

## Issuer & Securities

Issuer/ Manager

**FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS**

Securities

THAKRAL CORPORATION LTD - SG1AJ2000005 - AWI

Stapled Security

No

## Announcement Details

Announcement Title

Financial Statements and Related Announcement

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Half Yearly Results

Announcement Reference

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Submitted By (Co./ Ind. Name)

Anil Daryanani

Designation

Chief Financial Officer

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please refer to attached Press Release, Results Presentation and Unaudited Results for the half year ended 30 June 2023.

## Additional Details

For Financial Period Ended

30/06/2023

## Attachments

 [ThakralCorp\\_PR\\_1HFY2023\\_20230810.pdf](#)

 [ThakralCorp\\_1HFY2023\\_PPT\\_20230810.pdf](#)

 [ThakralCorp\\_Results\\_1HFY2023\\_20230810.pdf](#)





## THAKRAL CORPORATION LTD

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

### FOR IMMEDIATE RELEASE

## Profit attributable to shareholders doubles to S\$7.4 million for 1H2023 – growth across segments and geographies

- Investment business more than doubled its segmental profit to S\$11.4 million following stronger operating profits at GemLife, a leading over-50s lifestyle resorts developer and operator in Australia
- Lifestyle business recorded a threefold jump in segmental profit to S\$9.2 million in 1H2023 million on the back of recovering consumer demand in China and South Asia, as well as new store openings
- In 2H2023, Thakral looks to expand its range of fragrance and drone products; perceives sustainable growth potential for over-50s lifestyle resorts in Australia

**Singapore, 10 August 2023** - SGX Mainboard-listed Thakral Corporation Ltd (“**Thakral**” or the “**Group**”) announced its unaudited financial results for the six months ended 30 June 2023 (“**1H2023**”) today.

### Financial Overview

Snapshot of Income Statement	1H2023 (S\$'000)	1H2022 (S\$'000)	Change (%)
Revenue	104,196	64,375	<b>+62</b>
Gross profit	23,165	14,211	<b>+63</b>
Profit from operations	6,597	5,950	<b>+11</b>
Share of profit (loss) of associates and joint venture	10,052	(805)	<b>N.M.</b>
Profit attributable to equity holders (“attributable profit”)	7,443	3,744	<b>+99</b>

*N.M. denotes not meaningful*

Thakral reported revenue of S\$104.2 million for 1H2023, 62% higher than S\$64.4 million attained last year. 94% of the total sales contribution came from the Lifestyle business which mainly constituted the sales of fragrance and lifestyle products to Greater China and DJI drones, digital action cameras, gimbals and their accessories to South Asia.

Gross profit grew 63% year-on-year (“yoy”) to S\$23.2 million for 1H2023 while gross profit margin remained similar at approximately 22% over the same period. Profit from operations increased by approximately 11% yoy to S\$6.6 million for 1H2023. Operating margin fell by 2.9 percentage points to 6.3% for 1H2023 due mainly to expanded headcount and higher staff costs, including provisions made for ex-gratia retirement payments.

### **Segmental Performance of Core Businesses**

Snapshot of Key Businesses	Investments			Lifestyle		
	1H2023 (S\$'000)	1H2022 (S\$'000)	Change (%)	1H2023 (S\$'000)	1H2022 (S\$'000)	Change (%)
External revenue	6,764	7,925	(15)	97,432	56,450	+73
Segment operating result	1,442	5,810	(75)	8,851	1,973	+349
Share of profit (loss) of associates and joint venture	9,678	(1,723)	N.M.	374	918	(59)
Segment result	11,403	4,525	+152	9,212	2,891	+219

#### ***Investments***

Segment results for our Investments grew 2.5 times to S\$11.4 million for 1H2023 owing to stronger operating profit from our joint venture under GemLife, an over-50s lifestyle resorts operator and developer in Australia and steady flow of profits from the properties in Japan.

In 1H2023, demand for GemLife’s homes remained strong with over 600 contracts and deposits currently on hand. Over the past six months, GemLife’s portfolio of occupied homes grew by 134 homes to 1,222 homes. The number of occupied homes has increased by 30% on a yoy basis, improving its recurring revenue base going forward.

The Group’s portfolio of commercial real estate properties in Japan recorded a steady flow of rental income as markets remained steady with stable average rents over the past half-year.

The majority of the profit contribution stemmed from its GemLife joint venture in Australia and pooled investments in Japan.

