

[Print this page](#)[NINE MONTHS AND THIRD QUARTER * 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 *	30-09-2010
Description	Please refer to attachments.

Attachments

[ThakralCorp_Results_Q3FY10_10Nov10.pdf](#)[ThakralCorp_PRQ3FY10_10Nov10.pdf](#)Total size = **163K**
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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 (for the group) for the nine months and third quarter ended 30 September 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			Group		
		S\$000		%	S\$000		%
		Nine months ended			Three months ended		
		30 Sep 2010	30 Sep 2009	Increase / (Decrease)	30 Sep 2010	30 Sep 2009	Increase / (Decrease)
Continuing Operations							
Revenue	1	327,753	327,092	0	101,215	114,876	(12)
Cost of sales		(309,779)	(312,207)	(1)	(94,587)	(110,223)	(14)
Gross profit	1	17,974	14,885	21	6,628	4,653	42
Other operating income	2	1,989	1,846	8	128	528	(76)
Distribution costs	3	(3,745)	(2,971)	26	(1,343)	(1,095)	23
Administrative expenses	4	(11,179)	(10,105)	11	(3,630)	(2,589)	40
Other operating expenses	5	(364)	(386)	(6)	(117)	(125)	(6)
Profit from operations		4,675	3,269	43	1,666	1,372	21
Net gain on disposal of available-for-sale investments	6	28,722	-	NM	-	-	NM
Finance income	7	820	1,204	(32)	87	568	(85)
Finance costs		(17)	(42)	(60)	(15)	(8)	88
Foreign exchange gain (loss)	8	1,247	888	40	1,219	(155)	NM
Profit before income tax, share of results of associates		35,447	5,319	566	2,957	1,777	66
Profit from associates		-	1,253	(100)	-	-	NM
Profit before income tax		35,447	6,572	439	2,957	1,777	66
Income tax expense	9	(1,014)	(709)	43	(524)	(23)	NM
Profit from continuing operations		34,433	5,863	487	2,433	1,754	39
Discontinued Operations							
Profit from discontinued operations	10	-	57	(100)	-	-	NM
Profit for the period / quarter		34,433	5,920	482	2,433	1,754	39
<u>Attributable to:</u>							
Owners of the Company		34,254	5,828	488	2,406	1,722	40
Non-controlling interests		179	92	95	27	32	(16)
		34,433	5,920	482	2,433	1,754	39

NM – Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
		Nine months ended			Three months ended		
		30 Sep 2010	30 Sep 2009		30 Sep 2010	30 Sep 2009	
Profit for the period / quarter		34,433	5,920	482	2,433	1,754	39
Other comprehensive income							
Translation loss arising on consolidation	11	(6,168)	(3,283)	88	(5,945)	(2,948)	NM
Net fair value changes in available-for-sale investments	12	(288)	11,307	103	3,090	10,240	NM
Reclassification to profit or loss from equity upon disposal of available-for-sale investments	6	(29,235)	-	NM	-	-	NM
Other comprehensive income for the period / quarter, net of tax		(35,691)	8,024	NM	(2,855)	7,292	NM
Total comprehensive income for the period / quarter		(1,258)	13,944	NM	(422)	9,046	NM
<u>Total comprehensive income attributable to:</u>							
Owners of the Company		(1,265)	13,943	NM	(272)	9,120	NM
Non-controlling interests		7	1	NM	(150)	(74)	NM
		(1,258)	13,944	NM	(422)	9,046	NM

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

The Group focused on higher margin distribution business by making more effective use of its limited capital resources after completing the Capital Reduction exercise. As a result of curtailing certain businesses which have high turnover but limited margins, the overall turnover for the quarter reduced by 12%, though overall YTD sales maintained parity with that of the previous corresponding period. Overall gross profit earned increased by 21% for the nine-month period compared to the previous corresponding period as a result improved gross margin of 5.5% compared to 4.5% in the previous period. The gross margin of 6.5% in Q3 FY2010 was appreciably higher than that of 4.1% earned in Q3 FY2009.

