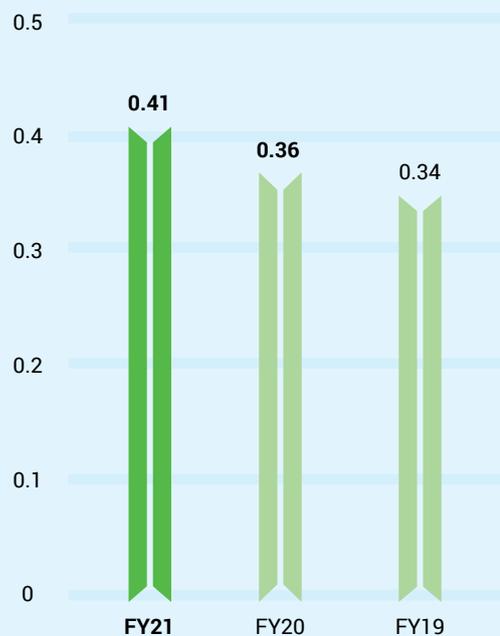


FINANCIAL HIGHLIGHTS

AVERAGE SHARE PRICE (S\$)



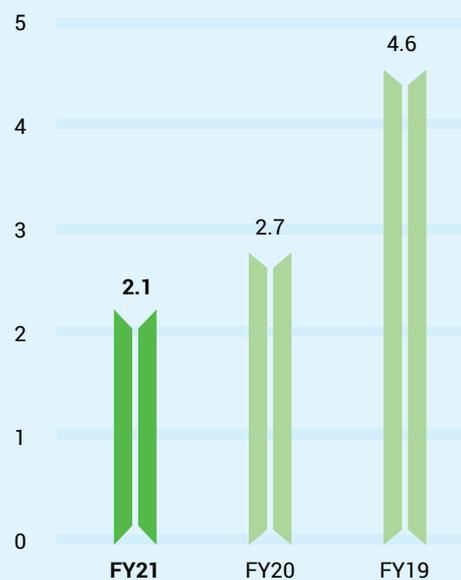
GEARING RATIO



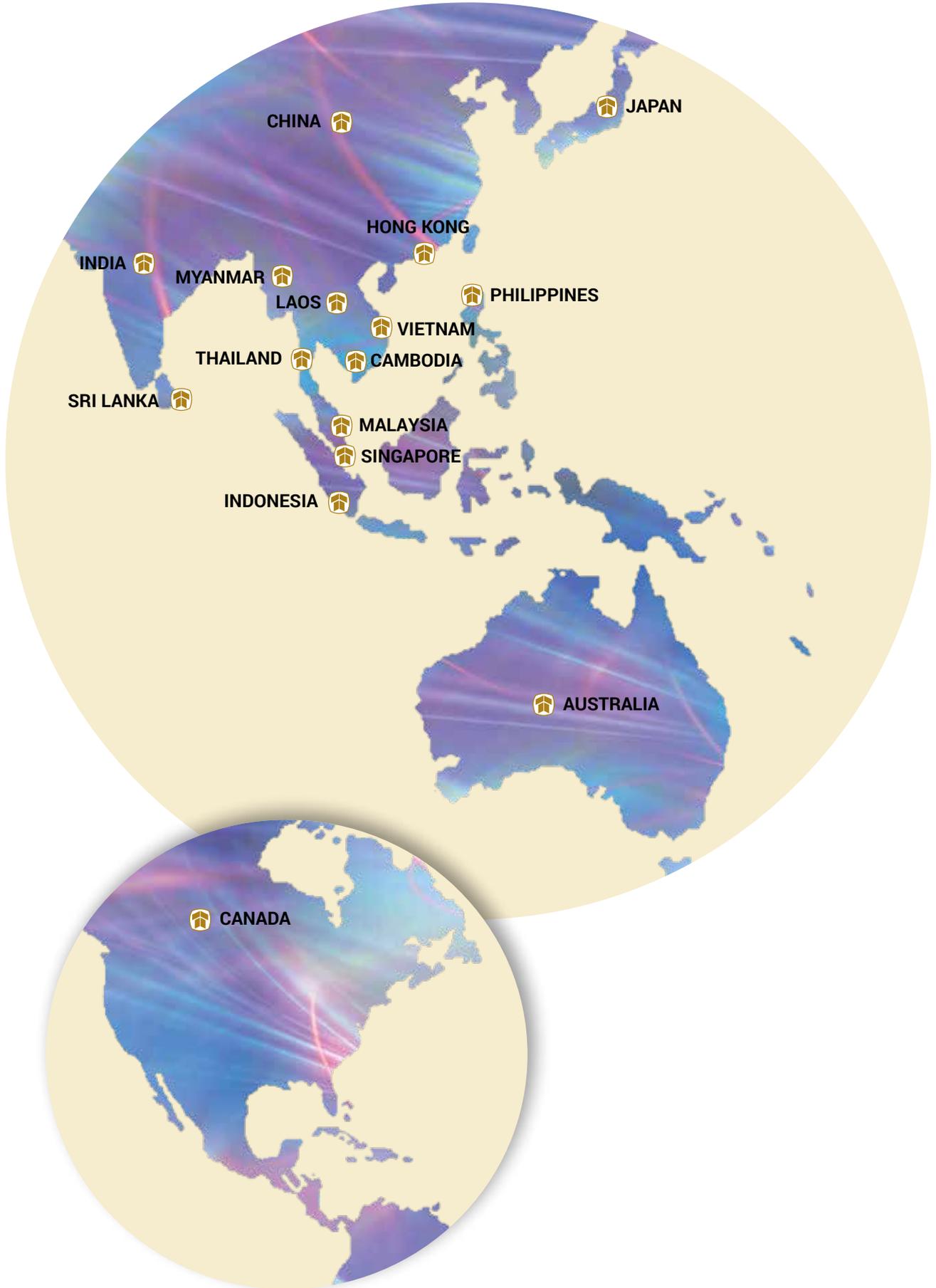
RETURN ON EQUITY



INTEREST COVERAGE



OUR NETWORK



CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE:

Kartar Singh Thakral
Inderbethal Singh Thakral

NON-EXECUTIVE:

Natarajan Subramaniam
(Chairman and Lead
Independent Director)

Lee Ying Cheun
(Independent)

Dileep Nair
(Independent)

Bikramjit Singh Thakral
(Non-Independent)

COMPANY SECRETARIES

Chan Wan Mei
Chan Lai Yin

REGISTERED OFFICE

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

SHARE REGISTRAR

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

AUDIT COMMITTEE

Natarajan Subramaniam (Chairman)
Lee Ying Cheun
Dileep Nair

NOMINATION COMMITTEE

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

COMPENSATION COMMITTEE

Natarajan Subramaniam (Chairman)
Lee Ying Cheun
Dileep Nair

INVESTMENT COMMITTEE

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

INVESTOR RELATIONS CONSULTANCY

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

AUDITORS

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

AUDIT PARTNER-IN-CHARGE

Rankin Brandt Yeo
Date of Appointment:
28 April 2017

INTERNAL AUDITOR

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

United Overseas Bank Limited
China, Hong Kong and Singapore

Westpac Banking Corporation
Australia

PRINCIPAL OFFICERS

THAKRAL CORPORATION LTD Singapore

Kartar Singh Thakral
Executive Director

Inderbethal Singh Thakral
Chief Executive Officer

Rikhipal Singh Thakral
Advisor to Investment
Committee

Bikramjit Singh Thakral
Non-Executive Director

Anil Moolchand Daryanani
Chief Financial Officer

Torsten Stocker
Chief Operating Officer
Lifestyle Division

Vivian But (Ms)
Group Financial Controller

Patrick Lau
Asst Financial Controller
(Corporate)

Stephanie Tay (Ms)
Senior Manager, Corporate
Matters & Investor Relations

THAKRAL REALTY (S) PTE LTD Singapore

Lee Ying Cheun
Non-Executive Director

Bikramjit Singh Thakral
Non-Executive Director

THAKRAL CAPITAL HOLDINGS PTE LTD Singapore

Natarajan Subramaniam
Non-Executive
Chairman & Director

Inderbethal Singh Thakral
Non-Executive Director

Greggory John Piercy
Non-Executive Director

Kevin Charles Barry
Non-Executive Director

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

THAKRAL CAPITAL AUSTRALIA PTY LTD Brisbane & Sydney Australia

Greggory John Piercy
Joint Managing Director

Kevin Charles Barry
Joint Managing Director

Victor Shkolnik
Executive Director

Ashmit Singh Thakral
Finance Director, GemLife Group

Michael James Stubbs
Chief Financial Officer

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

Kartar Singh Thakral
Executive Director

Inderbethal Singh Thakral
Executive Director

Rikhipal Singh Thakral
Non-Executive Director

Bikramjit Singh Thakral
Non-Executive Director

THAKRAL BROTHERS LTD Osaka, Japan

Indergopal Singh Thakral
Director

Sueko Takahashi (Ms)
General Manager &
Chief Financial Officer

Deepak Mogami
Sales Manager

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

THAKRAL CORPORATION (HK) LIMITED Hong Kong

Inderbethal Singh Thakral
Executive Director

Kanwaljeet Singh Dhillon
Managing Director (Hong Kong)

Indergopal Singh Thakral
Managing Director (China)

Torsten Stocker
Chief Operating Officer
Lifestyle Division

Satbir Singh Thakral
Marketing Director

Sean Qiu
Financial Controller (China)

SINGAPORE SOURCING & TECHNOLOGY PVT LTD Delhi, India

Gurmeet Singh
Senior Vice President

OUR CORE BUSINESSES

AUSTRALIA

THAKRAL CAPITAL AUSTRALIA PTY LTD
Brisbane and Sydney, Australia

GEMLIFE GROUP
Australia

THAKRAL CAPITAL HOLDINGS PTE LTD
Singapore



JUBILEE PLACE

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

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

TCAP operates as a finance partner with real estate developers and provides value-added services including originating, packaging and managing investment projects. It has been the financial backer and investment partner for a slew of major apartment and townhouse developments in Australia since 2011, investing and committing in excess of A\$533 million of capital into projects with an end value surpassing A\$5.9 billion. It has to date successfully completed 20 projects, with another 10 in the pipeline, and 13 under construction.

The Group's retirement living joint venture with the Puljich family, marketed under the GemLife brand, is now one of Australia's most respected brands in the over-50s resort-style living sector.



EXPLORE BY GEMLIFE

To date, GemLife has more than 2,900 homes across the eastern seaboard in various development stages, with 870 homes occupied. It is looking to add a few more sites in the coming years to bring its pipeline to over 6,500 homes.

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

CURRENT PROJECTS



PARKRIDGE NOOSA

CURRENT PROJECTS



THORNTON STREET RESIDENCES



THE OXFORD RESIDENCES



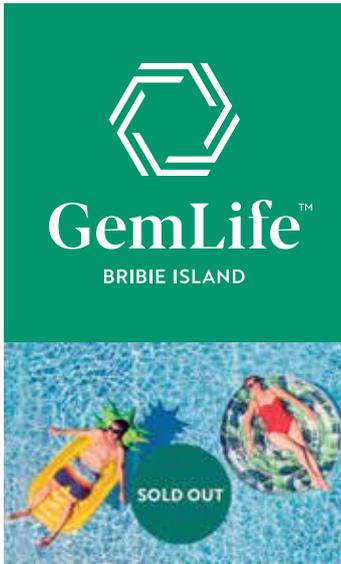
GLNG HOUSING PROJECT

UPDATES AT GEMLIFE RESORTS



EXPLORE BY GEMLIFE, A MOTORHOME TRAVEL INITIATIVE LAUNCHED DURING THE PANDEMIC TO ENCOURAGE TOURISM WITHIN AUSTRALIA, CONTINUES TO BE A HUGE HIT WITH HOMEOWNERS AT VARIOUS RESORTS

UPDATES AT GEMLIFE RESORTS



FIRST FULLY COMPLETED RESORT WITH A TOTAL OF 404 HOMES, 2 YEARS AHEAD OF ITS SCHEDULE!



WELCOMED ITS 100TH HOMEOWNERS IN JULY 2021



HIGHFIELDS COUNTRY LIVING OPEN DAY HELD IN OCTOBER 2021. CONSTRUCTION OF STAGES THREE AND FOUR HOMES WELL UNDERWAY, STAGE FIVE PROGRESSING WELL WITH CIVILS WORKS COMPLETED IN Q1 2022



BOARDWALK AND DISPLAY HOMES OPENED IN MARCH 2021



FINAL STAGE HOMES RELEASE IN JULY 2021 WITH THE 100TH HOME HANDED OVER IN AUGUST 2021



COASTAL LIVING OPEN DAY AND GRAND OPENING OF THE LAKESIDE COUNTRY CLUB IN SEPTEMBER 2021

UPDATES AT GEMLIFE RESORTS



50TH HOME RESIDENTS MOVED IN IN MAY 2021 AND THE FINAL STAGE OF HOMES RELEASE IN Q3 2021



GRAND OPENING OF THE PARADISE PAVILION IN AUGUST 2021. ALL STAGE ONE HOMES COMPLETED IN Q4 2021



STATE-OF-THE-ART SALES EXPERIENCE CENTRE COMPLETED IN DECEMBER 2021



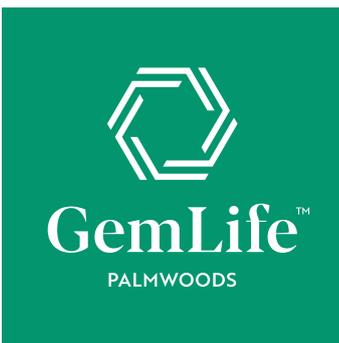
DEVELOPMENT APPROVAL RECEIVED IN Q4 2021 AND STAGE ONE FLOORPLANS AND FACADES FINALISED IN THE SAME QUARTER



CONSTRUCTION COMMENCED IN Q3 2021 AND WORKS ON WATERFRONT COUNTRY CLUB COMMENCED IN Q4 2021



LAUNCHED IN Q1 2021, THE BOUTIQUE WATERFRONT RESORT (COMPRISING STUNNING SINGLE- AND TWO-STOREY HOME DESIGNS) IS NEARLY SOLD OUT AT END OF 2021



CONSTRUCTION UNDERWAY ON ENTRYWAY IN Q3 2021 WITH CIVIL WORKS PROGRESSING WELL

UPDATES AT GEMLIFE RESORTS



LAUNCH IN Q1 2021, STAGE ONE WAS MORE THAN 80 PER CENT SOLD BY AUGUST 2021. STAGE TWO LAUNCHED IN SEPTEMBER 2021



CONSTRUCTION COMMENCED IN Q3 2021 AND IS WELL UNDERWAY



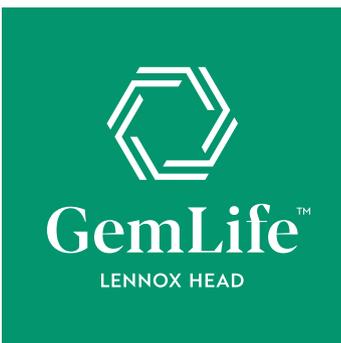
SALES CENTRE OPENED IN DECEMBER 2021



MILESTONE OF ITS 100TH HOMEOWNERS ACHIEVED IN MAY 2021



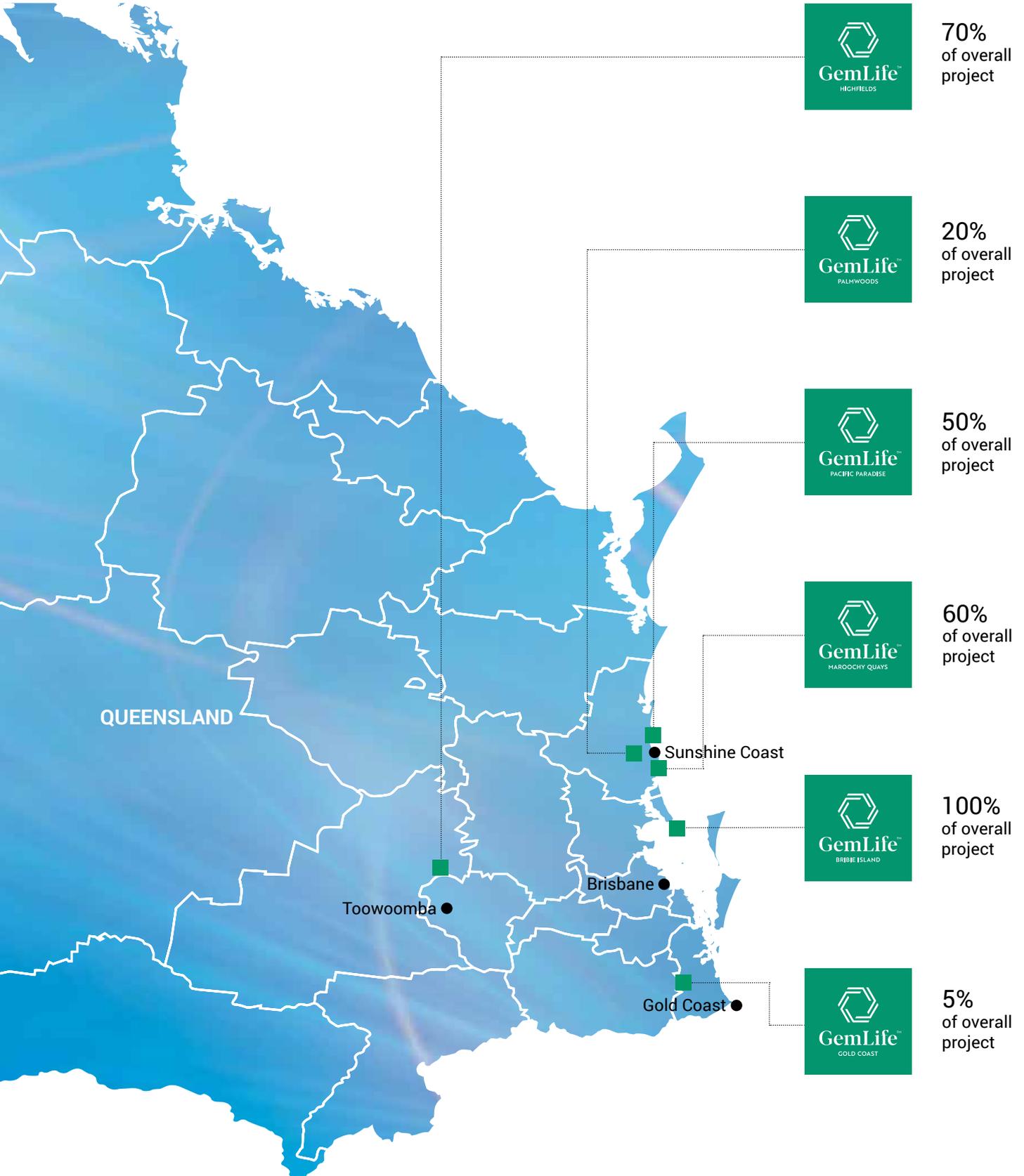
STAGE TWO DISPLAY HOMES WERE LAUNCHED IN FEBRUARY 2020 AND GRAND OPENING OF THE GEMLIFE WOODEND COUNTRY CLUB IN MAY 2021. CONSTRUCTION OF STAGE THREE IS PROGRESSING WELL, AND INFRASTRUCTURE WORKS FOR STAGES FOUR, FIVE AND SIX ARE ALSO POWERING AHEAD