## ***Lifestyle***

Lifestyle business revenue grew 73% yoy to S\$97.4 million for 1H2023, primarily attributable to the increased demand for lifestyle and fragrance products in China, 3 new fragrance stores opened in Hong Kong and Macau collectively, as well as new fragrance products launched. Meanwhile, robust demand for DJI's range of products resulted in an increased contribution from South Asia. The share swap of its joint venture, CBT At-Home Beauty Holdings Pte Ltd, generated a S\$3.1 million profit (including year-to-date share of profit) during this period while the previous period had seen a gain of S\$2.2 million arise from Ascential's acquisition of the Group's interest in Intrepid.

## **Interim Dividend**

The Group declared an interim dividend of 2 Singapore cents per share, representing a dividend payout of 34.3% on 1H2023's attributable profit. The dividend declared translates to an annualised dividend yield of 7.3% based on the closing share price of S\$0.55 on 10 August 2023.

## **Outlook for Key Businesses**

### ***Lifestyle***

The post-COVID recovery momentum in China is beginning to slow down as evident in the drop in retail sales growth at 3.1% yoy in June 2023, the weakest performance since December 2022. At the same time, the unemployment rate in China hit a new high of 21.3% in June 2023. Meanwhile, the World Bank has also revised India's 2023/2024 GDP forecast from 6.6% to 6.3% amidst the expectation of slower consumption growth and challenging external conditions.

While there are apparent near-term headwinds, the Group remains optimistic about the long-term prospects of the business. Going forward, Thakral plans to expand its product portfolio further via distributorship agreements with more fragrance brand owners. Additionally, it is expanding its product range for drones to cover enterprise sectors including agriculture.

**Thakral's Group CEO and Executive Director, Inderbethal Singh Thakral ("Bethal") said:** "We are cognisant of the macroeconomic headwinds in China and India which could potentially impact our Lifestyle business in the near term. However, the long-term growth potential of the business remains sound and we are looking to widen our product range and coverage to capture a larger share in both fragrance and lifestyle products markets."

## ***Investments***

The Australian housing market has largely avoided a decline despite the 12 rate hikes by the Reserve Bank of Australia since May 2022 thanks to a confluence of factors including the housing shortfall, net overseas migration, and tight rental market conditions. Zooming in on the retirement communities in Australia, the population of over-65s is expected to increase from 4.4 million to 6.6 million by 2041. With national land lease community occupancy at 100%, there is a huge supply gap in the sector on which GemLife could capitalise. By the end of 2023, GemLife expects to welcome the first settlements in two more resorts located in Tweed Waters and Gold Coast, adding to the 7 resorts it currently operates.

**Commenting on GemLife, Bethal added,** “We are confident about GemLife’s growth potential and its sustainability in Australia. GemLife operates in a niche over-50s property segment that is currently benefitting from both increasing demand and an undersupply of homes, a scenario that is expected to persist for the years ahead. Hence, the group has built its potential pipeline to over 7,000 homes across the nation.”

The internal restructuring of Thakral Capital Holdings Pte Ltd, Singapore, the holding entity for the Group’s Australian business, will be put to shareholders for ratification in due course and the Board is of the view that this will benefit the Group.

In Japan, the Group is in the midst of finalising the sale of a hotel property (formerly known as R Hotels Inn) located in Kita-Umeda, Osaka after receiving a 10% deposit. The transaction is scheduled to be completed in end-August.

Looking at the macroeconomic conditions in Japan, there is a possibility of a rate hike in the second half of 2023. While this could pose pressure to the property market, the Group believes that the sector and location it operates in, contains upside potential. Transaction prices for the market remain elevated which favours the Group’s capital recycling plan. Thakral intends to put up two of its office buildings namely Itachibori Square and Utsubo East both in Osaka for sale in the third quarter of the year to capitalise on the market trend.

***END***

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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. 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 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.

Additionally, the Group makes strategic investments, including as a cornerstone investor or participating in early funding, in new economy ventures which complement its existing business relationships and network as well as harness potential synergies and explore new business opportunities.

For more information, please visit [www.thakralcorp.com](http://www.thakralcorp.com).

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*Release issued on behalf of Thakral Corporation Ltd by Financial PR*

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THAKRAL  
CORPORATION LTD

INVESTING FOR  
TOMORROW



THAKRAL  
CORPORATION LTD

# TH2023 RESULTS UPDATE

10 August 2023





# DISCLAIMER

This is a presentation of general information relating to the current activities of Thakral Corporation Ltd. (the “Company”). It is given in summary form and does not purport to be complete.