Note 2:

Other operating income of continuing operations comprises:

	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
	Nine months ended			Three months ended		
	30 Sep 2010	30 Sep 2009		30 Sep 2010	30 Sep 2009	
VAT and business tax subsidy	81	71	14	28	6	367
Net gain on disposal of properties	1,500	267	462	(18)	192	NM
Damages and interest received from legal claims	-	842	(100)	-	(11)	(100)
Commission income	288	490	(41)	81	219	(63)
Miscellaneous	120	176	(32)	37	122	(70)
Total	1,989	1,846	8	128	528	(76)

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

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		%	S\$'000		%
	Nine months ended			Three months ended		
	30 Sep 2010	30 Sep 2009	Increase / (Decrease)	30 Sep 2010	30 Sep 2009	Increase / (Decrease)
Staff costs	(1,836)	(1,475)	24	(698)	(551)	27
Advertising & promotion	(224)	(163)	37	(48)	(88)	(45)
Transportation	(806)	(627)	29	(267)	(230)	16
Travelling expenses	(475)	(319)	49	(182)	(123)	48
Others	(404)	(387)	4	(148)	(103)	44
Total	(3,745)	(2,971)	26	(1,343)	(1,095)	23

- (i) Staff costs in the previous corresponding period were lower on account of certain cost reduction steps taken in that period. Staff costs increased in the current period primarily due to the normalization of pay and bonus levels and the addition of sales personnel in new channels of business.
- (ii) Advertising charges increased in the current nine-month period due to the higher level of advertising and marketing activity incurred in the first quarter in relation to the introduction of a new product category.
- (iii) Transportation expenses increased in view of the higher level of channel 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		%	S\$'000		%
	Nine months ended			Three months ended		
	30 Sep 2010	30 Sep 2009	Increase / (Decrease)	30 Sep 2010	30 Sep 2009	Increase / (Decrease)
Staff costs (including executive directors)	(6,958)	(5,988)	16	(2,315)	(2,120)	9
Directors' fees	(326)	(272)	20	(108)	(89)	21
Professional fees	(1,260)	(939)	34	(297)	302	NM
Rent & rates	(531)	(988)	(46)	(170)	(178)	(4)
Travelling expenses	(252)	(156)	62	(75)	(64)	17
Insurance	(290)	(287)	1	(100)	(95)	5
Net (allowance) reversal of allowance for doubtful debts	(306)	169	NM	(110)	94	NM
Impairment in value of investment properties	-	(319)	(100)	-	-	NM
Reversal of impairment charges and provision for planned closure	-	304	(100)	-	72	(100)
Others	(1,256)	(1,629)	(23)	(455)	(511)	(11)
Total	(11,179)	(10,105)	11	(3,630)	(2,589)	40

- (i) Staff costs in the previous corresponding period were lower on account of cost reduction steps taken in that period. Staff costs increased in the current period primarily due to the normalization of pay and bonus levels. The current period also includes the salary costs of a director who was paid consultancy fees and recorded as professional fees in the previous corresponding period.
- (ii) Directors had taken a voluntary fee reduction in the previous period. The increase in the current period is primarily due to the normalisation of these fees.
- (iii) Professional fees in the previous corresponding period / quarter included significant recoveries of legal costs. Excluding such recoveries, the professional fees incurred during the current period / quarter were lower than that of the previous corresponding period / quarter.
- (iv) Rent and rates declined for the current period 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 in the current period is due to steps taken for general cost reduction as well as the absence of foreign withholding tax on dividend income in the current 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 periods.

Note 6:

The disposal of the Group's investment in Gateway Distriparks Ltd, India, during the current period gave rise to the realization of a net gain of S\$28.7 million which includes the transfer of the accumulated fair value adjustment reserve amounting to S\$29.2 million to the profit and loss statement in accordance with accounting standards and is net of disposal transaction costs.

Note 7:

Finance income reduced as a result of cash payments to the shareholders in relation to the Capital Reduction exercise.

Note 8:

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 9:

Group income tax for the current period arose mainly in relation to the taxable profits of the distribution business as well as at the property development unit in Wujiang.

Note 10:

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

	S\$000		%	S\$000		%
	Nine months ended			Three months ended		
	30 Sep 2010	30 Sep 2009	Increase / (Decrease)	30 Sep 2010	30 Sep 2009	Increase / (Decrease)
<u>Electronic Manufacturing Services ("EMS")</u>						
Revenue	-	141	(100)	-	-	NM
Cost of sales	-	(83)	100	-	-	NM
Gross profit	-	58	(100)	-	-	NM
Foreign exchange loss	-	(1)	100	-	-	NM
Profit after tax	-	57	(100)	-	-	NM

Note 11:

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 12:

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 (up to the date of disposal) and Australia during the period.

