



[Print this page](#)**FIRST QUARTER RESULTS * FINANCIAL STATEMENT AND RELATED 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 *	31-03-2010
Description	Please refer to attachments.

Attachments

-  [ThakralCorp_Results_Q1FY10_10May10.pdf](#)
-  [ThakralCorp_PR_Q1FY10_20100510.pdf](#)

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First 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 first quarter ended 31 March 2010 together with comparative statements for the corresponding period of the immediately preceding financial year

These figures have not been audited.

CONSOLIDATED PROFIT AND LOSS STATEMENT

	Note	Group		
		S\$000		%
		Three months ended		
		31 Mar 2010	31 Mar 2009	
Continuing Operations				
Revenue	1	111,027	97,898	13
Cost of sales		(106,114)	(93,683)	13
Gross profit	1	4,913	4,215	17
Other operating income	2	1,667	1,049	59
Distribution costs	3	(1,166)	(872)	34
Administrative expenses	4	(3,708)	(3,694)	0
Other operating expenses	5	(127)	(132)	(4)
Profit from operations		1,579	566	179
Finance income	6	375	297	26
Finance costs	6	(1)	(21)	(95)
Foreign exchange gain	7	309	138	124
Profit before income tax, share of results of associates		2,262	980	131
Profit from associates		-	-	NM
Profit before income tax		2,262	980	131
Income tax expense	8	(173)	(220)	(21)
Profit from continuing operations		2,089	760	175
Discontinued Operations				
Profit from discontinued operations	9	-	59	NM
Profit for the quarter		2,089	819	155
<u>Attributable to:</u>				
Owners of the Company		2,005	792	153
Non-controlling interests		84	27	211
		2,089	819	155

NM – Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	S\$'000		% Increase / (Decrease)
		Three months ended		
		31 Mar 2010	31 Mar 2009	
Profit for the quarter		2,089	819	155
Other comprehensive income				
Translation (loss) gain arising on consolidation	10	(655)	6,678	NM
Net fair value changes in available-for-sale investments	11	(915)	(10,706)	(91)
Other comprehensive income for the quarter, net of tax		(1,570)	(4,028)	(61)
Total comprehensive income for the quarter		519	(3,209)	NM
<u>Total comprehensive income attributable to:</u>				
Owners of the Company		449	(3,449)	NM
Non-controlling interests		70	240	(71)
		519	(3,209)	NM

Notes to the Consolidated Profit and Loss Statement and Consolidated Statement of Comprehensive Income:**Note 1:**

Turnover improved in view of the higher level of sales activity for consumer electronics in Hong Kong and China in the quarter under review. Overall gross profit earned increased by 17% for the quarter compared to the previous corresponding quarter as a result of increased sale and improved gross margin of 4.4% compared to 4.3% in the previous period.

Note 2:

Other operating income of continuing operations comprises:

	S\$'000		% Increase / (Decrease)
	Three months ended		
	31 Mar 2010	31 Mar 2009	
VAT subsidy	12	33	(64)
Net gain on disposal of properties	1,526	-	NM
Damages and interest received from legal claims	-	853	NM
Commission income	84	131	(36)
Miscellaneous	45	32	41
Total	1,667	1,049	59

- (i) Net gain arose on the disposal of a group property in China.
(ii) Commission income declined in view of lower volume of the logistical support business during the quarter.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Notes to the Consolidated Profit and Loss Statement and Consolidated Statement of Comprehensive Income:

Note 3:

Distribution costs of continuing operations comprise:

	S\$'000		%
	Three months ended		
	31 Mar 2010	31 Mar 2009	Increase / (Decrease)
Staff costs	(510)	(422)	21
Advertising & promotion	(124)	(30)	313
Transportation	(260)	(182)	43
Travelling expenses	(140)	(85)	65
Others	(132)	(153)	(14)
Total	(1,166)	(872)	34

- (i) Staff costs in the previous corresponding quarter were lower on account of certain cost reduction steps taken in that period. Staff costs increased in the current period primarily due to the reversion to normal pay and bonus levels, the addition of sales personnel in new channels of business and accruals on the sales incentive scheme at China that was introduced in Q2-2009.
- (ii) Advertising charges increased in the latest quarter due to the higher level of advertising and marketing activity in relation to a new product category.
- (iii) Transportation expenses increased in view of the higher level of sales activity in China.
- (iv) Travelling expenses were higher due to increased travel by sales personnel.

