



THAKRAL

CORPORATION LTD

(Company Registration No. 199306606E)

Condensed Financial Statements For the year ended 31 December 2023

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Condensed Financial Statements for the year ended 31 December 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

These figures have not been audited.

	Note	Group			Group		
		S\$000		%	S\$000		%
		Year ended			Six months ended		
		31 Dec 2023	31 Dec 2022	Increase / (Decrease)	31 Dec 2023	31 Dec 2022	Increase / (Decrease)
CONSOLIDATED INCOME STATEMENT							
Revenue	4	212,269	160,422	32	108,073	96,047	13
Cost of sales		(166,367)	(121,200)	37	(85,336)	(71,036)	20
Gross profit	4	45,902	39,222	17	22,737	25,011	(9)
Other operating income	5	3,328	3,279	1	515	70	636
Distribution costs	6	(14,057)	(6,647)	111	(8,139)	(3,576)	128
Administration expenses	7	(19,365)	(28,048)	(31)	(6,108)	(19,856)	(69)
Depreciation on property, plant and equipment		(496)	(411)	21	(290)	(204)	42
Profit from operations		15,312	7,395	107	8,715	1,445	503
Fair value loss on derivative financial instruments	14	(431)	(270)	60	(284)	(270)	5
Fair value gains on investment properties and assets held for sale	19	584	1,412	(59)	167	974	(83)
Finance income	8	233	45	418	114	34	235
Finance costs	8	(3,781)	(2,336)	62	(2,015)	(1,338)	51
Foreign exchange loss	9	(174)	(625)	(72)	(209)	(524)	(60)
Share of profit of associates and joint ventures	22, 23	34,792	30,972	12	24,740	31,777	(22)
Profit before restructuring costs		46,535	36,593	27	31,228	32,098	(3)
Restructuring costs	10	(20,380)	-	NM	(20,380)	-	NM
Profit before income tax		26,155	36,593	(29)	10,848	32,098	(66)
Income tax expenses	11	(7,723)	(10,019)	(23)	(4,111)	(10,213)	(60)
Profit for the year/period		18,432	26,574	(31)	6,737	21,885	(69)
<u>Profit attributable to:</u>							
Equity holders of the Company		8,168	18,617	(56)	725	14,873	(95)
Non-controlling interests		10,264	7,957	29	6,012	7,012	(14)
		18,432	26,574	(31)	6,737	21,885	(69)
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME							
Profit for the year/period		18,432	26,574	(31)	6,737	21,885	(69)
Other comprehensive loss							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Translation loss arising on consolidation	12	(10,357)	(22,139)	(53)	(316)	(5,733)	(94)
Other comprehensive loss for the year/period, net of tax		(10,357)	(22,139)	(53)	(316)	(5,733)	(94)
Total comprehensive income for the year/period		8,075	4,435	82	6,421	16,152	(60)
<u>Total comprehensive income (loss) attributable to:</u>							
Equity holders of the Company		2,205	5,052	(56)	390	10,701	(96)
Non-controlling interests		5,870	(617)	NM	6,031	5,451	11
		8,075	4,435	82	6,421	16,152	(60)

NM – Not meaningful



CONDENSED STATEMENTS OF FINANCIAL POSITION

	Note	Group (S\$ '000) as at		Company (S\$ '000) as at	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
ASSETS					
Current assets					
Cash and bank balances	13	11,257	20,058	1,108	2,380
Derivative financial instruments	14	2	128	-	-
Trade receivables	15	17,258	12,714	-	-
Other receivables and prepayments	16	9,415	6,073	136	146
Amount owing by a subsidiary corporation		-	-	1,294	1,256
Debt instruments measured at fair value through income statement and amortised cost	17	3,812	21,790	-	-
Inventories	18	25,464	17,832	-	-
Assets held for sale	19	4,958	6,299	-	-
Total current assets		72,166	84,894	2,538	3,782
Non-current assets					
Property, plant and equipment	20	2,193	1,375	18	18
Right-of-use assets	21	5,204	491	-	-
Investment properties	19	31,158	31,158	-	-
Subsidiary corporations	10	-	-	195,877	103,093
Joint ventures	22	-	67,678	-	-
Associates	23	124,058	60,776	-	-
Financial assets measured at fair value through income statement	24	49,272	49,328	4,992	1,681
Debt instruments measured at fair value through income statement and amortised cost	17	43,650	48,700	-	-
Other receivables	16	756	4,472	-	-
Deferred tax assets	29	528	-	-	-
Total non-current assets		256,819	263,978	200,887	104,792
Total assets		328,985	348,872	203,425	108,574
LIABILITIES AND EQUITY					
Current liabilities					
Trade and bills payables	25	10,025	4,178	-	-
Trust receipts	26	26,710	21,141	-	-
Bank and other borrowings	26	22,493	21,275	1,294	1,256
Lease liabilities	21	1,768	342	-	-
Other payables	27	19,469	24,676	882	1,066
Provisions	28	3,115	6,131	52	52
Income tax payable	29	953	1,022	-	-
Total current liabilities		84,533	78,765	2,228	2,374
Non-current liabilities					
Amount owing to subsidiary corporations	10	-	-	109,638	12,885
Bank and other borrowings	26	6,887	8,466	439	1,733
Lease liabilities	21	3,558	135	-	-
Other payables	27	8,419	1,274	-	-
Provisions	28	126	-	-	-
Derivative financial instruments	14	87	-	-	-
Deferred tax liability	29	24,624	31,932	-	-
Total non-current liabilities		43,701	41,807	110,077	14,618
Total liabilities		128,234	120,572	112,305	16,992
Capital, reserves and non-controlling interests					
Issued capital	30	70,820	71,838	70,820	71,838
Reserves		78,586	81,549	20,300	19,744
Equity attributable to equity holders of the Company		149,406	153,387	91,120	91,582
Non-controlling interests	10	51,345	74,913	-	-
Total equity		200,751	228,300	91,120	91,582
Total liabilities and equity		328,985	348,872	203,425	108,574