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		Company	
		(S\$ '000)		(S\$ '000)	
		as at		as at	
		30 Sep 2010	31 Dec 2009	30 Sep 2010	31 Dec 2009
<u>ASSETS</u>					
Current assets					
Inventories	1	34,558	27,492	-	-
Available-for-sale investments	6	-	34,583	-	34,583
Trade receivables	2	35,440	38,061	-	-
Other receivables and prepayments	4	13,808	6,271	88	260
Bills receivable	3	-	992	-	-
Cash and bank balances	5	27,230	122,967	687	75,619
Total current assets		111,036	230,366	775	110,462
Non-current assets					
Property, plant and equipment		4,246	5,118	109	134
Investment properties		10,502	11,249	-	-
Investments in subsidiaries		-	-	93,639	116,783
Available-for-sale investments	6	11,572	9,000	-	-
Total non-current assets		26,320	25,367	93,748	116,917
Total assets		137,356	255,733	94,523	227,379
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Trade payables		8,770	4,330	-	-
Bills payables and trust receipts	7	4,429	4,454	-	-
Bank overdrafts		1,189	-	-	-
Other payables	8	19,743	12,061	337	670
Provisions		2,420	2,027	-	-
Finance lease		16	16	16	16
Income tax payable		987	1,232	-	-
Total current liabilities		37,554	24,120	353	686
Non-current liabilities					
Finance lease		67	76	67	76
Deferred tax liability		367	304	-	-
Total non-current liabilities		434	380	67	76
Total liabilities		37,988	24,500	420	762
Capital and reserves and minority interests					
Issued capital		72,528	203,134	72,528	203,134
Reserves		23,306	24,572	21,575	23,483
Equity attributable to equity holders of the Company		95,834	227,706	94,103	226,617
Non-controlling interests		3,534	3,527	-	-
Total equity		99,368	231,233	94,103	226,617
Total liabilities and equity		137,356	255,733	94,523	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 30 September 2010		As at 31 December 2009	
Secured	Unsecured	Secured	Unsecured
S\$ 5,247,000	S\$387,000	S\$ 4,470,000	NIL

Amount repayable after one year

As at 30 September 2010		As at 31 December 2009	
Secured	Unsecured	Secured	Unsecured
S\$ 67,000	NIL	S\$ 76,000	NIL

Details of any collateral

Pledged bank deposits of S\$2.0 million; Company's corporate guarantee for Trust Receipt loans

Group's contingent liabilities

	As at 30 September 2010	As at 31 December 2009
Potential property tax	NIL	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)		(S\$ '000)	
	Nine months ended		Three months ended	
	30 Sep 2010	30 Sep 2009	30 Sep 2010	30 Sep 2009
Cash flows from operating activities				
Profit before income tax	35,447	6,629	2,957	1,777
Adjustments for:				
Share of profit from associates	-	(1,253)	-	-
Depreciation expense	364	386	117	125
Dividend income from quoted equity shares	-	(687)	-	(120)
Finance lease charges	3	1	1	1
Interest expense	14	41	14	7
Interest income	(820)	(1,204)	(87)	(568)
(Gain) loss on disposal of property, plant and equipment	(1,499)	(80)	28	(79)
Gain on disposal of investment properties	-	(182)	-	(107)
Gain on disposal of available-for-sale investments	(28,722)	-	-	-
Net foreign exchange gain	(1,703)	(1,219)	(1,987)	(305)
Impairment charges for investment properties	-	316	-	(3)
Allowance for inventories	652	142	186	116
Allowance (reversal) for doubtful trade receivables	240	(194)	56	10
Allowance for doubtful other receivables	66	3	54	23
Operating cash flows before movements in working capital	4,042	2,699	1,339	877
Trade receivables	455	(7,951)	2,197	(11,311)
Other receivables and prepayments	(8,328)	(317)	1,824	2,313
Inventories	(9,266)	(15,672)	932	(6,224)
Trade payables	4,787	6,328	(1,935)	1,334
Other payables and provisions	9,316	(167)	(313)	1,203
Cash from (used in) operations	1,006	(15,080)	4,044	(11,808)
Dividends received	-	680	-	118
Income tax paid	(1,232)	(236)	(6)	(81)
Finance lease charges paid	(3)	(1)	(1)	(1)
Interest paid	(14)	(40)	(14)	(6)
Interest received	1,139	604	46	78
Net cash from (used in) operating activities	896	(14,073)	4,069	(11,700)
Cash flows from investing activities				
Additions to property, plant and equipment	(179)	(426)	(50)	(76)
Distribution and net recovery of balances from associates	-	2,421	-	-
Proceeds from disposal of available-for-sale investments	30,705	-	-	-
Proceeds from disposal of property, plant and equipment	1,972	154	(129)	149
Proceeds from disposal of investment properties	-	4,156	-	2,474
Net cash from (used in) investing activities	32,498	6,305	(179)	2,547
Cash flows from financing activities				
Cash Distribution on Capital Reduction	(130,606)	-	-	-
Repayment of obligations under finance lease	(9)	(2)	(3)	(2)
Decrease (increase) in fixed deposits with maturities exceeding three months	5 82,667	(91,135)	956	(9,682)
Increase in pledged bank deposits	5 (644)	(2,167)	(656)	(853)
Decrease (increase) in bills receivable	979	(1,741)	(9)	(1,741)
Increase (decrease) in bills payable and trust receipts	185	7,223	(628)	3,792
Net cash used in financing activities	(47,428)	(87,822)	(340)	(8,486)
Net effect of exchange rate changes in the balance of cash held in foreign currencies	(869)	(103)	(578)	(543)
Net (decrease) increase in cash and cash equivalents	(14,903)	(95,693)	2,972	(18,182)
Cash and cash equivalents at beginning of the period	35,590	118,269	17,715	40,758
Cash and cash equivalents at end of the period	20,687	22,576	20,687	22,576
Cash and cash equivalents were represented by:-				
Fixed deposits with maturities less than 3 months, cash at bank and hand	5 21,876	22,900	21,876	22,900
Bank overdrafts	(1,189)	(324)	(1,189)	(324)
	20,687	22,576	20,687	22,576

