



THAKRAL CORPORATION LTD

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

PRESS RELEASE

Thakral's Net Profit increases by 516% to S\$15.0 million for 1HFY2021 as well as Higher Revenue of S\$61.8 million

- **Earnings Per Share rises to 6.84 cents from 0.18 cent**
- **Group Net Asset Value per share increases to S\$1.14 from S\$1.13**
- **Declares interim dividend of 2 cents per share**

Singapore, 5 August 2021

SGX Mainboard-listed Thakral Corporation Ltd ("Thakral" or the "Group") delivered a 5-fold increase in net profit together with a 44% jump in revenue for 1HFY2021. For the six months ended 30 June 2021, the Group achieved a net profit of S\$15.0 million compared to S\$2.4 million in the previous corresponding half year, as Group revenue climbed to S\$61.8 million from S\$43.0 million despite the challenging market conditions brought about by the COVID-19 pandemic. In appreciation to our loyal shareholders, the Board of Directors has declared an interim dividend of 2 cents per share.

The Group's core businesses posted significantly higher revenues in 1HFY2021. Its investment business reported a 14% rise in revenue while the Lifestyle business delivered a 54% increase in sales.

The Group's bottomline benefitted from valuation gains, improved contributions from its associates and joint ventures (which includes GemLife) as well as a gain on disposal of investment properties following the sale of some GLNG houses in Gladstone Australia and properties in China.

The Group also booked an unrealised profit from its investment in e-commerce start-up, Intrepid which completed its B-round funding at a higher valuation than the original investment by the Group.

The Group's share of profits from associates and joint ventures improved significantly to S\$6.2 million reversing a loss of S\$0.1 million in the previous corresponding period. The higher contributions include mainly the share of profit from its GemLife joint venture in Australia and unrealised net valuation gains on its Japanese property investments.

Net Asset Value Per Share and Earnings Per Share

Net Asset Value of the Group per share as at 30 June 2021 edged up 1.5% to 114.68 cents from 113.03 cents as at 31 December 2020.

The Group's 1HFY2021 earnings per share rose significantly to 6.84 cents from 0.18 cent in 1HFY2020.

Working Capital

Cash and bank balances rose to S\$8.3 million as at 30 June 2021 from S\$5.8 million as at 31 December 2020, mainly from the disposal of properties during the period. The Group saw a higher net cash outflow from operating activities of S\$6.4 million for the current half-year compared to S\$5.6 million in the previous corresponding period, mainly from the changes in working capital components.

Segmental Performance of Core Businesses

The Group's core Investments achieved satisfactory performance despite the problems caused by the emergence of new COVID-19 variants.

Overall, this business segment reported improved revenue of S\$12.4 million and segment result of S\$19.9 million (against S\$10.9 million and S\$8.9 million respectively in the same period last year).

Australia

GemLife Joint Venture

The Group's GemLife joint venture maintained steady growth, contributing positively to the Group's bottomline. During the first six months of this year, sale and settlement of houses in its five active resorts went up about 65% without reduction in prices.

GemLife contributed about S\$0.7 million to the Group's net profit for the period under review.

Sales and settlements at the Bribie Island, Highfields, Woodend, Maroochy Quays and the Pacific Paradise resorts are progressing well, with over 700 homes already occupied. Sales and construction of remaining homes on Stage 5 at Bribie Island are running ahead of schedule, with the last home to be handed over in November 2021 – more than 2 years ahead of expectation. GemLife's other properties on Sunshine Coast (Maroochy Quays and Pacific Paradise) have experienced strong demand with completion of the community facilities expected in Q3FY2021.

GemLife is also seeing strong sales on all four of the new resorts where construction has commenced. Its project at Lennox Head obtained Development Approval, and construction will commence in Q4 2021. GemLife continues to monitor the market with a view to increasing its portfolio from the current target of 4,500 homes to meet the ever-increasing demand for affordable housing for the over 50's in Australia.

Other Residential Projects

The Australian property market has remained robust, as median prices have risen since 12 months ago.

Parkridge Noosa continues to benefit from surging demand away from capital cities to premium regional areas such as Noosa. Settlement of stage 3 is expected to commence in Q3 and Q4 2021.

Practical completion of the Oxford Residences in Sydney's Bondi Junction has been pushed back due to construction delays, including COVID-19 interruptions, but is still expected by the end of Q3 2021.

