

**FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS**

## Issuer &amp; Securities

## Issuer/ Manager

THAKRAL CORPORATION LTD

## Securities

THAKRAL CORPORATION LTD - SG1AJ2000005 - AWI

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## Announcement Details

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Anil Daryanani

## Designation

Chief Financial Officer

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

Please refer to attached Press Release and Unaudited Results for the full year ended 31 December 2022.

## Additional Details

## For Financial Period Ended

31/12/2022

## Attachments

[ThakralCorp\\_PR\\_FY2022\\_20230228.pdf](#)[ThakralCorp\\_Results\\_FY2022\\_20230228.pdf](#)



Total size =706K MB



## **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\$26.6 million as revenue rose 26% y-o-y to S\$160.4 million in FY2022**

- **All core businesses reported higher revenue compared to FY2021**
- **Group Net Asset Value per share grew to 118.43 cents in FY2022 from 117.91 cents in FY2021**
- **Group Earnings Per Share eased to 14.23 cents from 14.68 cents in FY2021**
- **Second interim dividend of 2 cents and special interim dividend of 0.5 cent declared**

**Singapore, 28 February 2023**

SGX Mainboard-listed Thakral Corporation Ltd (“Thakral” or the “Group”) delivered another profitable set of results on stronger top-line performance in FY2022.

For the financial year ended 31 December 2022 (FY2022), the Group’s revenue rose 26% to S\$160.4 million from S\$127.8 million in FY2021. Net profit was 13% lower at S\$26.6 million while net profit attributable to shareholders of S\$18.6 million for the year (vs S\$19.2 million in FY2021) was 3% lower due to higher aggregate overheads (31%). Our associates and joint ventures continued their stellar performance contributing a share of profits of S\$31 million, although 16% lower than the previous year. The Group incurred a higher foreign exchange loss of S\$0.6 million due to currency volatility during the year under review.

For the six months ended 31 December 2022 (2HFY2022), the Group’s net profit increased 40% to S\$21.9 million from S\$15.6 million registered in the corresponding period last year. Group revenue in the second half of FY2022 also jumped 45% to S\$96 million from S\$66 million in 2HFY2021.

Both its core business segments reported strong profitable performances on improved revenue. Income from its Real Estate Investment business was up almost 50% to S\$22.6 million in FY2022 from S\$15.1 million in FY2021 while its Lifestyle business registered a jump of 22.3% in sales to S\$137.8 million from S\$112.7 million during the same period.

The Group continued to see steady demand for GemLife homes in Australia while its Lifestyle business enjoyed a sales boost from its DJI and fragrance products.

GemLife home sales are well ahead of targets with over 394 unconditional, 234 conditional and 48 deposits on hand while actual settlements are tracking forecasts with 1,088 homes occupied as of 31 December 2022.

The Group's Lifestyle business segment powered ahead with its strong growth trajectory – as profit continued to rise to S\$6.5 million in FY2022 compared to S\$2.0 million in FY2021. This included the contribution from improved performance of its CurrentBody-Thakral joint venture and a gain from Ascential's acquisition of the Group's stake in Intrepid in 1HFY2022.

In view of the Group's commendable performance, the Board of Directors has declared a second interim dividend of 2 cents and a special interim dividend of 0.5 cent per share, bringing the total dividend to 4.5 cents for FY2022, to reward shareholders.

### **Net Asset Value Per Share and Earnings Per Share**

Net Asset Value per share increased to 118.43 cents as at 31 December 2022 compared to 117.91 cents as at 31 December 2021.

The Group's Earnings Per Share in FY2022 eased to 14.23 cents from 14.68 cents in FY2021.

### **Working Capital**

The Group saw a net cash outflow from operating activities of S\$10.8 million for the current year compared to a net outflow of S\$14.0 million in the previous year, mainly from the net changes in working capital components.

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

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

### **Segmental Performance of Core Businesses**

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

### **Investments**

Including the share of profit of associates and valuation gains on investment properties in both years, the Group's Investment business achieved an almost 50% growth in revenue and a segment result of S\$37.2 million in the current year compared to the restated S\$45.0 million in the previous year.

## Australia

### GemLife Joint Venture

The Group remains focused on growing the GemLife business as it continues to deliver excellent results.

GemLife has a pipeline that will lead to about 7,000 homes. This puts GemLife as one of the leading players in the over-50's resort style living segment in Australia. Its Bribie Island resort was completed two years ahead of schedule and Highfields, Woodend, Maroochy Quays and Pacific Paradise are now settling homes in the final stages.

Settlement in Palmwoods commenced in May 2022 with 61 homes delivered in the first eight months. Rainbow Beach had its first settlement in Dec 2022, and GemLife now has seven resorts with occupied homes. The community facilities are well underway at Palmwoods and Rainbow Beach which will be completed in 2023. Civil works at Tweed Waters have been completed. Civil construction has also commenced at Gold Coast. Sales across Australia have been very strong. Despite industry-wide supply chain disruptions, construction remains on course as GemLife has its own integrated homebuilding capabilities and is expected to continue meeting its internal targets.

### Other residential properties

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

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

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

## Japan

Japan's economy is showing signs of cautious recovery as the reopening of the country's borders commenced. All-Grade and Grade B vacancy rates remained unchanged in Q4 2022 at 3.5% and 3.2% respectively. The Group's office properties saw 100% occupancy in three of the six properties, over 92% in another two and more than 80% in its latest acquisition, Umeda Pacific Building. Overall rentals have held up well and are still catching up to the general market rental levels and should remain competitive.

The reopening of Japan's borders coupled with the weaker Japanese Yen should give a boost to tourism growth.

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

### **Lifestyle mainly in China including Hong Kong**

The Lifestyle business has accelerated its strong growth track record as segment profit leapt to S\$6.5 million in FY2022 from S\$2.0 million last year on the back of a 22% revenue rise to S\$137.8 million for the year from S\$112.7 million achieved in the previous year.

The better bottom line was boosted by higher sales of its drone and fragrance products, a contribution of about S\$1.8 million from the CurrentBody-Thakral joint venture as well as a gain of S\$2.2 million from Ascential's acquisition of the Group's stake in Intrepid.

The Group saw strong demand for its DJI products during the year under review – making South Asia the Group's largest geographical market in terms of revenue. South Asia sales shot up 81% to S\$81.3 million in FY2022 from S\$44.9 million in FY2021.

The overall better results were achieved despite disruptions in shipping and logistics as a consequence of the lockdowns in China and border restrictions in Hong Kong during the COVID-19 surge earlier in FY2022. Sales to/in China (including Hong Kong) declined 36.4% to S\$21.9 million in FY2022 from S\$34.5 million in FY2021.

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

### **Going Forward**

Mr. Natarajan Subramaniam, Independent Non-Executive Chairman and Lead Independent Director of Thakral, said, "The Group has remained resilient and done well in an extremely difficult global landscape. Despite inflationary pressures, intensifying geopolitical tensions and rising interest rates, we have delivered another profitable performance as we continue to improve sales in all our core business segments and reward our shareholders with positive returns. Our total dividend payout to shareholders for the year amounts to 4.5 cents per share generating a yield of about 8% based on closing share price as of 28 February 2023 – which is among the highest paid by SGX-listed peers<sup>1</sup>.

Not only have both our key businesses stayed profitable, we have also strengthened our financial position as our cash balances more than doubled to S\$20.1 million in FY2022."

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<sup>1</sup> Dividends Ranking, 31 January 2023, <http://www.dividendsranking.com/Singapore-dividend-stocks.html>

He added, “Our Lifestyle business recorded an admirable performance – reflecting the success of our strategic pivot to focus on higher margin growth businesses. This segment benefitted from rising sales of top-selling fragrance brands as well as our distribution of innovative technologies such as drone and camera products in big markets such as South Asia. We also gained from our investments in new technology sectors as evidenced by the divestment of our stake in e-commerce platform, Intrepid.”

The Group continues to pursue new growth trajectories in technology as well as impact investments. At the end of FY2022, it became a cornerstone investor in BillionBricks, a climate-tech venture that combines clean energy and large-scale affordable housing to create carbon-negative communities to combat climate change.

The Group had also previously invested in the seed round of a fintech start-up - Fraction, a Hong Kong-based one-stop, full-service fractional ownership blockchain platform that enables trading, investment and secure ownership of security tokens/fractions of any real-world asset, with an initial focus on real estate. Fraction recently received the best FinTech 2023 startup award in Thailand. A small series A investment was also made in InvestaX, a Singapore-based start-up investment platform for digital securities and security tokens of global private markets deals, including venture, private equity, real estate and digital SPACs.

Commenting on the Group’s outlook for real estate investments, Mr. Subramaniam said, “Our investments in Australia will stay focused on GemLife which targets quality lifestyle resort homes for the over-50s. It has continued to perform well in the face of challenging property market conditions and rising interest rates.