Certain re-classifications have been made to prior periods' figures to enhance comparability with those of the current period.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Note 1:

Inventories increased to S\$34.6 million as at 30 September 2010 from S\$27.5 million as at 31 December 2009. As a result of increase in the channel distribution trade during the current period, larger stocks need to be carried. The Group continues to make opportunistic purchases as well as purchases to cater to increased seasonal and regular demand and clears such stocks in a way to maintain overall margins.

Note 2:

Trade Receivables decreased to S\$35.4 million as at 30 September 2010 from S\$38.1 million as at 31 December 2009 correspondingly with the decrease in the overall turnover during the current quarter.

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\$13.8 million as at 30 September 2010 from S\$6.3 million as at 31 December 2009 primarily due to increased advances to suppliers.

Note 5:

Cash and bank balances are comprised of:

	30-Sep-10	31-Dec-09
Cash and cash equivalents	S\$21.9 million	S\$35.6 million
Fixed deposits with maturities exceeding three months	S\$3.3 million	S\$86.0 million
Fixed deposits that have been pledged to the bank against Bills payable (see also note 7 below)	S\$2.0 million	S\$1.3 million
Total	S\$27.2 million	S\$122.9 million

The significant reduction in the cash balance was due to S\$130.6 million Cash Distribution on 7 July 2010 made to shareholders pursuant to the Company's Capital Reduction exercise.

Note 6:

The aggregate fair value of the combined portfolio of investments reduced to S\$11.6 million as at 30 September 2010 from S\$43.6 million as at 31 December 2009 primarily due to the disposal of the available-for-sale quoted equity investment in Gateway Distriparks Ltd, India.

Note 7:

Bills payable and trust receipts of S\$4.4 million relate to short-term trade financing for the purchase of goods provided by banks in the PRC and Hong Kong for the Group's distribution businesses (see also note 5 above).

Note 8:

Other Payables increased to S\$19.7 million as at 30 September 2010 from S\$12.1 million as at 31 December 2009 primarily due to increased advances received from customers.

