THAKRAL

CORPORATION LTD

(Company Registration No. 199306606E)

Condensed Interim Financial Statements
For the six months ended 30 June 2024

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Condensed Interim Financial Statements for the six months ended 30 June 2024

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

These figures have not been audited.

	Note	Group		
		S$000		%
		Six months ended		Increase /
		30 Jun 2024	30 Jun 2023	(Decrease)
CONSOLIDATED INCOME STATEMENT				
Revenue	4	128,392	104,196	23
Cost of sales		(105,900)	(81,031)	31
Gross profit	4	22,492	23,165	(3)
Other operating income	5	1,088	2,813	(61)
Distribution costs	6	(7,418)	(5,918)	25
Administration expenses	7	(9,106)	(13,257)	(31)
Depreciation on property, plant and equipment		(364)	(206)	77
Profit from operations		6,692	6,597	1
Fair value loss on derivative financial instruments	13	(122)	(147)	(17)
Fair value gain on assets held for sale	18	-	417	(100)
Finance income	8	100	119	(16)
Finance costs	8	(2,122)	(1,766)	20
Foreign exchange gain	9	1,957	35	NM
Share of profit of associates / joint ventures	21	8,495	10,052	(15)
Profit before income tax		**15,000**	**15,307**	**(2)**
Income tax	10	(2,537)	(3,612)	(30)
Profit for the period		**12,463**	**11,695**	**7**
Profit attributable to:				
Equity holders of the Company		10,801	7,443	45
Non-controlling interests		1,662	4,252	(61)
		12,463	11,695	7
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME				
Profit for the period		**12,463**	**11,695**	**7**
Other comprehensive loss				
Items that may be reclassified subsequently to profit or loss				
Foreign exchange differences on translation of foreign operations	11	(10,783)	(10,041)	7
Other comprehensive loss for the period, net of tax		**(10,783)**	**(10,041)**	**7**
Total comprehensive income for the period		**1,680**	**1,654**	**2**
Total comprehensive income (loss) attributable to:				
Equity holders of the Company		4,998	1,815	175
Non-controlling interests		(3,318)	(161)	NM
		1,680	1,654	2

NM – Not meaningful

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group (S$ '000) as at		Company (S$ '000) as at	
		30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
ASSETS					
Current assets					
Cash and bank balances	12	13,503	11,257	1,934	1,108
Derivative financial instruments	13	-	2	-	-
Trade receivables	14	20,527	17,258	-	-
Other receivables	15	12,243	9,415	112	136
Amount owing by subsidiary corporations		-	-	1,091	1,294
Debt instruments measured at fair value through income statement and amortised cost	16	3,834	3,812	-	-
Inventories	17	24,934	25,464	-	-
Assets held for sale	18	1,534	4,958	-	-
Total current assets		76,575	72,166	3,137	2,538
Non-current assets					
Other receivables	15	787	756	-	-
Debt instruments measured at fair value through income statement and amortised cost	16	42,242	43,650	-	-
Property, plant and equipment	19	2,031	2,193	17	18
Right-of-use assets	20	4,677	5,204	-	-
Investment property	18	31,158	31,158	-	-
Subsidiary corporations		-	-	198,499	195,877
Associates	21	126,106	124,058	-	-
Financial assets measured at fair value through income statement	22	45,289	49,272	5,008	4,992
Deferred tax assets	26	541	528	-	-
Total non-current assets		252,831	256,819	203,524	200,887
Total assets		329,406	328,985	206,661	203,425
LIABILITIES AND EQUITY					
Current liabilities					
Trade and bills payables	23	6,460	10,025	-	-
Trust receipts	24	35,296	26,710	-	-
Bank and other borrowings	24	6,389	22,493	1,091	1,294
Lease liabilities	20	2,125	1,768	-	-
Other payables	25	16,861	19,469	540	882
Provisions		3,167	3,115	52	52
Income tax payable	26	1,125	953	-	-
Total current liabilities		71,423	84,533	1,683	2,228
Non-current liabilities					
Amount owing to subsidiary corporations		-	-	114,650	109,638
Bank and other borrowings	24	20,361	6,887	-	439
Lease liabilities	20	2,806	3,558	-	-
Other payables	25	9,109	8,419	-	-
Provisions		129	126	-	-
Derivative financial instruments	13	42	87	-	-
Deferred tax liability	26	25,662	24,624	-	-
Total non-current liabilities		58,109	43,701	114,650	110,077
Total liabilities		129,532	128,234	116,333	112,305
Capital, reserves and non-controlling interests					
Issued capital	27	70,820	70,820	70,820	70,820
Reserves		81,027	78,586	19,508	20,300
Equity attributable to equity holders of the Company		151,847	149,406	90,328	91,120
Non-controlling interests		48,027	51,345	-	-
Total equity		199,874	200,751	90,328	91,120
Total liabilities and equity		329,406	328,985	206,661	203,425

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Six months ended 30 June 2024

