

Corporate Presentation

1 March 2017



THAKRAL
CORPORATION LTD



AGENDA

- Corporate Profile
- Board of Directors and Key Personnel
- Investment Division
- Lifestyle Division
- Financial Results – FY2016
- Outlook for 2017



Corporate Profile

Listed on the SGX Mainboard since December 1995, Thakral Corporation Ltd has two 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 Investment Division, through a joint venture, has expanded its businesses into development and management of retirement living resorts in Australia under the GemLife brand name.

The Group's Lifestyle Division has continued to re-focus on marketing and distributing brands in the beauty, wellness and lifestyle categories, working with leading ecommerce platforms as well as traditional retailers. The Lifestyle Division's partners include beauty and personal care device brands MTG Refa, Panasonic, Philips and Braun, skin care brands Canvas, Leaders and Lu Ming Tang, cosmetic brand Color Me, wellness brands MTG Sixpad and Style Seat and lifestyle brands Apple, DJI and Skullcandy.

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



Board of Directors



Natarajan Subramaniam
Independent Non-Executive
Chairman and Director



Inderbethal Singh Thakral
Executive Director and
Chief Executive Officer



Kartar Singh Thakral
Executive Director



Lee Ying Cheun
Independent Non-Executive
Director



Dileep Nair
Independent Non-Executive
Director



Bikramjit Singh Thakral
(Alternate to Kartar Singh Thakral)



Key Personnel

Anil Moolchand Daryanani
Chief Financial Officer

Kevin Charles Barry
Joint Managing Director
Thakral Capital Australia Pty Ltd

Kanwaljeet Singh Dhillon
Managing Director
Thakral Corporation (HK) Limited

Greggory John Piercy
Joint Managing Director
Thakral Capital Australia Pty Ltd

Torsten Stocker
Chief Operating Officer
Lifestyle Division

Victor Shkolnik
Executive Director
Thakral Capital Australia Pty Ltd

Investment Division





About Investment Division

- Invests directly or with co-investors in real estate and other investment opportunities in Australia and Asia-Pacific
- Earns income from services rendered from the originating, packaging and managing of projects
- Expanded its businesses via a joint-venture into development and management of retirement living resorts in Australia under the GemLife brand name



Investment Division

Key Highlights

Investment returns from additional projects compared to last year as well as returns from completed or progressing projects saw:

- Revenue hit S\$36.2 million in FY2016 vs S\$24.0 million in FY2015
- Segment profit was S\$27.2 million vs S\$15.8 million in FY2015



Investment Division

Key Markets

- Australia
- Japan
- Other parts of Asia (mainly China and Hong Kong)



Investments in Australia

- Investing and committing in excess of A\$300 million of capital into projects with an end value surpassing A\$2.4 billion with returns varying from 15-20%
- Projects range from residential, mixed use to retirement housing
- Projects and property investments in key cities - Sydney, Melbourne and Brisbane
- Successfully completed 12 projects with another 9 in the pipeline, 6 of which are under construction



Investment Project Highlights Australia

2016

Launch of GemLife

- Total committed project value of about S\$21 million for the 2 projects currently underway
- Resort-style retirement housing
- Being developed under GTH Resorts, a JV with a subsidiary of Living Gems Lifestyle Resorts
- First two resort-style retirement communities – GemLife Bribie Island and GemLife Highfields – have been launched in Queensland





About GemLife

Bribie Island and Highfields projects

- Achieved strong positive response from buyers
- Bribie Island – 404 homes on a 24.9-hectare site including a 9.5-hectare lake
- GemLife Highfields – 233 homes on a 9-hectare site
- First occupants for both projects are expected to move in by mid-2017

GemLife

- Resort style retirement housing under GTH Resorts JV, a joint venture with a subsidiary of Living Gems Lifestyle Resorts
- Based in Queensland with a mission to let the Over 50s live the life they deserve, GemLife focuses on delivering all the benefits of lifestyle, location, community, and security
- Responsible for the creation and management of retirement resorts in Queensland and New South Wales and Victoria



About GemLife

Living Gems

- Owned by the Puljich family who has a more than 30-year track record of owning and running Living Gems
- Completed five resorts and 1,171 home sites under its management
- Won several awards including the International Over 50s Housing Awards' Most Outstanding Active Lifestyle Resort in the World 2015



