



THAKRAL CORPORATION LTD
AND ITS SUBSIDIARY CORPORATIONS
(Registration No. 199306606E)

DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

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THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of Thakral Corporation Ltd (the "Company") and its subsidiary corporations (collectively, the "Group") and statement of financial position and statement of changes in equity of the Company for the financial year ended December 31, 2025.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 12 to 82 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at December 31, 2025, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 Directors

The directors of the Company in office at the date of this statement are:

Lim Swe Guan @ Lim Swee Guan	(Chairman)
Inderbethal Singh Thakral	
Bikramjit Singh Thakral	
Nagaraj Sivaram	
Lai Kwai-Yi Veronica	(Appointed on January 13, 2025)
Ashmit Singh Thakral	(Appointed on April 30, 2025)

2 Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the options mentioned in paragraph 4 of the Directors' statement.

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

DIRECTORS' STATEMENT

3 Directors' interest in shares in debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act 1967 except as follows:

Name of directors and companies in which interests are held	Shareholdings in which directors are deemed to have an interest	
	At beginning of year	At end of year
<u>The Company</u> (ordinary shares)		
Inderbethal Singh Thakral	65,692,560	65,692,560
Bikramjit Singh Thakral	65,692,560	65,692,560
<u>Subsidiary - Thakral Japan Properties Pte Ltd</u> (ordinary shares)		
Inderbethal Singh Thakral	566,099	566,099
Bikramjit Singh Thakral	566,099	566,099
<u>Subsidiary - TJP Pte Ltd</u> (ordinary shares)		
Inderbethal Singh Thakral	2,117,581	2,117,581
Bikramjit Singh Thakral	2,117,581	2,117,581
<u>Subsidiary - Thakral Umeda Properties Pte Ltd</u> (ordinary shares)		
Inderbethal Singh Thakral	1,636,000	1,636,000
Bikramjit Singh Thakral	1,636,000	1,636,000

By virtue of Section 7 of the Companies Act 1967, Mr Inderbethal Singh Thakral and Mr Bikramjit Singh Thakral are deemed to have an interest in all the related corporations of the Company.

The directors' interest in the shares and options of the Company at January 21, 2026 were the same as at December 31, 2025.

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

DIRECTORS' STATEMENT

4 Share options

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

5 Audit committee

The Audit Committee of the Company, consisting all non-executive and independent directors, is chaired by Mr Nagaraj Sivaram, and includes Mr Lim Swe Guan @ Lim Swee Guan and Ms Lai Kwai-Yi Veronica (appointed on January 13, 2025). The Audit Committee met four times since the last Annual General Meeting ("AGM") and reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

- a) the audit plans and results of the internal auditor's examination and evaluation of the Group's systems of internal accounting controls;
- b) the Group's financial and operating results and accounting policies;
- c) the audit plans of the external auditors;
- d) the financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditor's report on those financial statements;
- e) the quarterly, half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;
- f) the co-operation and assistance given by management to the Group's external auditors;
- g) the re-appointment of the external auditors of the Group;
- h) sustainability reporting matters, including the internal review of the Group's management of material ESG factors and disclosure processes;
- i) during the year, no whistle-blowing matters were reported; and
- j) interested person transactions in connection with provision of various services by Thakral One Pte Ltd and its subsidiary corporations;

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

DIRECTORS' STATEMENT

5 Audit committee (cont'd)

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

6 Auditors

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

On behalf of the directors



.....
Mr Inderbethal Singh Thakral



.....
Mr Bikramjit Singh Thakral

March 27, 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THAKRAL CORPORATION LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Thakral Corporation Ltd (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at December 31, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 12 to 82.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at December 31, 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THAKRAL CORPORATION LTD

Key audit matters

Valuation of financial assets measured at fair value through income statement

As at December 31, 2025, the Group has unquoted equity investments in property-holding companies in Japan which is classified as financial assets measured at fair value through income statement ("FVTIS") amounting to S\$24,709,000.

The fair values of the financial assets measured at FVTIS are estimated based on the Group's share of the adjusted net asset values of the investee companies, which approximate the fair values as at the end of the reporting period. The investee companies are property-holding companies, which own office and hotel properties in Japan. The fair values of these properties have been determined on the basis of valuations carried out by external independent professional valuers.

The fair valuation of the financial assets measured at FVTIS is considered to be a matter of significance as the valuation process requires the application of judgement in determining the appropriate valuation methodology and use of subjective assumptions, including fair values of the underlying properties held by the investee companies, and adjustments made to market-based data and benchmarks for any difference in nature, location or condition of the specific properties. A change in these key assumptions will likely have an impact on the valuation.

The Group has made disclosures on these financial assets measured at FVTIS in Note 17 to the consolidated financial statements.

How the matter was addressed in the audit

Our audit procedures included the following:

- a) assessed the design and implementation of key controls over management's review of the valuation of financial assets measured at FVTIS;
- b) reviewed the latest financial information of the investee companies used by the Group in determining the net assets values of the investee companies;
- c) assessed the competency, objectivity and capabilities of the independent professional valuers for the property valuations;
- d) evaluated management's process of appointment and determination of the scope of work of the independent professional valuers for the property valuations, as well as their process of reviewing, and accepting the independent professional valuers' valuation and valuation methodology; and
- e) involved our internal valuation specialists, where appropriate, to assist in evaluating the appropriateness of the valuation methodology applied and the key assumptions used, including attendance at meetings with independent professional valuers where the valuations and key assumptions were discussed and challenged.

Based on procedures performed, we noted that the valuation methods and key assumptions used to be within the reasonable range of our expectations.

We have also reviewed the adequacy and appropriateness of disclosures made in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THAKRAL CORPORATION LTD

Key audit matters

Valuation of investments held by overseas associates

As of December 31, 2025, the Group holds significant investments in overseas associates, the principal assets of which comprise investment properties in Japan.

The fair values of these properties have been determined based on valuations carried out by external independent professional valuer.

The valuation of these properties is considered to be a matter of significance as the valuation process requires the application of judgement in determining the appropriate valuation methodology and use of subjective assumptions, including fair values of the underlying properties and adjustments made to market-based data and benchmarks for any difference in nature, location or condition of the specific properties. A change in these key assumptions will likely have an impact on the valuation.

The Group has made disclosures on the associates in Note 16 to the consolidated financial statements.

How the matter was addressed in the audit

Our audit procedures included the following:

- a) directed the component auditors to involve their internal valuation specialist to assist in evaluating the appropriateness of the valuation methodology applied and the key assumptions used;
- b) reviewed the component auditors' assessment on the competency, objectivity, and capabilities of the independent professional valuers for the property valuations;
- c) confirmed that the component auditors, including the internal valuation specialists, attended meetings with the independent professional valuers at which the valuations and the key assumptions were discussed and challenged; where appropriate; and
- d) discussed with the component auditors on their evaluation on whether the valuation results were consistent with their understanding of market conditions and the business environment in which the associate operates.

Based on procedures performed, we noted that the valuation methods and key assumptions used were within the reasonable range of our expectations.

We have also reviewed the adequacy and appropriateness of disclosures made in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THAKRAL CORPORATION LTD

Key audit matters

Investment in GemLife Communities Group

During the financial year, the Group reclassified its investment in associate in GemLife Communities Group ("GemLife" or "GTH Group") to a financial asset measured at fair value through income statement, with a carrying amount of S\$278,957,000 as at December 31, 2025. GemLife was previously accounted for as an associate using the equity method.

Following GemLife's listing on the Australian Securities Exchange, the Group's ownership interest was diluted from 31.7% to 16.8%. Management assessed that, as a result of the dilution and changes in governance, the Group no longer exercised significant influence over GemLife.

The assessment of whether significant influence had been lost involved significant judgement, including consideration of the Group's shareholding, board representation, rights to participate in GemLife's relevant operating and financial decisions, and the timing of loss of significant influence.

The related disclosures are set out in Notes 16 and 17 to the consolidated financial statements.

How the matter was addressed in the audit

Our audit procedures included the following:

- a) obtained and reviewed documents in relation to management's assessment of the loss of significant influence over GemLife;
- b) held discussions with management to understand the rationale and basis for their assessment that the Group has lost significant influence in GemLife and when significant influence was lost; and
- c) assessed changes in ownership percentage, board representation, and rights to participate in operational and financial decision-making.

Based on the procedures performed, the management's assessment of the loss of significant influence in GemLife, as well as the timing, are appropriate.

We have also reviewed the adequacy and appropriateness of disclosures made in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THAKRAL CORPORATION LTD

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THAKRAL CORPORATION LTD

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THAKRAL CORPORATION LTD

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr Aw Xin-Pei.



Public Accountants and
Chartered Accountants
Singapore

March 27, 2026

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

STATEMENTS OF FINANCIAL POSITION

December 31, 2025

	Note	Group		Company	
		2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
<u>ASSETS</u>					
Current assets					
Cash and bank balances	7	31,492	12,673	8,669	258
Derivative financial instruments		-	12	-	-
Trade receivables	8	32,057	26,146	-	-
Other receivables	9	25,513	14,009	154	100
Amounts owing by subsidiary corporations	5	-	-	-	439
Debt instruments measured at fair value through income statement and amortised cost	10	855	1,289	-	-
Inventories	11	35,054	25,035	-	-
Total current assets		<u>124,971</u>	<u>79,164</u>	<u>8,823</u>	<u>797</u>
Non-current assets					
Other receivables	9	437	992	-	-
Amounts owing by subsidiary corporations	5	-	-	38,285	11,985
Debt instruments measured at fair value through income statement and amortised cost	10	405	39,987	405	-
Property, plant and equipment	12	3,145	2,215	22	19
Right-of-use assets	13	8,648	7,875	-	-
Investment property	14	31,158	31,158	-	-
Investment in subsidiary corporations	15	-	-	197,893	195,514
Associates	16	69,404	129,694	-	-
Financial assets measured at fair value through income statement	17	363,030	67,881	8,933	6,205
Deferred tax assets	24	2,464	547	-	-
Total non-current assets		<u>478,691</u>	<u>280,349</u>	<u>245,538</u>	<u>213,723</u>
Total assets		<u>603,662</u>	<u>359,513</u>	<u>254,361</u>	<u>214,520</u>
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Trade payables	18	13,282	9,566	-	-
Trust receipts	19	39,074	37,239	-	-
Bank and other borrowings	20	6,466	5,750	-	439
Lease liabilities	21	4,043	3,539	-	-
Other payables	22	22,668	18,876	1,958	1,168
Provisions	23	3,118	3,277	102	802
Income tax payable		3,142	328	-	-
Total current liabilities		<u>91,793</u>	<u>78,575</u>	<u>2,060</u>	<u>2,409</u>

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

STATEMENTS OF FINANCIAL POSITION (cont'd)

December 31, 2025

	Note	Group		Company	
		2025	2024	2025	2024
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities					
Amounts owing to subsidiary corporations	5	-	-	130,561	113,594
Bank and other borrowings	20	27,188	20,538	-	621
Lease liabilities	21	5,177	4,704	-	-
Other payables	22	17,519	8,922	3,895	-
Provision	23	2,326	889	-	-
Deferred tax liabilities	24	87,327	30,113	142	-
Total non-current liabilities		139,537	65,166	134,598	114,215
Capital, reserves and non-controlling interests					
Issued capital	25	70,820	70,820	70,820	70,820
Treasury shares	26	(2,825)	(534)	(2,825)	(534)
Reserves	27	257,721	92,837	49,708	27,610
Equity attributable to equity holders of the Company		325,716	163,123	117,703	97,896
Non-controlling interests	15	46,616	52,649	-	-
Total equity		372,332	215,772	117,703	97,896
Total liabilities and equity		603,662	359,513	254,361	214,520

See accompanying notes to financial statements.

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended December 31, 2025

	Note	Group	
		2025 S\$'000	2024 S\$'000
Revenue	28	411,327	288,807
Cost of sales		(298,083)	(234,652)
Gross profit		113,244	54,155
Other operating income	29	1,000	9,209
Distribution costs		(26,211)	(16,731)
Administration expenses		(32,905)	(21,374)
Other operating expenses		(1,539)	(886)
Net gains from fair valuation upon Initial Public Offering ("IPO") of investees	30	173,836	-
Share of results of associates	16	15,731	22,537
Finance income		247	211
Finance costs	31	(4,406)	(4,317)
Profit before tax		238,997	42,804
Income tax expense	32	(64,803)	(7,917)
Profit for the year	33	174,194	34,887
Profit attributable to:			
Equity holders of the Company		170,933	28,809
Non-controlling interests	15	3,261	6,078
		174,194	34,887
Basic earnings per share (cents)	35	135.09	22.53
Diluted earnings per share (cents)	35	135.09	22.53

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (cont'd)
Year ended December 31, 2025

	<u>Note</u>	<u>Group</u>	
		<u>2025</u>	<u>2024</u>
		<u>S\$'000</u>	<u>S\$'000</u>
Profit for the year		174,194	34,887
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign exchange differences on translation of foreign operations		<u>(3,248)</u>	<u>(13,046)</u>
Other comprehensive loss for the year, net of tax		<u>(3,248)</u>	<u>(13,046)</u>
Total comprehensive income for the year		<u>170,946</u>	<u>21,841</u>
Total comprehensive income attributable to:			
Equity holders of the Company		170,643	19,365
Non-controlling interests	15	<u>303</u>	<u>2,476</u>
		<u>170,946</u>	<u>21,841</u>

See accompanying notes to financial statements.