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 2010

S\$'000

Group	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 2009

S\$'000

Group	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
Total comprehensive income for the quarter	-	(47)	11,773	-	(6,768)	3,314	8,272	(165)	8,107
Transfer from asset revaluation reserve to retained earnings on disposal of properties	-	(112)	-	-	-	112	-	-	-
Balance at 30 Jun 2009	203,134	862	20,557	759	(8,842)	(5,825)	210,645	4,001	214,646
Total comprehensive income for the quarter	-	(22)	10,240	-	(2,820)	1,722	9,120	(74)	9,046
Transfer from asset revaluation reserve to retained earnings on disposal of properties	-	(150)	-	-	-	150	-	-	-
Balance at 30 Sep 2009	203,134	690	30,797	759	(11,662)	(3,953)	219,765	3,927	223,692

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	Retained earnings (Accumulated losses)	Total
203,134	32,600	759	(9,876)	226,617
-	(1,775)	-	1,432	(343)
203,134	30,825	759	(8,444)	226,274
-	(30,825)	-	29,668	(1,157)
(130,606)	-	-	-	(130,606)
72,528	-	759	21,224	94,511
-	-	-	(408)	(408)
72,528	-	759	20,816	94,103

Nine months ended 30 September 2009

S\$'000

Company

Balance as at 1 Jan 2009

Total comprehensive income for the quarter

Balance as at 31 Mar 2009

Total comprehensive income for the quarter

Balance as at 30 Jun 2009

Total comprehensive income for the quarter

Balance as at 30 Sep 2009

Issued capital	Fair value adjustment reserve	Options reserve	Accumulated losses	Total
203,134	19,490	759	(19,354)	204,029
-	(7,956)	-	4,603	(3,353)
203,134	11,534	759	(14,751)	200,676
-	10,889	-	(1,724)	9,165
203,134	22,423	759	(16,475)	209,841
-	5,186	-	3,878	9,064
203,134	27,609	759	(12,597)	218,905

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 1,045,000 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 30 Sep 2010	As at 31 Dec 2009
Outstanding options	23,223,000	24,268,000

The share capital of the Company reduced to S\$72,528,000 from S\$203,134,000 during the period upon the payment of S\$130,606,000 pursuant to the Capital Reduction and Cash Distribution exercise of the Company. The number of shares in issue did not change as a result of the Capital Reduction and Cash Distribution.

The Company did not have any treasury shares as at 30 September 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 30 September 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	Nine months ended 30 Sep 2010	Nine months ended 30 Sep 2009
(i) Basic earnings per share	1.31 cents	0.22 cent
(ii) Fully diluted earnings per share	1.31 cents	0.22 cent
From continuing operations	Nine months ended 30 Sep 2010	Nine months ended 30 Sep 2009
(i) Basic earnings per share	1.31 cents	0.22 cent
(ii) Fully diluted earnings per share	1.31 cents	0.22 cent
From continuing and discontinued operations	Three months ended 30 Sep 2010	Three months ended 30 Sep 2009
(i) Basic earnings per share	0.09 cent	0.07 cent
(ii) Fully diluted earnings per share	0.09 cent	0.07 cent
From continuing operations	Three months ended 30 Sep 2010	Three months ended 30 Sep 2009
(i) Basic earnings per share	0.09 cent	0.07 cent
(ii) Fully diluted earnings per share	0.09 cent	0.07 cent

Basic earnings and diluted earnings per share are computed on the profit for the periods after taxation and deduction of minority interests divided by 2,612,113,668 being the weighted average number of shares in issue during the periods / quarters ended 30 September 2010 and 30 September 2009. The diluted earnings per share for the nine months ended 30 September 2010 are computed on the profit for the period after taxation and deduction of minority interests divided by 2,612,327,775 with 214,107 shares being the dilutive effect of potentially exercisable options outstanding as at the end of the period. The diluted earnings per share for the nine months ended 30 September 2009 are computed on the profit for the period after taxation and deduction of minority interests divided by 2,612,154,737 with 41,069 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 2010	As at 31 Dec 2009
Group	3.67 cents	8.72 cents
Company	3.60 cents	8.68 cents

The decline in net asset value per share was primarily due to the reduction of capital by the Company pursuant to which the Company paid out cash at 5 cents per share amounting to a total of S\$130.6 million.

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 2010

Turnover & Profitability

The Group achieved consolidated revenue of S\$327.8 million for the 9 months ended 30 September 2010 which was in line with S\$327.1 million achieved in the previous corresponding period ended 30 September 2009. For the quarter ended 30 September 2010, the Group focused on higher margin distribution business by making more effective use of its capital resources following its Capital Reduction exercise. The turnover for the quarter reduced by 12% to S\$101.2 million from S\$114.9 million in the previous corresponding quarter. While the property division at Wujiang continued to show growth in turnover during the current quarter / period over the low base of the previous year, the Group turnover has been recorded mainly by the Consumer Electronics Distribution business.