Investment Project Highlights Australia

2015

Newstead Series Project

- Luxury residential project in Brisbane
- Funded up to A\$32.2 million

Project Update

- Project proceeding on time and budget
- Construction undertaken by one of Australia's leading builders
- Close to 90% of the 300 units have been pre-sold
- Apartment management rights have been sold to JLL





Investment Project Highlights Australia

2014

Sanctuary Cammeray

- Residential project in Sydney
- Investment of S\$6.8 million
- Construction expected to be completed June 2017

Project Update

- Project on budget but behind schedule
- High end, unique apartment product; all stock offered fully pre-sold to local owner occupiers





Investment Project Highlights Australia

GLNG Gladstone Housing Project

- The GLNG consortium invested A\$16 billion in infrastructure to process coal seam gas into liquified natural gas in the Gladstone and surrounding regions.
- GLNG consortium includes Santos, Petronas, Total and KoGas





Investment Project Highlights Australia

GLNG Gladstone Housing Project

Project Updates

- TCL currently owns 101 houses in Gladstone which are on lease to the GLNG consortium until June 2020
- These houses are currently valued at S\$52.2 million and provide strong cashflow in terms of good yield and stable rental returns



Investments in Japan

- S\$18.7 million carrying value at 31 Dec 2016
- Focuses mainly on commercial properties
- Projects and property investments in Osaka



Investment Project Highlights Japan

2016

Hotel Oaks Reaze Tsukamoto

- First hotel property acquired in Nov 2016
- No additional equity invested by the Group – financed almost entirely through uplift in value of 2 commercial buildings in Osaka

Project Update

- 100% leased
- Negotiating change of operator to an internationally-recognized midscale brand from mid-year to improve returns





Investment Project Highlights Japan

2014

Dai-ichi Jyuken Yotsubashi Building & Yotsubashi Nakano Building

- Acquired for a total of S\$42 million in Oct 2014

Project Updates

- Fully occupied
- Improved occupancy and return rates resulting in improved yield
- Strong uplift in asset value since acquisition



Dai-ichi Jyuken
Yotsubashi Building



Yotsubashi Nakano
Building



Investment Updates

Other Regions in Asia

- Portfolio of warehouse properties in Hong Kong and commercial and residential properties in China valued at S\$52 million
- Hong Kong warehouse building (partly-owned) situated on the waterfront in a district undergoing residential redevelopment
- Land prices in Hong Kong still advancing due to interest from PRC developers
- Seeking to maximize value from this asset



Investment Division

Outlook for 2017

- 4 sites currently under contract and in due diligence stage and 2 further sites under evaluation in the GemLife business
- Expect 3 projects including Sanctuary Cammeray, FV and Newstead to complete in FY2017 or early FY2018 – funds to be recycled into new projects already in the pipeline
- The housing market in the sectors we operate remains relatively strong albeit price increases are expected to flatten in 2017
- Settlement risk is one of the key issues however our experience with the projects that settled in FY2016 showed the market continues to be resilient for well-placed and competitively priced product