CONDENSED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

S\$'000

	Reserves				Equity attributable to equity holders of the Company	Non-controlling interests	Total	
	Issued capital	Capital reserve	Options reserve	Foreign currency translation reserve				Retained earnings
Group								
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								
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 (Note 30)	(1,018)	-	-	-	-	(1,018)	-	(1,018)
Recognition of share-based payments of a subsidiary corporation	-	-	3	-	-	3	2	5
Dividend (Note 31)	-	-	-	-	(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
Total comprehensive income for the period								
Profit for the period	-	-	-	-	725	725	6,012	6,737
Other comprehensive loss for the period	-	-	-	(335)	-	(335)	19	(316)
Total	-	-	-	(335)	725	390	6,031	6,421
Transactions with owners, recognised directly in equity								
Arising on restructuring of certain subsidiary corporations (Note 10)	-	627	-	-	-	627	(28,714)	(28,087)
Cancellation of share-based payments of a subsidiary corporation	-	-	(58)	-	-	(58)	-	(58)
Dividend (Note 31)	-	-	-	-	(2,557)	(2,557)	-	(2,557)
Dividends to non-controlling shareholders in subsidiary corporations	-	-	-	-	-	-	(726)	(726)
Capital reserve arisen from acquisition of a subsidiary corporation	-	14	-	-	-	14	-	14
Total	-	641	(58)	-	(2,557)	(1,974)	(29,440)	(31,414)
Balance at 31 Dec 2023	70,820	(8,443)	-	(28,547)	115,576	149,406	51,345	200,751



Year ended 31 December 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 31)

Dividend to non-controlling shareholders
in a subsidiary corporation

Total

Balance at 30 Jun 2022

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 (Note 30)

Cancellation of shares of a subsidiary
corporation purchased from a
non-controlling shareholder

Dividend (Note 31)

Recognition of share-based payments of a
subsidiary corporation

Total

Balance at 31 Dec 2022

	Reserves				Equity attributable to equity holders of the Company	Non- controlling interests	Total	
	Issued capital	Capital reserve	Options reserve	Foreign currency translation reserve				Retained earnings
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								
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 31)	-	-	-	-	(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
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 30)	(741)	-	-	-	-	(741)	-	(741)
Cancellation of shares of a subsidiary corporation purchased from a non-controlling shareholder	-	-	-	-	-	-	(1,222)	(1,222)
Dividend (Note 31)	-	-	-	-	(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)
Balance at 31 Dec 2022	71,838	(9,084)	56	(22,585)	113,162	153,387	74,913	228,300



CONDENSED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 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 (Note 30)

Dividend (Note 31)

Balance as at 30 Jun 2023

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

Transactions with owners, recognised directly in equity

Dividend (Note 31)

Balance as at 31 Dec 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
-	2,771	2,771
-	(2,557)	(2,557)
70,820	20,300	91,120

Year ended 31 December 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 31)

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 31)

Cancellation of purchased shares (Note 30)

Balance as at 31 Dec 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
-	3,809	3,809
-	(2,617)	(2,617)
(741)	-	(741)
71,838	19,744	91,582



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(S\$ '000)

Note

	Year ended		Six months ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
OPERATING ACTIVITIES				
Profit before income tax	26,155	36,593	10,848	32,098
Adjustments for:				
Depreciation for property, plant and equipment and right-of-use assets	2,289	1,186	1,361	577
Share of profit of associates and joint ventures	(34,792)	(30,972)	(24,740)	(31,777)
Dividend income from financial assets measured at FVTIS	(2,036)	-	(2,036)	-
Fair value gain and interest income on debt instruments measured at FVTIS and amortised cost	(7,022)	(13,588)	(2,659)	(8,995)
Fair value gain on financial assets measured at FVTIS	(2,068)	(5,660)	(1,120)	(4,257)
Interest expense	3,781	2,336	2,015	1,338
Interest income	(233)	(45)	(114)	(34)
Gain on disposal of financial assets measured at FVTIS	-	(2,212)	-	-
Gain on share swap of a joint venture	(2,751)	-	-	-
Loss (Gain) on disposal of assets held for sale	7	(966)	7	(66)
Loss (Gain) on disposal of property, plant and equipment	68	(26)	-	1
Fair value loss on derivative financial instruments	431	270	284	270
Fair value gain on investment properties and assets held for sale	(584)	(1,412)	(167)	(974)
Net unrealised foreign exchange (gain) loss	(586)	898	(521)	546
Share-based payment expenses	5	9	-	5
Provision for employee benefits	216	3,519	67	3,085
Allowance for inventories	896	857	637	713
Impairment loss recognised on trade receivables	107	309	107	235
Impairment loss recognised on other receivables	-	95	-	95
Restructuring costs	20,380	-	20,380	-
Operating cash flows before movements in working capital	4,263	(8,809)	4,349	(7,140)
Trade receivables	(3,671)	(1,076)	(1,919)	(1,460)
Other receivables and prepayments	(2,017)	1,289	1,277	1,896
Inventories	(8,913)	(4,491)	(5,141)	(4,613)
Trade payables and bills payables	5,673	1,225	(20)	2,382
Other payables and provisions	(4,702)	3,740	(11,097)	3,404
Cash used in operations	(9,367)	(8,122)	(12,551)	(5,531)
Income tax (paid) refunded	(2,241)	115	(2,110)	(342)
Interest paid	(3,529)	(2,807)	(1,693)	(1,157)
Interest received	223	34	108	24
Net cash used in operating activities	(14,914)	(10,780)	(16,246)	(7,006)
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(1,386)	(288)	(64)	(6)
Proceeds from disposal of property, plant and equipment	16	76	1	-
Investments in an associate	(1,118)	-	-	-
Capital return from an associate	4,422	8,918	3,490	8,918
Dividend received from an associate	421	842	-	398
Additions to financial assets measured at FVTIS	(3,318)	(899)	(46)	16
Dividend received from financial assets measured at FVTIS	4,431	-	4,431	-
Proceeds from disposal of financial assets measured at FVTIS	-	4,855	-	-
Capital return from a financial asset measured at FVTIS	1,460	-	1,460	-
Repayments of debt instruments measured at FVTIS and amortised cost	8,371	20,387	3,383	1,956
Additions to debt instruments measured at FVTIS and amortised cost	(3,113)	(6,813)	-	(3,886)
Proceeds from disposal of assets held for sale	1,823	13,051	1,823	1,260
Acquisition of a subsidiary corporation	(1,128)	-	(1,128)	-
Net cash from investing activities	10,881	40,129	13,350	8,656
FINANCING ACTIVITIES				
Purchase of shares for cancellation	(1,018)	(741)	-	(741)
Dividends paid to non-controlling shareholders in a subsidiary corporation	(726)	(1,835)	(726)	-
Dividends paid	(5,754)	(5,234)	(2,557)	(2,617)
Purchase of shares of a subsidiary corporation from a non-controlling shareholder for cancellation	-	(1,222)	-	(1,222)
Decrease (increase) in fixed deposits with maturities exceeding three months	62	(131)	73	(137)
Decrease (increase) in pledged fixed deposits	567	(136)	42	(420)
Proceeds from trust receipts	119,461	89,566	60,376	48,301
Repayments of trust receipts	(113,731)	(91,490)	(55,741)	(49,165)
Decrease in factoring loan	-	(309)	-	(3)
Repayments of lease liabilities	(1,853)	(848)	(1,202)	(431)
Proceeds from bank and other borrowings	11,233	5,791	9,492	3,365
Repayments of bank and other borrowings	(11,423)	(11,509)	(9,932)	(1,700)
Addition to derivative financial instruments	(404)	(401)	(183)	(401)
Proceeds from disposal of derivative financial instruments	179	-	(7)	-
Net cash used in financing activities	(3,407)	(18,499)	(365)	(5,171)
Net (decrease) increase in cash and cash equivalents	(7,440)	10,850	(3,261)	(3,521)
Cash and cash equivalents at beginning of year / period	16,780	6,721	12,190	20,696
Net effect of exchange rate changes in the balance of cash held in foreign currencies	(687)	(791)	(276)	(395)
Cash and cash equivalents at end of year / period	8,653	16,780	8,653	16,780
Cash and cash equivalents were represented by:-				
Fixed deposits with maturities less than 3 months, cash and bank balances	8,653	16,780	8,653	16,780
	8,653	16,780	8,653	16,780



