FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::SECOND QUARTER AND/ OR HALF YEARLY RESULTS

Issuer & Securities

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THAKRAL CORPORATION LTD

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Please refer to attached Press Release and Unaudited Results for the second quarter ended 30 June 2019.

Additional Details

For Financial Period Ended
30/06/2019

Attachments

ThakralCorp_PR_Q2FY2019_20190806.pdf

ThakralCorp_Results_Q2FY2019_20190806.pdf

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

PRESS RELEASE

Thakral reports net profit of S$4.7 million on sales of S$50.4 million in 1HFY2019 and declares interim dividend of 2 cents per share

Singapore, 6 August 2019 – SGX Mainboard-listed Thakral Corporation Ltd ("Thakral" or the "Group") reported net profit of S$4.7 million for 1HFY2019, 25% lower than previous year as sales eased to S$50.4 million from S$84.1 million for the corresponding period last year.

The Group's net profit for 2QFY2019 remained stable at S$2.8 million – despite a 44% fall in revenue to S$24.5 million from S$43.7 million for 2QFY2018. Valuation gain based on the net realisable value of its office building in Osaka as well as its share of profits from its Japanese TMK property investments and its GemLife joint venture which develops and manages retirement resorts in Australia were the principal contributories to the quarter's net profit.

The Group declared an interim dividend of 2 cents per share to be paid out on 30 August 2019.

Earnings per Share and Net Asset Value per Share

Earnings per share (EPS) rose to 1.38 cents for 2QFY2019 from 1.29 cents for the corresponding quarter a year ago; while net asset value per share also rose to 102.67 cents compared to 100.98 cents as of 31 December 2018.

On a half yearly basis, EPS dipped to 2.1 cents in 1HFY2019 from 3.1 cents in the same period last year.

Working Capital and Cash Flow

Trade receivables stood at S$10.0 million as of 30 June 2019 – similar to the level recorded at 31 December 2018; while inventories declined to S$16.3 million from S$24.2 million as ageing inventories were cleared.

The Group recorded a reduced net cash outflow as a result of investment in the Japanese properties as well as from operating activities of S$3.1 million in the latest quarter – due mainly to movement in working capital components and net settlement of accrued interest.

Total borrowings rose to S$60.7 million as of 30 June 2019 against S$55.3 million as of 31 December 2018, with additional funding obtained for the Group's investment activities.

Overall, the Group's cash balances stood at S$6.7 million at end-June 2019.

Financial assets measured at fair value was lower at S$40.7 million as at 30 June 2019 from S$44.7 million as of 31 December 2018, reflecting the sale of one of the properties to the Group's TMK holding structure.

Segmental Performance

Investment Division

This division achieved a segment result of S$9.8 million on revenues of S$12.9 million for the first half of 2019 compared to S$19.1 million in the same period in 2018.

Australia

The Group continues to see a steady pace of settlements of the remaining Newstead project units; while the remaining returns from the Grange Residences project is expected to be received by the fourth quarter.

Construction on the Parkridge Noosa project is progressing well, with the first settlements expected in the next quarter. The strong demand for this project has led to earlier commencement of the second phase. Meanwhile, building of The Oxford Residences project in Sydney's Bondi Junction continues apace with completion expected in June 2020.

The Group's Joint Venture – GemLife continues to perform well. Its retirement living operations, sales and settlements at the Bribie Island, Highfields and Woodend projects are making good progress.

Community facilities at its Bribie Island and Highfields projects have been completed and the clubhouse at Highfields was officially opened earlier this year. GemLife Bribie Island and GemLife Highfields were both recently crowned Master Builders (Queensland) regional winners for their respective clubhouses and associated facilities. Both projects will be vying for the Master Builders (Queensland) State Awards.

Construction of the community facilities at the GemLife Woodend project is underway and sales and settlements are doing well. Over 200 houses have now been occupied at these three projects while the GemLife Lennox Head project is pending development approval.

GemLife is looking for more land sites to acquire. It is now a leading brand in retirement living in Australia.

Japan

The Group's Japanese investments continue to improve. It acquired the Nikke Yotsubashi Building as well as witnessed the opening of a store by the sole tenant of the Nambanaka Thakral Building in Osaka during the quarter. Renovations continue at various properties with a view to improve rental returns upon lease renewals. With very little new supply of commercial space expected in Osaka in 2019, rents are likely to go up.

The Group stands to benefit from Osaka's booming tourism and real estate industries in view of the extensive infrastructure, commercial as well as leisure developments in the city such as the massive Umekita urban redevelopment project, a potential integrated resort development and the World Expo 2025.

Lifestyle Division

Sales declined to S$37.6 million for the current period from S$65.0 million in the previous corresponding period in view of difficult market conditions including weaker consumer demand in China. With the revenue decline, operating loss widened to S$3.9 million from S$0.8 million. The sale of the division's Thakral Building in Osaka was completed in late July 2019; the building was revalued and the excess of S$3.5 million between book value and net realisable value reflected in the income statement. Including this gain, the net segment loss is about S$0.5 million.

Looking Ahead

Mr. Natarajan Subramaniam, Independent Non-Executive Chairman and Lead Independent Director of Thakral, said: "The Group has continued to deliver a profitable performance for both the 1HFY2019 as well as 2QFY2019. This is commendable as both our core businesses faced tough market conditions caused by ongoing global trade tensions and operational challenges in their key markets.

Our strong portfolio of investments especially in Japan and Australia, which helped mitigate the impact of severe headwinds over the past months, will remain a strong contributor for the Group in the coming months."

While the global outlook is still uncertain, there are some sparks of optimism.

On the property front, home prices in Australia are showing early signs of bottoming out in June with values in the biggest markets of Sydney and Melbourne inching up for the first time since 2017. The Group's Investment Division continues its focus on growing its GemLife retirement living business while making progress with its other housing projects.

Over in Japan, CBRE has reported that rents are likely to go up as the All-Grade office vacancy rate in Osaka where most of the Investment Division's real estate portfolio is concentrated had fallen to a record low of 1.2% in Q2 2019 – with limited new supply of office space.

