

Asset Acquisitions and Disposals::Press Release - Thakral to Acquire Leasehold Office Property at The Riverwalk Singapore
Issuer & Securities

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THAKRAL CORPORATION LTD

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

PRESS RELEASE

**THAKRAL TO ACQUIRE LEASEHOLD OFFICE PROPERTY AT
THE RIVERWALK SINGAPORE**

Proposed acquisition in line with strategic expansion plans in Southeast Asia

Singapore, 21 May 2018

Mainboard-listed Thakral Corporation Ltd (“Thakral” or “TCL”, and together with its subsidiaries, the “Group”) plans to acquire a 18,998 sq ft (or 1,765 square metres) office property at The Riverwalk in Singapore, as part of its strategic thrust to expand its investment portfolio in Southeast Asia.

The proposed acquisition, which is an interested person transaction subject to approval by shareholders, will be made via a Put and Call Option Agreement signed between TCL and Thakral Investment Holdings Pte Ltd. While the entire shareholding of Thakral Realty (S) Pte Ltd (“TRSPL”) will be purchased for a net sum of S\$9 million, the total consideration to acquire the proposed property will be S\$30 million, taking into account TRSPL’s current outstanding loan of S\$21 million.

TRSPL owns The Riverwalk office property, which has a lease tenure of 99 years commencing 15 December 1980.

The office unit is fully-tenanted and has a valuation of S\$30.5 million (according to a recent valuation conducted by Jones Lang LaSalle Property Consultants Pte Ltd or “JLL”).

The value of the proposed acquisition is based on commercial terms taking into consideration the book value and NTA of TRSPL, the outstanding property loan of S\$21 million and the location, size and value of the office unit, which is located on the third storey of a 27-storey commercial and residential development which comprises a four-storey commercial space with basement shopping podium and a 21-storey apartment tower.

Situated along the Singapore River and close to the Central Business District (CBD), The Riverwalk is surrounded by several key commercial and government buildings and is easily accessible by public transport (including buses and the Clarke Quay MRT station) and the Central Expressway (CTE).

Upon the completion of the proposed acquisition, TCL will sign a 3-year leaseback agreement with the tenants of the office unit. The monthly rental will be S\$5.50 per

square foot (inclusive of building maintenance fees and sinking fund contributions). The gross monthly rental will be in the region of S\$101,739.

Mr. Inderbethal Singh Thakral, TCL's Chief Executive Officer, said, "We believe that real estate in South East Asia – especially Singapore – is in a sweet spot. Given the uptrend in the local property market and Singapore's improving economic outlook, demand for well-located commercial office space is expected to grow. We are therefore entering the Singapore market at an opportune time as the value of such office buildings is forecast to appreciate in the coming years. The rental revenue from our investment in this Riverwalk office unit will also provide us a stable source of recurring income."

To finance the proposed acquisition, the Group will deploy some of the proceeds garnered from the recent sale of its warehouse properties in Hong Kong.

The Group will hold an Extraordinary General Meeting at a later date to seek shareholders' approval for the proposed acquisition. A circular to shareholders containing further details of the proposed acquisition will also be issued in due course.

About Thakral

Listed on the SGX Mainboard since December 1995, Thakral Corporation Ltd has two divisions – Lifestyle Division and Investment 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 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. Taking advantage of the upward trend in the Japanese property sector and the country's low interest rate, the Group has also expanded its investment footprint to Japan.

The Group's Lifestyle Division is focused on marketing and distributing brands in the beauty, wellness and lifestyle categories, working with leading ecommerce platforms as well as traditional retailers. The brands distributed by the Lifestyle Division include at-home beauty device brands MTG Refa, ikoo, PMD, DermaWand, Philips, TriPollar and T3, skin and hair care brands Canvas, Codage, Institut Karite Paris, John Masters Organics and Botanist, wellness brands MTG SIXPAD, Style Seat and Slendertone as well as lifestyle brands Apple and DJI.

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

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

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