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Half Year and Second Quarter * Financial Statement And Dividend Announcement

* Asterisks denote mandatory information


Name of Announcer *	THAKRAL CORPORATION LTD
Company Registration No.	199306606E
Announcement submitted on behalf of	THAKRAL CORPORATION LTD
Announcement is submitted with respect to *	THAKRAL CORPORATION LTD
Announcement is submitted by *	Anil Daryanani
Designation *	Group Financial Controller
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>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	30-06-2008
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Attachments

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Half Year and Second Quarter Financial Statements Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) for the six months and second quarter ended 30 June 2008 together with comparative statements for the corresponding period of the immediately preceding financial year

These figures have not been audited.

Profit and loss statements

	Note	Group			Group		
		S\$000		%	S\$000		%
		Six months ended			Three months ended		
		30 Jun 2008	30 Jun 2007	Increase / (Decrease)	30 Jun 2008	30 Jun 2007	Increase / (Decrease)
CONTINUING OPERATIONS							
Revenue	1	180,234	136,621	32	91,378	88,469	3
Cost of sales		(172,778)	(126,560)	37	(87,449)	(82,029)	7
Gross profit	1	7,456	10,061	(26)	3,929	6,440	(39)
Other operating income	2	672	1,209	(44)	184	217	(15)
Distribution costs	3	(1,977)	(2,433)	(19)	(916)	(1,223)	(25)
Administration expenses	4	(8,916)	(6,968)	28	(4,845)	(3,636)	33
Other operating expenses	5	(1,254)	(1,294)	(3)	(627)	(633)	(1)
(Loss) profit from operations		(4,019)	575	NM	(2,275)	1,165	NM
Impairment charges and provisions for planned closure	6	(6,132)	-	NM	(6,132)	-	NM
Finance income	7	929	1,662	(44)	352	849	(59)
Finance costs	7	(101)	(196)	(48)	(48)	(35)	37
Foreign exchange gain	8	1,421	1,888	(25)	1,361	1,197	14
(Loss) profit before income tax, share of results of associates		(7,902)	3,929	NM	(6,742)	3,176	NM
(Loss) profit from associates		(153)	116	NM	(112)	96	NM
(Loss) profit before income tax		(8,055)	4,045	NM	(6,854)	3,272	NM
Income tax expense	9	(69)	(1,071)	(94)	(34)	(652)	(95)
(Loss) profit from continuing operations		(8,124)	2,974	NM	(6,888)	2,620	NM
DISCONTINUED OPERATIONS							
Profit (loss) from discontinued operations	10	1,493	(529)	NM	808	(519)	NM
(Loss) profit for the period / quarter		(6,631)	2,445	NM	(6,080)	2,101	NM
<u>Attributable to</u>							
Shareholders of the Company		(6,273)	1,841	NM	(5,738)	1,624	NM
Minority interests		(358)	604	NM	(342)	477	NM
		(6,631)	2,445	NM	(6,080)	2,101	NM

NM – Not meaningful

Notes to the Income statement
Note 1:

Turnover improved in view of the higher level of sales activity for consumer electronics, particularly in China in the quarter despite declines seen in the Group's other businesses. Gross profit margin for the year, however, declined to about 4.1% from about 7.4% in the previous corresponding period due to a larger proportion of the gross profit arising from the low-margin consumer electronics business combined with the decline in contributions from the Group's manufacturing business and higher margin property business.

Note 2:

Other operating income of continuing operations comprises:

	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
	Six months ended			Three months ended		
	30 Jun 2008	30 Jun 2007		30 Jun 2008	30 Jun 2007	
Gain on disposal of properties (PPE)	-	63	(100)	-	63	(100)
Gain on disposal of investment properties	207	-	NM	-	-	-
Gain on disposal of available-for-sale investments	-	850	(100)	-	-	-
Gain on disposal of investment in an associate	53	-	NM	-	-	-
Miscellaneous	412	296	39	184	154	19
Total	672	1,209	(44)	184	217	(15)

Note 3:

Distribution costs of continuing operations comprises:

	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
	Six months ended			Three months ended		
	30 Jun 2008	30 Jun 2007		30 Jun 2008	30 Jun 2007	
Staff costs	(929)	(825)	13	(445)	(378)	18
Advertising & promotion	(125)	(262)	(52)	(49)	(204)	(76)
Transportation	(314)	(338)	(7)	(140)	(147)	(5)
Travelling expenses	(180)	(328)	(45)	(102)	(147)	(31)
Others	(429)	(680)	(37)	(180)	(347)	(48)
Total	(1,977)	(2,433)	(19)	(916)	(1,223)	(25)

- (i) Staff costs increased due to the higher headcount of sales and marketing personnel.
- (ii) Advertising charges declined due to lower advertising activity.
- (iii) Transportation and travelling expenses declined mainly due to cost reductions and reduced travelling by sales personnel.