Note 4:

Administration expenses of continuing operations comprise:

	S\$'000		%
	Three months ended		
	31 Mar 2010	31 Mar 2009	Increase / (Decrease)
Staff costs (including executive directors)	(2,229)	(1,818)	23
Directors' fees	(109)	(88)	24
Professional fees	(530)	(599)	(12)
Rent & rates	(182)	(404)	(55)
Travelling expenses	(82)	(44)	86
Insurance	(93)	(102)	(9)
Net allowance for doubtful debts	-	20	(100)
Others	(483)	(659)	(27)
Total	(3,708)	(3,694)	0

- (i) Staff costs in the previous corresponding quarter were lower on account of cost reduction steps taken in that period. Staff costs increased in the current period primarily due to the reversion to normal pay and bonus levels. The current quarter also includes the salary costs of a director who was paid consultancy fees in the previous corresponding quarter, which was booked as professional fees.
- (ii) Directors had taken a voluntary fee reduction in the previous period. The increase in the current period is primarily due to the reversion of these fees to normal levels.
- (iii) Excluding the consultancy fees paid to a director in relation to the repositioning of the Group's business in the previous quarter (which are shown under Staff costs in the current quarter), Professional fees in the current quarter are higher due to expenses incurred for the capital reduction exercises in Singapore and Hong Kong.
- (iv) Rent and rates declined for the quarter primarily due to the shift of operations to smaller and more economical premises in Hong Kong and Shanghai.
- (v) Travelling expenses increased due to increased travelling by management and executive directors.
- (vi) The decline in other administration expenses is due to steps taken for general cost reduction as well as the absence of foreign withholding tax on dividend income in the current quarter.

Note 5:

Other operating expenses comprised depreciation charges for the periods.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Notes to the Consolidated Profit and Loss Statement and Consolidated Statement of Comprehensive Income:

Note 6:

Finance income improved in the latest quarter due to the placement of funds in longer term deposits compared to the previous corresponding quarter.

Finance costs were lower compared to the previous financial year as a result of the repayment of overdrafts.

Note 7:

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

Note 8:

Group income tax for the current quarter arose mainly in relation to gains on the disposal of properties in the PRC and in the property development unit in Wujiang.

Note 9:

The Group's Electronics Manufacturing Services ("EMS") division discontinued its operations in the first quarter of the previous year.

	S\$000		% Increase / (Decrease)
	Three months ended		
	31 Mar 2010	31 Mar 2009	
<u>Electronic Manufacturing Services ("EMS")</u>			
Revenue	-	114	NM
Cost of sales	-	(53)	NM
Gross profit	-	61	NM
Foreign exchange loss	-	(2)	NM
Profit after tax	-	59	NM

Note 10:

These unrealized differences arise due to fluctuations in exchange rates of the foreign currencies in which the net assets of the Group's overseas operations are denominated.

Note 11:

The change in the value of available-for-sale investments is due to fluctuations in the market value of the Group's listed investments in India and Australia.