Lifestyle Division





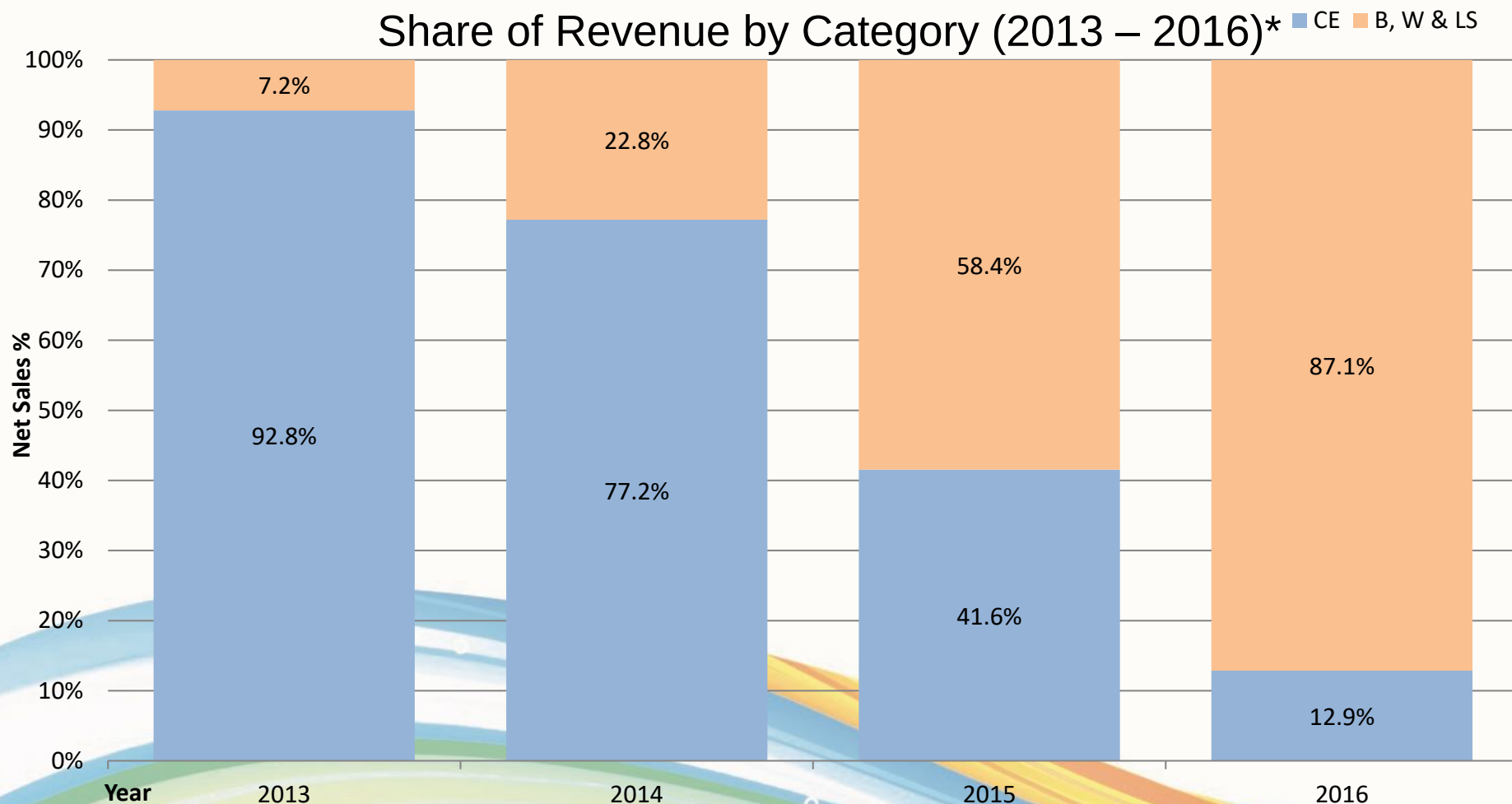
Lifestyle Division

Key Highlights

- Focusing on beauty, wellness and lifestyle brands, in Greater China
- Building strong category and channel platforms to drive scale
- Exploring value creation opportunities beyond distribution



Focus on Beauty, Wellness & Lifestyle



*Note: Data is for sales for China excluding certain low margin business



Key Brands

Beauty



Panasonic

PHILIPS

BRAUN

Wellness

SIXPAD

Body Make Seat
Style

Lifestyle





Key Channel Partners

E-commerce



Prestige Beauty



Premium Mass Beauty



Lifestyle





Creating Scalable Channel Platforms (Sephora)

2014

2015

2016

2017

Thakral
Managed
Brands in
Sephora

- Refa

- Refa
- Leaders

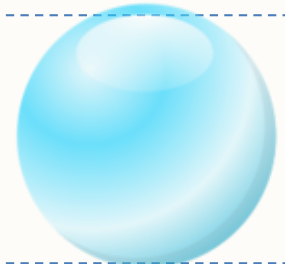
- Refa
- Leaders
- Sixpad

- Refa
- Leaders
- Sixpad
- Lu Ming Tang
- *Color Me (April launch)*

Number of
Stores Covered



Thakral
Annual Sales



Thakral
Account Team



Sales w/ Sephora (bubble size indicative of revenue)