In Japan, we are hopeful of a gradual recovery as border controls were lifted in 2022. Demand for office and commercial property is seeing some pick up as office vacancy rates in key markets such as Tokyo continued to slide.<sup>2</sup>

The hospitality sector in Japan too is set for a long-awaited recovery as tourist numbers are expected to grow with the easing of travel curbs. Indeed, according to reports, the country hopes to pick up where it left off three years ago when it had aimed to surpass the pre-pandemic high of 31 million arrivals in 2019.<sup>3</sup>

So, while the slowdown in the global markets may be dragging on economic recovery, Asia is forecast to grow faster than any other region in the world.

Looking ahead, the Group will continue to pursue new growth opportunities with prudence and manage market risks to achieve our goals of long-term sustainable growth with a view to delivering positive shareholder value.”

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<sup>2</sup> Source: Office Rents, Vacancies Continued to Decline Across Tokyo in Late 2022  
<https://www.worldpropertyjournal.com/real-estate-news/japan/tokyo-real-estate-news/japan-real-estate-news-tokyo-office-leasing-data-for-2022-cbre-japan-office-market-reports-for-2022-tokyo-office-rent-data-for-2022-13512.php>

<sup>3</sup> Source: Japan aims to smash tourism record in 2025, as more travellers eye ‘dream holiday’  
<https://www.scmp.com/week-asia/economics/article/3210030/japan-aims-smash-tourism-record-2025-more-travellers-eye-dream-holiday>

In view of uncertainties in the world's leading economies, the Group maintains a cautious outlook for FY2023.

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## **About Thakral**

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

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

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

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# THAKRAL

## CORPORATION LTD

(Company Registration No. 199306606E)

### Condensed Financial Statements For the year ended 31 December 2022

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**Condensed Financial Statements for the year ended 31 December 2022**

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

These figures have not been audited.

	Note	Group			Group		
		S\$000		%	S\$000		%
		Year ended			Six months ended		
		31 Dec 2022	31 Dec 2021	Increase / (Decrease)	31 Dec 2022	31 Dec 2021	Increase / (Decrease)
<b>CONSOLIDATED INCOME STATEMENT</b>			(restated)		(restated)		
Revenue	5	160,422	127,796	26	96,047	66,013	45
Cost of sales		(121,200)	(99,933)	21	(71,036)	(56,412)	26
Gross profit	5	39,222	27,863	41	25,011	9,601	161
Other operating income	6	3,279	1,065	208	70	370	(81)
Distribution costs	7	(6,647)	(5,673)	17	(3,576)	(3,297)	8
Administration expenses	3, 8	(28,048)	(20,718)	35	(19,856)	(13,705)	45
Depreciation on property, plant and equipment		(411)	(468)	(12)	(204)	(162)	26
Profit (loss) from operations		7,395	2,069	257	1,445	(7,193)	NM
Fair value loss on derivative financial instruments	13	(270)	-	NM	(270)	-	NM
Valuation gain (loss) on investment properties / assets held for sale	18	1,412	3,330	(58)	974	(35)	NM
Finance income		45	22	105	34	10	240
Finance costs		(2,336)	(2,281)	2	(1,338)	(1,255)	7
Foreign exchange loss	9	(625)	(155)	303	(524)	(137)	282
Share of profit of associates and joint ventures	3, 21, 22	30,972	37,041	(16)	31,777	30,816	3
<b>Profit before income tax</b>		<b>36,593</b>	<b>40,026</b>	<b>(9)</b>	<b>32,098</b>	<b>22,206</b>	<b>45</b>
Income tax expenses	3, 10	(10,019)	(9,358)	7	(10,213)	(6,578)	55
<b>Profit for the year / period</b>		<b>26,574</b>	<b>30,668</b>	<b>(13)</b>	<b>21,885</b>	<b>15,628</b>	<b>40</b>
<u>Profit attributable to:</u>							
Equity holders of the Company		18,617	19,207	(3)	14,873	10,259	45
Non-controlling interests		7,957	11,461	(31)	7,012	5,369	31
		26,574	30,668	(13)	21,885	15,628	40
<b>CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME</b>							
<b>Profit for the year / period</b>		<b>26,574</b>	<b>30,668</b>	<b>(13)</b>	<b>21,885</b>	<b>15,628</b>	<b>40</b>
<b>Other comprehensive loss</b>							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Translation loss arising on consolidation	11	(22,139)	(14,212)	56	(5,733)	(7,029)	(18)
<b>Other comprehensive loss for the year / period, net of tax</b>		<b>(22,139)</b>	<b>(14,212)</b>	<b>56</b>	<b>(5,733)</b>	<b>(7,029)</b>	<b>(18)</b>
<b>Total comprehensive income for the year / period</b>		<b>4,435</b>	<b>16,456</b>	<b>(73)</b>	<b>16,152</b>	<b>8,599</b>	<b>88</b>
<u>Total comprehensive income attributable to:</u>							
Equity holders of the Company		5,052	10,438	(52)	10,701	5,672	89
Non-controlling interests		(617)	6,018	NM	5,451	2,927	86
		4,435	16,456	(73)	16,152	8,599	88

NM – Not meaningful



**STATEMENTS OF FINANCIAL POSITION**

	Note	Group ( S\$ '000) as at			Company ( S\$ '000) as at	
		31 Dec 2022	31 Dec 2021	1 Jan 2021	31 Dec 2022	31 Dec 2021
			(restated)	(restated)		
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and bank balances	12	20,058	9,678	5,816	2,380	769
Derivative financial instruments	13	128	-	-	-	-
Trade receivables	14	12,714	12,245	7,355	-	-
Other receivables and prepayments	15	6,073	7,989	5,227	146	150
Amount owing by a subsidiary corporation		-	-	-	1,256	1,250
Debt instruments measured at fair value through income statement / amortised cost	16	21,790	18,663	21,664	-	-
Inventories	17	17,832	14,745	8,321	-	-
Assets held for sale	18	6,299	19,755	13,787	-	-
<b>Total current assets</b>		<b>84,894</b>	<b>83,075</b>	<b>62,170</b>	<b>3,782</b>	<b>2,169</b>
<b>Non-current assets</b>						
Other receivables	15	4,472	4,564	10,089	-	-
Debt instruments measured at fair value through income statement	16	48,700	56,715	54,366	-	-
Property, plant and equipment	19	1,375	1,555	1,636	18	16
Right-of-use assets	20	491	1,310	873	-	-
Investment properties	18	31,158	29,746	45,218	-	-
Subsidiary corporations		-	-	-	103,093	103,116
Joint ventures	21	67,678	45,773	21,534	-	-
Associates	22	60,776	75,042	73,890	-	-
Financial assets measured at fair value through income statement	23	49,328	51,609	45,757	1,681	1,681
<b>Total non-current assets</b>		<b>263,978</b>	<b>266,314</b>	<b>253,363</b>	<b>104,792</b>	<b>104,813</b>
<b>Total assets</b>		<b>348,872</b>	<b>349,389</b>	<b>315,533</b>	<b>108,574</b>	<b>106,982</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current liabilities</b>						
Trade and bills payables	24	4,178	3,086	1,222	-	-
Trust receipts	25	21,141	23,108	14,027	-	-
Bank and other borrowings	25	21,275	24,383	24,662	1,256	1,250
Lease liabilities	25	342	791	556	-	-
Other payables	26	24,676	22,676	14,110	1,066	854
Provisions	27	6,131	3,021	2,813	52	52
Income tax payable		1,022	1,157	1,522	-	-
<b>Total current liabilities</b>		<b>78,765</b>	<b>78,222</b>	<b>58,912</b>	<b>2,374</b>	<b>2,156</b>
<b>Non-current liabilities</b>						
Amount owing to subsidiary corporations		-	-	-	12,885	11,698
Bank and other borrowings	25	8,466	12,455	13,619	1,733	2,957
Lease liabilities	25	135	545	251	-	-
Other payables	26	1,274	667	379	-	-
Deferred tax liability	28	31,932	24,612	17,775	-	-
<b>Total non-current liabilities</b>		<b>41,807</b>	<b>38,279</b>	<b>32,024</b>	<b>14,618</b>	<b>14,655</b>
<b>Total liabilities</b>		<b>120,572</b>	<b>116,501</b>	<b>90,936</b>	<b>16,992</b>	<b>16,811</b>
<b>Capital, reserves and non-controlling interests</b>						
Issued capital	29	71,838	72,579	72,579	71,838	72,579
Reserves		81,549	81,724	76,501	19,744	17,592
Equity attributable to equity holders of the Company		153,387	154,303	149,080	91,582	90,171
Non-controlling interests		74,913	78,585	75,517	-	-
<b>Total equity</b>		<b>228,300</b>	<b>232,888</b>	<b>224,597</b>	<b>91,582</b>	<b>90,171</b>
<b>Total liabilities and equity</b>		<b>348,872</b>	<b>349,389</b>	<b>315,533</b>	<b>108,574</b>	<b>106,982</b>



