



THAKRAL CORPORATION LTD

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

PRESS RELEASE

Thakral chalks up net profit of S\$7.3 million for first 9 months

- Investment Division reported a revenue rise of 31%

Singapore, 4 November 2015 – SGX Mainboard-listed Thakral Corporation Ltd (“Thakral” or the “Group”) has reported a net profit of S\$7.3 million from the improved performance of its Investment Division and an unrealized valuation gain of S\$9.6 million on investment properties.

Gross profit for 9MFY2015 increased by 16% to S\$20.6 million from S\$17.9 million in the previous corresponding period while its gross profit margin rose to 8.2% for the current period, up from 4.7% previously.

Profit from operations increased by 52% to about S\$1.0 million for 9MFY2015 from S\$0.7 million in the previous corresponding period on the back of a 35% decline in Group turnover for the 9MFY2015 to S\$250.6 million.

Finance costs were lower by 11% to S\$3.5 million primarily due to the lower outstanding debt from its GLNG housing project in Australia.

Overall distribution expenses for 9MFY2015 rose to S\$5.4 million from S\$4.9 million due to the higher advertising and promotional expenses to market the Group’s new lifestyle products.

Administration expenses were also higher at S\$13.5 million from S\$12.0 million previously mainly due to performance bonus provisions made for the Investment Division’s executive directors.

Earnings Per Share and Net Asset Value Per Share

The Group completed the consolidation of 20 existing shares for 1 ordinary share on 11 May 2015. On a post-consolidation basis, the Group’s earnings per share was 4.41 cents in 9MFY2015 compared to a loss per share of 1.87 cents in 9MFY2014.

Net Asset Value per share declined to 71.90 cents as at 30 September 2015 from 74.71 cents (adjusted for share consolidation) as of 31 December 2014.

Working Capital Position

Inventories as of 30 September 2015 dipped to S\$22.6 million from S\$27.7 million as

of 31 December 2014 mainly due to the ongoing clearance by the Hong Kong and China units.

Trade receivables also fell to S\$11.2 million as of 30 September 2015 from S\$12.6 million as of 31 December 2014.

Lower advances to suppliers led to other receivables and prepayments dropping to S\$7.0 million as of 30 September 2015 from S\$9.6 million as of 31 December 2014.

The Group's cash and bank balances as of 30 September 2015 stood at S\$32.8 million.

Segmental Performance

Investments

Investment Division chalked up revenue growth of 31% to S\$15.5 million in 9MFY2015 from S\$11.9 million in the previous corresponding period. Segment profit also grew 16% to S\$10.2 million. Profit from its Union Balmain project in Australia is expected to be reported in the 4Q of this financial year.

Lifestyle

The Lifestyle Division narrowed its losses to S\$1.4 million in latest quarter, compared to S\$3.2 million in 2QFY2015 – as it continued to expand its brand and product portfolio with a view to returning to profitability. Revenues declined to S\$235.1 million in the first 9 months of this year from S\$371.3 million in the previous corresponding period. This reflects the Group's strategy of reorganizing its product portfolio.

Going Forward

Mr. Natarajan Subramaniam, Independent Non-Executive Chairman of Thakral, said: "Australia has recently seen a change of political leadership. Its economy is expected to continue positive growth but at a slower pace. The Reserve Bank of Australia (RBA) recently softened its economic outlook in view of the global economic uncertainty and slower domestic population growth. It is trimming its 2016 figures to 2.5-3.5 percent, from 2.75-3.75 percent for 2016.

"However, with the prevailing low interest rates, housing demand is likely to persist in the coming year.

"The Group remains well-positioned to participate in the housing market in Australia. The Group is also diversifying into other asset classes and segments of the real estate market that are expected to continue developing in the longer term.

"Our Investment Division recently entered into a joint venture to develop resort style retirement villages in Australia. The JV company - GTH Resorts Pty Ltd will acquire sites in South Queensland and Northern New South Wales with a view to developing

more than 1,000 retirement homes before expanding into other major cities and regions in Australia.

“While the Lifestyle Division has seen some promising results from new products, it continues to face headwinds from the slow Chinese economy and global uncertainties. It will strive to seize new opportunities to return to profitability.

“In view of these trends, the Group remains cautious in its outlook for the current year.”

About Thakral

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

The Group invests in real estate and other investment opportunities which include property-backed financial instruments and in direct property to earn strong returns on its capital and by revolving its capital speedily including by bringing in co-investors. The Group also earns income from the services it provides in originating, packaging and managing these projects. The Group has been the cornerstone investor in these investment opportunities.

The Group's Lifestyle Division has repositioned itself with a focus on Beauty & Health products. Under its extensive brand portfolio are global names such as Apple, Aviando, Beko, Bose, Daewoo, DJI, Harmon Kardon, Misfit, MTG (Refa), Sixpad, Ortech, Panasonic, Pomone, Robam 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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