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

STATEMENTS OF FINANCIAL POSITION

	Note	Group (S\$ '000) as at		Company (S\$ '000) as at	
		31 Mar 2010	31 Dec 2009	31 Mar 2010	31 Dec 2009
<u>ASSETS</u>					
Current assets					
Inventories	1	36,710	27,492	-	-
Available-for-sale investments	6	32,808	34,583	32,808	34,583
Trade receivables	2	34,257	38,061	-	-
Other receivables and prepayments	4	9,612	6,271	311	260
Bills receivable	3	173	992	-	-
Cash and bank balances	5	121,000	122,967	85,621	75,619
Total current assets		234,560	230,366	118,740	110,462
Non-current assets					
Property, plant and equipment		4,475	5,118	127	134
Investment properties		11,190	11,249	-	-
Investments in subsidiaries		-	-	108,063	116,783
Available-for-sale investments	6	9,819	9,000	-	-
Total non-current assets		25,484	25,367	108,190	116,917
Total assets		260,044	255,733	226,930	227,379
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Trade payables		2,652	4,330	-	-
Bills payables	7	10,124	4,454	-	-
Bank overdrafts		1,896	-	-	-
Other payables		10,108	12,061	567	670
Provisions		2,412	2,027	-	-
Finance lease		16	16	16	16
Income tax payable		621	1,232	-	-
Total current liabilities		27,829	24,120	583	686
Non-current liabilities					
Finance lease		73	76	73	76
Deferred tax liability		390	304	-	-
Total non-current liabilities		463	380	73	76
Total liabilities		28,292	24,500	656	762
Capital and reserves and minority interests					
Issued capital		203,134	203,134	203,134	203,134
Reserves		25,021	24,572	23,140	23,483
Equity attributable to equity holders of the Company		228,155	227,706	226,274	226,617
Non-controlling interests		3,597	3,527	-	-
Total equity		231,752	231,233	226,274	226,617
Total liabilities and equity		260,044	255,733	226,930	227,379

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 31 March 2010		As at 31 December 2009	
Secured	Unsecured	Secured	Unsecured
S\$ 10,140,000	1,896,000	S\$ 4,470,000	NIL

Amount repayable after one year

As at 31 March 2010		As at 31 December 2009	
Secured	Unsecured	Secured	Unsecured
S\$ 73,000	NIL	S\$ 76,000	NIL

Details of any collateral

Pledged bank deposits of S\$3.0 million

Group's contingent liabilities

	As at 31 March 2010	As at 31 December 2009
Potential property tax	S\$ 629,000	S\$ 632,000

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 STATEMENT OF CASH FLOWS**

		(S\$ '000)	
		Three months ended	
		31 Mar 2010	31 Mar 2009
	Note		
Cash flows from operating activities			
Profit before income tax		2,262	1,039
Adjustments for:			
Share of profit from associates		-	-
Depreciation expense		127	132
Dividend income from quoted equity shares		-	(198)
Finance lease charges		1	-
Interest expense		-	21
Interest income		(375)	(297)
(Gain) loss on disposal of property, plant and equipment		(1,527)	5
Net foreign exchange gain		(309)	(136)
Allowance for inventories		216	-
Reversal of allowance for doubtful other receivables		-	(20)
Operating cash flows before movements in working capital		395	546
Trade receivables		3,804	5,311
Other receivables and prepayments		(3,272)	(2,017)
Inventories		(9,434)	(7,460)
Trade payables		(1,678)	2,184
Other payables and provisions		(1,568)	(758)
Cash used in operations		(11,753)	(2,194)
Dividends received		-	200
Income tax paid		(790)	(11)
Finance lease charges paid		(1)	-
Interest paid		-	(21)
Interest received		399	276
Net cash (used in) from operating activities		(12,145)	(1,750)
Cash flows from investing activities			
Additions to property, plant and equipment		(90)	(118)
Proceeds from disposal of property, plant and equipment		2,101	-
Net cash from (used in) investing activities		2,011	(118)
Cash flows from financing activities			
Repayment of obligations under finance lease		(3)	-
Decrease in fixed deposits with maturities exceeding three months	5	72,956	-
Increase in pledged bank deposits	5	(1,701)	-
Decrease in bills receivable		819	-
Increase in bills payable		5,670	-
Net cash from financing activities		77,741	-
Net effect of exchange rate changes in consolidating subsidiaries			
Net effect of exchange rate changes in the balance of cash held in foreign currencies		(176)	3,557
Net increase in cash and cash equivalents		67,392	3,638
Cash and cash equivalents at beginning of the period		35,590	118,269
Cash and cash equivalents at end of the period		102,982	121,907
Cash and cash equivalents were represented by:-			
Fixed deposits with maturities less than 3 months, cash at bank and hand	5	104,878	122,731
Bank overdraft		(1,896)	(824)
		102,982	121,907

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Notes to the Statements of Financial Position and Consolidated Statement of Cash Flows:

Note 1:

Inventories increased to S\$36.7 million as at 31 March 2010 from S\$27.5 million as at 31 December 2009 due to the purchase of fresh inventories at the end of the quarter in preparation for the expected seasonal demand prior to the May holidays.