The IMF has forecast that China's economy will grow at a slower 6.2 per cent in 2019 and 6.0 per cent in 2020.[1]

In view of this, Beijing is expected to unveil more stimulus measures to stabilize growth, including boosting infrastructure spending and possible interest rate cuts by the country's central bank, the People's Bank of China.[2]

Mr. Subramaniam added, "We continue to invest in our Lifestyle Division to sign on more brands and strengthen its capability. This division will also be accelerating its e-commerce initiatives via its joint venture company, CBT At-Home Beauty Holdings Pte. Ltd. to capitalise on the surging popularity of online sales in China. We will continue to scout for good market opportunities to drive growth while remaining prudent in managing business risks amid volatile global economic conditions."

About Thakral

Listed on the SGX Mainboard since December 1995, Thakral Corporation Ltd has two divisions – Lifestyle Division and Investment Division.

The Group's Investment Division invests directly or with co-investors in real estate and other investment opportunities including property-backed financial instruments. The Group also earns income from the services rendered from originating, packaging and managing the projects. The Investment Division, through a joint venture, has expanded its businesses into development and management of retirement living resorts in Australia under the GemLife brand. Taking advantage of the upward trend in the Japanese property sector and the country's low interest rate, the Group has also expanded its investment footprint to Japan. With the completion of the acquisition of The Riverwalk office property, the Group has extended its property investments to Singapore.

The Group's Lifestyle Division is focused on marketing and distributing brands in the beauty, wellness and lifestyle categories, working with leading e-commerce platforms as well as traditional retailers. The brands distributed by the Lifestyle Division include at-home beauty and wellness device brands MTG Refa, ikoo, Panasonic, PMD, DermaWand, Philips, TriPollar, T3, MTG SIXPAD, Style Seat and Slendertone, skin and hair care brands John Masters Organics, Codage and Institut Karite Paris as well as lifestyle brands such as DJI. The Lifestyle Division is also creating an e-commerce retail platform for at-home beauty devices in China, in a joint venture with UK-based CurrentBody.com Limited, a leader in this space.

Greater China including Hong Kong, Southeast Asia and India are key markets for the Lifestyle Division and Australia, Japan and Singapore for the Investment Division.

[1] The Business Times, "IMF lowers global growth forecasts as trade, Brexit uncertainties persist", 24 July 2019: https://www.businesstimes.com.sg/government-economy/imf-lowers-global-growth-forecasts-as-trade-brexit-uncertainties-persist-0

[2] CNN Business, "China's economic growth slumps to lowest in 27 years as the trade war hits", 15 July 2019: https://edition.cnn.com/2019/07/15/economy/china-gdp-growth/index.html

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

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Financial Statements Announcement for the Half Year and Second Quarter ended 30 June 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, for the half year and second quarter ended 30 June 2019, together with a comparative statement for the corresponding period of the immediately preceding financial year

These figures have not been audited.

	Note	Group			Group		
		S$000		%	S$000		%
		Six months ended		Increase /	Three months ended		Increase /
		30 Jun 2019	30 Jun 2018 (restated)	(Decrease)	30 Jun 2019	30 Jun 2018 (restated)	(Decrease)
Revenue	2	50,438	84,077	(40)	24,542	43,728	(44)
Cost of sales		(33,122)	(58,856)	(44)	(17,507)	(31,150)	(44)
Gross profit	2	17,316	25,221	(31)	7,035	12,578	(44)
Other operating income	3	30	335	(91)	13	224	(94)
Distribution costs	4	(4,421)	(3,618)	22	(2,422)	(2,086)	16
Administration expenses	5	(8,474)	(8,468)	0	(4,149)	(4,310)	(4)
Other operating expenses	6	(272)	(344)	(21)	(143)	(69)	107
Profit from operations		4,179	13,126	(68)	334	6,337	(95)
Valuation gain on asset held for sale	1	3,460	-	NM	3,460	-	NM
Valuation losses on investment properties	7	(1,571)	(3,067)	(49)	(781)	(1,516)	(48)
Finance income	8	86	14	514	17	(79)	NM
Finance costs	9	(2,044)	(2,420)	(16)	(1,025)	(1,217)	(16)
Foreign exchange gain (loss)	10	173	(574)	NM	(14)	(300)	(95)
Share of profit of associate and joint ventures	11	1,445	-	NM	1,237	-	NM
Profit before income tax		5,728	7,079	(19)	3,228	3,225	0
Income tax expenses	12	(988)	(755)	31	(468)	(295)	59
Profit for the period / quarter		4,740	6,324	(25)	2,760	2,930	(6)
Profit attributable to:							
Equity holders of the Company		2,768	4,024	(31)	1,804	1,691	7
Non-controlling interests		1,972	2,300	(14)	956	1,239	(23)
		4,740	6,324	(25)	2,760	2,930	(6)

NM – Not meaningful

	Note	S$'000		%	S$'000		%
		Six months ended		Increase /	Three months ended		Increase /
		30 Jun 2019	30 Jun 2018	(Decrease)	30 Jun 2019	30 Jun 2018	(Decrease)
Profit for the period / quarter		**4,740**	**6,324**	**(25)**	**2,760**	**2,930**	**(6)**
Other comprehensive (loss) income							
Items that may be reclassified subsequently to profit or loss							
Translation (loss) gain arising on consolidation	13	(446)	(893)	(50)	664	1,048	(37)
Other comprehensive (loss) income for the period / quarter, net of tax		**(446)**	**(893)**	**(50)**	**664**	**1,048**	**(37)**
Total comprehensive income for the period / quarter		**4,294**	**5,431**	**(21)**	**3,424**	**3,978**	**(14)**
Total comprehensive income attributable to:							
Equity holders of the Company		2,235	3,099	(28)	1,829	2,718	(33)
Non-controlling interests		2,059	2,332	(12)	1,595	1,260	27
		4,294	**5,431**	**(21)**	**3,424**	**3,978**	**(14)**

Notes to the Consolidated Income Statement and Consolidated Statement of Comprehensive Income:

Reclassification

Reclassifications have been made to the prior year's Consolidated Income Statement in line with the classification in the audited financial statements for the year ended 31 Dec 18 - an amount of S$542,000 (Q2-FY18: S$210,000) related to withholding tax on certain investment income, previously included as administration expenses, is now reclassified as income tax expenses and another amount of S$552,000 (Q2-FY18: S$324,000) related to the beauty service business, previously included as distribution expenses, is now reclassified to cost of sales.

Note 1:

In order to reflect the realisable market value of the office building in Osaka on its sale, the anticipated net valuation gain of S$3.5 million is included in the income statement. The sale of the property was completed on 26 July 2019.

