



THAKRAL

CORPORATION LTD

(Company Registration No. 199306606E)

Condensed Interim Financial Statements For the six months ended 30 June 2023

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Condensed Interim Financial Statements for the six months ended 30 June 2023

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

These figures have not been audited.

	Note	Group		
		S\$000		%
		Six months ended		Increase /
		30 Jun 2023	30 Jun 2022	(Decrease)
CONSOLIDATED INCOME STATEMENT				
Revenue	4	104,196	64,375	62
Cost of sales		(81,031)	(50,164)	62
Gross profit	4	23,165	14,211	63
Other operating income	5	2,813	3,209	(12)
Distribution costs	6	(5,918)	(3,071)	93
Administration expenses	7	(13,257)	(8,192)	62
Depreciation on property, plant and equipment		(206)	(207)	(0)
Profit from operations		6,597	5,950	11
Fair value loss on derivative financial instruments	13	(147)	-	NM
Fair value gains on investment properties and assets held for sale, net	18	417	438	(5)
Finance income	8	119	11	NM
Finance costs	8	(1,766)	(998)	77
Foreign exchange gain (loss)	9	35	(101)	NM
Share of profit (loss) of associates and joint ventures	21, 22	10,052	(805)	NM
Profit before income tax		15,307	4,495	241
Income tax (expenses) credit	10	(3,612)	194	NM
Profit for the period		11,695	4,689	149
<u>Profit attributable to:</u>				
Equity holders of the Company		7,443	3,744	99
Non-controlling interests		4,252	945	350
		11,695	4,689	149
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME				
Profit for the period		11,695	4,689	149
Other comprehensive loss				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Translation loss arising on consolidation	11	(10,041)	(16,406)	(39)
Other comprehensive loss for the period, net of tax		(10,041)	(16,406)	(39)
Total comprehensive income (loss) for the period		1,654	(11,717)	NM
<u>Total comprehensive income (loss) attributable to:</u>				
Equity holders of the Company		1,815	(5,649)	NM
Non-controlling interests		(161)	(6,068)	(97)
		1,654	(11,717)	NM

NM – Not meaningful



CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group (S\$ '000) as at		Company (S\$ '000) as at	
		30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
ASSETS					
Current assets					
Cash and bank balances	12	15,008	20,058	124	2,380
Derivative financial instruments	13	13	128	-	-
Trade receivables	14	14,377	12,714	-	-
Other receivables and prepayments	15	11,756	6,073	118	146
Amount owing by a subsidiary corporation		-	-	1,256	1,256
Debt instruments measured at fair value through income statement and amortised cost	16	23,488	21,790	-	-
Inventories	17	21,229	17,832	-	-
Assets held for sale	18	6,628	6,299	-	-
Total current assets		92,499	84,894	1,498	3,782
Non-current assets					
Other receivables	15	1,722	4,472	-	-
Debt instruments measured at fair value through income statement and amortised cost	16	54,491	48,700	-	-
Property, plant and equipment	19	2,390	1,375	14	18
Right-of-use assets	20	6,190	491	-	-
Investment properties	18	31,158	31,158	-	-
Subsidiary corporations		-	-	107,992	103,093
Joint ventures	21	72,994	67,678	-	-
Associates	22	56,151	60,776	-	-
Financial assets measured at fair value through income statement	23	49,577	49,328	4,953	1,681
Total non-current assets		274,673	263,978	112,959	104,792
Total assets		367,172	348,872	114,457	108,574
LIABILITIES AND EQUITY					
Current liabilities					
Trade and bills payables	24	9,804	4,178	-	-
Trust receipts	25	22,268	21,141	-	-
Bank and other borrowings	25	22,187	21,275	3,015	1,256
Lease liabilities	25	1,853	342	-	-
Other payables	26	24,657	24,676	900	1,066
Provisions		6,176	6,131	52	52
Income tax payable	27	2,016	1,022	-	-
Total current liabilities		88,961	78,765	3,967	2,374
Non-current liabilities					
Amount owing to subsidiary corporations		-	-	18,474	12,885
Bank and other borrowings	25	7,666	8,466	1,110	1,733
Lease liabilities	25	4,531	135	-	-
Other payables	26	7,245	1,274	-	-
Deferred tax liability	27	33,025	31,932	-	-
Total non-current liabilities		52,467	41,807	19,584	14,618
Total liabilities		141,428	120,572	23,551	16,992
Capital, reserves and non-controlling interests					
Issued capital	28	70,820	71,838	70,820	71,838
Reserves		80,170	81,549	20,086	19,744
Equity attributable to equity holders of the Company		150,990	153,387	90,906	91,582
Non-controlling interests		74,754	74,913	-	-
Total equity		225,744	228,300	90,906	91,582
Total liabilities and equity		367,172	348,872	114,457	108,574



CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Six months ended 30 June 2023

S\$'000

Group

Balance at 1 Jan 2023

Total comprehensive income for the period
Profit for the period
Other comprehensive loss for the period
Total

Transactions with owners,
recognised directly in equity

Cancellation of purchased shares
Recognition of share-based payments of
a subsidiary corporation
Dividend (Note 29)
Total

