HALF YEAR AND SECOND 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 *	30-06-2011
Description	Please refer to attachments.

Attachments	ThakralCorp_PR_Q2FY2011_20110811.pdf ThakralCorp_Results_Q2FY11_20110811.pdf Total size = **134K** (2048K size limit recommended)

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

PRESS RELEASE

THAKRAL REPORTS NET PROFIT OF S$4.3 MILLION FOR 1HFY2011

- **Margins for 1HFY2011 improved to 8.1% compared to 5.0% in 1HFY2010 – in line with the Group's strategy to focus on higher value product mix in the distribution business**
- **Three real estate financing deals inked in the past seven months and more deals in Australia in the pipeline**

Singapore August 11, 2011

Mainboard-listed Thakral Corporation Ltd ("Thakral" or the "Group") has achieved a net profit of S$4.3 million on revenue of S$191.1 million for the first half of FY2011.

Despite a 16% year-on-year decrease in revenue, the Group's gross profit rose 36% compared to 1HFY2010. On a quarterly basis, gross profit also increased by 16% compared to 2QFY2010.

The improved gross profit in the period under review was attributed mainly to the Group's continued focus on higher margin product portfolio in its distribution business, improved contribution from the property development unit in Wujiang as well as the maiden contribution from the real estate division.

The Group's gross profit margins improved to 8.1% in the first half of this year compared to 5% in the previous corresponding period last year.

The softer sales in the first half of the year was due to the Group's continued focus on higher margin product mix, the temporary supply chain disruption owing to the Japanese earthquake and the strengthening of the Singapore dollar in which the Group reports in relation to the currencies in which the Group trades.

Thakral has made definitive strides to grow its second revenue stream in real estate financing activities in a bid for better yields from its capital base and to improve returns to shareholders.

To date, the Group, through its subsidiaries, has inked capital financing deals for three residential housing projects in Australia.

These projects are the Harbour One project in Docklands, Melbourne, Australia Towers (stage 1), Olympic Park Sydney, and Emerant Lane in Lane Cove, Sydney. The capital committed for these projects totals about A$28 million of which the capital contributed by the Group to date amounts to about A$7.5 million.

Thakral is also in documentation and negotiation for a commercial property project and will make further announcement once the deal is finalized.

The Group targets a rate of return for its capital contribution to these projects of not less than 15% IRR. In addition, Thakral through its financial services subsidiary, TCAP Pte Ltd ("TCAP") derives revenue from packaging and raising capital from co-investors in respect of these projects.

Earnings Per Share and Net Asset Value Per Share

Group Basic Earnings Per Share for 1HFY2011 stood at 0.14 cent, up from 0.12 cent in 1HFY2010 excluding the one-off gain on the sale of investment in Gateway Distriparks Limited in 2QFY2010.

Net Asset Value per share reduced slightly during 1HFY2011 to 3.74 cents as compared to 3.83 cents at December 31, 2010 on account of translation losses and the payment of interim dividend in June 2011.

Working Capital Position

For the half year of FY2011, the Group continued to strengthen its financial position. The business generated operational cash inflow of S$6.6 million as opposed to an outflow of S$3.2 million in 1HFY2010.

Cash balance remained healthy at S$41.3 million as at June 30, 2011, increasing from S$33.2 million recorded as at December 31, 2010. This was primarily due to the increase in bank financing as well as a reduction in the overall investment in inventories and receivables held as at the end of the period.

Due to seasonally slower months in June and July as well as further disposal of some commercial units by Wujiang Dafa Real Estate Development Co., Ltd, inventories were reduced to S$29.2 million as at June 30, 2011 from S$41.6 million as at December 31, 2010.

Segmental Performance

Distribution

Distribution remains the key growth driver for the Group, contributing 97% of the Group's overall revenue. The distribution segment achieved turnover of S$185.7 million in 1HFY2011, a decline of 17.4% from the S$224.8 million achieved in the previous corresponding period.

However, despite the lower sales, the distribution unit recorded a 21% rise in segmental profit to S$4.0 million as compared to S$3.3 million recorded in 1HFY2010.

Real Estate

The property unit increased its sales of commercial property stock in Wujiang during the current period, reporting S$5.4 million worth of revenue. Segment results of S$2.7 million were booked for the half-year, well above 1HFY2010 level of S$1.7 million.

During the latest quarter (2QFY2011) the Group made investments in Australia in two new real estate projects, namely Australia Towers and Emerant Lane. All projects are progressing satisfactorily and continue to be on time and on budget.

Going Forward

On the Group's performance, Mr Kartar Singh Thakral ("Mr Kartar"), Executive Chairman of Thakral said: "While the Group has been mildly impacted by the temporary disruption in the supply chain following the earthquake in Japan, we have also seen improved margins reflecting the success of our strategic focus on a mix of higher margin products in the distribution business during the first half of 2011."