Note 2:

Consolidated Group revenue for the six months ended 30 June 2019 declined to S$50.4 million from S$84.1 million in the previous corresponding period mainly due to the dampened consumer demand in its principal market of China in view of the on-going trade dispute with the USA as well as market control measures taken by certain brand-owners. Revenue at the Investment Division was also lower due to various factors including that revenue from completed projects was not replaced with new projects.

Revenue includes investment income of S$6.8 million (six months ended 30 June 18: S$12.2 million).

Note 3:

Other operating income comprises:

	S$'000		%	S$'000		%
	Six months ended		Increase /	Three months ended		Increase /
	30 Jun 2019	30 Jun 2018	(Decrease)	30 Jun 2019	30 Jun 2018	(Decrease)
Government subsidies	4	308	(99)	-	212	(100)
Others	26	27	(4)	13	12	8
Total	30	335	(91)	13	224	(94)

i. The unit in China received lower VAT and other subsidies in the current period.

Notes to the Consolidated Income Statement and Consolidated Statement of Comprehensive Income:

Note 4:
Distribution costs comprise:

	S$'000		%	S$'000		%
	Six months ended		Increase /	Three months ended		Increase /
	30 Jun 2019	30 Jun 2018	(Decrease)	30 Jun 2019	30 Jun 2018	(Decrease)
		(restated)			(restated)	
Staff costs	(1,974)	(1,654)	19	(1,013)	(869)	17
Advertising & promotion	(1,293)	(634)	104	(829)	(516)	61
Transportation	(384)	(490)	(22)	(198)	(269)	(26)
Travelling expenses	(128)	(128)	-	(72)	(64)	13
Others	(642)	(712)	(10)	(310)	(368)	(16)
Total	(4,421)	(3,618)	22	(2,422)	(2,086)	16

i. Staff costs increased due to additional sales personnel and annual salary increment implemented in January 2019.
ii. Increase in promotion of the Group's beauty and wellness products continued in the latest quarter.
iii. Transport costs decreased with staff concentrating on sales in their local areas.
iv. Others include depreciation charged (in accordance with SFRS(I) 16 Leases) on right-of-use assets for the leased warehouse. The reduction in others is mainly due to lower storage expenses.

Note 5:
Administration expenses comprise:

	S$'000		%	S$'000		%
	Six months ended		Increase /	Three months ended		Increase /
	30 Jun 2019	30 Jun 2018	(Decrease)	30 Jun 2019	30 Jun 2018	(Decrease)
		(restated)			(restated)	
Staff costs (including executive directors)	(4,805)	(6,157)	(22)	(2,343)	(3,018)	(22)
Directors' fees	(284)	(274)	4	(146)	(137)	7
Professional fees	(1,404)	(650)	116	(568)	(392)	45
Depreciation on right-of use assets / rent & rates - office premises	(478)	(302)	58	(197)	(158)	25
Travelling expenses	(268)	(162)	65	(160)	(77)	108
Insurance	(146)	(129)	13	(75)	(64)	17
Allowance for doubtful debts	(51)	(1)	NM	(8)	(1)	NM
Others	(1,038)	(793)	31	(652)	(463)	41
Total	(8,474)	(8,468)	0	(4,149)	(4,310)	(4)

i. The decline in Staff costs was mainly from bonus accruals being adjusted to be in alignment with results.
ii. Higher project related legal fees in Australia as well as the requirement to appoint professionals in connection with the partial share offer resulted in the substantial increase in professional fees.
iii. Depreciation on right-of-use assets (arising from the adoption of the new SFRS(I) 16 Leases from 1 January 2019) / rental expense increased on account of the higher rental paid in respect of the new office in Shanghai.
iv. Travelling expenses were higher due to increased travel by management during the period.
v. Insurance costs increased mainly due to higher premium on certain employee medical policies.
vi. Other costs increased by donations of S$0.23 million to charities in line with the Corporate Social Responsibility policy.

Notes to the Consolidated Income Statement and Consolidated Statement of Comprehensive Income:

Note 6:
Other operating expenses comprise:

	S$'000		%	S$'000		%
	Six months ended		Increase /	Three months ended		Increase /
	30 Jun 2019	30 Jun 2018	(Decrease)	30 Jun 2019	30 Jun 2018	(Decrease)
Depreciation on property, plant and equipment	(262)	(133)	97	(133)	(69)	93
Loss on disposal of investment properties	(10)	-	NM	(10)	-	NM
Loss on derivative financial instrument	-	(211)	(100)	-	-	NM
Total	(272)	(344)	(21)	(143)	(69)	107

i. Depreciation on property, plant and equipment increased mainly due to the charge on the leasehold improvements in the new office in Shanghai.
ii. The loss on disposal of investment property arose on a house sold in the GLNG project in Gladstone.
iii. There was no further loss on the derivative financial instrument during this period.

Note 7:
The Group recognised a net valuation loss on the GLNG houses in Australia (which is expected to continue until the end of the lease terms).

Note 8:
Finance income increased in the current period mainly due to the settlement of interest on a long-term deposit by a bank in China. Interest accrued on this long-term deposit had been reversed in Q2-FY18.

Note 9:
Finance costs reduced in view of the lower level of borrowings compared to the previous corresponding period. Finance costs also include a part of lease payments which were previously charged as administration / selling expenses in the income statement, as required by the new SFRS(I) 16 *Leases*.

Note 10:
Foreign exchange translation gain for the period arose from the translation of monetary assets and liabilities, denominated in foreign currencies, outstanding as at the end of the period.

Note 11:
The share of profit from associate and joint ventures arose mainly from the Group's Japanese property investments under TJP Pte Ltd and the GemLife joint venture for the development and management of retirement resorts in Australia. This also includes the start-up costs in relation to the CurrentBody joint venture.

Note 12:
Income tax for the period mainly relates to the withholding tax on the income from Investment Division projects and the distributions declared by the Japanese property holding vehicles, the deferred tax on the fair value gain on the financial assets measured at fair value through income statement as well as the share of profit of associate.