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. MATERIAL ACCOUNTING POLICY INFORMATION

BASIS OF PREPARATION

The condensed financial statements for the year ended 31 December 2023 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 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)



NOTES TO THE CONDENSED 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)	S\$'000		% Increase / (Decrease)
	Year ended			Six months ended		
	31 Dec 2023	31 Dec 2022		31 Dec 2023	31 Dec 2022	
Product sales	198,704	137,819	44	101,294	81,369	24
Management fee and other service income	1,421	1,953	(27)	704	742	(5)
Rental income	1,496	1,366	10	738	648	14
<i>Investment income</i>						
<i>Interest income on debt instruments</i>	287	108	166	-	94	(100)
<i>Fair value changes on debt instruments</i>	6,257	13,480	(54)	2,181	8,901	(75)
<i>Dividend income from financial assets measured at FVTIS</i>	2,036	-	NM	2,036	-	NM
<i>Fair value changes on financial assets measured at FVTIS</i>	2,068	5,696	(64)	1,120	4,293	(74)
<i>Sub-total for investment income</i>	10,648	19,284	(45)	5,337	13,288	(60)
Total	212,269	160,422	32	108,073	96,047	13

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 year in view of the tapering of the business in the leadup to the restructuring of the Group's investment in Thakral Capital Holdings Pte Ltd ("TCH Restructuring"). Sales and gross profit at the Lifestyle Division continued to grow on the back of strong demand for its lifestyle and fragrance products in its markets. Consolidated revenue and gross profit for the year both grew by 32% and 17% respectively from the previous year.

5. OTHER OPERATING INCOME

	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
	Year ended			Six months ended		
	31 Dec 2023	31 Dec 2022		31 Dec 2023	31 Dec 2022	
Gain on share swap of a joint venture	2,751	-	NM	-	-	NM
Gain on disposal of financial assets measured at FVTIS	-	2,212	(100)	-	-	NM
Fair value changes on financial assets measured at FVTIS	-	(36)	(100)	-	(36)	(100)
Income from debt instruments	478	-	NM	478	-	NM
(Loss) Gain on disposal of assets held for sale	(7)	966	NM	(7)	66	NM
Others	106	137	(23)	44	40	10
Total	3,328	3,279	1	515	70	636

- The gain on the share swap of a joint venture arose from the transaction involving the Group's CurrentBody-Thakral joint venture, as announced earlier in 2023.
- The gain on disposal of financial assets in the previous year arose from Ascential's acquisition of the Group's stake in Intrepid.
- The loss on disposal of assets held for sale in the previous year arose mainly from the sale of the GLNG houses in Gladstone.
- Income from debt instruments represents accrual of interest income and dividend income on the loan notes and preference shares respectively issued by the parent company of Currentbody-UK.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. DISTRIBUTION COSTS

	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
	Year ended			Six months ended		
	31 Dec 2023	31 Dec 2022		31 Dec 2023	31 Dec 2022	
Staff costs	(3,184)	(2,361)	35	(1,882)	(1,151)	64
Advertising & promotion (including expenses for retail stores)	(7,413)	(2,424)	206	(4,349)	(1,364)	219
Transportation	(1,160)	(702)	65	(545)	(489)	11
Travelling expenses	(499)	(181)	176	(316)	(103)	207
Depreciation on right-of use assets / rent and rates - storage	(1,469)	(703)	109	(889)	(391)	127
Others	(332)	(276)	20	(158)	(78)	103
Total	(14,057)	(6,647)	111	(8,139)	(3,576)	128

- Staff costs were higher due to the additional manpower recruited for the retail fragrance stores in China, including Hong Kong and Macau during the year.
- Advertising and promotion costs included the additional operating expenses in relation to the retail stores opened in Hong Kong and Macau during the year.
- Transport costs and travelling expenses increased in view of the higher sales activity.
- Depreciation on right-of-use-assets represents the rental on the retail stores and warehouses. The Hong Kong warehouse was moved to larger premises in mid-2023 to cope with the needs of the growing business.