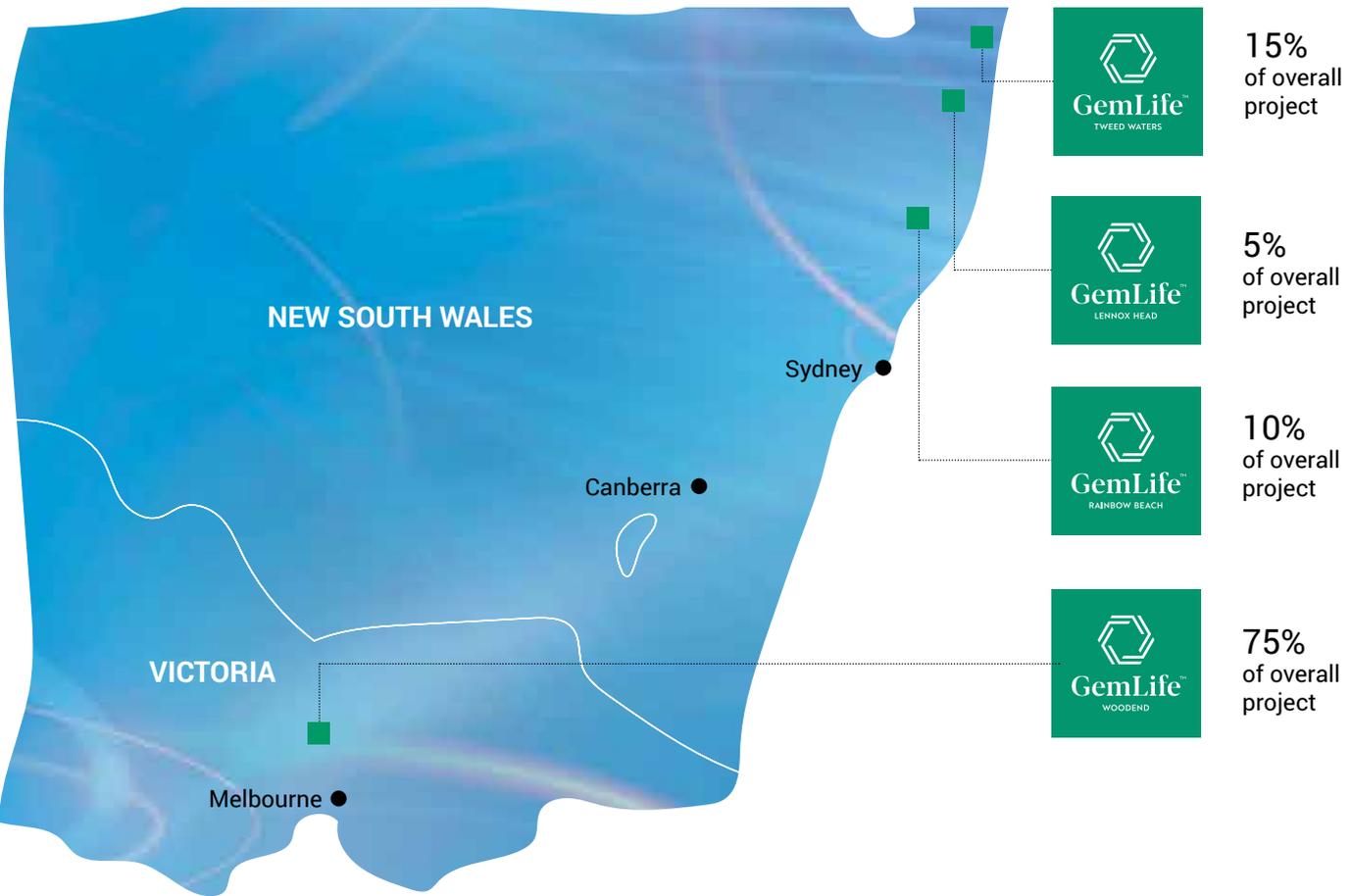


DEVELOPMENT APPROVAL RECEIVED IN Q3 2021

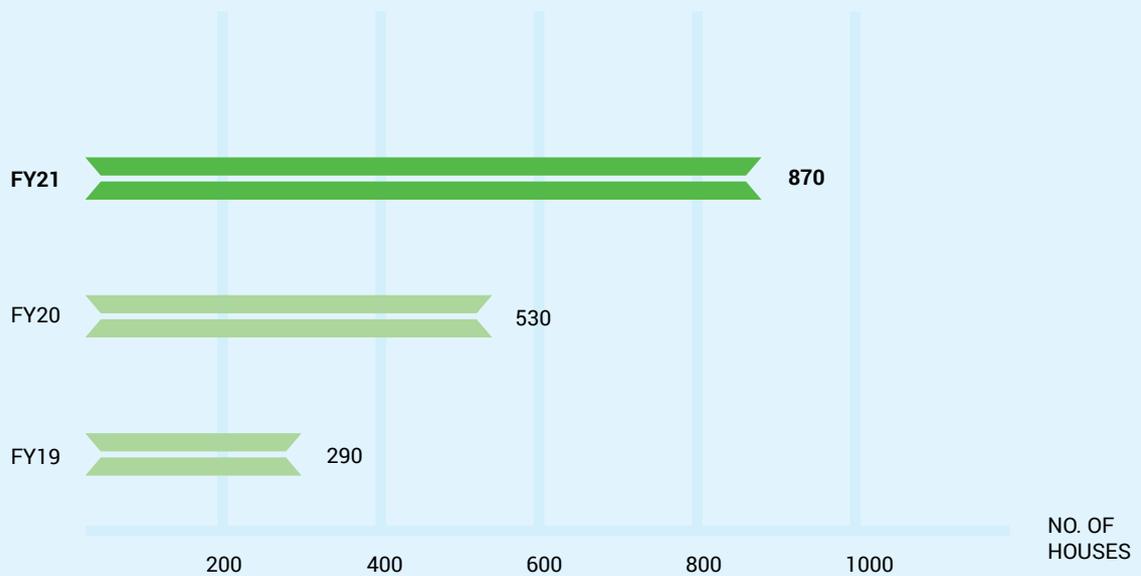
GEMLIFE RESORTS CONSTRUCTION COMPLETION STATUS

AS AT DECEMBER 31, 2021





GEMLIFE CUMULATIVE OCCUPIED HOME PROGRESSION STATUS



OUR CORE BUSINESSES

JAPAN AND SINGAPORE

THAKRAL JAPAN PROPERTIES PTE LTD
Singapore

TJP PTE LTD
Singapore

THAKRAL UMEDA PROPERTIES PTE LTD
Singapore

THAKRAL REALTY (S) PTE LTD
Singapore

The Group has expanded its real estate investment portfolio to include properties in Japan and Singapore in recent years. Its Japanese investment portfolio is structured through its pooled investment subsidiaries, Thakral Japan Properties Pte Ltd, TJP Pte Ltd and Thakral Umeda Properties Pte Ltd. The portfolio has grown significantly since establishment in 2014 and now comprises six commercial buildings – Yotsubashi Nakano Building, Yotsubashi East Building, Itachibori Square, Utsubo East Building, Yotsubashi Grand and Umeda Pacific Building; and three business hotels – Best Western Osaka Tsukamoto Hotel, R Hotels Inn Osaka Kita Umeda and Hotel WBF Namba Motomachi.

The Group has in Q3 2021 divested the Riverpoint Kitahama Building at a net gain of about S\$2.5 million against its acquisition cost as part of its strategy to maximise return by unlocking value of investment properties at opportune time. In the same quarter, it has completed acquisition of the remaining leasehold land of approximately 435.03 sqm of the Itachibori Square Building in Osaka, Japan. With the acquisition, the Group has the full ownership of both the building and the land, and will no longer be subject to annual ground rent payment.

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

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



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

In line with our strategy of expanding our investment portfolio to improve returns to shareholders, the Group has in 2021 taken a minority stake in W Capital Markets Pte Ltd, a Singapore-based investment banking firm with a strong pipeline of projects poised to tap Asia's rising capital markets for growth.



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

Located at about 5 minutes away from Hommachi Station in the heart of Osaka's Central Business District, the nine-storey Itachibori Square building is built on freehold land with an area of 813 sqm. It has a gross building area of around 5,618 sqm and 24 car park lots. Exterior and interior refurbishments were carried out in 2019 and 2020 and the building currently has an occupancy rate of 86.7%.

OSAKA, JAPAN - FREEHOLD PROPERTIES



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



YOTSUBASHI NAKANO BUILDING ALONG YOTUSBASHI SUJI,
SHINSAIBASHI
• LAND AREA - 806 SQM • GFA - 7,925 SQM
• EFFECTIVE OWNERSHIP - 50%



YOTSUBASHI GRAND BUILDING, BROAD STREET FRONTAGE ON
YOTSUBASHI SUJI, SHINSAIBASHI
• LAND AREA - 881 SQM • GFA - 7,524 SQM
• EFFECTIVE OWNERSHIP - 53%



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

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%



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



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



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

OUR CORE BUSINESSES

CHINA, HONG KONG AND OTHERS

THAKRAL CHINA LTD

THAKRAL BEAUTY
(SHANGHAI) LTD

CBT AT-HOME BEAUTY
(SHANGHAI) LTD

Shanghai,
People's Republic of China

THAKRAL
CORPORATION (HK)
LIMITED
Hong Kong

CBT AT-HOME BEAUTY
HOLDINGS PTE LTD
Singapore and
Hong Kong

THAKRAL
BROTHERS LTD
Osaka, Japan

SINGAPORE SOURCING &
TECHNOLOGY PVT LTD
India

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

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

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

The Group's Hong Kong subsidiary has been appointed by DJI as an exclusive distributor for South Asia, covering seven territories including India, as well as granting distributorship for commercial products in addition to the consumer range.

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.

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

The Group has also made strategic minority investments in a number of digital start-ups. These include Intrepid, a South-East Asia focused ecommerce enabler, Skylark, an India-based drone management software and services company, Fraction, a Hong Kong-based one-stop, full-service fractional ownership blockchain platform that enables trading, investment and secure ownership of fractions of any real-world asset, with an initial focus on real estate, and InvestaX, a Singapore based fintech which is a MAS-licensed investment and trading platform for digital securities and security tokens of global private markets deals.

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



CURRENTBODY THAKRAL AT-HOME BEAUTY DEVICES



JOHN MASTERS ORGANICS



CHINA, HONG KONG AND OTHERS





RALPH LAUREN



VIKTOR & ROLF

BOARD OF DIRECTORS

NATARAJAN SUBRAMANIAM Age 83

Independent Non-Executive Chairman and Lead Independent Director

First appointed as a Director: 15 November 1995

Last re-elected as a Director: 29 April 2021

Length of service as a Director(as at 31 December 2021): 26 years 1 month

Board Committee(s) served on:

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

Academic & Professional Qualification(s):

- University of Malaya in Singapore – Bachelor of Arts Degree
- Institute of Chartered Accountants in England and Wales – Fellow
- Institute of Singapore Chartered Accountants – Fellow
- Singapore Institute of Directors – Fellow

Present Directorships in other listed companies:

- Nil

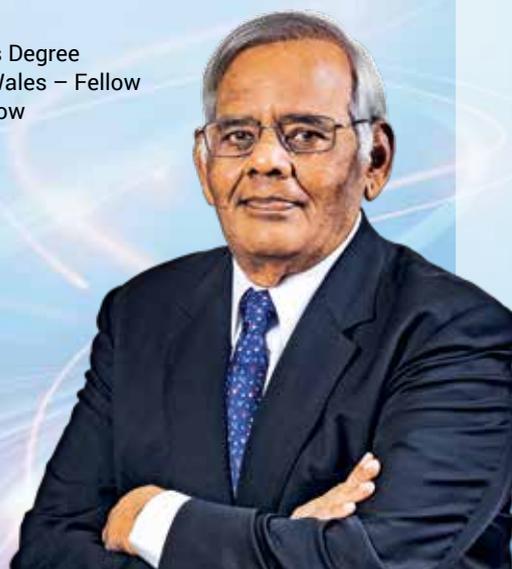
Other Appointments:

- Nil

Past Directorships in listed companies

held over the preceding 3 years:

- Nil



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

Mr Subramaniam began his accounting career in 1965 as a trainee with 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.

KARTAR SINGH THAKRAL Age 88**Executive Director****First appointed as a Director:** 7 October 1993**Last re-elected as a Director:** 29 April 2021**Length of service as a Director (as at 31 December 2021):** 28 years 2 months**Board Committee(s) served on:**

- Member of Investment Committee

Academic & Professional Qualification(s):

- Nil

Present Directorships in other listed companies:

- Nil

Other Appointments:

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

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

- Nil



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

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

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

Mr Kartar Singh is a Director of a number of subsidiaries of the Company in China, Hong Kong and Singapore. He is a patron of Singapore Khalsa Association, Singapore Sikh Welfare Council and Central Sikh Gurdwara Board.

BOARD OF DIRECTORS

INDERBETHAL SINGH THAKRAL Age 62
Executive Director and Chief Executive Officer

First appointed as a Director: 12 August 1994

Last re-elected as a Director: 30 April 2019

**Length of service as a Director
(as at 31 December 2021):** 27 years 4 months

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

Academic & Professional Qualification(s):
• Nil

Present Directorships in other listed companies:
• Nil

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

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



Mr Inderbethal Singh Thakral (“Mr Bethal”) is the Chief Executive Officer and an Executive Director of the Group. He played an instrumental role in the listing of the Group back in 1995, as well as the transformation of the Group including the growth of its investments in markets such as Japan, Australia and Singapore and the repositioning of the lifestyle business to focus on beauty, fragrance and lifestyle brands.

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.

LEE YING CHEUN Age 80
Independent Non-Executive Director

First appointed as a Director: 15 November 1995

Last re-elected as a Director: 29 April 2021

**Length of service as a Director
(as at 31 December 2021):** 26 years 1 month

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

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

Present Directorships in other listed companies:
• Nil

Other Appointments:
• Nil

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



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

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

DILEEP NAIR Age 71**Independent Non-Executive Director****First appointed as a Director:** 2 January 2015**Last re-elected as a Director:** 12 June 2020**Length of service as a Director****(as at 31 December 2021):** 6 years 11 months**Board Committee(s) served on:**

- Member of the Audit Committee, Compensation Committee and Nomination Committee

Academic & Professional Qualification(s):

- McGill University – Bachelor of Engineering
- Harvard University – Master in Public Administration

Present Directorships in other listed companies:

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

Other Appointments:

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

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

- Nil

**BIKRAMJIT SINGH THAKRAL** Age 46**Non-Independent Non-Executive Director****First appointed as a Director:** 2 January 2020**Last re-elected as a Director:** 12 June 2020**Length of service as a Director****(as at 31 December 2020):** 2 year**Board Committee(s) served on:**

- Member of Nomination Committee and Investment Committee

Academic & Professional Qualification(s):

- National University of Singapore – Bachelor of Business Administration (Honours)
- Harvard Business School – Executive Education

Present Directorships in other listed companies:

- India listed Thakral Services (India) Ltd – Non-Executive Director

Other Appointments:

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

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

- Nil



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

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

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

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

Bikram is a Director of various Singapore subsidiaries of the Company.

KEY PERSONNEL

RIKHIPAL SINGH THAKRAL

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

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

Rikhi joined the Thakral Family Group of companies (the “Family Group”) in 1979 and is presently an Executive Director overseeing the Family Group’s property division, and is jointly responsible for the development and management of the Family Group’s real estate portfolio in Japan and Singapore. He has extended experience of doing business in a number of Southeast Asian countries.

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

ANIL MOOLCHAND DARYANANI

Chief Financial Officer

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

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

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

KANWALJEET SINGH DHILLON

*Managing Director
Thakral Corporation (HK) Limited*

Mr Kanwaljeet Singh Dhillon is the Managing Director of Thakral Corporation (HK) Limited, and one of the founding members of the Group. He is responsible for a key part of the Group's sales and marketing operations.

Kanwaljeet joined the Group in 1977 and has more than 40 years of experience in consumer electronics trading and distribution. His mastery of the Chinese market has been a strong enabler for the Group's growth in Hong Kong and China. Kanwaljeet contributed strongly to the listing of the Group in 1995 and subsequently to the growth in overall sales of the Group. More recently, he was responsible for successfully securing exclusive distributorship from DJI for South Asia for commercial and consumer drone and photography products. With the help of his team, he manages the sourcing, distribution and market development of these products in the allocated territories.

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

TORSTEN STOCKER

*Chief Operating Officer
Lifestyle Division*

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

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

KEY PERSONNEL

INDERGOPAL SINGH THAKRAL

*Managing Director
Thakral China Ltd*

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

Based in Shanghai with over 7 years of experience in business management, Indergopal continues to deepen his knowledge in the psyche and consumption preference of the Chinese market beyond those gained through his earlier roles as General Manager, Vice President of Beauty Division and Product Manager. Indergopal, together with senior management, drove the re-positioning of Lifestyle Division's portfolio of brands towards beauty and fragrance. He is actively looking at opportunities in the sector where businesses are leveraging on technology and tech start-up in the beauty and fragrance segment in China.

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

SATBIR SINGH THAKRAL

*Marketing Director
Lifestyle Division*

Mr Satbir Singh Thakral is the Marketing Director of the Group's Lifestyle Division. He is directly responsible for leading the marketing functions, including enhancing marketing infrastructure for development and implementation of premium products which are sold globally.

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

Satbir recently completed his Executive Education in Business Leadership from Stanford University Graduate School of Business.

SEAN QIU

*Financial Controller
Thakral China Ltd*

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

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

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

KEVIN CHARLES BARRY

*Joint Managing Director
Thakral Capital Australia Pty Ltd*

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

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

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

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

GREGGORY JOHN PIERCY

*Joint Managing Director
Thakral Capital Australia Pty Ltd*

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

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

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

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

KEY PERSONNEL

VICTOR SHKOLNIK

*Executive Director
Thakral Capital Australia Pty Ltd*

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

Victor has over 35 years of experience in the finance industry, specialising in credit risk management and property financing. He has held a variety of roles, amongst them a Director and Senior Vice President respectively in the risk management divisions of Deutsche Bank AG and Bankers Trust Australia, Head of Credit with Zurich Capital Markets Asia and Chief Credit Officer with the Challenger Group.

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

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

MICHAEL JAMES STUBBS

*Chief Financial Officer
Thakral Capital Australia Pty Ltd*

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

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

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

ASHMIT SINGH THAKRAL

*Finance Director
GemLife Group*

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

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

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

CORPORATE GOVERNANCE REPORT

The Company is committed to continually enhance shareholder value and safeguard the interest of all its stakeholders through sound corporate governance. This report outlines the corporate governance framework and practices of the Company which were in place during the financial year ended 31 December 2021 ("FY2021"), reflecting the balance between enterprise and accountability. The Board of Directors (the "Board") is pleased to report that the Company has complied with the Code of Corporate Governance published on 6 August 2018 (the "Code") for FY2021. Explanations have been provided for deviations from the Code within this report.

We are pleased to share that the Company was awarded **Runner-Up of the Most Transparent Company Award (MTCA) 2021 – Consumer Discretionary**, which recognises the Company's outstanding efforts in improving transparency. 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 remain committed to business transformation, good governance and transparency to continue delivering outstanding value to our shareholders.

BOARD MATTERS

The Board's Conduct of its Affairs

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

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

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

Board Duties, Induction, Training and Developments

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

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

The Board keeps itself abreast and is kept informed by management and its Company Secretaries of legislative and regulatory requirements. It is also guided by the Company's Secretaries and where necessary, legal advisers to ensure that the Company complies with the requirements of the Companies Act 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 considered beneficial to performing their roles on the Board and its committees. From time to time, the Company disseminates information to Board members for their selection on appropriate webinars/seminars/workshops, in particular changes to listing and company regulations, corporate governance practices, financial reporting standard changes, risk management, conducted by the Singapore Institute of Directors ("SID"), SGX, Institute of Singapore Chartered Accountants and other established institutions. The Company funds all relevant training for Board members.

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

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Relevant webinars/conferences/training programmes attended by the directors in FY2021 include the following:

- Design Thinking for Sustainability;
- AC Chapter Pit-Stop Series:
 - (i) Valuation – Addressing Challenges in Uncertain Economic Times;
 - (ii) Looking Beyond the Pandemic – Important Role of the Audit Committee;
 - (iii) An Insider Guide to Cryptocurrency and Blockchain;
- SGX Regulatory Symposium 2021: Market Needs in a Changing Landscape;
- Sustainability Reporting Review 2021;
- Singapore Governance and Transparency Forum 2021;
- Executive and Director Remuneration;
- SGX-GCNS webinar: Roadmap to Mandatory Climate-related Disclosures;
- Global Virtual Roundtable 3: Innovation in the Boardroom;
- Launch of the Singapore Directorship Report 2021; and
- SID Corporate Governance Roundup 2021.

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

The Company also organises on-site visits on a regular basis for directors to visit all 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. However, taking into consideration the health and safety of our Non-Executive Directors, overseas visits continue to be suspended in FY2021 due to the prolonged COVID-19 pandemic situation and travel restrictions imposed by various countries. Other than the regular business reports, updates on overseas operations and investments, electronic meetings were held with overseas management to obtain the status of the operations as well as the business environment.

Matters Requiring Board Approval

The Company has established an extensive list of matters that requires Board approval which has been clearly communicated to Management in writing. The list was last reviewed and revised by the Board in December 2021 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;

CORPORATE GOVERNANCE REPORT

- appointment of and changes to appointment of independent directors of the Company who are also on the boards of the Company's local and overseas principal subsidiaries;
- establishing a policy and criteria for directors' development;
- review of remuneration, contracts and grants of options for executive directors and senior executive officers, and fees, remuneration and payments on retirement payable to non-executive directors which are subject to shareholders' approval;
- announcements to the SGX-ST including approval and release of interim and annual financial results and annual reports;
- business strategy, operating budgets, including annual charitable donations, and capital expenditure exceeding certain limit;
- related party transaction matters;
- investments, capital projects and transactions outside the ordinary course of business, incorporation, acquisition, disposal and liquidation of subsidiaries and associates or other assets or incurring liabilities exceeding certain limits and other significant transactions;
- dividend and treasury policies including foreign currency and interest rate exposure;
- identifying, engaging and managing relationships with the material stakeholder groups;
- setting the Company's values, code of conduct and ethics;
- considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation and promoting best practice in corporate governance;
- establishment and monitoring of a robust and effective systems of internal controls that addresses financial, operational, compliance and information technology risks and risk management systems;
- issuing and changes to equity or debt securities and major financing facilities; and
- disclosure of directors' interests and loan agreements in connection with controlling shareholders' interest in relation to share pledging arrangements.

Delegation of Authority and Duties by the Board

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

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

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

CORPORATE GOVERNANCE REPORT

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

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

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

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

Directors are to attend and actively participate in Board, Board Committee and general meetings. Details of the directors' attendance at each Board and Committee and general meetings during FY2021 are as follows:

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

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

Investment Committee

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

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

CORPORATE GOVERNANCE REPORT

The Investment Committee has written Terms of Reference that detail the responsibilities of its members. Its terms of reference were last reviewed and revised by the Board in December 2021. The role of the Investment Committee is as follows:

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

The activities of the Investment Committees in FY2021 includes the review and approval of, and where applicable, recommending to the Board for approval:

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

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of 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 and Dileep Nair are considered to be independent directors of the Company.