S$'000

		Reserves			Equity		
Group	Issued capital	Capital reserve	Foreign currency translation reserve	Retained earnings	attributable to equity holders of the Company	Non-controlling interests	Total
Balance at 1 Jan 2024	**70,820**	**(8,457)**	**(28,547)**	**115,590**	**149,406**	**51,345**	**200,751**
Total comprehensive income for the period							
Profit for the period	-	-	-	10,801	10,801	1,662	12,463
Other comprehensive loss for the period	-	-	(5,803)	-	(5,803)	(4,980)	(10,783)
Total	-	-	(5,803)	10,801	4,998	(3,318)	1,680
Transactions with equity holders of the Company, recognised directly in equity							
Dividend (Note 28)	-	-	-	(2,557)	(2,557)	-	(2,557)
Total	-	-	-	(2,557)	(2,557)	-	(2,557)
Balance at 30 Jun 2024	**70,820**	**(8,457)**	**(34,350)**	**123,834**	**151,847**	**48,027**	**199,874**

Six months ended 30 June 2023

S$'000

		Reserves				Equity		
Group	Issued capital	Capital reserve	Options reserve	Foreign currency translation reserve	Retained earnings	attributable to equity holders of the Company	Non-controlling interests	Total
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 equity holders of the Company, recognised directly in equity								
Cancellation of purchased shares (Note 27)	(1,018)	-	-	-	-	(1,018)	-	(1,018)
Recognition of share-based payments of a subsidiary corporation	-	-	3	-	-	3	2	5
Dividend (Note 28)	-	-	-	-	(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 2024

S$'000

Company	Issued capital	Retained earnings	Total
Balance at 1 Jan 2024	**70,820**	**20,300**	**91,120**
Profit for the period, representing total comprehensive income for the period	-	1,765	1,765
Transactions with owners, recognised directly in equity			
Dividend (Note 28)	-	(2,557)	(2,557)
Balance at 30 Jun 2024	**70,820**	**19,508**	**90,328**

Six months ended 30 June 2023

S$'000

Company	Issued capital	Retained earnings	Total
Balance at 1 Jan 2023	**71,838**	**19,744**	**91,582**
Profit for the period, representing total comprehensive income for the period	-	3,539	3,539
Transactions with equity holders of the Company, recognised directly in equity			
Cancellation of purchased shares (Note 27)	(1,018)	-	(1,018)
Dividend (Note 28)	-	(3,197)	(3,197)
Balance at 30 Jun 2023	**70,820**	**20,086**	**90,906**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

(S$ '000)	Note	Six months ended	
		30 Jun 2024	30 Jun 2023
OPERATING ACTIVITIES			
Profit before income tax		15,000	15,307
Adjustments for:			
Depreciation for property, plant and equipment and right-of-use assets		1,534	928
Share of profit of associates / joint ventures		(8,495)	(10,052)
Dividend income from financial assets measured at FVTIS		(237)	-
Fair value gain and interest income on debt instruments measured at FVTIS and amortised cost		(2,687)	(4,363)
Fair value gain on financial assets measured at FVTIS		(436)	(948)
Interest expense		2,122	1,766
Interest income		(100)	(119)
Gain on share swap of a joint venture		-	(2,751)
Gain on disposal of assets held for sale		(450)	-
Loss on disposal of property, plant and equipment		1	68
Fair value loss on derivative financial instruments		122	147
Fair value gain on assets held for sale		-	(417)
Net unrealised foreign exchange (gain) loss		(2,398)	84
Share-based payment expenses		-	5
Provision for employee benefits		135	149
Allowance for inventories		743	259
Impairment losses on financial assets		13	-
Operating cash flows before movements in working capital		4,867	63
Trade receivables		(2,885)	(1,752)
Other receivables		(2,572)	(3,294)
Inventories		317	(3,772)
Trade and bills payables		(3,769)	5,693
Other payables and provisions		(1,844)	6,395
Cash (used in) generated from operations		(5,886)	3,333
Income tax paid		(1)	(131)
Interest paid		(2,201)	(1,836)
Interest received		92	115
Net cash (used in) generated from operating activities		(7,996)	1,481
INVESTING ACTIVITIES			
Additions to property, plant and equipment		(174)	(1,322)
Proceeds from disposal of property, plant and equipment		-	15
Investments in an associate		-	(1,118)
Capital return from an associate		-	932
Dividend received from an associate		-	421
Additions to financial assets measured at FVTIS		-	(3,272)
Proceeds from disposal / repayments of debt instruments measured at FVTIS and amortised cost		4,531	4,988
Additions to debt instruments measured at FVTIS and amortised cost		-	(3,262)
Proceeds from disposal of assets held for sale		3,912	-
Net cash from (used in) investing activities		8,269	(2,618)
FINANCING ACTIVITIES			
Purchase of shares for cancellation		-	(1,018)
Dividends paid		(2,557)	(3,197)
Increase in fixed deposits with maturities exceeding three months		-	(11)
(Increase) decrease in pledged fixed deposits		(283)	525
Proceeds from trust receipts		79,507	59,085
Repayments of trust receipts		(71,133)	(57,990)
Repayments of lease liabilities		(1,040)	(651)
Proceeds from bank and other borrowings		3,746	1,741
Repayments of bank and other borrowings		(6,464)	(1,491)
Additions to derivative financial instruments		(158)	(221)
Proceeds from disposal of derivative financial instruments		-	186
Net cash from (used in) financing activities		1,618	(3,042)
Net increase (decrease) in cash and cash equivalents		1,891	(4,179)
Cash and cash equivalents at beginning of period	12	8,653	16,780
Net effect of exchange rate changes in the balance of cash held in foreign currencies		(10)	(411)
Cash and cash equivalents at end of period		10,534	12,190
Cash and cash equivalents were represented by:-			
Fixed deposits with maturities less than 3 months, cash and bank balances	12	10,534	12,190
		10,534	12,190