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

STATEMENTS OF CHANGES IN EQUITY
Year ended December 31, 2025

	Reserves (Note 27)				Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	Issued capital	Treasury shares	Capital reserve	Foreign currency translation reserve				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Group</u>								
Balance at January 1, 2024	70,820	-	(8,457)	(28,547)	115,590	149,406	51,345	200,751
<i>Total comprehensive income for the year:</i>								
Profit for the year	-	-	-	-	28,809	28,809	6,078	34,887
Other comprehensive loss for the year	-	-	-	(9,444)	-	(9,444)	(3,602)	(13,046)
Total	-	-	-	(9,444)	28,809	19,365	2,476	21,841
<i>Transactions with equity holders of the Company, recognised directly in equity:</i>								
Repurchase of shares – held in treasury (Note 26)	-	(534)	-	-	-	(534)	-	(534)
Contribution from non-controlling shareholders in a subsidiary corporation	-	-	-	-	-	-	851	851
Dividends (Note 34)	-	-	-	-	(5,114)	(5,114)	-	(5,114)
Dividends to non-controlling shareholders	-	-	-	-	-	-	(2,023)	(2,023)
Total	-	(534)	-	-	(5,114)	(5,648)	(1,172)	(6,820)
Balance at December 31, 2024	70,820	(534)	(8,457)	(37,991)	139,285	163,123	52,649	215,772

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

STATEMENTS OF CHANGES IN EQUITY (cont'd)

Year ended December 31, 2025

	Reserves (Note 27)				Retained earnings S\$'000	Equity attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
	Issued capital S\$'000	Treasury shares S\$'000	Capital reserves S\$'000	Foreign currency translation reserve S\$'000				
<u>Group</u>								
Balance at January 1, 2025	70,820	(534)	(8,457)	(37,991)	139,285	163,123	52,649	215,772
<i>Total comprehensive income for the year:</i>								
Profit for the year	-	-	-	-	170,933	170,933	3,261	174,194
Other comprehensive loss for the year	-	-	-	(290)	-	(290)	(2,958)	(3,248)
Total	-	-	-	(290)	170,933	170,643	303	170,946
<i>Transactions with equity holders of the Company, recognised directly in equity:</i>								
Repurchase of shares – held in treasury (Note 26)	-	(2,291)	-	-	-	(2,291)	-	(2,291)
Cancellation of shares of a subsidiary corporation purchased from a non-controlling shareholders	-	-	-	-	-	-	(5,772)	(5,772)
Capital reserve arising from cancellation of shares of a subsidiary corporation	-	-	564	-	-	564	(564)	-
Dividends (Note 34)	-	-	-	-	(6,323)	(6,323)	-	(6,323)
Total	-	(2,291)	564	-	(6,323)	(8,050)	(6,336)	(14,386)
Balance at December 31, 2025	70,820	(2,825)	(7,893)	(38,281)	303,895	325,716	46,616	372,332

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

STATEMENTS OF CHANGES IN EQUITY (cont'd)
Year ended December 31, 2025

	Issued capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Total S\$'000
<u>Company</u>				
Balance at January 1, 2024	70,820	-	20,300	91,120
Profit for the year, representing total comprehensive income for the year	-	-	12,424	12,424
<i>Transactions with equity holders of the Company, recognised directly in equity:</i>				
Repurchase of shares - held in treasury (Note 26)	-	(534)	-	(534)
Dividends (Note 34)	-	-	(5,114)	(5,114)
Balance at December 31, 2024	70,820	(534)	27,610	97,896
Profit for the year, representing total comprehensive income for the year	-	-	28,421	28,421
<i>Transactions with equity holders of the Company, recognised directly in equity:</i>				
Repurchase of shares - held in treasury (Note 26)	-	(2,291)	-	(2,291)
Dividends (Note 34)	-	-	(6,323)	(6,323)
Balance at December 31, 2025	70,820	(2,825)	49,708	117,703

See accompanying notes to financial statements.

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2025

	Group	
	2025	2024
	S\$'000	S\$'000
OPERATING ACTIVITIES		
Profit before tax	238,997	42,804
Adjustments for:		
Depreciation for property, plant, and equipment and right-of-use assets	5,397	3,382
Share of results of associates	(15,731)	(22,537)
Dividend income from financial assets measured at FVTIS	(17,384)	(588)
Fair value gain and interest income on debt instruments measured at FVTIS and amortised cost	(2,382)	(6,813)
Fair value gain on financial assets measured at FVTIS	(40,054)	(13,490)
Interest expense	4,406	4,317
Interest income	(247)	(211)
Gains from fair valuation upon IPO of investees	(179,526)	-
Gain on disposal of assets held for sale	-	(781)
Gain on disposal of property, plant and equipment	-	(4)
Fair value loss on derivative financial instruments	78	149
Net unrealised foreign exchange loss (gain)	1,211	(135)
Provision for employee benefits	1,880	1,115
Allowance for inventories	1,375	2,090
Impairment losses on trade receivables	599	745
Operating cash flows before movements in working capital	(1,381)	10,043
Trade receivables	(7,946)	(8,993)
Other receivables	727	(4,210)
Inventories	(13,007)	(1,018)
Trade payables	4,083	(606)
Other payables and provisions	13,018	(550)
Cash used in operations	(4,506)	(5,334)
Income taxes paid	(7,430)	(1,430)
Interest paid	(4,017)	(4,425)
Interest received	297	190
Net cash used in operating activities	(15,656)	(10,999)

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

Year ended December 31, 2025

	Group	
	2025	2024
	S\$'000	S\$'000
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1,941)	(728)
Proceeds from disposal of property, plant and equipment	-	5
Capital return from an associate	-	2,822
Dividend received from an associate	1,489	5,081
Additions to financial assets measured at FVTIS	(3,321)	(8,402)
Dividend received from financial assets measured at FVTIS	4,354	-
Proceeds from disposal of financial assets measured at FVTIS	13,080	-
Repayments of debt instruments measured at FVTIS and amortised cost	32,595	10,864
Additions to debt instruments measured at FVTIS	(399)	-
Proceeds from disposal of assets held for sale	-	5,414
Net cash from investing activities	<u>45,857</u>	<u>15,056</u>
FINANCING ACTIVITIES		
Purchase of treasury shares	(2,291)	(534)
Dividends paid to non-controlling shareholders in subsidiary corporation	-	(2,023)
Dividends paid	(6,323)	(5,114)
Cash contribution from non-controlling shareholders in a subsidiary corporation	-	851
Purchase of shares from non-controlling shareholders in a subsidiary corporation	(5,772)	-
Increase in fixed deposits with maturities exceeding three months	(1,372)	-
Decrease (Increase) in pledged fixed deposits	1,430	(271)
Proceeds from trust receipts	232,838	163,246
Repayments of trust receipts	(231,690)	(153,070)
Repayments of lease liabilities	(4,221)	(2,475)
Proceeds from bank and other borrowings	21,958	8,083
Repayments of bank and other borrowings	(15,472)	(11,300)
Additions to derivative financial instruments	(66)	(242)
Net cash used in financing activities	<u>(10,981)</u>	<u>(2,849)</u>
Net increase in cash and cash equivalents	19,220	1,208
Cash and cash equivalents at beginning of year (Note 7)	9,671	8,653
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(343)	(190)
Cash and cash equivalents at end of year (Note 7)	<u>28,548</u>	<u>9,671</u>

See accompanying notes to financial statements.

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

Year ended December 31, 2025

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

<u>Group</u>	Trust receipts (Note 19)	Bank and other borrowings (Note 20)	Lease liabilities (Note 21)	Total
	S\$'000	S\$'000	S\$'000	S\$'000
At January 1, 2024	26,710	29,380	5,326	61,416
Non-cash changes				
- New lease liabilities	-	-	5,165	5,165
- Accrued interest	2,584	1,404	329	4,317
- Foreign exchange movement	353	233	227	813
Financing cash flow	10,176	(3,217)	(2,475)	4,484
Interest paid	(2,584)	(1,512)	(329)	(4,425)
At December 31, 2024	37,239	26,288	8,243	71,770
Non-cash changes				
- New lease liabilities	-	-	5,527	5,527
- Accrued interest	2,438	1,405	563	4,406
- Foreign exchange movement	687	491	(329)	849
Financing cash flow	1,148	6,486	(4,221)	3,413
Interest paid	(2,438)	(1,016)	(563)	(4,017)
At December 31, 2025	39,074	33,654	9,220	81,948

See accompanying notes to financial statements.

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

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 subsidiary corporations are disclosed in Note 15.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended December 31, 2025 were authorised for issue by the board of directors on March 27, 2026.

1.1 Basis of preparation

The financial statements have been prepared on the historical cost basis, except as disclosed in the material accounting policy information, and are drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s"). The financial statements are expressed in Singapore dollars.

1.2 Adoption of new and revised standards

In the current year, the Group and the Company have applied all the new and revised SFRS(I)s that are mandatorily effective for an accounting period that begins on or after January 1, 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

At the date of authorisation of these financial statements, the Group and the Company have not applied the following SFRS(I) pronouncements that have been issued but are not yet effective:

Effective for annual periods beginning on or after January 1, 2026

- Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*
- Annual Improvements to SFRS(I)s – Volume 11

Effective for annual periods beginning on or after January 1, 2027

- SFRS(I) 18 *Presentation and Disclosure in Financial Statements*
- SFRS(I) 19 *Subsidiaries without Public Accountability: Disclosures* (including November 2025 Amendments to SFRS(I) 19)

Effective date is deferred indefinitely

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

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS
December 31, 2025

Management anticipates that the adoption of the above SFRS(I)s, and amendments to SFRS(I)s in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

SFRS(I) 18 Presentation and Disclosures in Financial Statements

SFRS(I) 18 replaces SFRS(I) 1-1, carrying forward many of the requirements in SFRS(I) 1-1 unchanged and complementing them with new requirements. In addition, some SFRS(I) 1-1 paragraphs have been moved to SFRS(I) 1-8 and SFRS(I) 7. Furthermore, minor amendments to SFRS(I) 1-7 and SFRS(I) 1-33 *Earnings per Share* have been made.

SFRS(I) 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation

An entity is required to apply SFRS(I) 18 for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to SFRS(I) 1-7 and SFRS(I) 1-33, as well as the revised SFRS(I) 1-8 and SFRS(I) 7, become effective when an entity applies SFRS(I) 18. SFRS(I) 18 requires retrospective application with specific transition provisions.

Management anticipates that the application of the new standard will have an impact on the Group's consolidated financial statements in future periods. The Group is in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's consolidated statement of profit or loss and the additional disclosures required for MPMs as well as the impact on how information is grouped in the financial statements. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the entity's financial statements as management has yet to complete its detailed assessment.

2 Material accounting policy information

Subsidiary corporations

Subsidiary corporations are entities controlled by the Group. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. Details of the Group's significant subsidiary corporations and composition of the Group are disclosed in Note 15.

Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Company and its subsidiary corporations. Consolidation of a subsidiary corporation begins when the Company obtains control over the subsidiary corporation and ceases when the Company loses control of the subsidiary corporation. When necessary, adjustments are made to the financial statements of subsidiary corporations to align their accounting policies with the those of the Group. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation. Changes in the Group's interests in subsidiary corporations that do not result in a loss of control are accounted for as equity transactions.

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Non-controlling interests in subsidiary corporations are identified separately from the Group's equity and are initially measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to the acquisition date, the carrying amounts of non-controlling interests are adjusted for the non-controlling interests' share of changes in equity. Losses are attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Company's separate financial statements

Investment in subsidiary corporations in the Company's separate financial statements are carried at cost less accumulated impairment losses.

Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Details of the Group's material associates are disclosed Note 16.

Equity method of accounting

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. Investment in each associate is initially recognised at cost, and are subsequently accounted for by including the Group's share of its profit or loss and other comprehensive income or loss in the carrying amount of the investment until the date on which significant influence or joint control ceases. Dividends received reduce the carrying amount of the investment. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group. When necessary, adjustments are made to align the associate's accounting policies with those of the Group.

Foreign currency transactions and translation

The financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

In preparing the financial statements of the respective Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into to hedge certain foreign currency risks (Note 4(c)(iii)).

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

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:

- a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- b) 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
- c) Level 3 inputs are unobservable inputs for the asset or liability.

Refer to Notes 4(b), 14 and 17 for details of non-financial assets and financial instruments that are measured at fair value on basis described above or where such fair values are disclosed.