A rigorous process for the purpose of evaluating the true independence of directors who have served beyond nine years from the date of their first appointment has been put in place. Under this process, a special committee of the Board was formed in 2012 to set out the criteria for the basis for the evaluation. The special committee for FY2021, comprising Nomination Committee members, Mr Dileep Nair and Mr Bikramjit Singh Thakral, and in consultation of Mr Kartar Singh Thakral and Mr Inderbethyl Singh Thakral have undertaken the review of independence of the Independent Non-Executive Chairman and Director, Mr Natarajan Subramaniam and Independent Non-Executive Director, Mr Lee Ying Cheun. The evaluation criteria included reviewing their conduct, character, judgement based on past records and performance as well as level of commitment including quality of involvement and participation, regularity of attendance at meetings, time commitment and contribution to determine whether such directors have

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acted, and are likely to continue to act, in the best interests of the shareholders in an independent manner despite their long tenure. Using these criteria as a basis for its decision, the special committee conducts a thorough and comprehensive evaluation annually on non-executive long serving directors to determine their independence. The special committee had, after their annual evaluation, opined that Mr Subramaniam and Mr Lee have each continued to demonstrate independence in conduct, character and judgement in deliberations of the Board and at its sub-committees level, constantly challenge in a rigorous and constructive manner the proposals supported by Management and major shareholder and have always seen to act in the best interests of the Company in discharging their director's duties and responsibilities, and continue to add value to the Group despite their extended tenure. The special committee had therefore recommended to the Nomination Committee and the Board that both Mr Subramaniam and Mr Lee continue to be independent though they have been directors for more than nine years. The Nomination Committee and the Board, after due review, consider both Mr Subramaniam and Mr Lee as independent directors.

The Company is pleased to advise that its two long serving independent directors, Mr Natarajan Subramaniam and Mr Lee Ying Cheun have submitted themselves under the two-tier re-election at the Company's last annual general meeting held on 29 April 2021 and obtained full shareholders' support to affirm their independence and continue to serve as independent directors in compliant with listing rule 210(5)(d)(iii). The extended term of the long serving independent directors would allow a smooth renewal transition and provide time for planning, assessing and identifying suitable candidates and also to achieve Board diversity of having women as board members.

Board and Board Committees Composition and Size

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

Board Diversity

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

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

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

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Though the Board is firmly supportive of gender diversity, it takes the view that Board appointments should be based on merit, suitability, ability to contribute effectively and availability rather than gender alone. Considering the nature of the Group's core businesses, the Board is satisfied that the size and composition of the Board and its Board Committees are appropriate at present. The Board does not have a quota for the number of women directors on the Board, and the number will be determined by the availability of suitable candidates. Gender diversity will be an important criterion under consideration when a vacancy on the Board is to be filled in future as well as part of the renewal process for the long serving independent directors. The Board is unable to set target dates for inviting a woman to the Board, but is committed to fill any vacancy that may arise with a lady member.

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

The Board is satisfied that there is an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company. The Board is fully cognisant of the benefits of having not only a range of views but also gender diversity and will address these when a new member joins the Board.

Chairman and Chief Executive Officer

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

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

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

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Independent non-executive directors, which includes the Chairman, have met twice during FY2021 without Management's presence to discuss the Group's current and future operations and financial position. The Chairman ensures that matters discussed are advised to the Board for consideration and action.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

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

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

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

CORPORATE GOVERNANCE REPORT

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 2021.

The key duties of the Nomination Committee include:

- to recommend new appointments and re-election to the Board having regard to the composition and progressive renewal of the Board and each director's competencies, commitment, contribution and performance including, if applicable, his or her performance as an independent director;
- to review and, if deem appropriate, recommend to the Board, appointments of and changes to the directors of the Company's subsidiaries and associated companies with net assets or annual remuneration exceeding a certain limit;
- to regularly and strategically review the structure, size and composition of the Board and Board Committees and make recommendations to the Board with regard to any adjustments that are deemed necessary while taking into consideration requirements under the Code and applicable listing rules;
- to assist the Board in setting Board Diversity Policy and to review the Company's progress towards achieving these objectives;
- to recommend to the Board on the re-nomination of directors for re-election at the Company's AGM having regard to the directors' contribution and performance;
- to determine the independence of directors on an annual basis and as and when circumstance require in accordance with the Code and applicable listing rules;
- to ensure that directors who have multiple board representations give sufficient time and attention to the Company's affairs and to adopt internal guidelines to address the competing time commitments of such directors;
- to ensure new directors are aware of their duties and obligations;
- to review training and professional development programs for the Board and its directors and make appropriate recommendations to the Board;
- to ensure complete disclosure of key information of directors and search and nomination process as required under the Code and applicable listing rules;
- to develop a transparent process for evaluation of the performance of the Board, its Board committees and directors using a set of pre-approved objective performance criteria as well as determining the maximum number of listed company Board representations which a director may hold for the Board's approval;
- to determine and implement the process of assessing the effectiveness of the Board as a whole;
- to assess the contribution of each individual board member to the effectiveness of the Board;
- to make plans for succession 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.

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The activities of the Nomination Committee in FY2021 include:

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

New Directors' Selection and Nomination Process

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

Expectation of Directors, Time Commitment and Multiple Directorships

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

For FY2021, the Nomination Committee was of the view that each director had discharged his duties adequately and that each director's listed directorship was in line with the Company's internal guidelines.

Re-election of Directors and Alternate Directors

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

The Nomination Committee has reviewed the re-appointment of an existing director who is subjected to re-election taking into consideration his 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 Director seeking re-election has been set out in the Additional Information on Directors Seeking Re-election section of this Annual Report.

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

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Board Performance

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

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

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

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

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

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

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

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

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

CORPORATE GOVERNANCE REPORT

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 2021. The key duties of the Compensation Committee include:

- to review and, if deem appropriate, recommend the recruitment of Executive Directors of the Group and their employment terms and remuneration to the Board;
- to review and, if deem appropriate, recommend to the Board, appointment of and changes to directors of the Company's subsidiaries and associated companies with net assets or annual remuneration exceeding a certain limit;
- to review and, if deemed appropriate, recommend to the Board the appointment, employment terms and remuneration of senior executive officers (including key management personnel) as well as those employees who are substantial shareholders, those related to directors or substantial shareholders of the Group;
- to structure a significant and appropriate proportion of executive directors' and senior executive officers' remuneration so as to link rewards to the Group's or corporate and individual performance;
- to decide where to position the Company relative to other companies or its competitors;
- to consider the various disclosure requirements for directors' remuneration, particularly those required by regulatory bodies such as the SGX-ST and those recommended by the Code, and ensure that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Group and its stakeholders;
- to review and make recommendations to the Board on the Group's framework of executive remuneration;
- to recommend to the Board for approval by shareholders, the remuneration of Non-Executive Directors ("NED") to ensure, as far as is possible, that the quantum is commensurate with the NED's contribution to the Board directly and through its sub-committees;
- to administer such share schemes or plans as may be implemented by the Company from time to time in accordance with the rules of the schemes/plans;
- to oversee any major changes in employee benefits or remuneration structures;
- to review the design of all long-term and short-term incentive plans for approval by the Board and shareholders;
- to oversee the talent management and succession planning matters for executives in collaboration with executive directors;
- to recommend to the Board any appropriate extensions or changes in the authority and duties of the committee;
- to retain such professional consultancy firm as the Committee may deem necessary to enable it to discharge its duties herein satisfactorily; and
- to carry out such other duties as may be agreed to by the Committee and the Board.

The main activities of the Compensation Committee in FY2021 include:

- review of proposed directors' fees;
- review and recommending of year-end bonuses, salary increments and grant of share options;
- review and recommending the key performance indicators and guidelines for determining performance bonus for the chief executive and other senior management persons;
- discussion on disclosure of relationship between remuneration, performance and value creation; and
- review of its terms of reference.

CORPORATE GOVERNANCE REPORT

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

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

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

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

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to sustained performance and value creation of the company, taking into account the strategic objectives of the company.

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

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

Non-executive directors are paid directors' fees, subject to approval at the AGM. In proposing remuneration for non-executive directors, the Compensation Committee takes into account the contributions by individual directors in furthering the mission and objectives of the Group while ensuring non-executive directors are not over-compensated to the extent that their independence may be compromised. Non-executive directors are paid a basic fee and an additional fee for serving on any of the committees. An additional contribution fee may be considered where the non-executive director has rendered services beyond his normal duties. There were no payments in FY2021 for additional contributions.

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

CORPORATE GOVERNANCE REPORT

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 FY2021 is tabulated below:

Directors' Remuneration:

Name of Director	Remuneration	Fees	Salary	Bonus/ Ex-gratia	Benefits	Total
	S\$'000	%	%	%	%	%
Inderbethal Singh Thakral	1,682.4	–	17	59	24	100
Kartar Singh Thakral	315.4	–	98	–	2	100
Natarajan Subramaniam	374.0 ¹	100	–	–	–	100
Lee Ying Cheun	140.0	100	–	–	–	100
Dileep Nair	135.5	100	–	–	–	100
Bikramjit Singh Thakral	99.0	100	–	–	–	100

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

No share options have been granted to any director during FY2021.

Key Management Personnel's Remuneration:

Name of Executive	Salary	Bonus/ Ex-gratia	Benefits	Total
	%	%	%	%
S\$1,250,000 to S\$1,500,000				
Kevin Charles Barry	28	71	1	100
Greggory John Piercy	28	71	1	100
Victor Shkolnik	28	71	1	100
S\$500,000 to S\$750,000				
Kanwaljeet Singh Dhillon	41	26	33	100
Michael James Stubbs	43	56	1	100
S\$250,000 to S\$500,000				
Anil Moolchand Daryanani	54	31	15	100
Torsten Stocker	88	11	1	100

No share options have been granted to any key management personnel during FY2021.

The aggregate remuneration paid to the key management personnel (who are not directors or the CEO) for FY2021 was S\$5,994,000 (2020: S\$4,840,000).

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

CORPORATE GOVERNANCE REPORT

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\$300,000 to S\$400,000				
Indergopal Singh Thakral	35	16	49	100
S\$200,000 to S\$300,000				
Ashmit Singh Thakral	91	–	9	100
Satbir Singh Thakral	31	16	53	100

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

No share options have been granted to employees who are substantial shareholders or immediate family members of a director, the CEO or a substantial shareholder in FY2021.

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 FY2021.

Employees' Share Option Scheme

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

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

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

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

CORPORATE GOVERNANCE REPORT

- (ii) The aggregate number of ordinary shares in TCH ("TCH Shares" or "TCH Share") in relation to which an option may be granted on any date under the TCH ESOS, when added to the number of TCH Shares issued and/or issuable in respect of:
- (a) all options granted under the TCH ESOS; and
 - (b) all TCH Shares, options or awards granted under any other share option or share scheme of TCH then in force (if any),

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

- (iii) The aggregate number of TCH Shares in relation to which Options may be granted under the TCH ESOS to Controlling Shareholders and their Associates shall not exceed 25% of the TCH Shares available under the TCH ESOS, and the number of TCH Shares in relation to which an option may be granted under the TCH ESOS to each Controlling Shareholder or his Associate shall not exceed 10% of the TCH Shares available under the TCH ESOS.
- (iv) Subject to adjustments made in accordance with the rules of the TCH ESOS ("TCH ESOS Rules"), the Exercise Price shall be as follows:
- (a) in relation to options which are granted within the first (1st) anniversary of the Effective Date (being 1 January 2015), the Exercise Price shall be S\$99.00⁽¹⁾ per TCH Share; and
 - (b) in relation to Options which are granted subsequent to the first (1st) anniversary of the Effective Date (i.e. on or after 1 January 2016), the Exercise Price shall be determined by the board of directors of TCH on the recommendation of the Committee on the Date of Grant, provided that such price shall not be lower than that set out in the above part (a) and shall in any case be at a premium to the net tangible asset ("NTA") value per TCH Share.

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

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

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

An aggregate of 98,300 options have been granted under the TCH ESOS since its adoption up to the end of FY2021. No share options were granted at a discount in FY2021 and no options were granted to directors and controlling shareholders of the Company and their associates.

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

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

Notes:

* Granted on 1 November 2018.

** Granted on 17 August 2020.

All options granted will be exercisable from the 3rd anniversary after the relevant Date of Grant (“**Vesting Date**”) or earlier upon a Liquidity Event¹ and will expire on the 5th anniversary of the relevant Vesting Date, or such earlier date as may be determined by the Compensation Committee of the Company.

Details of the options granted have been disclosed in the Directors’ Statement on page 74.

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

CORPORATE GOVERNANCE REPORT

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 interim 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 FY2021 that (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (ii) after due review, including necessary discussion with the relevant key management personnel, the Group's risk management and internal control systems and procedures in place are effective and adequate in addressing governance, financial, operational, compliance (including sanctions-related), environmental and information technology risks of the Group and are operating satisfactorily.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by and assurance from the CEO and CFO; and the various Board Committees, the Board is of the opinion that the Group maintains a robust and effective risk management and internal control systems which were adequate in addressing governance, financial, operational, compliance (including sanctions-related), environmental and information technology risks as at the end of FY2021 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.

CORPORATE GOVERNANCE REPORT

Audit Committee

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

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

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

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

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

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

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

The Audit Committee's Terms of Reference clearly set out its authority and duties. The terms of reference were last reviewed and updated in December 2021. While focusing in particular on the areas of financial reporting, risk management and internal controls, the Audit Committee has been tasked to:

- to review the annual financial statements and the auditors' report thereon before they are presented to the Board;
- to review the announcements for the interim and full year results and all other announcements relating to the Company's financial performance prior to the approval by the Board of Directors;
- to assess and provide a negative confirmation on the character and integrity of the CFO (or its equivalent rank) of the Company as and when required under the Listing Manual;
- to review and confirm the assurance from the CEO and the CFO on the financial records and financial statements;
- to discuss with the internal and external auditors, their audit plan, the nature, scope and methodology of their audit process and the results that can be expected to be attained and ensuring that the scope of the internal and external auditors' examination has not been restricted or influenced in any manner by Management;
- to review the adequacy, effectiveness, independence, scope and results of the external audit and internal audit function and the independence and objectivity of the external auditors;
- to review and recommend to the Board (i) proposals to shareholders on the appointment, re-appointment and removal of the external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- to evaluate the performance of the external auditors, taking into consideration the Audit Quality Indicators Disclosure Framework published by ACRA;
- to review at least annually the adequacy and effectiveness of the Company's internal controls, including governance, financial, operational, compliance, environmental and information technology controls, and risk management policies and systems established by Management;

CORPORATE GOVERNANCE REPORT

- to review the appointment, termination, evaluation and remuneration of the head of the internal audit function, and ensure that internal audit function (i) is adequately resourced and staffed with competent personnel and that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies; (ii) has unfettered access to all the Company's documents, records, properties and personnel, including the committee, and (iii) has appropriate standing within the Company and (iv) is independent of the activities it audits;
- to review and discuss with internal and/or external auditors their report on major accounting and control issues observed during the annual audit and review management's implementation of the recommended improvement actions;
- to meet and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the external auditors may wish to discuss and with the internal auditors without the presence of Management at least annually;
- to discuss the internal accounting controls with Management and be satisfied with their implementation and effectiveness;
- to review the arrangements for monitoring compliance with important regulatory or legal requirements and for monitoring sensitive transactions;
- to review the nature and appropriate disclosure of interested person transactions and related party transactions at least on a half yearly basis;
- to report to the Board how the committee has discharged its responsibilities and whether it was able to discharge its duties independently and to include a list of its activities set out under Practice Guidance 10 of the Code in its report to the Board;
- to review the policy and arrangements by which staff of the Company or any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The committee shall ensure that arrangements are in place for such concerns to be raised independently investigated, and for appropriate follow-up actions to be taken;
- to follow up on any complaints received from staff members as a result of the Group's whistle blowing policy; and
- to examine any other matters referred to by the Board.

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

The Audit Committee met thrice during FY2021 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 change of internal auditors;

CORPORATE GOVERNANCE REPORT

- (e) 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;
- (f) 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;
- (g) 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 FY2021 and confirmed that they would not, in the Audit Committee's opinion, affect the independence and objectivity of the auditors.

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

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

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

Internal Audit

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

Da Hua Consulting is the consulting arm of Da Hua Certified Public Accountants, China ("Da Hua"). Founded in 1985, Da Hua is one of the top 10 large-scale accounting firms in China, one of the first batch of domestic firms approved to engage in H-share listing audits, and a pilot firm carrying out the program for collectivized development of large-scale accounting firms launched by the Ministry of Finance of the People's Republic of China. In 2013, Da Hua joined Moore Global, the world's tenth largest accounting network and became its only coordinator and liaison office in China. Da Hua has more than 6,800 employees, including more than 1,600 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 3 years and has more than 17 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.

CORPORATE GOVERNANCE REPORT

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 three Key Audit Matters in their audit report of the Group for FY2021:

- Valuation of investment properties and assets held for sale.
- Valuation of financial assets measured at fair value through income Statement
- Valuation of debt instruments measured at fair value through income statement

All the three matters identified by the External Auditors above relate to the methodology used for valuation of each class of assets for inclusion in the Group's statement of financial position. The key assumptions used to arrive at the respective valuations and bases on which such valuations are included in the Group's financial statements are set out in Notes 2 and 3 to the financial statements.

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

The Audit Committee also discussed the three Key Audit Matters with the External Auditors. During the discussion, the Committee reaffirmed the assumptions, bases and methods used to arrive at the valuations as set out in Notes 2 and 3 of the financial statements. The External Auditors confirmed to the Committee that they were in agreement with the Group's treatment of the key accounting matters listed in their report.

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

Whistle-blowing Policy

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

The Audit Committee oversees the administration of the policy while the outsourced IA administers the policy. In addition to reporting upon the receipt of any complaint, the outsourced IA also furnishes 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 24 February 2022, the Audit Committee reviewed and approved the policy and procedures statement and did not recommend any changes to the document. The policy and procedures statement has been circulated to employees after the review.

CORPORATE GOVERNANCE REPORT

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 2021 under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)
		S\$'000	S\$'000
Thakral Brothers (Pte) Ltd and subsidiaries	Associate of controlling shareholder		
Purchases, net of returns		–	213
Operating lease income received/receivable		3,663	–
Consultancy fee paid/payable		152	–

Dealings in Securities

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

SHAREHOLDERS RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Board treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. It recognises, protects and facilitates the exercise of shareholders' rights, and continually reviews and updates such governance arrangements. It provides shareholders a balanced and understandable assessment of its performance, position and prospects.

CORPORATE GOVERNANCE REPORT

Shareholders are entitled to receive the Company's Annual Report together with the relevant AGM notice to be updated on the annual performance of the Group and be notified to attend the AGM, either in person or be represented by proxy, to exercise their vote on resolutions proposed at the AGM. In consideration of the COVID-19 pandemic, safe distancing measures and for the health and safety of shareholders, the Company made arrangements to hold its general meetings electronically since 2020. As part of this arrangement, shareholders were able to join the Company's general meetings electronically and submit their votes via the proxy forms to appoint the Chairman of the AGM as their proxy to vote on their behalf in accordance with their voting instruction. Shareholders were also able to submit their questions in advance during their pre-registration process and the Company had addressed the substantive and relevant questions relating to the resolutions prior the general meetings. The Company has taken into consideration the new timeline to address shareholders' queries ahead of the proxy submission deadline as well as to organise a virtual information session to address shareholders' queries for certain corporate actions required by SGX should real-time online voting not be available.

In an effort to provide more interaction at general meetings, the Company will continue to arrange with its meeting vendor to enable shareholders to join general meetings electronically instead via a webcast meeting. Hence, shareholders will continue to be able to ask questions in audio-visual mode during general meetings.

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. Additionally, shareholders are being notified of all general meetings through electronic copy of notices of general meetings released via the SGXNet together with the proxy form at least 14 days in advance to provide ample time for them to make arrangement to join and participate in all general meetings. The notices of general meetings and proxy forms are also made available on the Company's website.

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

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

The Company's Constitution allows shareholders who are unable to attend general meetings in person, to appoint one or two proxies to attend and vote on their behalf. The Company's Constitution takes into consideration all requirements for compliance with the Companies Act as well as the Listing Manual, including allowing corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate at general meetings as proxies. The grantor of the proxies is required to certify that the proxies have been duly appointed in accordance with the instructions of the beneficial owners of shares held through them and for shareholders who are CPF investors, with proper request submitted through their agent bank within the stipulated timeline, to attend and vote at the Company's general meetings. Though the Company's Constitution allows for absentia voting including but not limited to voting by mail, electronic mail or 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. With the rapid advancement in electronic voting technology, the Company will be implementing real-time online voting at its upcoming AGM to be convened and held by way of electronic means. This allows shareholders to have their questions addressed before casting their votes during the live audio-visual meeting. Shareholders will also be able to either appoint proxy(ies) of their choice or continue appointing the Chairman of the forthcoming AGM as their proxy to vote in accordance with their instructions.

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

CORPORATE GOVERNANCE REPORT

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

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

Dividend Policy

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

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

Total interim dividend of 4 cents per ordinary share has been paid for FY2021. Due to change in the timing of certain cash flow for the Group's working capital requirements as well as its operational and investment needs during second half of FY2021, the first interim dividend was paid on 16 December 2021. The second interim dividend has been paid on 8 April 2022.

Engagement with Shareholders

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

The Company recognises the importance of engaging in effective communications with its shareholders and is, at all times, committed to provide shareholders and the investing public, timely, relevant, transparent and quality information on its financial data, corporate strategies as well as material updates and developments of the Group. Hence, the Company has in place an investor relations policy to promote regular, effective and fair communication with shareholders whereby pertinent information can be regularly conveyed to shareholders. The investor relations policy was reviewed by the Board at its February 2022 meeting.

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

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

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

CORPORATE GOVERNANCE REPORT

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

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

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

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

MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

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

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 material stakeholder groups, various methods of engagement, key issues raised, and how our Company responded to them during FY2021:

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 	<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

CORPORATE GOVERNANCE REPORT

Stakeholder Group	Mode of Engagement	Frequency	Areas of Concern	How We Responded
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.
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 has engaged its sustainability consultant to conduct a stakeholder engagement through online survey to understand the key sustainability areas and concerns that are of importance to its material stakeholder groups and in FY2021 widened the survey to cover additional groups of external stakeholders. The analysis of results provided further insights on the alignment of existing sustainability areas of concern with internal and external stakeholders' expectations as well as identified areas of improvement and additional factors for consideration for development of the Company's future sustainability reports.

