



THIRD 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 *	30-09-2011
Description	Please refer to attachments.
Attachments	 ThakralCorp_Results_Q3FY11_3Nov11.pdf  ThakralCorp_PR_Q3FY11_3Nov11.pdf Total size = 141K (2048K size limit recommended)



THAKRAL CORPORATION LTD

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

PRESS RELEASE

- **Net Profit increased 32% compared to 3QFY2010**
- **Gross profit margin improves**
- **Both distribution and real estate businesses registered improved performances**

Singapore November 03, 2011

Mainboard-listed Thakral Corporation Ltd (“Thakral” or the “Group”) extended its profitable track record for the third consecutive quarter in 2011, reporting a net profit of S\$3.2 million.

The performance was achieved on the back of an 11% rise in turnover to S\$91.9 million from S\$82.7 million in 2QFY2011.

Compared to S\$2.4 million in 3QFY2010, the Group achieved a 32% net profit increase in 3QFY2011. The improved net profit performance came despite a 9% decline in Group turnover to S\$91.9 million from S\$101.2 million in 3QFY2010, as well as an exchange translation loss of S\$1.5 million in 3QFY2011 as a result of the significant weakening of the S\$ towards the end of September 2011 as against a translation gain of S\$1.2 million in the previous corresponding quarter.

On a nine-month basis, Group turnover was S\$283.0 million, a 14% decline from the revenue of S\$327.8 million registered in the same period of FY2010. However, gross profit grew to S\$28.2 million, up 57% from the S\$18.0 million earned in the nine months of FY2010.

Consequently, gross profit margin also improved to 10.0% in the nine months ended 30 September 2011 compared to 5.5% in the corresponding period of FY2010.

The significant improvement in the margins was attributed to the Group’s continued focus on higher margin products, promotional support and performance rebates from suppliers, improved contributions from the Group’s property business at Wujiang in the PRC and income earned from the Australian real estate investments and from dividend received from its Australian quoted investment.

Group net income attributable to shareholders for the current nine-month period was S\$6.4 million. Excluding the gain from the disposal of its investment in India in the previous financial year, the Group’s net earnings this quarter represented an

increase of 16% over the previous corresponding period.

Earnings Per Share and Net Asset Value Per Share

Group Basic Earnings Per Share (EPS) for 3QFY2011 stood at 0.11 cent, up from 0.09 cent in 3QFY2010.

Group EPS for the nine months period was 0.24 cent, compared to 1.31 cents in the previous corresponding period. Excluding the one-off gain on the disposal of the Gateway Distriparks Limited investment in 2QFY2010, the basic EPS for the nine months ended 30 September 2010 would have been 0.21 cent. Therefore, excluding the one-off gain, Group EPS was 14% higher than the EPS of the previous corresponding period.

Net Asset Value (NAV) per share as at 30 September 2011 was 4.11 cents compared to 3.83 cents as at 31 December 2010. Compared to 30 September 2010, NAV per share was higher by 0.44 cent from 3.67 cents.

Working Capital Position

For 3QFY2011, the Group continued to strengthen its financial position.

Cash balance (including non-current fixed deposits of S\$14.2 million) grew to S\$50.5 million as at 30 September 2011 - up 52% from S\$33.2 million as at 31 December 2010.

Net cash from operating activities increased to S\$7.2 million from S\$0.9 million in the previous corresponding period. The inflow was helped by the receipt of S\$2.6 million dividend from the Group's Australian quoted equity investment.

Due to increased purchases in preparation for upcoming seasonal demand, inventories went up by 13% to S\$47.0 million as at 30 September 2011 from S\$41.6 million as at 31 December 2010.

Segmental Performance Distribution

Distribution

Electronics product distribution remains the growth engine for the Group, contributing 97% of the Group's overall turnover. This segment achieved revenue of S\$273.1 million in 9MFY2011, a decline of 16% from the S\$325.5 million achieved in 9MFY2010. However, as a result of improved margins during this year, segment profits at S\$6.7 million increased 14% during the year.

However, compared to the distribution revenue of S\$80.6 million achieved in 2QFY2011, revenue from this business segment in 3QFY2011 grew to S\$87.5

million, up 8%. Segment result also improved significantly during the quarter.

Real Estate

The Real Estate Division reported an increase in turnover to S\$7.2 million in 9MFY2011 from S\$2.2 million in 9MFY2010 as a result of significant increase in sales at the property unit in Wujiang in China as well as the new stream of income from the Australian real estate investments. The division's profit increased to S\$3.8 million from S\$1.6 million in the previous corresponding period.

Going Forward

On the Group's performance, Mr Kartar Singh Thakral ("Mr Kartar"), Executive Chairman of Thakral said: "It is likely that the Chinese economy and consequently domestic demand will be adversely impacted by the continuing global slowdown. The Group therefore takes a cautious view of prospects in the coming months.