This presentation may contain forward-looking statements which are subject to risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in these forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, governmental and public policy changes, and the continued availability of financing.

Accordingly, such statements are not and should not be construed as a representation as to the future of the Company, and are not intended to be profit forecasts, estimations or projections of future performance and should not be regarded as such.

No reliance should therefore be placed on these forward-looking statements, which are based on the current views of the management of the Company. The presentation is also not to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. The Company accepts no responsibility whatsoever with respect to the use of this document or any part thereof.



# THAKRAL - AT A GLANCE

## Investment

Businesses*	Structure	Geography
Over-50s lifestyle resort development and operation via <a href="#">GemLife</a>	Joint Venture	Australia
Commercial real estate investment	Pooled Investment Subsidiaries	Japan
Commercial real estate investment	Majority-owned	Singapore

## Lifestyle

Businesses*	Structure	Geography
Marketing of premium beauty and fragrance brands with a retail presence	Majority-owned	Greater China
Exclusive distribution of <a href="#">DJI products</a>	Majority-owned	South Asia
Interior furnishing and building materials supplies	Majority-owned	North America, Australia, India
E-commerce platform for home use health and beauty products via <a href="#">CurrentBody</a>	Minority Investment	Global

\*Only key businesses are shown



# 1H2023 SNAPSHOT

Revenue

**S\$104.2m**

**+61.9%** YoY

Share of Profit  
from Associates  
and JVs

**S\$10.1m**

**Turnaround**

Attributable Profit

**S\$7.4m**

**+98.8%** YoY

Retail Stores  
under Lifestyle  
*(as of 30 June 2023)*

**15**

**+3** in Hong Kong  
and Macau in  
1H2023

GemLife's  
Occupied Homes  
*(as of 30 June 2023)*

**1,222**

**+30%**  
YoY

Interim Dividend  
per share

**2 cents**

**7.3%**  
yield\*



# INCOME STATEMENT HIGHLIGHTS

*Attributable profit doubled on the back of multi-segmental growth*

	1H2023 (S\$'000)	1H2022 (S\$'000)	YoY Change
<b>Revenue</b>	104,196	64,375	<b>61.9%</b>
<b>Gross profit</b>	23,165	14,211	<b>63.0%</b>
<b>Gross margin</b>	22.2%	22.1%	<b>0.1ppts</b>
<b>Profit from operations</b>	6,597	5,950	<b>10.9%</b>
<b>Operating margin</b>	6.3%	9.2%	<b>(2.9ppts)</b>
<b>Share of profit (loss) of associates and joint ventures</b>	10,052	(805)	<b>N.M.</b>
<b>Attributable profit</b>	7,443	3,744	<b>98.8%</b>
<b>Net margin</b>	7.1%	5.8%	<b>1.3ppts</b>
<b>EPS (Diluted)</b>	5.8 cents	2.9 cents	<b>103.5%</b>

Growth was driven by improvement in Lifestyle business which made up over 90% of revenue

Steady gross margin trend as Lifestyle business operates under a distribution model

Operating margin declined due to expanded headcount, higher staff costs, including provisions made for ex-gratia retirement payments