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

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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 year ended December 31, 2021.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 82 to 158 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, 2021, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

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

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

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

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

DIRECTORS' STATEMENT

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

Name of directors and companies in which interests are held	Shareholdings registered in name of directors		Shareholdings in which directors are deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
<u>The Company</u>				
(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 Singapore Companies Act, Mr Kartar Singh Thakral, Mr Inderbethal Singh Thakral and Mr Bikramjit Singh Thakral are deemed to have an interest in all the related corporations of the Company.

The directors' interest in the share capital and debentures of the Company at January 21, 2022 were the same at December 31, 2021.

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 and Dileep Nair. There are no new options granted in 2021 under the TCH scheme. No share options were granted at a discount during the year and no options were granted to directors and controlling shareholders of the Company and their associates.
- c) The options relating to the TCH Scheme on ordinary shares of TCH and outstanding at the end of the year were as follows:

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

The options granted will be exercisable from the 3rd anniversary after the relevant Date of Grant ("Vesting Date") or earlier upon a Liquidity Event¹ and will expire on the 5th anniversary of the relevant Vesting Date, or such earlier date as may be determined by the Compensation Committee of the Company.

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

5 AUDIT COMMITTEE

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

Natarajan Subramaniam
Lee Ying Cheun
Dileep Nair

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

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

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

DIRECTORS' STATEMENT

5 AUDIT COMMITTEE (CONTINUED)

- c) the audit plans and results of the audit of the external auditors;
- d) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company before their submission to the directors of the Company and external auditors' report on those financial statements;
- e) the half-yearly and full year announcements as well as the related press releases on the results and financial position of the Group and the Company;
- f) the co-operation and assistance given by the management to the Group's external auditors; and
- g) the re-appointment of the external auditors of the Group.

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

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

6 AUDITORS

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

ON BEHALF OF THE BOARD



Mr Kartar Singh Thakral



Mr Inderbethal Singh Thakral

March 31, 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THAKRAL CORPORATION LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Thakral Corporation Ltd (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at December 31, 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 82 to 158.

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, 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

I. Valuation of investment properties and assets held for sale

The Group's investment properties and assets held for sale amounting to S\$29,746,000 and S\$19,755,000 respectively, are stated at their estimated fair value.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THAKRAL CORPORATION LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

Our audit procedures and responses thereon:

Audit procedures included the following:

- a) assessed the competency, objectivity and capabilities of the independent professional valuers;
- b) evaluated management's internal assessment and the professional valuers' terms of appointment, scope of work and valuation methodology;
- c) reviewed management's internal assessments and independent valuation reports, discussed with the professional valuers and assessed the appropriateness of the significant judgements, estimates and assumptions used by management and valuers; and
- d) reviewed management's assumption for changes in classification for transfers of investment properties to assets held for sale.

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

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

As at December 31, 2021, the Group has unquoted investments classified as financial assets measured at fair value through income statement ("FVTIS") amounting to S\$51,609,000.

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

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

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

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

The Group has made disclosures on these financial assets measured at FVTIS in Note 19 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THAKRAL CORPORATION LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

Our audit procedures and responses thereon:

Audit procedures included the following:

- a) reviewed the latest financial information of the investee and evaluated the recoverability of investment;
- b) assessed the competency, objectivity and capabilities of the independent professional valuers;
- c) evaluated management's internal assessment and professional valuers' terms of appointment, scope of work and valuation methodology;
- d) reviewed management's internal assessment and independent valuation reports, and assessed the appropriateness of the significant judgements, estimates and assumptions used by management and the professional valuers; and
- e) verified that key information provided by management to the professional valuers was reasonable.

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

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

As at December 31, 2021, the Group has debt instruments amounting to S\$75,378,000, which are extended to third parties and joint venture entities for development projects in Australia. These debt instruments earn fixed interest income on the principal amount and variable returns less withholding tax at the relevant rate.

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THAKRAL CORPORATION LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

Our audit procedures and responses thereon:

Audit procedures included the following:

- a) reviewed the formula of the discounted cash flow model and reasonableness of assumptions on variable returns used in estimating the fair value of the debt instruments;
- b) reviewed management's assessment of credit risk and recoverability of the debt instruments;
- c) verified to loan agreements and perform background search of the counterparties for new loans; and
- d) verified to project status reports to ascertain the progress of property development projects and any indicators of project costs over-runs and losses that may affect the counterparties' ability to repay the loans.

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

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

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THAKRAL CORPORATION LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THAKRAL CORPORATION LTD

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr Rankin Brandt Yeo.



Public Accountants and
Chartered Accountants
Singapore

March 31, 2022

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021

	Note	Group		Company	
		2021	2020	2021	2020
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and bank balances	7	9,678	5,816	769	36
Trade receivables	8	12,245	7,355	-	-
Other receivables and prepayments	9	7,989	5,227	150	107
Amounts owing by a subsidiary corporation	16	-	-	1,250	938
Debts instruments measured at fair value through income statement / amortised cost	10	18,663	21,664	-	-
Inventories	11	14,745	8,321	-	-
Assets held for sale	12	19,755	13,787	-	-
Total current assets		83,075	62,170	2,169	1,081
Non-current assets					
Other receivables	9	4,564	10,089	-	-
Debts instruments measured at fair value through income statement / amortised cost	10	56,715	54,366	-	-
Property, plant and equipment	13	1,555	1,636	16	20
Right-of-use assets	14	1,310	873	-	20
Investment properties	15	29,746	45,218	-	-
Subsidiary corporations	16	-	-	103,116	105,675
Joint ventures	17	34,513	17,321	-	-
Associates	18	75,042	73,890	-	-
Financial assets measured at fair value through income statement	19	51,609	45,757	1,681	-
Total non-current assets		255,054	249,150	104,813	105,715
Total assets		338,129	311,320	106,982	106,796

See accompanying notes to financial statements.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021

	Note	Group		Company	
		2021	2020	2021	2020
		S\$'000	S\$'000	S\$'000	S\$'000
LIABILITIES AND EQUITY					
Current liabilities					
Trade and bills payables	20	3,086	1,222	–	–
Trust receipts	21	23,108	14,027	–	–
Bank and other borrowings	22	24,383	24,662	1,250	938
Lease liabilities	23	791	556	–	21
Other payables	24	18,960	12,720	854	594
Provisions	25	3,021	2,813	52	52
Income tax payable		1,157	1,522	–	–
Total current liabilities		74,506	57,522	2,156	1,605
Non-current liabilities					
Amount owing to subsidiary corporations	16	–	–	11,698	11,639
Bank and other borrowings	22	12,455	13,619	2,957	4,063
Lease liabilities	23	545	251	–	–
Other payables	24	667	379	–	–
Deferred tax liability	26	21,234	16,511	–	–
Total non-current liabilities		34,901	30,760	14,655	15,702
Capital, reserves and non-controlling interests					
Issued capital	27	72,579	72,579	72,579	72,579
Reserves	28	78,600	75,332	17,592	16,910
Equity attributable to equity holders of the Company		151,179	147,911	90,171	89,489
Non-controlling interests	16	77,543	75,127	–	–
Total equity		228,722	223,038	90,171	89,489
Total liabilities and equity		338,129	311,320	106,982	106,796

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2021

	Note	Group	
		2021	2020
		S\$'000	S\$'000
Revenue	30	127,796	90,121
Cost of sales		(99,933)	(62,554)
Gross profit		27,863	27,567
Other operating income	31	1,065	751
Distribution costs		(5,673)	(4,720)
Administration expenses		(18,392)	(17,896)
Other operating expenses		(623)	(870)
Share of profit of associates and joint ventures	17, 18	29,994	15,940
Finance income		22	67
Finance costs	32	(2,281)	(2,102)
Valuation gains on investment properties and assets held for sale, net	12, 15	3,330	847
Profit before income tax		35,305	19,584
Income tax	33	(7,244)	(3,373)
Profit for the year	34	28,061	16,211
Profit attributable to:			
Equity holders of the Company		17,252	6,534
Non-controlling interests		10,809	9,677
		28,061	16,211
Basic earnings per share (cents)	36	13.18	4.99
Diluted earnings per share (cents)	36	13.18	4.99

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2021

	Group	
	2021	2020
	S\$'000	S\$'000
Profit for the year	28,061	16,211
Other comprehensive (loss) income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Translation (loss) gain arising on consolidation	(14,212)	10,428
Other comprehensive (loss) income for the year, net of tax	(14,212)	10,428
Total comprehensive income for the year	13,849	26,639
Total comprehensive income attributable to:		
Equity holders of the Company	8,483	13,927
Non-controlling interests	5,366	12,712
	13,849	26,639

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2021

	Issued capital	Capital reserve	Asset revaluation reserve	Options reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group									
Balance at January 1, 2020	72,579	(9,084)	763	16	(7,648)	78,649	135,275	62,917	198,192
<i>Total comprehensive income for the year:</i>									
Profit for the year	-	-	-	-	-	6,534	6,534	9,677	16,211
Other comprehensive income for the year	-	-	-	2	7,391	-	7,393	3,035	10,428
Total	-	-	-	2	7,391	6,534	13,927	12,712	26,639
<i>Transactions with owners, recognised directly in equity:</i>									
Dividend (Note 35)	-	-	-	-	-	(1,309)	(1,309)	-	(1,309)
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	(508)	(508)
Recognition of share-based payments of a subsidiary corporation	-	-	-	18	-	-	18	6	24
Total	-	-	-	18	-	(1,309)	(1,291)	(502)	(1,793)
Balance at December 31, 2020	72,579	(9,084)	763	36	(257)	83,874	147,911	75,127	223,038

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2021

	Issued capital	Capital reserve	Asset revaluation reserve	Options reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group									
Balance at January 1, 2021	72,579	(9,084)	763	36	(257)	83,874	147,911	75,127	223,038
<i>Total comprehensive income for the year:</i>									
Profit for the year	-	-	-	-	-	17,252	17,252	10,809	28,061
Other comprehensive loss for the year	-	-	-	(2)	(8,767)	-	(8,769)	(5,443)	(14,212)
Total	-	-	-	(2)	(8,767)	17,252	8,483	5,366	13,849
<i>Transactions with owners, recognised directly in equity:</i>									
Cash contributions from non-controlling shareholders in a subsidiary corporation	-	-	-	-	-	-	-	596	596
Dividends (Note 35)	-	-	-	-	-	(5,234)	(5,234)	-	(5,234)
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	(3,552)	(3,552)
Recognition of share-based payments of a subsidiary corporation	-	-	-	19	-	-	19	6	25
Transfer from asset revaluation reserve to retained earnings on disposal of assets held for sale	-	-	(763)	-	-	763	-	-	-
Total	-	-	(763)	19	-	(4,471)	(5,215)	(2,950)	(8,165)
Balance at December 31, 2021	72,579	(9,084)	-	53	(9,024)	96,655	151,179	77,543	228,722

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2021

	Issued capital	Retained earnings	Total
	S\$'000	S\$'000	S\$'000
Company			
Balance at January 1, 2020	72,579	25,807	98,386
Loss for the year, representing total comprehensive loss for the year	–	(7,588)	(7,588)
<i>Transactions with owners, recognised directly in equity:</i>			
Dividend (Note 35)	–	(1,309)	(1,309)
Balance at December 31, 2020	72,579	16,910	89,489
Profit for the year, representing total comprehensive income for the year	–	5,916	5,916
<i>Transactions with owners, recognised directly in equity:</i>			
Dividends (Note 35)	–	(5,234)	(5,234)
Balance at December 31, 2021	72,579	17,592	90,171

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021

	Group	
	2021	2020
	S\$'000	S\$'000
OPERATING ACTIVITIES		
Profit before income tax	35,305	19,584
Adjustments for:		
Depreciation expenses	1,500	1,856
Share of profit of associates and joint ventures	(29,994)	(15,940)
Dividend income from financial assets measured at FVTIS	–	(7,384)
Fair value gain and interest income on debt instruments measured at FVTIS / amortised cost	(6,192)	(9,636)
Fair value (gain) loss on financial assets measured at FVTIS	(5,547)	1,852
Interest expense	2,281	2,102
Interest income	(22)	(67)
Gain on disposal of investment properties / assets held for sale	(706)	(391)
(Gain) Loss on disposal of property, plant and equipment	(6)	32
Valuation gains on investment properties and assets held for sale, net	(3,330)	(847)
Net unrealised foreign exchange loss (gain)	292	(51)
Share-based payment expenses	25	24
Provision for employee benefits	299	389
Allowance for inventories	573	509
Impairment loss recognised on trade receivables	206	22
Impairment loss recognised on other receivables and prepayments	151	–
Operating cash flows before movements in working capital	(5,165)	(7,946)
Trade receivables	(4,987)	1,086
Other receivables and prepayments	(1,429)	4,198
Inventories	(6,796)	874
Trade and bills payables	1,845	(2,336)
Other payables and provisions	5,995	(243)
Cash used in operations	(10,537)	(4,367)
Income tax paid	(1,472)	(1,446)
Interest paid	(2,046)	(2,004)
Interest received	33	65
Net cash used in operating activities	(14,022)	(7,752)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021

	Group	
	2021	2020
	S\$'000	S\$'000
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(366)	(210)
Proceeds from disposal of property, plant and equipment	6	-
Investments in associates	(577)	(382)
Return from an associate	5,502	-
Additions to joint ventures	(728)	(951)
Additions to financial assets measured at FVTIS	(1,691)	-
Dividend received from financial assets measured at FVTIS	3,467	-
Repayments of debt instruments measured at FVTIS / amortised cost - current and non-current	9,679	21,747
Additions to debt instruments measured at FVTIS / amortised cost - current and non-current	(8,287)	(28,292)
Proceeds from disposal of investment properties / assets held for sale	12,553	6,830
Net cash generated from (used in) investing activities	19,558	(1,258)
FINANCING ACTIVITIES		
Dividends paid to non-controlling shareholders in subsidiary corporations	(3,552)	(508)
Dividends paid	(5,234)	(1,309)
Cash contributions from non-controlling shareholders in subsidiary corporations	596	-
Increase in fixed deposits with maturities exceeding three months	(15)	(95)
Decrease in pledged fixed deposits	39	19
Increase in trust receipts	8,987	3,785
Increase (Decrease) in factoring loan	287	(1,006)
Repayments of lease liabilities	(948)	(1,371)
Increase in other loans	1,988	1,806
Repayments of other loans	(1,808)	(18)
Loans from banks	21,602	21,038
Repayments of bank loans	(23,485)	(18,507)
Net cash (used in) generated from financing activities	(1,543)	3,834
Net increase (decrease) in cash and cash equivalents	3,993	(5,176)
Cash and cash equivalents at beginning of year (Note 7)	2,873	7,906
Net effect of exchange rate changes in the balance of cash held in foreign currencies	(145)	143
Cash and cash equivalents at end of year (Note 7)	6,721	2,873

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

1 GENERAL

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

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

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

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended December 31, 2021 were authorised for issue by the Board of Directors on March 31, 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New and revised IFRS Standards in issue but not yet effective

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

Amendments to SFRS(I) 10 and SFRS(I) 1-28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to SFRS(I) 1-1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to SFRS(I) 3	<i>Reference to the Conceptual Framework</i>
Amendments to SFRS(I) 1-16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to SFRS(I) 1-37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual improvements to SFRS(I)s 2018 – 2020 Cycle	<i>Amendments to SFRS(I) 1-First-time Adoption of International Standards, SFRS(I) 9 Financial instruments, SFRS(I) 16 Leases and SFRS(I)1-41 Agriculture.</i>
Amendments to SFRS(I) 1-1 and SFRS(I)	<i>Practice Statement 2 Disclosure of Accounting Policies</i>
Amendments to SFRS(I) 1-8	<i>Definition of Accounting Estimates</i>
Amendments to SFRS(I) 1-12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Changes in the Group's ownership interests in existing subsidiary

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payments awards transactions of the acquirer are measured in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

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

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

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

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

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

Financial assets

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of financial assets

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

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

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

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

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

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

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

Amortised cost and effective interest method

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortised cost and effective interest method (CONTINUED)

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

Financial assets at FVTIS

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

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTIS. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTIS upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. Changes in fair value are recognised in profit or loss and are included in the "revenue" line item. Fair value is determined in the manner described in Note 4(b)(v).
- Financial assets at FVTIS are measured at fair value as at each reporting date, with any fair value gains or losses recognised in the income statement to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the line item "revenue". Changes in fair value are recognised in profit or loss and are included in the "revenue" line item. Fair value is determined in the manner described in Note 4(b)(v).

Foreign exchange gains and losses

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

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

Impairment of financial assets

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

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (CONTINUED)

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

Significant increase in credit risk

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Definition of default

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

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

Credit-impaired financial assets

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

- significant financial difficulty of the issuer or the borrower;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

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

Measurement and recognition of expected credit losses

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

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement and recognition of expected credit losses (CONTINUED)

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

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

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

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

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

Derecognition of financial assets

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

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

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

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

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

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

Foreign exchange gains and losses

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

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

Derecognition of financial liabilities

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

Derivative financial instruments

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

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Offsetting arrangements

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

LEASES

The Group as lessee

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

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

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

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

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

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

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Group as lessee (CONTINUED)

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

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

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

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

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

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

The Group as lessor

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

No depreciation is charged on freehold land.

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

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Details of the determination of fair value of such options are disclosed in Note 29.

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

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

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

Sale of goods

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

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

Interest income

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 on an accrual basis.

Rental income

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

Fair value changes on debt instruments and financial assets

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

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

Critical judgements in applying the entity's accounting policies

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

(i) Accounting for entities under TMK structure

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

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

TMK Legal 1 and TMK Japan TCAP are accounted for as associate companies using the equity method with share of profits of 93.4% (45.2% preferred shares (include rights to dividends and residual assets) and 48.2% preferred shares (include rights to dividends and residual assets but no voting power)) and 99.5% (49% preferred shares (include rights to dividends and residual assets) and 50.5% preferred shares (include rights to dividends and residual assets but no voting power)) respectively. Preferred shares (include rights to dividends and residual assets but no voting power) are held indirectly in a Japanese vehicle through a TK (tokumei kumiai) operator which the Group does not have a right to control and the Group has agreed to delegate all authority to the TK operator which can only be lifted through the dissolution of the TMK.

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

Key sources of estimation uncertainty

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

(i) Allowances for inventories

As at December 31, 2021, the Group has inventories amounting to S\$14,745,000 (2020: S\$8,321,000).

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

Key sources of estimation uncertainty (CONTINUED)

(ii) Impairment loss on trade and other receivables

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

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

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

The Group's investment properties and assets held for sale amounting to S\$29,746,000 (2020: S\$45,218,000) and S\$19,755,000 (2020: S\$13,787,000) respectively, are stated at their estimated fair value.

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

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

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

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

(iv) Valuation of financial assets measured at FVTIS

As at December 31, 2021, the Group has unquoted investments measured at FVTIS amounting to S\$51,609,000 (2020: S\$45,756,000).

The fair value of the financial assets measured at FVTIS is estimated based on the Group's share of the net asset value of the investee, which approximates its fair value as at the end of the reporting period. The Japanese investee's main assets are office and hotel buildings (2020: office and hotel buildings) in Japan which are leased to external parties or vacant.

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

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

Key sources of estimation uncertainty (CONTINUED)

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

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

The Group has made disclosures on these financial assets measured at FVTIS in Note 19 to the financial statements.

(v) Valuation of debt instruments measured at FVTIS

As at December 31, 2021, the Group has debt instruments amounting to S\$75,378,000 (2020: S\$71,704,000) which are extended to third parties and the joint venture entities for development projects in Australia. These debt instruments earn fixed interest income on the principal amount and variable returns less withholding tax at the relevant rate.

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

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

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

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

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

(vi) Impairment of investments in subsidiary corporations

Determining whether investments in subsidiary corporations are impaired requires an estimation of the recoverable amount of the investment in subsidiary corporations as at the end of the reporting period. Management has estimated the recoverable amount based on the fair value less cost to sell and is satisfied that the recoverable amounts are higher than the carrying value of the subsidiary corporations which has been stated net of an impairment loss of S\$126,505,000 (2020: S\$128,326,000). The fair value less cost to sell is determined by reference to the estimated realisable values of the net tangible assets of the subsidiary corporations.

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

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

(b) Financial risk management policies and objectives

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

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

(i) Credit risk management

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

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

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

(i) Credit risk management (CONTINUED)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the country and industry in which customers operate also has an influence on credit risk but to a lesser extent. At the end of the reporting period, the Group has certain concentration of credit risk as approximately 49% (2020: 44%) of the total trade and other receivables (excluding advances to suppliers and prepayments) were due from the Group's ten largest customers.

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

	Note	Internal credit rating	12-month or Lifetime ECL	Gross carrying amount S\$'000	Loss allowance S\$'000	Net carrying amount S\$'000
<u>Group</u>						
<u>December 31, 2021</u>						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	13,427	(1,182)	12,245
Other receivables	9	(ii)	12 months ECL	7,185	(148)	7,037
					<u>(1,330)</u>	
<u>December 31, 2020</u>						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	8,318	(963)	7,355
Other receivables	9	(ii)	12 months ECL	12,239	-	12,239
					<u>(963)</u>	

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

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

(ii) **Interest rate risk management**

The primary source of the Group's interest rate risk relates to interest-bearing bank deposits and its borrowings from banks. The interest-bearing bank deposits and borrowings of the Group are disclosed in Notes 7, 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 tax for the year ended December 31, 2021 of the Group would decrease/increase by S\$26,000 (2020: S\$33,000).