Note 13:
These unrealised translation differences arose due to fluctuations in exchange rates of the foreign currencies in which the net assets of the Group's overseas operations are denominated.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Note	Group (S$ '000) as at		Company (S$ '000) as at	
		30 Jun 2019	31 Dec 2018	30 Jun 2019	31 Dec 2018
ASSETS					
Current assets					
Cash and bank balances	1	6,744	11,510	96	944
Trade receivables	2	10,029	10,065	-	-
Other receivables and prepayments		8,146	7,623	46	71
Debt instruments measured at fair value through income statement	3	45,069	18,540	-	-
Inventories	4	16,274	24,180	-	-
Asset held for sale	5	4,670	-	-	-
Total current assets		90,932	71,918	142	1,015
Non-current assets					
Other receivables	6	3,001	1,695	-	-
Debt instruments measured at fair value through income statement	3	36,451	53,349	-	-
Property, plant and equipment		2,235	3,492	15	19
Right-of-use assets	7	2,588	-	82	-
Investment properties		64,235	66,489	-	-
Subsidiary corporations		-	-	117,283	115,980
Joint ventures	8	4,299	4,182	-	-
Associate	9	38,159	28,373	-	-
Financial assets measured at fair value through income statement	10	40,696	44,744	-	-
Total non-current assets		191,664	202,324	117,380	115,999
Total assets		282,596	274,242	117,522	117,014
LIABILITIES AND EQUITY					
Current liabilities					
Trade and bills payables	11	1,969	3,999	-	-
Trust receipts	11	8,963	10,968	-	-
Bank and other borrowings	12	35,990	24,933	177	4,342
Lease liabilities	7	1,426	-	41	-
Other payables	13	13,418	16,789	348	444
Provisions		2,855	2,706	52	52
Income tax payable		3,029	3,082	-	-
Total current liabilities		67,650	62,477	618	4,838
Non-current liabilities					
Amount owing to subsidiary corporations		-	-	11,298	6,950
Bank and other borrowings	12	13,229	19,419	-	-
Lease liabilities	7	1,065	-	42	-
Deferred tax liability		11,442	10,593	-	-
Total non-current liabilities		25,736	30,012	11,340	6,950
Total liabilities		93,386	92,489	11,958	11,788
Capital, reserves and non-controlling interests					
Issued capital		72,579	72,579	72,579	72,579
Reserves		61,772	59,563	32,985	32,647
Equity attributable to equity holders of the Company		134,351	132,142	105,564	105,226
Non-controlling interests		54,859	49,611	-	-
Total equity		189,210	181,753	105,564	105,226
Total liabilities and equity		282,596	274,242	117,522	117,014

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 June 2019		As at 31 December 2018	
Secured *	Unsecured	Secured *	Unsecured
S$ 40,243,000	S$ 6,136,000	S$ 30,335,000	S$ 5,566,000

* Included trust receipts and lease liabilities

Please also see note (12) on page 9

Details of any collateral

Charge over property in Singapore; pledged bank deposits of S$2.4 million; corporate guarantees by the Company and certain subsidiary corporations

Mortgages over the land owned by certain Australian subsidiaries in Gladstone, general fixed and floating charges over the assets of these subsidiaries as well as the subsidiaries that lease the residential properties to the lessees

Charge against specific corresponding debt instruments issued by a developer

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

Amount repayable after one year

As at 30 June 2019		As at 31 December 2018	
Secured *	Unsecured	Secured	Unsecured
S$ 14,294,000	-	S$ 14,962,000	S$ 4,457,000

* Included lease liabilities

Please also see note (12) on page 9

Details of any collateral

Charge over property in Singapore; Company's corporate guarantee

Mortgages over the land owned by certain Australian subsidiaries in Gladstone, general fixed and floating charges over the assets of these subsidiaries as well as the subsidiaries that lease the residential properties to the lessees

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

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

(S$ '000)	Note	Six months ended		Three months ended	
		30 Jun 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018
			(restated)		(restated)
OPERATING ACTIVITIES					
Profit before income tax		5,728	7,079	3,228	3,225
Adjustments for:					
Depreciation expense of property, plant and equipment and right-of-use assets		1,044	133	524	69
Share of profit of associate and joint ventures		(1,445)	-	(1,237)	-
Dividend income from financial assets measured at FVTIS		(545)	(386)	(265)	(386)
Fair value gain on debt instruments		(6,110)	(10,782)	(3,038)	(5,461)
Fair value (gain) loss on financial assets		(114)	(1,014)	502	(401)
Interest expense		2,044	2,420	1,025	1,217
Interest income		(86)	(14)	(17)	79
Loss on disposal of investment properties		10	-	10	-
Loss on disposal of property, plant and equipment		-	2	-	-
Valuation gain on asset held for sale		(3,460)	-	(3,460)	-
Valuation losses on investment properties		1,571	3,067	781	1,516
Unrealised loss on outstanding derivative financial instrument		-	211	-	-
Net unrealised foreign exchange (gain) loss		(188)	523	(18)	566
Share-based payment expenses		9	-	4	-
Provision for employee benefits		162	153	66	79
Allowance for inventories		596	915	596	762
Impairment loss recognised on trade receivables		10	1	4	1
Impairment loss recognised on other receivables		41	-	4	-
Operating cash flows before movements in working capital		(733)	2,308	(1,291)	1,266
Trade receivables		(27)	(3,133)	(1,084)	(4,127)
Other receivables and prepayments		(1,355)	(4,343)	(723)	(1,896)
Inventories		7,255	164	1,745	411
Trade and bills payable		(2,026)	(1,246)	(241)	(2,271)
Other payables and provisions		(3,266)	(383)	(369)	(148)
Cash used in operations		(152)	(6,633)	(1,963)	(6,765)
Income tax paid		(182)	(792)	(177)	(216)
Interest paid		(1,675)	(2,082)	(964)	(1,612)
Interest received		122	154	7	42
Net cash used in operating activities		(1,887)	(9,353)	(3,097)	(8,551)
INVESTING ACTIVITIES					
Additions to property, plant and equipment		(162)	(260)	(55)	(81)
Proceeds from disposal of property, plant and equipment		-	1	-	-
Investments in associate		(8,000)	-	(8,000)	-
Investments in joint ventures		(138)	-	(119)	-
Dividend received from financial assets measured at FVTIS		-	1,458	-	-
Proceeds from disposal of financial assets measured at FVTIS		4,452	-	4,452	-
Additions to financial assets measured at FVTIS		-	(6,857)	-	-
Repayments of debt instruments measured at FVTIS		9,249	17,447	4,325	4,035
Additions to debt instruments measured at FVTIS		(13,733)	(18,423)	(2,278)	(12,069)
Proceeds from disposal of investment properties		277	-	277	-
Net cash used in investing activities		(8,055)	(6,634)	(1,398)	(8,115)
FINANCING ACTIVITIES					
Dividends paid		-	(2,617)	-	(2,617)
Cash contributions from non-controlling shareholders in a subsidiary corporation		3,192	-	3,192	-
Decrease in fixed deposits with maturities exceeding three months		1	2,293	1	-
Decrease in pledged fixed deposits		281	2,301	3	230
(Decrease) increase in trust receipts		(1,963)	(312)	1,851	(509)
Increase in factoring loan		384	-	99	-
Repayments of lease liabilities		(896)	-	(371)	-
Other loans		15,444	-	-	-
Repayments of other loans		(10,389)	(3,864)	(3,569)	(2,377)
Loans from banks		1,664	539	1,664	539
Repayments of bank loans		(2,215)	(3,942)	(1,175)	-
Net cash generated from (used in) financing activities		5,503	(5,602)	1,695	(4,734)
Net decrease in cash and cash equivalents		(4,439)	(21,589)	(2,800)	(21,400)
Cash and cash equivalents at beginning of period / quarter		8,688	34,911	7,032	34,506
Net effect of exchange rate changes in the balance of cash held in foreign currencies		(34)	34	(17)	250
Cash and cash equivalents at end of period / quarter		4,215	13,356	4,215	13,356
Cash and cash equivalents were represented by:-					
Fixed deposits with maturities less than 3 months, cash and bank balances	1	4,215	13,356	4,215	13,356
		4,215	13,356	4,215	13,356