Balance at 30 Jun 2023

	Reserves				Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	Issued capital	Capital reserve	Options reserve	Foreign currency translation reserve				
Balance at 1 Jan 2023	71,838	(9,084)	56	(22,585)	113,162	153,387	74,913	228,300
Total comprehensive income for the period	-	-	-	-	7,443	7,443	4,252	11,695
Profit for the period	-	-	-	-	7,443	7,443	4,252	11,695
Other comprehensive loss for the period	-	-	(1)	(5,627)	-	(5,628)	(4,413)	(10,041)
Total	-	-	(1)	(5,627)	7,443	1,815	(161)	1,654
Transactions with owners, recognised directly in equity								
Cancellation of purchased shares	(1,018)	-	-	-	-	(1,018)	-	(1,018)
Recognition of share-based payments of a subsidiary corporation	-	-	3	-	-	3	2	5
Dividend (Note 29)	-	-	-	-	(3,197)	(3,197)	-	(3,197)
Total	(1,018)	-	3	-	(3,197)	(4,212)	2	(4,210)
Balance at 30 Jun 2023	70,820	(9,084)	58	(28,212)	117,408	150,990	74,754	225,744

Six months ended 30 June 2022

S\$'000

Group

Balance at 1 Jan 2022

Total comprehensive loss for the period
Profit for the period
Other comprehensive loss for the period
Total

Transactions with owners,
recognised directly in equity

Recognition of share-based payments of
a subsidiary corporation
Dividend (Note 29)
Dividend to non-controlling shareholders
in a subsidiary corporation
Total

Balance at 30 Jun 2022

	Reserves				Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	Issued capital	Capital reserve	Options reserve	Foreign currency translation reserve				
Balance at 1 Jan 2022	72,579	(9,084)	53	(9,024)	99,779	154,303	78,585	232,888
Total comprehensive loss for the period	-	-	-	-	3,744	3,744	945	4,689
Profit for the period	-	-	-	-	3,744	3,744	945	4,689
Other comprehensive loss for the period	-	-	(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 29)	-	-	-	-	(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)
Balance at 30 Jun 2022	72,579	(9,084)	55	(18,416)	100,906	146,040	70,683	216,723



CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Six months ended 30 June 2023

Company

Balance as at 1 Jan 2023

Profit for the period, representing total comprehensive income for the period

Transactions with owners, recognised directly in equity

Cancellation of purchased shares

Dividend (Note 29)

Balance as at 30 Jun 2023

S\$'000

Issued capital	Retained earnings	Total
71,838	19,744	91,582
-	3,539	3,539
(1,018)	-	(1,018)
-	(3,197)	(3,197)
70,820	20,086	90,906

Six months ended 30 June 2022

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 29)

Balance as at 30 Jun 2022

S\$'000

Issued capital	Retained earnings	Total
72,579	17,592	90,171
-	3,577	3,577
-	(2,617)	(2,617)
72,579	18,552	91,131



CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

(S\$ '000)

Note

	Six months ended	
	30 Jun 2023	30 Jun 2022
OPERATING ACTIVITIES		
Profit before income tax	15,307	4,495
Adjustments for:		
Depreciation expenses for property, plant and equipment and right-of-use assets	928	609
Share of (profit) loss of associates and joint ventures, net	(10,052)	805
Fair value gain and interest income on debt instruments measured at FVTIS and amortised cost	(4,363)	(4,593)
Fair value gain on financial assets measured at FVTIS	(948)	(1,403)
Interest expense	1,766	998
Interest income	(119)	(11)
Gain on disposal of financial assets measured at FVTIS	-	(2,212)
Gain on share swap of a joint venture	(2,751)	-
Gain on disposal of assets held for sale	-	(900)
Loss (Gain) on disposal of property, plant and equipment	68	(27)
Fair value loss on derivative financial instruments	147	-
Fair value gain on investment properties and assets held for sale	(417)	(438)
Net unrealised foreign exchange loss	84	352
Share-based payment expenses	5	4
Provision for employee benefits	149	434
Allowance for inventories	259	144
Impairment loss recognised on trade receivables	-	74
Operating cash flows before movements in working capital	63	(1,669)
Trade receivables	(1,752)	384
Other receivables and prepayments	(3,294)	(607)
Inventories	(3,772)	122
Trade and bills payables	5,693	(1,157)
Other payables and provisions	6,395	336
Cash from (used in) operations	3,333	(2,591)
Income tax (paid) refunded	(131)	457
Interest paid	(1,836)	(1,650)
Interest received	115	10
Net cash generated from (used in) operating activities	1,481	(3,774)
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1,322)	(282)
Proceeds from disposal of property, plant and equipment	15	76
Investments in associates	(1,118)	-
Capital return from an associate	932	-
Dividend received from an associate	421	444
Additions to financial assets measured at FVTIS	(3,272)	(915)
Proceeds from disposal of financial assets measured at FVTIS	-	4,855
Repayments of debt instruments measured at FVTIS and amortised cost	4,988	18,431
Additions to debt instruments measured at FVTIS and amortised cost	(3,262)	(2,927)
Proceeds from disposal of assets held for sale	-	11,791
Additions to derivative financial instruments	(221)	-
Proceeds from disposal of derivative financial instruments	186	-
Net cash (used in) generated from investing activities	(2,653)	31,473
FINANCING ACTIVITIES		
Purchase of shares for cancellation	(1,018)	-
Dividend paid to non-controlling shareholders in a subsidiary corporation	-	(1,835)
Dividend paid	(3,197)	(2,617)
(Increase) decrease in fixed deposits with maturities exceeding three months	(11)	6
Decrease in pledged fixed deposits	525	284
Proceeds from trust receipts	59,085	41,265
Repayments of trust receipts	(57,990)	(42,325)
Decrease in factoring loan	-	(306)
Repayments of lease liabilities	(651)	(417)
Increase in other loans	1,741	-
Repayments of other loans	(47)	(1,862)
Loans from banks	-	2,426
Repayments of bank loans	(1,444)	(7,947)
Net cash used in financing activities	(3,007)	(13,328)
Net (decrease) increase in cash and cash equivalents	(4,179)	14,371
Cash and cash equivalents at beginning of period	16,780	6,721
Net effect of exchange rate changes in the balance of cash held in foreign currencies	(411)	(396)
Cash and cash equivalents at end of period	12,190	20,696
Cash and cash equivalents were represented by:-		
Fixed deposits with maturities less than 3 months, cash and bank balances	12,190	20,696
	12,190	20,696

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NOTES TO THE CONDENSED INTERIM 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 interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements 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 annual financial statements for the year ended 31 December 2022.