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

(iii) **Foreign exchange risk management**

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

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

Management enters into foreign exchange options to manage foreign exchange rate risk from time to time.

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

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

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

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

	Group				Company			
	Assets		Liabilities		Assets		Liabilities	
	2021	2020	2021	2020	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
United States dollar	19,137	15,914	14,528	21,320	523	21	-	-
Hong Kong dollar	10,681	15	20,784	5,278	-	-	87,820	84,420
Australian dollar	1,806	1,153	-	1,988	1	-	-	-
Japanese yen	833	1,367	293	130	1,966	2,594	5,382	5,745

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

Foreign currency sensitivity

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

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

	United States		Hong Kong		Japanese		Australian	
	dollar impact		dollar impact		yen impact		dollar impact	
	2021	2020	2021	2020	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group								
Profit for the year	(469)	563	1,005	526	(54)	(123)	(180)	87
Other equity	8	(22)	5	-	-	-	-	(3)
Company								
Profit for the year	(52)	(2)	8,782	8,045	(35)	(133)	-	-

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

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

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

Foreign currency sensitivity (CONTINUED)

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

The Group's sensitivity to foreign currencies has decreased in relation to the United States dollar during the current year mainly due to the decrease in 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 decreased in the year due to lower inter-company balances denominated in Japanese yen.

(iv) **Liquidity risk management**

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

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

(iv) Liquidity risk management (CONTINUED)

Non-derivative financial liabilities

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

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	More than 5 years	Adjustment	Total
	%	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group						
<u>December 31, 2021</u>						
Non-interest bearing	-	16,561	-	-	-	16,561
Lease liabilities (fixed rate)	3.69	883	561	-	(108)	1,336
Variable interest rate instruments	2.37	5,199	-	-	(122)	5,077
Fixed interest rate instruments	3.14	44,004	12,598	-	(1,733)	54,869
		66,647	13,159	-	(1,963)	77,843
<u>December 31, 2020</u>						
Non-interest bearing	-	10,504	-	-	-	10,504
Lease liabilities (fixed rate)	4.49	594	246	-	(33)	807
Variable interest rate instruments	3.43	6,309	456	-	(228)	6,537
Fixed interest rate instruments	3.39	35,227	12,119	-	(1,575)	45,771
		52,634	12,821	-	(1,836)	63,619
Company						
<u>December 31, 2021</u>						
Non-interest bearing	-	854	6,452	-	-	7,306
Fixed interest rate instruments	2.05	1,355	8,293	-	(195)	9,453
		2,209	14,745	-	(195)	16,759
<u>December 31, 2020</u>						
Lease liabilities (fixed rate)	4.40	22	-	-	(1)	21
Non-interest bearing	-	594	5,912	-	-	6,506
Fixed interest rate instruments	2.08	1,039	9,911	-	(222)	10,728
		1,655	15,823	-	(223)	17,255

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

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

(iv) Liquidity risk management (CONTINUED)

Non-derivative financial liabilities (CONTINUED)

The maximum amount that the Company could be forced to settle under the financial guarantee contract in Note 38, if the full outstanding guaranteed amount is claimed by the counterparty to the guarantee, is S\$43,627,000 (2020: S\$42,192,000). The earliest period that the guarantee could be called is within 1 year (2020: 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.

(v) Fair value of financial assets and financial liabilities

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

The following financial instruments are measured at fair value:

	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
<u>December 31, 2021</u>				
Debt instruments measured at FVTIS	-	-	75,378	75,378
Financial assets measured at FVTIS:				
- Unquoted investments	-	-	51,608	51,608
- Club debenture	-	-	1	1
<u>December 31, 2020</u>				
Debt instruments measured at FVTIS	-	-	71,704	71,704
Financial assets measured at FVTIS:				
- Unquoted investments	-	-	45,756	45,756
- Club debenture	-	-	1	1

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

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

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

Financial assets measured at fair value based on level 3

	Financial assets measured at FVTIS	Debt instruments measured at FVTIS
	S\$'000	S\$'000
Group		
As at January 1, 2020	46,120	52,626
Additions	–	26,772
Repayments	–	(21,747)
Fair value (loss) gain for the year	(1,852)	9,230
Translation adjustment	1,489	4,823
As at December 31, 2020	45,757	71,704
Additions	1,691	8,287
Repayments	–	(9,679)
Fair value gain for the year	5,547	6,192
Transfer	2,717	(2,717)
Transfer from debt instruments at amortised cost	–	4,326
Translation adjustment	(4,103)	(2,735)
As at December 31, 2021	51,609	75,378
Company		
As at December 31, 2020/ January 1, 2020	–	–
Additions	1,681	–
As at December 31, 2021	1,681	–

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

(vi) **Equity price risk management**

The Group is exposed to equity risks arising from unquoted investment classified as financial assets measured at FVTIS. The investments are held for long-term rather than trading purposes. The Group does not actively trade financial assets measured at FVTIS. Further details of its financial assets measured at FVTIS are disclosed in Note 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 Japanese investment had been 3% higher or lower while all other variables were held constant, the profit before tax for the year would increase or decrease by S\$2,616,000 (2020: S\$2,734,000) respectively.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

(c) *Capital management policies and objectives*

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance except where decisions are made to exit businesses or close companies.

The capital structure of the Group consists of debts, which includes the borrowings disclosed in Notes 21 and 22 and equity attributable to owners 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, 2021, the Group's gearing ratio is 0.41 (2020: 0.36).

Two subsidiary corporations of the Company are required to maintain a minimum net worth level in order to comply with a covenant for trade finance facilities from banks. All subsidiary corporations are in compliance with externally imposed capital requirements for the years ended December 31, 2020 and 2021.

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 2020.

5 RELATED COMPANY TRANSACTIONS

The Company is a subsidiary of Prime Trade Enterprises Limited, incorporated in the British Virgin Islands, by virtue of its 50.2% shareholding in the Company. The ultimate controlling party is Thakral Group Limited, incorporated in Singapore, whose interest in the Company is held through Prime Trade Enterprises Limited. The parent companies do not prepare consolidated financial statements available for public use.

Some of the Company's transactions and arrangements are with the subsidiary corporations in the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. Balances due to/from subsidiary corporations are unsecured, interest-free and repayable on demand except for interest-bearing loans with subsidiary corporations which are considered as non-current as disclosed in Note 16.

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

6 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. Balances with related parties are unsecured, interest-free and repayable on demand, except for interest-bearing loans as disclosed in Note 22 for co-investment in debt instruments.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

6 RELATED PARTY TRANSACTIONS (CONTINUED)

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

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

No expense has been recognised during the year for bad or doubtful debts in respect of the amounts owed by related parties.

Compensation of directors and key management personnel

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

	Group	
	2021	2020
	S\$'000	S\$'000
Short-term benefits	8,725	6,890
Post-employment benefits	15	15
	8,740	6,905

The remuneration of directors and key management is determined by the Compensation Committee having regard to the performance of individuals and market trends.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

7 CASH AND BANK BALANCES

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

Fixed deposits bear interest at an average effective interest rate of 0.79% (2020: 2.28%) per annum and are for a weighted average tenure of approximately 239 days (2020: 204 days).

8 TRADE RECEIVABLES

	Group	
	2021	2020
	S\$'000	S\$'000
Trade receivables	13,211	8,318
Management fee and other service income receivable	216	-
Loss allowance	(1,182)	(963)
	12,245	7,355

Included in trade receivables is an amount of S\$643,000 (2020: S\$175,000) due from related parties and joint ventures (Note 6). No allowance has been made against this amount.

The average credit period on sale of goods is 28 days (2020: 32 days). No interest is charged on the overdue trade receivables. Loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

8 TRADE RECEIVABLES (CONTINUED)

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Not past due	Group				Total
		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, 2021						
Expected credit loss rate	2.33%	3.21%	3.05%	2.27%	66.84%	
Estimated total gross carrying amount at default	10,576	996	393	132	1,330	13,427
Lifetime ECL	(246)	(32)	(12)	(3)	(889)	(1,182)
						<u>12,245</u>
December 31, 2020						
Expected credit loss rate	3.19%	2.23%	2.69%	4.02%	76.22%	
Estimated total gross carrying amount at default	6,377	573	313	91	964	8,318
Lifetime ECL	(203)	(13)	(8)	(4)	(735)	(963)
						<u>7,355</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:

	Lifetime ECL - not credit-impaired		Lifetime ECL - credit-impaired	Total
	Collectively assessed	Individually assessed		
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
Balance as at January 1, 2020	-	224	732	956
Net re-measurement of loss allowance	-	30	(10)	20
Amounts written off	-	-	(5)	(5)
Translation adjustment	-	-	(8)	(8)
Balance as at December 31, 2020	-	254	709	963
Net re-measurement of loss allowance	-	50	156	206
Amounts written off	-	(5)	-	(5)
Translation adjustment	-	18	-	18
Balance as at December 31, 2021	-	317	865	1,182

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

8 TRADE RECEIVABLES (CONTINUED)

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in financial difficulties and/or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements. The Group's trade receivables that are past due at the reporting date but not impaired relates to debtors where there is no change in credit quality of these customers as the Group had assessed them to be recoverable based on past payment history, ongoing dealings and settlement arrangements, including subsequent receipts after year-end.

9 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Other receivables				
Advances to suppliers	3,122	1,209	-	-
Deposits	1,101	902	4	7
Value added tax/Tax recoverable	1,078	1,099	5	5
Prepayments	1,316	769	102	71
Interest receivable	9	20	-	-
Dividends receivable	3,376	7,315	-	-
Advances to joint venture	1,189	1,233	-	-
Loan to an associate	-	1,151	-	-
	11,191	13,698	111	83
Others				
Others	1,510	1,618	39	24
Loss allowance for others	(148)	-	-	-
Total others, net of allowance	1,362	1,618	39	24
Total	12,553	15,316	150	107
Less: Non-current other receivables	(4,564)	(10,089)	-	-
Classified as current other receivables and prepayments	7,989	5,227	150	107

The advances to joint venture pertain to unsecured and interest-free advances to joint venture. The loan to an associate which was unsecured and bore a fixed interest rate of 1.5% per annum was repaid during the year.

Included in others is an amount of S\$33,000 (2020: S\$Nil) for reimbursement of expense from related parties and joint ventures (Note 6). No allowance has been made against this amount.

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

9 OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Movements in loss allowances for other receivables were as follows:

	Group	
	2021	2020
	S\$'000	S\$'000
Balance at beginning of year	-	-
Translation adjustment	(3)	-
Charge for the year	151	-
Balance at end of year	148	-

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

	Group	
	2021	2020
	S\$'000	S\$'000
<u>Debt instruments:</u>		
<u>Current</u>		
At fair value	18,663	21,154
At amortised cost	-	510
	18,663	21,664
<u>Non-Current</u>		
At fair value	56,715	50,550
At amortised cost	-	3,816
	56,715	54,366
	75,378	76,030

The debt instruments denominated in Australian dollars are secured by, inter alia, first or second mortgages over the land of the projects, first or second mortgages and debentures over the borrower and other project related entities as well as personal guarantees by owners/principal shareholders of certain developers.

The current and non-current debt instruments are extended to third parties and the joint venture entities for development projects in Australia.

Included above is an amount of S\$46,114,000 (2020: S\$42,231,000) advanced to the joint venture entities.

Changes in the fair value of debt instruments measured at FVTIS, amounting to S\$6,192,000 gain (2020: S\$9,230,000 gain) have been included in profit or loss for the year as part of "revenue".

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

10 DEBT INSTRUMENTS MEASURED AT FAIR VALUE THROUGH INCOME STATEMENT/ AMORTISED COST (CONTINUED)

Description	Fair values		Fair value hierarchy	Valuation technique(s)	Significant unobservable input(s)	Average rate
	2021	2020				
	S\$'000	S\$'000				
Unquoted debt instruments at FVTIS	75,378	71,704	Level 3	Discounted cash flows	Discount rates	16% (2020: 17%)

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

11 INVENTORIES

	Group	
	2021	2020
	S\$'000	S\$'000
Finished goods and goods for resale	14,745	8,321

The cost of inventories recognised as an expense includes a charge of S\$573,000 (2020: S\$509,000) in respect of allowance for adjustment in carrying value of inventories to net realisable value.

12 ASSETS HELD FOR SALE

	Group	
	2021	2020
	S\$'000	S\$'000
Freehold land and buildings - Australia	19,755	10,493
Leasehold land and buildings - PRC	-	3,294
	19,755	13,787

These assets, which are expected to be sold within 12 months, have been classified as assets held for sale and presented separately in the statement of financial position. Negotiations with several interested parties have taken place and certain properties in Australia are expected to be sold within 12 months. All the properties in the PRC were sold during the year.

As at December 31, 2021, the Group has pledged the assets held for sale located in Australia, having a carrying amount of approximately S\$19,755,000 (2020: S\$10,493,000) to secure banking facilities granted to the Group.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

12 ASSETS HELD FOR SALE (CONTINUED)

Details of the Group's significant assets held for sale are as follows:

Description and location	Existing use	Leasehold or freehold	Tenure and unexpired lease term
Dongshan Plaza Guangzhou, PRC	Office	Leasehold	N.A.
Villas in City in City Zhongshan City, Guangdong, PRC	Residential	Leasehold	N.A.
Residential units in the city of Gladstone, Queensland, Australia	Residential	Freehold	N.A.

Fair value measurement of the Group's assets held for sale in Australia and the PRC

The fair values of the Group's assets held for sale at December 31, 2021 and 2020 have been determined on the basis of valuations carried out by independent firm of professional valuers having appropriate recognised professional qualification and recent experience in the location and category of the properties being valued, and not related to the Group. The fair value was determined based on an open market basis by making reference to the recent transactions of similar properties in similar location and condition under the prevailing market conditions. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique from prior year.

The Group classified its assets held for sale using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at the end of the reporting period, the fair value measurements of the Group's properties are classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the year.

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

Description	Fair value		Valuation technique(s)	Significant unobservable input(s)	Range
	2021	2020			
	S\$'000	S\$'000			
Residential properties – Australia	19,755	10,493	Direct comparison approach	Selling prices per unit ⁽¹⁾	S\$402,000 – S\$485,000 (2020: S\$315,041 – S\$370,935)
Residential properties – PRC	–	1,455	Direct comparison approach	Price per square meter ⁽¹⁾	Nil (2020: S\$1,723 – S\$1,752)
Office Properties - PRC	–	1,839	Direct comparison approach	Price per square meter ⁽¹⁾	Nil (2020: S\$3,540 – S\$3,633)

- (1) Price per square meter and selling price per unit is based on recent transactions adjusted for property type, age and location. Any significant isolated increases (decreases) in the estimated price per square meter would result in a significantly higher (lower) fair value measurement.

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DECEMBER 31, 2021

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				
At January 1, 2020	790	3,836	1,104	5,730
Translation adjustments	–	114	41	155
Additions	–	210	–	210
Disposals	–	(314)	–	(314)
At December 31, 2020	790	3,846	1,145	5,781
Translation adjustments	–	134	48	182
Additions	–	366	–	366
Disposals	–	(39)	(11)	(50)
At December 31, 2021	790	4,307	1,182	6,279
Accumulated depreciation:				
At January 1, 2020	19	2,764	741	3,524
Translation adjustments	–	79	29	108
Depreciation	13	348	92	453
Disposals	–	(282)	–	(282)
At December 31, 2020	32	2,909	862	3,803
Translation adjustments	–	104	40	144
Depreciation	13	387	68	468
Disposals	–	(39)	(11)	(50)
At December 31, 2021	45	3,361	959	4,365
Impairment:				
At January 1, 2020	–	327	–	327
Translation adjustments	–	15	–	15
At December 31, 2020	–	342	–	342
Translation adjustments	–	17	–	17
At December 31, 2021	–	359	–	359
Carrying amount:				
At December 31, 2021	745	587	223	1,555
At December 31, 2020	758	595	283	1,636

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13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

In prior years, the Group made payment in full to secure the right-of-use of certain leasehold land and buildings amounting to S\$745,000 (2020: S\$758,000). These right-of-use assets are presented within property, plant & equipment.

	Leasehold improvements, furniture and fixtures and office equipment
	S\$'000
Company	
Cost:	
At January 1, 2020	163
Additions	4
Disposals	(89)
At December 31, 2020	78
Additions	6
At December 31, 2021	84
Accumulated depreciation:	
At January 1, 2020	136
Depreciation	11
Disposals	(89)
At December 31, 2020	58
Depreciation	10
At December 31, 2021	68
Carrying amount:	
At December 31, 2021	16
At December 31, 2020	20

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14 RIGHT-OF-USE ASSETS

The Group leases several assets including office space, apartments and warehouses. The average lease term is 3 years (2020: 3 years).

	Office space	Apartments	Warehouses	Motor vehicles	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group					
Cost:					
At January 1, 2020	2,854	688	938	86	4,566
Translation adjustments	83	(10)	(13)	2	62
Additions	315	-	-	-	315
Disposal	(1,000)	-	(925)	-	(1,925)
At December 31, 2020	2,252	678	-	88	3,018
Translation adjustments	53	10	-	(7)	56
Additions	714	344	406	-	1,464
Disposal	(1,606)	(688)	-	-	(2,294)
At December 31, 2021	1,413	344	406	81	2,244
Accumulated depreciation:					
At January 1, 2020	1,664	389	547	19	2,619
Translation adjustments	34	(12)	(21)	-	1
Depreciation	855	175	352	21	1,403
Disposal	(1,000)	-	(878)	-	(1,878)
At December 31, 2020	1,553	552	-	40	2,145
Translation adjustments	47	8	-	(4)	51
Depreciation	655	171	186	20	1,032
Disposal	(1,606)	(688)	-	-	(2,294)
At December 31, 2021	649	43	186	56	934
Carrying amount:					
At December 31, 2021	764	301	220	25	1,310
At December 31, 2020	699	126	-	48	873

The expired contracts were either replaced by new leases for identical underlying assets or extended through exercising the extension options. This resulted in additions to right-of-use assets of S\$1.5 million (2020: S\$0.3 million) in 2021.

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14 RIGHT-OF-USE ASSETS (CONTINUED)

	Office space S\$'000
Company	
Cost:	
At January 1, 2020 and December 31, 2020	122
Disposals	(122)
At December 31, 2021	-
Accumulated depreciation:	
At January 1, 2020	61
Depreciation	41
At December 31, 2020	102
Depreciation	20
Disposals	(122)
At December 31, 2021	-
Carrying amount:	
At December 31, 2021	-
At December 31, 2020	20

15 INVESTMENT PROPERTIES

	Group	
	2021	2020
	S\$'000	S\$'000
Freehold land and buildings - Australia	-	16,494
Leasehold land and buildings - Singapore	29,746	28,724
	29,746	45,218

Movements in investment properties were as follows:

	Group	
	2021	2020
	S\$'000	S\$'000
Balance at beginning of year	45,218	62,268
Disposals	-	(6,439)
Valuation gains for the year recognised in profit or loss, net	2,617	847
Translation adjustment	(632)	2,329
Transfers to assets held for sale	(17,457)	(13,787)
Balance at end of year	29,746	45,218

During the year, the Group recognised valuation gain on investment properties amounting to S\$2,617,000 (2020: S\$847,000) in profit or loss.

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15 INVESTMENT PROPERTIES (CONTINUED)

The property rental income from the Group's investment properties (including assets held for sale) leased out under operating leases amounted to S\$1,994,000 (2020: S\$2,930,000). Direct operating expenses (including repairs and maintenance) arising from the properties that generated rental income during the year amounted to S\$797,000 (2020: S\$710,000).

As at December 31, 2021, the Group has pledged investment properties having a carrying amount of approximately S\$29,746,000 (2020: S\$45,218,000) to secure banking facilities granted to the Group.

Details of the Group's significant investment properties are as follows:

Description and location	Existing use	Leasehold or freehold	Tenure and unexpired lease term
20 Upper Circular Road #03-06, The Riverwalk, Singapore	Office	Leasehold	58 years till December 14, 2079
Residential units in the city of Gladstone, Queensland, Australia	Residential	Freehold	–

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

The fair values of the Group's investment properties in Singapore and Australia have been determined on the basis of valuations carried out by independent firms of professional valuers having appropriate recognised professional qualification and recent experience in the location and category of the properties being valued, and not related to the Group. The fair value was determined based on an open market basis by making reference to the recent transactions of similar properties in similar location and condition under the prevailing market conditions. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There was no change to the valuation technique from prior year.

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

The Group classified its investment properties using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at the end of the reporting period, the fair value measurements of the Group's properties are classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the year.

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

Description	Fair value		Valuation technique(s)	Significant unobservable input(s)	Range
	2021	2020			
	S\$'000	S\$'000			
Office properties	29,746	28,724	Direct comparison approach	Price per square meter ⁽¹⁾	S\$17,300 (2020: S\$16,700)
Residential properties	–	16,494	Direct comparison approach	Selling prices per unit ⁽¹⁾	NIL (2020: S\$315,000 – S\$371,000)

(1) Price per square meter and selling price per unit is based on recent transactions adjusted for property type, age and location. Any significant isolated increases (decreases) in the estimated price per square meter would result in a significantly higher (lower) fair value measurement.