Notes to the Statements of Financial Position and Consolidated Statement of Cash Flows:

Reclassification

To align with the reclassification of the withholding tax on certain investment income in the Income Statement, the corresponding reclassification has been made to the prior year's Statement of Cash Flows in line with the classifications in the audited financial statements for the year ended 31 Dec 18.

Note 1:

Cash and bank balances are comprised of:

	30-Jun-19	31-Dec-18
Cash and cash equivalents	S$4.2 million	S$8.7 million
Fixed deposits with maturities exceeding three months	S$0.1 million	S$0.1 million
Fixed deposits that have been pledged to banks against trust receipts and factoring loan	S$2.4 million	S$2.7 million
Total	S$6.7 million	S$11.5 million

Note 2:

Trade receivables were about level with those as at the year end.

Included in trade receivables is an amount of S$1.2 million (31 Dec 18: S$0.8 million) which was factored to a bank on a full recourse basis. The cash received from the factoring is included as bank borrowing (Note 12).

Note 3:

The increase in aggregate debt instruments measured at fair value through income statement reflect the additional investments in the Australian projects, including the GemLife joint venture during the period. Of the total of S$81.5 million (31 Dec 18: S$71.9 million), debt instruments due by the GemLife joint venture entities amount to S$36.9 million (31 Dec 18: S$34.8 million) as at 30 June 2019. The increase in the current portion in the current period is mainly from the reclassification of amounts expected to be realised/sold-down in the next 12 months.

Note 4:

Inventories reduced from the clearance of ageing inventories.

Note 5:

Asset held for sale represents the office building in Osaka at the net negotiated sales value that reflects its realisable market value; the sale of the property was completed in late July.

Note 6:

Non-current other receivables increased mainly due to the loans advanced to the Associate in Japan and to the CurrentBody joint venture entity.

Note 7:

Right-of-use assets represent the Group's right to use an asset over the life of the relevant lease. Lease liabilities are the amounts payable on such leases, segregated into current and non-current liabilities.

Note 8:

This mainly represents the Group's interest in the joint venture entities for the GemLife retirement housing business. This includes the share of profit of the entities for the period.

Note 9:

This represents the Group's investment in commercial properties and hotel building in Japan through a pooled investment structure that is accounted for as an associate by the Group in view of its significant influence over the entity. This includes the share of profit of the entity for the period.

Note 10:

This represents the Group's investments in commercial properties and hotel buildings in Japan through pooled investment structures which are accounted for as financial assets measured at fair value through income statement.

Notes to the Statements of Financial Position and Consolidated Statement of Cash Flows:

Note 11:
Aggregate trade and bills payable and trust receipts reduced in view of repayments and lower purchases in the period.

Note 12:
Aggregate bank and other borrowings increased from 31 December 2018 on account of the additional funding taken by the Investment Division in the period.

Note 13:
Other payables decreased on account of payment of certain accrued expenses.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2019

S$'000

Group	Issued capital	Capital reserve	Asset revaluation reserve	Share options reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
Balance at 1 Jan 2019, as previously reported	**72,579**	**(9,084)**	**296**	**2**	**(6,489)**	**74,838**	**132,142**	**49,611**	**181,753**
Effect on adoption of SFRS(I) 16	-	-	-	-	-	(33)	(33)	(5)	(38)
Balance at 1 Jan 2019, restated	**72,579**	**(9,084)**	**296**	**2**	**(6,489)**	**74,805**	**132,109**	**49,606**	**181,715**
Total comprehensive income for the quarter									
Profit for the quarter	-	-	-	-	-	964	964	1,016	1,980
Other comprehensive loss for the quarter	-	-	-	-	(558)	-	(558)	(552)	(1,110)
	-	-	-	-	(558)	964	406	464	870
Transactions with owners, recognised directly in equity									
Recognition of share-based payments of a subsidiary corporation	-	-	-	4	-	-	4	1	5
Balance at 31 Mar 2019	**72,579**	**(9,084)**	**296**	**6**	**(7,047)**	**75,769**	**132,519**	**50,071**	**182,590**
Total comprehensive income for the quarter									
Profit for the quarter	-	-	-	-	-	1,804	1,804	956	2,760
Other comprehensive income for the quarter	-	-	-	-	25	-	25	639	664
	-	-	-	-	25	1,804	1,829	1,595	3,424
Transactions with owners, recognised directly in equity									
Cash contributions from non-controlling shareholders in a subsidiary corporation	-	-	-	-	-	-	-	3,192	3,192
Recognition of share-based payments of a subsidiary corporation	-	-	-	3	-	-	3	1	4
Balance at 30 Jun 2019	**72,579**	**(9,084)**	**296**	**9**	**(7,022)**	**77,573**	**134,351**	**54,859**	**189,210**