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

BASIS OF PREPARATION
The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council of 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 2023.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION / CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

MATERIAL ACCOUNTING POLICY INFORMATION
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.

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 2023.

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:

- Debt instruments measured at fair value through income statement and amortised cost: *Valuation of debt instruments measured at fair value*
- Investment property: *Fair value measurement of the Group's investment property*
- Subsidiary corporations: *Impairment of investments in subsidiary corporations*
- Financial assets measured at fair value through income statement: *Valuation of financial assets 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		%
	Six months ended		Increase /
	30 Jun 2024	30 Jun 2023	(Decrease)
Product sales	124,278	97,410	28
Management fee and other service income	555	717	(23)
Rental income	668	758	(12)
Investment income			
Interest income on debt instruments measured at amortised cost	*-*	*287*	*(100)*
Fair value changes on debt instruments measured at FVTIS	*2,218*	*4,076*	*(46)*
Dividend income from financial assets measured at FVTIS	*237*	*-*	*NM*
Fair value changes on financial assets measured at FVTIS	*436*	*948*	*(54)*
Sub-total for investment income	*2,891*	*5,311*	*(46)*
Total	128,392	104,196	23

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.

Sales at the Lifestyle business continued to grow on the back of strong demand for its lifestyle and fragrance products in its markets. Revenue at the Investment business reduced compared to that achieved in the previous corresponding period in view of the cessation of revenues from projects completed last year as well as the absence of income from the assets used as partial settlement of dues to the Australian Executives upon the restructuring of the Group's investment in Thakral Capital Holdings Pte Ltd ("TCH Restructuring") last year.

5. OTHER OPERATING INCOME

	S$'000		%
	Six months ended		Increase /
	30 Jun 2024	30 Jun 2023	(Decrease)
Gain on share swap of a joint venture	-	2,751	*(100)*
Dividend income from debt instruments	240	-	NM
Interest income from debt instruments	229	-	NM
Gain on disposal of assets held for sale	450	-	NM
Others	169	62	173
Total	1,088	2,813	(61)

i. The gain in 2023 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.
ii. The gain on disposal of assets held for sale arose from the sale of the GLNG houses in Gladstone.
iii. Income from debt instruments represents the accrual of interest and dividend income on the loan notes and preference shares respectively issued by the parent company of Currentbody-UK.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

6. DISTRIBUTION COSTS

	S$'000		%
	Six months ended		Increase /
	30 Jun 2024	30 Jun 2023	(Decrease)
Staff costs	(1,679)	(1,302)	29
Advertising & promotion (including expenses for retail stores)	(4,145)	(3,064)	35
Transportation	(630)	(615)	2
Travelling expenses	(154)	(183)	(16)
Depreciation on right-of use assets / rent and rates - storage	(622)	(580)	7
Others	(188)	(174)	8
Total	(7,418)	(5,918)	25

i. Staff costs were higher from a combination of the impact of the full 6-months of expenses compared to those taken up as the retail fragrance stores were being opened in China, including Hong Kong and Macau during the last year and our increased workforce in the current period.
ii. Increased Advertising and promotion costs included the additional promotional activities for the Group's beauty and lifestyle business undertaken in the current period as well as the impact of the full 6-months of expenses compared to those taken up as the retail fragrance stores were being opened in China, including Hong Kong and Macau during the last year.
iii. Travelling expenses reduced due to fewer trips by sales personnel during the period.

7. ADMINISTRATION EXPENSES

	S$'000		%
	Six months ended		Increase /
	30 Jun 2024	30 Jun 2023	(Decrease)
Staff costs (including executive directors)	(5,997)	(9,788)	(39)
Directors' fees	(303)	(359)	(16)
Professional fees	(987)	(1,458)	(32)
Depreciation on right-of use assets / rent and rates - office premises	(373)	(324)	15
Travelling expenses	(158)	(198)	(20)
Insurance	(214)	(186)	15
Allowance for doubtful debts	(13)	-	NM
Others	(1,061)	(944)	12
Total	(9,106)	(13,257)	(31)

i. Staff costs in the current period declined mainly in view of the absence of performance linked pay and employee benefits in relation to the Australian team.
ii. Directors' fees declined due to the change in independent directors compared to the prior period.
iii. Professional fees decreased in comparison with the preceding period due to the TCH restructuring related fees incurred in that period as well as the one-off legal fees incurred on the Currentbody-Thakral share swap transaction.
iv. Depreciation on right-of-use assets increased mainly from the comparative impact of the larger office premises taken up in Hong Kong from mid-2023.
v. Travelling expenses declined mainly from the absence of these costs incurred by the Australian team in the current period.
vi. Allowance for doubtful debts was made for certain customers.
vii. The increase in Others includes higher donations in the current period as well as removal costs of the Group's Delhi office.