7. ADMINISTRATION EXPENSES

	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
	Year ended			Six months ended		
	31 Dec 2023	31 Dec 2022		31 Dec 2023	31 Dec 2022	
Staff costs (including executive directors)	(13,415)	(21,774)	(38)	(3,627)	(16,354)	(78)
Directors' fees	(761)	(719)	6	(402)	(360)	12
Professional fees	(1,996)	(2,053)	(3)	(538)	(1,167)	(54)
Depreciation on right-of use assets / rent and rates - office premises	(587)	(635)	(8)	(263)	(301)	(13)
Travelling expenses	(225)	(316)	(29)	(27)	(180)	(85)
Insurance	(360)	(357)	1	(174)	(172)	1
Allowance for doubtful debts	(107)	(404)	(74)	(107)	(330)	(68)
Others	(1,914)	(1,790)	7	(970)	(992)	(2)
Total	(19,365)	(28,048)	(31)	(6,108)	(19,856)	(69)

- Staff costs in the previous full and 2nd half years were higher mainly due to the accruals/adjustments for performance linked pay and employee benefits made in respect of the Australian team in both periods.
- Director's fees rose due to the appointment of two new independent directors during the year.
- Professional fees decreased in comparison with the preceding year due to the higher market consultancy and project related fee incurred in that year despite the legal fees incurred on Currentbody-Thakral share swap transaction. Professional fees incurred this year on the TCH restructuring exercise are included in restructuring costs disclosed separately.
- Depreciation on right-of-use assets decreased largely on account of the savings from the closure of the Sydney office.
- Travelling expenses declined mainly from the absence of these costs incurred by the Australian team this year.
- Allowances for doubtful debts have been made for certain customers in both years.

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.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. FOREIGN EXCHANGE GAIN / LOSS

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

10. RESTRUCTURING

The Group completed the restructuring of its investment in the Australian business under Thakral Capital Holdings Pte Ltd (“TCH”) pursuant to which the Australian executives exited as shareholders of TCH in exchange for shares in GemLife, certain assets of the TCH Group and cash. The one-off charge of S\$20.4 million in the year includes amounts relating to the settlement of their employee share options and bonus entitlements, terminal benefits, stamp duties as well as all legal and professional costs in relation to the restructuring.

As a result of the settlements made pursuant to the restructuring, non-controlling interests relating to the Australian Executives reduced to nil while there were significant changes in the Company’s balances owing from/to subsidiary corporations following changes in certain intra-group shareholdings.

11. 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		%	S\$'000		%
	Year ended			Six months ended		
	31 Dec 2023	31 Dec 2022	Increase / (Decrease)	31 Dec 2023	31 Dec 2022	Increase / (Decrease)
Current taxation:						
- Provision for taxation in respect of current period	(913)	(510)	79	(643)	(416)	55
- Overprovision in prior years	44	953	(95)	44	(235)	119
Deferred tax:						
- Amount charged for taxation in respect of deferred tax liabilities in current period	(7,389)	(10,462)	(29)	(4,047)	(9,562)	(58)
- Amount credited for taxation in respect of deferred tax assets in current period	535	-	NM	535	-	NM
Total	(7,723)	(10,019)	(23)	(4,111)	(10,213)	(60)

Overprovision for last year related to certain withholding tax provided in prior years that was reversed upon recoupment of an investment in Australia.

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

12. TRANSLATION LOSS ARISING ON CONSOLIDATION

The unrealised translation loss for the year 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.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. CASH AND BANK BALANCES

	Group S\$'000 as at		Company S\$'000 as at	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Fixed deposits	4,121	393	-	-
Pledged fixed deposits	2,286	2,391	-	-
Cash and bank balances	4,850	17,274	1,108	2,380
Current	11,257	20,058	1,108	2,380
Less:				
Fixed deposits with maturities exceeding three months	(318)	(387)	-	-
Fixed deposits placed with banks against trust receipts	(2,286)	(2,391)	-	-
Pledged deposit placed with bank against bank loan	-	(500)	-	-
Cash and cash equivalents	8,653	16,780	1,108	2,380

The decrease in cash balance was mainly due to the new investments, restructuring costs and dividend payment made to shareholders in the year.

14. DERIVATIVE FINANCIAL INSTRUMENTS

The Group from time to time uses foreign exchange options to manage its exposure to foreign exchange rates on the capital invested in certain associates (Note 23) and financial assets (Note 24). The Group also uses interest rate caps to manage its exposure to interest rates payable on the borrowings taken by the investees.

15. 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.

16. OTHER RECEIVABLES AND PREPAYMENTS

The increase in current Other Receivables was mainly from fee and dividend income accruals as well as higher prepayments and advances to suppliers. The decrease in non-current Other Receivables was due to the receipt of the remaining accrued dividends from a Japanese investment entity.

17. DEBT INSTRUMENTS MEASURED AT FAIR VALUE THROUGH INCOME STATEMENT AND AMORTISED COST

Of the total of S\$47.5 million as at 31 December 2023 (31 Dec 22: S\$70.5 million), debt instruments due by the GemLife associate entities amount to S\$34.3 million (31 Dec 22: S\$48.2 million). The decrease during the year was mainly due to the debt instruments in certain Australian investment that were transferred to the Australian Executives in partial settlement of the dues to them under the TCH restructuring.

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.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. INVENTORIES

Inventories increased mainly due to the higher level of operations and the inventory required to cater to the larger market and customer base. Allowance for inventories of S\$0.9 million (2022: S\$0.9 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.

19. 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 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Balance at beginning of financial year	31,158	29,746	6,299	19,755
Disposals	-	-	(1,829)	(12,678)
Valuation gain for the year recognised in profit or loss	-	1,412	584	-
Translation adjustment	-	-	(96)	(778)
Balance at end of financial year	31,158	31,158	4,958	6,299

The fair values of the Group's properties in Singapore and Australia at 31 December 2023 and 31 December 2022 have been determined on the basis of valuation 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 values were 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.

20. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2023, the Group acquired assets amounting to S\$1,386,000 (2022: S\$288,000). The Group disposed of assets at net book value of S\$84,000 (2022: S\$47,000) during the year.

21. RIGHT-OF-USE ASSETS / LEASE LIABILITIES

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 year. The corresponding lease liabilities increased accordingly.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

22. JOINT VENTURES

Joint ventures reduced to nil as at 31 December 2023 in view of the Group's share swap of the interest in the CurrentBody-Thakral joint venture for a direct minority investment in CurrentBody-UK's parent company and the reclassification of the remaining 31.7% stake in GemLife to Associates.

23. ASSOCIATES

This mainly represents the Group's investment in the remaining 31.7% interest in GemLife and the office buildings in Japan held through pooled investment structures that are accounted for as associates by the Group in view of its significant influence over the entities. This also includes the accumulated shares of profit.

24. 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. It also includes the Group's investments in certain new economy ventures. The increase in the year arises mainly due to certain new investments made during the early part of the 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.

25. TRADE AND BILLS PAYABLE

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

26. BORROWINGS

Aggregate borrowings (including trust receipts) as at 31 December 2023 increased compared to 31 December 2022 mainly due to the additional trade finance funding obtained by the Lifestyle Division units to manage the higher level of operations. Lease liabilities previously aggregated here are now excluded.

	Group S\$'000 as at		Company S\$'000 as at	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
<u>Amount repayable in one year or less, or on demand</u>				
Secured	47,414	41,160	-	-
Unsecured	1,789	1,256	1,294	1,256
<u>Amount repayable after one year</u>				
Secured	4,288	4,606	-	-
Unsecured	2,599	3,860	439	1,733

Details of any collaterals

Charges over property in Singapore; pledged bank deposits of S\$2.3 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.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

27. OTHER PAYABLES

Aggregate (current and non-current) Other payables as at 31 December 2023 increased mainly due to employee benefit accruals.

28. PROVISION

The decrease in provision was mainly due to the settlement of employees' benefits to the Australian executives.

29. INCOME TAX PAYABLE AND DEFERRED TAX ASSET / LIABILITY

The increase in aggregate (current and non-current) income tax payable and deferred tax liability was mainly due to the accrual of deferred tax on the share of profit of associates (Note 23).

The Group recognised deferred tax assets as at 31 December 2023, relating to temporary differences and tax loss carry-forwards that were previously not recognised due to insufficient evidence of future taxable profits. The recognition of these deferred tax assets by certain subsidiaries is based on their improved financial performance, outlook and ability to utilise the deferred tax assets. The Group shall continue to assess the recoverability of the deferred tax assets at each reporting date and adjust this accordingly.

30. SHARE CAPITAL

Issued and fully paid:
Balance at beginning of financial year
Cancellation of purchased shares
Balance at end of financial year

Group and Company			
Year ended		Year ended	
31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Number of ordinary shares		S\$'000	S\$'000
129,516,816	130,860,616	71,838	72,579
(1,646,500)	(1,343,800)	(1,018)	(741)
127,870,316	129,516,816	70,820	71,838

31. DIVIDENDS

Ordinary dividend declared (tax-exempt one-tier)
- Interim (paid on 26 Sep 2023; last year paid on 25 Aug 2022)
- Second interim (last year paid on 11 May 2023)
- Special interim (last year paid on 11 May 2023)
Ordinary dividend proposed (tax-exempt one-tier)
- Final (payable date to be confirmed)

S\$'000	
Year ended	
31 Dec 2023	31 Dec 2022
2,557	2,617
-	2,558
-	639
2,557	-
5,114	5,814

On 26 September 2023, a tax-exempt (one-tier) interim dividend of S\$0.2 per share (total dividend of S\$2,557,000) was paid to shareholders in respect of the year ended 31 December 2023.

A tax-exempt (one-tier) final dividend of S\$0.2 per share (total dividend of S\$2,557,000) is proposed, subject to shareholders' approval, in respect of the year ended 31 December 2023.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

34. 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 2023

	INV	LIFE	OTH	TOTAL
Revenue				
External revenue	13,565	198,704	-	212,269
Result				
Segment operating result	9,954	12,809	(2,444)	20,319
Fair value loss on derivative financial instruments	(406)	(25)	-	(431)
Fair value gains on assets held for sale	584	-	-	584
Share of profit of associates and joint ventures	34,418	374	-	34,792
Segment result before restructuring costs	44,550	13,158	(2,444)	55,264
Restructuring costs	(20,380)	-	-	(20,380)
Segment result after restructuring costs	24,170	13,158	(2,444)	34,884
Unallocated corporate expenses				(5,007)
Finance income				233
Finance costs				(3,781)
Foreign exchange loss				(174)
Profit before income tax				26,155
Income tax expenses				(7,723)
Profit for the year				18,432

Other information				
Capital expenditure:				
Property, plant and equipment	-	1,376	10	1,386
Right-of-use assets	-	6,503	-	6,503
Depreciation of property, plant and equipment and right-of-use assets	13	2,267	9	2,289

Assets				
Segment assets	256,549	68,899	3,009	328,457
Deferred tax asset	-	528	-	528
Total assets				328,985
Liabilities				
Segment liabilities	30,262	67,250	5,145	102,657
Income tax payable				953
Deferred tax liability				24,624
Total liabilities				128,234



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

34. SEGMENT INFORMATION (CONTINUED)

S\$'000

Year ended 31 December 2022

	INV	LIFE	OTH	TOTAL
Revenue				
External revenue	22,603	137,819	-	160,422
Result				
Segment operating result	6,624	4,768	(1,970)	9,422
Fair value gains 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

Other information				
Capital expenditure:				
Property, plant and equipment	-	278	10	288
Right-of-use assets	-	16	-	16
Depreciation of property, plant and equipment and right-of-use assets	33	1,101	52	1,186

Assets				
Segment assets	295,237	49,232	4,403	348,872
Total assets				348,872
Liabilities				
Segment liabilities	36,832	45,441	5,345	87,618
Income tax payable				1,022
Deferred tax liability				31,932
Total liabilities				120,572

Geographical information

S\$'000

Geographical segments:	Revenue	
	Year ended	
	31 Dec 2023	31 Dec 2022
South Asia	109,068	81,322
People's Republic of China (including Hong Kong)	47,855	21,921
North America	33,253	22,779
Australia	8,362	15,722
Japan	4,111	5,824
Others	9,620	12,854
	212,269	160,422

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 year ended 31 December 2023, 1,646,500 (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 2023 and 31 December 2022.