**STATEMENTS OF CHANGES IN EQUITY**

Year ended 31 December 2022

S\$'000

	Issued capital	Capital reserve	Options reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
<b>Group</b>								
<b>Balance at 1 Jan 2022</b>	<b>72,579</b>	<b>(9,084)</b>	<b>53</b>	<b>(9,024)</b>	<b>96,655</b>	<b>151,179</b>	<b>77,543</b>	<b>228,722</b>
Prior year adjustment	-	-	-	-	3,124	3,124	1,042	4,166
<b>Balance at 1 Jan 2022, restated</b>	<b>72,579</b>	<b>(9,084)</b>	<b>53</b>	<b>(9,024)</b>	<b>99,779</b>	<b>154,303</b>	<b>78,585</b>	<b>232,888</b>
Total comprehensive loss for the period								
Profit for the period	-	-	-	-	3,744	3,744	945	4,689
Other comprehensive loss for the period (restated)	-	-	(1)	(9,392)	-	(9,393)	(7,013)	(16,406)
Total	-	-	(1)	(9,392)	3,744	(5,649)	(6,068)	(11,717)
Transactions with owners, recognised directly in equity								
Recognition of share-based payments of a subsidiary corporation	-	-	3	-	-	3	1	4
Dividend (Note 30)	-	-	-	-	(2,617)	(2,617)	-	(2,617)
Dividend to non-controlling shareholders in a subsidiary corporation	-	-	-	-	-	-	(1,835)	(1,835)
Total	-	-	3	-	(2,617)	(2,614)	(1,834)	(4,448)
<b>Balance at 30 Jun 2022, restated</b>	<b>72,579</b>	<b>(9,084)</b>	<b>55</b>	<b>(18,416)</b>	<b>100,906</b>	<b>146,040</b>	<b>70,683</b>	<b>216,723</b>
Total comprehensive income for the period								
Profit for the period	-	-	-	-	14,873	14,873	7,012	21,885
Other comprehensive loss for the period	-	-	(3)	(4,169)	-	(4,172)	(1,561)	(5,733)
Total	-	-	(3)	(4,169)	14,873	10,701	5,451	16,152
Transactions with owners, recognised directly in equity								
Cancellation of purchased shares (Note 29)	(741)	-	-	-	-	(741)	-	(741)
Cancellation of shares of a subsidiary corporation purchased from a non-controlling shareholder	-	-	-	-	-	-	(1,222)	(1,222)
Dividend (Note 30)	-	-	-	-	(2,617)	(2,617)	-	(2,617)
Recognition of share-based payments of a subsidiary corporation	-	-	4	-	-	4	1	5
Total	(741)	-	4	-	(2,617)	(3,354)	(1,221)	(4,575)
<b>Balance at 31 Dec 2022</b>	<b>71,838</b>	<b>(9,084)</b>	<b>56</b>	<b>(22,585)</b>	<b>113,162</b>	<b>153,387</b>	<b>74,913</b>	<b>228,300</b>



**STATEMENTS OF CHANGES IN EQUITY**

Year ended 31 December 2021

S\$'000

	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
<b>Group</b>									
<b>Balance at 1 Jan 2021</b>	<b>72,579</b>	<b>(9,084)</b>	<b>763</b>	<b>36</b>	<b>(257)</b>	<b>83,874</b>	<b>147,911</b>	<b>75,127</b>	<b>223,038</b>
Prior year adjustment	-	-	-	-	-	1,169	1,169	390	1,559
<b>Balance at 1 Jan 2021, restated</b>	<b>72,579</b>	<b>(9,084)</b>	<b>763</b>	<b>36</b>	<b>(257)</b>	<b>85,043</b>	<b>149,080</b>	<b>75,517</b>	<b>224,597</b>
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	8,948	8,948	6,092	15,040
Other comprehensive loss for the period	-	-	-	-	(4,182)	-	(4,182)	(3,001)	(7,183)
Total	-	-	-	-	(4,182)	8,948	4,766	3,091	7,857
Transactions with owners, recognised directly in equity									
Recognition of share-based payments of a subsidiary corporation	-	-	-	10	-	-	10	4	14
Transfer from asset revaluation reserve to retained earnings on disposal of assets held for sale	-	-	(763)	-	-	763	-	-	-
Dividend (Note 30)	-	-	-	-	-	(2,617)	(2,617)	-	(2,617)
Total	-	-	(763)	10	-	(1,854)	(2,607)	4	(2,603)
<b>Balance at 30 Jun 2021</b>	<b>72,579</b>	<b>(9,084)</b>	<b>-</b>	<b>46</b>	<b>(4,439)</b>	<b>92,137</b>	<b>151,239</b>	<b>78,612</b>	<b>229,851</b>
Total comprehensive income for the period									
Profit for the period (restated)	-	-	-	-	-	10,259	10,259	5,369	15,628
Other comprehensive loss for the period	-	-	-	(2)	(4,585)	-	(4,587)	(2,442)	(7,029)
Total	-	-	-	(2)	(4,585)	10,259	5,672	2,927	8,599
Transactions with owners, recognised directly in equity									
Cash contributions from non-controlling shareholders in a subsidiary corporation	-	-	-	-	-	-	-	596	596
Dividend (Note 30)	-	-	-	-	-	(2,617)	(2,617)	-	(2,617)
Dividends to non-controlling shareholders in subsidiary corporations	-	-	-	-	-	-	-	(3,552)	(3,552)
Recognition of share-based payments of a subsidiary corporation	-	-	-	9	-	-	9	2	11
Total	-	-	-	9	-	(2,617)	(2,608)	(2,954)	(5,562)
<b>Balance at 31 Dec 2021</b>	<b>72,579</b>	<b>(9,084)</b>	<b>-</b>	<b>53</b>	<b>(9,024)</b>	<b>99,779</b>	<b>154,303</b>	<b>78,585</b>	<b>232,888</b>



**STATEMENTS OF CHANGES IN EQUITY**

Year ended 31 December 2022

S\$'000

**Company**

**Balance as at 1 Jan 2022**

Profit for the period, representing total comprehensive income for the period  
Transactions with owners, recognised directly in equity  
Dividend (Note 30)

**Balance as at 30 Jun 2022**

Profit for the period, representing total comprehensive income for the period  
Transactions with owners, recognised directly in equity  
Dividend (Note 30)  
Cancellation of purchased shares (Note 29)

**Balance as at 31 Dec 2022**

Issued capital	Retained earnings	Total
<b>72,579</b>	<b>17,592</b>	<b>90,171</b>
-	3,577	3,577
-	(2,617)	(2,617)
<b>72,579</b>	<b>18,552</b>	<b>91,131</b>
-	3,809	3,809
-	(2,617)	(2,617)
(741)	-	(741)
<b>71,838</b>	<b>19,744</b>	<b>91,582</b>

Year ended 31 December 2021

S\$'000

**Company**

**Balance as at 1 Jan 2021**

Loss for the period, representing total comprehensive loss for the period  
Transactions with owners, recognised directly in equity  
Dividend (Note 30)

**Balance as at 30 Jun 2021**

Profit for the period, representing total comprehensive income for the period  
Transactions with owners, recognised directly in equity  
Dividend (Note 30)

**Balance as at 31 Dec 2021**

Issued capital	Retained earnings	Total
<b>72,579</b>	<b>16,910</b>	<b>89,489</b>
-	(1,376)	(1,376)
-	(2,617)	(2,617)
<b>72,579</b>	<b>12,917</b>	<b>85,496</b>
-	7,292	7,292
-	(2,617)	(2,617)
<b>72,579</b>	<b>17,592</b>	<b>90,171</b>



**CONSOLIDATED STATEMENT OF CASH FLOWS**

( S\$ '000)