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16 SUBSIDIARY CORPORATIONS

	Company	
	2021	2020
	S\$'000	S\$'000
Unquoted equity shares, at cost	306,557	306,557
Amounts owing to subsidiary corporations (non-trade)	(81,694)	(78,527)
Cost of investment held by the Company	224,863	228,030
Amounts owing by subsidiary corporations (non-trade)	4,758	5,971
Less: Impairment loss	(126,505)	(128,326)
	103,116	105,675
Amount owing by a subsidiary corporation (non-trade) – current	1,250	938
Amount owing to subsidiary corporations (non-trade)	(11,698)	(11,639)

Management has assessed that intercompany amounts owing by the Company to its wholly-owned subsidiary, Thakral Corporation (HK) Limited ("TCHK"), of S\$81,694,000 (2020: S\$78,527,000) as at December 31, 2021 arising primarily from Group restructuring exercise involving the Company and TCHK are not expected to be repaid in the foreseeable future and therefore treated as deemed capital reduction and offset against the cost of investment in TCHK.

Movements in impairment loss for investments in subsidiary corporations and allowance for amounts owing by subsidiary corporations were as follows:

	Company	
	2021	2020
	S\$'000	S\$'000
Balance at beginning of year	128,326	120,658
(Reversal of) Impairment loss for investment in subsidiary corporations	(1,821)	7,668
Balance at end of year	126,505	128,326

Management has reversed impairment loss of S\$1,821,000 (2020: additional impairment loss of S\$7,668,000) for certain subsidiary corporations based on an assessment of their recoverable values, which is fair value less costs to sell. The net reversal of impairment in 2021 (2020: net impairment) occurred mainly as a result of the increase (2020: decrease) in the net asset values of certain subsidiary corporations from a combination of operational losses and changes in exchange rates of the currencies in which their net assets are denominated.

Amounts owing by subsidiary corporations (non-trade) include a loan of S\$1,476,000 (2020: S\$1,612,000) which bears interest at 2.25% (2020: 2.25%) per annum and is denominated in Japanese Yen. The remaining amounts are interest-free and mainly denominated in Japanese yen.

Amounts owing to subsidiary corporations (non-trade) include a loan of S\$5,246,000 (2020: S\$5,726,000) which bears interest at 1.27% (2020: 1.27%) per annum and is denominated in Japanese Yen. The remaining amounts are interest-free and mainly denominated in Hong Kong dollars.

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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
		2021	2020	2021	2020	
		S\$'000	S\$'000	%	%	
Thakral Corporation (HK) Limited ⁽²⁾	Hong Kong	147,944	151,111	100	100	Marketing and distributing beauty, fragrance and lifestyle products
Thakral Brothers Ltd ⁽¹⁾	Japan	7,543	7,543	100	100	Marketing and distributing beauty, fragrance and lifestyle products
Thakral Lifestyle Pte Ltd	Singapore	7,716	7,716	100	100	Marketing and distributing beauty, fragrance and lifestyle products and investment holding
Thakral Capital Holdings Pte Ltd	Singapore	30,612	30,612	75	75	Investment holding
Thakral Realty (S) Pte Ltd	Singapore	9,000	9,000	100	100	Investment holding
TJP Pte Ltd	Singapore	15,433	15,433	53	53	Investment holding
Thakral Umeda Properties Pte Ltd	Singapore	6,602	6,602	56	56	Investment holding
Thakral China Ltd ⁽³⁾	People's Republic of China	*	*	100	100	Investment holding and marketing and distributing beauty, fragrance and lifestyle products
Thakral Beauty (Shanghai) Ltd ⁽³⁾	People's Republic of China	*	*	100	100	Marketing and distributing beauty, fragrance and lifestyle products
TCAP Pte Ltd	Singapore	*	*	75	75	Investment holding
Thakral Capital Investments Ltd ⁽²⁾	Hong Kong	*	*	75	75	Investment holding
Thakral Capital Australia Pty Ltd ⁽⁴⁾	Australia	*	*	75	75	Origination, execution, and management of investment opportunities
SJ Property Investments Pte Ltd	Singapore	*	*	53	53	Investment holding

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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
		2021	2020	2021	2020	
		S\$'000	S\$'000	%	%	
Nihon Property Investments Pte Ltd	Singapore	*	*	56	56	Investment holding
LNG Trust ⁽⁵⁾	Australia	*	*	75	75	Property development
LNG Trust No. 2 ⁽⁵⁾	Australia	*	*	75	75	Property development
Thakral Japan Properties Pte Ltd	Singapore	*	*	50.6	50.6	Investment holding
TCAP Partners Pty Ltd ⁽⁶⁾	Australia	*	*	75	75	Investment holding

* Held by subsidiary corporations

The above subsidiary corporations are audited by Deloitte & Touche LLP, Singapore except for subsidiary corporations that are indicated below:

- (1) Audited by Matsui C.P.A. Office, Japan
- (2) Audited by Deloitte Touche Tohmatsu, Hong Kong (2020: Moore Stephens CPA Limited, Hong Kong)
- (3) Audited by Da Hua Certified Public Accountants, PRC (member firm of Moore Global Network Limited)
- (4) Not required to be audited by law in country of incorporation
- (5) Audited by Deloitte & Touche LLP, Singapore for purposes of consolidation
- (6) Audited by Thomas Noble & Russell, Australia

Information about the composition of the Group at the end of the financial year is as follows:

Principal activity	Country of incorporation and operation	Number of wholly-owned subsidiary corporations	
		2021	2020
Investments	Hong Kong	–	1
	Singapore	1	1
Marketing and distributing beauty, fragrance and lifestyle products	Singapore	1	1
	China	5	5
	Hong Kong	3	4
	British Virgin Islands	1	1
	Japan	1	1
	Mauritius	1	1
	India	1	1
Others	Hong Kong	1	1
		15	17

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16 SUBSIDIARY CORPORATIONS (CONTINUED)

Principal activity	Country of incorporation and operation	Number of non wholly-owned subsidiary corporations	
		2021	2020
Investments	Singapore	8	8
	Australia	10	11
	Hong Kong	2	2
		20	21

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	
		2021	2020	2021	2020	2021	2020
		%	%	S\$'000	S\$'000	S\$'000	S\$'000
Thakral Japan Properties Pte Ltd	Singapore	49.4	49.4	2,139	2,147	22,432	22,244
Thakral Capital Holdings Pte Ltd and its subsidiary corporations	Singapore	25	25	3,505	3,565	25,455	23,614
TJP Pte Ltd and its subsidiary corporation	Singapore	47	47	4,498	1,576	19,976	19,400
Thakral Umeda Properties Pte Ltd and its subsidiary corporation	Singapore	44	44	667	2,389	9,680	9,869
Total				10,809	9,677	77,543	75,127

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16 SUBSIDIARY CORPORATIONS (CONTINUED)

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

	Thakral Japan Properties Pte Ltd		Thakral Capital Holdings Pte Ltd and its subsidiary corporations		TJP Pte Ltd and its subsidiary corporation		Thakral Umeda Properties Pte Ltd and its subsidiary corporation	
	2021	2020	2021	2020	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current assets	3,426	2,120	41,426	33,985	709	143	233	44
Non-current assets	50,619	52,334	91,426	89,168	48,483	48,296	26,568	26,729
Current liabilities	(53)	(651)	(20,047)	(21,842)	(537)	(1,227)	(1,935)	(1,265)
Non-current liabilities	(8,597)	(8,788)	(10,985)	(6,855)	(3,941)	(2,821)	(840)	(874)
Equity attributable to owners of the Company	22,963	22,771	76,365	70,842	24,738	24,991	14,346	14,765
Non-controlling interests	22,432	22,244	25,455	23,614	19,976	19,400	9,680	9,869
Revenue	5,532	5,547	8,271	13,928	30	3	-	-
Net other (expenses) income	(1,203)	(1,203)	5,749	332	9,552	3,355	1,519	5,443
Profit for the year	4,329	4,344	14,020	14,260	9,582	3,358	1,519	5,443
Profit attributable to owners of the Company	2,190	2,197	10,515	10,695	5,084	1,782	852	3,054
Profit attributable to the non-controlling interests	2,139	2,147	3,505	3,565	4,498	1,576	667	2,389
Profit for the year	4,329	4,344	14,020	14,260	9,582	3,358	1,519	5,443
Other comprehensive (loss) income attributable to owners of the Company	(1,997)	763	(2,732)	5,052	(1,750)	744	(1,193)	147
Other comprehensive (loss) income attributable to the non-controlling interests	(1,952)	745	(911)	1,684	(1,548)	658	(934)	115
Other comprehensive (loss) income for the year	(3,949)	1,508	(3,643)	6,736	(3,298)	1,402	(2,127)	262

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16 SUBSIDIARY CORPORATIONS (CONTINUED)

	Thakral Japan Properties Pte Ltd		Thakral Capital Holdings Pte Ltd and its subsidiary corporations		TJP Pte Ltd and its subsidiary corporation		Thakral Umeda Properties Pte Ltd and its subsidiary corporation	
	2021	2020	2021	2020	2021	2020	2021	2020
	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	193	2,960	7,783	15,747	3,334	2,526	(341)	3,201
Total comprehensive income (loss) attributable to the non-controlling interests	187	2,892	2,594	5,249	2,950	2,234	(267)	2,504
Total comprehensive income (loss) for the year	380	5,852	10,377	20,996	6,284	4,760	(608)	5,705
Dividends to non-controlling interests	-	(593)	(754)	(508)	(2,798)	-	-	-
Net cash (outflow) inflow from operating activities	(734)	(66)	(9,037)	(2,393)	(4,670)	21	(213)	(29)
Net cash inflow (outflow) from investing activities	3,326	-	10,263	885	5,271	-	(554)	(378)
Net cash inflow (outflow) from financing activities	(630)	58	(1,280)	(2,758)	(112)	(66)	772	452
Net cash (outflow) inflow	1,962	(8)	(54)	(4,266)	489	(45)	5	45

Financial support

At the end of the reporting period, the Company has agreed to provide financial support to certain subsidiary corporations that are in net liability position of S\$6.1 million (2020: S\$6.1 million).

17 JOINT VENTURES

	Group	
	2021	2020
	S\$'000	S\$'000
Cost of investment in joint ventures	1,118	1,118
Share of post-acquisition profit	31,806	14,397
Advanced to joint ventures	1,679	951
Translation adjustment	(90)	855
	34,513	17,321

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17 JOINT VENTURES (CONTINUED)

The investment in joint ventures mainly represents the Group's investment in the over-50s living joint venture, under the GemLife brand, with one of Australia's developers in the resort style over-50s homes sector. As at December 31, 2021, twelve resorts with more than 4,500 homes to be built throughout the east coast of Australia have been committed, of which nine resorts have commenced construction.

Name of joint venture	Place of incorporation and operation	Proportion of ownership interest	Proportion of voting power held	Principal activity
GTH group of entities ⁽¹⁾	Australia	49.9%	49.9%	Property development
CBT group of entities	Singapore	50%	50%	Marketing and distributing beauty products

(1) Audited by Thomas Noble & Russell, Australia

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

GTH Group of joint ventures

	Group	
	2021	2020
	S\$'000	S\$'000
Current assets	170,785	156,497
Non-current assets	307,686	224,273
Current liabilities	(40,042)	(32,543)
Non-current liabilities – due to joint venture shareholders	(73,346)	(60,092)
Non-current liabilities – borrowings and other payables	(298,033)	(253,804)

The above amounts of assets and liabilities include the following:

	Group	
	2021	2020
	S\$'000	S\$'000
Cash and cash equivalents	6,484	6,275
Current financial liabilities (excluding trade and other payable)	(3,371)	(2,142)
Non-current financial liabilities – due to joint venture shareholders	(73,346)	(60,092)
Non-current financial liabilities – borrowings (excluding trade and other payable)	(246,378)	(216,303)

	2021	2020
	S\$'000	S\$'000
Revenue	186,973	120,254
Profit for the year	34,790	12,791
Total comprehensive income for the year	34,808	12,799

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17 JOINT VENTURES (CONTINUED)

GTH Group of joint ventures (CONTINUED)

The above profit for the year include the following:

	2021	2020
	S\$'000	S\$'000
Depreciation	(3,170)	(1,519)
Interest income	812	4,708
Interest expense	(29,560)	(22,300)
Income tax expense	(3,887)	(3,140)

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	
	2021	2020
	S\$'000	S\$'000
Net assets of the joint ventures	67,050	34,331
Proportion of the Group's ownership interest in joint ventures	49.9%	49.9%
Carrying amount of the Group's interest in the joint ventures	33,458	17,131

CBT Group of joint ventures

	Group	
	2021	2020
	S\$'000	S\$'000
Current assets	3,461	1,605
Non-current assets	5	7
Current liabilities	(1,321)	(2,542)
Non-current liabilities	(3,329)	(542)

The above amounts of assets and liabilities include the following:

	Group	
	2021	2020
	S\$'000	S\$'000
Cash and cash equivalents	1,073	338

	2021	2020
	S\$'000	S\$'000
Revenue	5,311	1,459
Profit (loss) for the year	68	(1,081)
Total comprehensive income (loss) for the year	68	(1,081)

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17 JOINT VENTURES (CONTINUED)

CBT Group of joint ventures (CONTINUED)

The above income (loss) for the year include the following:

	2021	2020
	S\$'000	S\$'000
Depreciation	(2)	-
Interest expense	(107)	(10)

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	
	2021	2020
	S\$'000	S\$'000
Net liabilities of the joint ventures	(1,184)	(1,472)
Proportion of the Group's ownership interest in joint ventures	50%	50%

18 ASSOCIATES

	Group	
	2021	2020
	S\$'000	S\$'000
Cost of investment in associates	39,157	44,082
Share of post-acquisition profit	40,390	27,805
Translation adjustment	(4,505)	2,003
	75,042	73,890

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

Details of material associates

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

Name of associate	Place of incorporation and operation	Proportion of ownership interest		Proportion of voting power held		Principal activity
		2021	2020	2021	2020	
TMK Japan TCAP ⁽¹⁾	Japan	99.5%	99.5%	33%	33%	Investment holding
TMK Legal 1 ⁽²⁾	Japan	93.4%	93.6%	33%	33%	Investment holding

(1) Audited by Deloitte Touche Tohmatsu, Japan (2020: Audited by Deloitte & Touche LLP, Singapore and Grant Thornton Taiyo LLC for purpose of consolidation)

(2) Audited by Deloitte Touche Tohmatsu, Japan (2020: Audited by Deloitte & Touche LLP, Singapore for purposes of consolidation)

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

TMK Legal 1 was acquired in December 2019. The Group has significant influence over both associates by virtue of its voting power in the entities.

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18 ASSOCIATES (CONTINUED)

	TMK Japan TCAP		TMK Legal 1	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Current assets	12,756	9,878	5,771	7,594
Non-current assets	190,200	147,270	102,639	104,688
Current liabilities	(2,087)	(1,742)	(954)	(4,328)
Non-current liabilities	(152,147)	(108,002)	(79,015)	(79,433)
Revenue	6,469	7,276	1,991	2,529
Profit for the year	11,051	3,938	1,833	6,780
Total comprehensive income for the year	11,051	3,938	1,833	6,780

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	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Net assets of the associate	48,722	47,404	28,441	28,521
Proportion of the Group's ownership interest	99.5%	99.5%	93.4%	93.6%
Carrying amount of the Group's interest	48,475	47,167	26,567	26,728

19 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH INCOME STATEMENT

	Group	
	2021	2020
	S\$'000	S\$'000
Financial assets measured at FVTIS		
At fair value:		
Unquoted investments – Japan	47,252	45,756
Other unquoted investments	4,356	–
Club debenture	1	1
Total	51,609	45,757

	Company	
	2021	2020
	S\$'000	S\$'000
Financial assets measured at FVTIS		
At fair value:		
Other unquoted investments	1,681	–
Total	1,681	–

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

Description	Fair value		Fair value hierarchy	Valuation technique(s)	Significant unobservable input(s)	Range
	2021	2020				
	S\$'000	S\$'000				
Group						
Unquoted investments - Japan	47,252	45,756	Level 3	See Note (a) below	See Note (a) below	S\$5,796 to S\$7,391 (2020: S\$6,004 to S\$8,068)
Other unquoted investments	4,356	–	Level 3	See Note (b) below	See Note (b) below	See Note (b) below

Description	Fair value		Fair value hierarchy	Valuation technique(s)	Significant unobservable input(s)	Range
	2021	2020				
	S\$'000	S\$'000				
Company						
Unquoted investments	1,681	–	Level 3	See Note (b) below	See Note (b) below	See Note (b) below

Note (a)

The fair value of the unquoted investments is estimated based on the Group's share of the net asset value of the investees, which approximates their fair values as at the end of the reporting period. The investees' main assets are two office buildings and two hotel buildings in Japan which are leased out to external parties. The significant input used in valuing the underlying properties is price per square meter, which is based on recent transactions adjusted for property type, age and location. Any significant isolated increases (decreases) in the estimated price per square meter would result in a significantly higher (lower) fair value measurement.

Note (b)

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

20 TRADE AND BILLS PAYABLES

	Group	
	2021	2020
	S\$'000	S\$'000
Trade payables - outside parties	2,510	1,071
Bills payable	576	151
	3,086	1,222

The average credit period on purchases of goods is 7 days (2020: 14 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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

21 TRUST RECEIPTS

Trust receipts represent short term financing provided by banks (including those under Enterprise Singapore's Enterprise Financing Scheme) at market interest rates for the purchase of goods.

The trust receipts are secured by certain fixed deposits placed with the banks, second legal mortgage over a property in Singapore as well as corporate guarantees by the Company.

The average effective interest rates paid are as follows:

	Group	
	2021	2020
	%	%
Trust receipts	2.79	3.41

22 BANK AND OTHER BORROWINGS

	Group	
	2021	2020
	S\$'000	S\$'000
Other loans	4,583	4,342
Bank loans	32,255	33,939
	36,838	38,281
Less: Amount due for settlement within 12 months (shown under current liabilities)	(24,383)	(24,662)
Amount due for settlement after 12 months	12,455	13,619

	Company	
	2021	2020
	S\$'000	S\$'000
Bank loans	4,207	5,001
Less: Amount due for settlement within 12 months (shown under current liabilities)	(1,250)	(938)
Amount due for settlement after 12 months	2,957	4,063

Other loans

Other loans include loans from certain related parties of S\$2,398,000 (2020: S\$2,251,000) which are arranged at fixed interest rate of 9% to 10% (2020: 9% to 10%) per annum, to provide funding for the investments in Australia. The loans are unsecured but recourse is limited to the underlying investments. The loans have no fixed terms of repayment and shall be repaid upon settlements of the underlying projects.

NOTES TO FINANCIAL STATEMENTS

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22 BANK AND OTHER BORROWINGS (CONTINUED)

Bank loans (secured)

Bank loans include loans drawn from a bank in Australia amounting to S\$4,773,000 (2020: S\$6,520,000) which are secured by, inter alia, mortgages over the land owned by certain Australian subsidiary corporations, general fixed and floating charges over the assets of these subsidiary corporations as well as the subsidiary corporations that lease the residential properties to the lessees. The loans are repayable in quarterly instalments with a final payment in 2023.

Certain loans were drawn from banks in China amounting to S\$2,756,000 (2020: S\$1,928,000) during the year. They are secured by corporate guarantee by a subsidiary corporation.

A loan of S\$304,000 (2020: S\$16,000), with certain trade receivables factored on a full recourse basis, was obtained from a bank during the year. The loan is secured by a fixed deposit placed with the bank as well as corporate guarantee by the Company.

Certain bank loans amounting to S\$20,215,000 (2020: S\$20,475,000) are secured by the property in Singapore as well as corporate guarantee by the Company. Included in these loans is a 5-year term loan of S\$5,215,000 (2020: S\$5,475,000), which is required to be repaid by monthly instalments and a final payment in 2023. Included in the bank loans is a money market loan of S\$15,000,000 (2020: S\$15,000,000), which is repayable in full every agreed interest period by cash or re-drawing the loan.

Bank loan (unsecured)

A 5-year term loan of S\$4.2 million (2020: S\$5 million) 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	
	2021	2020
	%	%
Other loans	9.30	10.42
Bank loans	2.40	2.49

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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

22 BANK AND OTHER BORROWINGS (CONTINUED)

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.

	January 1, 2021	Financing cash flow	Interest paid	Non-cash changes			December 31, 2021
				Foreign exchange movement	Accrued interest	New lease liabilities	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Trust receipts (Note 21)	14,027	8,987	(644)	94	644	-	23,108
Bank and other borrowings (Note 22)	38,281	(1,416)	(1,359)	(262)	1,594	-	36,838
Lease liabilities (Note 23)	807	(948)	(43)	13	43	1,464	1,336
	53,115	6,623	(2,046)	(155)	2,281	1,464	61,282

	January 1, 2020	Financing cash flow	Interest paid	Non-cash changes			December 31, 2020
				Foreign exchange movement	Accrued interest	New lease liabilities	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Trust receipts (Note 21)	10,268	3,785	(512)	(26)	512	-	14,027
Bank and other borrowings (Note 22)	33,904	3,313	(1,424)	966	1,522	-	38,281
Lease liabilities (Note 23)	1,866	(1,371)	(68)	(3)	68	315	807
	46,038	5,727	(2,004)	937	2,102	315	53,115

23 LEASE LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Maturity analysis:				
Year 1	883	594	-	22
Year 2	413	227	-	-
Year 3	148	19	-	-
Less: Unearned interest	(108)	(33)	-	(1)
	1,336	807	-	21
Analysed as:				
Current	791	556	-	21
Non-current	545	251	-	-
	1,336	807	-	21

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.

NOTES TO FINANCIAL STATEMENTS

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24 OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Accruals	8,974	5,685	854	594
Advances from customers	6,001	3,534	-	-
Value added tax/other tax payable	151	283	-	-
Sundry creditors	4,501	3,597	-	-
Total	19,627	13,099	854	594
Less: Non-current other payables	(667)	(379)	-	-
Classified as current other payables	18,960	12,720	854	594

Included in sundry creditors is an amount of S\$337,000 (2020: S\$140,000) due to related parties and joint ventures (Note 6) for rental deposits and the reimbursement of expenses paid on behalf of the Group.