Note 4:

Administration expenses of continuing operations comprises:

	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
	Six months ended			Three months ended		
	30 Jun 2008	30 Jun 2007		30 Jun 2008	30 Jun 2007	
Staff costs (including executive directors)	(4,378)	(4,825)	(9)	(2,237)	(2,323)	(4)
Directors' fees	(317)	(317)	-	(150)	(162)	(7)
Professional fees	(624)	(912)	(32)	(384)	(611)	(37)
Rent & rates	(931)	(872)	7	(470)	(464)	1
Travelling expenses	(215)	(163)	32	(112)	(77)	45
Net (allowance) reversal for doubtful debts	(170)	2,136	NM	(170)	1,220	NM
Impairment in value of plant & equipment	-	(7)	(100)	-	(7)	(100)
Others	(2,281)	(2,008)	14	(1,322)	(1,212)	9
Total	(8,916)	(6,968)	28	(4,845)	(3,636)	33

- (i) Staff costs for the current quarter declined due to the lower headcount.
- (ii) Professional fees are lower in view of the absence of legal fees incurred in relation to cases that have been decided or under appeal.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

- (iii) Travelling expenses rose due to additional travelling required of management and executive directors in relation to the ongoing business review.
- (iv) The net reversal of allowance for doubtful debts in the previous corresponding period relates primarily to recoveries from a related party.

Note 5:

Other operating expenses comprised depreciation charges for the periods.

Note 6:

Due to the continued under-performance of the Electronic Manufacturing Services ("EMS"), the Board has decided to cease its operations. Charges of S\$6.1 million have been made for the impairment of plant and machinery (S\$3.4 million), inventories (S\$0.2 million), trade receivables (S\$0.9 million) and other receivables (S\$0.2 million) and provisions for exit costs (S\$1.4 million).

Note 7:

Finance income declined substantially from the previous corresponding period mainly due to the lower interest rates received on the Group's fixed deposits.

Finance costs were lower compared to the previous corresponding period as a result of the redemption of all outstanding convertible bonds in the previous financial year.

Note 8:

Foreign exchange gain mainly arose from translation of monetary assets and liabilities, denominated in foreign currencies, outstanding as at the end of the period.

Note 9:

Group income tax for the current period arose mainly from the taxable profits at the Group's property development unit in Wujiang.

Note 10:

Discontinued operations

	S\$000		% Increase / (Decrease)	S\$000		% Increase / (Decrease)
	Six months ended			Three months ended		
	30 Jun 2008	30 Jun 2007		30 Jun 2008	30 Jun 2007	
<u>Home Entertainment business</u>						
Revenue	165	479	(66)	-	68	(100)
Cost of sales	(104)	(204)	(49)	-	(29)	(100)
Gross profit	61	275	(78)	-	39	(100)
Distribution costs	-	(333)	(100)	-	(143)	(100)
Administration expenses	(47)	(154)	(69)	-	(85)	100
Reversal of impairment charges and provisions	1,467	(326)	NM	808	(334)	NM
Foreign exchange gain	12	9	33	-	4	(100)
Profit (loss) before tax	1,493	(529)	NM	808	(519)	NM
Income tax expenses	-	-	-	-	-	-
Profit (loss) after tax	1,493	(529)	NM	808	(519)	NM

NM – Not meaningful

THAKRAL CORPORATION LTD AND SUBSIDIARIES

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Balance Sheets

	Note	Group (S\$ '000) as at		Company (S\$ '000) as at	
		30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007
ASSETS					
Current assets					
Inventories	1	25,759	25,219	-	-
Trade receivables	2	37,636	42,981	-	-
Other receivables and prepayments		9,457	7,476	172	175
Cash and cash equivalents		111,980	112,134	70,275	71,630
Total current assets		184,832	187,810	70,447	71,805
Non-current assets					
Property, plant and equipment	3	9,837	14,666	15	19
Investment properties		10,669	12,181	-	-
Investment in subsidiaries		-	-	106,910	111,437
Investment in associates		1,367	1,558	1,367	1,520
Available-for-sale investments	4	41,401	77,323	18,787	50,156
Deferred tax asset		2	3	-	-
Total non-current assets		63,276	105,731	127,079	163,132
Total assets		248,108	293,541	197,526	234,937
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables		5,726	5,490	-	-
Bank overdrafts and term loans		3,660	1,080	-	-
Other payables		12,223	12,221	283	515
Provisions		1,342	1,177	-	-
Income tax payable		641	717	408	408
Total current liabilities		23,592	20,685	691	923
Non-current liabilities					
Long-term loans		205	309	-	-
Deferred tax liability		263	317	-	-
Total non-current liabilities		468	626	-	-
Total liabilities		24,060	21,311	691	923
Capital and reserves					
Issued capital		203,134	203,134	203,134	203,134
Reserves	5	17,149	64,674	(6,299)	30,880
Equity attributable to equity shareholders of the Company		220,283	267,808	196,835	234,014
Minority interests		3,765	4,422	-	-
Total equity		224,048	272,230	196,835	234,014
Total liabilities and equity		248,108	293,541	197,526	234,937