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS
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Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets

All regular way of purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Financial assets are initially measured at fair value (except for trade and other receivables that do not have a significant financing component which are measured at transaction price), net of transaction costs that are directly attributable to the acquisition or issue of financial assets (other than those at fair value through profit or loss). Transaction costs directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Classification of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through income statement ('FVTIS') based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group classifies its financial assets in the following measurement categories. The basis of classification and subsequent measurement of the financial assets are further described in the respective notes.

Measurement category	Criteria	Financial assets
Financial assets at amortised cost	Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI").	Cash and cash equivalents (Note 7) Trade and other receivables (Notes 8 and 9)
Financial assets at FVTIS	Financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTIS.	Financial assets measured at fair value through income statement (Note 17)
Debt instrument at amortised cost	Debt instruments that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.	Debt instruments measured at amortised cost (Note 10)
Debt instrument at FVTIS	By default, all other debt instruments are subsequently measured at FVTIS.	Debt instruments measured at fair value through income statement (Note 10)

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“ECL”) on trade receivables, other receivables and debt instruments measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset. The ECL incorporates forward-looking information and is a probability-weighted estimate of the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. Details about the Group's credit risk management and impairment policies are disclosed in Note 4(c)(i).

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities at amortised cost

Financial liabilities at amortised cost include trade and other payables, bank and other borrowings and trust receipts. These are initially measured at fair value, net of transaction costs that are directly attributable to the acquisition or issue of the financial liabilities, and are subsequently measured at amortised cost using the effective interest method, except for short-term balances when the effect of discounting is immaterial.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3 Critical accounting judgements and key sources of estimation uncertainty

This section sets out the critical accounting judgements that have been applied as well as the key sources of estimation uncertainty that may have a material impact on the Group's financial statements.

Details of critical accounting judgements and key sources of estimation uncertainty which are specific to a line item in the financial statements are described within the note for that line item.

3.1 Critical judgements in applying the Group's material accounting policies

The critical judgements, apart from those involving estimations reported in Note 3.2, that management has made in the process of applying the Group's material accounting policies and that have the most significant effect on the amounts reported in the financial statements are explained in Note 16 'Associates': *Accounting for entities under TMK structure and Determining loss of significant influence in an associate.*

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of specific assets and liabilities within the next financial year, are related to the following areas and further explained in the respective notes:

- Note 14 'Investment property': *Fair value measurement of the Group's investment property*
- Note 15 'Subsidiary corporations': *Impairment of investment in subsidiary corporations*
- Note 16 'Associates': *Valuation of investments held by overseas associates*
- Note 17 'Financial assets measured at fair value through income statement': *Valuation of financial assets measured at FVTIS*

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS
December 31, 2025

4 Financial instruments, financial risks and capital management

(a) Categories of financial instruments

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

	Group		Company	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Financial assets at amortised cost	81,097	49,355	8,673	697
Financial assets measured at FVTIS	364,290	104,008	9,338	6,205
Derivative financial asset	-	12	-	-
Financial liabilities				
Financial liabilities at amortised cost	118,760	93,279	136,414	115,822
Lease liabilities	9,220	8,243	-	-

The Group and the Company does not have any significant offsetting financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting agreements.

(b) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

The derivative financial instruments, debt instruments measured at FVTIS (Note 10) and financial assets measured at FVTIS (Note 17) of the Group and the Company are measured on level 3 of the fair value hierarchy.

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS
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Reconciliation of Level 3 fair value measurements of financial instruments

The following table includes financial assets and financial liabilities measured subsequently at fair value on Level 3 fair value measurement.

	Derivative	Derivative	Financial	Debt
	financial	financial	assets	instruments
	liabilities	assets	measured	measured
			at FVTIS	at FVTIS
			(Note 17)	(Note 10)
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Group</u>				
As at January 1, 2024	(87)	2	49,272	42,864
Additions	66	242	8,402	-
Repayments	-	-	-	(10,864)
Fair value gain (loss) for the year	21	(236)	13,490	5,858
Dividend income from debt instrument	-	-	-	489
Translation adjustments	-	4	(3,283)	(2,220)
As at December 31, 2024	-	12	67,881	36,127
Additions	-	66	1,230	1,076
Repayments	-	-	-	(31,525)
Fair value (loss) gain for the year	-	(78)	11,750	2,081
Transfer of financial assets measured at FVTIS from Level 3 to Level 1 fair value Measurement ⁽¹⁾	-	-	(28,945)	-
Reclassification from debt instruments to financial assets measured at FVTIS ⁽¹⁾	-	-	-	(6,961)
Translation adjustments	-	-	(1,424)	462
As at December 31, 2025	-	-	50,492	1,260

Company

As at January 1, 2024	-	-	4,992	-
Additions	-	-	9	-
Fair value gain for the year	-	-	1,204	-
As at December 31, 2024	-	-	6,205	-
Additions	-	-	31	394
Fair value gain for the year	-	-	78	11
As at December 31, 2025	-	-	6,314	405

(1) During the financial year, certain investments previously classified within Level 3 of the fair value hierarchy were transferred to Level 1. These transfers relate to the Group's investments in GemLife and The Beauty Tech Group ("TBTG"), as detailed in Notes 17 and 30. The transfers occurred as quoted market prices in active markets became available for these investments, resulting in the use of observable, market-based inputs rather than unobservable valuation inputs.

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The Group's accounting policy is to assess transfers between levels of the fair value hierarchy at the date of the event or change in circumstances that caused the transfer. Transfers are recognised when there is evidence of a change in the observability of inputs that affects the classification of fair value measurements. No other transfers between levels occurred during the year.

(c) Financial risk management policies and objectives

The Group's overall policy with respect to managing risk arising in the normal course of the Group's business as well as that associated with financial instruments is to minimise the potential adverse effects on the financial performance of the Group. The policies for managing specific risks are summarised below.

There has been no significant change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) *Credit risk management*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group or the Company. The Group's credit risk is primarily attributable to its cash and cash equivalents, trade receivables, other receivables and debt instruments. Cash and cash equivalents are placed with credit-worthy financial institutions. Debt instruments, representing the Group's investments in real estate projects in Australia, are entered into an in-depth due diligence process and only upon meeting the Group's investment criteria. The Group has adopted a stringent procedure in extending credit terms to customers and monitoring its credit risk. Credit evaluations are performed on customers requiring credit over a certain limit. Where appropriate, security deposits, post-dated cheques, letters of credit, cash and/or advance payments are required for new customers and those with an unacceptable credit assessment. Trade receivables consist of a large number of customers, spread across diverse geographical areas.

The carrying amount of financial assets recorded in the financial statements, which are net of any expected losses, represents the Group's maximum exposure to credit risk.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the country and industry in which customers operate also has an influence on credit risk but to a lesser extent. At the end of the reporting period, the Group has certain concentration of credit risk as approximately 41% (2024: 46%) of the total trade and other receivables (excluding advances to suppliers and prepayments) were due from the Group's ten largest customers.

Cash and cash equivalents held with reputable financial institutions have high credit ratings assigned by international credit rating agencies and are considered to have low credit risk. The cash and cash equivalents are measured at 12-months expected credit losses and are subject to immaterial credit loss.

The Group's and the Company's other receivables are considered to have low risk of default.

THAKRAL CORPORATION LTD AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS
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Collateral held as security and other credit enhancements

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

ECL assessment of trade receivables

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Group					Total
	Not past due	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
December 31, 2025						
Expected credit loss rate	0.77%	1.49%	1.37%	1.00%	27.29%	
Estimated total gross carrying amount at default	13,445	9,407	4,099	1,504	5,386	33,841
Lifetime ECL	(103)	(140)	(56)	(15)	(1,470)	(1,784)
						<u>32,057</u>
December 31, 2024						
Expected credit loss rate	0.95%	2.37%	4.08%	1.69%	27.79%	
Estimated total gross carrying amount at default	12,490	6,796	2,477	1,481	4,581	27,825
Lifetime ECL	(119)	(161)	(101)	(25)	(1,273)	(1,679)
						<u>26,146</u>

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

<u>Group</u>	Lifetime ECL - Non credit-impaired, individually assessed	Lifetime ECL - credit-impaired	Total
	S\$'000	S\$'000	S\$'000
Balance as at January 1, 2024	373	511	884
Net re-measurement of loss allowance	(154)	899	745
Translation adjustments	28	22	50
Balance as at December 31, 2024	247	1,432	1,679
Net re-measurement of loss allowance	193	406	599
Amounts written off	-	(397)	(397)
Translation adjustments	(11)	(86)	(97)
Balance as at December 31, 2025	<u>429</u>	<u>1,527</u>	<u>1,784</u>

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Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in financial difficulties and/or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Movements in loss allowances for other receivables were as follows:

	Group	
	2025	2024
	S\$'000	S\$'000
Balance at beginning of year	85	86
Net re-measurement of loss allowance	(85)	-
Translation adjustment	-	(1)
Balance at end of year	-	85

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Material accounting policy information

ECL - Trade receivables

The Group applies the simplified approach in SFRS(I) 9 to measure the loss allowance at an amount equal to lifetime ECL for trade receivables. The loss allowance is estimated using a provision matrix by reference to past default experience of the customers and an analysis of the customers' current financial position, adjusted for factors that are specific to the customers, general economic conditions of the industry in which the customers operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group has reduced the expected loss rates for trade receivables from the prior year based on its judgement of the impact of current economic conditions and the forecast direction at the reporting date. There has been no change in the estimation techniques during the current reporting period.

The Group considers default has occurred when a trade receivable is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Group writes off a trade receivable or a contract asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

ECL - Other receivables

Other receivables are considered to have low risk of default as they are not due for payment at the end of the reporting period and there has been no significant increase in credit risk since initial recognition, as the Group has not identified any indications of adverse changes in business, financial or economic conditions that are expected to cause a significant change in the counterparty's ability to meet its repayment obligations. The loss allowance is measured at an amount equal to 12-month ECL and is determined to be immaterial.

Other receivables at the company level are deposits, value added tax/tax recoverable and prepayments, which are considered to have low credit risk because the counterparties have strong financial capacity to meet the contractual obligation. Accordingly, the Group has applied the practical expedient under SFRS(I) 9 to measure the loss allowance at an amount equal to 12-month ECL and has determined the amount to be immaterial.

The Group's current credit risk grading framework comprises the following categories:

Credit risk category	Definition of category	Basis for recognising ECL	
		Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts.	Lifetime ECL – not credit-impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle in full.	Lifetime ECL – not credit-impaired	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired	
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired	
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery.	Amount is written off	

(ii) *Interest rate risk management*

The primary source of the Group's interest rate risk relates to interest-bearing bank deposits, trust receipts and bank and other borrowings. The interest-bearing bank deposits, trust receipts and bank and other borrowings of the Group are disclosed in Notes 7, 19 and 20 respectively. As certain rates are based on interbank offer rates, the Group is exposed to cash flow interest rate risk. This risk is not hedged.

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Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative financial instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 50 basis points (2024 : 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2024 : 50 basis points) higher or lower and all other variables were held constant, the profit before income tax for the year ended December 31, 2025 of the Group would decrease/increase by S\$309,000 (2024: S\$303,000).

The Group's sensitivity to interest rates has increased during the current year mainly due to the increase in variable rate debt instruments.

(iii) *Foreign currency risk management*

The Group transacts business in various foreign currencies that are not the functional currencies of the transacting subsidiary corporations, including the United States dollar, Hong Kong dollar, Australian dollar and Japanese yen. The Group is therefore exposed to foreign exchange risk. Foreign exchange exposures are monitored by management on an ongoing basis. Foreign currencies received are kept in foreign currency accounts and are converted to the respective functional currencies of the Group companies on an as-needed basis so as to manage the foreign exchange exposure.

In addition, the Company has a number of investments in foreign subsidiary corporations, whose net assets are exposed to currency translation risk. Management enters into foreign exchange options to manage foreign exchange rate from time to time.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities, after excluding monetary items treated as part of net investment in a foreign operation, denominated in significant currencies other than the respective Group entities' functional currencies are as follows:

	Assets		Liabilities	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Group</u>				
United States dollar	49,279	28,574	7,346	46,654
Hong Kong dollar	23,220	26,457	92,381	87,342
Chinese renminbi	14,208	8,879	27,544	4,880
Australian dollar	8,698	15,270	15,733	7,146
Japanese yen	1,302	1,398	16,040	21,666

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	Assets		Liabilities	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Company</u>				
United States dollar	3,683	87	4,098	5,184
Hong Kong dollar	-	-	14,462	8,165
Australian dollar	7,599	2,219	-	2,337
Japanese yen	1,298	1,394	10,777	15,824

The above carrying amounts include related company balances that are not denominated in the functional currencies of the respective entities and are eliminated on consolidation (Note 5).

The group has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

Foreign currency sensitivity analysis

The Group and the Company are mainly exposed to United States dollar, Hong Kong dollar, Australian dollar and Japanese yen.

The following table details the sensitivity to a 10% increase and decrease in the functional currency of each group entity against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates.

The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit and other equity where functional currency of each group entity strengthens 10% against the relevant foreign currency. For a 10% weakening of functional currency of each group entity against the relevant foreign currency, there would be a comparable impact on the profit and other equity, and the balances below would be negative.