Note 2:

Trade Receivables reduced to S\$34.3 million as at 31 March 2010 from S\$38.1 million as at 31 December 2009 due to improved collections.

Note 3:

Bills receivable represent bankers' acceptances of trade debts due by customers for goods sold and delivered to them.

Note 4:

Other Receivables increased to S\$9.6 million as at 31 March 2010 from S\$6.3 million as at 31 December 2009 primarily due to rebates receivable from a supplier as well as increased advances to suppliers.

The increase in the Company's other receivables was on account of accrued interest income on its fixed deposits.

Note 5:

Cash and bank balances are comprised of:

	31-Mar-10	31-Dec-09
Cash and cash equivalents	S\$104.9 million	S\$35.6 million
Fixed deposits with maturities exceeding three months	S\$13.1 million	S\$86.0 million
Fixed deposits that have been pledged to the bank against Bills payable (see also note 7 below)	S\$3.0 million	S\$1.3 million
Total	S\$121.0 million	S\$122.9 million

Note 6:

The aggregate fair value of the combined portfolio of investments reduced to S\$42.6 million as at 31 March 2010 from S\$43.6 million as at 31 December 2009 due to the net decline in the market value of the investments.

Note 7:

Bills payable of S\$10.1 million relate to short-term trade financing for the purchase of goods provided by banks in the PRC to the Group's distribution unit in Shanghai (see also note 5 above).

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

Three months ended 31 March 2010

S\$'000

Group

Balance at 1 Jan 2010

Total comprehensive income for the quarter

Balance at 31 Mar 2010

	Issued capital	Asset revaluation reserve	Fair value adjustment reserve	Options reserve	Translation reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total
Balance at 1 Jan 2010	203,134	687	33,894	759	(12,506)	1,738	227,706	3,527	231,233
Total comprehensive income for the quarter	-	(3)	(915)	-	(638)	2,005	449	70	519
Balance at 31 Mar 2010	203,134	684	32,979	759	(13,144)	3,743	228,155	3,597	231,752

Three months ended 31 March 2009

S\$'000

Group

Balance at 1 Jan 2009

Total comprehensive income for the quarter

Balance at 31 Mar 2009

	Issued capital	Asset revaluation reserve	Fair value adjustment reserve	Options reserve	Translation reserve	Retained earnings (Accumulated losses)	Attributable to equity holders of the Company	Non-controlling interests	Total
Balance at 1 Jan 2009	203,134	968	19,490	759	(8,486)	(10,043)	205,822	3,926	209,748
Total comprehensive income for the quarter	-	53	(10,706)	-	6,412	792	(3,449)	240	(3,209)
Balance at 31 Mar 2009	203,134	1,021	8,784	759	(2,074)	(9,251)	202,373	4,166	206,539

Three months ended 31 March 2010

S\$'000

Company

Balance as at 1 Jan 2010

Total comprehensive income for the quarter

Balance as at 31 Mar 2010

	Issued capital	Fair value adjustment reserve	Options reserve	Accumulated losses	Total
Balance as at 1 Jan 2010	203,134	32,600	759	(9,876)	226,617
Total comprehensive income for the quarter	-	(1,775)	-	1,432	(343)
Balance as at 31 Mar 2010	203,134	30,825	759	(8,444)	226,274

Three months ended 31 March 2009

S\$'000

Company

Balance as at 1 Jan 2009

Total comprehensive income for the quarter

Balance as at 31 Mar 2009

	Issued capital	Fair value adjustment reserve	Options reserve	Accumulated losses	Total
Balance as at 1 Jan 2009	203,134	19,490	759	(19,354)	204,029
Total comprehensive income for the quarter	-	(7,956)	-	4,603	(3,353)
Balance as at 31 Mar 2009	203,134	11,534	759	(14,751)	200,676

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 year, a total of 1,000,000 share options expired during the period under the Thakral Corporation Employees' Share Option Scheme 2001.