"We will maintain our strategy of prudence while staying nimble to take advantage of market opportunities to add value to our core businesses and drive further growth for the Group. At the same time, we will continue to focus on higher margin products to grow our distribution business. The strengthened profit margins from this business segment will support the Group's future expansion."

Mr Kartar added: "Our strategy to focus on our real estate initiatives has begun to bear fruit. The division has invested in three projects to date which are progressing well and are on schedule. A number of projects continue to be under evaluation and appropriate announcements will be made when these are finalized."

About Thakral

Listed on the SGX Mainboard since December 1995 with its Distribution business headquartered 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, Canon, Casio, Fuji, Hewlett-Packard, Kodak, Lenovo, Nikon, Nokia, Orion, Panasonic, Samsung and Sony. The Group has also taken up new brands such as Altec Lansing, Built, Cygnett, Empire, Logic3, Moshi Moshi, Scott, Skullcandy and SwitchEasy.

Major products distributed under these key brands include digital cameras, video cameras, data projectors, iPhones, iPads, mobile phones, plasma and LED TVs, digital photo frames, portable DVD players, iPod accessories, MP3/MP4/MP5 players, desktop and notebook computers, memory cards, personal digital assistants (PDAs), games/media 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 now progressively implementing its plan to grow its investments in real estate projects in Australia.

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

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Nine Months and Third 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 and statement of comprehensive income, or a statement of comprehensive income, for the group, for the nine months and third quarter ended 30 September 2011 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			Group		
		S\$000		% Increase / (Decrease)	S\$000		% Increase / (Decrease)
		Nine months ended			Three months ended		
		30 Sep 2011	30 Sep 2010	30 Sep 2011	30 Sep 2010		
Revenue	1	283,030	327,753	(14)	91,935	101,215	(9)
Cost of sales		(254,817)	(309,779)	(18)	(79,189)	(94,587)	(16)
Gross profit	1	28,213	17,974	57	12,746	6,628	92
Other operating income	2	776	1,989	(61)	136	128	6
Distribution costs	3	(4,268)	(3,745)	14	(1,483)	(1,343)	10
Administrative expenses	4	(14,680)	(11,179)	31	(6,379)	(3,630)	76
Other operating expenses	5	(326)	(364)	(10)	(116)	(117)	(1)
Profit from operations		9,715	4,675	108	4,904	1,666	194
Net gain on disposal of available-for-sale investments		-	28,722	(100)	-	-	N/A
Finance income	6	438	820	(47)	166	87	91
Finance costs	6	(892)	(17)	NM	(342)	(15)	NM
Foreign exchange (loss) gain	7	(553)	1,247	NM	(1,476)	1,219	NM
Profit before income tax		8,708	35,447	(75)	3,252	2,957	10
Income tax expense	8	(1,206)	(1,014)	19	(47)	(524)	NM
Profit for the period / quarter		7,502	34,433	(78)	3,205	2,433	32
<u>Attributable to:</u>							
Owners of the Company		6,391	34,254	(81)	2,859	2,406	19
Non-controlling interests		1,111	179	521	346	27	NM
		7,502	34,433	(78)	3,205	2,433	32

NM – Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	S\$'000		%	S\$'000		%
		Nine months ended			Three months ended		
		30 Sep 2011	30 Sep 2010		30 Sep 2011	30 Sep 2010	
Profit for the period / quarter		7,502	34,433	(78)	3,205	2,433	32
Other comprehensive income (loss)							
Translation gain (loss) arising on consolidation	9	2,254	(6,169)	NM	6,081	(5,946)	NM
Net fair value changes in available-for-sale investments	10	(503)	(288)	75	(976)	3,090	NM
Revaluation surplus on transfer of property from Properties, plant and equipment to Investment properties	11	2,111	-	NM	2,111	-	NM
Reclassification to profit or loss from equity upon disposal of available-for-sale investments		-	(29,235)	(100)	-	-	NM
Other comprehensive income (loss) for the period / quarter, net of tax		3,862	(35,692)	NM	7,216	(2,856)	NM
Total comprehensive income (loss) for the period / quarter		11,364	(1,259)	NM	10,421	(423)	NM
Total comprehensive income (loss) attributable to:							
Owners of the Company		10,047	(1,266)	NM	9,781	(273)	NM
Non-controlling interests		1,317	7	NM	640	(150)	NM
		11,364	(1,259)	NM	10,421	(423)	NM

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

The Group continued its focus on achieving higher margins in its distribution business during the first nine months of 2011. However, overall sales for the period have been affected by the temporary disruption in supply of goods by suppliers affected by the earthquake in Japan. However, margins improved to 10.0% in the latest period as compared to 5.5% in the previous corresponding period and included improved contributions from the property development unit in Wujiang as well from investments in Australia in real estate and strategic equity investments.