	Profit or loss		Other equity	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Group</u>				
<i>Impact on:</i>				
United States dollar	(4,255)	1,782	79	28
Hong Kong dollar	7,057	5,995	96	93
Chinese renminbi	1,356	(378)	(24)	24
Australian dollar	770	(802)	(26)	(21)
Japanese yen	1,483	2,012	(9)	15

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<u>Company</u>	Profit or loss		Other equity	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Impact on:</u>				
United States dollar	42	510	-	-
Hong Kong dollar	1,446	816	-	-
Australian dollar	(719)	12	-	-
Japanese yen	948	1,443	-	-

If the relevant foreign currency strengthens by 10% against the functional currency of each group entity, profit before tax and other equity will increase or (decrease) by the same amount conversely as in the above table.

The Group's sensitivity to foreign currencies has increased in relation to the United States dollar during the current year mainly due to the change in inter-company balances and the increase in bank balances denominated in United States dollars as at the end of the year.

The Group's sensitivity to foreign currencies has increased in relation to the Australian dollar during the current year mainly due to the change in inter-company balances denominated in Australian dollars outstanding as at the end of the year.

The Group's sensitivity to foreign currencies has increased in relation to the Chinese renminbi during the current year mainly due to the change in inter-company balances and the increase in trust receipts and trade payable balances denominated in Chinese renminbi as at the end of the year.

(iv) *Liquidity risk management*

The objective of liquidity management is to ensure that the Group has sufficient funds to meet its contractual and financial obligations. To manage this risk, the Group monitors its net operating cash flow and maintains a level of cash and cash equivalents deemed adequate by management for working capital purposes so as to mitigate the effects of fluctuations in cash flows.

Liquidity risk reflects the risk that the Group will have insufficient resources to meet its financial liabilities as they fall due. The Group finances its liquidity through internally generated cash flows and bank loans. Management is of the view that the Group has sufficient funds to meet all its potential liabilities as they fall due.

The Group also utilises bank and other borrowings for working capital purposes.

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following tables detail Group's and the Company's remaining contractual maturity for non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows.

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The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	%	S\$'000	S\$'000	S\$'000	S\$'000
<u>Group</u>					
December 31, 2025					
Non-interest bearing Lease liabilities	-	46,031	-	-	46,031
Fixed interest rate instruments	5.87	4,441	5,533	(754)	9,220
Variable interest rate instruments	6.96	7,766	4,333	(270)	11,829
	4.16	48,783	17,103	(4,986)	60,900
		<u>107,021</u>	<u>26,969</u>	<u>(6,010)</u>	<u>127,980</u>
December 31, 2024					
Non-interest bearing Lease liabilities	-	29,752	-	-	29,752
Fixed interest rate instruments	5.39	3,888	5,047	(692)	8,243
Variable interest rate instruments	7.00	2,909	501	(91)	3,319
	5.90	51,456	18,541	(9,789)	60,208
		<u>88,005</u>	<u>24,089</u>	<u>(10,572)</u>	<u>101,522</u>
<u>Company</u>					
December 31, 2025					
Non-interest bearing Fixed interest rate instruments	-	1,958	119,494	-	121,452
	4.09	13,229	2,344	(611)	14,962
		<u>15,187</u>	<u>121,838</u>	<u>(611)</u>	<u>136,414</u>
December 31, 2024					
Non-interest bearing Fixed interest rate instruments	-	1,168	92,846	-	94,014
	4.30	19,114	3,631	(937)	21,808
		<u>20,282</u>	<u>96,477</u>	<u>(937)</u>	<u>115,822</u>

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The maximum amount that the Company and the Group could be forced to settle under the financial guarantee contract in Note 37, if the full outstanding guaranteed amount is claimed by the counterparty to the guarantee, is S\$56,731,000 (2024: S\$55,964,000). The earliest period that the guarantee could be called is within 1 year (2024: 1 year) from the end of the reporting period. The Company considers that it is more likely that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

(v) Equity price risk management

The Group is exposed to equity price risks arising from equity investments classified as financial assets measured at FVTIS, including quoted and unquoted equity investments (Note 17) held for strategic rather than trading purposes. The Group does not actively trade these equity investments. Further details of its financial assets measured at FVTIS are disclosed in Note 17.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

In respect of FVTIS, if the significant inputs (as disclosed in Note 17) to the valuation model of the FVTIS had been 3% higher or lower while all other variables were held constant, the Group's profit before tax for the year would increase or decrease by S\$11,141,000 (2024: S\$3,006,000) respectively.

The methods and assumptions used in preparing the sensitivity analysis above have not changed significantly from the prior year.

(d) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance except where decisions are made to exit businesses or close companies.

The capital structure of the Group consists of net debt and equity of the Group. Debt is defined by the group as trust receipts, long-term and short-term bank and other borrowings and lease liabilities disclosed in Notes 19, 20 and 21 respectively. Net debt is defined as debt after deducting cash and cash equivalents and lease liabilities. Equity includes equity attributable to the equity holders of the Company, share capital (excluding treasury shares) and reserves. The Group monitors capital using a gearing ratio, which is total debt divided by equity. As at December 31, 2025, the Group's gearing ratio is 0.22 (2024: 0.39).

Two subsidiary corporations of the Company are required to maintain a minimum net worth level in order to comply with a covenant for trade finance facilities from banks.

The review of the Group's capital management policies and objectives is conducted by the Audit Committee and the Board.

The Group's overall strategy remains unchanged from the previous financial year.

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5 Related company balances and transactions

The Company is a subsidiary corporation of Thakral Group Limited (as a trustee of the S S Thakral Trust), incorporated in Singapore, which holds 52.3% of direct interests in the Company.

Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Included in the non-current amounts owing by subsidiary corporations is dividend receivable of S\$30,600,000. Non-current amounts owing by subsidiary corporations (non-trade) also include a loan of S\$1,034,000 (2024: S\$1,094,000) which bears interest at 2.25% (2024: 2.25%) per annum and is denominated in Japanese yen. The remaining amounts are interest-free and mainly denominated in Australian dollars, Japanese yen and Singapore dollars.

Non-current amounts owing to subsidiary corporations (non-trade) include a loan of S\$3,674,000 (2024: S\$3,886,000) which bears interest at 1.28% (2024: 1.28%) per annum and is denominated in Japanese yen and loans of S\$11,288,000 (2024: S\$17,484,000) which bear interest at 5% (2024: 5%) per annum and are denominated in United States dollars, Singapore dollars and Japanese yen. The remaining amounts are interest-free and mainly denominated in Australian dollars, Hong Kong dollars and Singapore dollars.

Transactions between the Company and its subsidiary corporations have been eliminated on consolidation and are therefore not disclosed in this note.

6 Related party transactions

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. Balances with related parties are unsecured, interest-free and repayable on demand.

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

	Group		Company	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Sales, net of returns	1,528	2,830	-	-
Sales to associates, net of returns	-	29	-	-
Purchases, net of returns	(2,197)	(3,244)	-	-
Service fees paid	(305)	(326)	-	-
Rental income	1,265	1,243	-	-
Rental expenses	(85)	(56)	(18)	(18)

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Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2025	2024
	S\$'000	S\$'000
Short-term benefits	12,315	6,936
Post-employment benefits	13	12
	<u>12,328</u>	<u>6,948</u>

The remuneration of directors and key management is determined by the Nomination and Compensation Committee having regard to the performance of individuals and market trends.

7 Cash and bank balances

	Group		Company	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed deposits	16,373	317	7,546	-
Pledged fixed deposits	1,255	2,685	-	-
Cash and bank balances	13,864	9,671	1,123	258
Total	<u>31,492</u>	<u>12,673</u>	<u>8,669</u>	<u>258</u>
Less:				
Fixed deposits with maturities exceeding three months	(1,689)	(317)	-	-
Fixed deposits that have been placed with banks against trust receipts	<u>(1,255)</u>	<u>(2,685)</u>	-	-
Cash and cash equivalents in the consolidated statement of cash flows	<u>28,548</u>	<u>9,671</u>	<u>8,669</u>	<u>258</u>

Fixed deposits bear interest at an average effective interest rate of 2.39% (2024: 4.49%) per annum and are for a weighted average tenure of approximately 64 days (2024: 365 days).

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Material accounting policy information

Cash and bank balances comprise bank balances, and fixed deposits which are subsequently measured at amortised cost. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than investment or other purposes.

For the purposes of the statement of consolidated cash flows, cash and cash equivalents consist of cash and bank balances as described above, net of fixed deposits with maturities exceeding three months and pledged fixed deposits.

8 Trade receivables

	Group	
	2025	2024
	S\$'000	S\$'000
Trade receivables	33,841	27,825
Less: loss allowance (Note 4(c)(i))	(1,784)	(1,679)
	<u>32,057</u>	<u>26,146</u>

The average credit period on sale of goods is 30 days (2024: 28 days). No interest is charged on the overdue trade receivables.

Included in trade receivables is an amount of S\$2,153,000 (2024: S\$4,007,000) due from related parties (Note 6).

As at January 1, 2024, trade receivables from contracts with customers amounted to S\$17,258,000 (net of loss allowance of S\$884,000).

Material accounting policy information

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 60 days and are therefore classified as current. Trade receivables are initially measured at their transaction price, unless they contain significant financing components, when they are recognised at fair value. They are subsequently measured at amortised cost, and less loss allowance.

Details about the Group's credit risk management and impairment policies are disclosed in Note 4(c)(i).

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9 Other receivables

	Group		Company	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Advances	4,447	6,000	-	-
Deposits	3,041	2,000	4	-
Value added tax/Tax recoverable	2,661	2,216	25	22
Prepayments	1,294	1,483	125	78
Interest receivable	4	51	-	-
Dividends receivable	13,129	901	-	-
Others	1,374	2,435	-	-
Less: loss allowance (Note 4(c)(i))	-	(85)	-	-
Total	25,950	15,001	154	100
Analysed as:				
- Current	25,513	14,009	154	100
- Non-current	437	992	-	-
Total	25,950	15,001	154	100

Material accounting policy information

Other receivables are recognised initially at fair value and are subsequently measured at amortised cost, less loss allowance.

Details about the Group's credit risk management and impairment policies are disclosed in Note 4(c)(i).

10 Debt instruments measured at fair value through income statement and amortised cost

	Group	
	2025	2024
	S\$'000	S\$'000
At fair value	1,260	36,127
At amortised cost	-	5,149
Total	1,260	41,276
Analysed as:		
- Current	855	1,289
- Non-current	405	39,987
Total	1,260	41,276

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During the year, the relevant debt instruments pertaining to TBTG were converted into equity shares as part of the IPO.

The debt instruments amounting S\$855,000 (2024: S\$29,650,000) are secured by, inter alia, first or second mortgages over the land of the projects, first or second mortgages and debentures over the borrower and other project related entities as well as personal guarantees by owners/principal shareholders of certain developers. The debt instruments are denominated in Australian Dollars.

Debt instruments amounting to S\$nil (2024: S\$28,361,000) were extended to the GTH Group of entities and the remaining balances are to third parties for development projects in Australia and other investments. The debt instruments extended to GTH Group of entities were repaid in full during the year.

Gains on the fair value of debt instruments measured at FVTIS, amounting to S\$2,081,000 (2024: S\$6,344,000) have been included in profit or loss as part of "revenue" and "other operating income" for the year.

Description	Fair value		Fair value hierarchy	Valuation technique	Significant unobservable input	Average rate
	2025	2024				
	S\$'000	S\$'000				
Unquoted debt instruments at FVTIS	1,260	36,127	Level 3	Discounted cash flows	Discount rates	9% (2024: 13%)

Any significant isolated (decreases) increases in this input would result in a significantly higher (lower) fair value measurement.

11 Inventories

	Group	
	2025	2024
	S\$'000	S\$'000
Finished goods and goods for resale	35,054	25,035

Inventories are expected to be recovered no more than twelve months after the reporting period.

The cost of inventories recognised as an expense includes a charge of S\$1,375,000 (2024: S\$2,090,000) in respect of allowance for adjustment in carrying value of inventories to net realisable value.