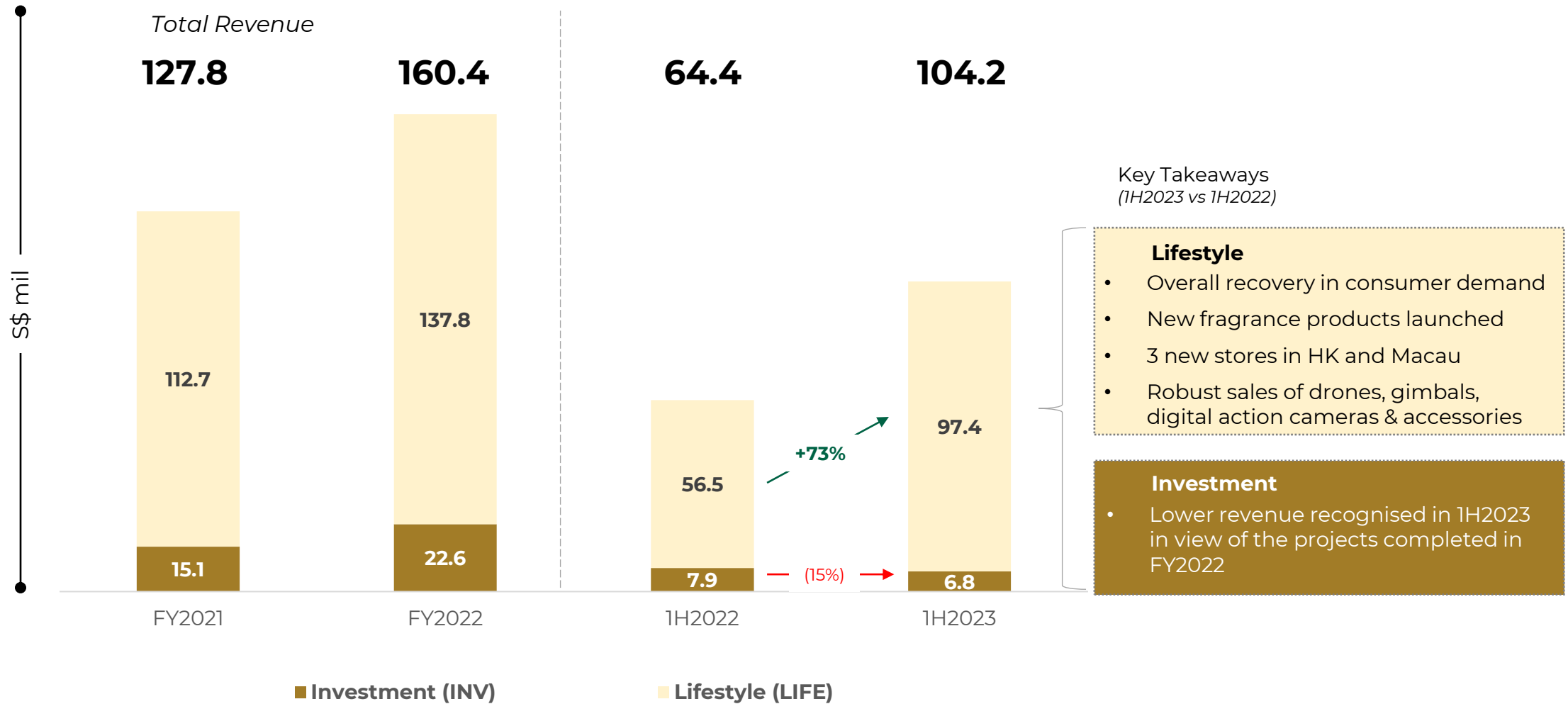
Turnaround due to stronger operating profit from GemLife (Investment business)