Note 2:

Other operating income comprises:

	S\$'000		%	S\$'000		%
	Nine months ended			Three months ended		
	30 Sep 2011	30 Sep 2010		30 Sep 2011	30 Sep 2010	
VAT and business tax subsidy	152	81	88	1	28	(96)
Gain on disposal of property, plant and equipment	309	1,500	(79)	-	(18)	(100)
Commission income	298	288	3	127	81	57
Miscellaneous	17	120	(86)	8	37	(78)
Total	776	1,989	(61)	136	128	6

- (i) The gain of S\$0.3 million arose from the disposal of a disused asset during the period. The net gain of S\$1.5 million in 2010 arose on the disposal of a group property in China.
- (ii) Miscellaneous income for the current period declined mainly due to the cessation of rental income upon the end of a sub-lease of premises in China.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Note 3:

Distribution costs comprise:

	S\$'000		%	S\$'000		%
	Nine months ended			Three months ended		
	30 Sep 2011	30 Sep 2010	Increase / (Decrease)	30 Sep 2011	30 Sep 2010	Increase / (Decrease)
Staff costs	(2,231)	(1,836)	22	(777)	(698)	11
Advertising & promotion	(268)	(224)	20	(94)	(48)	96
Transportation	(822)	(806)	2	(296)	(267)	11
Travelling expenses	(407)	(475)	(14)	(147)	(182)	(19)
Others	(540)	(404)	34	(169)	(148)	14
Total	(4,268)	(3,745)	14	(1,483)	(1,343)	10

- (i) Increased focus on current and new channels of business necessitated higher staff deployment resulting in increased staff costs. Annual pay adjustments also increased costs compared to the last year.
- (ii) Advertising charges rose in the latest quarter due to increased advertising and marketing activity in China.
- (iii) Travelling costs declined due to lower overseas travel.
- (iv) Other distribution costs increased mainly due to higher warehousing costs and entertainment expenses incurred during the Lunar New Year period in China.

Note 4:

Administration expenses comprise:

	S\$'000		%	S\$'000		%
	Nine months ended			Three months ended		
	30 Sep 2011	30 Sep 2010	Increase / (Decrease)	30 Sep 2011	30 Sep 2010	Increase / (Decrease)
Staff costs (including executive directors)	(7,749)	(6,958)	11	(2,789)	(2,315)	20
Directors' fees	(418)	(326)	28	(106)	(108)	(2)
Professional fees	(1,258)	(1,260)	(0)	(468)	(297)	58
Rent & rates	(532)	(531)	0	(177)	(170)	4
Travelling expenses	(322)	(252)	28	(126)	(75)	68
Insurance	(268)	(290)	(8)	(105)	(100)	5
Allowance for doubtful debts	(1,774)	(306)	480	(1,515)	(110)	1,277
Others	(2,359)	(1,256)	88	(1,093)	(455)	140
Total	(14,680)	(11,179)	31	(6,379)	(3,630)	76

- (i) Staff costs rose due to higher performance linked employee accruals, annual pay adjustments and increase in headcount.
- (ii) Director's fees include the ex-gratia payments of S\$100,000 to Independent Directors approved by shareholders at the last annual general meeting and recognised in the current period.
- (iii) Professional fees in the current period include fees paid by the Group's Real Estate division. Fees in the previous corresponding period included significant costs in relation to the re-positioning of the Group's business as well as for the capital reduction exercises at Singapore and Hong Kong which did not recur in the current period.
- (iv) Travelling expenses increased due to increased travel by executive directors and management personnel.
- (v) Defaults in the settlement of trade debts by certain customers have necessitated the increased allowance for doubtful debts.
- (vi) The increase in other administration expenses in the current period is mainly due to general cost increase, withholding taxes on dividend and investment income (S\$764,000), charitable donations for disaster relief and education (S\$72,000) and the reversal of VAT (S\$164,000) in the previous period.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Note 5:

Other operating expenses comprised depreciation charges for the relevant periods.

Note 6:

Finance income reduced due to lower deposits as a result of cash payments to shareholders in the previous financial year in relation to the Capital Reduction exercise and the interim dividend in Q2-FY2011.

Finance costs increased mainly due to the trade finance and bank loans taken by the Group to finance its operations and investments by the Real Estate division.

Note 7:

Foreign exchange translation (loss) gain arose mainly from translation of monetary assets and liabilities, denominated in foreign currencies, outstanding as at the end of the period. The significant exchange translation loss observed during the current quarter was as a result of the abrupt weakening of the Singapore Dollar in the latter half of September 2011 and arose mainly from the reporting entity having to settle its inter-company indebtedness in Hong Kong Dollars.

Note 8:

Group income tax for the current period arose mainly in relation to higher taxable profits of the property development unit in Wujiang.