Material accounting policy information

Inventories are measured at the lower of cost (calculated using weighted average cost method) and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

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12 Property, plant and equipment

<u>Group</u>	Leasehold	Leasehold	Motor	Total
	land and buildings	improvements, furniture and fixtures and office equipment	vehicles	
	S\$'000	S\$'000	S\$'000	S\$'000
Cost:				
At January 1, 2024	790	4,510	1,163	6,463
Additions	-	653	75	728
Disposals	-	(34)	(2)	(36)
Translation adjustments	-	84	9	93
At December 31, 2024	790	5,213	1,245	7,248
Additions	-	1,879	62	1,941
Disposals	-	(1)	-	(1)
Translation adjustments	-	(208)	(32)	(240)
At December 31, 2025	790	6,883	1,275	8,948
Accumulated depreciation:				
At January 1, 2024	71	2,925	961	3,957
Depreciation	13	635	89	737
Disposals	-	(33)	(2)	(35)
Translation adjustments	-	51	7	58
At December 31, 2024	84	3,578	1,055	4,717
Depreciation	13	842	90	945
Translation adjustments	-	(140)	(29)	(169)
At December 31, 2025	97	4,280	1,116	5,493
Impairment:				
At January 1, 2024	-	313	-	313
Translation adjustments	-	3	-	3
At December 31, 2024	-	316	-	316
Translation adjustments	-	(6)	-	(6)
At December 31, 2025	-	310	-	310
Carrying amount:				
At December 31, 2025	693	2,293	159	3,145
At December 31, 2024	706	1,319	190	2,215

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Material accounting policy information

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:

Leasehold land	-	61 years
Buildings	-	40 years or the unexpired term of the lease, whichever is earlier
Leasehold improvements, furniture and fixtures and office equipment	-	4 to 10 years
Motor vehicles	-	5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period following the Group's consideration of the asset condition, wear-and-tear and technology changes. The effect of any changes in estimate is accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated based on the higher of fair value less costs of disposal and value in use, to determine the extent of the impairment loss (if any).

13 Right-of-use assets

The Group leases several assets including office space, apartments, warehouses and retail stores. The average lease term is 3 years (2024: 3 years). The Group's obligations are secured by the lessors' title to the leased assets.

	Office space	Apartments	Warehouses	Retail stores	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Group</u>					
At January 1, 2024	865	-	1,367	2,972	5,204
Additions	821	-	7	4,550	5,378
Disposal	-	-	-	(213)	(213)
Depreciation	(366)	-	(331)	(1,948)	(2,645)
Translation adjustments	23	-	47	81	151
At December 31, 2024	1,343	-	1,090	5,442	7,875
Additions	964	377	572	3,638	5,551
Disposal	-	-	-	(25)	(25)
Depreciation	(544)	(48)	(399)	(3,461)	(4,452)
Translation adjustments	(37)	1	(59)	(206)	(301)
At December 31, 2025	1,726	330	1,204	5,388	8,648

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The Group leases several assets including leasehold land and buildings, plant and equipment and IT equipment. The lease term ranges from 1 to 6 years (2024: 2 to 5 years). The Group's obligations are secured by the lessor's title to the leased assets.

The Group does not have options to extend the office space, apartments, warehouses and retail stores leases in both years.

Material accounting policy information

The Group as lessee

A right-of-use asset is initially measured at cost comprising the initial lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs and any restoration costs. The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are depreciated over the lease terms commencing from the date of the lease, and are tested for impairment in accordance with the policy similar to that adopted for property, plant and equipment in Note 12.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Depreciation is recognised so as to write off the cost of assets over the shorter period of lease term and useful life of the assets using the straight-line method, on the following bases:

Office space	-	2 to 5 years
Apartments	-	2 years
Warehouses	-	5 years
Retail stores	-	3 years

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

14 Investment property

	Group	
	2025	2024
	S\$'000	S\$'000
At fair value		
Balance at end of year and beginning of year	31,158	31,158

The property rental income earned by the Group from its investment property, all of which is leased out under operating leases amounted to S\$1,265,000 (2024: S\$1,304,000). Direct operating expenses (including repairs and maintenance) arising from the investment property, all of which generated rental income in the year, amounted to S\$410,000 (2024: S\$494,000).

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As at December 31, 2025, the Group has pledged investment property having a carrying amount of approximately S\$31,158,000 (2024: S\$31,158,000) to secure banking facilities granted to the Group.

Details of the Group's investment property are as follows:

Description and location	Existing use	Leasehold or freehold	Tenure and Unexpired lease term
20 Upper Circular Road #03-06, The Riverwalk, Singapore	Office	Leasehold	54 years till December 14, 2079

Material accounting policy information

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Key sources of estimation uncertainty

Fair value measurement of the Group's investment property

The fair value measurement of the Group's investment property at December 31, 2025 and 2024 have been determined on the basis of valuations carried out at the respective year end dates by Colliers International Group Inc, independent valuer having appropriate recognised professional qualification and recent experience in the location and category of the property being valued, and not related to the Group. The valuation conforms to International Valuation Standards.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties in similar location and condition under the prevailing market conditions. In estimating the fair value of the property, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at the end of the reporting period are as follows:

Description	Fair value		Fair value hierarchy	Valuation technique	Significant unobservable input	Range ⁽¹⁾ (per sqm)
	2025 S\$'000	2024 S\$'000				
Office property	31,158	31,158	Level 2	Direct comparison approach	Adjustment made to the price per square meter ⁽¹⁾	S\$18,100 (2024: S\$18,100)

⁽¹⁾ Price per square meter is based on recent transactions adjusted for property type, age and location. Any significant isolated increases (decreases) in the estimated price per square meter would result in a significantly higher (lower) fair value measurement.

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15 Investment in subsidiary corporations

	Company	
	2025	2024
	S\$'000	S\$'000
Unquoted equity shares, at cost	398,123	397,263
Deemed capital reduction ⁽ⁱ⁾	(82,813)	(86,863)
Less: Impairment loss ⁽ⁱⁱ⁾	(117,417)	(114,886)
Total	<u>197,893</u>	<u>195,514</u>

(i) Management has assessed that intercompany amounts owing by the Company to its wholly-owned subsidiary, Thakral Corporation (HK) Limited ("TCHK") as at December 31, 2025, TCHK are not expected to be repaid in the foreseeable future and therefore treated as deemed capital reduction and offset against the cost of investment in TCHK.

(ii) Movements in impairment loss for investment in subsidiary corporations were as follows:

	Company	
	2025	2024
	S\$'000	S\$'000
Balance at beginning of year	114,886	121,110
Impairment loss (Reversal) for investment in subsidiary corporations	<u>2,531</u>	<u>(6,224)</u>
Balance at end of year	<u>117,417</u>	<u>114,886</u>

Management has made an impairment loss of S\$2,531,000 (2024: reversal of S\$6,224,000) for certain investment in subsidiary corporations based on an assessment of their recoverable values, which is fair value less costs to sell. The net impairment occurred mainly as a result of the decrease in the recoverable amount of certain subsidiary corporations from changes in exchange rates of the currencies in which their net assets are denominated, partly offset by operational profits.

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Details of the Group's significant subsidiary corporations at the end of the reporting period are as follows:

Name of subsidiary corporation	Country of incorporation and operation	Cost of investment held by the Company		Effective equity interest held by the Group		Principal activity
		2025	2024	2025	2024	
		S\$'000	S\$'000	%	%	
Thakral Corporation (HK) Limited ⁽¹⁾	Hong Kong	146,825	142,775	100	100	Marketing and distributing beauty, fragrance and lifestyle products
Thakral Brothers Ltd ⁽²⁾	Japan	7,543	7,543	100	100	Marketing and distributing beauty, fragrance and lifestyle products
Thakral Lifestyle Pte Ltd	Singapore	7,716	7,716	100	100	Marketing and distributing beauty, fragrance and lifestyle products and investment holding
Thakral Capital Holdings Pte Ltd	Singapore	30,612	30,612	100	100	Investment holding
Thakral Realty (S) Pte Ltd	Singapore	13,000	12,140	100	100	Investment holding
TJP Pte Ltd	Singapore	15,433	15,433	54.7	54.7	Investment holding
Thakral Umeda Properties Pte Ltd	Singapore	6,602	6,602	58.6	56	Investment holding
Thakral Capital Investments Ltd ⁽¹⁾	Hong Kong	81,005	81,005	100	100	Investment holding
Paramount Investments Pte Ltd	Singapore	6,560	6,560	100	100	Investment holding
Thakral Capital Holdings (Australia) Pty Ltd	Australia	#	#	100	100	Investment holding
Thakral China Ltd ⁽³⁾	People's Republic of China	*	*	100	100	Investment holding and marketing and distributing beauty, fragrance and lifestyle products
Thakral Beauty (Shanghai) Ltd ⁽³⁾	People's Republic of China	*	*	100	100	Marketing and distributing beauty, fragrance and lifestyle products
TCAP Pte Ltd	Singapore	*	*	100	100	Investment holding

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Name of subsidiary corporation	Country of incorporation and operation	Cost of investment held by the Company		Effective equity interest held by the Group		Principal activities
		2025	2024	2025	2024	
		S\$'000	S\$'000	%	%	
Thakral Capital Australia Pty Ltd ⁽⁴⁾	Australia	*	*	100	100	Origination, execution, and management of investment opportunities
Thakral Innovations Private Limited ⁽⁵⁾	India	*	*	100	100	Marketing and distributing lifestyle products and sales and servicing of electronic security equipment
SJ Property Investments Pte Ltd	Singapore	*	*	54.7	54.7	Investment holding
Nihon Property Investments Pte Ltd	Singapore	*	*	56	56	Investment holding
Thakral Japan Properties Pte Ltd	Singapore	*	*	57	50.6	Investment holding
TCAP Partners Pty Ltd ⁽⁴⁾	Australia	*	*	100	100	Investment holding

Less than S\$1,000

* Held by subsidiary corporation

The above subsidiary corporations are audited by Deloitte & Touche LLP, Singapore except for subsidiary corporations that are indicated below:

- (1) Audited by Deloitte Touche Tohmatsu, Hong Kong.
- (2) Audited by Matsui C.P.A. Office, Japan.
- (3) Audited by Da Hua Certified Public Accountants, PRC (member firm of Moore Global Network Limited).
- (4) Not required to be audited by law in country of incorporation in 2025. Audited by Deloitte Touche Tohmatsu, Brisbane, Australia in 2024.
- (5) Audited by GSMK & Associates, Bangalore, India.

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Details of composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activity	Principal place of business/ Country of incorporation	Number of wholly-owned subsidiary corporations	
		2025	2024
Investments	Singapore	4	4
	Australia	8	11
	Hong Kong	2	2
Marketing and distributing beauty, fragrance and lifestyle products	Singapore	1	1
	China	6	5
	Hong Kong	3	3
	British Virgin Islands	1	1
	Japan	1	1
	Mauritius	1	1
	India	2	2
Others	Hong Kong	1	1
		<u>30</u>	<u>32</u>

Principal activity	Principal place of business/ Country of incorporation	Number of non-wholly owned subsidiary corporations	
		2025	2024
Investments	Singapore	5	5
	Australia	-	1
Marketing and distributing beauty, fragrance and lifestyle products	Macau	1	1
		<u>6</u>	<u>7</u>

There are no significant restrictions on the ability of the Company or the subsidiary corporations to access or use the assets and settle the liabilities of the Group.

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Details of non-wholly owned subsidiary corporations that have material non-controlling interests

The table below shows details of non-wholly owned subsidiary corporations of the Group that have material non-controlling interests:

Name of subsidiary corporation	Principal place of business/Country of incorporation	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests for the year		Non-controlling interests in statement of financial position	
		2025	2024	2025	2024	2025	2024
		%	%	S\$'000	S\$'000	S\$'000	S\$'000
Thakral Japan Properties Pte Ltd	Singapore	43.0	49.4	1,997	3,413	19,954	24,965
TJP Pte Ltd and its subsidiary corporation	Singapore	45.3	45.3	1,025	1,737	18,512	18,648
Thakral Umeda Properties Pte Ltd and its subsidiary corporation	Singapore	41.4	43.7	239	928	8,150	9,036
Total				3,261	6,078	46,616	52,649

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Summarised financial information in respect of each of the Group's subsidiary corporations that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Thakral Japan Properties Pte Ltd		TJP Pte Ltd and its subsidiary corporation		Thakral Umeda Properties Pte Ltd and its subsidiary corporation	
	2025	2024	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current assets	16,840	1,372	720	217	399	81
Non-current assets	36,995	57,720	57,790	49,743	23,022	23,718
Current liabilities	(3,391)	(240)	(939)	(57)	(890)	(590)
Non-current liabilities	(4,083)	(8,513)	(16,198)	(8,401)	(1,289)	(1,287)
Equity attributable to equity holders of the Company	26,407	25,374	22,861	22,854	13,092	12,886
Non-controlling interests	19,954	24,965	18,512	18,648	8,150	9,036

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	Thakral Japan Properties Pte Ltd		TJP Pte Ltd and its subsidiary corporation		Thakral Umeda Properties Pte Ltd and its subsidiary corporation	
	2025	2024	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
(Loss) Revenue	(3,206)	7,442	-	-	-	-
Net other income (expenses)	7,685	(535)	2,265	3,836	547	2,113
Profit for the year	4,480	6,907	2,265	3,836	547	2,113
Profit attributable to equity holders of the Company	2,483	3,494	1,240	2,099	308	1,185
Profit attributable to the non-controlling interests	1,997	3,413	1,025	1,737	239	928
Profit for the year	4,480	6,907	2,265	3,836	547	2,113
Other comprehensive loss attributable to equity holders of the Company	(1,722)	(1,771)	(1,323)	(1,812)	(757)	(944)
Other comprehensive loss attributable to the non-controlling interests	(1,301)	(1,729)	(1,095)	(1,499)	(533)	(735)
Other comprehensive loss for the year	(3,023)	(3,500)	(2,418)	(3,311)	(1,290)	(1,679)

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	Thakral Japan Properties Pte Ltd		TJP Pte Ltd and its subsidiary corporation		Thakral Umeda Properties Pte Ltd and its subsidiary corporation	
	2025	2024	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total comprehensive income (loss) attributable to owners of the Company	761	1,723	(82)	287	(449)	241
Total comprehensive income (loss) attributable to the non-controlling interests	696	1,684	(70)	238	(294)	193
Total comprehensive income for the income (loss) for the year	1,457	3,407	(152)	525	(743)	434
Dividends paid to non-controlling interests	-	-	-	(2,023)	-	-
Net cash inflow (outflow) from operating activities	3,927	2	4,576	(1,358)	315	(2,711)
Net cash inflow from investing activities	-	-	-	5,081	-	2,822
Net cash (outflow) inflow from financing activities	-	-	(4,122)	(3,699)	13	(86)
Net cash inflow	3,927	2	454	24	328	25

Financial support

At the end of the reporting period, the Company did not provide financial support to any subsidiary corporations that are in net liability position (2024: S\$1,160,000 provided by the Company's subsidiary, Thakral Corporation (HK) Ltd). If any financial support is required, they will be provided by Thakral Corporation (HK) Ltd and Thakral Capital Holdings Pte Ltd.