Six months ended 30 June 2018

S$'000

Group	Issued capital	Capital reserve	Asset revaluation reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
Balance at 1 Jan 2018	**72,579**	**(9,207)**	**296**	**(2,530)**	**70,775**	**131,913**	**30,797**	**162,710**
Total comprehensive income for the quarter								
Profit for the quarter	-	-	-	-	2,333	2,333	1,061	3,394
Other comprehensive (loss) income for the quarter	-	-	-	(1,952)	-	(1,952)	11	(1,941)
	-	-	-	(1,952)	2,333	381	1,072	1,453
Balance at 31 Mar 2018	**72,579**	**(9,207)**	**296**	**(4,482)**	**73,108**	**132,294**	**31,869**	**164,163**
Total comprehensive income for the quarter								
Profit for the quarter	-	-	-	-	1,691	1,691	1,239	2,930
Other comprehensive income for the quarter	-	-	-	1,027	-	1,027	21	1,048
	-	-	-	1,027	1,691	2,718	1,260	3,978
Transactions with owners, recognised directly in equity								
Dividend	-	-	-	-	(2,617)	(2,617)	-	(2,617)
Balance at 30 Jun 2018	**72,579**	**(9,207)**	**296**	**(3,455)**	**72,182**	**132,395**	**33,129**	**165,524**

Six months ended 30 June 2019

S$'000

Company	Issued capital	Retained earnings	Total
Balance as at 1 Jan 2019, as previously reported	**72,579**	**32,647**	**105,226**
Effect on adoption of SFRS(I) 16	-	(2)	(2)
Balance as at 1 Jan 2019, restated	**72,579**	**32,645**	**105,224**
Profit for the quarter, representing total comprehensive income for the quarter	-	585	585
Balance as at 31 Mar 2019	**72,579**	**33,230**	**105,809**
Loss for the quarter, representing total comprehensive loss for the quarter	-	(245)	(245)
Balance as at 30 Jun 2019	**72,579**	**32,985**	**105,564**

Six months ended 30 June 2018

S$'000

Company	Issued capital	Retained earnings	Total
Balance as at 1 Jan 2018	**72,579**	**40,977**	**113,556**
Profit for the quarter, representing total comprehensive income for the quarter	-	10,309	10,309
Balance as at 31 Mar 2018	**72,579**	**51,286**	**123,865**
Profit for the quarter, representing total comprehensive income for the quarter	-	418	418
Transactions with owners, recognised directly in equity			
Dividend	-	(2,617)	(2,617)
Balance as at 30 Jun 2018	**72,579**	**49,087**	**121,666**

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

The Company did not have any outstanding convertibles or treasury shares as at 30 Jun 2019 and 31 Dec 2018.

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

The outstanding share options under the Thakral Capital Holdings Pte Ltd Employees' Share Option Scheme were 78,300 as at 30 Jun 2019 and 31 Dec 2018; the options are not exercisable until 1 Nov 2021.

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

The total number of issued shares was 130,860,616 as at 30 June 2019 and 31 December 2018.

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

Not applicable.

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

Not applicable.

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

These figures have not been audited or reviewed.

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

Not applicable.

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

Except as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2018.

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

On 1 January 2019, the Group adopted all the SFRS(I) pronouncements that are effective from that date and are relevant to its operations. The Group was mainly affected by the following:-

SFRS(I) 16	*Leases*
Amendments to SFRS(I) 9	*Financial Instruments: Prepayment Features with Negative Compensation*
Amendments to SFRS(I) 1-28	*Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures*
SFRS(I) INT 23	*Uncertainty over Income Tax Treatments*

As certain leases entered by the Group as lessee meet the definition of a lease under SFRS(I) 16, the Group has recognised right-of-use assets and the corresponding lease liabilities in its Statements of Financial Position. The lease payments are now charged as depreciation as well as finance costs. In view of the modified approach adopted by the Group for this SFRS(I), prior period figures are not required to be restated. The effect of the adoption of this modified approach includes the recognition of a net liability of S$38,000 as of 1 January 2019 relating to the cumulative retrospective impact from initially applying the standard that has been adjusted to retained earnings.

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

	Six months ended 30 Jun 2019	Six months ended 30 Jun 2018
(i) Based on the weighted average number of ordinary shares on issue	2.12 cents	3.08 cents
(ii) On a fully diluted basis	2.12 cents	3.08 cents

	Three months ended 30 Jun 2019	Three months ended 30 Jun 2018
(i) Based on the weighted average number of ordinary shares on issue	1.38 cents	1.29 cents
(ii) On a fully diluted basis	1.38 cents	1.29 cents

Basic earnings per share and diluted earnings per share are computed on the profit for the above periods after taxation and deduction of non-controlling interests divided by 130,860,616 being the adjusted weighted average number of shares in issue during the periods ended 30 June 2019 and 30 June 2018.

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

	As at 30 Jun 2019	As at 31 Dec 2018
Group	102.67 cents	100.98 cents
Company	80.67 cents	80.41 cents

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

Review – Six months ended 30 June 2019

Revenue & Profitability

The Group achieved consolidated revenue of S$50.4 million for the half year ended 30 June 2019 compared to S$84.1 million in the previous corresponding period. Turnover for the quarter was S$24.5 million, a decline of 44% from the previous corresponding quarter. The Lifestyle Division was affected by dampened consumer demand in its principal market of China in view of the on-going trade dispute with the USA as well as market control measures taken by certain brand-owners. A Japanese brand of a key product range handled by the Group saw sales of its products severely disrupted in China because of their internal issues, adversely impacting the Group's sales and gross profit in the quarter. The Investment Division also achieved lower revenue in the quarter due to the absence of income in relation to completed or sold-down projects that had been recognised in the previous corresponding period. In view of the slowdown in the housing market in Australia, the Investment Division has been cautious in taking up new housing projects. Further, the structured long-term leases with the GLNG syndicate for the 45 houses in Phase 1 of the GLNG project in Gladstone progressively expired by the end of the latest quarter, affecting the income for the quarter. Some of these houses are being leased out on shorter terms and at current market rates, which are lower than the previous structured rental rates. Apart from seeking tenants for the vacant houses, the Group has also put up a few of these houses for sale. The Group's joint venture in the retirement space, GemLife, continues to do well. However, since this is a joint venture, GemLife's revenue is not consolidated in the Group's numbers. GemLife saw its consolidated net profits up 30% as compared to the same period in the previous year.