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

These condensed interim 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 2022.

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 financial assets measured at fair value through income statement (FVTIS)
- valuation of debt instruments measured at FVTIS



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3. SEASONAL OPERATIONS

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

4. REVENUE AND GROSS PROFIT

	S\$'000		% Increase / (Decrease)
	Six months ended		
	30 Jun 2023	30 Jun 2022	
Product sales	97,410	56,450	73
Management fee and other service income	717	1,211	(41)
Rental income	758	718	6
<i>Investment income</i>			
<i>Fair value changes and interest income on debt instruments</i>	4,363	4,593	(5)
<i>Fair value changes on financial assets measured at FVTIS</i>	948	1,403	(32)
<i>Sub-total for investment income</i>	5,311	5,996	(11)
Total	104,196	64,375	62

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 reduced compared to that achieved in the previous corresponding period in view of the projects completed in the previous year. The Lifestyle Division continued the strong growth in sales of its lifestyle and fragrance products. Consolidated revenue and gross profit for the period both grew by 62% and 63% respectively from the previous half-year.

5. OTHER OPERATING INCOME

	S\$'000		% Increase / (Decrease)
	Six months ended		
	30 Jun 2023	30 Jun 2022	
Gain on share swap of a joint venture	2,751	-	NM
Gain on disposal of financial assets measured at FVTIS	-	2,212	(100)
Gain on disposal of assets held for sale	-	900	(100)
Government subsidies	3	26	(88)
Others	59	71	(17)
Total	2,813	3,209	(12)

- i. The gain on the share swap of a joint venture arose from the transaction involving the Group's CurrentBody-Thakral joint venture, as previously announced.
- ii. The gain on disposal of financial assets in the previous half-year arose from Ascential's acquisition of the Group's stake in Intrepid.
- iii. The gain on disposal of assets held for sale in the previous half-year arose mainly from the sale of the GLNG houses in Gladstone.
- iv. Government subsidies in the previous half-year were mainly COVID-19 related subsidies.



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

6. DISTRIBUTION COSTS

	S\$'000		% Increase / (Decrease)
	Six months ended		
	30 Jun 2023	30 Jun 2022	
Staff costs	(1,302)	(1,210)	8
Advertising & promotion (including expenses for retail stores)	(3,064)	(1,060)	189
Transportation	(615)	(213)	189
Travelling expenses	(183)	(78)	135
Depreciation on right-of use assets / rent and rates - storage	(580)	(312)	86
Others	(174)	(198)	(12)
Total	(5,918)	(3,071)	93

- i. Marketing activities included the additional operating costs of the retail stores opened in Hong Kong and Macau during the current period.
- ii. Transport costs and travelling expenses increased in view of the higher sales activity.
- iii. Depreciation on right-of-use-assets represents the rental on the retail stores and warehouses. The Hong Kong warehouse was moved to larger premises during the latest quarter to cope with the needs of the growing business.

7. ADMINISTRATION EXPENSES

	S\$'000		% Increase / (Decrease)
	Six months ended		
	30 Jun 2023	30 Jun 2022	
Staff costs (including executive directors)	(9,788)	(5,420)	81
Directors' fees	(359)	(359)	-
Professional fees	(1,458)	(886)	65
Depreciation on right-of use assets / rent and rates - office premises	(373)	(334)	12
Travelling expenses	(198)	(136)	46
Insurance	(186)	(185)	1
Allowance for doubtful debts	-	(74)	(100)
Others	(895)	(798)	12
Total	(13,257)	(8,192)	62

- i. 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.
- ii. Professional fees were higher mainly due to certain market consultancy as well as legal fees in Australia relating to a restructuring and Singapore, including for the Currentbody-Thakral share swap transaction.
- iii. Depreciation on right-of-use assets increased mainly due to the additional costs from the relocation of the Hong Kong office to larger premises in the second quarter of this year.
- iv. With Travelling having resumed, the higher flight and hotel rates are showing their impact.
- v. An allowance for doubtful debts had been made for certain customers in the previous half-year.
- vi. The increase in Others was mainly the relocation related costs in Hong Kong.

8. FINANCE INCOME AND FINANCE COSTS

The increase in net finance costs was due to a combination of higher interest rates on an increased level of average borrowings.

9. FOREIGN EXCHANGE GAIN / LOSS

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



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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 interim consolidated income statement are:

	S\$'000		% Increase / (Decrease)
	Six months ended		
	30 Jun 2023	30 Jun 2022	
Current taxation:			
- Provision for taxation in respect of current period	(270)	(94)	187
- Overprovision in prior years	-	1,188	(100)
Deferred tax:			
- Amount charged for taxation in respect of deferred tax liabilities in current period	(3,342)	(900)	271
Total	(3,612)	194	NM

Certain withholding tax provided in prior years was reversed upon recoupment of an investment in Australia in the previous half-year.

The overall income tax charge for the current period was mainly from accrual of deferred tax on the share of profits of joint venture as well as deferred tax on investment gains.

