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

PRESS RELEASE

THAKRAL REALISES NET CASH OF S$5.8 MILLION FROM SALE OF NAMBANAKA THAKRAL BUILDING

Singapore, 24 March 2020

Mainboard-listed Thakral Corporation Ltd ("Thakral" or the "Group"), divested its Nambanaka Thakral Building, a 6,588 square feet retail building situated in the heart of Osaka's retail district, reaping a net profit of about S$0.3 million as from the latest book value as at 31 December 2019 and a profit of about S$6.1 million as from original acquisition and development cost.

The Group had invested in the property in March 2018 and redeveloped it into a brand new three-storey retail building, which has since been leased out to a retail chain for 15 years. The net cash of about S$5.8 million realised from the sale will be used to pay down debt taken up by Thakral Japan Properties Pte Ltd to invest in Thakral Umeda Properties Pte Ltd at the end of December 2019.

Thakral's Group CEO and Executive Director, Mr. Inderbethal Singh Thakral, said: "The disposal of the Nambanaka Thakral Building at a cap rate of 3.6% is in line with the Group's strategy of taking advantage of market opportunities to unlock value of our investment properties in Japan. The value of this property benefitted from the location, the quality of the long-term tenant as well as strong outlook for retail rentals - enabling us to reap robust returns from the divestment."

He added, "The Group will continue to strengthen our portfolio in Japan as well as consider divestment opportunities for other non-core properties to recycle our capital for re-investment in other attractive deals. We aim to improve overall returns as well as manage cash flow."

The property was invested in through the Group's subsidiary, Thakral Japan Properties Pte Ltd, in which the Group holds a 50.6% share. The investment is accounted for by the Group as a financial asset at fair value through income statement; as such, the annual valuation enhancements and the above gain on disposal by the Japanese GK/TK holding structure have been and will be recorded by the Group through an uplift in the fair value of the investment in that structure.

Nambanaka Thakral Building, Osaka, Japan

About Thakral

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

The Group's Investment Division 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 originating, packaging and managing the projects. The Investment Division, through a joint venture, has expanded its businesses into development and management of retirement living resorts in Australia under the GemLife brand. The Group has expanded its portfolio to include properties in Japan and Singapore in recent years. Its Japanese investment portfolio has grown significantly since establishment about five years ago and now comprises 7 commercial buildings and 3 business hotels.

The Investment Division is now the Group's largest component in terms of net assets as well as profitability.

The Group's Lifestyle Division is focused on marketing and distributing brands in the beauty, wellness and lifestyle categories, working with leading e-commerce platforms as well as traditional retailers. The brands distributed by the Lifestyle Division include Panasonic, DermaWand, Philips, T3 and Slendertone, skin and hair care brand John Masters Organics, fragrance brands Maison Margiela and Ralph Lauren as well as lifestyle brands such as DJI. The Lifestyle Division also operates an e-commerce retail platform for at-home beauty devices in China, in a joint venture with UK-based CurrentBody.com Limited, a leader in this space.

Greater China including Hong Kong, Southeast Asia and India are key markets for the Lifestyle Division and Australia, Japan and Singapore for the Investment Division.

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