Note 9:

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

Note 10:

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

Note 11:

This unrealized revaluation surplus arose from an accounting reclassification of a warehouse property from 'Property Plant and Equipment' to 'Investment Properties' upon a subsidiary leasing it out to a third party. As the property had previously been carried at cost less depreciation, the surplus arose upon its reclassification at market value in accordance with accounting standards.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

1(b)(i) A statement of financial position (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	
		30 Sep 2011	31 Dec 2010	30 Sep 2011	31 Dec 2010
<u>ASSETS</u>					
Current assets					
Inventories	1	46,966	41,583	-	-
Available-for-sale investment	2	3,946	-	-	-
Held-to-maturity financial asset	3	5,603	-	-	-
Trade receivables	4	32,236	30,106	-	-
Other receivables and prepayments	5	8,896	7,676	2,339	2,289
Cash and bank balances	6	36,222	33,189	608	844
Total current assets		133,869	112,554	2,947	3,133
Non-current assets					
Property, plant and equipment	7	6,671	4,132	22	28
Investment properties		12,472	12,176	-	-
Investments in subsidiaries		-	-	90,846	96,649
Available-for-sale investments	2	13,346	18,106	-	-
Loan receivable	3	1,284	-	-	-
Fixed deposits	6	14,237	-	-	-
Total non-current assets		48,010	34,414	90,868	96,677
Total assets		181,879	146,968	93,815	99,810
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Trade payables		16,080	6,629	-	-
Bills payables and trust receipts	8	9,582	14,468	-	-
Bank overdrafts and loans	9	30,289	7,282	-	-
Other payables		10,050	11,295	303	625
Provisions		2,225	2,086	24	-
Income tax payable		656	1,020	-	-
Total current liabilities		68,882	42,780	327	625
Non-current liabilities					
Deferred tax liability		614	606	-	-
Total non-current liabilities		614	606	-	-
Total liabilities		69,496	43,386	327	625
Capital and reserves and non-controlling interests					
Issued capital		72,531	72,531	72,531	72,531
Reserves		34,888	27,453	20,957	26,654
Equity attributable to equity holders of the Company		107,419	99,984	93,488	99,185
Non-controlling interests		4,964	3,598	-	-
Total equity		112,383	103,582	93,488	99,185
Total liabilities and equity		181,879	146,968	93,815	99,810

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 September 2011		As at 31 December 2010	
Secured	Unsecured	Secured	Unsecured
S\$ 28,685,000	S\$ 11,186,000	S\$ 21,750,000	NIL

Please also see note (8 & 9) below

Amount repayable after one year

As at 30 September 2011		As at 31 December 2010	
Secured	Unsecured	Secured	Unsecured
NIL	NIL	NIL	NIL

Please also see note (8 & 9) below

Details of any collateral

Charge over properties in Hong Kong; pledged bank deposits of S\$15.0 million; Company's corporate guarantee

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**CONSOLIDATED STATEMENT OF CASH FLOWS**

Note	(S\$ '000)		(S\$ '000)	
	Nine months ended		Three months ended	
	30 Sep 2011	30 Sep 2010	30 Sep 2011	30 Sep 2010
Cash flows from operating activities				
	8,708	35,447	3,252	2,957
	Profit before income tax			
	Adjustments for:			
	326	364	116	117
	Depreciation expense			
	(4,074)	-	(3,214)	-
	Dividend income and investment income			
	-	3	-	1
	Finance lease charges			
	892	14	342	14
	Interest expense			
	(438)	(820)	(166)	(87)
	Interest income			
	(309)	(1,499)	-	28
	(Gain) loss on disposal of property, plant and equipment			
	-	(28,722)	-	-
	Gain on disposal of available-for-sale investments			
	(104)	(1,703)	855	(1,987)
	Net foreign exchange (gain) loss			
	724	652	520	186
	Allowance for inventories			
	1,783	240	1,562	56
	Allowance for doubtful trade receivables			
	(9)	66	(47)	54
	(Reversal of) allowance for doubtful other receivables			
	7,499	4,042	3,220	1,339
	Operating cash flows before movements in working capital			
	(2,992)	455	(2,517)	2,197
	Trade receivables			
	(351)	(8,328)	3,525	1,824
	Other receivables and prepayments			
	(4,396)	(9,266)	(15,563)	932
	Inventories			
	8,671	4,787	12,985	(1,935)
	Trade payables			
	(1,408)	9,316	(3,082)	(313)
	Other payables and provisions			
	7,023	1,006	(1,432)	4,044
	Cash from (used in) operations			
	2,606	-	2,606	-
	Dividends received			
	(1,673)	(1,232)	(177)	(6)
	Income tax paid			
	-	(3)	-	(1)
	Finance lease charges paid			
	(925)	(14)	(390)	(14)
	Interest paid			
	183	1,139	41	46
	Interest received			
	7,214	896	648	4,069
	Net cash from operating activities			
	(561)	(179)	(309)	(50)
	Cash flows from investing activities			
	(6,304)	-	(479)	-
	Additions to property, plant and equipment			
	-	30,705	-	-
	Additions to other financial instruments			
	310	1,972	-	(129)
	Proceeds from disposal of available-for-sale investments			
	(6,555)	32,498	(788)	(179)
	Proceeds from disposal of property, plant and equipment			
	-	(130,606)	-	-
	Cash flows from financing activities			
	(2,612)	-	-	-
	Cash Distribution on Capital Reduction			
	-	(9)	-	(3)
	Dividends paid			
	(3,898)	82,667	(2,159)	956
	Net repayment of obligations under finance lease			
	(11,639)	(644)	5,425	(656)
	(Increase) decrease in fixed deposits with maturities exceeding three months			
	-	979	-	(9)
	(Increase) decrease in pledged bank deposits			
	(5,217)	185	(1,311)	(628)
	Decrease (increase) in bills receivable			
	23,649	-	8,474	-
	(Decrease) increase in bills payable and trust receipts			
	49	-	49	-
	Increase in bank loans			
	332	(47,428)	10,478	(340)
	Cash from non-controlling interests on establishment of a subsidiary			
	1,480	(869)	2,587	(578)
	Net effect of exchange rate changes in the balance of cash held in foreign currencies			
	2,471	(14,903)	12,925	2,972
	Net increase (decrease) in cash and cash equivalents			
	24,027	35,590	13,573	17,715
	Cash and cash equivalents at beginning of the period / quarter			
	26,498	20,687	26,498	20,687
	Cash and cash equivalents at end of the period / quarter			
	Cash and cash equivalents were represented by:-			
	26,498	21,876	26,498	21,876
	Fixed deposits with maturities less than 3 months, cash at bank and hand			
	-	(1,189)	-	(1,189)
	Bank overdrafts			
	26,498	20,687	26,498	20,687

