



## **THAKRAL CORPORATION LTD**

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

### **PRESS RELEASE**

## **Thakral Group reports net profit of S\$1.12 million for first half FY2016**

*Singapore, August 3, 2016* – SGX Mainboard-listed Thakral Corporation Ltd (“Thakral” or the “Group”) sustained its profitable track record for the first half of FY2016 (“1HFY2016”) - posting a net profit of S\$1.1 million as both its Investment and Lifestyle Divisions continued to deliver improved performances compared to the previous corresponding period.

Gross profit grew 45% to S\$17.9 million for the six months ended June 30, 2016, despite a 15% year-on-year decline in revenue for the first half to S\$134.4 million against S\$158.7 million during the previous corresponding period.

The Group achieved a net profit before tax of S\$1.6 million for the current period, compared to the pre-tax profit of S\$7.4 million in the previous corresponding period. The higher profit in the previous corresponding period was due largely to the inclusion of an unrealized valuation gain of S\$9.5 million on its warehouse properties in Hong Kong which was recorded in 1HFY2015.

Gross profit margin improved to 13.3% from 7.8% in the previous corresponding period while profit from operations rose to S\$5.7 million for 1HFY2016 compared to a loss of S\$0.1 million in the previous corresponding period.

Administration expenses were kept in check at S\$8.6 million, with a 2% dip from S\$8.8 million incurred in the previous corresponding period.

Other operating expenses also fell to S\$0.7 million for the current period against S\$0.8 million in the previous corresponding period.

### **Earnings Per Share and Net Asset Value Per Share**

The Group’s Earnings Per Share was 0.15 cent compared to 4.97 cents in 1HFY2015 – reflecting the one-off revaluation gain recognised in the earlier period.

Net Asset Value per share eased to 72.24 cents as at June 30, 2016 from 73.57 cents as at December 31, 2015. This is mainly due to the loss on translation of the net assets of the subsidiaries denominated in foreign currencies as well as loss attributable to shareholders for the second quarter ended June 30, 2016 (“2QFY2016”).

## **Working Capital Position**

The Group saw a net cash inflow from operating activities of S\$7.4 million in the current period compared to an outflow of S\$2.6 million in the previous corresponding period.

Total cash and bank balances, including fixed deposits remained relatively stable at S\$27.8 million as of June 30, 2016 against S\$29.6 million as of December 31, 2015.

Inventories and trade receivables were also lower in 1HFY2016.

## **Segmental Performance**

### **Investments**

The Investment Division saw its revenue surge by 24% to S\$13.1 million for the six months ended June 30, 2016 compared to S\$10.5 million in the previous corresponding period. Segment profit advanced by 36% to S\$9.3 million from S\$6.8 million previous corresponding period.

The division completed the financing of the acquisition of land for the Newstead project in Brisbane in Australia during 2QFY2016.

Real estate group JLL purchased the management rights to this new 300 apartment and townhouse development which is due for completion late next year. This project includes four residential buildings designed by cutting edge architect Bureau Proberts.

### *Resort Style Retirement Housing*

The Investment Division is moving forward with its joint venture (“JV”) for the development of Resort Style Retirement Housing projects. The JV entities have contracted three sites for about 800 homes of which two sites are expected to be settled in 3QFY2016 while the third is expected to be settled in early 2017. The JV entities are also negotiating contracts on three more sites which would bring the total homes available for development to about 1,800. Development approval for one of the sites was received in mid-July and construction of the infrastructure should begin shortly.

### **Lifestyle**

With continued focus on higher margin items, the Lifestyle Division saw year-to-date sales decline by 18% to S\$121.3 million from S\$148.2 million in the previous corresponding period. The division continues its efforts and progress to turnaround with segment loss narrowing by 60% to S\$2.1 million for the period from S\$5.3 million in 2QFY2015.

The Group’s Hong Kong office moved to new premises with reduced rentals during 2QFY2016 and recognized compensation and removal costs paid by the landlord of

about S\$0.4 million.

## Going Forward

Mr. Natarajan Subramaniam, Independent Non-Executive Chairman of Thakral said: “According to property market reports, key Australian cities such as Sydney and Melbourne which recorded the strongest property performance in 2015 – are expected to continue to do well in 2016 - with some improvement in Brisbane and Perth. While the transition from an economy with heavy reliance on construction and exports towards an economy driven by consumption and services is gathering pace in China, its positive impact on the Group’s business is not yet evident. Our Lifestyle Division will persist in its push to improve performance to seek new trajectories for growth.”

The Group is confident of the growth of the Investment Division. Overall, the Group maintains a cautious 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, Bose, Canvas, Daewoo, DJI, Harmon Kardon, Leaders, MTG (Refa), Sixpad, Style, 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.

---

*Release issued on behalf of Thakral Corporation Ltd  
by Stratagem Consultants Pte Ltd*

For more information, please contact:

Tham Moon Yee and Soh Tiang Keng

Tel: (65) 6227 0502

Emails: [tmy@stratagemconsultants.com](mailto:tmy@stratagemconsultants.com)  
[sohtk@stratagemconsultants.com](mailto:sohtk@stratagemconsultants.com)