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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS

9. FOREIGN EXCHANGE GAIN

Foreign exchange translation gain 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.

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		%
	Six months ended		Increase /
	30 Jun 2024	30 Jun 2023	(Decrease)
Current taxation:			
- Current year tax	(175)	(270)	(35)
Deferred tax expenses	(2,362)	(3,342)	(29)
Total	(2,537)	(3,612)	(30)

The overall income tax charge for the current period was mainly from accrual of deferred tax on the share of profits of associates 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 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
Fixed deposits	3,726	4,121	-	-
Pledged fixed deposits	2,644	2,286	-	-
Cash and bank balances	7,133	4,850	1,934	1,108
Current	13,503	11,257	1,934	1,108
Less:				
Fixed deposits with maturities exceeding three months	(325)	(318)	-	-
Fixed deposits that have been placed with banks against trust receipts	(2,644)	(2,286)	-	-
Cash and cash equivalents in the consolidated statement of cash flows	10,534	8,653	1,934	1,108

The increase in cash balance was mainly from the sale of some of the houses in Gladstone, Australia and the sell-down of certain GemLife related debt notes during the period.

13. DERIVATIVE FINANCIAL INSTRUMENTS

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 a sales and inventory reduction push during the latest quarter.

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

The increase in current Other Receivables was mainly due to the higher level of advances paid to suppliers for the purchase of goods.

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

Of the total of S$46.1 million as at 30 June 2024 (31 Dec 23: S$47.5 million), debt instruments due by the GemLife associate entities amount to S$32.2 million (31 Dec 23: S$34.3 million). The decrease during the period was mainly due to the partial sell-down of certain GemLife related debt notes during the period.

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 decreased slightly in view of a deliberate push in the latest quarter to reduce purchases and inventory for the slower summer months. Allowance for inventories of S$0.7 million (1H-2023: S$0.3 million) was made during the year.

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

18. INVESTMENT PROPERTY / ASSETS HELD FOR SALE

Assets held for sale at 30 June 2024 represent the houses in Gladstone, Australia which the Group expects to sell in the next 12 months.

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

	S$'000		S$'000	
	Investment Property		Assets held for sale	
	Six months ended		Six months ended	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
Balance at beginning of period	31,158	31,158	4,958	6,299
Translation adjustment	-	-	37	(88)
Fair value gains for the period recognised in profit or loss	-	-	-	417
Disposals	-	-	(3,461)	-
Balance at end of period	31,158	31,158	1,534	6,628

The Group carries its investment property and assets held for sale at fair value with changes in fair value being recognised in the profit or loss, determined annually by independent firms of professional valuers having the appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued, except for the properties with significant changes in the underlying inputs which are revalued on a half-yearly basis.

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 six months ended 30 June 2024, the Group acquired assets amounting to S$174,000 (1H-2023: S$1,322,000). The Group disposed of assets at net book value of S$1,000 (1H-2023: S$84,000) during the period.

20. RIGHT-OF-USE ASSETS / LEASE LIABILITIES

The decrease in right-of-use assets arose from the on-going usage of the underlying properties.

21. 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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

22. 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 decrease in the current period arises mainly due to the translation loss on Japanese investments upon the weakening of JPY against SGD during the period.

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.

23. TRADE AND BILLS PAYABLES

The reduction in Trade and bills payables is on account of net settlements made during the current half-year.

24. BORROWINGS

Aggregate borrowings (including trust receipts) as at 30 June 2024 increased compared to 31 December 2023 mainly due to the additional trade finance funding utilised by the Lifestyle business units to manage the higher level of operations.

	Group S$'000 as at		Company S$'000 as at	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
Amount repayable in one year or less, or on demand				
Secured	40,096	47,414	-	-
Unsecured	1,589	1,789	1,091	1,294
Amount repayable after one year				
Secured	18,192	4,288	-	-
Unsecured	2,169	2,599	-	439

The increase in non-current borrowings was due to the debt-refinancing attributed to Singapore property from short-term to long-term.

Details of any collaterals
Charges over property in Singapore; pledged bank deposits of S$2.6 million; corporate guarantees by the Company and certain subsidiary corporations.

25. OTHER PAYABLES

Aggregate (current and non-current) Other payables as at 30 June 2024 decreased on account of payment of certain accrued expenses.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

26. 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 21).

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.