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Note 1:

Inventories increased to S\$47.0 million as at 30 September 2011 from S\$41.6 million as at 31 December 2010 mainly owing to additional purchases in preparation for upcoming seasonal demand.

Note 2:

Certain available-for-sale investments have been re-classified from non-current assets as at 31 December 2010 to current assets as at 30 September 2011 as the Group expects to realise these in the next 12 months.

Note 3:

The new investments made by the Group's Real Estate division during the period are classified as held-to-maturity financial asset and loan receivable.

Note 4:

Trade Receivables increased marginally from those at 31 December 2010.

Note 5:

Other Receivables increased to S\$8.9 million as at 30 September 2011 from S\$7.7 million as at 31 December 2010 primarily due to advances made to suppliers.

Note 6:

Cash and bank balances are comprised of:

	<u>30-Sep-11</u>	<u>31-Dec-10</u>
Cash and cash equivalents	S\$26.5 million	S\$24.8 million
Fixed deposits with maturities exceeding three months	S\$9.0 million	S\$5.1 million
Deposits that have been pledged to banks against borrowings (see also note 8 & 9 below)	S\$15.0 million	S\$3.3 million
Total (including non-current fixed deposits)	<u>S\$50.5 million</u>	<u>S\$33.2 million</u>

The increase in deposits pledged to the banks is due to additional banking facilities having been arranged with banks during the period.

Note 7:

Property, plant and equipment increased to S\$6.7 million as at 30 September 2011 from S\$4.1 million as at 31 December 2010 mainly due to the reclassification of an investment property upon the Group commencing use of this previously vacant property as its warehouse in Hong Kong.

Note 8:

Bills payable and trust receipts of S\$10 million relate to short-term trade financing for the purchase of goods provided by banks in Hong Kong for the Group's distribution businesses (see also note 6 above).

Note 9:

Bank loans and overdrafts include an amount of S\$6.4 million which is a 10-year mortgage loan obtained against, inter alia, the security of certain properties in Hong Kong. The entire outstanding amount of the term loan is expected to be repaid in full by the year 2020 but it has been classified as a current liability in view of accounting rules that require such classification for term loans that are subject to a 'repayment on demand' clause (which provide the lender with a right to demand repayment at any time at its discretion).