Consolidated gross profit consequently declined to S$17.3 million for the latest period as compared to S$25.2 million for the previous corresponding period while gross profit for the quarter reduced to S$7.0 million from S$12.6 million previously.

In view of the lower revenue and gross profits, profit from operations for the year-to-date and the latest quarter were both lower by 68% and 95% respectively.

The Group completed the sale of its old office building (Thakral Building) in Osaka on 26 July 2019. The property was reclassified to Asset held for sale at its net negotiated selling price as at 30 June 2019 reflecting its true value and resulting in a net valuation gain of S$3.5 million.

The Board declared an interim dividend of 2 cents per share which shall be paid on 30 August 2019.

Valuation loss of S$1.6 million on the GLNG houses in Gladstone, Australia for the period is lower than the S$3.1 million in the previous corresponding period mainly in view of the bottoming out of property values in Gladstone.

Net Finance costs for the period declined by about 19% to S$2.0 million from S$2.4 million in the previous corresponding period.

Expenses

Distribution expenses of S$4.4 million for the current half-year were 22% higher than the S$3.6 million incurred in the previous corresponding period in view of ongoing investments being made in the promotion and development of the brands handled by the Group to build them into standalone profit centers. This includes setting up the team to distribute various fragrance brands that we signed up with L'Oréal International Distribution for distribution in the People's Republic of China including Hong Kong and Macau.

Administration expenses of S$8.5 million in the period were about level with those incurred in the comparative prior period.

Foreign exchange gain of S$0.2 million in the current period arose mainly from the translation of foreign currency denominated assets and liabilities outstanding as at the end of the period compared to a loss of S$0.6 million in the earlier period.

The Group also recognised share of profits from an associate and joint ventures of S$1.4 million in the period, including start-up costs in relation to the CurrentBody joint venture.

Consolidated net profit of S$4.7 million for the current period compares to S$6.3 million in the previous corresponding period.

Working Capital and Cash Flow

Inventories reduced to S$16.3 million as at 30 June 2019 compared to S$24.2 million as at 31 December 2018 from the clearance of ageing inventories. In view of lower sales, the inventory turnover period for the year increased to 111 days against 73 days for the previous corresponding period.

Trade receivables of S$10.0 million as at 30 June 2019 were about level with those as at 31 December 2018. The trade receivables turnover period for the year was 36 days against 29 days for the previous corresponding period.

Aggregate debt instruments measured at fair value through income statement increased to S$81.5 million as at 30 June 2019 compared to S$71.9 million as at 31 December 2018 reflecting the additional investments in the Australian projects, including the GemLife joint venture during the current period. The increase in the current portion in the current period is mainly from the reclassification of amounts expected to be realised/sold-down in the next 12 months.

Asset held for sale represents the office building in Osaka reclassified at the net negotiated sales value that reflects its realisable value; the sale of the property was completed in late July.

Financial assets measured at fair value through income statement reduced to S$40.7 million as at 30 June 2019 from S$44.7 million as at 31 December 2018 reflecting the sale of one of the properties to the Group's TMK holding structure.

The increase in Associate from S$28.4 million as at 31 December 2018 to S$38.2 million mainly reflects the acquisition of the Nikke Yotsubashi and Kitahama buildings.

The Group also recognised right-of-use assets and aggregate lease liabilities of S$2.6 million and S$2.5 million respectively representing the Group's lease commitments upon the adoption of SFRS(I) 16 *Leases*.

Aggregate borrowings (including lease liabilities) increased to S$60.7 million as at 30 June 2019 as against S$55.3 million as at 31 December 2018 mainly on account of the additional funding taken by the Investment Division in the period.

Cash balances reduced to S$6.7 million as at 30 June 2019 from S$11.5 million as at 31 December 2018. The Group recorded a net cash outflow, this includes funds invested in the Japanese properties as well as from operating activities of S$3.1 million in the latest quarter mainly from the movement in working capital components and net settlement of accrued interest; this was lower than the outflow of S$8.5 million recorded in the previous corresponding quarter.

Net Asset Value

Net Asset Value per share grew to 102.67 cents as at 30 June 2019 from 100.98 cents as at 31 December 2018.

Performance Summary

Investments

Australia

The Group continues to recoup its investment from settlements of the remaining Newstead project units. The remaining return from the Grange Residences project is expected to be received by Q4-FY19. Construction on the Parkridge Noosa project is progressing well, with the first settlements expected in Q3-FY19. The strong demand for this project has led to earlier commencement of the second phase. Construction of The Oxford Residences project in Sydney's Bondi Junction continues, with practical completion expected in June 2020. The Group continues to review potential residential projects.

On GemLife, the retirement living operations, sales and settlements at the Bribie Island, Woodend and Highfields projects are progressing well. Community facilities at 2 projects have been completed and the clubhouse at Highfields was officially opened in February 2019. GemLife Bribie Island and GemLife Highfields were both recently crowned Master Builders (QLD) regional winners for their respective clubhouses and associated facilities. Both projects will now progress to the Master Builders (QLD) State Awards, where they will be assessed against each other and other regional award winners. Construction of the community facilities at the Woodend project are underway and sales and settlements are progressing well. Over 200 houses have now been occupied at these three projects. Sales for the Maroochy Quays (formerly Maroochydore) project commenced in Q3-FY18 and construction commenced in Q1-FY19. Development approval for the Lennox Head project is awaited. GemLife continues to review other land sites for acquisition. With settlements taking place at 3 resorts the numbers are not reflecting the full potential of this business as these are offset by expenses incurred on other start up sites as well as those sites that are pending development approvals. GemLife is now a leading brand in building of retirement homes.

Japan

The tenant opened its store in the Nambanaka Thakral Building on 26 April 2019. The Group also acquired the Nikke Yotsubashi Building during the quarter. Renovations continue to be made to the various properties with a view to improving rental returns on lease renewals. With very little new supply of commercial space expected in Osaka in 2019, rents are likely to rise further. Osaka is also expected to see multiple catalysts including the massive Umekita urban redevelopment project as well as infrastructure improvements, while a potential integrated resort development and the World Expo 2025 are also expected to provide tailwinds for inbound tourism. The Group remains on the look-out for additional properties.