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

	As at 31 Mar 2010	As at 31 Dec 2009
Outstanding options	23,268,000	24,268,000

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

The Company did not have any treasury shares as at 31 March 2010 and 31 December 2009.

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 31 March 2010 and 31 December 2009.

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

Except as disclosed in paragraph 5 below, 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 2009.

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

In the current year, the Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS that are relevant to its operations and effective for annual periods beginning on or after 1 January 2010. The Group was mainly affected by the following new / revised FRS:

- FRS 27 - Consolidated and Separate Financial Statements (Revised)
- FRS 28 - Investments in Associates (Revised)
- FRS 103 - Business Combinations (Revised)

The adoption of these new / revised FRS has no material impact on the financial statements of the Group and of the Company.

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	Three months ended 31 Mar 2010	Three months ended 31 Mar 2009
(i) Basic earnings per share	0.08 cent	0.03 cent
(ii) Fully diluted earnings per share	0.08 cent	0.03 cent

From continuing operations	Three months ended 31 Mar 2010	Three months ended 31 Mar 2009
(i) Basic earnings per share	0.08 cent	0.03 cent
(ii) Fully diluted earnings per share	0.08 cent	0.03 cent

Basic earnings and diluted earnings per share are computed on the profit for the quarters after taxation and deduction of minority interests divided by 2,612,113,668 being the weighted average number of shares in issue during the quarter ended 31 March 2010 and 31 March 2009. The diluted earnings per share for the quarter ended 31 March 2010 are computed on the profit for the quarter after taxation and deduction of minority interests divided by 2,613,375,644 with 1,261,976 shares being the dilutive effect of potentially exercisable options outstanding as at the end of the quarter.

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 31 Mar 2010	As at 31 Dec 2009
Group	8.73 cents	8.72 cents
Company	8.66 cents	8.68 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 – Three months ended 31 March 2010

Turnover & Profitability

Group revenue for the quarter ended 31 March 2010 ("Q1-FY10") was S\$111.0 million compared to S\$97.9 million for the quarter ended 31 March 2009 ("Q1-FY09"). The increase of 13% was mainly as a result of improved sales at the Group's Consumer Electronics Distribution business, particularly in Hong Kong. The property development unit in Wujiang also successfully sold a few commercial property units during the current quarter.

Group gross profit in the latest quarter rose 17% to S\$4.9 million (at a gross profit margin of 4.4%) compared to S\$4.2 million (at a margin of 4.3%) in Q1-FY09.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Other income rose to S\$1.7 million in Q1-FY10 as compared to S\$1.0 million in Q1-FY09. The Group realized gains of S\$1.5 million from the disposal of properties in China during the current quarter. The previous corresponding period included the receipt of damages and interest of S\$0.9 million upon the settlement of legal claims.

Foreign exchange gains of S\$0.3 million arose in Q1-FY10 primarily from the translation of monetary assets and liabilities, denominated in foreign currencies, outstanding as at the end of the period. This compares to gains of S\$0.1 million in Q1-FY09.

Group net income for Q1-FY10 attributable to owners was S\$2.0 million as against S\$0.8 million achieved in the previous corresponding quarter, representing an increase of 153% over that period.

Expenses

Additional effort was put into marketing and promotion of the new game and media players with a view to generating market awareness and creating a platform for gradual increase in sales. Accordingly, Distribution expenses increased overall by S\$0.3 million to S\$1.2 million in the latest quarter from S\$0.9 million in Q1-FY09.