Bank loans and overdrafts increased mainly due to loans taken for the Real Estate division's investments and short term funding utilized by the distribution business units in Shanghai and Hong Kong.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Nine months ended 30 September 2011

S\$'000

Group

Balance at 1 Jan 2011

Total comprehensive income for the quarter

Balance at 31 Mar 2011

Total comprehensive income for the quarter

Dividends

Balance at 30 Jun 2011

Total comprehensive income for the quarter

Non-controlling interests arising on establishment of a subsidiary

Balance at 30 Sep 2011

	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 2011	72,531	625	7,492	759	(20,703)	39,280	99,984	3,598	103,582
Total comprehensive income for the quarter	-	(10)	(906)	-	(1,826)	2,030	(712)	483	(229)
Balance at 31 Mar 2011	72,531	615	6,586	759	(22,529)	41,310	99,272	4,081	103,353
Total comprehensive income for the quarter	-	(16)	1,379	-	(1,887)	1,502	978	194	1,172
Dividends	-	-	-	-	-	(2,612)	(2,612)	-	(2,612)
Balance at 30 Jun 2011	72,531	599	7,965	759	(24,416)	40,200	97,638	4,275	101,913
Total comprehensive income for the quarter	-	2,319	(976)	-	5,579	2,859	9,781	640	10,421
Non-controlling interests arising on establishment of a subsidiary	-	-	-	-	-	-	-	49	49
Balance at 30 Sep 2011	72,531	2,918	6,989	759	(18,837)	43,059	107,419	4,964	112,383

Nine months ended 30 September 2010

S\$'000

Group

Balance at 1 Jan 2010

Total comprehensive income for the quarter

Balance at 31 Mar 2010

Total comprehensive income for the quarter

Capital reduction

Balance at 30 Jun 2010

Total comprehensive income for the quarter

Balance at 30 Sep 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
Total comprehensive income for the quarter	-	(3)	(31,698)	-	416	29,843	(1,442)	87	(1,355)
Capital reduction	(130,606)	-	-	-	-	-	(130,606)	-	(130,606)
Balance at 30 Jun 2010	72,528	681	1,281	759	(12,728)	33,586	96,107	3,684	99,791
Total comprehensive income for the quarter	-	(39)	3,090	-	(5,730)	2,406	(273)	(150)	(423)
Balance at 30 Sep 2010	72,528	642	4,371	759	(18,458)	35,992	95,834	3,534	99,368

Nine months ended 30 September 2011

S\$'000

Company

Balance as at 1 Jan 2011

Total comprehensive income for the quarter

Balance as at 31 Mar 2011

Total comprehensive income for the quarter

Dividends

Balance as at 30 Jun 2011

Total comprehensive income for the quarter

Balance as at 30 Sep 2011

	Issued capital	Options reserve	Retained earnings	Total
Balance as at 1 Jan 2011	72,531	759	25,895	99,185
Total comprehensive income for the quarter	-	-	(1,634)	(1,634)
Balance as at 31 Mar 2011	72,531	759	24,261	97,551
Total comprehensive income for the quarter	-	-	181	181
Dividends	-	-	(2,612)	(2,612)
Balance as at 30 Jun 2011	72,531	759	21,830	95,120
Total comprehensive income for the quarter	-	-	(1,632)	(1,632)
Balance as at 30 Sep 2011	72,531	759	20,198	93,488

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Nine months ended 30 September 2010

S\$'000

Company

Balance as at 1 Jan 2010

Total comprehensive income for the quarter

Balance as at 31 Mar 2010

Total comprehensive income for the quarter

Capital reduction

Balance as at 30 Jun 2010

Total comprehensive income for the quarter

Balance as at 30 Sep 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
Total comprehensive income for the quarter	-	(30,825)	-	29,668	(1,157)
Capital reduction	(130,606)	-	-	-	(130,606)
Balance as at 30 Jun 2010	72,528	-	759	21,224	94,511
Total comprehensive income for the quarter	-	-	-	(408)	(408)
Balance as at 30 Sep 2010	72,528	-	759	20,816	94,103

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 1,178,000 share options expired during the period under the Thakral Corporation Employees' Share Options 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 Sep 2011	As at 31 Dec 2010
Outstanding options	21,745,000	22,923,000

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

The Company did not have any treasury shares as at 30 September 2011 and 31 December 2010.

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 was 2,612,413,668 as at 30 September 2011 and 31 December 2010.

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 2010.

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 2011. The Group was mainly affected by the following new / revised FRS:

FRS 24 (Revised) - Related Party Disclosures
Improvements to Financial Reporting Standards (issued in October 2010)

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

However, Amendments to FRS 12 Income Taxes (issued in February 2011) are effective for annual periods beginning on or after 1 January 2012. Early application is permitted. Currently, the Group measures deferred tax liabilities arising from the investment properties, measured using the fair value model, to reflect the tax consequences that would follow the manner in which the Group expects to recover the carrying amount. These amendments introduce a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. The date of adoption by the Group and its financial impact has yet to be determined.

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

	Nine months ended 30 Sep 2011	Nine months ended 30 Sep 2010
(i) Basic earnings per share	0.24 cent	1.31 cents
(ii) Fully diluted earnings per share	0.24 cent	1.31 cents

	Three months ended 30 Sep 2011	Three months ended 30 Sep 2010
(i) Basic earnings per share	0.11 cent	0.09 cent
(ii) Fully diluted earnings per share	0.11 cent	0.09 cent

Excluding the one-off gain on the disposal of the Gateway Distriparks Ltd investment in Q2-FY10, the basic earnings per share for the 9 months ended 30 September 2010 was 0.21 cent.