25 PROVISIONS

	Employee benefits
	S\$'000
Group	
As at January 1, 2020	2,999
Translation adjustment	65
Provision for the year	389
Utilisation	(640)
As at December 31, 2020	2,813
Translation adjustment	71
Provision for the year	299
Utilisation	(162)
As at December 31, 2021	3,021
Company	
As at January 1, 2020, at December 31, 2020 and at December 31, 2021	52

The provisions are made in respect of the Group's and Company's potential liability for long-service and leave payments to employees of certain subsidiary corporations upon their leaving the Group and Company respectively.

NOTES TO FINANCIAL STATEMENTS

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26 DEFERRED TAX LIABILITY

The following are the major deferred tax liabilities recognised by the Group and the movements thereon during the current and prior reporting periods, primarily from fair value gain on financial assets measured at FVTIS and revaluation gains on investment properties:

	Group	
	2021	2020
	S\$'000	S\$'000
Balance as at beginning of year	16,511	13,544
Translation adjustment	(1,374)	582
Charge to profit or loss for the year (Note 33)	6,097	2,385
Balance as at beginning of year	21,234	16,511

27 ISSUED CAPITAL

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

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All fully paid ordinary shares, which have no par value, carry one vote per share without restrictions.

28 RESERVES

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

The asset revaluation reserve arose on the revaluation of land and buildings before the transfer to investment properties. Where revalued land or buildings are sold, the portion of the asset revaluation reserve that relates to that asset is effectively realised and transferred directly to retained earnings. The asset revaluation reserve is not available for distribution to the Company's shareholders.

The options reserve arises on the grant of share options to employees under the employee share option scheme. Further information about share-based payments to employees is set out in Note 29.

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

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29 SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company had a share option scheme for all employees of the Group which expired on March 30, 2011. There are no outstanding share options as at December 31, 2021 under this scheme.

Thakral Capital Holdings Pte Ltd ("TCH"), a subsidiary corporation of the Company, also has a share option scheme for all TCH Group employees and directors which had been approved at an Extraordinary General Meeting on April 29, 2015 (the "TCH Scheme"). Options are exercisable at prices specified at the time of the grant. If options granted remain unexercised after a period of 5 years (depending on the term specified in the options) from the relevant vesting date, the options expire. Except for certain specified circumstances, options are forfeited if the employee leaves the TCH Group.

	Group			
	2021		2020	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
	S\$	S\$		S\$
Outstanding at beginning of year	98,300	121	78,300	116
Granted during the year	–	–	20,000	141
Outstanding at end of year	98,300	121	98,300	121

The Group recognised total expenses of S\$25,000 (2020: S\$24,000) related to equity-settled share-based payment transactions during the year.

30 REVENUE

	Group	
	2021	2020
	S\$'000	S\$'000
Product sales	111,787	69,445
Fair value changes and interest income on debt instruments	6,192	9,636
Dividend income from financial assets measured at FVTIS	–	7,384
Management fee and other service income	2,276	2,578
Rental income (Notes 15 and 39)	1,994	2,930
Fair value changes on financial assets measured at FVTIS	5,547	(1,852)
	127,796	90,121

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.

31 OTHER OPERATING INCOME

	Group	
	2021	2020
	S\$'000	S\$'000
Government grant	274	277
Gain on disposal of investment properties / assets held for sale	706	391
Others	85	83
	1,065	751

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32 FINANCE COSTS

	Group	
	2021	2020
	S\$'000	S\$'000
Interest expense to third parties	2,047	1,902
Interest expense to related parties (Note 6)	234	200
	2,281	2,102

33 INCOME TAX

	Group	
	2021	2020
	S\$'000	S\$'000
Current taxation:		
- Provision for taxation in respect of current year	1,206	1,003
- Overprovision in prior years	(59)	(15)
Deferred tax:		
- Amount charged for taxation in respect of deferred tax liabilities in current year (Note 26)	6,097	2,385
Income tax expense for the year	7,244	3,373

The income tax is calculated at 17% (2020: 17%) of the estimated assessable profit for the year. The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2021	2020
	S\$'000	S\$'000
Profit before income tax	35,305	19,584
Income tax charge at statutory rate of 17%	6,002	3,329
Tax effect of:		
- Expenses that are not deductible in determining taxable profit	2,023	1,974
- Income that is not taxable in determining taxable profit	(2,227)	(3,284)
- Current year's tax losses not recognised	848	1,606
- Different tax rates of the subsidiary corporations operating in other jurisdictions	1,489	(92)
- Tax effect on utilisation of deferred tax benefits previously not recognised	(832)	(145)
- Overprovision of tax in respect of prior years	(59)	(15)
Total income tax expense for the year	7,244	3,373

NOTES TO FINANCIAL STATEMENTS

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33 INCOME TAX (CONTINUED)

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

	Group	
	2021	2020
	S\$'000	S\$'000
Amount at beginning of year	260,238	252,070
Tax losses expired during the year	(7,275)	(2,304)
Amount in current year	4,989	9,445
Translation adjustment	(3,864)	4,001
Adjustment for prior years after finalisation	(5,362)	(2,121)
Amount utilised in current year	(4,897)	(853)
Amount at end of year	243,829	260,238
Deferred tax benefit on above not recorded (based on applicable tax rates in various jurisdictions)	43,242	46,304

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

	Group	
	2021	2020
	S\$'000	S\$'000
Amount at beginning of year	270	196
Amount in current year	63	203
Amount utilised in current year	(73)	(129)
Amount at end of year	260	270
Deferred tax benefit on above not recorded	44	46

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\$0.61 million (2020: S\$0.67 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.

NOTES TO FINANCIAL STATEMENTS

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34 PROFIT FOR THE YEAR

	Group	
	2021	2020
	S\$'000	S\$'000
Profit for the year is arrived at after charging (crediting):		
Directors' remuneration:		
of the Company	2,746	1,958
of subsidiary corporations	5,057	4,005
Total directors' remuneration	7,803	5,963
Cost of inventories recognised as expense	95,928	60,434
Audit fees:		
Paid to auditors of the Company		
Current year	338	390
Paid to other auditors		
Current year	271	245
Non-audit fees paid to auditors:		
Auditors of the Company	68	48
Other auditors	15	12
(Gain) Loss on disposal of property, plant and equipment	(6)	32
Allowance for inventories recognised in cost of sales	573	509
Foreign currency exchange adjustment loss	155	417
Impairment loss on financial assets		
Impairment loss on trade receivables	206	22
Impairment loss on other receivables	151	-
Total impairment loss on financial assets recognised in administration expenses	357	22
Depreciation of property, plant and equipment	468	453
Depreciation of right-of-use assets	1,032	1,403
Employee benefits expense (including directors' remuneration)		
Salaries, wages, bonus and others	14,534	12,171
Defined contribution plans	687	548
Total employee benefits expense	15,221	12,719

NOTES TO FINANCIAL STATEMENTS

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35 DIVIDENDS

A tax-exempt (one-tier) interim dividend of S\$0.02 per share (total dividend of S\$2,617,000) was paid to shareholders on December 16, 2021 in respect of the financial year ended December 31, 2021. Another tax-exempt (one-tier) second interim dividend of S\$0.02 per share was declared and is payable on April 8, 2022.

A tax-exempt (one-tier) interim dividend of S\$0.01 per share (total dividend of S\$1,309,000) and another tax-exempt (one-tier) second interim dividend of S\$0.02 per share (total dividend of S\$2,617,000) were paid to shareholders on August 27, 2020 and April 28, 2021 respectively in respect of the financial year ended December 31, 2020.

36 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:

	2021	2020
	Cents	Cents
Basic earnings per share	13.18	4.99
Diluted earnings per share	13.18	4.99
Weighted average number of ordinary shares	130,860,616	130,860,616

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

	Group	
	2021	2020
	S\$'000	S\$'000
Profit for the year attributable to equity holders of the Company	17,252	6,534

37 SEGMENT INFORMATION

The Group, which operates in four geographical segments being Australia, the People's Republic of China (including Hong Kong), Singapore and others (India and Japan), has 3 main core divisional activities. The reportable segments provided to the Group's chief operating decision makers are based on the types of activities, as described below:

(a) Investments ("INV")

This includes real estate, over-50s living and other strategic investments (including opportunistic investments) in Australia, People's Republic of China, Japan and Singapore.

(b) Lifestyle ("LIFE")

This division comprises management and marketing of beauty, fragrance and lifestyle brands and products in India, Japan, People's Republic of China (including Hong Kong), Singapore and in various export markets and related investments.

(c) Others ("OTH")

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

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.

NOTES TO FINANCIAL STATEMENTS

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37 SEGMENT INFORMATION (CONTINUED)

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

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

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

Group's reportable segments

Year ended December 31, 2021

	INV	LIFE	OTH	TOTAL
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue				
External revenue	15,087	112,709	–	127,796
Result				
Segment operating result	7,047	1,901	(1,877)	7,071
Valuation gains on investment properties, net	3,330	–	–	3,330
Share of profit of associates and joint ventures	29,934	60	–	29,994
Segment result	40,311	1,961	(1,877)	40,395
Unallocated corporate expenses				(2,676)
Finance income				22
Finance costs				(2,281)
Foreign exchange loss				(155)
Profit before income tax				35,305
Income tax				(7,244)
Profit for the year				28,061
Other information				
Capital expenditure:				
Property, plant and equipment	–	360	6	366
Depreciation expenses	83	1,387	30	1,500
Assets				
Segment assets	283,868	48,727	5,534	338,129
Total assets				338,129
Liabilities				
Segment liabilities	35,374	46,535	5,107	87,016
Income tax payable				1,157
Deferred tax liability				21,234
Total liabilities				109,407

NOTES TO FINANCIAL STATEMENTS

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37 SEGMENT INFORMATION (CONTINUED)

Group's reportable segments

Year ended December 31, 2020

	INV	LIFE	OTH	TOTAL
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue				
External revenue	20,680	69,441	–	90,121
Result				
Segment operating result	14,644	(3,562)	(1,449)	9,633
Valuation gains on investment properties, net	847	–	–	847
Share of profit (loss) of associates and joint ventures	16,673	(733)	–	15,940
Segment result	32,164	(4,295)	(1,449)	26,420
Unallocated corporate expenses				(4,384)
Finance income				67
Finance costs				(2,102)
Foreign exchange loss				(417)
Profit before income tax				19,584
Income tax				(3,373)
Profit for the year				16,211
Other information				
Capital expenditure:				
Property, plant and equipment	–	206	4	210
Depreciation expenses	57	1,747	52	1,856
Assets				
Segment assets	272,146	32,896	6,278	311,320
Total assets				311,320
Liabilities				
Segment liabilities	35,841	28,768	5,640	70,249
Income tax payable				1,522
Deferred tax liability				16,511
Total liabilities				88,282

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37 SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operations are located in Australia, India, Japan, People's Republic of China (including Hong Kong) and Singapore.

The following table provides an analysis of:

- the Group's sales by geographical market, irrespective of the origin of the goods/services.
- additions to property, plant and equipment and the carrying amount of segment assets analysed by the geographical area in which the respective companies are incorporated.

	Revenue		Capital expenditure		Non-current assets*	
	2021	2020	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
People's Republic of China (including Hong Kong)	111,121	76,435	313	206	1,910	1,485
Australia	2,655	3,741	–	–	66	16,654
Singapore	8,004	6,196	6	4	30,507	29,501
Others	6,016	3,749	47	–	128	87
	127,796	90,121	366	210	32,611	47,727

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

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

Information about major customers

Included in revenue of S\$112,709,000 (2020: S\$69,441,000) arising from the Lifestyle segment are revenues of approximately S\$34,363,000 (2020: S\$14,104,000) which arose from sales to 2 (2020: 1) of the Group's largest customers.

38 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

	Group		Company	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Guarantees given to banks in respect of bank facilities utilised by subsidiary corporations in the Group	2,756	1,928	43,627	34,518
Guarantee given to a supplier in respect of credit payments obligation for purchases by a subsidiary corporation in the Group	–	–	2,122	1,011

At the end of the reporting period, the Group has granted certain Interest and/or Cost Overrun Guarantees for a maximum of S\$0.9 million (2020: S\$2.5 million) to certain banks in respect of bank facilities utilised by the borrowers of the Group's debt instruments for the development projects in Australia. There has been no call/demand from the banks on the guarantees to date.

NOTES TO FINANCIAL STATEMENTS

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38 CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

Contingent Liabilities (CONTINUED)

As at December 31, 2020, the Group had granted certain Guarantees for a maximum of S\$32.5 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. The underlying loans were repaid in 2021 and hence the guarantees were cancelled.

As at December 31, 2020, the Company and its subsidiary, TJP Pte. Ltd., had granted an all moneys guarantee to the bondholder of the Group's unquoted investee, Godo Kaisha LEGAL 1, for unpaid principal amount of the bonds of JPY600 million (equivalent to S\$7,674,000) and interest in relation to the investment in the Umeda Pacific Building in Osaka, Japan. The underlying loan was repaid in 2021 and hence this guarantee was cancelled.

Commitments

As at December 31, 2021, the investment subsidiary corporations of the Group, Thakral Capital Investments Limited ("TCIL") and Thakral Capital Australia Pty Ltd ("TCAP"), have entered into the following agreements to participate in the development of the projects in Australia in respect of which the full amount of capital committed for those projects have not been recorded as liabilities in the financial statements. The details of the projects are as follows:

- (a) Projects owned by the joint venture entities where TCIL has committed to provide or procure the provision of about A\$130.0 million (equivalent to S\$127.4 million) (2020: A\$130.0 million (equivalent to S\$132.1 million)) by way of progressive subscriptions of debt instruments. Monies of A\$32.9 million (equivalent to S\$32.3 million) (2020: A\$32.9 million (equivalent to S\$33.5 million)) have been recorded as debt instruments in Note 10 for the amounts provided by the Group. As at December 31, 2021, the Group has procured the provision of approximately A\$80.1 million (equivalent to S\$78.5 million) (2020: A\$80.1 million (equivalent to S\$81.4 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\$20.5 million (equivalent to S\$20.1 million) (2020: A\$14.3 million (equivalent to S\$14.5 million)) by way of progressive subscriptions of debt instruments. Monies of A\$16.7 million (equivalent to S\$16.4 million) (2020: A\$8.8 million (equivalent to S\$9.0 million)) have been recorded as debt instruments in Note 10 for the amounts provided by the Group. As at December 31, 2021, the Group has procured the provision of approximately A\$19.4 million (equivalent to S\$19.0 million) (2020: A\$11.5 million (equivalent to S\$11.7 million)). Additional capital required shall be sourced from, inter alia, external capital providers by way of mezzanine debt.

As at December 31, 2020, Nihon Property Investments Pte Ltd, an investment subsidiary corporation of the Group, had committed to invest JPY117 million (S\$1.5 million) in an investee in Japan for operational requirement. This commitment was fulfilled in 2021.

As at December 31, 2021, Thakral Lifestyle Pte Ltd, a subsidiary corporation of the Group, committed to invest INR22.65 million (S\$0.4 million) in an investee in India. The investment shall be funded from the Group's internal resources.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

39 OPERATING LEASE ARRANGEMENTS

The Group as lessee

At December 31, 2021, the Group is committed to S\$381,000 (2020: S\$171,000) 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	
	2021	2020
	S\$'000	S\$'000
Maturity analysis of operating lease payments:		
Year 1	1,348	1,121
Year 2	1,221	37
Year 3	610	–
Total	3,179	1,158

SHAREHOLDERS' INFORMATION

AS AT MARCH 29, 2022

Issued and fully paid-up capital	:	S\$72,498,724.21
Number of issued shares	:	130,860,616
Class of shares	:	Ordinary share
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1- 99	1,799	27.92	72,101	0.06
100 - 1,000	2,935	45.56	977,904	0.75
1,001 - 10,000	1,227	19.05	4,847,989	3.70
10,001 - 1,000,000	469	7.28	24,691,278	18.87
1,000,001 and above	12	0.19	100,271,344	76.62
Total	6,442	100.00	130,860,616	100.00

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Direct Interest (No. of Shares)	%	Deemed Interest (No. of Shares)	%
Prime Trade Enterprises Limited	65,692,560	50.20	–	–
Kartar Singh Thakral	–	–	65,692,560 ⁽¹⁾	50.20
Inderbethal Singh Thakral	–	–	65,692,560 ⁽¹⁾	50.20
Bikramjit Singh Thakral	–	–	65,692,560 ⁽¹⁾	50.20
Gurmukh Singh Thakral	–	–	65,692,560 ⁽¹⁾	50.20
Karan Singh Thakral	–	–	65,692,560 ⁽¹⁾	50.20
Rikhipal Singh Thakral	–	–	65,692,560 ⁽¹⁾	50.20
Indergopal Singh Thakral	–	–	65,692,560 ⁽¹⁾	50.20
Thakral Group Limited (as trustee of the S S Thakral Trust)	–	–	65,692,560 ⁽²⁾	50.20
Beneficiaries of the S S Thakral Trust	–	–	65,692,560 ⁽³⁾	50.20

Notes:

- (1) Mr. Kartar Singh Thakral, head of the Thakral Family, and the members and/or directors of Thakral Group Limited, Messrs Inderbethal Singh Thakral, Gurmukh Singh Thakral (Alternate Director: Mr. Bikramjit Singh Thakral), Karan Singh Thakral, Rikhipal Singh Thakral and Indergopal Singh Thakral have the authority to dispose of, or to exercise control over the disposal of, the 65,692,560 ordinary shares of Thakral Corporation Ltd (the "Shares") held by Prime Trade Enterprises Limited in which Thakral Group Limited is deemed interested (whether such authority is or is capable of being made subject to restraint or restriction). Therefore, Messrs Kartar Singh Thakral, Inderbethal Singh Thakral, Bikramjit Singh Thakral, Gurmukh Singh Thakral, Karan Singh Thakral, Rikhipal Singh Thakral and Indergopal Singh Thakral are also deemed interested in the Shares held by Prime Trade Enterprises Limited.
- (2) Thakral Group Limited, as the holding company of Prime Trade Enterprises Limited, is deemed interested in the Shares held by Prime Trade Enterprises Limited. Thakral Group Limited, a public company limited by guarantee, is the trustee of the S S Thakral Trust, a full discretionary trust for the benefit of certain members of the extended Thakral Family.
- (3) Where any property held in trust consist of or include shares and a person knows, or has reasonable grounds for believing, that he has an interest under the trust, he shall be deemed to have an interest in those shares. Therefore, the beneficiaries of the S S Thakral Trust are also deemed interested in the Shares held by Prime Trade Enterprises Limited although no specific beneficiaries have been identified as of March 29, 2022.

SHAREHOLDERS' INFORMATION

AS AT MARCH 29, 2022

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Prime Trade Enterprises Limited	65,692,560	50.20
2.	Citibank Nominees Singapore Pte Ltd	14,224,280	10.87
3.	HSBC (Singapore) Nominees Pte Ltd	4,103,708	3.14
4.	Tan Kim Koon	2,705,000	2.07
5.	DBS Nominees (Private) Limited	2,505,904	1.91
6.	Sing Investments & Finance Nominees (Pte) Ltd	2,029,901	1.55
7.	Raffles Nominees (Pte.) Limited	1,804,756	1.38
8.	Kanwaljeet Singh Dhillon	1,627,485	1.24
9.	Harminder Kaur Pasricha	1,582,558	1.21
10.	Atma Singh s/o Lal Singh	1,418,450	1.08
11.	Amarjit Kaur	1,343,300	1.03
12.	Phillip Securities Pte Ltd	1,233,442	0.94
13.	United Overseas Bank Nominees (Private) Limited	965,927	0.74
14.	Wee Hian Kok	861,371	0.66
15.	OCBC Nominees Singapore Private Limited	699,328	0.53
16.	Maybank Securities Pte. Ltd.	580,312	0.44
17.	J & H Singh Pty Ltd	527,519	0.40
18.	Khong Lai Cheong	443,150	0.34
19.	Toh Yong Qing	412,700	0.32
20.	Chua Hung Koon Edmond (Cai Hankun Edmond)	389,200	0.30
Total		105,150,851	80.35

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on information available to the Company as at March 29, 2022, approximately 47.90% of the issued shares of the Company is held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

The Company did not hold any treasury shares as at March 29, 2022.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Ninth Annual General Meeting of the Company will be convened and held by way of electronic means on Friday, 29 April 2022 at 11 a.m. for the purpose of transacting the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 December 2021 together with the Auditors' Report thereon.

(Resolution 1)

2. To re-elect Mr. Inderbethal Singh Thakral, a director who is retiring under Regulation 107(2) of the Company's Constitution.

(Resolution 2)

The profile of the above Director and the additional information pursuant to Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") have been set out under the Board of Directors and Additional Information on Directors Seeking Re-election sections in the Company's Annual Report 2021 respectively.

3. To approve the payment of Directors' fees of S\$718,500 for the year ending 31 December 2022, to be paid quarterly in arrears. (31 December 2021: S\$718,500)

(Resolution 3)

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

(Resolution 4)

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

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

That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and Rule 806 of the Listing Manual of the SGX-ST, the Directors be empowered to allot and issue shares (whether by way of rights, bonus or otherwise) and convertible securities in the capital of the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares (including shares to be issued in accordance with the terms of convertible securities issued, made or granted pursuant to this Resolution) to be allotted and issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares in the capital of the Company at the time of the passing of this Resolution, of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to all shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares in the capital of the Company and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force (i) until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in accordance with the terms of convertible securities issued, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of such convertible securities.

