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## MISCELLANEOUS

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## &gt;&gt; ANNOUNCEMENT DETAILS

*The details of the announcement start here ...*

Announcement Title *	Press Release - Results for FY2009
Description	Please see attachment.
Attachments	<a href="#">📎 ThakralCorp_PR_FY09_20100219.pdf</a> Total size = <b>28K</b> (2048K size limit recommended)

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## THAKRAL CORPORATION LTD

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

### PRESS RELEASE

#### **THAKRAL REPORTED NET PROFIT OF S\$11.8 MILLION FOR FY09 ON THE BACK OF 15% RISE IN SALES TO S\$438.8 MILLION**

- Group gross profit margin rose to 4.6% in FY09 from 3.5% in FY08 on better margins from sales of consumer electronic products
- Expands consumer electronic product portfolio to include console game players

**Singapore, February 19, 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 a net profit of S\$11.8 million for FY09.

This earnings performance – achieved on the back of 15% rise in FY09 sales to S\$438.8 million – was a turnaround from its \$20.9 million loss in FY08.

The Group achieved a net profit of S\$5.8 million in Q4FY09 - reversing a loss of S\$11.2 million in Q4FY08. The improved performance in FY09 and Q4FY09 - the fourth straight quarterly net profit which began in early FY09 – was partly due to higher sales and improved profit margins. Foreign exchange and other one-off gains such as unrealized valuation surplus on the Group’s investment properties in Hong Kong also contributed significantly to the Group’s performance for the year.

While sales in Q4FY09 of S\$111.7 million remained relatively stable compared to S\$114.9 million in Q3FY09, this figure was 23.4% higher than that of Q4FY08 due to higher sales of consumer electronics products backed by sales in the Group’s property division in Wujiang in Q4FY09.

The Group continued to report margin improvements due to an enhanced product mix and better margins from sales of consumer electronic products across all the Group’s consumer electronic distribution units.

On a yearly basis, the Group gross profit margin for FY09 improved to 4.6% from 3.5%

achieved in FY08, while Group gross profit margin was 4.8% in Q4FY09, up from 2.9% in the previous corresponding quarter. Compared to Q3FY09, Group gross profit margin edged up from 4.1% to 4.8% in Q4FY09.

Mr Kartar Singh Thakral (“Mr Kartar”), Executive Chairman of Thakral commented: “We made good progress in FY09 to end the year on a profitable note despite the challenging economic climate in the 1<sup>st</sup> half of the year. With the record jump in our full year net profit for FY09, we look forward to brighter prospects as we continue to take advantage of industry trends and market dynamics to raise shareholder value.”

### **Earnings Per Share and Net Asset Value Per Share**

Group Earnings Per Share (from continuing and discontinued operations) for the full year under review was 0.44 cent, against a Group Loss Per Share of 0.78 cent for FY08.

Group Earnings Per Share (from continuing and discontinued operations) for Q4FY09 was 0.22 cent, compared to a Group Loss Per Share of 0.43 cent for Q4FY08.

Group Net Asset Value Per Share also rose to 8.72 cents as at December 31, 2009 against 7.88 cents as at December 31, 2008.

### **Working Capital Position**

Cash balance for the Group remained healthy at S\$122.9 million as at December 31, 2009.

The net operational cash outflow of S\$4.7 million for FY09 - compared to the net inflow of S\$3.6 million in the previous financial year - was used mainly to fund the increase in inventories from S\$17.2 million in FY08 to S\$27.5 million in FY09, due to higher business volumes in the distribution unit in China.

### **Segmental Performance**

#### **Distribution**

This segment is the main growth driver for the Group in FY09, contributing 99.2% to the Group’s revenue for the year. Turnover for this segment rose by 15% compared to FY08 to hit S\$435.3 million.

The distribution segment also returned to the black with a profit of S\$6.9 million for FY09 against a loss of S\$8.5 million in the previous financial year. This turnaround is also the key reason for the Group's return to profitability in FY09. The segment profit includes S\$1.7 million in damages, interest income and legal costs recovery received from the settlement of a marine cargo insurance claim in Hong Kong.

### **Property Holding**

Revenue for the property segment rose by more than two fold to reach S\$2.4 million in FY09, up from S\$1.1 million in the previous year.

This is mainly due to the property sales achieved by the unit in Wujiang in Q4FY09 as well as higher rental income from the Group's investment properties in Hong Kong for FY09 as compared to FY08.

### **Going Forward**

In the past months, Thakral has expanded its product portfolio to include console game players.

Mr Kartar said: "Game players will complement our current product portfolio and become another growth driver to the Group's overall consumer electronics distribution business.

We have recently sealed a three-year RMB100 million or about S\$20.6 million deal with Lenovo (Beijing) Co. Ltd ("Lenovo"). Under the deal, our subsidiary in Shanghai, Thakral China Ltd will be the exclusive distributor of Lenovo's game players and media players in China. This is significant as Lenovo is one of the few legitimate game player providers in the country."

Mr Kartar added: "Moving ahead, the Group intends to divest certain listed investments to meet the cash requirements for the upcoming capital reduction which was approved by shareholders at the recent extraordinary general meeting. This will bring about a decline in dividend and interest income in FY10.

However, the Group remains positive about its strategic growth plans as it continues to look for opportunities for investing in property ventures in the Pan-Asia region in order to enhance

shareholder value.

Barring unforeseen circumstances, the Group expects an improved operating environment in the year ahead.”

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### **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 Company") is 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, console game players, 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.

The Company continues to seek investment opportunities in the property sector.

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*Release issued on behalf of Thakral Corporation Ltd by  
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