11. TRANSLATION LOSS ARISING ON CONSOLIDATION

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

12. CASH AND BANK BALANCES

	Group S\$'000 as at		Company S\$'000 as at	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
Fixed deposits	397	393	-	-
Pledged fixed deposits	2,427	2,391	-	-
Cash and bank balances	12,184	17,274	124	2,380
Current	15,008	20,058	124	2,380
Less:				
Fixed deposits with maturities exceeding three months	(391)	(387)	-	-
Fixed deposits placed with banks against trust receipts	(2,427)	(2,391)	-	-
Pledged deposit placed with bank against bank loan	-	(500)	-	-
Cash and cash equivalents	12,190	16,780	124	2,380

The decrease in cash balance was mainly due to the new investments and dividend payment made to shareholders in the period.

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.



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

14. TRADE RECEIVABLES

Trade receivables increased in view of the higher sales activity.

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 AND AMORTISED COST

Of the total of S\$78.0 million as at 30 June 23 (31 Dec 22: S\$70.5 million), debt instruments due by the GemLife joint venture entities amount to S\$50.9 million (31 Dec 22: S\$48.2 million). The increase during the period was mainly due to the investment made in the holding company of Currentbody-UK.

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 volumes required to cater to the larger market and customer base. Allowance for inventories of S\$0.3 million (1H-2022: S\$0.1 million) was made during the period.

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 INTERIM 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	
	Six months ended		Six months ended	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
Balance at beginning of financial year	31,158	29,746	6,299	19,755
Disposals	-	-	-	(10,891)
Valuation gain for the period recognised in profit or loss	-	438	417	-
Translation adjustment	-	-	(88)	(435)
Balance at end of interim period	31,158	30,184	6,628	8,429

There was no change in the fair value of the Group's property in Singapore at 30 June 2023 assessed by an independent firm of professional valuers having appropriate recognised professional qualification and recent experience in the location and category of the properties being valued, and not related to the Group. The fair value was determined based on an open market basis by making reference to the recent transactions of similar properties in similar location and condition under the prevailing market conditions. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There 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.

There was no material change in the most significant unobservable inputs used in the fair value measurement of the office property in Singapore and the residential properties in Australia.

19. PROPERTY, PLANT AND EQUIPMENT

During the half-year ended 30 June 23, the Group acquired assets amounting to S\$1,322,000 (1H-2022: S\$282,000). The Group disposed of assets at net book value of S\$84,000 (1H-2022: S\$50,000) during the period.

20. RIGHT-OF-USE ASSETS

The increase in right-of-use assets mainly arose due to the new leases taken for the office, warehouse and retail stores in Hong Kong and Macau during the period.

21. JOINT VENTURES

This represents the Group's interest in the joint venture entities for the GemLife over-50s lifestyle resorts business. The increase mainly from the strong operating profits at GemLife in the current period is net of the reduction arising from the share swap of the CurrentBody-Thakral joint venture.



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

22. ASSOCIATES

This mainly 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. The reduction during the period is mainly from the translation impact from the weak Japanese Yen partially offset by profit contributions during the period.

23. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH INCOME STATEMENT

This mainly 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. The increase in the period arises mainly due to certain new investments made during the early part of this year net of the translation loss on Japanese investments upon the weakening of JPY against SGD during the year.

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 30 June 2023 increased compared to 31 December 2022 mainly due to the new leases entered into in Hong Kong for the new office, warehouse and retail stores (including in Macau).

	Group S\$'000 as at		Company S\$'000 as at	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
<u>Amount repayable in one year or less, or on demand</u>				
Secured *	43,293	41,502	-	-
Unsecured	3,015	1,256	3,015	1,256
<u>Amount repayable after one year</u>				
Secured *	8,978	4,741	-	-
Unsecured	3,219	3,860	1,110	1,733

* Includes lease liabilities

Details of any collaterals

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

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

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



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

26. OTHER PAYABLES

Aggregate Other payables as at 30 June 23 increased mainly due to employee benefit accruals.

27. INCOME TAX PAYABLE AND DEFERRED TAX LIABILITY

The increase in aggregate income tax payable and deferred tax liability was mainly due to the accrual of deferred tax on the share of profit of joint venture (Note 10).

28. SHARE CAPITAL

Issued and fully paid:

Balance at beginning of financial year

Cancellation of purchased shares

Balance at end of interim period

Group and Company			
Six months ended		Six months ended	
30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
Number of ordinary shares		S\$'000	S\$'000
129,516,816	130,860,616	71,838	72,579
(1,646,400)	-	(1,018)	-
127,870,416	130,860,616	70,820	72,579

29. DIVIDENDS

Ordinary dividend declared (tax-exempt one-tier)

- Interim (payable date to be confirmed; last year paid on 25 Aug 2022)

S\$'000	
Six months ended	
30 Jun 2023	30 Jun 2022
2,557	2,617
2,557	2,617

A tax-exempt (one-tier) interim dividend of S\$0.2 per share (total dividend of S\$2,557,000) is declared to shareholders in respect of the year ending 31 December 2023.

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

On 11 May 2023, another tax-exempt (one-tier) interim dividend of S\$0.02 per share and a tax-exempt (one-tier) special interim dividend of S\$0.005 per share (total dividend of S\$3,197,000) was paid to shareholders, in respect of the year ended 31 December 2022.

30. 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	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
Financial assets				
Financial assets at amortised cost	47,542	43,785	1,434	3,683
Financial assets measured at FVTIS	118,423	115,145	4,953	1,681
Derivative financial instruments measured at FVTIS	13	128	-	-
Financial liabilities				
Payables, at amortised cost	87,818	76,474	23,499	16,940
Lease liabilities	6,384	477	-	-



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

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.