(Resolution 5)

[See Explanatory Note (i)]

NOTICE OF ANNUAL GENERAL MEETING

7. Renewal of Shareholders' Mandate for Interested Person Transactions

That for the purposes of Chapter 9 of the Listing Manual of the SGX-ST: -

- (a) approval be and is hereby given for the Company, its subsidiaries and its associated companies or any of them to enter, in the ordinary course of business, into the transactions and arrangements for the sale and purchase of consumer electronics and electrical products as described in Section 2.3.1 of the Appendix to Annual Report 2021 dated 14 April 2022 (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 6)

[See Explanatory Note (ii)]

8. Renewal of the Share Buyback Mandate

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage, at such price or prices as may be determined by the Directors in their discretion from time to time up to the Maximum Price, whether by way of:
 - (i) on-market purchases transacted through the trading system of the SGX-ST or on another stock exchange (the "**Other Stock Exchange**") on which the Company's equity securities are listed (the "**Market Acquisitions**"); and/or
 - (ii) off-market acquisitions in accordance with an equal access scheme as defined in Section 76C of the Companies Act (the "**Off-Market Acquisitions**"),

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, the Other Exchange, as may for the time being applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next Annual General Meeting of the Company is held;
 - (ii) the date by which the next Annual General Meeting of the Company is required by law or the Constitution of the Company to be held; and
 - (iii) the date on which purchases and acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

NOTICE OF ANNUAL GENERAL MEETING

- (c) in this Resolution:

"Average Closing Price" means the average of the closing market prices of the Shares over the last five market days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Acquisitions or, as the case may be, the day of the making of the offer pursuant to the Off-Market Acquisitions, and deemed to be adjusted for any corporate action that occurs during such five-market day period and the day on which the purchases are made;

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Acquisitions;

"Maximum Percentage" means that number of issued Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution 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; and

"Maximum Price" in the case of a Market Acquisition, means 105% of the Average Closing Price and in the case of an Off-Market Acquisition pursuant to an equal access scheme, means 120% of the Average Closing Price;

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution; and
- (e) to the extent that any action in connection with the matters referred to in the above paragraphs of this Resolution or the transactions contemplated and/or authorised by this Resolution has been performed or otherwise undertaken (whether partially or otherwise), they be and are hereby approved, ratified and confirmed.

(Resolution 7)

[See Explanatory Note (iii)]

By Order of the Board

Chan Wan Mei
Company Secretary
Singapore

Date: 14 April 2022

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes

- (i) The Ordinary Resolution 5 proposed in item 6 above, if passed, will empower the Directors from the date of this meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is the earlier, to allot and issue shares (whether by way of rights, bonus or otherwise) and convertible securities in the Company. The number of shares and convertible securities that the Directors may allot and issue under this resolution would not exceed fifty per centum (50%) of the total number of issued shares in the capital of the Company at the time of the passing of this resolution. For issue of shares and convertible securities other than on a pro rata basis to all shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed twenty per centum (20%) of the total number of issued shares in the capital of the Company.

For the purpose of this resolution, the percentage of issued shares is based on the Company's issued shares at the time this proposed Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this proposed Ordinary Resolution is passed and any subsequent consolidation or subdivision of shares.

- (ii) The Ordinary Resolution 6 proposed in item 7 above, if passed, will authorise the Interested Person Transactions as described in the Appendix and recurring in the year and will empower the Directors to do all acts necessary to give effect to the Shareholders' Mandate. This authority will, unless previously revoked or varied by the Company at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.
- (iii) The Ordinary Resolution 7, 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 2021 dated 14 April 2022.

Notes:

- (a) The Annual General Meeting (the "AGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on SGXNet and the Company's website at the URL <http://www.thakralcorp.com/investor-relations/general-meetings>.
- (b) No physical attendance at the AGM will be permitted. A member will only be able to participate at the AGM by:
- (i) observing and/or listening to the AGM proceedings via electronic means (in particular, arrangements by which the meeting can be electronically accessed via live audio-visual meeting or audio-only stream) via mobile phones, tablets or computers;
 - (ii) submitting questions to the Chairman of the Meeting in advance of, or "live" at, the AGM; and/or
 - (iii) voting at the AGM: (aa) "live" by the Shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the AGM) via electronic means; or (bb) by appointing the Chairman of the Meeting as proxy to vote on their behalf at the AGM.

Details of the steps for pre-registration, submission of questions and voting at the AGM by members, including persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF Investors and/or the SRS Investors (as may be applicable), are set out below.

In particular, CPF Investors and SRS Investors should note that they:

- (i) may vote "live" via electronic means 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
- (ii) may appoint the Chairman of the Meeting 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) business days before the AGM (i.e. by **5.00 p.m. on 19 April 2022**).

For the avoidance of doubt, CPF Investors and SRS Investors will not be able to appoint third party proxy(ies) (i.e. persons other than the Chairman of the Meeting) to vote "live" at the AGM on their behalf.

Persons who hold shares through relevant intermediaries (as defined in section 181 of the Companies Act), other than CPF Investors and SRS Investors, and who wish to participate in the AGM should contact the relevant intermediary through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

- (c) **Pre-Registration:** Members (including, where applicable, their appointed proxy(ies)) and CPF Investors and SRS Investors who wish to follow the proceedings of the AGM must pre-register from **14 April 2022** up to **11 a.m. on 26 April 2022** (the "**Pre-Registration Deadline**") at the URL <https://conveneagm.sg/thakralcorp> for the Company to authenticate his/her/its status (the "**AGM Pre-Registration**"). Authenticated members (including CPF Investors and SRS Investors) and, where applicable, appointed proxy(ies), will receive email instructions on how to access the live audio-visual meeting or audio-only stream of the proceedings of the AGM by **12 noon on 28 April 2022**. Those who do not receive an email by **12 noon on 28 April 2022**, but have registered by the Pre-Registration Deadline, may contact the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at shareregistry@incorp.asia.

NOTICE OF ANNUAL GENERAL MEETING

- (d) **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, or "live" at, the AGM in the following manner:
- (i) **Via pre-registration website:** Members who pre-register to participate at the AGM proceedings may submit their questions via the pre-registration website at the URL <https://conveneagm.sg/thakralcorp>;
 - (ii) **Via email:** Members may submit their questions via email to proxyform@thakralcorp.com.sg; and/or
 - (iii) **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: (aa) full name; (bb) address; and (cc) the manner in which the shares are held (e.g. via CDP, CPF, SRS and/or scrip).

All questions submitted in advance of the AGM via any of the above channels must be received **by 11 a.m. on 21 April 2022**.

Members (including CPF Investors and SRS Investors) and, where applicable, appointed proxy(ies), who have successfully completed the AGM Pre-Registration, may also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, "live" at the AGM, by using a video call option via the online platform hosting the audio-visual webcast and audio-only stream.

The Company will endeavour to address all substantial and relevant questions received from members prior to the AGM by publishing the responses to such questions on the Company's website at the URL <http://www.thakralcorp.com/investor-relations/general-meetings> and via publication on SGXNet before **11 a.m. on 24 April 2022** (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 "live" at the AGM itself, during the AGM through the live audio-visual webcast and live audio-only stream of the AGM proceedings. 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.

- (e) **Voting:** A member who wishes to exercise his/her/its voting rights at the AGM may:
- (i) (where such members are individuals) vote "live" via electronic means at the AGM or (where such members are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means 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.

Members (including CPF Investors and SRS Investors) and, where applicable, appointed proxy(ies), who wish to vote "live" at the AGM must have successfully completed the AGM Pre-Registration.

- (f) **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: (aa) via email to the Company at proxyform@thakralcorp.com.sg; or (bb) via the online process through the Company's AGM pre-registration website at the URL <https://conveneagm.sg/thakralcorp>,

in each case, **by 11 a.m. on 26 April 2022 (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 AGM pre-registration website at the URL <https://conveneagm.sg/thakralcorp>, 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.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically.

Appointed proxy(ies) (other than the Chairman of the Meeting) will be prompted via email (within two (2) business days after the Company's receipt of a validly completed and submitted proxy form) to pre-register at the pre-registration website at the URL <https://conveneagm.sg/thakralcorp> in order to access the live audio-visual webcast or live audio-only stream of the AGM proceedings. Shareholders who wish to appoint third party proxy(ies) are encouraged to submit their proxy forms early, and should request their proxy(ies) to pre-register by the Pre-Registration Deadline, failing which the appointment shall be invalid.

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.

NOTICE OF ANNUAL GENERAL MEETING

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM (i.e. **11 a.m. on 26 April 2022**), as certified by The Central Depository (Pte) Limited to the Company.

- (g) 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.
- (h) (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.
- (i) The Annual Report 2021 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.
- (j) Shareholders who participate at the AGM proceedings are reminded that the AGM is private. Invitation to shareholders to attend the AGM via live audio-visual meeting and audio-only stream, shall not be forwarded to anyone who is not a shareholder of Company or who is not authorised to attend the AGM.
- (k) **Recording of the AGM proceedings in whatever form is also strictly prohibited.** The Company seeks shareholders' patience and understanding during the AGM proceedings in the event of any technical disruptions.
- (l) Due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to change the arrangements for the AGM at short notice. Members should check the Company's website at the URL <http://www.thakralcorp.com/investor-relations/general-meetings> 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.

ANNEXURE - DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

Name of Director	Inderbethal Singh Thakral
Date of Appointment	12 August 1994
Date of last re-election (if applicable)	30 April 2019
Age	62
Country of principal residence	China
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. Inderbethal Singh Thakral ("Mr. Bethal") taking into consideration his quality of participation, attendance, time commitment, contribution and performance when discharging his duties and responsibilities.</p> <p>Mr. Bethal 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 real estate investment business in markets such as Japan, Australia and Singapore leading to the broadening of the Group's income streams beyond China. He has also successfully led the repositioning of the Group's lifestyle business to focus on beauty, fragrance and lifestyle brands.</p> <p>Mr. Bethal continues to spearhead the Group's strategic growth in various real estate investment markets for positive and sustainable returns. He has the business knowledge and skills essential for leading and managing the Group's operations and contributes effectively in his role as the Group Chief Executive Officer ("CEO") and an Executive Director as well as at the Board, Board Committee and operational levels.</p> <p>The NC and the Board recommend the re-election of Mr. Bethal as an Executive Director of the Company.</p> <p>With the re-election of Mr. Bethal, the NC and the Board continue to be satisfied that 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.</p>
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr. Bethal is responsible for leading the Group's business operations. He spearheads the Group's strategic growth in various real estate investment markets including Japan, Australia and Singapore for positive and sustainable returns in addition to leading the Group's lifestyle business in China, including Hong Kong. He also oversees the management and development of the Group's over-50s lifestyle resorts under the GemLife brand in Australia.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director, the Group CEO and a member of the Company's Investment Committee.
Professional qualifications	None.

ANNEXURE - DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Inderbethal Singh Thakral
Working experience and occupation(s) during the past 10 years	<p>Thakral Corporation Ltd</p> <ul style="list-style-type: none"> • August 1994 to September 2006 and December 2008 to Present – Executive Director • November 2011 to Present – Member of the Investment Committee of the Company • February 2016 to Present – Group CEO <p>Thakral Family Group of Companies</p> <ul style="list-style-type: none"> • 1984 to Present – Director <p>Australia listed Thakral Holdings Limited (privatized in 2012)</p> <ul style="list-style-type: none"> • February 2004 to April 2012 – Non-Executive Director
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
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	<ul style="list-style-type: none"> - Son of Mr. Kartar Singh Thakral, 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. - Brother of (i) 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. and a controlling shareholder of Company's principal subsidiary - TJP Pte. Ltd; and (ii) Mr. Gurmukh Singh Thakral and Mr. Karan Singh Thakral, controlling shareholders of the Company. - Father of (i) Mr. Satbir Singh Thakral, Marketing Director of the Group's Lifestyle Division; and (ii) Mr. Ashmit Singh Thakral, Finance Director of GemLife Group, the Group's joint venture in over-50s lifestyle resorts in Australia. - Uncle 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. 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 various principal subsidiaries of the Company. - Substantial shareholder of the Company's principal subsidiaries – Thakral Japan Properties Pte. Ltd., TJP Pte. Ltd and Thakral Umeda Properties Pte. Ltd.

ANNEXURE - DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Inderbethal Singh Thakral
Conflict of Interest (including any competing business)	Being a Thakral Family member, Mr. Bethal 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. Bethal is not actively involved in the business operations of the Thakral Family Group of Companies. Where any conflict of interest may arise, Mr. Bethal shall abstain from all involvement of any such matters. Further, a general mandate is in place to govern the trading of consumer electronics and electrical products between the Company and the Thakral Family Group of Companies.
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships	
Past (for the last 5 years)	Directorships: 1. ACN 101 806 099 Pty Ltd 2. Crown Base Investment Limited 3. Kingsgate (Hong Kong) Limited 4. Kingsgate Melbourne Pty Ltd 5. Motion Tech Limited 6. Prestige Wealth Limited 7. Preview Investments Limited 8. Sohan Holdings Limited 9. TCL Properties Pty Ltd 10. Thakral Asia Limited 11. Thakral Australia Pty Ltd 12. Thakral Corporation Pty Ltd 13. Thakral Holdings (HK) Limited 14. Woodfield Entertainment Limited 15. Thakral Investments Pty Ltd 16. Truebase Investments Limited 17. True Luck Investments Limited 18. 254 George Street Pty Ltd
Present	Directorships: 1. A-Z Godowns Limited 2. Anbest Electronic Limited 3. New Function Limited 4. Thakral Beauty (Shanghai) Ltd 5. Pristine Investments Limited (under deregistration) 6. Thakral Capital Holdings Pte. Ltd. 7. Thakral China Ltd 8. Thakral Corporation (HK) Limited 9. Thakral Corporation Investments Limited 10. Thakral Corporation (Mauritius) Ltd 11. Thakral Foundation Limited 12. Thakral Group Limited 13. Thakral Investments Limited 14. Thakral Japan Properties Pte. Ltd. 15. Thakral Lifestyle Pte. Ltd. 16. Thakral Prime Pte. Ltd. 17. Thakral Realty (H.K.) Limited 18. Thakral Umeda Properties Pte. Ltd. 19. TJP Pte. Ltd.

ANNEXURE - DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Inderbethal Singh Thakral
	Other principal commitments: - Chairman of a charity organisation, Sahib Sri Guru Singh Ji Education Trust, Hong Kong
Disclosure on the following matters concerning the Director:	
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
c) Whether there is any unsatisfied judgment against him?	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No

ANNEXURE - DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Inderbethal Singh Thakral
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

ANNEXURE - DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Inderbethal Singh Thakral
<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 i. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or ii. 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
<p>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?</p>	No

ANNEXURE - DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Inderbethal Singh Thakral
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>	<p>N.A.</p>

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THAKRAL CORPORATION LTD

(Incorporated in the Republic of Singapore)

Company Registration No.: 199306606E

PROXY FORM

IMPORTANT

- The Annual General Meeting (the "AGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM will not be sent to members. Instead, the Notice of AGM will be sent to members by electronic means via publication on SGXNet and the Company's website at the URL <http://www.thakralcorp.com/investor-relations/general-meetings>.
- Alternative arrangements relating to attendance at the AGM via electronic means (in particular, arrangements by which the meeting can be electronically accessed via live audio-visual meeting or audio-only stream), submission of questions in advance of the AGM via email or "live" at, the AGM, and addressing of substantial and relevant questions prior to, or "live" at the AGM and voting "live" by the member or his/her/its duly appointed proxy(ies) or by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Notice of AGM dated 14 April 2022. The Notice of AGM may be accessed at the Company's website at the <http://www.thakralcorp.com/investor-relations/general-meetings>, and will also be made available on SGXNet.
- To minimise physical interactions and COVID-19 transmission risks, a member will not be able to attend the AGM in person and wishes to exercise his/her/its voting rights at the AGM may vote "live" via electronic means at the AGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) or appoint the Chairman of the Meeting to vote "live" via electronic means at the AGM on his/her/its behalf.
- 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 19 April 2022. This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purported to be used by them.
- By submitting an instrument appointing proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of the AGM dated 14 April 2022.
- 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	Email Address**	Proportion of Shareholdings	
				No. of Shares	%
and/or					

*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 convened and held by way of electronic means on Friday, 29 April 2022 at 11 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

(PLEASE INDICATE YOUR VOTE "FOR", "AGAINST" OR "ABSTAIN" WITH A TICK [✓] WITHIN THE BOX PROVIDED.)

No.	Ordinary Resolutions	For [#]	Against [#]	Abstain [#]
1.	Directors' Statement and Audited Financial Statements for the year ended 31 December 2021			
2.	Re-election of Mr. Inderbethyl Singh Thakral as a Director pursuant to Regulation 107(2) of the Constitution of the Company			
3.	Approval of Directors' fees amounting to S\$718,500 for the year ending 31 December 2022, to be paid quarterly in arrears			
4.	Re-appointment of Deloitte & Touche LLP as Auditors			
5.	Authority to allot and issue shares			
6.	Renewal of Shareholders' Mandate for Interested Person Transactions			
7.	Renewal of the Share Buyback Mandate			

* Delete as appropriate

** To receive confirmation email for the virtual AGM.

[#] If you wish your proxy(ies) to cast all your votes 'For' or 'Against' a Resolution, please tick (✓) in the 'For' or 'Against' box provided in respect of that Resolution. Alternatively, please indicate the number of votes 'For' or 'Against' in the 'For' or 'Against' box in respect of that Resolution. If you wish your proxy(ies) to 'Abstain' from voting on a Resolution, please tick (✓) in the 'Abstain' box provided in respect of that Resolution. Alternatively, please indicate the number of Shares that your proxy(ies) is directed to abstain from voting in the 'Abstain' box in respect of that Resolution. In the absence of specific directions in respect of a Resolution, the appointed proxy(ies) will vote or abstain from voting at his/her discretion.

Dated this _____ day of _____ 2022

Total number of shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF.



Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you only have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. To minimise physical interactions and COVID-19 transmission risks, a member will not be able to attend the AGM in person and wishes to exercise his/her/its voting rights at the AGM may vote "live" via electronic means at the AGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) or appoint the Chairman of the Meeting to vote "live" via electronic means at the AGM on his/her/its behalf. This proxy form may be accessed at the Company's website at the URL <http://www.thakralcorp.com/investor-relations/general-meetings>, and will also be made available on SGXNet.

Where a member (whether individual or corporate) appoints 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.

CPF Investors and SRS Investors:

- (a) may vote "live" via electronic means 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 Meeting 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 19 April 2022**) 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 Meeting, 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 (i) via email to the Company at proxyform@thakralcorp.com.sg, or be submitted (ii) via the online process through the Company's AGM pre-registration website at the URL <https://conveneagm.sg/thakralcorp>, in each case, by **11 a.m. on 26 April 2022 (not less than 72 hours before the time appointed for the AGM)**.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically.

Appointed proxy(ies) (other than the Chairman of the Meeting) will be prompted via email (within two (2) business days after the Company's receipt of a validly completed and submitted proxy form) to pre-register at the pre-registration website at the URL <https://conveneagm.sg/thakralcorp> in order to access the live audio-visual webcast or live audio-only stream of the AGM proceedings. Shareholders who wish to appoint third party proxy(ies) are encouraged to submit their proxy forms early, and should request their proxy(ies) to pre-register by **11 a.m. on 26 April 2022**, failing which the appointment shall be invalid.

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 are entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM (i.e. 11 a.m. on 26 April 2022), as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the members accept and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2022.

Fold Here

Affix
Stamp
Here

AGM PROXY FORM

The Company Secretary
THAKRAL CORPORATION LTD
20 Upper Circular Road
#03-06 The Riverwalk
Singapore 058416

Fold Here

GROUP OFFICES

SINGAPORE

Thakral Corporation Ltd
Thakral Capital Holdings Pte Ltd
Thakral Realty (S) Pte Ltd
Thakral Japan Properties Pte Ltd
TJP Pte Ltd
Thakral Umeda Properties Pte Ltd

20 Upper Circular Road
#03-06 The Riverwalk
Singapore 058416

Tel (65) 63368966
Fax (65) 63367225

www.thakralcorp.com
www.tcap.com.sg

Thakral Lifestyle Pte Ltd
CBT At-Home Beauty Holdings Pte Ltd

20 Upper Circular Road
#03-06 The Riverwalk
Singapore 058416
Tel (65) 65330315

AUSTRALIA

Thakral Capital Australia Pty Ltd

SYDNEY OFFICE

Level 3, 20 Bond Street
Sydney, NSW 2000
Australia

Tel (61-2) 80737888
Fax (61-2) 80737889

BRISBANE OFFICE

Level 1, 283 Elizabeth Street
Brisbane, QLD 4000
Australia

Tel (61-4) 87744157
Fax (61-2) 80737889

www.thakralcapital.com.au

GemLife Group

Unit 7, 93 Burnside Road
Stapylton, QLD 4207
Australia

www.gemlife.com.au

CHINA

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

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

HONG KONG

Thakral Corporation (HK)
Limited

Unit G1, 1/F Kaiser Estate
Phase 2
47-53 Man Yue Street
Hung Hom, Kowloon
Hong Kong

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

JAPAN

Thakral Brothers Ltd

702 NPC Building Honmachi
No. 1-2, 2-Chome
Kitakyuhoji-machi Chuo-ku
Osaka 541-0057
Japan

Tel (81-6) 62646226
Fax (81-6) 62660290

INDIA

Singapore Sourcing &
Technology Pvt Ltd

802, 8th Floor, Time Tower
M G Road, Gurgaon
Haryana 122006
India

Tel (91-12) 44310520



THAKRAL
CORPORATION LTD

Co. Reg. No. 199306606E

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