Overall Administration expenses of S\$3.7 million remained level with those incurred in the previous corresponding quarter. In the previous corresponding quarter, there were voluntary reductions in employee pay, bonus and directors' fees. The Group has reverted to pre-reduction levels. Increase in costs in this quarter in respect of these, compared to that of the previous quarter, and certain additional manpower recruited during the quarter were broadly compensated by savings in other areas.

Net Finance income at S\$0.4 million for the latest quarter improved by about 35% over the S\$0.3 million achieved in the previous corresponding quarter.

Group income tax for the current quarter arose mainly in relation to gains on the disposal of properties in the PRC and in the property development unit in Wujiang.

Working Capital and Cash Flow

Inventories increased to S\$36.7 million as at 31 March 2010 from S\$27.5 million as at 31 December 2009 due to the purchase of fresh inventories at the end of the quarter in preparation for the expected seasonal demand prior to the May holidays. Trade and Bills Receivables at S\$34.4 million were lower as at 31 March 2010 from S\$39.1 million as at 31 December 2009. Other Receivables increased to S\$9.6 million as at 31 March 2010 from S\$6.3 million as at 31 December 2009 primarily due to rebates receivable from a supplier as well as increased advances to suppliers. The aggregate value of the Available-for-sale investments reduced to S\$42.6 million as at 31 March 2010 from S\$43.6 million as at 31 December 2009 due to the net decline in the market value of the investments.

Net operational cash outflow during the current quarter increased to S\$12.1 million from S\$1.8 million in the previous corresponding quarter. This was mainly as a result of the additional stocking of goods in preparation for seasonal demand as well as the reduction in payables during the quarter.

Net Asset Value

Net Asset Value per share improved to 8.73 cents as at 31 March 2010 from 8.72 cents as at 31 December 2009.

Performance Summary

Distribution

Turnover during this quarter in the Consumer Electronics distribution business increased by 13.2% to S\$110.3 million from S\$97.4 million in Q1-FY09. Segment result, excluding the legal damages and interest included in last years' result, increased by S\$0.5 million to S\$1.2 million, an increase of 83%. This reflects a continuing upward trend in this business.

Property

The property segment saw a pick up in sales in the current quarter as compared to the low base set in the previous corresponding quarter. Results of the property segment include the gains of S\$1.5 million from the disposal of a building in Chengdu, China, that has been treated as other operating income. The costs of this segment also include the costs of the new real estate division.

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.

The PRC economy is continuing its expansion, with first quarter growth having exceeded 11%. The Group expects to continue benefiting from the growth in its principal market and looks forward to maintaining growth.

The Company had made announcements on 30 April 2010 and 6 May 2010 in connection with the Capital Reduction and Cash Distribution approved by shareholders in an extraordinary general meeting held on 4 February 2010. After the completion of the sale of shares of Gateway Distriparks Limited on 6 May 2010, the documents for obtaining the approval for the Capital Reduction and Cash Distribution were filed with the High Court of Singapore on 7 May 2010. The Cash Distribution will be made after receipt of the approval from the High Court. Further announcements on the timing will be made as appropriate.

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/recommendeded, a statement to that effect

Subsequent to 31 December 2009, 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

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

- a) Distribution ("DIST")
- b) Electronic manufacturing services ("EMS") – operations were discontinued during previous year
- c) Property holding division ("PPT")
- d) Others ("OTH") - those activities which do not fall into the above categories

Group's reportable segments

S\$'000

Three months ended 31 March 2010

	DIST	EMS	PPT	OTH	TOTAL
Revenue					
External sales from continuing operations	110,288	-	739	-	111,027
Result					
Segment result from continuing operations	1,154	-	1,421	(512)	2,063
Unallocated corporate expenses					(484)
Finance income					375
Finance costs					(1)
Foreign exchange gain					309
Profit before income tax and share of results of associates					2,262
Share of results of associates					-
Profit before income tax					2,262
Income tax expense					(173)
Net profit for the quarter					2,089

Other information					
Capital expenditure:					
Property, plant and equipment	86	-	-	4	90
Depreciation expense of continuing operations	96	-	28	3	127