Note

	Year ended		Six months ended	
	31 Dec 2022	31 Dec 2021 (restated)	31 Dec 2022	31 Dec 2021 (restated)
<b>OPERATING ACTIVITIES</b>				
Profit before income tax	36,593	40,026	32,098	22,206
Adjustments for:				
Depreciation expenses (including on Right-of-use assets)	1,186	1,500	577	659
Share of profit of associates and joint ventures, net	(30,972)	(37,041)	(31,777)	(30,816)
Fair value gain and interest income on debt instruments measured at FVTIS / amortised cost	(13,588)	(6,192)	(8,995)	(1,946)
Fair value gain on financial assets measured at FVTIS	(5,660)	(5,547)	(4,257)	1,456
Interest expense	2,336	2,281	1,338	1,255
Interest income	(45)	(22)	(34)	(10)
Gain on disposal of financial assets measured at FVTIS	(2,212)	-	-	-
Gain on disposal of assets held for sale	(966)	(706)	(66)	(164)
(Gain) Loss on disposal of property, plant and equipment	(26)	(6)	1	(6)
Fair value loss on derivative financial instruments	270	-	270	-
Valuation (gain) loss on investment properties / assets held for sale	(1,412)	(3,330)	(974)	35
Net unrealised foreign exchange loss	898	292	546	425
Share-based payment expenses	9	25	5	11
Provision for employee benefits	3,519	299	3,085	187
Allowance for inventories	857	573	713	(13)
Impairment loss recognised on trade receivables	309	206	235	206
Impairment loss recognised on other receivables	95	151	95	151
<b>Operating cash flows before movements in working capital</b>	(8,809)	(7,491)	(7,140)	(6,364)
Trade receivables	(1,076)	(4,987)	(1,460)	(2,703)
Other receivables and prepayments	1,289	(1,429)	1,896	(1,399)
Inventories	(4,491)	(6,796)	(4,613)	(2,834)
Trade and bills payables	1,225	1,845	2,382	(342)
Other payables and provisions	3,740	8,321	3,404	8,260
<b>Cash used in operations</b>	(8,122)	(10,537)	(5,531)	(5,382)
Income tax refunded (paid)	115	(1,472)	(342)	(935)
Interest paid	(2,807)	(2,046)	(1,157)	(1,262)
Interest received	34	33	24	5
<b>Net cash used in operating activities</b>	(10,780)	(14,022)	(7,006)	(7,574)
<b>INVESTING ACTIVITIES</b>				
Additions to property, plant and equipment	(288)	(366)	(6)	(297)
Proceeds from disposal of property, plant and equipment	76	6	-	6
Investments in associates	-	(577)	-	(201)
Capital return from an associate	8,918	5,502	8,918	5,502
Dividend received from an associate	842	-	398	-
Investments in joint ventures	-	(728)	-	(384)
Additions to financial assets measured at FVTIS	(899)	(1,691)	16	(624)
Dividend received from financial assets measured at FVTIS	-	3,467	-	2,739
Proceeds from disposal of financial assets measured at FVTIS	4,855	-	-	-
Repayments of debt instruments measured at FVTIS / amortised cost	20,387	9,679	1,956	9,271
Additions to debt instruments measured at FVTIS / amortised cost	(6,813)	(8,287)	(3,886)	(7,683)
Proceeds from disposal of assets held for sale	13,051	12,553	1,260	4,818
Additions to derivative financial instruments	(401)	-	(401)	-
<b>Net cash generated from investing activities</b>	39,728	19,558	8,255	13,147
<b>FINANCING ACTIVITIES</b>				
Purchase of shares for cancellation	(741)	-	(741)	-
Dividend paid to non-controlling shareholders in a subsidiary corporation	(1,835)	(3,552)	-	(3,552)
Dividend paid	(5,234)	(5,234)	(2,617)	(2,617)
Cash contributions from non-controlling shareholders in a subsidiary corporation	-	596	-	596
Purchase of shares of a subsidiary corporation from a non-controlling shareholder for cancellation	(1,222)	-	(1,222)	-
(Increase) decrease in fixed deposits with maturities exceeding three months	(131)	(15)	(137)	1
(Increase) decrease in pledged fixed deposits	(136)	39	(420)	(290)
(Decrease) increase in trust receipts	(1,924)	8,987	(864)	4,177
(Decrease) Increase in factoring loan	(309)	287	(3)	303
Repayments of lease liabilities	(848)	(948)	(431)	(484)
Increase in other loans	-	1,988	-	442
Repayments of other loans	(1,819)	(1,808)	43	(1,295)
Loans from banks	5,791	21,602	3,365	14,651
Repayments of bank loans	(9,690)	(23,485)	(1,743)	(16,227)
<b>Net cash used in financing activities</b>	(18,098)	(1,543)	(4,770)	(4,295)
<b>Net increase in cash and cash equivalents</b>	10,850	3,993	(3,521)	1,278
Cash and cash equivalents at beginning of year / period	6,721	2,873	20,696	5,590
Net effect of exchange rate changes in the balance of cash held in foreign currencies	(791)	(145)	(395)	(147)
<b>Cash and cash equivalents at end of year / period</b>	16,780	6,721	16,780	6,721
Cash and cash equivalents were represented by:-				
Fixed deposits with maturities less than 3 months, cash and bank balances	16,780	6,721	16,780	6,721
	16,780	6,721	16,780	6,721



## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **1. CORPORATE INFORMATION**

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

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

The principal activities of the Group are:

1. Investments in real estate, over-50s living and other strategic investments
2. Management and marketing of beauty, fragrance and lifestyle brands and products

### **2. BASIS OF PREPARATION**

The condensed financial statements for the year ended 31 December 2022 do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last audited financial statements for the year end 31 December 2021.

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

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

#### *USE OF JUDGEMENTS AND ESTIMATES*

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

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

The critical judgement, apart from those involving estimates (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements is the accounting for entities under the TMK structure (accounted for as associates).

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

- valuation of investment properties and assets held for sale
- valuation of financial assets measured at fair value through income statement (FVTIS)
- valuation of debt instruments measured at FVTIS





**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**3. RESTATEMENT OF PRIOR PERIOD**

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

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

The impact of this restatement for the years ended 31 December 2021 and 31 December 2020 is as follows:

<b>CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DEC 2021</b>	S\$'000		
	As previously reported	Adjustment	As restated
Administration expenses	(18,392)	(2,326)	(20,718)
Share of profit of associates and joint ventures	29,994	7,047	37,041
<b>Profit before tax</b>	<b>35,305</b>	<b>4,721</b>	<b>40,026</b>
Income tax expenses	(7,244)	(2,114)	(9,358)
<b>Profit for the year</b>	<b>28,061</b>	<b>2,607</b>	<b>30,668</b>
Profit attributable to:			
Equity holders of the Company	17,252	1,955	19,207
Non-controlling interests	10,809	652	11,461
	<b>28,061</b>	<b>2,607</b>	<b>30,668</b>
Total comprehensive income attributable to:			
Equity holders of the Company	8,483	1,955	10,438
Non-controlling interests	5,366	652	6,018
<b>Total comprehensive income</b>	<b>13,849</b>	<b>2,607</b>	<b>16,456</b>
<b>EARNINGS PER SHARE</b>	cents per share		
Basic earnings per share	13.18	1.50	14.68
Diluted earnings per share	13.18	1.50	14.68



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 3. RESTATEMENT OF PRIOR PERIOD (CONTINUED)

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

### 4. SEASONAL OPERATIONS

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

### 5. REVENUE AND GROSS PROFIT

	S\$'000		%	S\$'000		%
	Year ended			Six months ended		
	31 Dec 2022	31 Dec 2021		31 Dec 2022	31 Dec 2021	
Product sales	137,819	111,787	23	81,369	63,299	29
Management fee and other service income	1,953	2,276	(14)	742	1,273	(42)
Rental income	1,366	1,994	(31)	648	951	(32)
<i>Investment income</i>						
<i>Fair value changes and interest income on debt instruments</i>	13,588	6,192	119	8,995	1,946	362
<i>Fair value changes on financial assets measured at FVTIS</i>	5,696	5,547	3	4,293	(1,456)	NM
<i>Sub-total for investment income</i>	19,284	11,739	64	13,288	490	NM
Total	160,422	127,796	26	96,047	66,013	45

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

Revenue at the Investment Division from ongoing and completed projects in the year benefited from the comparison with FY2021 as the previous year had been adversely impacted due to the reversal of accrued return on the Oxford Bondi project in view of completion delays. The Lifestyle Division continues to see strong growth in sales of DJI products in South Asia and is making progress in further developing the markets. Consolidated revenue and gross profit for the year both grew by 26% and 41% respectively from the previous financial year.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 6. OTHER OPERATING INCOME

	S\$'000		%	S\$'000		%
	Year ended			Six months ended		
	31 Dec 2022	31 Dec 2021	Increase / (Decrease)	31 Dec 2022	31 Dec 2021	Increase / (Decrease)
Gain on disposal of financial assets measured at FVTIS	2,212	-	NM	-	-	NM
Fair value changes on financial assets measured at FVTIS	(36)	-	NM	(36)	-	NM
Gain on disposal of assets held for sale	966	706	37	66	164	(60)
Government subsidies	26	274	(91)	-	164	(100)
Others	111	85	31	40	42	(5)
Total	3,279	1,065	208	70	370	(81)

- The gain on disposal of financial assets arose from Ascential's acquisition of the Group's stake in Intrepid during the year.
- The gain on disposal of assets held for sale in both periods mainly arose from the sale of the GLNG houses in Gladstone.
- Government subsidies in the previous year were mainly a VAT refund in China as well as certain COVID-19 related subsidies in other jurisdictions.