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Key sources of estimation uncertainty

Impairment of investment in subsidiary corporations

Determining whether investment in subsidiary corporations are impaired requires an estimation of the recoverable amount of the investment in subsidiary corporations as at the end of the reporting period. Management has estimated the recoverable amount based on the fair value less cost of disposal and is satisfied that the recoverable amounts are higher than the carrying value of the subsidiary corporations which has been stated net of an impairment loss.

16 Associates

	Group	
	2025	2024
	S\$'000	S\$'000
Cost of investment in associates	21,236	21,831
Share of post-acquisition profit	80,127	139,740
Dividend paid by an associate	(6,344)	(6,344)
Translation adjustments	(25,615)	(25,533)
	69,404	129,694

The investments in associates represent the Group's investments in office buildings and hotel buildings held through the TMK structures in Japan.

Pursuant to GTH Group's Initial Public Offering ("IPO") in July 2025, the Group's 31.7% interest in GTH group of entities were diluted to 16.8% (including additional subscription at IPO). The Group has accordingly reclassified the investment from associate to financial assets measured at FVTIS (Note 17). The debt instruments (Note 10) and certain other receivables due from GTH group of entities were repaid in full. As a result of the IPO, the Group recognised a gain of S\$150,541,000.

Details of each of the Group's material associates at the end of the reporting period are as follows:

Name of associate	Principal place of business/ Country of incorporation	Proportion of ownership interests		Proportion of voting rights held		Principal activity
		2025	2024	2025	2024	
TMK Japan TCAP ⁽¹⁾	Japan	99.5%	99.5%	33%	33%	Investment holding
TMK Legal 1 ⁽¹⁾	Japan	92.9%	92.9%	33%	33%	Investment holding
GTH Group of entities ⁽²⁾	Australia	See Note (a) below	31.7%	See Note (a) below	31.7%	Property development

(1) Audited by Deloitte & Touche Tohmatsu, Japan

(2) Audited by Deloitte Touche Tohmatsu, Brisbane, Australia

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- (a) During the year, GemLife was listed on the Australian Securities Exchange, resulting in the Group's stake being diluted from 31.7% to 16.8%. Management assessed that significant influence was lost, leading to the derecognition of the associate and the recognition of the investment at FVTIS, which is valued based on quoted market prices. Please refer to Note 17 on the investment in GemLife.

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts included in the financial statements of the associate, not the entity's share of these amounts, and are prepared in accordance with SFRS(I)s and are adjusted to reflect fair value adjustments upon acquisition and accounting policy alignments. Dividend received from the associates represent the actual amounts attributable and hence received by the Group.

	TMK Japan TCAP		TMK Legal 1		GTH Group	
	2025	2024	2025	2024	2025 *	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current assets	20,449	8,979	6,575	6,465	-	84,350
Non-current assets ⁽¹⁾	90,495	126,412	79,037	82,626	-	918,288
Current liabilities	(6,642)	(4,994)	(1,107)	(880)	-	(46,867)
Non-current liabilities	(57,685)	(92,014)	(59,726)	(62,682)	-	(746,654)
Revenue	4,807	4,912	3,643	3,404	87,940	235,787
Profit for the year	10,960	4,513	682	2,896	13,228	48,977
Total comprehensive income for the year	10,960	4,513	682	2,896	13,228	48,977

* 2025 figures above for GTH Group relate to the period up to the date of reclassification to financial assets measured at FVTIS in June 2025.

- (1) The Group holds significant investments in overseas associates, the principal assets of which comprise investment properties in Japan, amounting to S\$164,198,000 (2024: S\$173,583,000). The fair value measurement of the associates' investment properties at December 31, 2025 and 2024 have been determined on the basis of valuations carried out at the respective year end dates by JLL Morii Valuation & Advisory K.K. ("independent valuer"). The independent valuer 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 valuation conforms to International Valuation Standards.

The fair value was determined based on the discounted cash flow method, where it involves the estimation and projection of an income stream over a period and discounting the income stream with a discount rate to arrive at the fair value. The discount rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

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Reconciliation of the above summarised financial information to the carrying amount of the interest in the associates recognised in these consolidated financial statements:

	TMK Japan TCAP		TMK Legal 1		GTH Group	
	2025	2024	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Net assets of the associate	46,617	38,383	24,779	25,529	-	209,117
Proportion of the Group's ownership interest	99.5%	99.5%	92.9%	92.9%	-	31.7%
Carrying amount of the Group's interest	46,382	38,190	23,022	23,719	-	67,785

Critical judgements in applying the Group's material accounting policies

Accounting for entities under TMK structure

The Group has several associates, with principal activities being investment holding companies to invest in Japanese investment properties through a Japan tokutei mokuteki kaisha ("TMK") structure. Due to the nature of the TMK structure, the Group is required to have more than 25% of common shares which would represent significant influence over the TMKs.

The management has determined that the Group has significant influence over the TMK entities by holding 33% common shares (including voting power, with no rights to dividends and residual assets).

TMK Legal 1 and TMK Japan TCAP are accounted for as associates using the equity method with share of profits of 92.9% (2024: 92.9%) (49% preferred shares (include rights to dividends and residual assets) and 43.9% preferred shares (include rights to dividends and residual assets but no voting power) and 99.5% (2024: 99.5%) (49% preferred shares (include rights to dividends and residual assets) and 50.5% preferred shares (include rights to dividends and residual assets but no voting power) respectively. Preferred shares (include rights to dividends and residual assets but no voting power) are held indirectly in a Japanese vehicle through a Tokumei Kumiai ("TK") operator which the Group does not have a right to control, and the Group has agreed to delegate all authority to the TK operator which can only be lifted through the dissolution of the TMK. Due to the complexity in the ownership structure, management would have to exercise judgement to assess whether the Group has significant influence over these investments, and if this is a single investment. Therefore, the classification of the investment could have a material effect on the financial statements of the Group.

Determining loss of significant influence in an associate

During the financial year, the Group's ownership interest in GTH Group of entities was diluted from 31.7% to 16.8%. Management assessed that, as a result of the dilution and changes in governance, the Group no longer exercised significant influence over GTH Group of entities.

The assessment of whether significant influence had been lost involved significant judgement, including consideration of the Group's shareholding, board representation, rights to participate in GemLife's relevant operating and financial decisions, and the timing of loss of significant influence. Due to the dilution of ownership interest, management would have to exercise judgement to assess whether the Group has significant influence over GTH Group of entities. Therefore, the classification of the investment could have a material effect on the financial statements of the Group.

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Key sources of estimation uncertainty

Valuation of investments held by overseas associates

As of December 31, 2025, the Group holds significant investments in overseas associates, the principal assets of which comprise investment properties in Japan.

The fair values of these investment properties have been determined based on valuations carried out by external independent professional valuer.

The valuation of these properties is considered to be a matter of significance as the valuation process requires the application of judgment in determining the appropriate valuation methodology and use of subjective assumptions and adjustments made to market-based data and benchmarks for any difference in nature, location or condition of the specific properties. A change in these key assumptions will likely impact the valuation.

17 Financial assets measured at fair value through income statement

	Group		Company	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Quoted equity investments				
- Australia	278,957	-	2,619	-
- United Kingdom	33,581	-	-	-
Unquoted equity investments				
- Japan	24,779	46,764	-	-
- Others	25,713	21,117	6,314	6,205
Total	363,030	67,881	8,933	6,205

Description	Fair value		Fair value hierarchy	Valuation Techniques	Significant unobservable inputs	Range
	2025	2024				
	S\$'000	S\$'000				
<u>Group</u>						
Quoted equity investments – Australia	278,957	-	Level 1	See Note (b) below	See Note (b) below	See Note (b) below
Quoted equity investment – United Kingdom	33,581	See Note (a) below	Level 1	See Note (b) below	See Note (b) below	See Note (b) below
Unquoted equity investments – Japan	24,779	46,764	Level 3	See Note (c) below	See Note (c) below	S\$5,401 to S\$5,848 (2024: S\$5,104 to S\$6,018)
Unquoted equity investments – Others	25,713	21,117	Level 3	See Note (d) below	See Note (d) below	See Note (d) below

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Description	Fair value		Fair value hierarchy	Valuation Techniques	Significant unobservable inputs	Range
	2025	2024				
	S\$'000	S\$'000				
<u>Company</u>						
Quoted equity investment – Australia	2,619	-	Level 1	See Note (b) below	See Note (b) below	See Note (b) below
Unquoted equity investments – Others	6,314	6,205	Level 3	See Note (d) below	See Note (d) below	See Note (d) below

- (a) The relevant debt instruments (Note 10) pertaining to TBTG were converted into equity shares, and the Group sold 30% of its investment at the time of the IPO, following which the Group's holding in TBTG was reduced from 9.55% to 6.04%.
- (b) The fair values of the quoted investments are based on their quoted market prices as reflected on the Australian Securities Exchange and the London Stock Exchange, where they are listed.
- (c) The fair values of the financial assets measured at FVTIS are estimated based on the Group's share of the adjusted net asset values of the investees, which approximates the fair value as at the end of the reporting period. The investees are property-holding companies, and their main assets are office and hotel properties in Japan which are leased to external parties or vacant. The valuation is dependent on the valuation methodology applied and the underlying key assumptions used, particularly price per square meter of the underlying properties held by the investees and adjustment made to market data and benchmarks for any difference in nature, location or condition of the specific properties. Any significant isolated increases (decreases) in the estimated price per square meter would result in a significantly higher (lower) fair value measurement.
- (d) The fair values of the other unquoted investments are estimated based on the latest issue price of the underlying equity investments.

Key sources of estimation uncertainty

Valuation of financial assets measured at FVTIS

The Group has unquoted and quoted equity investments designated at fair value through income statement ("FVTIS") are initially recognised at fair value. Transaction costs are expensed in the profit or loss as incurred. Subsequent to initial recognition, these investments are measured at fair value, with changes in fair value recognised in the statement of profit or loss.

Dividends received from such investments are recognised in profit or loss when the right to receive payment is established. On disposal of the investment, any difference between the carrying amount and the proceeds is recognised in profit or loss.

As at December 31, 2025, the Group has unquoted equity investments which are classified as financial assets measured at FVTIS.

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The fair values of the financial assets measured at FVTIS in Japan are estimated based on the Group's share of the adjusted net asset values of the investee companies, which approximate the fair values as at the end of the reporting period. The investee companies are property-holding companies, which own office and hotel properties in Japan. The fair values of these properties have been determined on the basis of valuations carried out by external independent professional valuers.

The fair valuation of the financial assets measured at FVTIS is considered to be a matter of significance as the valuation process requires the application of judgement in determining the appropriate valuation methodology and use of subjective assumptions, including fair values of the underlying properties held by the investee companies, and adjustments made to market-based data and benchmarks for any difference in nature, location or condition of the specific properties. A change in these key assumptions will likely have an impact on the valuation.

18 Trade payables

	Group	
	2025	2024
	S\$'000	S\$'000
Trade payables - outside parties	13,282	9,566

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period on purchases of goods is 17 days (2024: 15 days).

19 Trust receipts

Trust receipts represent short term financing provided by banks, bearing an interest rate up to 2.50% (2024: 2.50%) per annum over the cost of funds for the financial institution lender.

The trust receipts are secured by certain fixed deposits placed with the banks, second legal mortgage over a property in Singapore as well as corporate guarantees by the Company.