Assets					
Segment assets	108,516	-	22,897	128,625	260,038
Assets of discontinued operations		6			6
Total assets					260,044
Liabilities					
Segment liabilities	24,077	-	2,280	648	27,005
Liabilities of discontinued operations		276			276
Income tax payable					621
Deferred tax liability					390
Total liabilities					28,292

THAKRAL CORPORATION LTD AND SUBSIDIARIES

S\$'000

Three months ended 31 March 2009

	DIST	EMS	PPT	OTH	TOTAL
Revenue					
External sales from continuing operations	97,444	-	256	198	97,898
Result					
Segment result from continuing operations	1,482	-	32	(633)	881
Unallocated corporate expenses					(315)
Finance income					297
Finance costs					(21)
Foreign exchange gain					138
Profit before income tax and share of results of associates					980
Share of results of associates					-
Profit before income tax					980
Income tax expense					(220)
Profit after tax from continuing operations					760
Profit from discontinued operations		59			59
Net profit for the quarter					819

Other information					
Capital expenditure:					
Property, plant and equipment	118		-	-	118
Depreciation expense of continuing operations	105	-	25	2	132

Assets					
Segment assets	101,220	-	29,976	94,315	225,511
Assets of discontinued operations		341			341
Investment in associates					1,168
Total assets					227,020
Liabilities					
Segment liabilities	15,138	-	2,473	286	17,897
Liabilities of discontinued operations		1,419			1,419
Income tax payable					934
Deferred tax liability					231
Total liabilities					20,481

Geographical information

S\$'000

Geographical segments:	Revenue		Capital expenditure		Non-current assets	
	31 Mar		31 Mar		31 Mar	
	2010	2009	2010	2009	2010	2009
People's Republic of China (including Hong Kong)	106,430	93,885	13	115	13,939	17,939
Others	4,597	4,127	77	3	1,726	2,782
	111,027	98,012	90	118	15,665	20,721

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

Revenue from discontinued operations was all derived in the People's Republic of China.

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 quarter ended 31 March 2010 under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000) *
Thakral Brothers Pte Ltd and subsidiaries	S\$'000	S\$'000
Purchases, net of returns	1,076	N/A

* No general mandate was in effect during the period.

BY ORDER OF THE BOARD

Tan Ping Ping
 Chan Lai Yin
 Company Secretaries
 10 May 2010

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 3 months ended 31 March 2010 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Kartar Singh Thakral
 Chairman

Inderbethal Singh Thakral
 Director
 10 May 2010



THAKRAL CORPORATION LTD

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

PRESS RELEASE

THAKRAL REPORTS PROFITABLE Q1FY10 ON THE BACK OF GROWING CONSUMER ELECTRONICS MARKET IN CHINA

- **Turnover increased 13% to S\$111 million in Q1FY10**
- **Income from consumer electronics distribution business surged 83% to S\$1.2 million in Q1FY10**

Singapore, May 10, 2010 – SGX-Mainboard-Listed Thakral Corporation Ltd (“Thakral” or the “Group”), a leading consumer electronics distributor with business in strategic property and equity investments has achieved its fifth successive profitable quarter for Q1FY10, in the light of global economic recovery and increasing demand for consumer electronics in China.

Group revenue rose 13% to S\$111 million in Q1FY10 as compared to the same quarter a year ago.

The Group’s net profit attributable to shareholders was S\$2 million in Q1FY10, which included a net gain of S\$1.5 million from the disposal of a building in Chengdu, China, an increase in financial income and foreign exchange gains in Q1FY10.

Income from the consumer electronics distribution business also surged 83% to S\$1.2 million from S\$0.6 million (which excludes S\$0.9 million from damages and interest income earned from a legal claim) in Q1FY09. This reflects the continuing upward trend in the consumer electronics demand in China.

Mr Kartar Singh Thakral (“Mr Kartar”), Executive Chairman of Thakral said: “The Group has benefitted from its strong focus on the consumer electronics market in China. This will continue to be the strategic direction of the Group in view of the robust outlook of the Chinese economy and the rising demand for consumer electronics products in the country.”