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

Thakral Capital Holdings Pte Ltd Employees' Share Option Scheme was terminated upon completion of the restructuring. The outstanding share options as at 31 December 2022 under the Thakral Capital Holdings Pte Ltd Employees' Share Option Scheme were 98,300.

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 127,870,316 and 129,516,816 as at 31 December 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 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.

	Year ended 31 Dec 2023	Year ended 31 Dec 2022
(i) Based on the weighted average number of ordinary shares on issue	6.38 cents	14.23 cents
(ii) On a fully diluted basis	6.38 cents	14.23 cents
	Six months ended 31 Dec 2023	Six months ended 31 Dec 2022
(i) Based on the weighted average number of ordinary shares on issue	0.57 cents	11.37 cents
(ii) On a fully diluted basis	0.57 cents	11.37 cents

Basic earnings per share and diluted earnings per share are computed on the profit for the year after taxation and deduction of non-controlling interests divided by 127,929,940 and 130,832,172 being the weighted average number of shares in issue during the year ended 31 December 2023 and 31 December 2022 respectively.

Basic earnings per share and diluted earnings per share are computed on the profit for the period after taxation and deduction of non-controlling interests divided by 127,870,338 and 130,804,192 being the weighted average number of shares in issue during the six months ended 31 December 2023 and 31 December 2022 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 31 Dec 2023	As at 31 Dec 2022
Group	116.84 cents	118.43 cents
Company	71.26 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 – Year ended 31 December 2023

Revenue & Profitability

The Group reported strong results for the year. Consolidated group turnover for the year ended 31 December 2023 grew by 32% to S\$212.3 million compared to S\$160.4 million for the previous financial year. The Group completed the restructuring of its investment in the Australian business under Thakral Capital Holdings Pte Ltd ("TCH restructuring") to focus on GemLife, its over 50s lifestyle resorts. Notwithstanding the significant one-off charge of S\$20.4 million taken for this exercise, the Group was profitable at the bottom-line, achieving net profit after tax of S\$18.4 million. Excluding the one-off restructuring charge, net profit was S\$38.8 million for the year as compared to S\$26.6 million for the previous financial year, a growth of 46%.

GemLife continued to benefit from growing demand in Australia for 'lifestyle' options from the growing number of relatively affluent over 50s Australians who have benefited from the rise in the value of their properties and their desire to maintain the standard of living to which they are accustomed. Due to strong demand in the sector, and achieving significant sales in its pipeline, GemLife paused in releasing new stages as it works on delivering on the 335 unconditional contracts, 96 conditional contracts and 39 deposits on hand as of 31 December 2023. GemLife ended the calendar year with actual homes occupied reaching 1,449. It achieved settlement of 361 homes in 2023, a 66% increase compared to 218 houses delivered in 2022 and representing GemLife's best performance to date since inception. Construction is continuing on several sites while development approvals are being pursued on others, providing a strong pipeline for continued future expansion.

In Osaka, the vacancy rate for all grades of offices decreased quarter-over-quarter. Due to strong tenant demand for both large and small units, vacancies were filled in a wide range of buildings, regardless of grade. Rents for all grades increased by 0.6% from the previous quarter. Rent hikes were observed in some smaller, well-located buildings that are unlikely to face competition from the new supply expected to come on stream in 2024. Apart from the Umeda Pacific Building where occupancy continues to improve gradually to over 90%, all the Group's other buildings in Osaka are fully occupied. The Group completed the disposal of the R Hotels Inn in Osaka during the year and plans to dispose of the remaining hotel and 2 office buildings, the Itachibori Square and Utsubo East Building, all in Osaka.

Sales at the Lifestyle business grew to S\$198.7 million for the year compared to S\$137.8 million revenues in the previous financial year, benefiting from demand for beauty and fragrance products, the wider applications and fast-growing use of enterprise, agriculture and consumer drones and related accessories in South Asia. The Group opened four more retail stores for fragrances in Hong Kong and Macau in 2023 and operates 14 stores/counters in premium shopping malls and department stores across China, including Hong Kong and Macau.

Consolidated gross profit for the current financial year grew by 17% to S\$45.9 million compared to S\$39.2 million in the previous financial year. The decline in the gross profit in the second half of the year as compared to the prior period was due to the absence of income at the Investment Division from completed projects.

The higher Operating profit of S\$15.3 million this year compared to S\$7.4 million in the previous year and S\$8.7 million for the 2nd half compared to S\$1.4 million in the previous corresponding period is from a combination of the stronger gross profit in the current year and the absence of performance linked pay and employee benefits and accruals/adjustments thereof made in the respective periods in relation to the Australian team.

Net Finance costs at S\$3.5 million for this year were 55% higher than the S\$2.3 million incurred in the prior year, reflecting the impact of higher interest rates and increased borrowings.

Foreign exchange loss of S\$0.2 million in the current year was lower than the S\$0.6 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.



Share of profits from associates/joint ventures (which includes GemLife and the Japanese investments) of S\$34.8 million improved by 12% compared to that reported last year, despite the lower absolute value of the contribution from GemLife in the 2nd half due to the reduction in the Group's shareholding following the TCH restructuring. No profit share was also applicable for the CurrentBody-Thakral joint venture following the share swap in June 2023.

Income tax charge for the year of S\$7.7 million was 23% lower than S\$10.0 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.

Profit attributable to shareholders for the year came in at S\$8.2 million for the year compared to S\$18.6 million in the previous year mainly due to the impact of the TCH restructuring expenses.