30 Jun 2023

Financial assets measured at FVTIS

- Debt instruments
- Unquoted investments
- Club debenture

Derivative financial instruments measured at FVTIS

31 Dec 2022

Financial assets measured at FVTIS

- Debt instruments
- Unquoted investments
- Club debenture

Derivative financial instruments measured at FVTIS

Group			
(S\$ '000)			
Level 1	Level 2	Level 3	Total
		68,846	68,846
-	-	49,576	49,576
-	-	1	1
-	-	13	13
		65,817	65,817
-	-	49,327	49,327
-	-	1	1
-	-	128	128

31. RELATED PARTY TRANSACTIONS

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

	S\$000		S\$000	
	Six months ended		Six months ended	
	30 Jun 2023		30 Jun 2022	
The Company	Subsidiary corporations of the Company	The Company	Subsidiary corporations of the Company	
Sales, net of returns	-	636	-	1,542
Sales to joint ventures, net of returns	-	3	-	34
Purchases, net of returns	-	(610)	-	(116)
Purchases from joint ventures, net of returns	-	-	-	(35)
Service fees paid	-	(11)	-	(85)
Interest expenses	-	-	-	(31)
Rental income	-	610	-	610
Lease payments under operating lease	(9)	-	(9)	-



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

32. 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

Six months ended 30 June 2023

	INV	LIFE	OTH	TOTAL
Revenue				
External revenue	6,764	97,432	-	104,196
Result				
Segment operating result	1,442	8,851	(1,554)	8,739
Fair value loss on derivative financial instruments	(134)	(13)	-	(147)
Fair value gains on investment properties and assets held for sale, net	417	-	-	417
Share of profit of associates and joint ventures	9,678	374	-	10,052
Segment result	11,403	9,212	(1,554)	19,061
Unallocated corporate expenses				(2,142)
Finance income				119
Finance costs				(1,766)
Foreign exchange gain				35
Profit before income tax				15,307
Income tax expenses				(3,612)
Profit for the period				11,695

Other information				
Capital expenditure:				
Property, plant and equipment	-	1,322	-	1,322
Depreciation expenses (including on Right-of-use assets)	6	918	4	928

Assets				
Segment assets	300,044	62,850	4,278	367,172
Total assets				367,172
Liabilities				
Segment liabilities	38,990	59,978	7,419	106,387
Income tax payable				2,016
Deferred tax liability				33,025
Total liabilities				141,428



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

32. SEGMENT INFORMATION (CONTINUED)

S\$'000

Six months ended 30 June 2022

	INV	LIFE	OTH	TOTAL
Revenue				
External revenue	7,925	56,450	-	64,375
Result				
Segment operating result	5,810	1,973	(835)	6,948
Fair value gains on investment properties and assets held for sale, net	438	-	-	438
Share of (loss) profit of associates and joint ventures	(1,723)	918	-	(805)
Segment result	4,525	2,891	(835)	6,581
Unallocated corporate expenses				(998)
Finance income				11
Finance costs				(998)
Foreign exchange loss				(101)
Profit before income tax				4,495
Income tax credit				194
Profit for the period				4,689
Other information				
Capital expenditure:				
Property, plant and equipment	-	276	6	282
Depreciation expenses (including on Right-of-use assets)	28	555	26	609
Assets				
Segment assets	255,392	48,066	6,734	310,192
Total assets				310,192
Liabilities				
Segment liabilities	28,226	44,518	4,037	76,781
Income tax payable				502
Deferred tax liability				20,263
Total liabilities				97,546

Geographical information

S\$'000

Geographical segments:	Revenue	
	Six months ended	
	30 Jun 2023	30 Jun 2022
South Asia	58,084	32,067
People's Republic of China (including Hong Kong)	22,060	9,674
North America	14,027	9,662
Australia	5,229	5,945
Japan	1,123	1,477
Others	3,673	5,550
	104,196	64,375

The basis of geographic information disclosed above is the location of customers and source of income from these regions.



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.

During the six months ended 30 June 2023, 1,646,400 (year ended 31 Dec 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 30 June 2023 and 31 December 2022.

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 30 June 2023 and 31 December 2022; 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 127,870,416 and 129,516,816 as at 30 June 2023 and 31 December 2022 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 2022.



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 2023, 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) 1-1:	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to SFRS(I) 1-1:	<i>Non-current Liabilities with Covenants</i>
Amendments to SFRS(I) 10 and SFRS(I) 1-28:	<i>Sale or Contribution of Assets between Investors and its Associates or Joint Venture</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.

	Six months ended 30 Jun 2023	Six months ended 30 Jun 2022
(i) Based on the weighted average number of ordinary shares on issue	5.82 cents	2.86 cents
(ii) On a fully diluted basis	5.82 cents	2.86 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 127,990,529 and 130,860,616 being the weighted average number of shares in issue during the six months ended 30 June 2023 and 30 June 20222 respectively.

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

	As at 30 Jun 2023	As at 31 Dec 2022
Group	118.08 cents	118.43 cents
Company	71.09 cents	70.71 cents



OTHER INFORMATION

(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 – Half year ended 30 June 2023

Revenue & Profitability

The Group had a strong first half in 2023 with revenue rising by 62% to S\$104.2 million compared to S\$64.4 million in the previous corresponding period. Gross profit also grew by 63% to S\$23.2 million from S\$14.2 million previously.