Overall Group gross profit increased by 21% to S\$18.0 million for the nine-month period compared to S\$14.9 million in the previous corresponding period. The Group's emphasis on the channel distribution business since Q3 FY 2010 resulted in improved overall gross margins of 5.5% in the current period as compared to 4.5% in the previous corresponding period. The gross margin of 6.5% in Q3 FY2010 was appreciably higher than that of 4.1% earned in Q3 FY2009.

Other income increased to S\$2.0 million in the current period as compared to S\$1.8 million in the previous corresponding period as a result of disposal gains of S\$1.5 million on the sale of properties. The income in the previous corresponding period included damages and interest received upon the settlement of a legal claim of S\$0.8 million.

Net finance income in the current period was lower at S\$0.8 million compared to S\$1.2 million in the previous corresponding period primarily due to lower deposits in the current quarter resulting from the outflow of funds for the Cash Distribution to shareholders in relation to the Capital Reduction exercise.

Foreign exchange gains amounted to S\$1.2 million in the current period as compared to S\$0.9 million in the previous corresponding period. These gains arose mainly from the translation of monetary assets and liabilities denominated in foreign currencies outstanding as at the end of the period.

The results of the previous corresponding period had included a gain of S\$1.3 million from the disposal by the Group's associate of its sole investment in an information technology park in India. No such gain arose in the current period.

Group net income attributable to shareholders amounted to S\$34.3 million for the current period as compared to S\$5.8 million in the previous corresponding period. The net income in the current period includes the gain of S\$28.7 million recognized on the disposal of quoted investments in India during the period.

Expenses

Distribution expenses increased to S\$3.7 million in the current period from S\$3.0 million in the previous corresponding period. A higher level of activities in the channel distribution business during the current year necessitated increased staffing, transportation and traveling expenses,

Overall administration expenses for the current period of S\$11.2 million and Q3-FY 2010 of S\$3.6 million were higher than that for the respective previous corresponding periods. The previous corresponding period incorporated voluntary reductions in employee pay and bonus as well as director's fees which were normalized during the current financial year. The consequent increase in staff costs and director fees were partially compensated by reduced rental costs and professional fees during the current period. Professional fees in the previous corresponding period / quarter had included significant recoveries of legal costs which did not recur in the current period.

Group income tax was mainly in relation to the taxable profits of the distribution business at PRC and of the property entity, Wujiang Dafa.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Working Capital and Cash Flow

Inventories increased to S\$34.6 million as at 30 September 2010 from S\$27.5 million as at 31 December 2009. With the Group's focus on improved channel operations for higher margins, it has to plan making increased opportunistic purchases as well as to buy more to cater to seasonal demand. This results in carrying a larger inventory base.

Trade and Bills Receivables decreased to S\$35.4 million as at 30 September 2010 from S\$39.1 million as at 31 December 2009 as a result of a decrease in the overall turnover during the latest quarter.

Other Receivables increased to S\$13.8 million as at 30 September 2010 from S\$6.3 million as at 31 December 2009 primarily due to increased advances to suppliers.

The reduction in Available for Sale investments, included under Current Assets, is on account of the disposal of the quoted investment in Gateway Distriparks Ltd, India. The value of the remaining Available for Sale investments, included under "Non Current Assets", has increased owing to favourable price and exchange movements.

Other Payables increased to S\$19.7 million as at 30 September 2010 from S\$12.1 million as at 31 December 2009 primarily due to increased advances received from customers.

Overall operational cash inflow of S\$0.9 million for the current period was in contrast to the outflow of S\$14.1 million achieved in the previous corresponding period. This was mainly due to the reduced outflow on inventories as well as the reduction of trade receivables in the current period. For the latest quarter, the Group saw net cash inflows of S\$4.1 million as compared to a net outflow of S\$11.7 million in the previous corresponding quarter mainly due to inflows from trade receivables and inventories as compared to the significant outflows on these items in the previous corresponding quarter. Fixed deposits and proceeds from the sale of Available for Sale investments have been primarily used for completing the Cash Distribution to shareholders of S\$130.6 million on 30 June 2010, pursuant to the Capital Reduction.

Net Asset Value

Net Asset Value per share as at 30 September 2010 was 3.67 cents as compared to 8.72 cents as at 31 December 2009. This was primarily due to the reduction of capital by 5 cents per share. The Cash Distribution to shareholders was made by the CDP on 7 July 2010.