25 Sephora outlets



1 Sales Manager



1 Trainer



Lifestyle Division Outlook for 2017

- Main focus is on sales of our current portfolio of brands
- Selectively adding new brands for distribution
- Deepening relationships with key channels, in particular Tmall, Sephora and Watsons



Lifestyle Division Outlook for 2017

- Strengthening our China cross-border footprint
- Exploring opportunities to participate in beauty brand or beauty e-commerce platform creation, as a 'value added' co-investor

Financial Results – FY2016





Key Highlights of FY2016

- Revenue – S\$214.9 million
- Profit before tax – S\$4.2 million
- Net profit – S\$3.4 million
- Interim dividend paid in Dec 2016 – S\$2.6 million

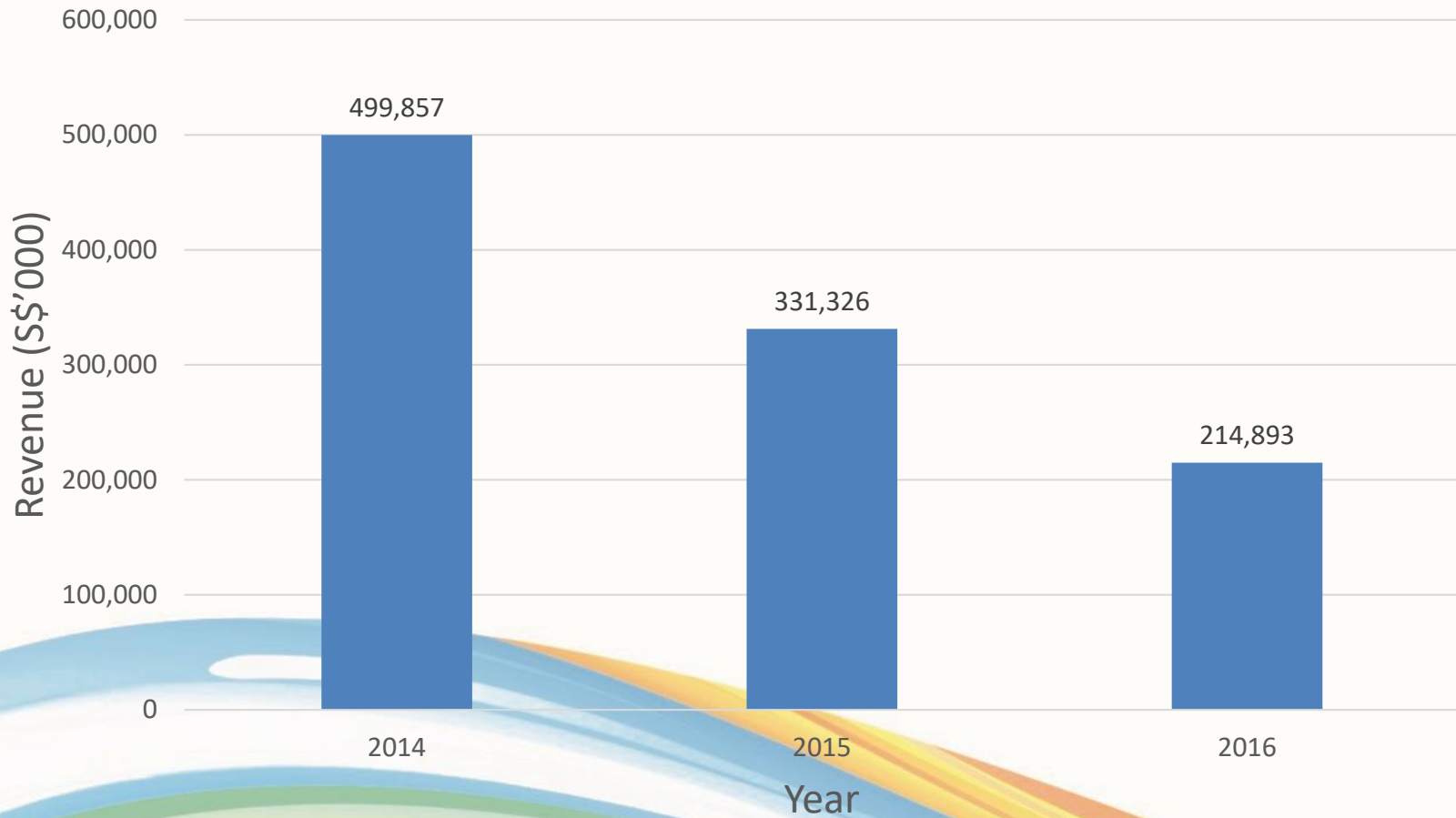


Financial Snapshot

	FY2016	FY2015	Variance/Change
Revenue (S\$'000)	214,893	331,326	-35%
Gross Profit (S\$'000)	45,249	33,103	37%
Net Profit (S\$'000)	3,444	8,633	-60%
Gross Margin	21%	10%	+11 points
Net Margin	1.6%	2.6%	-1 point
EPS	0.32 cent	4.65 cents	-93%
NAV	73.72 cents	73.57 cents	NM