THAKRAL CORPORATION LTD AND SUBSIDIARIES

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 June 2008		As at 31 December 2007	
Secured	Unsecured	Secured	Unsecured
S\$ 896,000	S\$ 2,764,000	S\$ 861,000	S\$ 219,000

Amount repayable after one year

As at 30 June 2008		As at 31 December 2007	
Secured	Unsecured	Secured	Unsecured
NIL	S\$ 205,000	NIL	S\$ 309,000

Details of any collateral

N.A.

Group's contingent liabilities

	As at 30 June 2008	As at 31 December 2007
Potential property tax	S\$ 609,000	S\$ 605,000

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**Consolidated Cash Flow Statement**

	(S\$ '000)		(S\$ '000)	
	Six months ended		Three months ended	
	30 Jun 2008	30 Jun 2007	30 Jun 2008	30 Jun 2007
Cash flows from operating activities				
(Loss) profit before income tax	(6,562)	3,516	(6,046)	2,753
Adjustments for:				
Share of loss (profit) from associates	153	(116)	112	(96)
Depreciation expense	1,254	1,294	627	633
Dividend income from quoted equity shares	(1,583)	(1,594)	(1,583)	(1,127)
Finance lease charges	-	21	-	11
Interest expense	101	175	48	24
Interest income	(929)	(1,662)	(352)	(849)
Gain on disposal of investment in an associate	(53)	-	-	-
Gain on disposal of available-for-sale investments	-	(850)	-	-
Gain on disposal of property, plant and equipment	(15)	(67)	(10)	(67)
Gain on disposal of investment properties	(207)	-	-	-
Share based payment expense	8	52	-	24
Impairment charges and provisions for planned closure	6,132	-	6,132	-
Impairment in value of plant and machinery	-	7	-	7
Allowance for inventories	103	101	123	288
Reversal of allowance for doubtful trade receivables	(233)	(2,583)	(95)	(1,659)
(Reversal) allowance for doubtful other receivables	(122)	38	(66)	38
Operating cash flows before movements in working capital	(1,953)	(1,668)	(1,110)	(20)
Trade receivables	4,716	(810)	2,920	(2,952)
Other receivables and prepayments	(1,761)	(1,777)	666	(2,973)
Inventories	(840)	3,207	466	(2,724)
Trade payables	236	(239)	(1,205)	799
Other payables	(1,268)	(1,872)	1,124	6
Cash (used in) generated from operations	(870)	(3,159)	2,861	(7,864)
Dividends received	1,074	951	593	951
Income tax paid	(135)	(835)	(2)	(509)
Finance lease charges paid	-	(21)	-	(11)
Interest paid	(96)	(103)	(44)	(93)
Interest received	1,053	1,668	427	852
Net cash generated from (used in) operating activities	1,026	(1,499)	3,835	(6,674)
Cash flows from investing activities				
Additions to property, plant and equipment	(184)	(225)	(85)	(189)
Net investment in balances from associates	8	(2)	-	4
Proceeds from disposal of property, plant and equipment	67	149	62	149
Proceeds from disposal of available-for-sale investments	-	1,104	-	-
Proceeds from disposal of investment in an associate	80	-	-	-
Proceeds from disposal of investment properties	1,103	-	-	-
Cash to minority shareholders	(324)	(859)	-	(14)
Net cash from (used in) investing activities	750	167	(23)	(50)
Cash flows from financing activities				
Net proceeds from issue of shares on exercise of employees' share options	-	188	-	185
Repayment of finance lease obligations	-	(214)	-	(103)
Repayment of bank term loans	(106)	(100)	(51)	(48)
Net cash (used in) from financing activities	(106)	(126)	(51)	34
Net effect of exchange rate changes in consolidating subsidiaries	(4,405)	(1,202)	(2,284)	191
Net (decrease) increase in cash and cash equivalents	(2,735)	(2,660)	1,477	(6,499)
Cash and cash equivalents at beginning of the period	111,260	123,981	107,048	127,820
Cash and cash equivalents at end of the period	108,525	121,321	108,525	121,321
Cash and cash equivalents were represented by:-				
Fixed deposits, cash at bank and hand	111,980	121,571	111,980	121,571
Bank overdraft	(3,455)	(250)	(3,455)	(250)
	108,525	121,321	108,525	121,321

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Notes to the Balance Sheet and Consolidated Cash Flow Statement

Note 1:

Inventories increased marginally to S\$25.8 million as at 30 June 2008 from S\$25.2 million as at 31 December 2007 mainly due to the increased stocking of consumer electronics products to support a higher volume of sales.