Basic earnings and diluted earnings per share are computed on the profit for the periods after taxation and deduction of non-controlling interests divided by 2,612,413,668 and 2,612,113,668 being the weighted average number of shares in issue during the period / quarter ended 30 September 2011 and 30 September 2010 respectively. The diluted earnings per share for the 9 months ended 30 September 2011 are computed on the profit for the period after taxation and deduction of non-controlling interests divided by 2,615,832,561 (3 months ended 30 September 2011 : 2,615,800,335) with 3,418,893 (3 months ended 30 September 2011 : 3,386,667) shares being the dilutive effect of potentially exercisable options outstanding as at the end of the period.

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 Sep 2011	As at 31 Dec 2010
Group	4.11 cents	3.83 cents
Company	3.58 cents	3.80 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 – Nine months ended 30 September 2011

Turnover & Profitability

The Group's turnover for the current quarter was S\$91.9 million compared to the S\$82.7 million achieved in Q2FY2011. However, Group turnover for the nine months ended 30 September 2011 was S\$283.0 million as compared to S\$327.8 million for the previous nine months ended 30th September 2010, a decrease of 14% over the previous corresponding period.

Turnover for the current year was helped by the higher sales achieved by the property development unit in Wujiang, the contribution from the Group's Real Estate division as well as dividend from the Group's Australian quoted investment.

As a result of continued focus on higher margin channel business, despite an overall reduced turnover, gross profit of S\$28.2 million improved by 57% over the S\$18.0 million earned in the previous corresponding period. Margins improved to 10.0% for the year-to-date compared to 5.5% in the previous corresponding period. The significant improvement in the margins was boosted by the dividend received in the current quarter as well as the promotional support and performance rebates received from suppliers.

Other income, excluding the gain on assets in both periods remained stable.

Finance income declined to S\$0.4 million in the latest period from S\$0.8 million mainly due to lower average deposits in the current period resulting from the outflow of funds for the Cash Distribution to shareholders in FY2010. Finance Income for the latest quarter, however, increased by 91% to S\$0.2 million reflecting the Group's improved cash holdings compared to the previous corresponding quarter after the Cash Distribution had been completed.

Finance costs were higher by S\$0.9 million in the current period due to the trade finance and bank loans taken by the Group to finance its operations and investments by the Real Estate division.

Foreign exchange translation loss of S\$0.6 million for the current nine-month period and S\$1.5 million for the latest quarter were as a result of the significant weakening of the Singapore Dollar in the latter half of September. The exchange rate of the Hong Kong Dollar against the Singapore Dollar as on 30 September 2011 was 5.9824 (as reported in the Asian Wall Street Journal) as compared to 6.3392 as at 30 June 2011. These exchange differences arise mainly from the reporting entity having to settle its inter-company indebtedness in Hong Kong Dollars.

Group net income attributable to shareholders for the period was S\$6.4 million. Excluding the gain from the disposal of its investment in India in the previous financial year, this was an increase of 16% over the previous corresponding period.

Expenses

Distribution expenses of S\$4.3 million for the current nine month period were 14% higher than the S\$3.7 million in the previous corresponding period mainly due to the higher level of staffing as well as the effect of the annual pay adjustments.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Administration expenses included allowances of S\$1.8 million that were made for doubtful receivables from certain customers who have defaulted on their payments. Excluding these allowances, administration expenses at S\$12.9 million were 19% higher than those in the previous corresponding period. This was mainly due to general cost increases including staff costs as well as the withholding taxes on dividends.

Group income tax of S\$1.2 million is 19% higher than that in the previous corresponding period and was the result of the tax on the higher level of profits at the Wujiang property unit.

Working Capital and Cash Flow

Inventories increased to S\$47.0 million as at 30 September 2011 compared to S\$41.6 million as at 31 December 2010 due to increased purchases in preparation for upcoming seasonal demand.

The increase in Trade Receivables to S\$32.2 million as at 30 September 2011 compared to S\$30.1 million as at 31 December 2010 was due to normal trade fluctuations.

Other Receivables increased to S\$8.9 million as at 30 September 2011 compared to S\$7.7 million as at 31 December 2010 due to increased advances paid to suppliers for the supply of goods.

The reduction in non-current available-for-sale investments to S\$13.3 million as at 30 September 2011 from S\$18.1 million as at 31 December 2010 was due to the re-classification of a part of these to current assets as the Group expects to realise these in the next 12 months.

Bank borrowings increased to S\$39.9 million as at 30 September 2011 from S\$21.8 million as at 31 December 2010 mainly due to loans taken for the Real Estate Division's investments and additional short term trade facilities obtained and utilized by the distribution business units in Shanghai and Hong Kong.

