



THAKRAL CORPORATION LTD

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

FOR IMMEDIATE RELEASE

Thakral reports S\$10.8 million attributable profit – 45% increase in 1H2024

- Revenue is up 23.2% on stronger demand for beauty and fragrance products as well as an expanded product range for drones and related accessories
- Declared an interim dividend of 2 cents
- Net positive impact with a 45.1% increase in attributable profit despite a decline in share of profit from associates of 15.5%
- Positive outlook with robust order pipeline for over-50s lifestyle resorts in Australia and expanded range of drone products in the enterprise space

FINANCIAL SNAPSHOT

S\$'000	1H2024	1H2023	Change (%)
Revenue	128,392	104,196	23.2%
Investment ¹	4,114	6,764	-39.2%
Lifestyle ²	124,278	97,432	27.6%
Gross profit	22,492	23,165	-2.9%
Profit from operations	6,692	6,597	1.4%
Share of profit of associates and joint ventures	8,495	10,052	-15.5%
Investment ¹	8,495	9,678	-12.2%
Lifestyle ²	<i>Not Applicable</i>	374	<i>Not Meaningful</i>
Profit before tax	15,000	15,307	-2.0%
Profit attributable to equity holders (“net profit”)	10,801	7,443	45.1%

Singapore, 7 August 2024 – SGX Mainboard-listed Thakral Corporation Ltd (“**Thakral**” or the “**Group**”) announced its unaudited financial results for the six months ended 30 June 2024 (“**1H2024**”).

Top-line growth driven by Lifestyle business

1H2024 revenue rose 23.2% year-on-year (“**yoy**”) due to higher contributions from the Lifestyle business. This was attributable to increased demand for beauty and fragrance products in the People’s Republic of China (“**PRC**”) including Hong Kong and Macau, as well

¹ **Investment:** Mainly derived from share of profit from associates/joint venture such as GemLife in Australia and commercial properties in Japan

² **Lifestyle:** Management and marketing of beauty, fragrance, and lifestyle brands and products via partnerships with L’Oreal and DJI

as the expanded range of drones and related accessories under the Group's distribution in South Asia.

Gross profit came in 2.9% lower yoy at S\$22.5 million for 1H2024 due to volume sales and margin normalisation for the Lifestyle business' products along with reduced income from the TCAP Australia operations which are no longer a focus for the Group, which reflect in the decline in gross margin from 22.2% to 17.5% over the same period.

Increased number of homes delivered under GemLife

The Group's interest in GemLife in the previous corresponding period was 49.9% compared to the 31.7% currently following the completion of the TCH restructuring exercise last year. This is primarily the reason for the Share of profit of associates and joint ventures declining by 15.5% to S\$8.5 million for 1H2024; this includes contributions from the Japanese investments.

GemLife recorded higher development revenue from the delivery of 173 homes for 1H2024, 29% more than 1H2023. In addition, it also saw growth in recurring revenue due to the collection of site fees from a larger portfolio of homes. As of 30 June 2024, total occupied homes stood at 1,622, around 33% more than a year ago.

In addition, the Group also reported greater contribution from its commercial properties in Japan due to a valuation uplift for a building in Osaka helped by the higher occupancy rate.

The Group's 1H2024 attributable profit was 45.1% higher at S\$10.8 million, versus S\$7.4 million in the previous corresponding period.

Interim dividend

The Group declared an interim dividend of 2 Singapore cents per share, representing a dividend payout of 23.7% on 1H2024's attributable profit. The dividend declared translates to an annualised dividend yield of 6.5% based on the closing share price of S\$0.615 on 7 August 2024.

Net Asset Value per share

The Group's net asset value ("NAV") per share stood at 118.75 cents as of 30 June 2024, slightly higher than 116.84 cents as of 31 December 2023. Based on Thakral's share price of S\$0.615 as of 7 August 2024, the Group is trading at a price-to-book ratio of 0.52.

Outlook

Under the Investment business, GemLife is expected to maintain its growth trajectory given the rising ageing population and housing shortage in Australia. On top of that, the attraction of downsizing to buyers to release equity in their houses, along with structural benefits under the Manufactured Housing Estates policy (e.g. no stamp duty on purchase) continue to be a key

driver. The order pipeline for over-50s resorts is robust over the mid- to long-term with GemLife targeting to grow its portfolio to 6,500 homes within a decade.

In Japan, the Group's commercial buildings in Osaka are anticipated to benefit from rental and occupancy growth as the industry enters a new cycle of office relocations and layout updates driven by higher corporate earnings across the board.

Commenting on the Investment business, Thakral's CEO and Executive Director, Mr. Inderbethyl Singh Thakral ("Mr. Bethal") said, **"We are optimistic about our business in Australia owing to the favourable structural trends driving demand, and we expect to record steady growth as GemLife's earnings increase."**

For the Lifestyle business, demand for DJI in South Asia has steadily improved driven by an increasing adoption of drones across the enterprise, agriculture and consumer segments and further underpinned with an expanded portfolio of products. The fragrance business saw similar growth also adding a wider product selection and increased point of sales.

Commenting on the Lifestyle business, Mr. Bethal added, **"Our decade-long partnership with DJI continues to be a fruitful one with a wider range of products being entrusted to the Group. As industries become more data-driven, enterprises are integrating drone products for imaging needs to improve operational efficiencies and decision-making. Meanwhile, the trajectory for our beauty and fragrance business remains positive."**

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About Thakral

Thakral Corporation Ltd is listed on the SGX Mainboard since December 1995. The Group's core business comprises a growing investment portfolio in Australia, Japan and Singapore. Investments in Australia include the development and management of over-50s lifestyle resorts under the GemLife brand. The Japanese investment portfolio consists of landmark commercial buildings in Osaka, the country's second largest city.

The Group also invests in the management and marketing of leading beauty, fragrance and lifestyle brands in Asia, serving customers directly through retail flagship stores, multi-brand specialty retailers and e-commerce platforms.

Furthermore, the Group makes strategic investments in new economy ventures that complement its existing business relationships and networks, including acting as a cornerstone investor or participating in early funding. These investments aim to harness potential synergies and explore new business opportunities.

For more information, please visit www.thakralcorp.com.

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