Note 2:

Trade receivables decreased to S\$37.6 million as at 30 June 2008 from S\$43.0 million as at 31 December 2007 due to improved collections.

Note 3:

Property, plant and equipment declined to S\$9.8 million as at 30 June 2008 from S\$14.7 million as at 31 December 2007 primarily due to the impairment charge of S\$3.4 million made against the plant and machinery of the EMS business.

Note 4:

Available-for-sale investments decreased due to the significant decline in fair values of the investments arising from the continuing instability in global equity markets.

Note 5:

Reserves (particulars of which are in Note 1(d)(i) below) reduced substantially in the current half year primarily due to the significant decline in the fair values of the Group's available-for-sale investments as a result of the continuing volatility in global equity markets as well as the impairment charges and provisions for the EMS business.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of changes in equity

Six months ended 30 Jun 2008

S\$'000

Group	Total shareholders' equity							Minority interests	Total equity
	Issued capital	Asset revaluation reserve	Fair value adjustment reserve	Options reserve	Translation reserve	Retained earnings	Total		
Balance at 1 Jan 2008	203,134	112	66,461	751	(13,080)	10,430	267,808	4,422	272,230
Net fair value changes in available-for-sale investments	-	-	(25,297)	-	-	-	(25,297)	-	(25,297)
Translation (loss) gain arising on consolidation	-	(8)	-	-	(3,177)	-	(3,185)	22	(3,163)
Net (loss) profit recognised directly in equity	-	(8)	(25,297)	-	(3,177)	-	(28,482)	22	(28,460)
Net loss for the quarter	-	-	-	-	-	(535)	(535)	(16)	(551)
Total recognised (loss) profit	-	(8)	(25,297)	-	(3,177)	(535)	(29,017)	6	(29,011)
Recognition of share-based payments	-	-	-	8	-	-	8	-	8
Dividend paid to minority interests	-	-	-	-	-	-	-	(324)	(324)
Balance at 31 Mar 2008	203,134	104	41,164	759	(16,257)	9,895	238,799	4,104	242,903
Net fair value changes in available-for-sale investments	-	-	(10,030)	-	-	-	(10,030)	-	(10,030)
Translation (loss) gain arising on consolidation	-	(2)	-	-	(2,746)	-	(2,748)	3	(2,745)
Net (loss) gain recognised directly in equity	-	(2)	(10,030)	-	(2,746)	-	(12,778)	3	(12,775)
Net loss for the quarter	-	-	-	-	-	(5,738)	(5,738)	(342)	(6,080)
Total recognised loss	-	(2)	(10,030)	-	(2,746)	(5,738)	(18,516)	(339)	(18,855)
Balance as at 30 Jun 2008	203,134	102	31,134	759	(19,003)	4,157	220,283	3,765	224,048

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Statement of changes in equity