Growth was driven by both revenue expansion and turnaround from JV



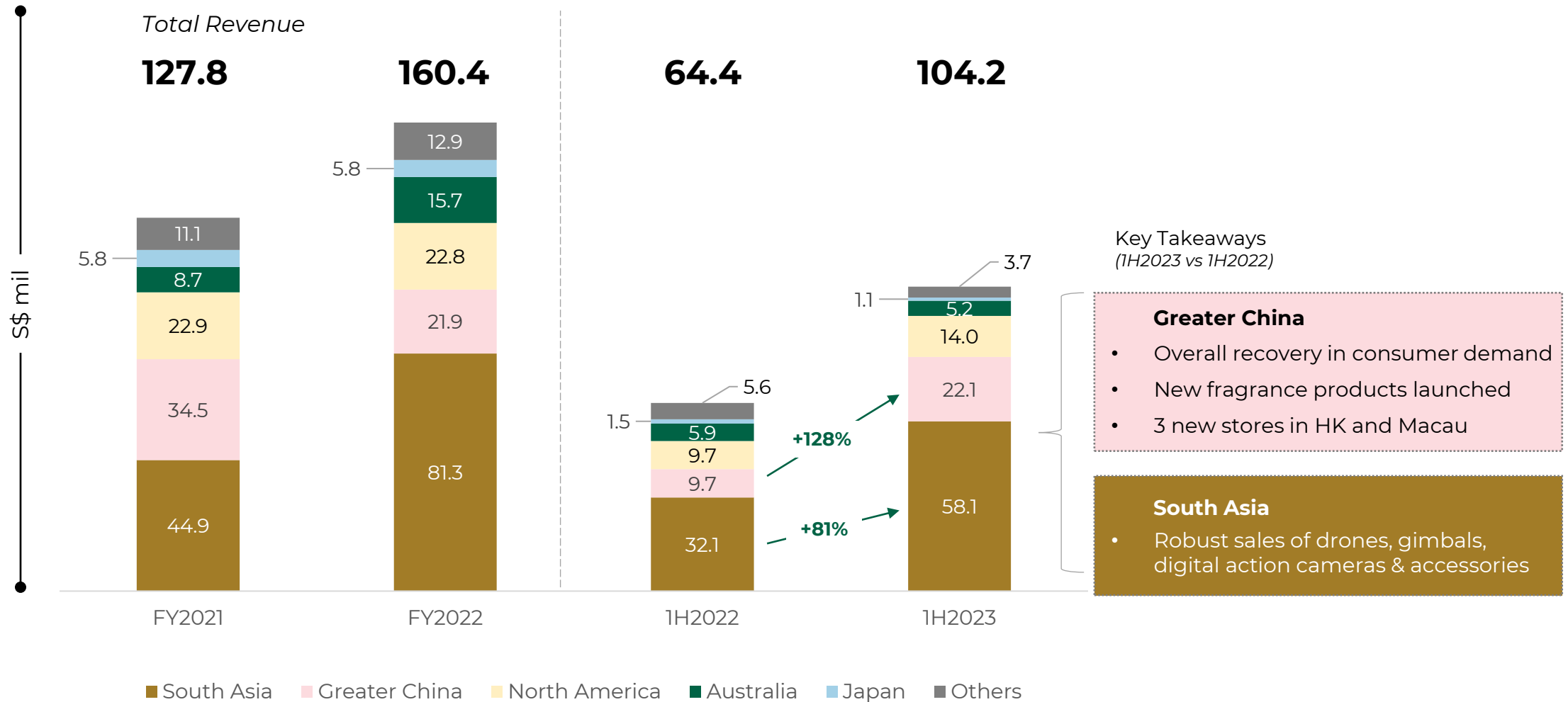
# REVENUE BREAKDOWN BY SEGMENT

~94% of 1H2023 revenue was contributed by Lifestyle business



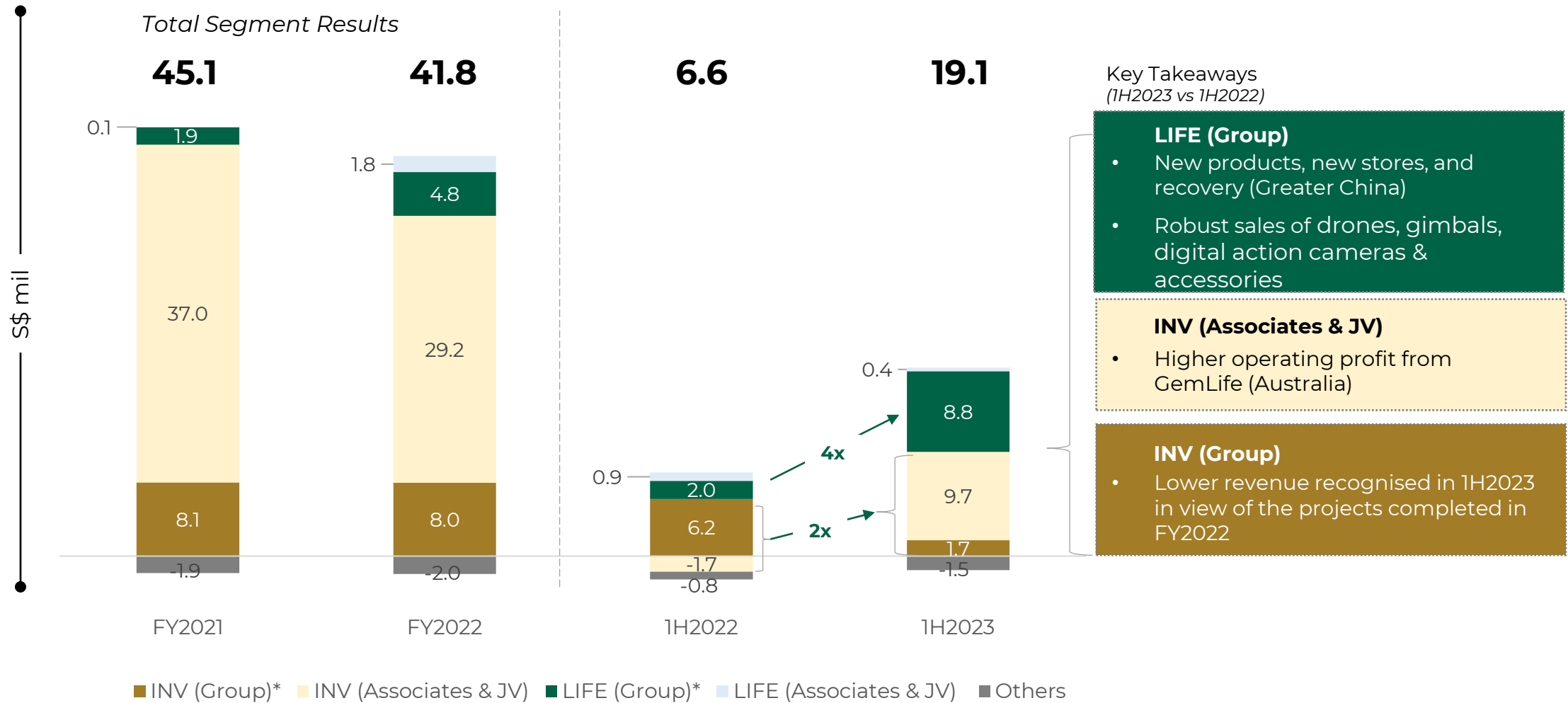
# REVENUE BREAKDOWN BY GEOGRAPHY

*Growth in key geographies as consumer demand recovered in 1H2023*



# SEGMENTAL RESULTS BREAKDOWN

*Duo factor: Investment business more than doubled and a 4-fold increase in Lifestyle business*



\*Inclusive of valuation adjustments on investment properties and/or fair value adjustment on derivative financial instruments

# INVESTMENTS: KEY UPDATES

*Strong sales pipeline in Australia with growing recurring revenue base*



## GemLife JV (Australia)

**1,222**

Occupied Homes

+30% since 30 Jun 2022

+12% since 31 Dec 2022

Increasing recurring revenue base from rental

**>600**

Contracts & deposits

Robust demand for GemLife's homes

## Commercial Real Estate (Japan)

**1**

hotel building to be disposed in end-August

**2**

office buildings to be put on sale in 3Q23

In line with the Group's capital recycling plan



# LIFESTYLE: KEY UPDATES

*Increasing retail footprint, product range and global reach*



## Drones, Action Cameras, Professional Gimbals & Photographic Accessories

NOW

Exclusive distribution of DJI products in SEA and South Asia

LOOKING TO