27. SHARE CAPITAL

	Group and Company			
	Six months ended		Six months ended	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	Number of ordinary shares		S$'000	S$'000
Issued and fully paid:				
Balance at beginning of period	127,870,316	129,516,816	70,820	71,838
Cancellation of purchased shares	-	(1,646,400)	-	(1,018)
Balance at end of period	127,870,316	127,870,416	70,820	70,820

28. DIVIDENDS

	S$'000	
	Six months ended	
	30 Jun 2024	30 Jun 2023
Ordinary dividend declared (tax-exempt one-tier)		
- Interim (payable on 12 September 2024; last year paid on 26 Sep 2023)	2,557	2,557
	2,557	2,557

A tax-exempt (one-tier) interim dividend of S$0.02 per share (total S$2,557,000) is declared to shareholders and payable on 12 September 2024 in respect of the year ending 31 December 2024.

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

On 26 September 2023, a tax-exempt (one-tier) interim dividend of S$0.02 per share (total S$2,557,000) was paid to shareholders in respect of the year ended 31 December 2023.

On 21 May 2024, a final tax-exempt (one-tier) final dividend of S$0.02 per share (total S$2,557,000) was paid to shareholders in respect of the year ended 31 December 2023.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

29. 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 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
Financial assets				
Financial assets measured at amortised cost	42,954	37,971	3,061	2,438
Financial assets measured at FVTIS	86,441	92,136	5,008	4,992
Derivative financial instruments	-	2	-	-
Financial liabilities				
Financial liabilities at amortised cost	86,787	86,517	116,281	112,253
Lease liabilities	4,931	5,326	-	-
Derivative financial instruments measured at FVTIS	42	87	-	-

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.

	Group (S$ '000)			
	Level 1	Level 2	Level 3	Total
30 Jun 2024				
Financial assets measured at FVTIS				
- Debt instruments			41,152	41,152
- Financial assets	-	-	45,289	45,289
Derivative financial liabilities	-	-	(42)	(42)
31 Dec 2023				
Financial assets measured at FVTIS				
- Debt instruments	-	-	42,864	42,864
- Financial assets	-	-	49,272	49,272
Derivative financial assets	-	-	2	2
Derivative financial liabilities	-	-	(87)	(87)

30. RELATED PARTY TRANSACTIONS

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

	S$000 Six months ended 30 Jun 2024		S$000 Six months ended 30 Jun 2023	
	The Company	Subsidiary corporations of the Company	The Company	Subsidiary corporations of the Company
Sales, net of returns	-	962	-	636
Sales to joint ventures, net of returns	-	-	-	3
Sales to associates, net of returns	-	29	-	-
Purchases, net of returns	-	(1,319)	-	(610)
Commission received	-	134	-	-
Service fees paid	-	(121)	-	(11)
Rental income	-	610	-	610
Rental expenses	-	(27)	-	-
Lease payments under operating lease	(9)	-	(9)	-

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

31. 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:

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

Group's reportable segments

S$'000
Six months ended 30 June 2024

	INV	LIFE	OTH	TOTAL
Revenue				
External revenue	4,114	124,278	-	128,392
Result				
Segment operating result	3,425	6,559	(1,261)	8,723
Fair value loss on derivative financial instruments	(120)	(2)	-	(122)
Share of profit of associates	8,495	-	-	8,495
Segment result	11,800	6,557	(1,261)	17,096
Unallocated corporate expenses				(2,031)
Finance income				100
Finance costs				(2,122)
Foreign exchange gain				1,957
Profit before income tax				15,000
Income tax expenses				(2,537)
Profit for the period				12,463
Other information				
Capital expenditure:				
Property, plant and equipment	-	172	2	174
Right-of-use assets	-	723	-	723
Depreciation of property, plant and equipment and right-of-use assets	5	1,526	3	1,534
Assets				
Segment assets	252,418	74,069	2,378	328,865
Deferred tax assets				541
Total assets				329,406
Liabilities				
Segment liabilities	25,225	72,742	4,778	102,745
Income tax payable				1,125
Deferred tax liability				25,662
Total liabilities				129,532

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

31. SEGMENT INFORMATION (CONTINUED)

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 gain on assets held for sale	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				(3,612)
Profit for the period				11,695
Other information				
Capital expenditure:				
Property, plant and equipment	-	1,322	-	1,322
Right-of-use assets	-	6,444	-	6,444
Depreciation of property, plant and equipment and 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

Geographical information

S$'000

Geographical segments:	**Revenue** Six months ended 30 Jun 2024	30 Jun 2023
South Asia	66,434	58,084
People's Republic of China (including Hong Kong and Macau)	31,249	22,060
North America	19,513	14,027
Australia	2,902	5,229
Japan	695	1,123
Others	7,599	3,673
	128,392	104,196

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 2024, no shares (year ended 31 Dec 2023: 1,646,500), purchased by way of market acquisition, were cancelled.

The Company did not have any outstanding convertibles or treasury shares as at 30 June 2024 and 31 December 2023.

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

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 as at 30 June 2024 and 31 December 2023.

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 2023.