The World Bank has forecasted that the Chinese economy will grow by 9.5% in 2010. Prospects for the country’s consumer electronics industry are expected to be bullish for the

year, according to the *China Consumer Electronics Report Q2 2010* released by Business Monitor International. The report said that China's consumer electronics devices market, which includes computing devices, mobile handsets and video, audio and gaming products, is projected to be worth around US\$145.8 billion in 2010 while spending on consumer electronics products is projected to grow at a compound annual growth rate (CAGR) of 8.5% through 2014.

Earnings Per Share and Net Asset Value Per Share

Mirroring the improved results, Group Earnings Per Share (from continuing and discontinued operations) for Q1FY10 was 0.08 cent, compared to that of 0.03 cent reported for Q1FY09.

Group Net Asset Value Per Share also rose to 8.73 cents for Q1FY10, compared to 7.75 cents in Q1FY09 on account of the significant increase in the value of available for sale investments and the regular profits earned during the period.

Working Capital Position

The Group's cash position was healthy at S\$121.0 million in Q1FY10, although this was a slight fall compared to the cash balance of S\$122.9 million reported for FY09.

Net operational cash outflow in Q1FY10 increased to S\$12.1 million, compared to S\$1.8 million in Q1FY09. This was mainly due to the increase in inventories in preparation for the seasonal demand for consumer electronics products prior to the May holidays, as well as the reduction in payables during the quarter. As such, inventories also increased accordingly to S\$36.7 million in Q1FY10, up by 48.6% from S\$24.7 million in Q1FY09.

Segmental Performance

Distribution

Distribution remains the key growth driver for the Group, contributing to 99.3% or S\$110.3 million of the Group revenue achieved for Q1FY10. This was up 13.2% compared to S\$97.4 million reported in Q1FY09.

Property Holding

Turnover for the property segment nearly tripled to reach S\$0.7 million in Q1FY10 compared to S\$0.3 million reported in Q1FY09, due to the successful sales of commercial properties by

the property development unit in Wujiang.

Profit for this segment was S\$1.4 million in Q1FY10 against S\$32,000 reported in Q1FY09, which includes S\$1.5 million from the sale of the property in Chengdu and the costs of the new real estate division in Singapore.

Going Forward

Mr Kartar said: “With our extensive global consumer brand portfolio and enhanced product mix, we are optimistic of our growth prospects as we continue to benefit from the growth in our principal markets and suppliers. As such, the Group will continue to focus on our growth strategies and drive sales in our principal markets.

On the capital reduction and cash distribution exercise, the Board has also announced on 6 May 2010 that it has disposed its entire shareholding in India-listed Gateway Distriparks Limited (“GDL”), which resulted in a significant net gain of about S\$29.9 million for the Company. The Company is currently seeking High Court approval for the exercise and will announce the date of cash distribution to shareholders once it receives confirmation from the High Court.

Barring unforeseen circumstances, the Group remains positive and expects an improved operating environment in the year ahead.

About Thakral

Listed on the SGX Mainboard since December 1995 with its headquarters in Shanghai, China, Thakral Corporation Ltd is in the consumer electronics distribution business as well as strategic property and equity investments.

Presently, China (including Hong Kong) and India are the Group's key markets for its products. Under its extensive consumer brand portfolio are global names such as Apple, Asus, Canon, Casio, Fuji, Hewlett-Packard, Kodak, Lenovo, Nikon, Nokia, Orion, Panasonic, Samsung and Sony.

Major products distributed under these key brands include digital cameras, desktop and notebook computers, data projectors, MP3/MP4/MP5 players, personal digital assistants

("PDAs"), data projectors, mobile phones, console game players, printers, electronic accessories and consumables.

The Group also markets and distributes trendy consumer electronics products under its own proprietary brand "YES". These products include audio players and accessories, portable media players, portable DVD players, LCD/Plasma/LED-backlit LCD TVs, digital photo frames, LED flashlights, battery chargers and memory cards.

The Group is exploring new opportunities to step up its existing property business to enhance shareholder value.

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

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