### 7. DISTRIBUTION COSTS

	S\$'000		%	S\$'000		%
	Year ended			Six months ended		
	31 Dec 2022	31 Dec 2021	Increase / (Decrease)	31 Dec 2022	31 Dec 2021	Increase / (Decrease)
Staff costs	(2,361)	(2,076)	14	(1,151)	(1,043)	10
Advertising & promotion	(2,424)	(2,064)	17	(1,364)	(1,522)	(10)
Transportation	(702)	(531)	32	(489)	(282)	73
Travelling expenses	(181)	(197)	(8)	(103)	(140)	(26)
Others	(979)	(805)	22	(469)	(310)	51
Total	(6,647)	(5,673)	17	(3,576)	(3,297)	8

- Staff costs increased from the higher headcount as well as salary adjustments made in the year.
- Marketing activities have been normalised this year but had been curtailed due to COVID-19 in the first half of prior year.
- Transport costs increased in view of the higher sales activity.
- Others include depreciation charged (in accordance with SFRS(I) 16 Leases) on right-of-use assets for the leased warehouse.

### 8. ADMINISTRATION EXPENSES

	S\$'000		%	S\$'000		%
	Year ended			Six months ended		
	31 Dec 2022	31 Dec 2021	Increase / (Decrease)	31 Dec 2022	31 Dec 2021	Increase / (Decrease)
Staff costs (including executive directors)	(21,774)	(15,205)	43	(16,354)	(10,666)	53
Directors' fees	(719)	(719)	-	(360)	(360)	-
Professional fees	(2,053)	(1,567)	31	(1,167)	(867)	35
Depreciation on right-of-use assets / rent and rates - office premises	(635)	(911)	(30)	(301)	(428)	(30)
Travelling expenses	(316)	(150)	111	(180)	(57)	216
Insurance	(357)	(348)	3	(172)	(195)	(12)
Bad debt recovered	-	324	(100)	-	290	(100)
Allowance for doubtful debts	(404)	(357)	13	(330)	(357)	(8)
Others	(1,790)	(1,785)	0	(992)	(1,065)	(7)
Total	(28,048)	(20,718)	35	(19,856)	(13,705)	45

- Staff costs were higher mainly from the increased manpower costs that included the accrual of higher performance linked pay and employee benefits this year, higher headcount as well as salary adjustments made earlier in the year.
- Professional fees were higher mainly due to certain market consultancy as well as project related fees in Australia.
- Depreciation on right-of-use assets declined mainly due to the savings from the relocation of the Shanghai office.
- Travelling has resumed gradually this year, with the higher costs of flights and hotels showing their impact.
- An allowance for doubtful debt was made in view of heightened risk due to delay in recovery of the amounts from certain customers.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 9. FOREIGN EXCHANGE LOSS

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

### 10. INCOME TAX

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

	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
	Year ended			Six months ended		
	31 Dec 2022	31 Dec 2021 (restated)		31 Dec 2022	31 Dec 2021 (restated)	
Current taxation:						
- Provision for taxation in respect of current year/period	(510)	(1,206)	(58)	(445)	(1,100)	(60)
- Overprovision in prior years	953	59	NM	448	43	942
Deferred tax:						
- Amount charged for taxation in respect of deferred tax liabilities in current year / period	(10,462)	(8,211)	27	(10,216)	(5,521)	85
Total	(10,019)	(9,358)	7	(10,213)	(6,578)	55

Certain withholding tax provided in prior years was reversed upon recoupment of an investment in Australia.

The overall income tax charge for the current year / period was mainly from accrual of withholding taxes on the share of fair value gains and profits taken up on the various investments.

### 11. TRANSLATION LOSS ARISING ON CONSOLIDATION

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

### 12. CASH AND BANK BALANCES

	Group S\$'000 as at		Company S\$'000 as at	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Fixed deposits	393	271	-	-
Pledged fixed deposits	2,391	2,694	-	-
Cash and bank balances	17,274	6,713	2,380	769
Current	20,058	9,678	2,380	769
Less:				
Fixed deposits with maturities exceeding three months	(387)	(263)	-	-
Fixed deposits placed with banks against trust receipts	(2,391)	(2,694)	-	-
Pledged deposit placed with bank against bank loan	(500)	-	-	-
Cash and cash equivalents	16,780	6,721	2,380	769

The substantial increase in cash balance was mainly due to the repayment of debt instruments by GemLife upon completion of their refinancing, recoupment of the investment from Bondi project, net proceeds from the sales of GLNG houses as well as the capital reduction from a Japanese property investment entity.



## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **13. DERIVATIVE FINANCIAL INSTRUMENTS**

The Group uses foreign exchange options to manage its exposure to foreign exchange rates on the capital invested in its investments in associates (Note 22) and financial assets (Note 23). The Group also uses interest rate caps to manage its exposure to interest rates payable on the borrowings taken by the investees.

### **14. TRADE 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.

### **15. OTHER RECEIVABLES AND PREPAYMENTS**

Aggregate other receivables decreased mainly due to the receipt of a part of the accrued dividends from a Japanese investment entity.

### **16. DEBT INSTRUMENTS MEASURED AT FAIR VALUE THROUGH INCOME STATEMENT / AMORTISED COST**

Of the total of S\$70.5 million as at 31 December 2022 (31 Dec 21: S\$75.4 million), debt instruments due by the GemLife joint venture entities amount to S\$48.2 million (31 Dec 21: S\$46.1 million).

The debt instruments measured at FVTIS earn fixed interest income on the principal amount and variable returns. The management has assessed the terms of contracts and concluded that the variable returns determined at each reporting period of the project are a component of the fair value for accounting purposes. Judgement and estimates have been made about the accounting for the variable returns, which have been determined at the end of each reporting period. Changes in these estimates could affect the reported amounts of fair value changes and the fair value of debt instruments.

### **17. INVENTORIES**

Inventories increased mainly due to the overall higher turnover of DJI and fragrance products to cater to the larger market and customer base. Allowance for inventories of S\$0.9 million (2021: S\$0.6 million) was made during the year.

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



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**18. INVESTMENT PROPERTIES / ASSETS HELD FOR SALE**

Assets held for sale at the end of the current financial period represent the houses in Gladstone, Australia which the Group expects to sell in the next 12 months.

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

	S\$'000		S\$'000	
	Investment Properties		Assets held for sale	
	Year ended		Year ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Balance at beginning of year	29,746	45,218	19,755	13,787
Disposals	-	-	(12,678)	(12,021)
Valuation gain for the year recognised in profit or loss	1,412	2,617	-	713
Translation adjustment	-	(632)	(778)	(181)
Transfers (to assets held for sale)/from investment properties	-	(17,457)	-	17,457
Balance at end of year	31,158	29,746	6,299	19,755

The fair value of the Group's properties in Singapore and Australia at 31 December 2022 has 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 methodology from the prior year.

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

The most significant unobservable inputs used in the fair value measurement are price per square meter of S\$18,100 (31 Dec 2021: S\$17,300) for the office property in Singapore and selling price per unit of S\$379,000 – S\$448,000 (31 Dec 2021: S\$402,000 – S\$485,000) for the residential properties in Australia.

**19. PROPERTY, PLANT AND EQUIPMENT**

During the year ended 31 December 2022, the Group acquired assets amounting to S\$288,000 (2021: S\$366,000). The Group disposed of assets at net book value of S\$46,000 (2021: Nil) during the year.

**20. RIGHT-OF-USE ASSETS**

The decrease in right-of-use assets mainly arose due to the depreciation charged for the offices and warehouse during the year.

**21. JOINT VENTURES**

This mainly represents the Group's interest in the joint venture entities for the GemLife over-50s lifestyle resorts business. Joint ventures mainly from the profit contributions, including land and building valuation uplifts at GemLife during the year as well as the impact of its prior year adjustment. This also included the profit contribution from CurrentBody-Thakral.



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**22. ASSOCIATES**

This represents the Group's investment in office buildings in Japan through pooled investment structures that are accounted for as associates by the Group in view of its significant influence over the entities. This includes the accumulated share of profit and unrealised net valuation gains of the underlying properties. The reduction during the year is mainly from the capital reduction and partial settlement of outstanding dividends by a Japanese property investment entity following the sale of the Riverpoint Kitahama Building and WBF Namba Hotel, partially offset by profit contributions, including land and building valuation uplifts, during the year as well the translation impact from the weak Japanese Yen.

**23. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH INCOME STATEMENT**

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 as well as the Group's other strategic investments. The decrease in the year arises mainly due to the translation loss on Japanese investments from the weakening of JPY against SGD during the year and the divestment of the Group's stake in Intrepid.

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

**24. TRADE AND BILLS PAYABLE**

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

**25. BORROWINGS**

Aggregate borrowings (including trust receipts and lease liabilities) as at 31 December 2022 decreased compared to 31 December 2021 mainly due to the settlement of the borrowings related to the GLNG houses as well as settlement of co-investors' funding by the Group upon the completion of refinancing by GemLife.