Overall operational cash flow for the current period was S\$7.2 million, as compared to S\$0.9 million for the previous corresponding period. The inflow in the current period was helped by the receipt of a dividend from the Group's Australian quoted equity investment.

Net Asset Value

Net Asset Value per share as at 30 September 2011 was 4.11 cents as compared to 3.83 cents as at 31 December 2010. Apart from the profits earned during the current period, the increase was on account of translation gain on the Group's overseas net assets as well as the recognition of a valuation gain upon the reclassification of a warehouse property upon its being leased out to a third party during the latest quarter.

Performance Summary

Distribution

The distribution business turnover during the 9 months ended 30 September 2011 was S\$273.1 million. While this was lower than S\$325.5 million achieved in the previous corresponding period, segment result was 14% higher than that for the previous corresponding period.

Real Estate Investments

The property unit in Wujiang increased its revenues from the sale of property stock during the current period while the Group's Real Estate Division recognized income contributions from its investments. Segment turnover of S\$7.2 million for the current period are a significant improvement over the S\$2.2 million in previous corresponding period. Segment results of S\$3.8 million are also significantly higher than the S\$1.6 million in the previous corresponding period which included gains of S\$1.5 million from the disposal of a building in China.

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 period 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.

It is likely that the Chinese economy and consequently domestic demand will be adversely impacted by the continuing global slow down.

The Group's Real Estate division has invested into 3 projects to date which are progressing well and are on schedule. A number of projects continue to be under evaluation and appropriate announcements will be made when these are finalized.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No dividend declared for the quarter ended 30 September 2011

(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

N.A.

(d) Books closure date

N.A.

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

The Company paid an interim dividend of S\$0.001 per share on 2 June 2011 to shareholders. No dividend has been declared subsequent to this payment.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

Name of interested person	Aggregate value of all interested person transactions during the nine months ended 30 September 2011 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
Sales, net of return	117	N/A
Purchases, net of returns	106	N/A

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)****14. 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 (Japan, Singapore and Australia), has 3 main core divisional activities as follows:

- a) Distribution ("DIST")
- b) Real Estate ("RE") - includes property investments in China / Hong Kong and real estate investments in Australia
- c) Others ("OTH") - those activities which do not fall into the above categories

Group's reportable segments**S\$'000****Nine months ended 30 September 2011**

	DIST	RE	OTH	TOTAL
Revenue				
External sales	273,137	7,215	2,678	283,030
Result				
Segment result	6,715	3,771	815	11,301
Unallocated corporate expenses				(1,586)
Finance income				438
Finance costs				(892)
Foreign exchange loss				(553)
Profit before income tax				8,708
Income tax expense				(1,206)
Profit for the period				7,502
Other information				
Capital expenditure:				
Property, plant and equipment	547	13	1	561
Depreciation expense	269	50	7	326
Assets				
Segment assets	112,723	55,148	14,008	181,879
Total assets				181,879
Liabilities				
Segment liabilities	50,488	17,415	323	68,226
Income tax payable				656
Deferred tax liability				614
Total liabilities				69,496

THAKRAL CORPORATION LTD AND SUBSIDIARIES

S\$'000

Nine months ended 30 September 2010

	DIST	RE	OTH	TOTAL
Revenue				
External sales	325,510	2,243	-	327,753
Result				
Segment result	5,909	1,611	(1,474)	6,046
Unallocated corporate expenses				(1,371)
Gain on disposal of available-for-sale investments				28,722
Finance income				820
Finance costs				(17)
Foreign exchange gain				1,247
Profit before income tax				35,447
Income tax expense				(1,014)
Profit for the period				34,433

Other information				
Capital expenditure:				
Property, plant and equipment	173	-	6	179
Depreciation expense	279	75	10	364

Assets				
Segment assets	104,874	20,090	12,392	137,356
Total assets				137,356
Liabilities				
Segment liabilities	34,026	1,973	413	36,412
Liabilities of discontinued operations			222	222
Income tax payable				987
Deferred tax liability				367
Total liabilities				37,988

Geographical information

S\$'000

Geographical segments:	Revenue		Capital expenditure		Non-current assets	
	30 Sep		30 Sep		30 Sep	
	2011	2010	2011	2010	2011	2010
People's Republic of China (including Hong Kong)	277,998	315,146	475	96	31,594	13,002
Others	5,032	12,607	86	83	1,786	1,746
	283,030	327,753	561	179	33,380	14,748

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

15. 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

16. A breakdown of revenue

Not applicable

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

Not applicable

Negative confirmation pursuant to Rule 705(5)

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 statements for the 9 months ended 30 September 2011 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Kartar Singh Thakral
Chairman

Inderbethal Singh Thakral
Director
3 November 2011

BY ORDER OF THE BOARD

Tan Ping Ping
Chan Lai Yin
Company Secretaries
3 November 2011