Performance Summary

Distribution

Turnover at the Distribution business of S\$325.5 million for the current period was at par with that of the previous corresponding period. Segment result in the current period was S\$5.9 million, compared to S\$5.7 million in the previous corresponding period. Excluding the one-off legal damages, interest and cost recoveries of S\$1.7 million received in the previous corresponding period, a growth of 49% was recorded on a Y-O-Y basis.

Real Estate Investments

Segment results for the current period include the gain of S\$1.5 million from the disposal of a property in China.

An investment of S\$3.6 million has been made in October 2010 in an Australian real estate project. The Board has approved an additional S\$12 million for identified real estate investments in Australia.

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.

In September / October 2010 the Group finalized trade finance and term loan facilities with certain banks in Hong Kong amounting to S\$19.4 million which are variously secured by legal charges on its warehouse properties in Hong Kong, fixed deposits as well as corporate guarantees given by the Company. The utilization of these facilities has commenced. These have been arranged in anticipation of growth in the distribution business as well as investment in the real estate business. Accordingly, going forward, the Group's bank borrowings and interest costs will increase.

With a GDP growth rate of 9.6% in the third quarter of this fiscal year compared with 10.3% in the second quarter, the PRC economy continues its gradual moderation with the wind-down of stimulus spending. Policy makers appear to be keeping the PRC economy on a path of moderate growth and stability. This should enable the Group to maintain its focus on growing its business.

The Group's focus on making more intense utilization of the available capital has yielded positive results. While turnover in terms of aggregate numbers has not increased, the margin has appreciably increased during the third quarter. The Group expects a reduction in the overall turnover in 2H-FY2010. However, the reduced turnover is not expected to have a material impact on profitability.

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

Subsequent to 31 December 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****Nine months ended 30 September 2010**

	DIST	EMS	PPT	OTH	TOTAL
Revenue					
External sales from continuing operations	325,510	-	2,243	-	327,753
Result					
Segment result from continuing operations	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)
Net profit for the period					34,433
Other information					
Capital expenditure:					
Property, plant and equipment	173	-	-	6	179
Depreciation expense of continuing operations	279	-	75	10	364
Assets					
Segment assets	104,874	-	20,090	12,392	137,356
Assets of discontinued operations		-			-
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

THAKRAL CORPORATION LTD AND SUBSIDIARIES

S\$'000

Nine months ended 30 September 2009

	DIST	EMS	PPT	OTH	TOTAL
Revenue					
External sales from continuing operations	325,445	-	960	687	327,092
Result					
Segment result from continuing operations	5,714	-	244	(1,519)	4,439
Unallocated corporate expenses					(1,170)
Finance income					1,204
Finance costs					(42)
Foreign exchange gain					888
Profit before income tax and share of results of associates					5,319
Share of results of associates					1,253
Profit before income tax					6,572
Income tax expense					(709)
Profit after tax from continuing operations					5,863
Profit from discontinued operations		57			57
Net profit for the period					5,920

Other information					
Capital expenditure:					
Property, plant and equipment	413		-	110	523
Depreciation expense of continuing operations	303	-	73	10	386

Assets					
Segment assets	115,047	-	23,744	116,399	255,190
Assets of discontinued operations		77			77
Total assets					255,267
Liabilities					
Segment liabilities	26,466	-	2,108	351	28,925
Liabilities of discontinued operations		1,294			1,294
Income tax payable					1,319
Deferred tax liability					37
Total liabilities					31,575

Geographical information

S\$'000

Geographical segments:	Revenue		Capital expenditure		Non-current assets	
	30 Sep		30 Sep		30 Sep	
	2010	2009	2010	2009	2010	2009
People's Republic of China (including Hong Kong)	315,146	312,817	96	387	13,002	12,392
Others	12,607	14,416	83	136	1,746	1,737
	327,753	327,233	179	523	14,748	14,129

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

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 nine months ended 30 September 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
Sales, net of return	405	N/A
Purchases, net of returns	4,040	N/A
Operating lease charges paid / payable	168	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 November 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 9 months ended 30 September 2010 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Kartar Singh Thakral
 Chairman

Inderbethal Singh Thakral
 Director
 10 November 2010



THAKRAL CORPORATION LTD

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

PRESS RELEASE

THAKRAL REPORTS 40% INCREASE IN NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS TO S\$2.4 MILLION FOR Q3FY2010

- Operating profit for the first nine months of FY2010 increased 43% to S\$4.7 million from S\$3.3 million in the previous corresponding period

Singapore, November 10, 2010 - SGX Mainboard-listed Thakral Corporation Ltd ("Thakral" or the "Group") has continued to report an uptrend in quarterly results – with net profit attributable to shareholders up 40% to S\$2.4 million for the third quarter ended September 30, 2010 (Q3FY2010). This is also more than double the net profit in the second quarter of S\$1.1 million, excluding the gain on the disposal of an investment in India.