	Group S\$'000 as at		Company S\$'000 as at	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
<u>Amount repayable in one year or less, or on demand</u>				
Secured *	41,502	47,032	-	-
Unsecured	1,256	1,250	1,256	1,250
<u>Amount repayable after one year</u>				
Secured *	4,741	5,460	-	-
Unsecured	3,860	7,540	1,733	2,957

\* Includes lease liabilities

Details of any collaterals

Charges over property in Singapore; pledged bank deposits of S\$2.9 million; corporate guarantees by the Company and certain subsidiary corporations.

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

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



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**26. OTHER PAYABLES**

Other payables as at 31 December 2022 increased mainly due to employee benefit accruals.

**27. PROVISIONS**

Provisions increased due to the reassessment at certain subsidiary corporations during the year of the potential liability for leave payments to employees upon their leaving the Group.

**28. DEFERRED TAX LIABILITY**

The increase in deferred tax liability was mainly due to the accrual of withholding taxes on the share of fair value gains and profits taken up on the various investments (Note 10).

**29. SHARE CAPITAL**

	<b>Group and Company</b>			
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	Number of ordinary shares		S\$'000	S\$'000
Issued and fully paid:				
Balance at beginning of year	130,860,616	130,860,616	72,579	72,579
Cancellation of purchased shares	(1,343,800)	-	(741)	-
Balance at end of year	129,516,816	130,860,616	71,838	72,579

**30. DIVIDENDS**

	S\$'000	
	Year ended	
	31 Dec 2022	31 Dec 2021
Ordinary dividend declared (tax-exempt one-tier)		
- Interim (paid on 25 Aug 2022; last year paid on 16 Dec 2021)	2,617	2,617
- Second interim (payable date to be confirmed; last year paid on 8 Apr 2022)	2,558	2,617
- Special interim (payable date to be confirmed)	639	-
	5,814	5,234

A tax-exempt (one-tier) interim dividend of S\$0.02 per share (total dividend of S\$2,617,000) was paid on 25 August 2022 in respect of the year ended 31 December 2022.

A tax-exempt (one-tier) interim dividend of S\$0.02 per share (total dividend of S\$2,617,000) was paid to shareholders on 16 December 2021 in respect of the financial year ended 31 December 2021. Another tax-exempt (one-tier) second interim dividend of S\$0.02 per share (total dividend of S\$2,1617,000) was paid on 8 April 2022.





**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**31. FINANCIAL ASSETS AND LIABILITIES**

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

	Group ( S\$ '000) as at			Company ( S\$ '000) as at	
	31 Dec 2022	31 Dec 2021	1 Jan 2021	31 Dec 2022	31 Dec 2021
		(restated)	(restated)		
<b>Financial assets</b>					
Financial assets at amortised cost	38,805	28,960	25,410	3,683	2,062
Debt instruments at amortised cost	4,673	-	4,326	-	-
Debt instruments measured at FVTIS	65,817	75,378	71,704	-	-
Financial assets measured at FVTIS	49,328	51,609	45,757	1,681	1,681
Derivative financial instruments measured at FVTIS	128	-	-	-	-
<b>Financial liabilities</b>					
Lease liabilities	477	1,336	807	-	-
Payables, at amortised cost	76,474	80,223	64,202	16,940	16,759

*Fair value measurement*

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

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

31 Dec 2022

Debt instruments measured at FVTIS  
Financial assets measured at FVTIS  
- Unquoted investments  
- Club debenture  
Derivative financial instruments measured at FVTIS

31 Dec 2021

Debt instruments measured at FVTIS  
Financial assets measured at FVTIS  
- Unquoted investments  
- Club debenture

Group ( S\$ '000)			
Level 1	Level 2	Level 3	Total
-	-	65,817	65,817
-	-	49,327	49,327
-	-	1	1
-	-	128	128
-	-	75,378	75,378
-	-	51,608	51,608
-	-	1	1

**32. RELATED PARTY TRANSACTIONS**

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

	S\$000		S\$000	
	Year ended		Year ended	
	31 Dec 2022		31 Dec 2021	
The Company	Subsidiary corporations of the Company	The Company	Subsidiary corporations of the Company	
Sales, net of returns	-	4,588	-	214
Sales to joint ventures, net of returns	-	475	-	865
Purchases, net of returns	-	(378)	-	(1,069)
Purchases from joint ventures, net of returns	-	(36)	-	(4)
Service fees paid	-	(105)	-	(97)
Commission paid	-	(1)	-	(4)
Interest expenses	-	(29)	-	(234)
Rental income	-	1,221	-	1,221
Lease payments under operating lease	(18)	-	(18)	-



## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **33. SEGMENT INFORMATION**

The Group, which operates in four geographical regions 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:

- Investments ("INV") - includes real estate, over-50s living and other strategic investments in Australia, People's Republic of China, Japan and Singapore
- Lifestyle ("LIFE") – comprises management and marketing of beauty, fragrance and lifestyle brands and products in India, Japan, Peoples' Republic of China (including Hong Kong), Singapore and in various export markets and related investments
- Others ("OTH") - those other activities which do not fall into the above categories

#### **Group's reportable segments**

**S\$'000**

**Year ended 31 December 2022**

	INV	LIFE	OTH	TOTAL
<b>Revenue</b>				
External revenue	22,603	137,819	-	160,422
<b>Result</b>				
Segment operating result	6,894	4,768	(1,970)	9,692
Fair value loss on derivative financial instruments	(270)	-	-	(270)
Valuation gain on investment properties	1,412	-	-	1,412
Share of profit of associates and joint ventures	29,208	1,764	-	30,972
Segment result	37,244	6,532	(1,970)	41,806
Unallocated corporate expenses				(2,297)
Finance income				45
Finance costs				(2,336)
Foreign exchange loss				(625)
Profit before income tax				36,593
Income tax expenses				(10,019)
Profit for the year				26,574
<b>Other information</b>				
Capital expenditure:				
Property, plant and equipment	-	278	10	288
Depreciation expenses (including on Right-of-use assets)	33	1,101	52	1,186
<b>Assets</b>				
Segment assets	295,237	49,232	4,403	348,872
<b>Total assets</b>				<b>348,872</b>
<b>Liabilities</b>				
Segment liabilities	36,832	45,441	5,345	87,618
Income tax payable				1,022
Deferred tax liability				31,932
<b>Total liabilities</b>				<b>120,572</b>



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**33. SEGMENT INFORMATION (CONTINUED)**

S\$'000

Year ended 31 December 2021

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

Geographical information

S\$'000

Geographical segments:	Revenue	
	Year ended	
	31 Dec 2022	31 Dec 2021
South Asia	81,322	44,861
North America	22,779	22,870
People's Republic of China (including Hong Kong)	21,921	34,484
Australia	15,722	8,740
Japan	5,824	5,768
Others	12,854	11,073
	160,422	127,796

From this financial year onwards, the basis of geographic information disclosed above is the location of customers and source of income from these regions (instead of the aggregate of revenues from companies incorporated in those countries as was previously being disclosed).



## **OTHER INFORMATION**

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

In December 2022, 1,343,800 shares, purchased by way of market acquisition, were cancelled.

The Company did not have any outstanding convertibles or treasury shares as at 31 December 2022 and 31 December 2021.

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

The outstanding share options under the Thakral Capital Holdings Pte Ltd Employees' Share Option Scheme were 98,300 as at 31 December 2022 and 31 December 2021; of which, 78,300 options are exercisable during the period from 1 November 2021 to 31 October 2026 and 20,000 options are not exercisable until 17 August 2023.

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

The total number of issued shares excluding treasury shares was 129,516,816 and 130,860,616 as at 31 December 2022 and 31 December 2021 respectively.

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

Not applicable.

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

Not applicable.

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

These condensed interim financial statements have not been audited or reviewed.

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

Not applicable.

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

Except as disclosed in item (5) below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2021.



**OTHER INFORMATION**

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

On 1 January 2022, the Group has adopted all the SFRS(I) pronouncements that are effective from that date and are relevant to its operations.

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

Amendments to SFRS(I) 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) 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) 1-14 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 do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

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

	Year ended 31 Dec 2022	Year ended 31 Dec 2021 (restated)
(i) Based on the weighted average number of ordinary shares on issue	14.23 cents	14.68 cents
(ii) On a fully diluted basis	14.23 cents	14.68 cents

  

	Six months ended 31 Dec 2022	Six months ended 31 Dec 2021 (restated)
(i) Based on the weighted average number of ordinary shares on issue	11.37 cents	7.84 cents
(ii) On a fully diluted basis	11.37 cents	7.84 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 130,832,172 and 130,804,192 being the weighted average number of shares in issue during the year and the six months ended 31 December 2022 respectively.

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 year and six months ended 31 December 2021.