Expenses

Distribution expenses grew to S\$14.1 million from S\$6.6 million in the prior year mainly due to the higher advertising & promotion as well as retail store related expenses in the year.

Lower Administration expenses for the year and 2H-FY23 mainly reflect the higher performance linked pay and employee benefits as well as the accruals/adjustments made in respect of the Australian team in both periods. On a like-to-like basis and excluding such amounts, there was an increase of about 1% over those incurred in the previous year.

Statement of Financial Position and Cash Flow

Inventories increased to S\$25.5 million as at 31 December 2023 compared to S\$17.8 million as at 31 December 2022, in view of the higher level of operations and the inventory required to cater to the larger market and customer base. The inventory turnover period reduced to 47 days from 49 days for the previous year.

Trade receivables as at 31 December 2023 also increased to S\$17.3 million from S\$12.7 million at 31 December 2022. The trade receivables turnover for the year of 26 days reduced from 28 days in the previous year. Aggregate other receivables reduced slightly to S\$10.2 million (S\$9.4 million in current assets and S\$0.8 million in non-current assets) from S\$10.5 million due to a net reduction from the receipt of accrued dividends from a Japanese investment entity.

Aggregate debt instruments measured at fair value through income statement/amortised cost of S\$47.5 million (S\$3.8 million in current assets and S\$43.7 million in non-current assets) as at 31 December 2023 reduced from S\$70.5 million as at 31 December 2022 mainly due to the debt instruments used to settle dues to the former Australian executives offset by the additional investment in debt instruments from the CurrentBody-UK group.

Joint ventures reduced to nil from S\$67.7 million as at 31 December 2022 in view of the Group's share swap of the interest in the CurrentBody-Thakral joint venture for a direct minority investment in CurrentBody-UK's parent company and the reclassification of the remaining 31.7% stake (previously 49.9%) in GemLife to Associates.

Correspondingly, Associates increased to S\$124.1 million from S\$60.8 million as at 31 December 2022, including profit contributions and land and building valuation uplifts on the Japanese investments net of the translation impact from these arising from the ongoing weakness in the Japanese Yen.

Financial assets measured at fair value through income statement as at 31 December 2023 of S\$49.3 million remained broadly the same as at 31 December 2022 and included the increase in fair values of the underlying property assets as well as the new investments made during the year offset by the returns from the disposal of R Hotel and the impact of the weakened Japanese Yen.

The houses in Gladstone, Australia held for sale as at 31 December 2023 reduced to S\$5.0 million from S\$6.3 million as at 31 December 2022. Of the houses on hand as at 31 December 2023, 6 have already been sold/contracted in 2024 upto the date of this announcement with the remaining 7 expected to be disposed within the next 12 months.

Aggregate borrowings increased to S\$56.1 million (S\$49.2 million in current liabilities, including trust receipt loans, and S\$6.9 million in non-current liabilities) as at 31 December 2023 from S\$50.9 million as at 31 December 2022 mainly due to the additional trade finance funding obtained by the Lifestyle Division units to manage the higher level of operations.

The Group had cash balances of S\$11.3 million as at 31 December 2023, which was down from the S\$20.1 million held as at 31 December 2022. The reduction was mainly from the further investments made in CurrentBody-UK, the new economy ventures (BillionBricks and Climate Alpha) as well as the settlements made to the former Australian executives and share buy-back.



The Group saw a net cash outflow from operating activities of S\$14.9 million for the current year compared to a net outflow of S\$10.8 million in the previous year, mainly from the net changes in working capital components as well as higher tax and interest payments.

In view of the assets used for the settlement of dues for the purpose of the TCH Restructuring, the Group had net current liabilities of S\$12.4 million as of the end of the year. A key liability classified as current is a money market loan of S\$15 million that was obtained for funding the purchase of the Riverwalk office property in 2018 and which has continued to be rolled over without interruption since then. This loan is classified as 'current' in view of the short-term nature of the loan – which was done to manage cashflow requirements – and due to the bank's customary right to require repayment on demand. Subsequent to the balance sheet date, the lending bank has agreed to convert the money market loan into a 5-year term loan; this would enable 95% of this loan amount to be reclassified to non-current liabilities.

Net Asset Value

Net Asset Value per share reduced to 116.84 cents as at 31 December 2023 compared to 118.43 cents as at 31 December 2022. While the NAV reflects the profit for the year as well as the effect of the cancellation of shares after buyback (S\$1.0 million), these were more than offset by the impact from the translation loss (S\$6.0 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 (total S\$5.8 million) paid to shareholders during the year resulting in the overall decline in the NAV per share for the year. The Group had commenced buying back its shares on the market in December 2022 and has bought back and cancelled 2.99 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\$24.2 million in the current year compared to S\$37.2 million in the previous year. This includes the TCH restructuring costs of S\$20.4 million taken up in the year and a derivative loss of S\$0.4 million mainly on interest rate swaps taken in respect of certain overseas borrowings.

Australia

GemLife has contracted parcels of land that will deliver over 6,500 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. Almost 150 homes have been delivered at the Palmwoods resort in just over 18 months. Rainbow Beach Stage 1 & 2 settlements are progressing well, and first settlements have occurred at Tweed Waters & Gold Coast as well. GemLife now has 9 resorts (up from 7 as at the last year end) with occupied homes. Community facilities are well underway at Palmwoods, Pacific Paradise & Gold Coast. The Rainbow Beach clubhouse was opened to the residents in December 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 Street project in Brisbane's inner-city suburb of Kangaroo Point and construction is progressing well towards practical completion expected around the first half of 2024. The Parkridge Noosa project has been very successful with only one dwelling remaining, which is currently rented out.

Demand for housing in Gladstone has improved with the Group also being able to gradually increase selling prices. In the second half of FY23, the Group settled a further 5 Gladstone houses, leaving 13 houses remaining in the portfolio as at the year-end. A further 6 houses have been sold in 2024 (up to the date of this announcement) with the remaining houses expected to be disposed in FY2024.

The Investment Division remains focused on growing the GemLife business.