The average effective interest rate paid is as follows:

	Group	
	2025	2024
	%	%
Trust receipts	4.90	6.62

20 Bank and other borrowings

	Group		Company	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Other loans	10,599	2,881	-	621
Bank loans	23,055	23,407	-	439
Total	33,654	26,288	-	1,060
Analysed as:				
- Current	6,466	5,750	-	439
- Non-current	27,188	20,538	-	621
	33,654	26,288	-	1,060

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Bank loans (secured)

Certain loans were drawn from banks in China amounting to S\$3,676,000 (2024: S\$3,742,000) during the financial year. They are secured by a corporate guarantee by a subsidiary corporation.

Certain bank loans amounting to S\$17,657,000 (2024: S\$18,725,000) are secured by the investment property in Singapore as well as a corporate guarantee by the Company. These loans are two 5-year term loans with final payments between 2028 and 2029, which are required to be repaid by monthly instalments which bear an interest rate at 1.50% (2024: 1.50%) per annum over the applicable 3-month SWAP offer rate or 1.50% per annum over the prevailing 3-month cost of fund whichever is higher.

Bank loan (unsecured)

A 5-year term loan of S\$nil (2024: S\$439,000), which bore a fixed interest rate at 3% (2024: 3%) per annum, was drawn under the Singapore Government's Temporary Bridging Loan Programme from a bank by the Company. The loan was repaid in full during the year.

The average effective interest rates paid on bank and other borrowings are as follows:

	Group	
	2025	2024
	%	%
Other loans	7.56	7.61
Bank loans	2.88	4.72

The estimated fair values of the non-current loans approximate their carrying values as the loans are expected to be repriced on a timely basis depending on movements in the market lending rates, except for the fixed interest rate loan instruments. Management is of the view that the fair value of the fixed interest loans approximates the carrying value of the loans as the interest rates commensurate with the internal rate of returns and risks associated with the property development projects, and these loans are solely obtained to fund these projects.

21 Lease liabilities

	Group	
	2025	2024
	S\$'000	S\$'000
Maturity analysis:		
Within one year	4,441	3,888
Within two to five years	5,533	6,164
	9,974	10,052
Less: Finance charges allocated to future periods	(754)	(1,809)
	9,220	8,243
Analysed as:		
- Current	4,043	3,539
- Non-current	5,177	4,704
	9,220	8,243

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The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

The total cash outflow for leases amount to S\$4,784,000 (2024: S\$2,804,000).

Material accounting policy information

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. A right-of-use asset and a corresponding lease liability are recognised with respect to all lease arrangements, except for short-term leases (those with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease, and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

Lease payments included in the measurement of the Group's lease liabilities comprise mainly of fixed lease payments over the lease terms.

22 Other payables

	Group		Company	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Accruals	22,304	10,331	5,801	1,118
Advances from customers	7,426	7,606	-	-
Value added tax/other tax payable	11	6	-	-
Sundry creditors	10,446	9,855	52	50
Total	40,187	27,798	5,853	1,168
Analysed as:				
- Current	22,668	18,876	1,958	1,168
- Non-current	17,519	8,922	3,895	-
	40,187	27,798	5,853	1,168

Included in sundry creditors is an amount of S\$319,000 (2024: S\$349,000) due to related parties (Note 6) for rental deposits and the reimbursement of expenses paid on behalf of the Group.

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23 Provisions

	Employee benefits	Restoration provision	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Group</u>				
At January 1, 2024	2,926	152	163	3,241
Provision for the year	1,052	51	-	1,103
Utilisation	(197)	-	(64)	(261)
Translation adjustments	63	8	12	83
At December 31, 2024	3,844	211	111	4,166
Provision for the year	1,880	25	421	2,326
Utilisation	(860)	-	-	(860)
Translation adjustments	(144)	(13)	(31)	(188)
At December 31, 2025	4,720	223	501	5,444

	Group	
	2025	2024
	S\$'000	S\$'000
Analysed as:		
- Current	3,118	3,277
- Non-current	2,326	889
	5,444	4,166

The provisions are made in respect of the Group's and Company's potential liability for long-service and leave payments to employees of certain subsidiary corporations upon their leaving the Group and Company respectively.

Material accounting policy information

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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24 Deferred tax

The following are the major deferred tax liabilities and (assets) recognised by the Group and the Company, and the movements thereon, during the current and prior reporting periods:

	Fair value gain on financial assets	Debt instruments measured at FVTIS	Share of results of associates	Tax losses	Total
<u>Group</u>	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at January 1, 2024	7,715	3,053	13,856	(528)	24,096
Adjustment	(128)	538	(662)	-	(252)
Charge to profit or loss (Note 32)	1,378	547	5,590	-	7,515
Translation adjustments	(452)	(224)	(1,098)	(19)	(1,793)
As at December 31, 2024	8,513	3,914	17,686	(547)	29,566
Adjustment	-	-	-	(18)	(18)
Charge (Credit) to profit or loss (Note 32)	58,296	-	1,473	(1,979)	57,790
Reclassification	11,704	(3,488)	(11,704)	-	(3,488)
Translation adjustments	1,287	56	(410)	80	1,013
As at December 31, 2025	79,800	482	7,045	(2,464)	84,863

	Fair value gain on financial asset
<u>Company</u>	S\$'000
As at January 1, 2024 and December 31, 2024	-
Charge to profit or loss	142
As at December 31, 2025	142

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Group		Company	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Deferred tax liabilities	87,327	30,113	142	-
Deferred tax assets	(2,464)	(547)	-	-
	84,863	29,566	142	-

Material accounting policy information

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from (i) initial recognition of goodwill; or (ii) initial recognition of assets and liabilities in a transaction that is not a business combination, and at the time of the transaction affects neither accounting nor taxable profit, and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiary corporations and associates, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for deductible temporary differences associated with such investments and interests only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the group has not rebutted this presumption. For the freehold land and buildings measured at revalued amount, the Group expects the carrying amount to be recovered through use.

Offsetting

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority.

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25 Issued capital

	Group and Company			
	2025	2024	2025	2024
	Number of ordinary shares		S\$'000	S\$'000
Issued and paid up:				
At the beginning and end of the year	127,870,316	127,870,316	70,820	70,820

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All fully paid ordinary shares, which have no par value, carry one vote per share without restrictions.

26 Treasury shares

	Group and Company			
	2025	2024	2025	2024
	Number of ordinary shares		S\$'000	S\$'000
At the beginning of year	809,200	-	534	-
Repurchased during the year	1,558,300	809,200	2,291	534
At the end of year	2,367,500	809,200	2,825	534

The Company acquired 1,558,300 (2024: 809,200) of its own shares through purchases on the Singapore Exchange Securities Trading Limited during the year. The total amount paid to acquire the shares was S\$2,291,000 (2024: S\$534,000) and has been deducted from shareholders' equity. The shares are held as treasury shares. The Company intends to evaluate opportunities to utilise treasury shares as consideration in potential future investments, thereby preserving cash and providing a flexible tool for structuring deals in a manner that aligns with its strategic goals and maximises shareholder value.

27 Reserves

The capital reserve arose upon the reorganisation of shareholdings in the subsidiary corporations under common control.

Exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiary corporations into Singapore dollars are brought into account by entries made directly to the foreign currency translation reserve.

28 Revenue

All streams of revenue are recognised at a point in time, except rental income which is recognised on a straight-line basis over the lease term. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 *Operating Segments* (see Note 36).

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	Group	
	2025	2024
	S\$'000	S\$'000
Product sales	350,211	273,027
Dividend income from financial assets measured at FVTIS	17,384	588
Management fee and other service income	732	1,101
Rental income (Notes 14 and 38)	1,265	1,304
Fair value changes on debt instruments measured at FVTIS (Note 10)	1,681	4,743
Fair value changes on financial assets measured at FVTIS (Note 17)	40,054	8,044
	411,327	288,807

Material accounting policy information

The Group recognises revenue from the following major sources:

- Product sales
- Dividend income from financial assets measured at FVTIS
- Management fee and service income
- Rental income
- Fair value changes on debt instruments measured at FVTIS
- Fair value changes on financial assets measured at FVTIS

Revenue is measured based on the consideration to which the group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control of a product or service to a customer.

Product sales

The Group sells various beauty, fragrance and lifestyle products to the wholesale market and directly to customers. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised by the Group when the goods are delivered/shipped to the customer as per the terms of the sale, this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

For sale of goods to retail customers, revenue is recognised when control of the goods has transferred or when the service is completed, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods or services.

Dividend income from financial assets measured at FVTIS

Dividend income is recognised when the shareholder's right to receive payment has been established.

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Management fee and other service income

Management fee and other service income are recognised at a point in time on an accrual basis.

Rental income

Rental income is recognised on a straight-line basis over the lease term.

Fair value changes on debt instruments and financial assets measured at FVTIS

Debt instruments and financial assets measured at FVTIS are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss.

29 Other operating income

	Group	
	2025	2024
	S\$'000	S\$'000
Fair value changes on financial assets measured at FVTIS	-	5,446
Gain on disposal of assets held for sale	-	781
Fair value changes / Dividend income from debt instruments	400	1,601
Interest income from debt instruments	301	469
Exchange gain	-	613
Others	299	299
	1,000	9,209

30 Net gains from fair valuation upon Initial Public Offering ("IPO") of investees

During the year, the Group's investees, the GTH Group (Notes 16 and 17) in Australia and TBTG (Note 17) in the United Kingdom, completed their IPOs on the Australian Securities Exchange and the London Stock Exchange, respectively.

	Group	
	2025	2024
	S\$'000	S\$'000
Gain on fair valuation of investments in:		
GTH group	151,231	-
TBTG	28,295	-
Less: related costs and management and employee awards	(5,690)	-
Net gains on fair valuation of investments upon IPO	173,836	-
Deferred tax expenses	(45,369)	-
Net gains after tax on fair valuation of investments upon IPO	128,467	-

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31 Finance costs

	Group	
	2025	2024
	S\$'000	S\$'000
Interest on borrowings	4,406	4,317

Material accounting policy information

Borrowing costs are recognised in profit or loss using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the amortised cost of a financial liability. Borrowing costs also include interest expense arising from lease liabilities.

32 Income tax expense

	Group	
	2025	2024
	S\$'000	S\$'000
Current taxation:		
- Current year tax	6,933	393
- Under provision in prior years	80	9
Deferred tax expenses (Note 24)	57,790	7,515
Total tax expense	64,803	7,917

Domestic income tax is calculated at 17% (2024 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

To address concerns about uneven profit distribution and tax contributions by large multinational corporations, more than 140 jurisdictions have agreed to implement a global minimum tax rate of 15% under the OECD/G20 Inclusive Framework. Since releasing the Pillar Two Model Rules and related commentary, the Organisation for Economic Co-operation and Development ("OECD") has continued to issue detailed administrative guidance, including the most recent Side-by-Side package published in January 2026, which introduces additional safe harbours and provides further clarifications to support coordinated implementation of the global minimum tax.

Several jurisdictions in which the Group operates enacted domestic Pillar Two legislation during 2025, with further refinements expected as jurisdictions adopt the latest OECD guidance. However, these developments do not affect the Group, as its consolidated revenue for each of the four preceding financial years remained below the EUR 750,000,000 threshold. Accordingly, the Group is not within the scope of the Pillar Two rules under the Global Anti-Base Erosion (GloBE) framework.

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The total charge for the year can be reconciled to the profit before tax as follows:

	Group	
	2025	2024
	S\$'000	S\$'000
Profit before tax	238,997	42,804
Income tax expense calculated at 17% (2024 : 17%)	40,629	7,277
Tax effects of:		
- Expenses that are not deductible in determining taxable profit	14,029	2,890
- Income that is not taxable in determining taxable profit	(13,101)	(2,689)
- Current year's tax losses not recognised	1,003	527
- Different tax rates of subsidiary corporations operating in other jurisdictions	26,252	1,801
- Utilisation of deferred tax benefits previously not recognised	-	61
- Previously unrecognised and unused tax losses and tax offsets now recognised as deferred tax assets	(1,979)	-
- Under provision of tax in respect of prior years	41	9
- Utilisation of previous years unutilised tax losses	(2,071)	(1,959)
Income tax expense recognised in profit or loss	64,803	7,917

Subject to the agreement by the tax authorities, at the reporting date, the Group has unused tax losses of S\$183,059,000 (2024: S\$201,818,000) available for offset against future profits. A deferred tax asset has been recognised in respect of S\$1,979,000 (2024: S\$nil) of such losses. No deferred tax asset has been recognised in respect of the remaining S\$183,059,000 (2024: S\$201,818,000) as it is not considered probable that there will be future tax profits available. Included in unrecognised tax losses are losses of S\$14,357,000 (2024: S\$20,594,000) that will expire in the next 5 years. Other losses may be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined.

The Group has estimated temporary differences from capital allowances available for offsetting against future taxable income as follows:

	Group	
	2025	2024
	S\$'000	S\$'000
Amount at the beginning of the year	1,427	886
Amount in current year	214	625
Amount utilised in current year	(94)	(84)
Amount at the end of the year	1,547	1,427
Deferred tax benefit on above not recorded	263	236

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The realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances are subject to agreement by the relevant countries' tax authorities in which the Group operates. These amounts are available for offset against future taxable income of the subsidiary corporations concerned subject to compliance with certain provisions of the relevant countries' income tax regulations. Future tax benefits arising from these unutilised tax losses and capital allowances have not been recognised in the financial statements as there is no reasonable certainty of their realisation in the foreseeable future.