**OTHER INFORMATION**

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

	As at 31 Dec 2022	As at 31 Dec 2021 (restated)
Group	118.43 cents	117.91 cents
Company	70.71 cents	68.91 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 – Year ended 31 December 2022**

**Revenue & Profitability**

The Group is pleased to report a profitable year for the Group with a 26% improvement in turnover to S\$160.4 million from S\$127.8 million compared to the previous year and consolidated net profit of S\$26.6 million for the year as against a restated figure of S\$30.7 million for the previous year. As detailed in Note 3 (page 8-9), the Group’s investment in GemLife was recorded as an Investment in Joint Venture in accordance with SFRS(I) 1-28 *Investments in Associates and Joint Ventures*. During the financial year, the Group was notified that GemLife had reviewed its accounting practices to fall in line with other entities in the similar industry. As a result, the resort infrastructure assets (e.g. resort clubhouse, swimming pool, gardens etc), which were previously capitalised as part of inventories and released to profit or loss as and when homes were sold by GemLife, are now recorded as investment properties (subject to fair value adjustments) at the end of each reporting period.

Overall, demand for GemLife homes continues to remain strong and sales are well ahead of targets with over 394 unconditional, 234 conditional and 48 deposits on hand while actual settlements are tracking forecasts with 1,088 homes occupied as of 31 December 2022. Home sales for 2022 were lower than the previous year as a result of some projects completing ahead of schedule and in view of many of the sites either completing earthworks or awaiting final development approvals, which are now largely in hand. Pre-sales well underpin GemLife’s numbers for 2023.

Revenue at the Investment Division from ongoing and completed projects for the year was S\$22.6 million compared to S\$15.1 million achieved in FY2021.

The Lifestyle business continued to see strong growth in sales of DJI and fragrance products, with sales increasing by 22.3% to S\$137.8 million from S\$112.7 million achieved in the prior year. It made good progress in further developing the South Asian markets for DJI. Sales of fragrance products also continue to do well with the Group opening up its own retail points-of-sale in high-end shopping malls and department stores for some of these brands in China, Hong Kong and Macau. Segment profit increased to S\$6.5 million for the year from S\$2.0 million achieved in the earlier year. Its JV brand CurrentBody’s Skin LED light therapy mask which is also used by certain well-known Hollywood celebrities also saw strong revenue growth. CurrentBody-Thakral achieved its all-time high performance in FY2022 and has totally recouped all past losses. We believe that it is now on a strong growth path with its direct-to-consumer e-commerce business.

The weakness of the Japanese Yen in the year meant that Japanese real estate was less expensive in foreign currency terms and is still approximately 10% cheaper on this basis despite price growth in the past year. Moreover, with the relaxation of border restrictions in Japan, the Yen’s depreciation is encouraging Japanese tourism and tourist spending in Japan, making this an excellent time for overseas investors to purchase Japanese real estate. The Group’s Japanese property investments also benefited from this trend with improved valuations for all the office buildings but at a lower rate than the previous year.



Overall, in view of the adjustment to the FY2021 profits taken up in respect of GemLife as noted above, the share of results of associates and joint ventures (which includes CurrentBody-Thakral, GemLife and certain Japanese investment entities) increased from S\$30.0 million to a restated profit of S\$37.0 million for FY2021 and for FY2022 recorded an adjusted profit of S\$31.0 million.

CBRE Research reported that Grade A office rents in Singapore's core business districts grew 8.3% in 2022, more than double of last year's growth rate, as vacancies fell and more employees returned to their desks. The rising market values in this environment also benefited the Group's Riverwalk office property, which saw an unrealised valuation gain of S\$1.4 million in FY2022.

Consolidated gross profit of S\$39.2 million for the year was 41% higher than the S\$27.9 million earned in the previous year with consolidated gross profit for the 2nd half-year of S\$25.0 million coming in 161% higher than the S\$9.6 million achieved in the previous year primarily due to the improved aggregate gross profit at the Investment Division as well as the improved performance of the Lifestyle business.

Including the gain realised upon Ascential's acquisition of the Group's stake in Intrepid earlier in the year, operating profit improved to S\$7.4 million for the year, from S\$2.1 million achieved in the previous year. For the 2nd half, operating profit of S\$1.4 million was a turnaround from the restated loss of S\$7.2 million that included a prior year adjustment of S\$2.3 million for related Australian employee benefits.

Net Finance costs at S\$2.3 million for this year were almost level with those incurred in the prior year.

Notwithstanding the restatement of the FY2021 profit to S\$19.2 million (from S\$17.3 million previously), profit attributable to shareholders for the year came in just 3% lower at S\$18.6 million. In view of the Group's performance, the Group has declared a second interim dividend of 2 cents per share and a special interim dividend of 0.5 cent per share, bringing the total dividend to 4.5 cents for FY2022, to reward shareholders.

#### Expenses

Distribution expenses at S\$6.6 million were 17% higher compared to S\$5.7 million incurred in the previous year mainly from the resumption of advertising and promotion activities that had been curtailed in the previous year as well as expansion of manpower in the current year.

Aggregate Administration expenses were about 35% higher than the restated number for the previous year mainly due to increased manpower costs that included the accrual of higher performance linked pay and employee benefits to management and staff this year, higher headcount as well as salary increments.

Foreign exchange loss of S\$0.6 million in the current year was higher than the S\$0.2 million in the previous year mainly from the translation of monetary assets and liabilities denominated in foreign currencies outstanding at the end of the year.

Income tax charge for the year of S\$10.0 million was 7% higher as compared to S\$9.4 million in the previous year and arose mainly from the accrual of withholding taxes on the share of fair value gains and profits taken up on the various investments.

#### Statement of Financial Position and Cash Flow

Inventories increased to S\$17.8 million as at 31 December 2022 from S\$14.7 million as at 31 December 2021, mainly due to the overall higher turnover of DJI and fragrance products to cater to the larger market and customer base. The inventory turnover period increased to 49 days from 42 days for the previous year.

Trade receivables as at 31 December 2022 also increased slightly to S\$12.7 million from S\$12.2 million at 31 December 2021. The trade receivables turnover for the year of 28 days was the same as the previous year. Aggregate other receivables decreased to S\$10.5 million from S\$12.6 million due to receipt of a part of the accrued dividends from a Japanese investment entity.

Aggregate debt instruments measured at fair value through income statement/amortised cost of S\$70.5 million as at 31 December 2022 reduced from S\$75.4 million as at 31 December 2021.

Joint ventures increased to S\$67.7 million as at 31 December 2022 from the restated S\$45.8 million as at 31 December 2021 mainly from the profit contributions, including land and building valuation uplifts at GemLife during the year. This also included the profit contribution from CurrentBody-Thakral.



Associates reduced to S\$60.8 million as at 31 December 2022 from S\$75.0 million as at 31 December 2021 mainly from the capital reduction and settlement of outstanding dividends by a Japanese property investment entity following the sale of the Riverpoint Kitahama Building and WBF Namba Hotel, partially offset by profit contributions, including land and building valuation uplifts, during the year as well the translation impact from the weak Japanese Yen.

Financial assets measured at fair value through income statement as at 31 December 2022 reduced to S\$49.3 million compared to S\$51.6 million as at 31 December 2021 mainly due to a combination of the impact of the weakened Japanese Yen and acquisition of the Group's stake in Intrepid by Ascential. This was partly made up by an increase in fair values of the underlying property assets as well as the new investments made during the year. Investments were made in FY2022 in Skylark Drones, a drone start-up that integrates drones into enterprise workflows and provides automated drone flight mission control and data analytics, as well as InvestaX, a Singapore based fintech start-up that is a MAS-licensed investment and trading platform for blockchain-based digital securities and securities tokens for global private markets transactions.

The remaining houses in Gladstone, Australia held for sale as at 31 December 2022 reduced to S\$6.3 million from S\$19.8 million as at 31 December 2021. The remaining houses are expected to be disposed within the next 12 months.

Aggregate borrowings (including lease liabilities) reduced to S\$51.4 million as at 31 December 2022 from S\$61.3 million as at 31 December 2021 mainly due to the settlement of the loans against the GLNG properties.

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

The Group saw a net cash outflow from operating activities of S\$10.8 million for the current year compared to a net outflow of S\$14.0 million in the previous year, mainly from the net changes in working capital components.

### **Net Asset Value**

Net Asset Value per share grew to 118.43 cents as at 31 December 2022 compared to 117.91 cents as at 31 December 2021. The growth in NAV reflects the profit for the period despite the translation loss of S\$13.6 million from the retranslation of the investments and net assets of certain overseas subsidiaries/investees denominated in foreign currencies upon the weakening of the relevant currencies against the Singapore Dollar, the dividends (S\$5.2 million) paid to shareholders during the year as well as the effect of the cancellation of shares after buyback (S\$0.7 million). The Group commenced buying back its shares on the market in December 2022 and had bought back and cancelled 1.34 million shares up to the year end.

### **Performance Summary**

#### **Investments**

Including the share of profit of associates and valuation gains on investment properties in both years, the collective Investments achieved segment result of S\$37.2 million in the current year compared to the restated S\$45.0 million in the previous year.

