

General Announcement::Press Release - Thakral Invests in Two Office Buildings in Osaka, Japan for S\$42 Million

Issuer & Securities

Issuer/ Manager	THAKRAL CORPORATION LTD
Securities	THAKRAL CORPORATION LTD - SG1C19013145 - T04
Stapled Security	No

Announcement Details

Announcement Title	General Announcement
Date & Time of Broadcast	04-Nov-2014 17:10:40
Status	New
Announcement Sub Title	Press Release - Thakral Invests in Two Office Buildings in Osaka, Japan for S\$42 Million
Announcement Reference	SG141104OTHR35RP
Submitted By (Co./ Ind. Name)	Anil Daryanani
Designation	Chief Financial Officer
Description (Please provide a detailed description of the event in the box below)	Please refer to attachment.
Attachments	<p>ThakralCorp_PR_YotsubashiPptys_Cammeray_20141104.pdf</p> <p>Total size =183K</p>

Like Tweet



THAKRAL CORPORATION LTD

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

PRESS RELEASE

THAKRAL INVESTS IN TWO OFFICE BUILDINGS IN OSAKA, JAPAN FOR S\$42 MILLION

- *Move to take advantage of the strong uptrend in Japan's real estate demand*
- *It also invested A\$6 million in a residential project in Cammeray, Sydney, Australia*

Singapore, November 4, 2014 – In line with its market diversification strategy, SGX Mainboard-listed Thakral Corporation Ltd (“TCL” or the “Group”) has invested in two office buildings, the Yotsubashi Nakano Building and Dai-ichi Jyuken Yotsubashi Building, along Yotsubashi-suji which is one of the prime commercial districts in Osaka, Japan's second largest city.

The purchase price for the two buildings is 3.57 billion yen (S\$42 million), equivalent to S\$3,180 and S\$3,420 per square metre of built up area respectively, which are at levels of similar buildings in the area and below replacement cost excluding the land cost.

The investment in the two buildings will be made via Thakral Japan Properties Pte Ltd, which will be a pooled investment vehicle with equity from the Group and other investors. TCL will hold about 50% of the equity in the vehicle. The investment will be managed by TCL's subsidiary, TCAP Pte Ltd.

TCL expects the investment to deliver positive income returns and yield capital growth over time to give it an overall return consistent with its targeted return criteria. The buildings, 150 meters apart, are two minutes' walk from Yotsubashi subway station. Located very close to Shinsaibashi area, one of Osaka's busiest business and commercial districts, the buildings are 90% tenanted by mainly Japanese traditional companies, and will be yield accretive.

On the acquisition, Mr. Jaginder Singh Pasricha, TCL's Managing Director, Investments & Corporate, said, “Property demand has picked up in the world's third-largest economy as the Bank of Japan eased monetary policy, while expectations for increased building of infrastructure ahead of the 2020 Olympic Games are contributing to the recovery. Real estate prices have seen double-digit increases since Shinzo Abe's government took office about two years ago. Given this positive scenario and our familiarity with Osaka (where the Group has an office since 1936), we have decided that it was timely for us to diversify our investment portfolio to include selected Japanese real estate projects.”



Thakral Corporation Ltd has recently invested S\$42 million in two office buildings, the Yotsubashi Nakano Building (left) and Dai-ichi Jyuken Yotsubashi Building (right) in Osaka, Japan.

Apart from this latest foray into the Japanese market, TCL's Investment Division is focused on property investment projects in Australia where its total investment to date exceeds S\$40 million.

TCL has recently made a new investment of S\$6.8 million in a residential project in Cammeray, a popular lower north-shore suburb of Sydney, Australia. This investment was originated and packaged through its subsidiary, Thakral Capital Australia Pty Ltd.

Construction of the 21-unit Cammeray project at 18 Cambridge Street on a site area on 4,754 square metres, began in September 2014. It is expected to be completed in 16 months. So far, thirteen units have been sold.

The project is about 5 km from the CBD, and a five-minute walk to the town centre. Yet it is only 15 minutes by bus to the CBD.

TCL expects the investment to deliver positive returns for investors, with an XIRR (extended internal rate of return) that is in line with the Group's target of return.



Artist's impression of the 21-unit Cammeray project at 18 Cambridge Street, Cammeray, Sydney, Australia.

Mr. Pasricha added, "According to Australian Property Monitors (APM) 2014 Housing Market Report, the Australian capital city housing market recorded its best year for prices growth since 2009. On top of that, Sydney was the outstanding performer, with local prices increasing by up to 13% over the year. The firmer housing market is also partly attributed the current low interest rates.

Given this scenario, we are confident that the new residential project in Australia will add value to our Investment Division significantly."

About Thakral Corporation Ltd

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 projects. The Group has been the cornerstone investor in these investment opportunities.

The Group's Lifestyle Division has undergone a change to reposition itself in Lifestyle products, including Beauty & Health and Enviro-Care products. Under its extensive brand portfolio are global names such as Apple, Acer, Beko, Bose, Canon, Cuvilady, Daewoo, Misfit, MTG (Refa), Orion, Panasonic, Robam, Samsung, Sharp, Skullcandy, Winia and Yamaha.

Presently, China (including Hong Kong), Southeast Asia and India, are the Group's key markets for its Lifestyle business while Australia is the key market for its Investment Division.

*Release issued on behalf of Thakral Corporation Ltd by
Stratagem Consultants Pte Ltd*

For more information, please contact:

Tham Moon Yee, Lee Yew Meng and Khor Sook Fong

Tel: (65) 6227 0502

Emails: tmy@stratagemconsultants.com
yewmeng@stratagemconsultants.com
kshf@stratagemconsultants.com