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 2024, 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) 1-10 and SFRS(I) 1-28: *Sale of Contribution of Assets between an Investor and its Associate or Joint Venture*

(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 2024	Six months ended 30 Jun 2023
(i) Based on the weighted average number of ordinary shares on issue	8.45 cents	5.82 cents
(ii) On a fully diluted basis	8.45 cents	5.82 cents

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 127,870,316 and 127,990,529 being the weighted average number of shares in issue during the six months ended 30 June 2024 and 30 June 2023 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 2024	As at 31 Dec 2023
Group	118.75 cents	116.84 cents
Company	70.64 cents	71.26 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 2024

Revenue & Profitability

Consolidated group turnover for the six months ended 30 Jun 2024 grew by 23% to S$128.4 million compared to S$104.2 million for the previous corresponding period.

GemLife in Australia continues to see rising demand for 'lifestyle' options among the increasing number of over 50's Australians who are looking to downsize and access the equity in their homes. In response to the strong demand and significant sales in its pipeline, GemLife has continued with the temporary halt of the release of new stages to focus on fulfilling the 350+ contracts it has in hand as of 30 June 2024. As of 30 Jun 2024, GemLife had 1,622 homes occupied and had settled 173 homes in the first half, marking a 29% increase from the 134 homes settled in the previous corresponding period. Construction is ongoing at several sites, and development approvals are being sought for others, ensuring a robust pipeline for future growth.

On the sustainability front, GemLife's virtual power plant renewable energy solution was recently the Winner of the National Retirement Living Awards for Sustainability in Retirement Living. GemLife has also received conditional approval from the Australian Renewable Energy Agency (ARENA) to participate in their first round of A$143 million grants which will assist in the roll out of more community batteries and virtual power plants across GemLife. In addition, GemLife recently completed the conversion of its lending facility to a Sustainability-Linked Loan, tying it to sector-first independent sustainability certification with the Urban Development Institute of Australia's (UDIA) EnviroDevelopment program for all new traditional developments and several bold scope 1, 2 and 3 carbon reduction benchmarks, the first time this independent national rating tool has been tied to a loan of this kind. GemLife aims to reduce scope 1 and 2 carbon emissions by 48 percent by 2030, equivalent to a 7 percent annual reduction. Scope 1 and 2 relate to GemLife's direct emissions and electricity consumption across its communities' facilities and offices. CBA and ANZ acted as joint sustainability coordinators to facilitate the loan, with subsidiary Prospecta Utilities providing advisory services to GemLife.

Japan's central bank raised its key interest rate for only the second time in 17 years at the end of July 2024 to around 0.25% from the previous range of 0% to 0.1%, a slight adjustment at a very low level. In Osaka, net absorption of office spaces totalled 95,000 sqm in 1Q24. Robust tenant activity was seen from growing businesses whose upgrades, relocations and expansions helped fill vacancies. The general vacancy rate in Osaka increased slightly due to some new completions with vacancies although existing buildings continued to be filled. The investment market saw increased sales activities and investor appetite for competitive assets in view of the weak currency, low interest rates and the Japanese real estate sector's strong fundamentals. Apart from the Umeda Pacific Building where occupancy is now at 90%, most of the Group's other buildings in Osaka are fully or almost fully occupied. In view of the weak Yen, the Group has put on hold its plans for the disposal of the remaining hotel and 2 office buildings, the Itachibori Square and Utsubo East Building in Osaka. Valuations for the Group's properties in Japan remained stable in comparison to December 2023 while improved occupancy rates helped in a valuation uplift for the Umeda Pacific Building in the current period.

Sales at the Lifestyle business grew by 28% to S$124.3 million in the current period as against S$97.4 million in the previous corresponding period, benefiting from strong demand for the Group's beauty and fragrance products as well as the wider applications and fast-growing use of enterprise, agriculture and consumer drones and related accessories in South Asia. Revenues at the Investment business declined to S$4.1 million for the current period as against S$6.8 million in the previous corresponding period reflecting mainly the cessation of income from projects completed last year as well as the impact of the assets transferred to the Australian Executives under the TCH restructuring.

Consolidated gross profit for the latest half-year of S$22.5 million was comparable to the S$23.2 million in the previous corresponding period despite the absence of contribution from the Investment business's completed projects and the normalising of margins and volume sales at the Lifestyle business. Consolidated gross margin consequently came in at 17.5% for the current period as compared to 22.2% previously.

The Group achieved Operating profit of S$6.7 million, on par with the S$6.6 million achieved in the previous corresponding period despite the absence of the gain of S$2.8 million on the share swap of the erstwhile CurrentBody-Thakral joint venture that was recognised in the previous corresponding period,

Net Finance costs at S$2.0 million for the current period were about 23% higher than the S$1.6 million incurred in the previous corresponding period, reflecting the impact of higher interest rates and increased borrowings.

Foreign exchange gain of S$2.0 million in the latest period compared to S$0.04 million in the previous corresponding period arose mainly from the translation of monetary assets and liabilities denominated in foreign currencies outstanding at the end of the period.