Six months ended 30 Jun 2007

S\$'000

	Total shareholders' equity							Minority interests	Total equity	
	Issued capital	Asset revaluation reserve	Fair value adjustment reserve	Options reserve	Convertible bonds reserve	Translation reserve	Retained earnings			
Group										
Balance at 31 Dec 2006	190,402	-	58,348	686	766	(6,106)	2,818	246,914	5,449	252,363
Effect of adoption of FRS 40	-	112	-	-	-	(275)	2,161	1,998	-	1,998
Balance at 1 Jan 2007	190,402	112	58,348	686	766	(6,381)	4,979	248,912	5,449	254,361
Net fair value changes in available-for-sale investments	-	-	(10,682)	-	-	-	-	(10,682)	-	(10,682)
Translation loss arising on consolidation	-	-	-	-	-	(1,772)	-	(1,772)	(16)	(1,788)
Net loss recognised directly in equity	-	-	(10,682)	-	-	(1,772)	-	(12,454)	(16)	(12,470)
Realisation of revaluation reserve on disposal of available-for-sale investments	-	-	(836)	-	-	-	-	(836)	-	(836)
Net profit for the quarter	-	-	-	-	-	-	217	217	127	344
Total recognised (loss) profit	-	-	(11,518)	-	-	(1,772)	217	(13,073)	111	(12,962)
Recognition of share-based payments	-	-	-	28	-	-	-	28	-	28
Ordinary shares issued upon conversion of bonds	43	-	-	-	(3)	-	-	40	-	40
Issue of shares on exercise of employees' share options	3	-	-	-	-	-	-	3	-	3
Dividend paid to minority interests	-	-	-	-	-	-	-	-	(845)	(845)
Balance at 31 Mar 2007	190,448	112	46,830	714	763	(8,153)	5,196	235,910	4,715	240,625
Net fair value changes in available-for-sale investments	-	-	18,336	-	-	-	-	18,336	-	18,336
Translation gain arising on consolidation	-	-	-	-	-	537	-	537	130	667
Net gain recognised directly in equity	-	-	18,336	-	-	537	-	18,873	130	19,003
Net profit for the quarter	-	-	-	-	-	-	1,624	1,624	477	2,101
Total recognised profit	-	-	18,336	-	-	537	1,624	20,497	607	21,104
Ordinary shares issued upon conversion of bonds	5,960	-	-	-	(357)	-	-	5,603	-	5,603
Issue of shares on exercise of employees' share options	207	-	-	(22)	-	-	-	185	-	185
Recognition of share-based payments	-	-	-	24	-	-	-	24	-	24
Balance as at 30 Jun 2007	196,615	112	65,166	716	406	(7,616)	6,820	262,219	5,322	267,541

Six months ended 30 Jun 2008

S\$'000

	Issued capital	Fair value adjustment reserve	Options reserve	Accumulated losses	Total
	Company				
Balance as at 1 Jan 2008	203,134	48,173	751	(18,044)	234,014
Net fair value changes in available-for-sale investments	-	(21,789)	-	-	(21,789)
Net loss recognised directly in equity	-	(21,789)	-	-	(21,789)
Net loss for the quarter	-	-	-	(7,132)	(7,132)
Total recognised loss	-	(21,789)	-	(7,132)	(28,921)
Recognition of share-based payments	-	-	8	-	8
Balance as at 31 Mar 2008	203,134	26,384	759	(25,176)	205,101
Net fair value changes in available-for-sale investments	-	(9,580)	-	-	(9,580)
Net loss recognised directly in equity	-	(9,580)	-	-	(9,580)
Net profit for the quarter	-	-	-	1,314	1,314
Total recognised (loss) profit	-	(9,580)	-	1,314	(8,266)
Balance as at 30 Jun 2008	203,134	16,804	759	(23,862)	196,835

Statement of changes in equity

Six months ended 30 Jun 2007

S\$'000

Company	Issued capital	Fair value adjustment reserve	Options reserve	Convertible bonds reserve	Accumulated losses	Total
Balance as at 1 Jan 2007	190,402	46,158	686	766	(30,713)	207,299
Net fair value changes in available-for-sale investments	-	(10,738)	-	-	-	(10,738)
Net loss recognised directly in equity	-	(10,738)	-	-	-	(10,738)
Net loss for the quarter	-	-	-	-	(4,226)	(4,226)
Total recognised loss	-	(10,738)	-	-	(4,226)	(14,964)
Ordinary shares issued upon conversion of bonds	43	-	-	(3)	-	40
Issue of shares on exercise of employees' share options	3	-	-	-	-	3
Recognition of share-based payments	-	-	28	-	-	28
Balance as at 31 Mar 2007	190,448	35,420	714	763	(34,939)	192,406
Net fair value changes in available-for-sale investments	-	9,711	-	-	-	9,711
Net profit recognised directly in equity	-	9,711	-	-	-	9,711
Net profit for the quarter	-	-	-	-	3,415	3,415
Total recognised profit	-	9,711	-	-	3,415	13,126
Ordinary shares issued upon conversion of bonds	5,960	-	-	(357)	-	5,603
Issue of shares on exercise of employees' share options	207	-	(22)	-	-	185
Recognition of share-based payments	-	-	24	-	-	24
Balance as at 30 Jun 2007	196,615	45,131	716	406	(31,524)	211,344

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Since the beginning of the financial year, a total of 3,147,500 and 1,050,000 share options lapsed and expired during the period respectively under the Thakral Corporation Employees' Share Option Scheme 2001 (the "2001 Scheme").

The number of shares that may be issued on exercise of all the outstanding options under the 2001 Scheme is as follows:-

	As at 30 Jun 2008	As at 31 Dec 2007
Outstanding options	33,538,000	37,735,500

There was no change in the share capital of the Company during the period.