Demand for GemLife's homes continued to remain strong with over 600 contracts and deposits currently on hand. Over the past six months, GemLife's portfolio of occupied homes grew by 134 homes to 1,222 homes. The number of occupied homes in the first half-year are about 30% higher than those in the previous corresponding period. Earthworks are also underway at several sites while development approvals are still being awaited on a number of others. These provide a strong pipeline of projects that will come on-stream over the next few years.

Revenue at the Investment for the half-year was S\$6.8 million compared to S\$7.9 million achieved in the previous corresponding period in view of the projects completed in the previous year.

The Company has concluded discussions with the minority shareholders of Thakral Capital Holdings Limited ("TCH") to restructure TCH which will result in the Company acquiring the 25% shareholding of the minority shareholders and TCH becoming a wholly owned subsidiary. The Company had on 9 June 2023 submitted an application to the SGX-ST to seek a partial waiver for prior approval from the shareholders of the Company before the proposed transaction or any part thereof can take effect. Broadly, the restructuring involves (i) the transfer of a 25% shareholding interest held by the minority holders ("minority") in TCH for an aggregate consideration of A\$40,764,508 (approximately S\$35.94 million). Apart from this share transfer but related to the restructuring, there are two separate transactions with the following payments: (ii) a fee of A\$18.75 million (approximately S\$16.53 million) for the cancellation of employee share options granted to the minority and (iii) settlement of bonuses of about A\$1.997 million (approximately S\$1.76 million). Payment of these amounts totalling A\$61.512 million (approximately S\$54.23 million) shall be satisfied through the issue of promissory notes of the same value and which in turn will be subsequently satisfied by a combination of cash and assets to be transferred to the minority by various Group entities, including 18.2% equity interest in each of the entities through which the GemLife business is carried out. Following completion, the existing TCH shareholders deed with the minority will be terminated and the Company will hold its effective equity interest in each of the GemLife Group Entities directly and accordingly, the obligation of the Company to bear part of the bonuses contractually payable to the minority out of its returns from its investment in TCH will cease.

With the current focus on the GemLife business and with limited activity in the Australian residential and commercial real estate sectors, the Board is of the view that this will benefit the Group.

An announcement on the restructuring will be made after receipt of the response from the SGX for the application for a waiver/partial waiver.

The Lifestyle business continued to improve on the back of its fragrance line-up, DJI's product range as well as other lifestyle products, which have all been growing smoothly. Notwithstanding China's post-COVID reopening growth spurt slowing down in the last quarter (retail sales growth slowed sharply to 3.1% year-on-year in June 2023, marking the weakest performance since last December), the Group was able to make advances in its business in the country as well as in South Asia, including India. Segment turnover increased by 73% to S\$97.4 million in the latest half-year, as compared to S\$56.5 million in the previous corresponding period. The Group operates more than 15 retail fragrance stores/counters in premium shopping malls and department stores across Greater China, including 2 in Hong Kong and 1 in Macau opened during this half-year. The Group has also launched Ralph Lauren's *Polo Earth* fragrances for L'Oreal exclusively in all Sephora-China stores. *Polo Earth* is a 97% natural-origin, vegan fragrance, formulated without sulfates, phthalates, artificial preservatives, or colorants and includes 7 to 8 sustainably sourced ingredients from communities around the world. Its packaging is made with 20% post-consumer recycled glass and is 30% lighter than Ralph Lauren Fragrance's conventional bottle. To minimise the environmental impact, the refillable bottle features an FSC-certified wood cap and



label, and the FSC-certified carton contains 55% post-consumer recycled materials and also eliminates cellophane wrapping.

Japan transitioned to a post-pandemic state in May 2023 with COVID-19 being downgraded to the same status as the flu. Its economy has undergone notable recovery resulting in strong corporate performances. With Japan's property market being one of the few markets in the world that offers high liquidity and a positive yield spread, real estate investment activity in Japan has been among the strongest in the world in 2023. The weak Yen and Japan's strong fundamentals have been further drawcards for investors injecting capital into the country and helping keep its real estate resilient. According to JLL, investments into the country's commercial real estate sector in the first quarter of this year were up by 43% (to US\$8.9 billion compared to US\$6.3 billion in the previous year), with foreign investors almost doubling their investment from a year ago. The office sector in Japan has been one of the bright spots with investment volumes rising more than 110% in just the first quarter to reach US\$5.4 billion and constituting over half the total investment volume.

While some large companies have been down-sizing offices or relocating to flexible spaces, an increasing number of mid-size companies with strong businesses are opening or expanding offices. The recovery of demand from domestic and foreign visitors has led to a significant recovery in hotel rates, which would improve further upon the return of Chinese tourists. Though there was considerable interest by new investors in the real estate market, valuers are taking time to adjust their valuations to reflect the strength. As such, valuations of the Group's Japanese property investments were left unchanged this half-year as market participants navigate the uncertainties arising from global economic headwinds. Similarly, there was no change in the valuation of the office property in Singapore during the period. In the hospitality sector in Japan, strong demand had led to average daily rates increasing significantly and even surpassing pre-pandemic levels in many cases. However, occupancy growth has been sluggish in view of prolific labour shortages in the industry, with many hotels struggling to recruit sufficient staff. As new supply, which peaked in 2020, is limited over the next few years, room rates are expected to remain at elevated levels for some time. According to MSCI Real Assets, the hotel segment received nearly 98 billion Yen (US\$691 million) in overseas investment between January and mid-June this year, more than five times the 17.8 billion Yen in the first half of 2022.

Higher interest rates on an increased level of average borrowings resulted in net Finance costs rising to S\$1.6 million for the current period from about S\$1 million previously.

