

[Print this page](#)

MISCELLANEOUS

** 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
Date & Time of Broadcast	06-Nov-2009 17:08:33
Announcement No.	00059

>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title *	Press Release - Results for Q3FY09
Description	Please see attachment.
Attachments	📎 ThakralCorp_PR_Q3FY09_20091106.pdf Total size = 21K (2048K size limit recommended)

[Close Window](#)



THAKRAL CORPORATION LTD

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

PRESS RELEASE – RESULTS FOR Q3FY09

THAKRAL REPORTS NET PROFIT OF S\$5.9 MILLION ON THE BACK OF 12% RISE IN GROUP REVENUE TO S\$327 MILLION FOR NINE MONTHS ENDED SEPTEMBER 30

- Group achieves net profit of S\$1.8 million on sales of S\$114.9 million for Q3FY09

Singapore, November 6, 2009 – SGX-MAINBOARD-LISTED Thakral Corporation Ltd (“Thakral” or the “Group”), a leading consumer electronics distributor with business in strategic property and equity investments, continues its profitable performance - registering a net profit of S\$5.9 million for the nine months ended September 30, 2009, reversing the S\$9.7 million loss in the same period for FY2008. This is the third consecutive quarter of profitable growth for the Group.

This was accomplished on the back of a 12% rise in Group turnover to S\$327 million from S\$292.2 million in FY08 for the same period under review.

The Group also reported a net profit of S\$1.8 million for Q3FY09, against a loss of S\$3.1 million in the previous corresponding period.

The Group also maintained its sales level at S\$114.9 million for Q3FY09 compared to S\$114.3 million in the previous quarter. Turnover for the quarter is 2% lower than the S\$116.7 million in Q3FY08.

On a quarter-to-quarter basis, gross profit margin for Q3FY09 was 4.1%, up from 2.8% in the previous corresponding period, reflecting the Group’s success in expanding its brand portfolio and product mix. Group gross profit margin for the nine months ended September 30, 2009 improved to 4.6% from 3.7% in the same period of last year, mainly due to better margin on sales of electronic products in China.

Comparing on a quarterly basis, the gross profit margin of 4.1% achieved for Q3FY09 has fallen from 5.3% in Q2FY09 due to a combination of higher cost of sales for the current quarter and a change in the sales mix.

Group net profit of S\$5.8 million attributable to shareholders for the nine months under review was a significant turnaround from S\$9.3 million loss incurred in the previous corresponding period. Out of this amount, 30% or S\$1.7 million was earned during Q3FY09 while the previous quarter accounted for 59% or S\$3.4 million of the Group net profit attributable to shareholders.

Working Capital and Cash Flow

The Group maintained a healthy cash balance of S\$116.2 million as at September 30, 2009, although this is lower as compared to S\$119.1 million at December 31, 2008. The decrease is mainly due to the larger scale of business and introduction of new product lines which in turn necessitate a higher level of inventories and trade receivables.

Earnings Per Share and Net Asset Value Per Share

The Group Earnings Per Share (from continuing and discontinued operations) for Q3FY09 was 0.07 cent reversing from a Group Loss Per Share of 0.11 cent for Q3FY08.

For the nine months under review, the Group Earnings Per Share was 0.22 cent compared to a Group Loss Per Share of 0.35 cent for the previous corresponding period in FY08.

Group Net Asset Value Per Share also rose to 8.41 cents as at September 30, 2009 against 7.88 cents as at December 31, 2008 on the back of the recovery in equity markets especially in Asia and the profit earned under the period under review.

Segmental Performance

Distribution

For the nine months ended September 30, 2009, the Distribution Division saw its turnover increase by 12.4% compared to the same period in FY08 to hit S\$325.4 million and contributed to 99.5% of the Group's revenues.

This division also saw a significant turnaround in its fortunes. It returned to the black with a profit of S\$5.7 million in the latest 9 months period from the loss of S\$3.1 million in the previous corresponding period. The segment profit includes S\$1.7 million in damages, interest income and legal costs recovery received in connection with the settlement of a marine cargo insurance claim in Hong Kong.

Property Holding

Revenue for the property segment rose by 12.4% from S\$0.85 million to S\$0.96 million for the nine months ended September 30, 2009, due to the improvement in rental income of the Group's investment properties in Hong Kong during the period under review.

Sales at the Group's property division in Wujiang remained weak. Turnover was about 24% lower than in the previous corresponding period.

Going Forward

Executive Chairman, Mr Kartar Singh Thakral said "We are pleased to report another set of profitable results. This reflects the success of our strategy in steering the Group in the right direction as we leveraged on the upturn in the prevailing economic conditions which were enhanced by the various generous government stimulus plans in China. We have reversed our losses and recorded profit for the past three consecutive quarters and are now poised for more growth as we continue to take advantage of industry trends and market dynamics to raise shareholder value.

As we expand our business, we have also strengthened our team. We have beefed up our IT division and Mobile phone division in Hong Kong to sharpen the Group's sales competency in computers and mobile phones. We will also be setting up in Q1FY10 a corporate sales division by leveraging on our sourcing capabilities to drive sales into the corporate sector.

The Group is working closely with the regulatory authorities to finalise documents to be provided to shareholders on the proposal for the diversification of the business to include real estate and related infrastructure business in the Pan Asian region as a core activity. In the meantime the Group continues to explore investment opportunities in the real estate sector.

Barring unforeseen circumstances, the Group remains optimistic of reporting a profitable FY09."

About Thakral

Listed on the SGX Mainboard since December 1995 with its Distribution business

headquartered in Shanghai, the People's Republic of China ("PRC"), Thakral Corporation Ltd ("the Group") is involved in the distribution business in the consumer electronics sector, as well as strategic property and equity investments.

Presently, the PRC, Hong Kong and India are the Group's key markets for its products. The Group distributes an extensive consumer brand portfolio including global consumer electronics brands such as Apple, Asus, Canon, Casio, Fuji, Kodak, Lenovo, Nikon, Nokia, Olympus, Orion, Panasonic, Pentax, Samsung and Sony. Some of the major products distributed under these key brands include digital video cameras, digital still cameras, plasma TVs, desktop and notebook computers, personal digital assistants (PDAs), data projectors, electronic accessories, mobile phones and audio products including MP3/MP4/MP5 players.

The Group has also successfully created and marketed trendy consumer products such as audio players and accessories, LCD TVs, memory cards, portable DVD players and digital photo frames under its own "YES" brand.

Currently, the Group is exploring potential business growth opportunities in the property sector as it seeks to diversify its business and expand into real estate in the Pan Asian region.

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

For more information, please contact:

Tham Moon Yee/ Lee Yew Meng/ Tan Shang May

Tel: (65) 6227 0502

Email: tmy@stratagemconsultants.com
yewmeng@stratagemconsultants.com
shangmay@stratagemconsultants.com