Expand product range and bundling of analytical software to penetrate the **enterprise sector** including agriculture sector

**Expanding product range**

## Fragrance and Beauty Products

NEW

**12**  
stores



China



Hong Kong

**2**  
stores



Macau

**1**  
store

**Increasing retail footprint in Greater China**



## CurrentBody (Global)

Share Swap Exercise

BEFORE

China Presence

**50%**  
stake in  
Currentbody-  
Thakral JV

NOW

Global Presence

**10%**  
stake in  
CurrentBody's  
Parent Entity

**Participate in future growth of CurrentBody on a global scale**



# BALANCE SHEET HIGHLIGHTS

*Healthy financial position with net assets of S\$225.7 million as at 30 Jun 2023*

Assets	As at 30 Jun 2023 (S\$'000)	As at 31 Dec 2022 (S\$'000)
<b>Current Assets</b>	92,499	84,894
<b>Cash and bank balances</b>	15,008	20,058
<b>Non-Current Assets</b>	274,673	263,978
<b>Total Assets</b>	367,172	348,872

Reduced due to new investments and dividend payments to shareholders

Liabilities	As at 30 Jun 2023 (S\$'000)	As at 31 Dec 2022 (S\$'000)
<b>Current Liabilities</b>	88,961	78,765
<b>Bank and other borrowings*</b>	46,308	42,758
<b>Non-Current Liabilities</b>	52,467	41,807
<b>Bank and other borrowings*</b>	12,197	8,601
<b>Total Liabilities</b>	141,428	120,572

Aggregate borrowings increased mainly due to the new leases entered into in Hong Kong for the new office, warehouse and retail stores (including in Macau)