The Group completed a swap of its shares in the Currentbody-Thakral ("CBT") joint venture for a direct investment in CurrentBody's ultimate parent entity in the UK during the half-year. This strategic investment enabled the Group to unlock the investment in the CBT joint venture and participate in the future growth of Currentbody's global businesses instead of China alone. The swap enabled the Group to recognise a gain of S\$3.1 million in the half-year, including about S\$0.4 million recognised as its share of profit of the earlier joint venture.

The Group's share of profit from associates and joint ventures of S\$10.1 million for the current half-year was a sharp turnaround from the loss of S\$0.8 million in the previous corresponding period and was mainly as a result of stronger operating profits at GemLife in the current period.

Profit for the period rose 149% to S\$11.7 million while profit attributable to shareholders for the first half of 2023 of S\$7.4 million was 99% higher than the S\$3.7 million earned in the previous corresponding period.

Expenses

Distribution expenses at S\$5.9 million for the current period were significantly higher than the S\$3.1 million incurred in the previous corresponding period due to higher advertising and marketing expenses and the additional operating costs (including store launch) in relation to the new fragrance stores opened in Hong Kong and Macau.

Aggregate Administration expenses also increased by 62% to S\$13.3 million in the period from S\$8.2 million previously mainly due to higher staff costs as a result of an expanded headcount as well as the effect of salary increments along with provisions made for ex-gratia retirement payments for selected executive directors and key management personnel as well as performance-linked pay.



The current half-year saw the Group incur an Income tax charge of S\$3.6 million as against a net tax credit of about S\$0.2 million in the previous corresponding period. The charge arose mainly from the accrual of relevant taxes on the share of profits taken up on the GemLife joint venture as well as deferred tax on investment gains.

Statement of Financial Position and Cash Flow

Inventories increased to S\$21.2 million as at 30 June 2023 from S\$17.8 million as at 31 December 2022, mainly due to the volumes required to cater to the larger market and customer base. The inventory turnover period for the current six months improved to 44 days from 53 days for the previous corresponding period.

Trade receivables as at 30 June 2023 also increased to S\$14.4 million from S\$12.7 million at 31 December 2022. The trade receivables turnover for the half-year of 24 days compared to 34 days for the previous corresponding period. The increase in aggregate Other receivables to S\$13.5 million from S\$10.5 million includes rental and other deposits for the new premises as well as VAT recoverables.

Aggregate debt instruments measured at fair value through income statement and at amortised cost of S\$78.0 million as at 30 June 2023 increased from S\$70.5 million as at 31 December 2022 mainly due to the investment made in CurrentBody-UK .

Joint ventures increased to S\$73.0 million as at 30 June 2023 from S\$67.7 million as at 31 December 2022 mainly from profit contributions, including from stronger operations at GemLife, during the period net of the reduction from the share swap of the CurrentBody-Thakral joint venture.

Associates reduced to S\$56.2 million as at 30 June 2023 from S\$60.8 million as at 31 December 2022 mainly from the translation impact from the weak Japanese Yen partially offset by profit contributions during the period.

Aggregate borrowings (including lease liabilities) increased to S\$58.5 million as at 30 June 2023 from S\$51.4 million as at 31 December 2022 mainly due to the new leases entered into in Hong Kong for the new office, warehouse and retail stores (including in Macau).

Cash balances as at 30 June 2023 reduced to S\$15.0 million compared to S\$20.1 million as at 31 December 2022 following the new investments and dividend payment to shareholders in the period.

The Group saw a net cash inflow from operating activities of S\$1.5 million for the current period compared to a net outflow of S\$3.8 million in the previous corresponding period, mainly due to the higher revenue and profits generated at the Lifestyle business and the net changes in working capital components.

Net Asset Value

Net Asset Value per share was 118.08 cents as at 30 June 2023 compared to 118.43 cents as at 31 December 2022. The decline in NAV reflects the profit for the period, the translation loss of S\$5.6 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 in the half-year, combined with the dividend (of S\$3.2 million) paid to shareholders partially offset by the effect of the cancellation of shares after buyback (S\$1.0 million) in this half-year. The Group commenced buying back its shares on the market in December 2022 and has bought back and cancelled a total of 2.99 million shares up to 30 June 2023.

Performance Summary

Investments

The Investments Division achieved revenue of S\$6.8 million and segment profit of S\$11.4 million for the first half-year, including the share of profit from joint venture which was boosted by strong results at GemLife. This compares to revenue of S\$7.9 million and segment profit of S\$4.5 million in the previous corresponding period.



Australia

Despite 12 interest rate increases since May 2022, the Australian housing market managed to avoid the decline expected by many; in fact, prices have risen 1.55% from the low point recorded in December last year. The ongoing housing shortfall combined with an increase in net overseas migration and tight rental market conditions bolstered demand. These factors underpinned home prices and helped offset the downward pressure from higher interest rates.

GemLife has contracted parcels of land that will deliver over 7,000 homes in its portfolio, placing it 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. Over 100 homes have been delivered at the Palmwoods resort in just over a year. Rainbow Beach Stage 1 settlements are progressing well, and GemLife now has 7 resorts with occupied homes. Community facilities are well underway at Palmwoods and Rainbow Beach and will be completed in 2023. House construction has commenced at Tweed Waters and Gold Coast and first settlements are expected in the second half of 2023. Civil works at the new Moreton Bay project are underway. Sales across the group continue to remain strong and demand for this sector remains robust. Despite industry-wide supply chain disruptions, our leadership team and partners have been able to keep construction on track and 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 towards practical completion expected around end-2023. The Parkridge Noosa project has been very successful with only one dwelling remaining, which is currently rented.