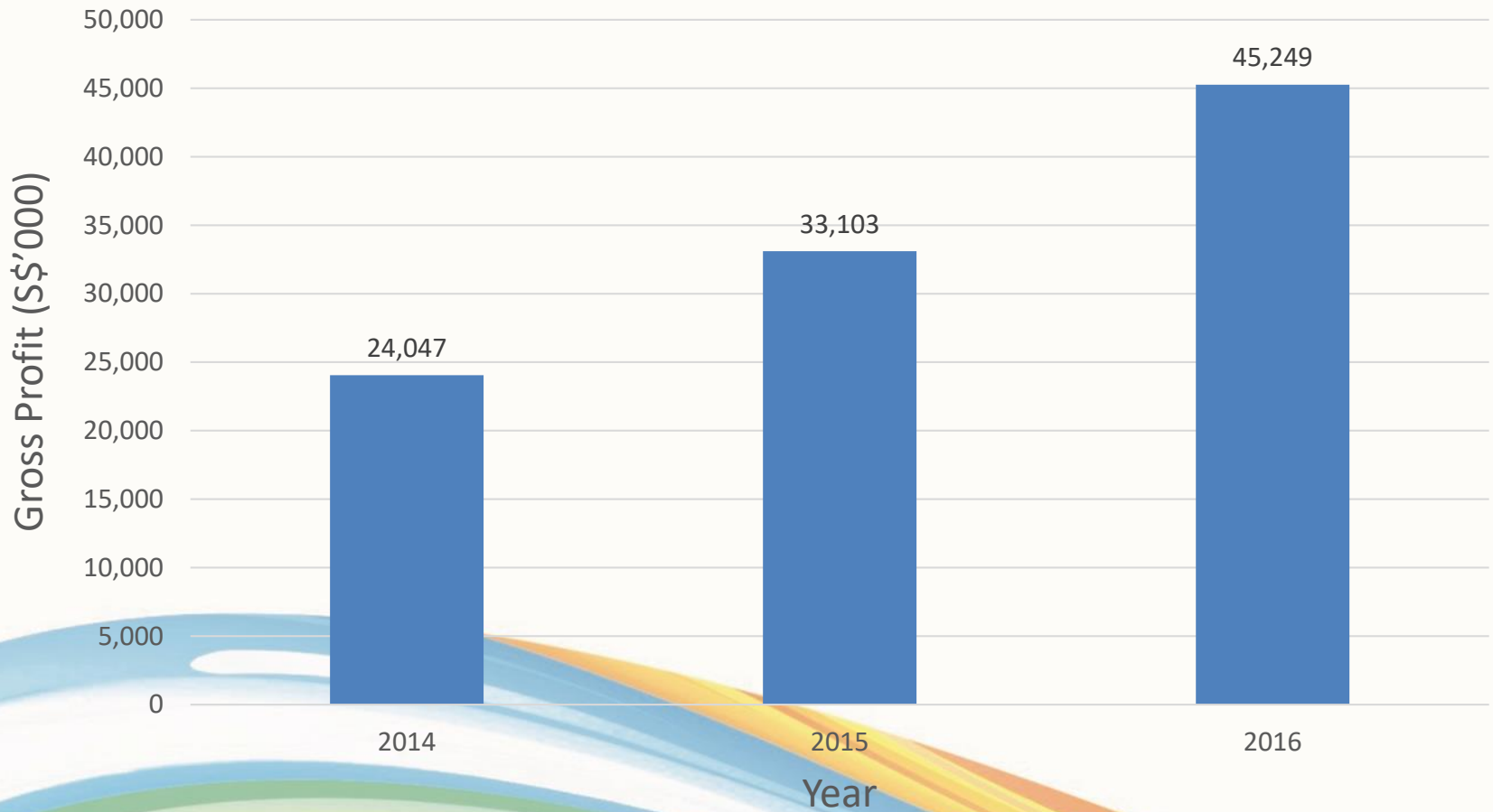


3-Year Revenue Track



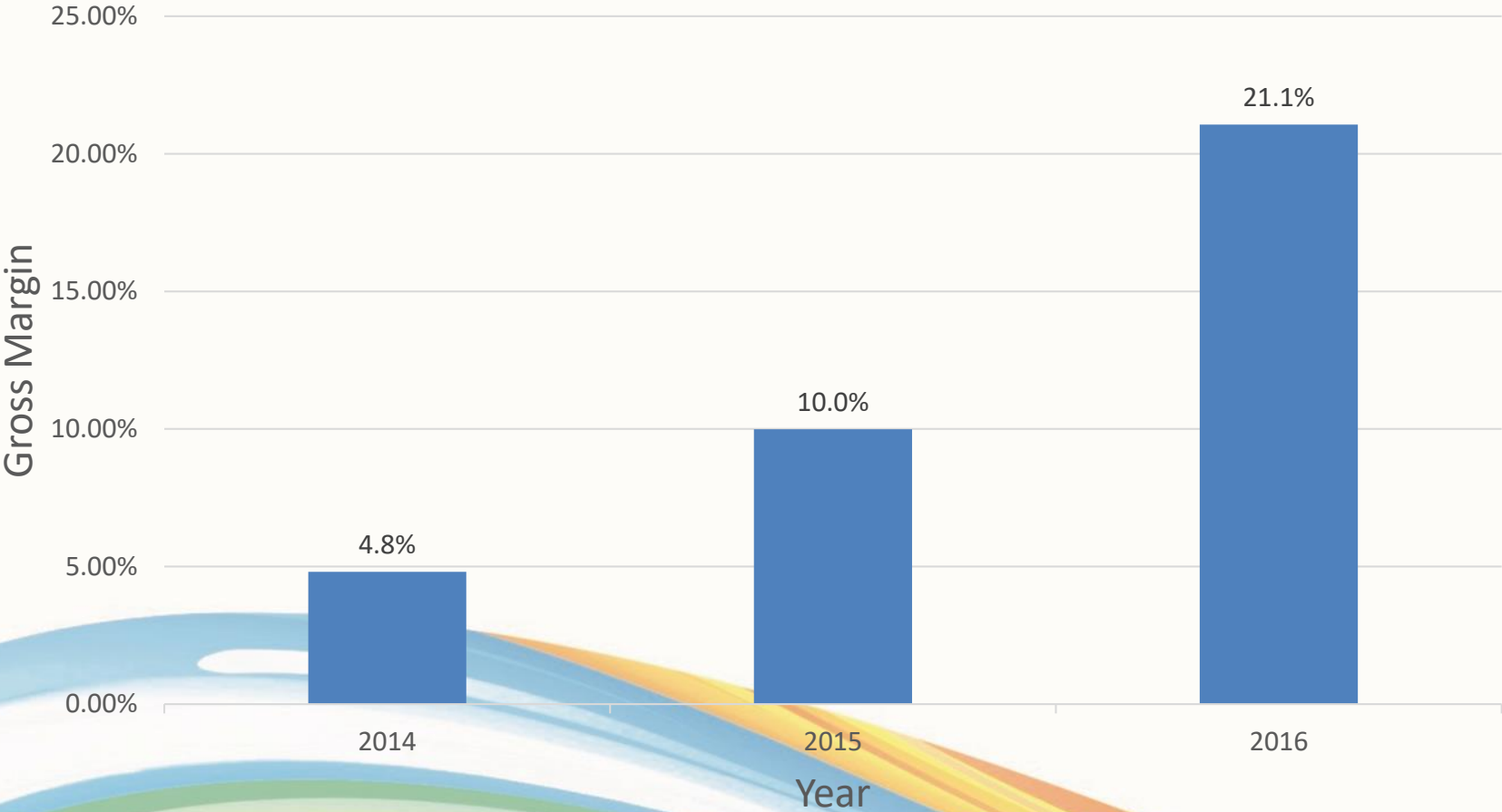


3-Year Gross Profit Track



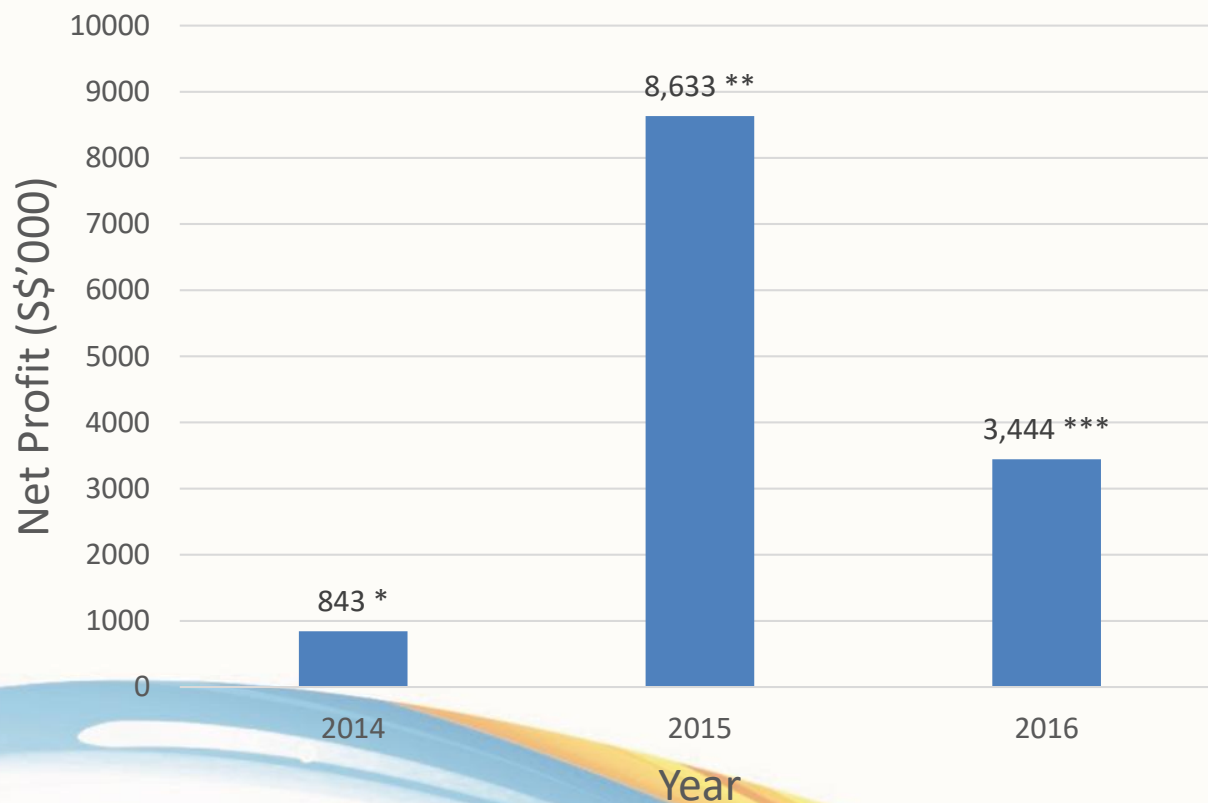


3-Year Gross Margin Track





3-Year Net Profit



* Including net valuation gain of S\$2.9 million

** Including net valuation gain of S\$9.9 million

*** Including net valuation loss of S\$7.3 million



Key Financial Ratios

FY2016

- Current ratio – 1.46
- Quick ratio – 1.26
- ROA – 2.9%
- ROE – 0.4%

- Return on Assets - Profit After Tax for the year divided by Average Net Assets
- Return on Equity - Income available to Equity Shareholders for the year divided by Average Shareholder's Funds



Thank You

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