Revenue at the Investment Division declined to S$12.9 million for the first half year from S$19.1 million in the previous corresponding period for the reasons explained above. Consequently, segment result of S$9.8 million in the current period was about 20% lower than the S$12.3 million achieved in the previous corresponding period.

Lifestyle

Sales declined to S$37.6 million for the current period from S$65.0 million in the previous corresponding period in view of difficult market conditions and the factors stated above. Segment operating loss widened to S$3.9 million from S$0.8 million. However, with the sale being completed in late July, the Lifestyle Division revalued its office building in Osaka to realisable value, resulting in a net gain of about S$3.5 million which reduced total segment loss to S$0.5 million.

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

The performance of the Lifestyle Division for the quarter was below expectation in view of the increase in the intensity of the trade disagreements between China and the USA and internal issues of one of our major brand owners. The performance of the Investment Division in the quarter met management's expectations. The Lifestyle Division has intensified its efforts to grow the business.

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

After the tightening measures introduced in the last four years, the authorities in Australia are re-applying stimulus to the property market. The Parliamentary election removed the overhang of housing taxes while two successive interest rate reductions and the Australian Prudential Regulation Authority's changes to the serviceability buffer improved market sentiment. Home prices in Australia showed early signs of bottoming out in June with values in the biggest markets of Sydney and Melbourne inching up for the first time since 2017. The Group's Investment Division continues its focus on growing its GemLife retirement living business while progressing its other housing projects. In Osaka, CBRE reported that the All-Grade office vacancy rate fell to a record low of 1.2% in Q2 2019. As little new supply is scheduled to be completed in 2019, rents are likely to rise further. According to Colliers International, although Tokyo has better fundamentals to support rental growth beyond the cyclical horizon, office space in Osaka remains as the top investment pick.

The PRC economy expanded by 6.2 percent in the second quarter of 2019, the lowest since March 1992. Both exports and imports also fell for the first six months of this year, indicating the toll the global slowdown and the U.S.-China trade tensions are taking on an economy already suffering from weaker domestic demand. This has also led to a sharp deceleration in business economic activity in Asia and adversely affected demand for the Lifestyle Division's products. The division is also adversely affected by the market control measures taken by certain brand-owners. Efforts to grow a profitable business are continuing but the economic environment remains challenging.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?	Yes, an interim dividend of S$0.02 per share (yield of 4.55% on last traded price of S$0.44 per share)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

For the previous corresponding period, the Company had paid an interim dividend of S$0.02 per share on 23 May 2018.

(c) Date payable

30 August 2019

(d) Books closure date

20 August 2019

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

Not applicable

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

Name of interested person	Aggregate value of all interested person transactions during the period ended 30 June 2019 (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		
Purchases, net of returns	-	1,046
Sales, net of returns	-	227

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

The Group, which operates in four geographical segments being Australia, the People's Republic of China (including Hong Kong), Singapore and others (India and Japan), has 3 main core divisional activities as follows:

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

<u>Group's reportable segments</u>

S$'000
Six months ended 30 June 2019

	INV	LIFE	OTH	TOTAL
Revenue				
External revenue	12,884	37,554	-	50,438
Result				
Segment operating result	9,846	(3,894)	(827)	5,125
Valuation gain on asset held for sale	-	3,460	-	3,460
Valuation loss on investment properties	(1,571)	-	-	(1,571)
Share of profit (loss) of associate and joint ventures	1,500	(55)	-	1,445
Segment result	9,775	(489)	(827)	8,459
Unallocated corporate expenses				(946)
Finance income				86
Finance costs				(2,044)
Foreign exchange gain				173
Profit before income tax				5,728
Income tax expense				(988)
Profit for the period				4,740
Other information				
Capital expenditure:				
Property, plant and equipment	-	162	-	162
Depreciation expense	56	984	4	1,044
Assets				
Segment assets	238,935	43,285	376	282,596
Total assets				282,596
Liabilities				
Segment liabilities	51,677	26,846	392	78,915
Income tax payable				3,029
Deferred tax liability				11,442
Total liabilities				93,386

S$'000
Six months ended 30 June 2018

	INV	LIFE	OTH	TOTAL
Revenue				
External sales	19,121	64,956	-	84,077
Result				
Segment operating result (restated)	15,371	(794)	(586)	13,991
Valuation loss on investment properties	(3,067)	-	-	(3,067)
Segment result (restated)	12,304	(794)	(586)	10,924
Unallocated corporate expenses				(865)
Finance income				14
Finance costs				(2,420)
Foreign exchange loss				(574)
Profit before income tax (restated)				7,079
Income tax expenses (restated)				(755)
Profit for the period				6,324
Other information				
Capital expenditure:				
Property, plant and equipment	-	249	11	260
Depreciation expense	9	121	3	133
Assets				
Segment assets	194,978	52,695	564	248,237
Total assets				248,237
Liabilities				
Segment liabilities (restated)	43,306	28,474	573	72,353
Income tax payable (restated)				4,401
Deferred tax liability (restated)				5,959
Total liabilities				82,713

Geographical information

S$'000

Geographical segments:	**Revenue**		**Capital expenditure**		**Non-current assets ***	
	30 Jun		30 Jun		30 Jun	
	2019	2018	2019	2018	2019	2018
People's Republic of China (including Hong Kong)	41,945	75,169	161	249	6,571	3,295
Australia	5,140	6,062	-	-	31,864	40,592
Singapore	1,277	1,400	-	11	30,495	33
Others	2,076	1,446	1	-	128	1,194
	50,438	84,077	162	260	69,058	45,114

The basis of the information stated under geographical segment above is the aggregate of the relevant figures from companies incorporated in those countries

* Non-current assets other than financial instruments, associate and joint ventures

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

See item 8 on review of performance

Negative confirmation pursuant to Rule 705(5)

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements for the 6 months ended 30 June 2019 to be false or misleading in any material aspect.

Confirmation pursuant to Rule 720(1)

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

ON BEHALF OF THE BOARD
Kartar Singh Thakral
Director

Inderbethal Singh Thakral
Director
6 August 2019

BY ORDER OF THE BOARD
Chan Wan Mei
Chan Lai Yin
Company Secretaries
6 August 2019