Japan

The office market in Osaka and Nagoya experienced some mild contractions due to lukewarm sentiment for new office buildings that came on stream. Many owners resorted to price corrections to attract tenants, which has created a sense of affordability and generated further leasing demand. In addition, new supply in 2023 has been fairly limited, providing some breathing room for the absorption of existing vacancies. Overall, the market has been steady with average rents remaining quite stable over the past half-year.

With an improved market for the hospitality sector, attempts to dispose of the Japanese hotel properties are proceeding well. The Group has signed a sale & purchase agreement to sell its hotel in Kita Umeda, Osaka (previously R Hotel) and has received a 10% deposit. The transaction is scheduled to complete at the end of August. More details will be provided in an announcement on completion.

The Group is also considering selling two of its office buildings in Osaka, namely Itachibori Square and Utsubo East Building and would be going to market in late Q3.

Lifestyle

The twin drivers of lifestyle and fragrance products put the Lifestyle business on firmer footing and enabled it to grow sales by 73% to S\$97.4 million from S\$56.5 million achieved in the previous corresponding period. Segment profit also rose to S\$9.2 million from S\$2.9 million.

The Group is in discussion with other fragrance brand owners for taking up distribution of their products to enhance its product portfolio. It also continues to make progress in further developing its export markets for drones. This includes expanding the product range to cover the enterprise sector, including agriculture. We are seeing strong growth from these additions.

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

Not applicable.



OTHER INFORMATION

(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.

In Australia, the 2022 PwC/Property Council Retirement Census released recently showed that the average cost of a 2-bedroom unit in a retirement village rose by 6.6% over the 18 months to December 2022 to \$516,000 compared to a 26% increase in national house prices to \$831,900 over the same period. Retirement communities across Australia, with their lower priced units, therefore play an important role in providing affordable housing options for older Australians. The population of over-65's is expected to increase from 4.4 million to 6.6 million by 2041 while at the same time, the 3-year development supply pipeline of retirement units fell by more than half to 5,100 dwellings compared to the previous Census forecast of 10,500 dwellings. (Source: Media Release at <https://www.propertycouncil.com.au/media-releases/the-housing-market-where-affordability-actually-remains-retirement-living>). With national land lease community occupancy at 100%, there is a huge supply gap in the sector on which GemLife could capitalise. By the end of 2023, GemLife expects to welcome the first settlements in two more resorts located in Tweed Waters and Gold Coast, adding to the 7 resorts it currently operates.

As mentioned above, the Group is proposing to implement the restructuring and in that regard, the Company will convene an Extra-ordinary General Meeting in due course to seek Shareholders' ratification of the transactions relating to the restructuring. As the restructuring will take full effect in the second half of FY23, the Group's H2-FY23 results will accordingly incorporate the appropriate financial impact of the amounts mentioned above, partially offset by changes (if any) in values of the Group's relevant other assets for the same period.

While the Japanese real estate market remained stable and attractive to global investors in the first half of 2023, the second half of the year will require investors to be mindful of rising interest rates due to possible continued price hikes in Japan and economic recession due to slowing global growth. The significant monetary tightening has heightened the possibility of economic slowdown in the U.S. and Eurozone, with the expected deterioration in external demand creating a good chance of a knock-on impact on Japan's growth after mid-year. Going forward, while investor appetite is expected to remain strong in 2023, the interplay of inflation and wages will determine whether the current recovery will be sustainable and if the BOJ will change its ultraloose policy. Slowing real wage growth would cause higher prices start to weigh on consumption. However, policy changes are likely to be gradual as policymakers will be mindful of the impact of any changes especially in view of the level of government debt as well as the impact on the Yen. Despite the current uncertainty, there is reason for optimism – property is a real asset which generally benefits from rising prices. Furthermore, Osaka has been approved as the location of the country's first casino, which would benefit its economy and growth in time.

Although China's gross domestic product grew by 5.5% for the first half of 2023 compared to the same period last year and was higher than Beijing's full-year growth target for 2023, it rose by only 0.8% in the second quarter, slowing from a rise of 2.2% in the first quarter. The unemployment rate for the 16-24 age group also hit a new high of 21.3% in June, up from 20.8% in May. With growth momentum slowing in the absence of internal driving forces and protracted regulatory curbs on certain sectors, households remain wary of spending and expectations relating to employment and income gains have turned negative. Policy measures to stabilise growth and employment have been pledged but are likely to be balanced to avoid triggering capital outflows from struggling financial markets and pressuring the currency.

While India remains one of the fastest growing emerging economies, the World Bank has revised its FY23/24 GDP forecast for the country to 6.3% from 6.6% amidst expectations of slower consumption growth and challenging external conditions.

Economists have warned that the global slowdown and volatility in financial markets pose a risk to exports and the growth outlook in coming quarters. The Group therefore expects the business environment to remain challenging for the rest of 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 has been declared.

(b) (i) Amount per share

S\$0.02 per share

(ii) Previous corresponding period

S\$0.02 per share (paid on 25 August 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

(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 six months ended 30 June 2023 (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)
Emway Singapore Pte Ltd	Associate of controlling shareholder	S\$'000	S\$'000
Sales, net of returns		113	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 32 – Segment Information (page 15-16) to the Condensed Interim 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



Negative confirmation pursuant to Rule 705(5)

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements for the six months ended 30 Jun 2023 to be false or misleading in any material aspect.

Confirmation pursuant to Rule 720(1)

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

ON BEHALF OF THE BOARD

Kartar Singh Thakral
Director

Inderbethal Singh Thakral
Director
10 August 2023

BY ORDER OF THE BOARD

Chan Wan Mei
Chan Lai Yin
Company Secretaries
10 August 2023