Share of profits from associates/joint ventures (which includes GemLife and the Japanese investments) of S$8.5 million mainly reflected the impact of the reduction in the Group's shareholding percentage in GemLife following the TCH restructuring – before the allocation of non-controlling interests in the previous corresponding period – partly offset by the improved profit share from the Japanese property investment entities, which included a valuation uplift on the Umeda Pacific Building in Osaka assisted by the higher occupancy in the building and reduced costs. No profit share was applicable for the CurrentBody-Thakral joint venture following the share swap in June 2023.

Income tax charge for the period of S$2.5 million was 30% lower than S$3.6 million in the previous corresponding period and arose mainly from the accrual of withholding taxes on the share of fair value gains and profits taken up on the various investments.

Reflecting the savings of the portion attributable to the Australian Executives prior to the TCH restructuring, profit attributable to non-controlling interests declined significantly (61%) to S$1.7 million for the latest period as compared to S$4.3 million in the previous corresponding period.

Profit attributable to shareholders for the latest half-year of S$10.8 million was 45% higher than the S$7.4 million earned in the previous corresponding period. The TCH restructuring has enabled a clearer view of the contribution of the Australian business to the Group.

Expenses

Distribution expenses grew to S$7.4 million from S$5.9 million in the previous corresponding period mainly due to the higher advertising & promotion as well as retail store related expenses incurred so far this year.

Lower Administration expenses of S$9.1 million for the current period as compared to S$13.3 million for the previous corresponding period mainly reflect the savings on performance linked pay, employee benefits and other operational expenses in relation to the Australian team post-completion of the TCH restructuring last year.

Statement of Financial Position and Cash Flow

Inventories reduced slightly to S$24.9 million as at 30 June 2024 from S$25.5 million as at 31 December 2023 with a deliberate push in the latest quarter to reduce purchases and inventory for an expected slowdown this summer. The inventory turnover period reduced to 43 days from 44 days for the previous corresponding period.

Trade receivables as at 30 June 2024 increased to S$20.5 million from S$17.3 million at 31 December 2023 in view of the sales and inventory reduction push during the latest quarter. The trade receivables turnover for the half-year was 27 days as compared to 24 days in the previous corresponding period. Aggregate other receivables increased to S$13.0 million (S$12.2 million in current assets and S$0.8 million in non-current assets) from S$10.2 million mainly due to higher advances paid to suppliers for the purchase of goods.

Aggregate debt instruments measured at fair value through income statement/amortised cost of S$46.1 million (S$3.8 million in current assets and S$42.2 million in non-current assets) as at 30 June 2024 reduced from S$47.5 million as at 31 December 2023 mainly due to the partial sell-down of certain GemLife related debt notes partly offset by interest accruals during the period.

Associates increased to S$126.1 million as at 30 June 2024 from S$124.1 million as at 31 December 2023, mainly due to the profit contributions from GemLife and the Japanese investments (including the valuation uplift on the Umeda Pacific Building in Osaka) net of the foreign currency translation impact from the underlying investments.

Financial Assets measured at fair value through income statement reduced to S$45.3 million as at 30 June 2024 from S$49.3 million as at 31 December 2023 mainly due to the weakening of the Japanese Yen.

The houses in Gladstone, Australia held for sale as at 30 June 2024 reduced to S$1.5 million from S$5.0 million as at 31 December 2023. Following subsequent sales of 3 more houses, only 1 house now remain to be sold as at the date of this announcement; these are expected to be disposed within this financial year.

Aggregate borrowings increased to S$62.0 million (S$41.7 million in current liabilities, including trust receipt loans, and S$20.4 million in non-current liabilities) as at 30 June 2024 from S$56.1 million as at 31 December 2023 mainly due to the higher level of trade financing utilised by the Lifestyle business units.

The Group had cash balances of S$13.5 million as at 30 June 2024, compared to S$11.3 million held as at 31 December 2023.

The Group saw a net cash outflow from operating activities of S$8 million for the current period compared to a net inflow of S$1.5 million in the previous corresponding period, mainly from the net changes in working capital components as well as higher interest payments. This was funded by the additional trade finance facilities granted to the Group by a principal banker during the current period.

Net Asset Value

Net Asset Value per share increased to 118.75 cents as at 30 June 2024 compared to 116.84 cents as at 31 December 2023. This reflects the attributable profit for the period net of the translation loss of S$5.8 million from the retranslation of investments and net assets of certain overseas subsidiaries/investees denominated in foreign currencies against the Singapore Dollar and the final dividend of S$2.6 million (2 cents per share) paid during the half-year. No shares were bought back during these 6 months.

Performance Summary

Investments

Notwithstanding the lower share of profit from GemLife in view of the reduction in the Group's shareholding percentage, Segment results achieved by the Group's collective Investments including the share of profit of associates (and valuation gain on the relevant properties in both periods) were S$11.8 million in the current period, compared to S$11.4 million in the previous corresponding period.

