



THAKRAL CORPORATION LTD

(Incorporated in the Republic of Singapore on 7 October 1993)
(Company Registration No. 199306606E)

PRESS RELEASE

Thakral Group reports net profit attributable to equity holders of S\$0.6 million in 1QFY2016

- *Investment Division maintains strong performance*
- *Lifestyle Division records improved performance*

Singapore, 28 April 2016 – SGX Mainboard-listed Thakral Corporation Ltd (“Thakral” or the “Group”) posted a net profit attributable to equity holders of S\$0.6 million in 1QFY2016 against a loss of S\$0.4 million in the previous corresponding period. Group revenue remained stable at S\$80.3 million.

The Group’s operating profit rose 122% to S\$2.4 million compared to S\$1.1 million in the corresponding quarter last year. The Group also recognised foreign exchange gain of over S\$0.4 million in 1QFY2016 versus a foreign exchange loss of S\$0.3 million in 1QFY2015.

The Investment Division kept up its positive performance as both revenue and profit were maintained in line with the previous corresponding quarter. The Group also benefitted from a higher dividend declared by the Japanese property investment vehicle during the period under review.

The Lifestyle Division continued to do better with improved performance at all its units, narrowing its segment loss by about 60% to S\$0.9 million for the latest quarter compared to S\$2.1 million in the previous corresponding quarter. This reflects the continued progress made by this division to achieve a turnaround from an enhanced product portfolio.

Group gross profit margin improved to 10.5% in the latest quarter as against 9.2% earned in 1QFY2015.

The Group’s gross profit also rose 15% to S\$8.5 million in the last quarter, up from S\$7.3 million in the previous corresponding quarter. Net profit before tax came up to S\$1.0 million, a significant turnaround compared to a loss of S\$0.1 million in the previous corresponding quarter.

Net Asset Value Per Share and Earnings Per Share

The Group registered earnings per share of 0.48 cent for 1QFY2016 – reversing a loss of 0.27 cent in 1QFY2015.

Net Asset Value per share remained relatively unchanged at 73 cents.

Working Capital and Cash Flow

The Group's financial position remains healthy. Its cash and bank balances (including deposits) rose to S\$32.1 million compared to S\$29.6 million at the end of 2015.

Inventories as at 31 March 2016 declined to S\$21.7 million from S\$25.7 million as at 31 December 2015, resulting from the clearance of certain products.

Net cash inflow from operating activities surged to S\$4.4 million in the latest quarter from S\$0.9 million in the previous corresponding quarter.

Segmental Performance

Investments

The Investment Division continued to deliver a strong performance comparable to that of the previous corresponding quarter. The division completed the purchase of the land for its Newstead project in Brisbane in early April and is progressing with its plans to acquire sites and commence development of retirement villages later in the year.

Lifestyle

The Lifestyle Division is showing encouraging results and narrowed its losses through the transformation of its product mix and a focus on certain items in the Beauty & Health segment. This division will persist with efforts to drive growth through securing new customers in the health and beauty industry. The division is also scouting for other innovative brands or products to bolster its portfolio.

Going Forward

Mr. Natarajan Subramaniam, Independent Non-Executive Chairman of Thakral said: "The Group's turnaround performance in the first quarter of the year has once again demonstrated our resilience in the face of significant economic challenges and that our dual-pronged strategy is beneficial in helping us mitigate risks from a single industry or market.

We are saddened by the loss of our Investment Division's Managing Director, Mr. Jaginder Singh Pasricha in January this year. Despite the initial shock of the vacuum in the leadership, this division maintained both its composure and performance. The division will continue with its growth plans especially in the development of retirement villages in Australia. This will help to bring about sustainable income for the Group over the long-term. We will also continue to focus on the Japanese market and scout for good investment opportunities that may arise.

As various projects in Australia under the Investment Division will be maturing over the next 12 months, the division intends to re-invest funds from completed projects into new opportunities there.

Australia's economy is expected to enjoy positive growth although this will be at a slower rate of about 2 to 3% in 2016.

The Lifestyle Division is making good progress with its enhanced portfolio of new beauty & health brands - which now appear to be gaining traction in its key markets.

While China's economy remains soft, there is still growth as the Asian Development Bank has forecast that China's economy would grow at 6.5 percent in 2016. Our Lifestyle Division will keep on identifying market opportunities to grow its portfolio of brands to improve performance."

In view of the continued soft market conditions and global uncertainties, the Group maintains a cautious overall outlook for 2016.

About Thakral

Listed on the SGX Mainboard since December 1995, Thakral Corporation Ltd has two core divisions – Lifestyle Division and Investment Division.

The Group invests directly or with co-investors in real estate and other investment opportunities including property-backed financial instruments. The Group also earns income from the services rendered from the originating, packaging and managing of such projects.

The Group's Lifestyle Division has repositioned itself with a focus on Beauty & Health products. Its extensive brand portfolio include global names such as Apple, Aviendo, Beko, Bose, Canvas, Daewoo, DJI, Harmon Kardon, Leaders, MTG (Refa), Sixpad, Ortech, Panasonic, Philips, Pomone and Skullcandy.

Presently, China (including Hong Kong), Southeast Asia and India, are the Group's key markets for its Lifestyle business while Australia and Japan are the key markets for its Investment Division.

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