The Company did not have any treasury shares as at 30 June 2008 and 31 December 2007.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares was 2,612,113,668 as at 30 June 2008 and 31 December 2007.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

These figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2007.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

N.A.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

From continuing and discontinued operations	Six months ended 30 Jun 2008	Six months ended 30 Jun 2007
(i) Basic earnings (loss) per share	(0.24) cents	0.07 cents
(ii) Fully diluted earnings (loss) per share	(0.24) cents	0.07 cents
From continuing operations	Six months ended 30 Jun 2008	Six months ended 30 Jun 2007
(i) Basic earnings (loss) per share	(0.30) cents	0.10 cents
(ii) Fully diluted earnings (loss) per share	(0.30) cents	0.09 cents
From continuing and discontinued operations	Three months ended 30 Jun 2008	Three months ended 30 Jun 2007
(i) Basic earnings (loss) per share	(0.22) cents	0.07 cents
(ii) Fully diluted earnings (loss) per share	(0.22) cents	0.06 cents
From continuing operations	Three months ended 30 Jun 2008	Three months ended 30 Jun 2007
(i) Basic earnings (loss) per share	(0.25) cents	0.09 cents
(ii) Fully diluted earnings (loss) per share	(0.25) cents	0.08 cents

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Basic loss per share is computed on the loss for the period after taxation and deduction of minority interests divided by 2,612,113,668 being the weighted average number of shares in issue during the six months and quarter ended 30 June 2008. Basic earning per share is computed on the profit for the period after taxation and deduction of minority interests divided by 2,470,770,117 and 2,471,097,405 being the weighted average number of shares in issue during the six months and quarter ended 30 June 2007 respectively.

Fully diluted loss per share for the six months and the quarter ended 30 June 2008 is computed on the loss after taxation and deduction of minority interests divided by 2,612,113,668 being the weighted average number of shares in issue during the period. Employee share options to purchase 6,880,000 ordinary shares at S\$0.06 were outstanding as at 30 June 2008 but were not included in the computation of the diluted loss per share because these options were antidilutive. The options expire on 6 April 2013.

Fully diluted earnings per share for the period ended 30 June 2007 is computed on the profit after taxation and deduction of minority interests divided by 2,559,405,491 and 2,562,885,075 being the weighted average number of shares in issue during the six months and the quarter ended 30 June 2007 respectively, 4,611,364 and 7,763,660 shares being the dilutive effect of potentially exercisable options outstanding as at that date for the six months and the quarter ended 30 June 2007 respectively, and 84,024,010 shares being the dilutive effect of the convertible bonds outstanding as at the date.

7. Net asset value (for the issuer and group) per ordinary share based on issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

Net Asset Value

	As at 30 Jun 2008	As at 31 Dec 2007
Group	8.43 cents	10.25 cents
Company	7.54 cents	8.96 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors.

It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review – half year ended 30 June 2008

Turnover & Profitability

Group revenue for the half-year ended 30 June 2008 increased 32% to S\$180.2 million from the S\$136.6 million achieved in the corresponding previous period. The increase was achieved by the Supply Chain Management (“SCM”) segment which offset the declines seen in the Group's other businesses. The SCM business in China continues to see growth from its diversified brand portfolio, though margins remain thin. Sales at the SCM segment for the half-year were S\$173.2 million, an increase of 49% over the previous corresponding period.

The Electronic Manufacturing Services (“EMS”) division experienced a 63% drop in revenue to S\$4.7 million for the half-year, down from the S\$12.6 million achieved in the previous corresponding period. This unit has been affected by a significant slowdown in export orders to the USA and rising labor, energy and transportation costs in the PRC. Due to the continued poor performance of this unit, the Board has decided to cease its operations. Charges amounting to S\$6.1 million have been made for the impairment of assets and provisions.

At the property division in Wujiang, measures introduced by the PRC government to cool the mainland property market continued to virtually eliminate all signs of sales activity. Revenues at this unit were S\$0.7 million in the current half-year as compared to S\$6.1 million in the previous corresponding period, a decline of 88%.

The major earthquake in the Sichuan province in May also adversely affected the performance of the Group's digital video compression card unit in Chengdu, which saw its revenue slide by more than half in the period under consideration.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Group gross profit margin in the current half-year was 4.1% as compared to 7.4% in the previous corresponding period. The absence of any meaningful contribution from the high margin property sales at Wujiang accounts for the significant drop in gross margin since the SCM segment operates on very thin margins. The gross profit from the property business was only S\$0.38 million as against S\$2.65 million during the previous corresponding period. The gross profit earned by the EMS division also decreased very significantly as compared to the previous corresponding period. As a result, the Group achieved gross profits of S\$7.5 million for the current half-year as against S\$10.1 million in the previous corresponding period.