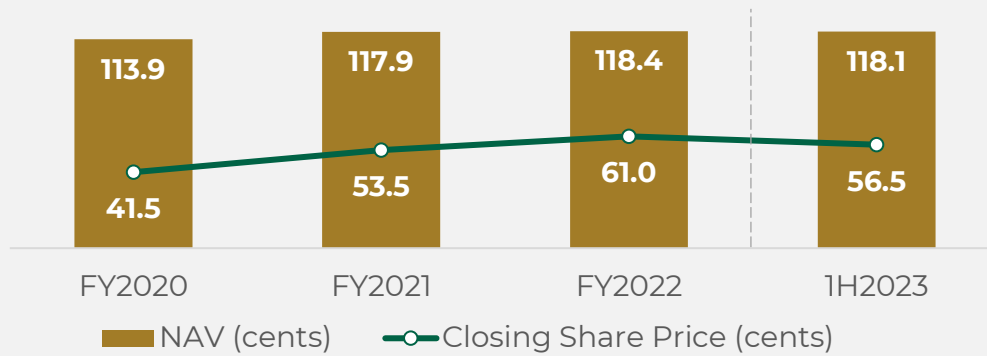
\*Includes lease liabilities and trust receipts



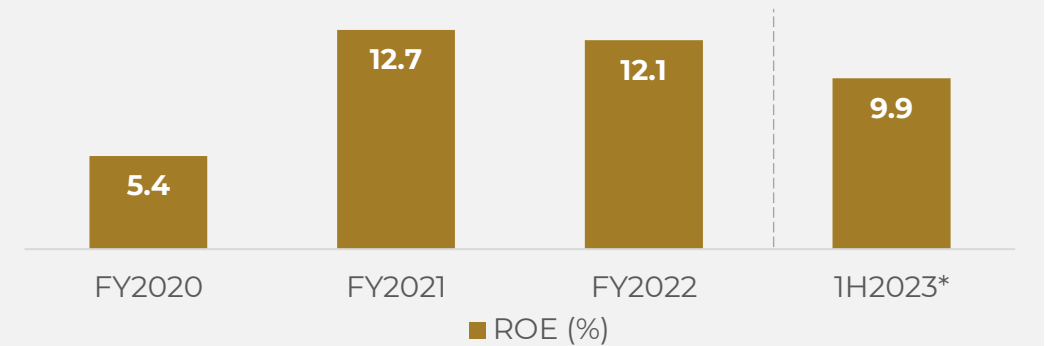
# KEY RATIOS

*EPS improved significantly on the back of improved profitability*

## Net Asset Value Per Share (NAV)

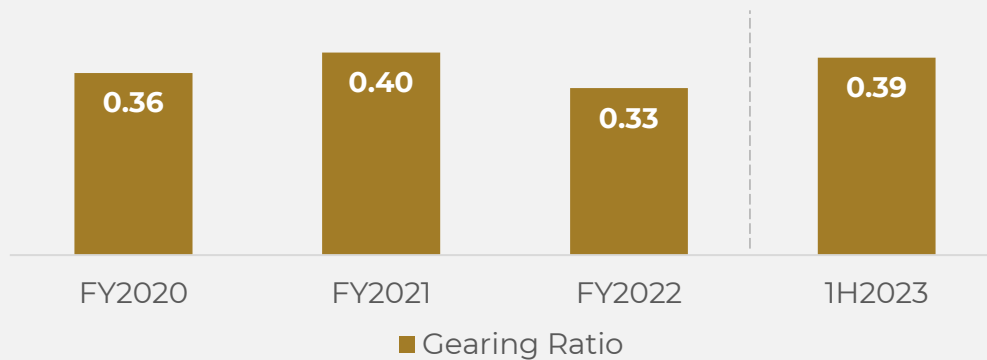


## Return on Equity (ROE)

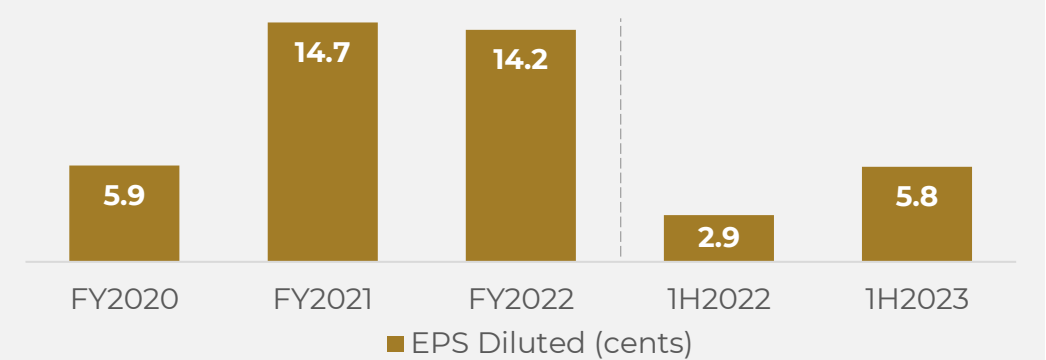


\*Annualised ROE