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, Pacific Paradise and Palmwoods are now settling homes in the final stages. Rainbow Beach Stage 3 settlements have now commenced, and settlements at Tweed Waters and Gold Coast are progressing well. GemLife has 9 resorts with occupied homes as at 30 June 2024, and first settlements at Moreton Bay have occurred as at the date of this announcement, making it 10 resorts in the portfolio 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 Moreton Bay project are well underway and works have commenced on the Summer House. Sales across the group continue to remain strong and demand for this sector remains robust. Despite industry-wide supply chain disruptions, the 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 now complete, and all units except the penthouse & retail unit have settled. Settlement from the Thornton project will be realised in the third quarter 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 continued to improve in 1HFY24, with the Group being able to sell 9 houses in 1HFY24 at an average of 14% higher than the 2023 valuations. Three more houses were subsequently disposed up to the date of this announcement and the last one is expected to be sold within this financial year.

The Australian business remains focused on the growth of GemLife.

Japan

Osaka's office market saw modest rental growth and general improvements in vacancy over the past half-year. Corporate performance has been encouraging and many companies are taking the opportunity to carry out overdue office relocations and layout updates. Companies nationwide appear to continue phasing out flexible work arrangements. The labour shortage is also increasingly incentivising companies to provide office layouts with superior amenities that support wellbeing. As such, tenants' appetite for modern office space is likely to remain strong moving forward. Furthermore, as rents for the Group's office properties are still catching up to the general market rental levels, they should remain competitive despite increased new Grade A supply coming to the market later this year.

The Group has put on hold its plans for the disposal of the remaining hotel and 2 office buildings, the Itachibori Square and Utsubo East Building in Osaka for the time being in view of the weak Yen. Valuations of the underlying properties remained stable in comparison to December 2023.

Lifestyle

Sales for the latest six months rose by 28% to S$124.3 million compared to S$97.4 million in the previous corresponding period. Excluding the one-off gain on the share swap and contribution from the erstwhile Currentbody-Thakral joint venture earned in the prior year period, segment profit was S$6.6 million in the latest period compared to S$6.1 million previously, an increase of about 8%. DJI launched the FlyCart 30, a cargo drone, on the global market earlier this year and also released the DJI Dock 2, a comprehensive "drone in a box" enterprise solution for automated aerial missions that can be managed and monitored through cloud-based operations. The Group has been granted distributorship for these products and is preparing to roll them out in its markets.

(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.

According to the Australian Institute of Health and Welfare, the percentage of the Australian population that is aged 65 and over is currently at about one sixth, but this will be more than 20% in another thirty years. Demand for more affordable housing thus continues to grow due to the shortage of housing and an ageing population (over 65 years old) that is expected to grow to more than 6.66 million over the next 20 years (from 4.31 million in 2021), according to the Centre of Excellence in Population Ageing Research.

In Japan, regional office markets, including Osaka, continue to improve, mainly due to positive business sentiment, greater levels of office participation, and long overdue office relocations. Though large amounts of supply are in the pipeline for Osaka, sound demand from tenants should ensure stable absorption and only temporary fluctuations in vacancy rates. The integrated resort that was approved last year and which is to be constructed by 2029, has led to heightened interest in Osaka. This development is expected to significantly boost the local economy and employment, attracting workers from other parts of Japan to Osaka.

China's economic growth slowed in the second quarter as a protracted property downturn and job insecurity weighed on domestic demand, sustaining the anticipation that Beijing will need to introduce additional stimulus measures to achieve its target growth rate for the year. Sales growth in June came in at the weakest rate since pandemic restrictions ended, with the biggest drags being the auto, household appliances and cosmetics subcategories. Growth is projected to decelerate to 3.3% by 2029, according to the International Monetary Fund (IMF) even as weak consumer confidence remains a major headwind. The Group continues to grow its fragrance and beauty business in Greater China.

Buoyant domestic demand will see India continue to be the world's fastest-growing large economy, despite a projected slowdown this year expected in the World Bank's latest Global Economic Prospects report. The world's most populous nation is forecast to expand 6.6% this year – as against a 7% growth projection by the government – down from 8.2% in 2023, on the back of strong domestic demand and a surge in investment. India's growth is propelling South Asia to be the fastest-growing region.

Considering the Group's plans and initiatives, it continues to remain cautiously optimistic about its prospects in 2024, despite the mixed outlook for its main markets.

(11) Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended)
Yes, an interim dividend of S$0.02 per share.

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

(ii) Previous corresponding period S$0.02 per share (paid on 26 Sep 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
12 September 2024

(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
2 September 2024

(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 Jun 2024 (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
Trident Corporation (Pvt) Ltd	Associate of controlling shareholder		
Sales, net of returns		Nil	426
My Futureworld Sdn Bhd	Associate of controlling shareholder		
Purchases, net of returns		Nil	1,131
Thakral Brothers (Pte) Ltd and subsidiaries	Associate of controlling shareholder		
Operating lease income receivable on renewal of lease		3,796	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 31 – Segment Information (page 14-15) 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 2024 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
7 August 2024

BY ORDER OF THE BOARD
Chan Wan Mei
Chan Lai Yin
Company Secretaries
7 August 2024