Other income declined by 44% to S\$0.7 million from the S\$1.2 million in the previous corresponding period. This was due to lower asset sales in the current year.

Foreign exchange gains mainly from the translation of monetary assets and liabilities denominated in foreign currencies amounted to S\$1.4 million in the current half year, a reduction of 25% from the S\$1.9 million recorded in the previous corresponding period.

For the Group's discontinued Home Entertainment Division, reversals of impairment charges and provisions were made primarily in respect of recoveries against current assets that were fully provided for, resulting in the business recording a profit of S\$0.8 million for the quarter.

For the half year ended 30 June 2008, the Group incurred a net loss after tax of S\$6.6 million, including the impairment charges and provisions for EMS of S\$6.1 million, as compared to a profit of S\$2.4 million in the previous corresponding period.

Expenses

Operating expenses continued to be kept under control. Administration expenses in the previous year had included the reversal of S\$2.0 million of allowances in respect of an amount recovered from a related party in that period. This did not recur in the current period. Furthermore, impairment charges and provisions for EMS of S\$6.1 million and provisions for doubtful debts of S\$0.2 million were made in the current period. Excluding the effect of provisions and the reversal of provisions, the actual operating expenses declined by about 7% in the current half-year.

Finance income declined substantially by 44% from the previous corresponding period mainly due to the lower interest rates received on the Group's fixed deposits.

Finance costs also declined significantly by 48%, mainly due to the redemption of the Group's convertible bonds in November 2007.

Group income tax declined substantially to S\$0.07 million from S\$1.1 million in the previous corresponding period due to the lower profits at the Group's property unit in Wujiang.

Working Capital and Cash Flow

Inventories increased marginally by 2% to S\$25.8 million as compared to S\$25.2 million as at 31 December 2007 while trade receivables declined by 12% to S\$37.6 million from S\$43.0 million as at 31 December 2007. This reduction was in spite of the higher level of sales during the current period. Other receivables increased by 26% to S\$9.5 million from S\$7.5 million as at 31 December 2007 principally due to an increase in advances to suppliers for the purchase of goods.

The Group saw a net operational cash inflow of about S\$1.0 million as compared to an outflow of S\$1.5 million in the previous corresponding period. This was principally from the reduction of its trade receivables during the current period.

Net Asset Value

As a result of the continuing volatility in global equity markets, the value of the Group's available-for-sale investments declined substantially in the current half year by around 46%. This, together with the impairment charges and provisions for the EMS business, has resulted in a decline in the net asset value of the Group to 8.43 cents from 10.25 cents at the end of the previous financial year.

Performance Summary

Supply Chain Management ("SCM")

The SCM segment expanded its revenues by 49% to S\$173.2 million in the latest half-year as against S\$116.3 million achieved in the previous corresponding period. The segmental loss declined to S\$2.0 million in the current period from the loss of S\$3.3 million incurred in the previous corresponding period, after excluding the reversal of provisions upon recoveries from a related party.

Competition in this segment continues to remain intense and margins are thin.

Electronic Manufacturing Services ("EMS")

The EMS unit has been significantly affected by the slowdown in demand from its major customers, several of which are located in the U.S., and consequently saw revenues slide by 63% to S\$4.7 million in the current period as compared to S\$12.6 million in the previous corresponding period. Rising operational costs in the PRC in terms of local procurement, wages, energy, transportation, rental and other costs have significantly eroded the profitability of the unit's operations. The capacity utilization of the production lines has been low.

The Board has decided to cease this business and accordingly charges amounting to S\$6.1 million have been made for the impairment of assets and provisions. Segmental loss, excluding this impairment of assets and provisions, widened to S\$2.0 million in the latest half year from S\$0.5 million in the previous corresponding period.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Group's operational performance in the quarter met management's expectations.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Efforts to expand the brand and product portfolio for the SCM segment and to increase sales and improve margins for the existing brands are ongoing. The division continues to expand its distribution network in China, with added focus on developing markets like India and Indo-China. However, due to the intense competition and thin margins, the Group expects to continue operating under difficult market conditions in the current financial year.

Continuing instability in the global financial markets may lead to fluctuations in the value of the Group's investments in India and Australia and consequently in the Group's net asset value.