Japan

The country's ultra-loose monetary policy, stable domestic economy and a weak Yen combined to attract more foreign investors in 2023, with foreign investments into the real estate sector burgeoning by 45% in just the first half of 2023. The Group's office properties saw 100% occupancy in 5 of the 6 properties. With little new supply in 2023, overall rentals held up well and, with these still catching up to the general market rental levels, should remain competitive despite increased new Grade A supply coming to the market in 2024.



The Group is looking to sell its remaining hotel and 2 office buildings (Itachibori Square and Utsubo East) in Osaka at the right price.

Lifestyle

Sales for the year rose by 44% to S\$198.7 million compared to S\$137.8 million in the previous year with segment profit doubling to S\$13.2 million in the year from S\$6.5 million previously. This includes the share of profit from the erstwhile CurrentBody-Thakral joint venture and the one-off disposal gains from CurrentBody-Thakral and Intrepid in both periods.

The Group shall leverage on the local infrastructure of Thakral Innovations Pvt Ltd in India that was acquired at the end of the year to grow its distribution of DJI enterprise and agricultural drone related accessories and components as well as consumer products, including action cameras, in the country. At the same time, it is seeing increasing adoption of drones in the commercial and agricultural sectors in Sri Lanka, Bangladesh and other South Asian markets which it continues to enhance while concurrently growing the beauty and fragrance products business in Greater China.

(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.

Australia's population of 26.7 million is undergoing a radical shift. The extent of this challenge was laid out in August in a report by Australia's Treasury, which looked at the country's changing needs over the next 40 years. It found that the population is set to reach 40.5 million by 2063, but the proportion of those aged 65 or older will grow from 17.3 per cent to 23.4 per cent. The current life expectancy, which is one of the highest in the world – 81.3 for men and 85.2 for women – will increase to 87 for men and 89.5 for women. The average age will go from 38.7 to 43.1. In the longer term, there will be direct impact on the need for suitable housing for the aging cohort, a segment where GemLife has made and continues to make its mark.

The world's fourth-largest economy, Japan, is finally awakening from its decades-long torpor and seeing its fastest price growth in over 30 years. Long stagnant wages are rising faster than at any time since the 1990s. Japan's economy demonstrated growth in 2023, with GDP rising a little above 1 per cent and robust employment rates. Wage growth will remain subdued until March or April 2024, a time when many annual wage negotiations generally occur. The government unveiled a 17 trillion Yen (approximately US\$117.7 billion) fiscal package to offset purchasing power lost to inflation, with temporary tax cuts and fuel subsidies to help consumers. Moderating inflation and accelerating wages should allow for a stronger recovery to take hold by the second half of 2024. While considerable new Grade A office supply is expected in 2024, particularly around the Umeda station, rentals for the Group's properties are still catching up to general market levels and should continue to remain attractive to their target market segment.

China's economy grew 5.2% in 2023, slightly more than the official target but the recovery was far shakier than many analysts and investors expected, with a deepening property crisis, mounting deflationary risks and tepid demand casting a pall over the outlook for 2024. Population decline is also causing concerns over the country's longer-term growth prospects. The Group continues to grow its fragrance and beauty business in Greater China.

India has had three consecutive years of 7% GDP growth and is the fastest growing economy in the G-20. With projected growth of 7.3% for 2023-24, it aspires to become a \$7 trillion economy by 2030 and, in the next three years, become the third largest in the world with a \$5 trillion economy. It is also targeting to become a "developed country by 2047". India will continue its upward growth trajectory on the back of stable and robust domestic demand, expanding private consumption and investments, and structural reforms. This bodes well for the Group's Lifestyle Division's business and plans are underway to expand the scope of the business done in the country and set the foundation for a longer-term growth path.



According to the World Bank, global growth is expected to slow to 2.4 percent in 2024 – the third consecutive year of deceleration – reflecting the lagged and ongoing effects of tight monetary policies to rein in inflation, restrictive credit conditions, and anaemic global trade and investment. The recent conflict in the Middle East has heightened geopolitical risks, and an escalation could weigh on global growth. This comes while the global economy is already coping with the lingering effects of the overlapping shocks of the past four years – the pandemic, the Ukraine conflict, the rise in inflation and subsequent sharp tightening of global monetary policy. Financial stress from elevated interest rates remains a real risk to the global outlook.

Taking into consideration the Group's plans and initiatives, it is cautiously optimistic of its prospects in 2024 despite the mixed outlook for the Group's principal markets.

(11) Dividend

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

Yes, a final dividend of S\$0.02 per share has been proposed subject to shareholders' approval

(b) (i) Amount per share S\$0.02 per share

(ii) Previous corresponding period Second interim S\$0.02 per share (paid on 11 May 2023)
Special dividend S\$0.005 per share (paid on 11 May 2023)

(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 year ended 31 December 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)
		S\$'000	S\$'000
<u>Emway Singapore Pte Ltd</u> Sales, net of returns	Associate of controlling shareholder	1,358	Nil
<u>My Futureworld Sdn Bhd</u> Purchases, net of returns	Associate of controlling shareholder	Nil	1,006
<u>Thakral Services (India) Ltd / Mr. Gurmukh Singh Thakral</u> Acquisition of a subsidiary corporation – Thakral Innovations Pvt Ltd	Associate of controlling shareholder / controlling shareholder	1,128	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 34 – Segment Information (page 16-17) 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 2023	Year ended 31 Dec 2022	Increase / (Decrease)
a) Revenue reported for first half year	104,196	64,375	62
b) Net profit after tax before deducting non-controlling interests reported for first half year	11,695	4,689	149
c) Revenue reported for second half year	108,073	96,047	13
d) Net profit after tax before deducting non-controlling interests reported for second half year	6,737	21,885	(69)



(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	40	(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	36	(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	From 2023, management of new economy venture investments, exploring new investment opportunities
Ashmit 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 subsidiaries in Australia since 2023	From 2023 (post restructuring); oversee day-to-day operations of various subsidiaries in Australia

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
29 February 2024

BY ORDER OF THE BOARD

Chan Wan Mei
Chan Lai Yin
Company Secretaries
29 February 2024