The improved results achieved despite slightly lower revenue, were due to the Group's focus on more profitable, higher margin distribution businesses while cutting back on businesses with slimmer margins. This resulted in lower turnover for Q3FY2010, down by 12% to S\$101.2 million. However, gross margin of 6.5% in Q3FY2010 was considerably higher than that earned in Q3FY2009.

The overall gross profit for the nine-month period increased by 21% over the previous corresponding period primarily due to improved gross margins.

Thakral also benefited from a foreign exchange gain of S\$1.2 million in 3QFY2010 compared to a loss of S\$0.16 million in the same corresponding period last year.

For the first nine months of FY2010, the Group chalked up a net profit of S\$34.4 million versus S\$5.9 million in 9MFY2009. The improved performance was mainly due to the gain of S\$28.7 million from the sale of the Group's stake in Gateway Distriparks Limited. The profit in the previous corresponding period also included certain one-off gains, which did not recur this year.

Earnings Per Share and Net Asset Value Per Share

Reflecting the improved performance of the Group, its EPS for both Q3FY2010 and 9MFY2010 increased. Group Earnings Per Share (from continuing and discontinued operations) for the first nine months of FY2010 rose to 1.31 cents, against a Group Earnings per share of 0.22 cent for the first nine months of FY2009. These include the one-off gains in both periods, particularly the gain on disposal of the investment in India.

Group Earnings Per Share (from continuing and discontinued operations) for Q3FY2010 was 0.09 cent up from EPS of 0.07 cent for Q3FY2009.

Net Asset Value per share as at 30 September 2010 was 3.67 cents against 8.72 cents as at 31 December 2009. This was due to the reduction of issued capital by 5 cents per share in July 2010.

Working Capital Position

The Group bolstered its cashflow during the period under review. It also generated positive cash from its operations. Net cash generated from its operations grew to S\$4.1 million in Q3FY2010 compared to a negative cash outflow of S\$11.7 million in the previous corresponding quarter. This was mainly due to inflows from trade receivables and inventories in contrast to significant outflows on these items in the previous corresponding quarter. On a 9 month basis, net cash from operating activities was positive at S\$0.9 million against a negative of S\$14.1 million in the same period last year. This was mainly due to the reduction of inventories and reduction of trade receivables in the period to 30 September 2010.

Segmental Performance

Distribution

The Group's Distribution business registered sales of S\$325.5 million for the first nine months of FY2010. This figure is comparable to that of the previous corresponding period.

In terms of earnings, this division showed robust improvement. Income from this segment was S\$5.9 million, compared to S\$5.7 million in the previous corresponding period. Excluding the one-off extraordinary items of S\$1.7 million received in the previous

corresponding period, the Group's distribution business reported a growth of 49% compared to the same period last year.

Real Estate Investments

The Group's property division realised a gain of S\$1.5 million from the disposal of a property in China during the first nine months of the year.

The Group has also made progress in its real estate activities, making its first investment of S\$3.6 million in a property project in Australia. An additional S\$12 million has been allocated for identified real estate investments in Australia, which are expected to yield returns in excess of 15% p.a. compounded.

Going Forward

Mr. Kartar Singh Thakral, Executive Chairman of Thakral said: "The Chinese economy is still expected to grow at a healthy pace despite some cooling measures taken by the PRC government. The Group is benefiting from the success of its strategy of focusing its core business of consumer electronics distribution to deliver an improved performance for the period. We have also made better use of the Group's existing capital to bring about higher yields to benefit our shareholders."

"Having made its first investment and with several in the pipeline, the property division is also making progress which will bring about a second stream of revenue for the Group. This we believe will enhance our return on capital and contribute to positive shareholder value."

"Going forward, we are optimistic of a profitable overall performance for the Group in FY2010."

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.

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 has made its first real estate financial investment in Australia and is now working through several other transactions which are expected to come to fruition in the coming months.

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

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