#### **Australia**

Following a surge in Australian property values in 2020 and most of 2021, property prices began to pull back during 2022, particularly in the second half of the year. The Reserve Bank implemented 8 interest rate rises between May 2022 and December 2022, with the potential for further rate rises in 2023. The purpose of the rate rises was to reduce inflationary pressures in the economy. Offsetting the rate rises on the property market are a national rental vacancy rate of 1%, an unemployment rate of 3.5% and a change in Government policy to significantly increase migration. This trend however has not impacted the over 50's lifestyle communities as such GemLife continued to see strong growth.

GemLife has a pipeline that will lead to about 7,000 homes in its portfolio. This puts GemLife as one of the leading players in the over-50's resort style living segment in Australia. GemLife's Bribie Island resort was completed 2 years ahead of schedule and Highfields, Woodend, Maroochy Quays and Pacific Paradise are now settling homes in the final stages. Settlement in Palmwoods commenced in May-22 with 61 homes delivered in the first eight months. Rainbow Beach had its first settlement in Dec-22, and the group now has 7 resorts with occupied homes. The community facilities are well underway at Palmwoods & Rainbow Beach which will be completed in 2023. Civil works at Tweed Waters have been completed. Civils construction has also commenced at Gold Coast. Sales across the group have been very strong. Despite industry-wide supply chain disruptions, construction remains on course and our leadership team and partners have been





able to continue meeting internal targets.

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

Demand for housing in Gladstone continues to be steady. In the second half of FY22, the Group settled a further 5 Gladstone houses, leaving 18 houses remaining in the portfolio. All bank borrowings against these houses have been fully settled and the remaining houses are expected to be disposed in FY2023. The Investment Division remains focused on growing the GemLife business.

#### Japan

In Osaka, the All-Grade office properties vacancy rate fell for the first time since Q1-2020 by 0.3 points to 3.5% in Q3-2022 as relocations to larger premises and expansions filled many vacancies, particularly in Grade B buildings. This prompted landlords of mainly higher-end properties to reduce rents. Most tenant activity occurred in the small-to medium floor area bracket, helping fill up vacancies. However, several medium-sized office buildings, including in the Grade B segment, still have significant vacancies as a result of downsizing or consolidation, particularly those that are overpriced. However, the Group's office properties saw 100% occupancy in 3 of the 6 properties and over 90% in another 2 and over 80% in the latest acquisition Umeda Pacific. The overall rentals held up well and are still catching up to the general market rental levels and should remain competitive.

The hospitality sector in Japan is set for a long-awaited recovery as border controls were lifted in 2022 and recovery is likely to be strong as pent-up demand is released and the weak Yen helps to attract tourists. Investment volumes in this sector in 2022 were significantly lower in comparison with the previous year, with many hotel owners being reluctant to sell during the pandemic. 2023 should see higher transaction activity as more inbound tourists enter Japan, and owners are likely to be able to sell hotels at better prices. The Group is continuing its efforts to sell its remaining two hotels in Osaka at the right price.

#### **Lifestyle**

Lifestyle's sales rose 22% to S\$137.8 million for the year from S\$112.7 million achieved in the previous year. Segment profit was S\$6.5 million for the year as against S\$2.0 million earned in the previous year and included the contribution of about S\$1.8 million from the CurrentBody-Thakral joint venture and the gain of S\$2.2 million from Ascential's acquisition of the Group's stake in Intrepid in 1H-FY22. The previous year had included a fair valuation gain of S\$0.9 million on the Intrepid investment. The improvement this year is notwithstanding the fact that performance had been impacted from disruptions in shipping and logistics as a consequence of the lockdowns in China and border restrictions in Hong Kong during the COVID-19 surge earlier in FY2022.

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

Not applicable.

#### **(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.**

Eight successive monthly rate hikes in 2022 aimed at offsetting high inflation, combined with low consumer sentiment and deteriorating affordability brought in the fastest housing price declines in Australia in decades, although this is off the back of significant price growth in the preceding few years. Rental market conditions have tightened considerably in cities across Australia leading to rents now growing strongly all across the country. Rental vacancy rates are half the levels seen in early 2020. Rental market pressures – and housing shortages – are expected to be more acute in 2023 than before the pandemic. Further rate rises are expected in the early months of 2023. Market views are that provided this does not go beyond 4%, a housing market bottom and recovery in late 2023 could be expected. With Thornton Street being the only remaining major residential project still underway, the Group remains focused on growing the GemLife over-50's lifestyle resorts JV business.



In Japan, the combination of cheap debt, weak yen, a large and liquid market and more investible regional cities is an attractive proposition for property investors that will see it remain a refuge from the global monetary tightening cycle for some time. The moderate recovery of the Japanese economy is expected to continue in 2023, driven by consumer spending and corporate capital investment. Although increases in supply is forecast for most cities and market rents are likely to continue to fall, the Group expects its properties – which are still catching up to market rental levels – to remain competitive.

With a booming economy, India has avoided the economic turbulence seen elsewhere in the region. Despite concerns about inflation and unemployment, India starts 2023 with some of the most favourable macro-economic factors in the region and is expected to be the fastest-growing major economy in the world in 2023. While India faces some challenges this year from tighter liquidity conditions, weakening exports and decelerating growth momentum, the world's biggest tech firms are likely to keep exploring the relocation of manufacturing from China to the benefit of countries such as India. Experts predict a challenging economic environment in 2023 for South Asia amid weakening growth prospects all round for the US, eurozone and China, and tightening financial conditions.

China is expected to record slow growth in 2023, with the ADB cutting its projection for the country to 4.3% from 4.5%. Its economy has been hit hard by stringent coronavirus restrictions as well as a crisis in its property sector, with developers defaulting on loans and struggling to raise cash due to the widespread lending curbs imposed in 2020. It has attempted to boost growth by cutting key interest rates and injecting liquidity into the banking system. With the abandonment of its zero-COVID policy, there is some hope that domestic demand will revive in the world's second-largest economy.

The World Bank has projected global growth “to decelerate sharply this year, to its third weakest pace in nearly three decades, overshadowed only by the 2009 and 2020 global recessions” as a result of the rapid and synchronous monetary policy tightening around the world aimed at containing high inflation, worsening financial conditions, and the ongoing disruptions from the war in Ukraine. It also noted that further adverse shocks could push the global economy into yet another recession. (Source: World Bank Group Global Economic Prospects Report, January 2023)

Nevertheless, Asia is growing faster than any other region in the world and will continue to see steady economic growth and recovery in 2023. Higher interest rates however will make their effects felt in FY2023, including for the Group. The Group therefore expects the business environment to continue to remain challenging in 2023.

#### **(11) Dividend**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended)**

Yes, a second interim dividend of S\$0.02 per share and a special dividend of S\$0.005 per share have been declared.

An interim dividend of S\$0.02 per share was paid on 25 Aug 2022.

**(b) (i) Amount per share** S\$0.025 per share in total

**(ii) Previous corresponding period** S\$0.02 per share (paid on 8 Apr 2022)

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

Tax exempt

**(d) The date the dividend is payable**

To be confirmed

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

To be confirmed



**OTHER INFORMATION**

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

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

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the year months ended 31 December 2022 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)
		S\$'000	S\$'000
Emway Singapore Pte Ltd Sales, net of returns	Associate of controlling shareholder	4,331	Nil

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

See Note 33 – Segment Information (page 17-18) to the Condensed Consolidated Financial Statements

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

See item (8) on review of performance

**(16) A breakdown of revenue**

	S\$'000		%
	Year ended 31 Dec 2022	Year ended 31 Dec 2021 (restated)	Increase / (Decrease)
a) Revenue reported for first half year	64,375	61,783	4
b) Net profit after tax before deducting non-controlling interests reported for first half year	4,689	15,040	(69)
c) Revenue reported for second half year	96,047	66,013	45
d) Net profit after tax before deducting non-controlling interests reported for second half year	21,885	15,628	40



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

Name	Age	Family relationship with any director and / or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Indergopal Singh Thakral	39	(i) Substantial shareholder of the Company, (ii) grandnephew of the Company's Director and substantial shareholder, Mr Kartar Singh Thakral, and (iii) nephew of the Company's CEO, Director and substantial shareholder, Mr Inderbethal Singh Thakral	Managing Director of the Company's wholly-owned indirect subsidiary, Thakral China Ltd. since 2017	No change
Satbir Singh Thakral	35	(i) Grandson of the Company's Director and substantial shareholder, Mr Kartar Singh Thakral, and (ii) son of the Company's CEO, Director and substantial shareholder, Mr Inderbethal Singh Thakral	Executive Director of the Company's wholly-owned indirect subsidiary, Thakral China Ltd. since 2023	No change in 2022. From 2023, management of new economy venture investments, exploring new investment opportunities, maintaining manufacturing and operations scope for CurrentBody Lifestyle business

**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  
28 February 2023

BY ORDER OF THE BOARD  
Chan Wan Mei  
Chan Lai Yin  
Company Secretaries  
28 February 2023