## Gearing Ratio

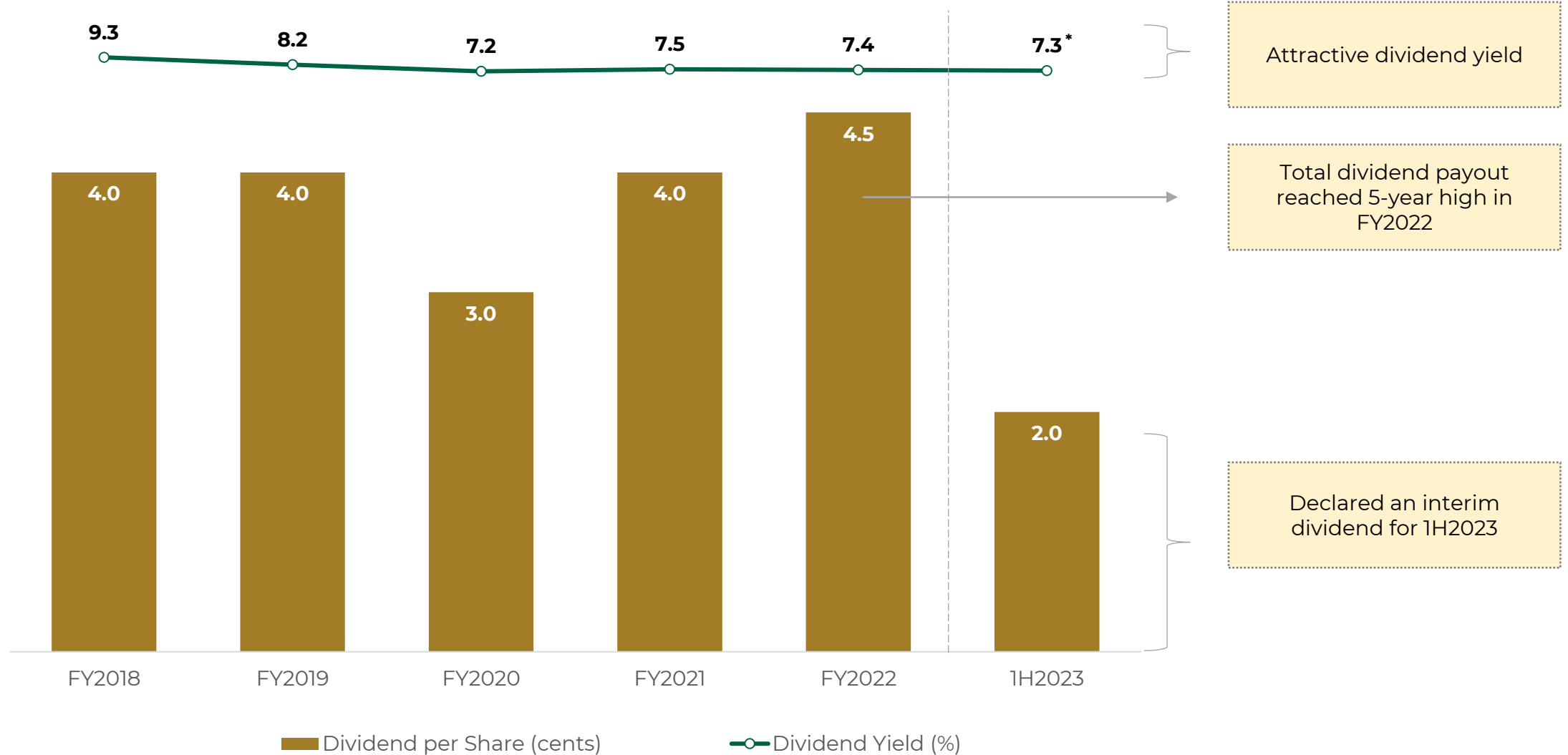


## Earnings Per Share (EPS)



# DIVIDEND TRACK RECORD

*Consistently high dividends paid out to enhance shareholder value*



\*Annualized dividend based on closing price of 10 August 2023

# THANK YOU!



[www.thakralcorp.com](http://www.thakralcorp.com)

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