The Company made an announcement on the divestment of its core business on 20 May 2008, the review of which is still in progress.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect

Subsequent to 31 December 2007, the directors do not recommend any payment of dividend.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Primary reporting - business segments

The Group which operates in two geographical segments being People's Republic of China (including Hong Kong) and others (Singapore and Japan) has 4 main core divisional activities as follows:

- a) Supply chain management, marketing & brand building
- b) Electronic manufacturing services
- c) Property holding
- d) Others (those activities which do not fall into the above categories)

S\$'000

Six months ended 30 Jun 2008

	Supply Chain Management	Electronic Manufacturing Services	Property Holding	Others	Consolidated total
Revenue					
External sales from continuing operations	173,177	4,727	747	1,583	180,234
Result					
Segment result from continuing operations	(2,040)	(1,961)	19	402	(3,580)
Unallocated corporate expenses					(699)
Gain on disposal of properties					207
Gain on disposal of investment in an associate					53
Impairment charges and provisions for planned closure					(6,132)
Finance income					929
Finance costs					(101)
Foreign exchange gain					1,421
Loss before income tax and share of results of associates					(7,902)
Share of results of associates					(153)
Loss before income tax					(8,055)
Income tax expense					(69)
Loss after tax from continuing operations					(8,124)
Profit from discontinued operations	1,493				1,493
Net loss for the period					(6,631)

Other information					
Capital expenditure:					
Property, plant and equipment	177	7	-	-	184
Depreciation expense of continuing operations	332	832	81	9	1,254

Assets					
Segment assets	97,893	7,588	26,355	114,876	246,712
Assets of discontinued operations	27				27
Deferred tax asset					2
Investment in associates					1,367
Total assets					248,108
Liabilities					
Segment liabilities	15,197	5,338	2,107	409	23,051
Liabilities of discontinued operations	105				105
Income tax payable					641
Deferred tax liability					263
Total liabilities					24,060

THAKRAL CORPORATION LTD AND SUBSIDIARIES

S\$'000

Six months ended 30 Jun 2007

	Supply Chain Management	Electronic Manufacturing Services	Property Holding	Others	Consolidated total
Revenue					
External sales from continuing operations	116,310	12,639	6,078	1,594	136,621
Result					
Segment result from continuing operations	(1,255)	(538)	2,257	761	1,225
Unallocated corporate expenses					(650)
Finance income					1,662
Finance costs					(196)
Foreign exchange gain					1,888
Profit before income tax and share of results of associates					3,929
Share of results of associates					116
Profit before income tax					4,045
Income tax expense					(1,071)
Profit after tax from continuing operations					2,974
Loss from discontinued operations		(529)			(529)
Net profit for the period					2,445

Other information					
Capital expenditure:					
Property, plant and equipment	103	121	-	1	225
Depreciation expense of continuing operations	350	849	89	6	1,294

Assets					
Segment assets	112,124	17,499	26,719	141,436	297,778
Assets of discontinued operations	739				739
Deferred tax asset					212
Investment in associates					1,547
Total assets					300,276
Liabilities					
Segment liabilities	14,554	5,823	2,742	958	24,077
Liabilities of discontinued operations	1,050				1,050
Income tax payable					1,153
Unallocated liabilities					6,455
Total liabilities					32,735

Secondary reporting – geographical segments

S\$'000

Continuing and discontinued operations	Revenue		Capital Expenditure		Total Assets	
	30 Jun		30 Jun		30 Jun	
	2008	2007	2008	2007	2008	2007
People's Republic of China (including Hong Kong)	167,382	134,068	154	166	146,167	168,493
Others	13,017	3,032	30	59	101,941	131,783
	180,399	137,100	184	225	248,108	300,276

The basis of the information stated under the geographical segment above is the aggregate of the relevant figures from companies incorporated in those countries.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

See item 8 on review of performance

THAKRAL CORPORATION LTD AND SUBSIDIARIES

15. A breakdown of revenue

Not applicable

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable

17. The aggregate value of interested person transactions entered into during the financial period under review

Name of interested person	Aggregate value of all interested person transactions during the 6 months ended 30 June 2008 under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual upto 26 April 2007)	Aggregate value of all interested person transactions conducted under shareholders' mandate (upto 26 April 2007) pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
Millennium Gloucester Hotel Sales, net of returns	1,074	NIL
Thakral Brothers Pte Ltd Purchases, net of returns	290	NIL
Thakral Realty (S) Pte Ltd Operating lease charges paid / payable	168	NIL

BY ORDER OF THE BOARD

Lim Chee Ying
Tan Ping Ping
Company Secretaries
8 Aug 2008

Statement Pursuant to SGX Listing Rule 705(4) of the Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results for the 6 months ended 30 June 2008 to be false or misleading.

ON BEHALF OF THE BOARD

Kartar Singh Thakral
Chairman

Jasvinder Singh Thakral
Director
8 Aug 2008