Material accounting policy information

Income tax expense represents the sum of current and deferred tax. It is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax

Current tax payable represents the amount expected to be paid to taxation authorities on taxable profit for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous periods. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects the uncertainty related to income taxes.

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33 Profit for the year

	Group	
	2025	2024
	S\$'000	S\$'000
Profit for the year has been arrived at after charging (crediting):		
Depreciation:		
Depreciation of property, plant and equipment	945	737
Depreciation of right-of-use assets	4,452	2,645
Total depreciation	<u>5,397</u>	<u>3,382</u>
Impairment loss on financial asset:		
Impairment loss on trade receivables	<u>599</u>	<u>745</u>
Employee benefits expense (including directors' remuneration):		
Salaries, wages, bonus and others	24,968	16,032
Defined contribution plans	825	616
Total employee benefits expense	<u>25,793</u>	<u>16,648</u>
Directors' remuneration:		
- paid by the Company	7,980	2,918
- paid by the subsidiary corporations	2,715	2,751
Total directors' remuneration	<u>10,695</u>	<u>5,669</u>
Inventories:		
Cost of inventories recognised as expense	294,315	231,204
Allowance for inventories recognised in cost of sales	<u>1,375</u>	<u>2,090</u>
Gain on disposal of property, plant and equipment	-	(4)
Foreign currency exchange adjustment loss (gain)	516	(613)
Fair value loss on derivative financial instruments	78	149
Amount of fees paid or payable to auditors:		
Audit fees:		
- auditors of the Company and Deloitte network firms	520	510
- other auditors	256	279
Total audit fees	<u>776</u>	<u>789</u>
Non-audit fees:		
- auditors of the Company and Deloitte network firms	129	43
- other auditors	4	14
Total non-audit fees	<u>133</u>	<u>57</u>
Aggregate amount of fees paid or payable to auditors	<u>909</u>	<u>846</u>

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Material accounting policy information

The material accounting policy information relating to the items disclosed in this note that are not mentioned elsewhere in the financial statements are as below:

Defined contribution plans

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Employee leave entitlement

Other employment benefits include employee entitlements to annual leave which are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

34 Dividends

A tax-exempt (one-tier) interim dividend S\$0.02 per share (total S\$2,557,000) was paid to shareholders on September 12, 2024, in respect of the year ended December 31, 2024. In addition, a final tax-exempt (one-tier) dividend of S\$0.02 per share (total S\$2,541,000) was paid to shareholders on June 30, 2025, in respect of the year ended December 31, 2024. Total dividends of S\$5,098,000 were approved and paid during the year ended December 31, 2024.

A tax-exempt (one-tier) interim dividend of S\$0.02 per share and a special interim dividend of S\$0.01 per share (total S\$3,782,000) was paid to shareholders on October 15, 2025, in respect of the financial year ended December 31, 2025. In addition, a tax-exempt (one-tier) second interim dividend of S\$0.035 per share (total S\$4,393,000) in respect of the year ended December 31, 2025, was declared to shareholders and is payable on April 24, 2026.

35 Basic and diluted earnings per share (cents)

The earnings per share is calculated by dividing the Group's net profit attributable to equity holders of the Company by the existing weighted average number of shares in issue during the year as follows:

	<u>2025</u>	<u>2024</u>
	Cents	Cents
Basic earnings per share	135.09	22.53
Diluted earnings per share	135.09	22.53
Weighted average number of ordinary shares	126,535,500	127,860,018

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The calculation of the basic and diluted earnings per share is based on:

	Group	
	2025	2024
	S\$'000	S\$'000
Profit for the year attributable to equity holders of the Company	170,933	28,809

Material accounting policy information

Basic earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares (excluding treasury shares) outstanding during the year.

Diluted earnings per share is calculated by adjusting the profit for the year attributable to equity holders of the Company and the weighted average number of ordinary shares (excluding treasury shares) outstanding, for the effects of all dilutive potential ordinary shares.

36 Segment information

The Group, which operates in four geographical segments being Australia, the People's Republic of China (including Hong Kong), Singapore and others (India and Japan), has 3 main core divisional activities. The reportable segments provided for the Group's chief operating decision makers are based on the types of activities described below:

(a) Investments ("INV")

This includes real estate, over-50s living and other strategic investments in Australia, People's Republic of China, Japan, India and Singapore.

(b) Lifestyle ("LIFE")

This division comprises management and marketing of beauty, fragrance and lifestyle brands and products in India, Japan, the People's 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.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Segment revenue and expense: Segment revenue and expense are the operating revenue and expense reported in the Group's consolidated statement of profit or loss that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

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Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and property, plant and equipment, net of allowances. Capital additions include the total cost incurred to acquire property, plant and equipment directly attributable to the segment. Segment liabilities include all operating liabilities.

Inter-segment transfers: Segment revenue and expenses include transfers between business segments. Inter-segment sales are charged at prevailing market prices. These transfers are eliminated on consolidation.

Information regarding the Group's reportable segments is presented below.

Group's reportable segments

Year ended December 31, 2025

	INV GEMLIFE ⁽¹⁾ S\$'000	INV TIL ⁽²⁾ S\$'000	INV OTHERS S\$'000	INV TOTAL S\$'000	LIFE INV ⁽¹⁾ S\$'000	LIFESTYLE S\$'000	LIFE S\$'000	OTH S\$'000	TOTAL S\$'000
Revenue									
External revenue	52,523	9,246	(2,566)	59,203	1,913	350,211	352,124	-	411,327
Segment operating result	51,150	9,179	(5,755)	54,574	2,206	15,765	17,971	(7,339)	65,206
Depreciation of PPE	-	-	(13)	(13)	-	(924)	(924)	(8)	(945)
Net gains from fair valuation upon IPO of investees	146,541	-	-	146,541	27,295	-	27,295	-	173,836
Share of results of associates	4,193	-	11,538	15,731	-	-	-	-	15,731
Segment result	201,884	9,179	5,770	216,833	29,501	14,841	44,342	(7,347)	253,828
Deferred tax expenses for specific investments	(61,792)	(1,262)	-	(63,054)	-	-	-	-	(63,054)
Segment result after deducting the related deferred tax expenses	140,092	7,917	5,770	153,779	29,501	14,841	44,342	(7,347)	190,774

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Year ended December 31, 2025

	INV GEMLIFE ⁽¹⁾	INV TIL ⁽²⁾	INV OTHERS	INV TOTAL	LIFE INV ⁽¹⁾	LIFESTYLE	LIFE	OTH	TOTAL
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Unallocated corporate expenses									(10,156)
Finance income									247
Finance costs									(4,406)
Foreign exchange loss									(516)
Profit before tax									<u>175,943</u>
Income tax (excluding deferred tax expenses for specific investments)									(1,749)
Profit for the year									<u><u>174,194</u></u>
Other information									
Capital expenditure:									
Property, plant and equipment									1,941
Right-of-use assets									5,552
Depreciation of property, plant and equipment and right-of-use assets									<u><u>5,397</u></u>
Assets									
Segment assets	278,957	9,246	162,523	450,726	33,367	99,343	132,710	17,762	601,198
Deferred tax assets									<u>2,464</u>
Total assets									<u><u>603,662</u></u>
Liabilities									
Segment liabilities	-	-	29,974	29,974	1,000	95,660	96,660	14,227	140,861
Income tax payable									3,142
Deferred tax liabilities	81,282	1,262	4,783	87,327	-	-	-	-	<u>87,327</u>
Total liabilities									<u><u>231,330</u></u>

(1) Segment information has been expanded to reflect the contribution from these sub-segments following the listing of Gemlife (Notes 16 and 17) on Australian Securities Exchange and TBTG (Note 17) on London Stock Exchange during the financial year ended December 31, 2025.

(2) Represents investment in TIL Investments Pvt Ltd, the real estate development project in Gurugram, India.

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Year ended December 31, 2024

	INV TOTAL S\$'000	LIFE S\$'000	OTH S\$'000	TOTAL S\$'000
Revenue				
External revenue	15,780	273,027	-	288,807
Segment operating result	13,685	18,525	(2,623)	29,587
Fair value loss on derivative financial instruments	(147)	(2)	-	(149)
Share of results of associates	22,537	-	-	22,537
Segment result	36,075	18,523	(2,623)	51,975
Unallocated corporate expenses				(5,678)
Finance income				211
Finance costs				(4,317)
Foreign exchange gain				613
Profit before tax				42,804
Income tax				(7,917)
Profit for the year				34,887
Other information				
Capital expenditure:				
Property, plant and equipment	-	721	7	728
Right-of-use assets	-	5,378	-	5,378
Depreciation of property, plant and equipment and right-of-use assets	13	3,362	7	3,382
Assets				
Segment assets	265,130	90,317	3,519	358,966
Deferred tax assets				547
Total assets				359,513
Liabilities				
Segment liabilities	22,938	84,305	6,057	113,300
Income tax payable				328
Deferred tax liabilities (assets)				30,113
Total liabilities				143,741

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Geographical information

The following tables provide an analysis of:

- a) the Group's sales by geographic market are based on the location of customers and source of income from these regions:

	Revenue	
	2025	2024
	S\$'000	S\$'000
South Asia	193,965	151,909
People's Republic of China (including Hong Kong and Macau)	85,929	65,070
North America	54,327	40,851
Australia	52,395	5,978
Japan	(2,993)	7,583
Others	27,704	17,416
	<u>411,327</u>	<u>288,807</u>

Information about major customer

Included in revenue of S\$352,124,000 (2024: S\$273,027,000) arising from the Lifestyle segment are revenue of approximately S\$45,791,000 (2024: S\$40,704,000) which arose from sales to 1 (2024: 1) of the Group's largest customer.

- b) additions to property, plant and equipment, right-of-use assets and the carrying amount of segment assets analysed by the geographical area in which the respective companies are incorporated.

	Capital expenditure		Non-current assets*	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
People's Republic of China (including Hong Kong and Macau)	3,530	5,921	7,772	9,148
Singapore	10	7	31,873	31,884
Others	3,952	178	3,305	216
	<u>7,492</u>	<u>6,106</u>	<u>42,950</u>	<u>41,248</u>

* Non-current assets other than financial assets and associates.

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37 Contingent liabilities and commitments

Contingent Liabilities

	Group		Company	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Guarantees given to banks in respect of bank facilities utilised by subsidiary corporations in the Group	3,676	3,742	56,731	55,964
Guarantee given to a supplier in respect of credit payments obligation for purchases by subsidiary corporations in the Group	-	-	14,890	12,725

Commitments

Commitments that are not disclosed elsewhere in the notes to the financial statements are detailed below:

As at December 31, 2025, Thakral Lifestyle Pte. Ltd., a wholly-owned subsidiary corporation of the Group, committed to invest US\$300,000 (S\$386,000) (2024: US\$1,000,000 (S\$1,366,000)) in an investee in the USA. The commitment has been fulfilled in January 2026.

As at December 31, 2025, Paramount Investments Pte. Ltd., a wholly-owned subsidiary corporation of the Group, committed to invest another INR424,000,000 (S\$6,070,000) in an investee in India. The investment shall be funded from the Group's internal resources.

38 Operating lease arrangements

The Group as lessee

At December 31, 2025, the Group is committed to S\$422,000 (2024: S\$158,000) for short-term leases.

The Group as lessor

Operating leases, in which the Group is the lessor, relate to investment property owned by the Group and have lease terms negotiated for an average of 3 years with no extension options. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

	Group	
	2025	2024
	S\$'000	S\$'000
Maturity analysis of operating lease payments:		
Year 1	1,265	1,265
Year 2	633	1,265
Year 3	-	633
Total	1,898	3,163

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Material accounting policy information

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment property and the leases are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

39 Subsequent events

On January 26, 2026, the Group's wholly-owned subsidiary, Paramount Investments Pte. Ltd. ("PIPL"), entered into a series of share purchase and subscription agreements to acquire an additional 81.64% equity interest in TIL Investments Private Limited ("TIL"), an Indian-incorporated entity holding approximately 20.7 acres of freehold land in Gurugram, India intended for a mixed-use development. The aggregate consideration for the acquisition is approximately S\$93,900,000, comprising approximately S\$50,000,000 in cash and S\$43,900,000 to be satisfied through the issue of 24,217,108 new ordinary shares of the Company to Thakral Investments Holdings (Mauritius) Limited.

Upon completion of the acquisition, which is subject to approval by the Company's shareholders, PIPL's ownership in TIL will increase from 13.64% to 95.28%, and TIL will become a subsidiary of the Group.

On January 30, 2026, the Company entered into a subscription agreement and subscribed for US\$3,000,000 (approximately S\$3,813,000) of Class E Acc Participating Shares (SGD) / Class A–D (USD) of the 3R Multi-Strategy Credit Fund, a sub-fund of 3R Credit Strategies VCC.