Some of the Group's Gladstone houses have been sold this year with prices and rentals increasing from last year.

Construction of the ultra-luxurious 13 residential units at Thornton Street, Brisbane project has commenced with completion expected in 2023.

Japan

The valuation of the Group's office units in its Japan portfolio has risen by S\$9.3 million despite delays in lease renewals and new leasing transactions.

Lease renewals of office properties continued to be done at improved rates, enabling the Group's portfolio to perform slightly above internal budgets.

Lifestyle mainly in China including Hong Kong

Overall, sales in this business segment rose about 54% to S\$49.4 million from S\$32.2 million in the previous corresponding half year.

The segment's sales growth has lifted its bottomline, reporting a segmental profit of S\$0.7 million, boosted by a fair value gain of S\$0.9 million recognised on the Intrepid investment after completion of its B-round of financing in May 2021.

The segment's upswing was largely due to the robust growth in the lifestyle and fragrance product categories. Its Hong Kong subsidiary was also appointed the exclusive distributor by DJI for South Asia, covering 7 territories (instead of one previously) as well as secured the distributorship for commercial products in addition to the consumer range.

The Group's fragrance products business also made good progress in this half year, with sales for the first six months being 1.4 times more than that in all of FY2020. The Group continues to work with other brand-owners to further strengthen its portfolio of premium fragrance, beauty and lifestyle brands and drive scale.

Going Forward

Mr. Natarajan Subramaniam, Independent Non-Executive Chairman and Lead Independent Director of Thakral, said: "The year has started on a strong note for us as all our business segments did exceptionally well in the first six months - taking advantage of market opportunities to grow amidst challenging market conditions. Special kudos to our Lifestyle team for their hard work, and passion to turnaround and

drive the business forward with a strengthened brand portfolio and innovative technologies to target new market segments with strong growth potential.

Our real estate investments have delivered a strong performance. In Australia - record-low interest rates combined with government stimulus have fuelled a sharp rise in property prices. The pandemic has led to more people working from home which has also driven demand for more space and bigger homes while demand among the over 50s generation for retirement resorts such as GemLife remains resilient.

In Japan – CBRE expects the Japan real estate market to either bottom-out and/or stage a recovery in 2021, although the pace and timing of the rebound may vary across different sectors as they adjust to the long-term impacts of short-term disruptions caused by measures to contain the pandemic. Low interest rate policies are expected to continue worldwide, and real estate investments in Japan with relatively high yields are expected to remain attractive to investors. The easing of restrictions on travel for business purposes will further encourage foreign investors to resume their activities in Japan with an eye on post-virus growth potential.”

He added: “China’s economy rebounded strongly from the COVID-19 crisis in 2021, buoyed by solid export demand and policy support. China posted a 12.7 per cent growth in the first half of the year, with retail sales rising 23% compared to the same period last year. Overall, China has set an economic growth target of “above 6 per cent” for 2021 after it grew by 2.3 per cent last year. However, analysts expect growth to easily surpass that target, growing by more than 8 per cent this year.¹

While these trends augur well for us, we will always need to stay vigilant and nimble to adapt and take advantage of favourable opportunities and manage downside risks that may arise in the coming months as global economies grapple with the changing market dynamics accelerated by the ongoing COVID-19 pandemic.”

The Group therefore maintains a cautious outlook for the rest of FY2021.

About Thakral

Thakral Corporation Ltd is listed on the SGX Mainboard since December 1995. The Group’s core business today comprises a growing real estate investment portfolio in Australia, Japan and Singapore. Its investments in Australia include the development and management of over-50s lifestyle resorts under the GemLife brand, a joint venture with the Puljich family. Its Japanese investment portfolio comprises landmark commercial buildings and business hotels in Osaka, the country’s second largest city. The Group also makes strategic and opportunistic investments from time to time.

The Group’s other investments include the management and marketing of leading beauty, wellness and lifestyle brands in China, Southeast Asia and India. It also operates an e-commerce retail platform for at-home beauty devices in China under a

¹ China GDP: economic growth slows to 7.9 per cent in second quarter, 12.7 per cent in first half of 2021: <https://www.scmp.com/economy/china-economy/article/3141162/china-gdp-economy-79-cent-second-quarter-127-cent-first-half>

joint venture with UK-based CurrentBody.com Limited, the leading global at-home beauty device retailer.

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