Mr Kartar said: "We expect supplies to normalise in the following months of the year and allow us to reap the benefits from the growth in our principal markets especially China.

"The Chinese economy continued its growth in the second quarter and is expected to maintain the momentum despite inflationary pressures and interest rate hikes. We expect to see a more balanced economy with heavier reliance on domestic consumption."

The Group is on track with its venture into real estate business. Through TCAP, the pipeline of new opportunities continues to grow whilst access to capital is also enhanced.

TCAP is also pursuing investment opportunities in the resources sector in Australia. All the Group's real estate projects are backed by leading, reputable property developers and builders in Australia.

Barring unforeseen circumstances, the Group maintains a positive outlook and will continue to pursue strategies that will deliver positive shareholder value.

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, Parrot, 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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THAKRAL CORPORATION LTD
(Co. Reg. No. 199306606E)

Half Year and Second 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 six months and second quarter ended 30 June 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		%	S$000		%
		Six months ended		Increase /	Three months ended		Increase /
		30 Jun 2011	30 Jun 2010	(Decrease)	30 Jun 2011	30 Jun 2010	(Decrease)
Revenue	1	191,095	226,538	(16)	82,741	115,511	(28)
Cost of sales		(175,628)	(215,192)	(18)	(75,247)	(109,078)	(31)
Gross profit	1	15,467	11,346	36	7,494	6,433	16
Other operating income	2	640	1,861	(66)	551	194	184
Distribution costs	3	(2,785)	(2,402)	16	(1,365)	(1,236)	10
Administrative expenses	4	(8,301)	(7,549)	10	(4,564)	(3,841)	19
Other operating expenses	5	(210)	(247)	(15)	(104)	(120)	(13)
Profit from operations		4,811	3,009	60	2,012	1,430	41
Net gain on disposal of available-for-sale investments		-	28,722	(100)	-	28,722	(100)
Finance income	6	272	733	(63)	154	358	(57)
Finance costs	6	(550)	(2)	NM	(343)	(1)	NM
Foreign exchange gain (loss)	7	923	28	NM	315	(281)	NM
Profit before income tax		5,456	32,490	(83)	2,138	30,228	(93)
Income tax expense	8	(1,159)	(490)	137	(389)	(317)	23
Profit for the period / quarter		4,297	32,000	(87)	1,749	29,911	(94)
Attributable to:							
Owners of the Company		3,532	31,848	(89)	1,502	29,843	(95)
Non-controlling interests		765	152	NM	247	68	263
		4,297	32,000	(87)	1,749	29,911	(94)

NM – Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	S$'000 Six months ended 30 Jun 2011	S$'000 Six months ended 30 Jun 2010	% Increase / (Decrease)	S$'000 Three months ended 30 Jun 2011	S$'000 Three months ended 30 Jun 2010	% Increase / (Decrease)
Profit for the period / quarter		**4,297**	**32,000**	**(87)**	**1,749**	**29,911**	**(94)**
Other comprehensive (loss) income							
Translation (loss) gain arising on consolidation	9	(3,827)	(223)	NM	(1,956)	432	NM
Net fair value changes in available-for-sale investments	10	473	(3,378)	NM	1,379	(2,463)	NM
Reclassification to profit or loss from equity upon disposal of available-for-sale investments		-	(29,235)	(100)	-	(29,235)	(100)
Other comprehensive loss for the period / quarter, net of tax		**(3,354)**	**(32,836)**	**(90)**	**(577)**	**(31,266)**	**(98)**
Total comprehensive income (loss) for the period / quarter		**943**	**(836)**	**NM**	**1,172**	**(1,355)**	**NM**
Total comprehensive income (loss) attributable to:							
Owners of the Company		266	(993)	NM	978	(1,442)	NM
Non-controlling interests		677	157	331	194	87	123
		943	(836)	NM	1,172	(1,355)	(186)

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 six months of 2011. However, overall sales were affected by the temporary disruption in supply of goods by suppliers affected by the earthquake in Japan. Margins improved to 8.1% in the latest period as compared to 5.0% in the previous corresponding period and included an improved contribution from the property development unit in Wujiang as well as the maiden contribution from the real estate division.

Note 2:

Other operating income comprises:

	S$'000 Six months ended 30 Jun 2011	S$'000 Six months ended 30 Jun 2010	% Increase / (Decrease)	S$'000 Three months ended 30 Jun 2011	S$'000 Three months ended 30 Jun 2010	% Increase / (Decrease)
VAT and business tax subsidy	151	53	185	147	41	259
Gain on disposal of property, plant and equipment	309	1,518	(80)	309	(8)	NM
Commission income	171	207	(17)	91	123	(26)
Miscellaneous	9	83	(89)	4	38	(89)
Total	640	1,861	(66)	551	194	184

(i) The gain of S$0.3 million arose from the disposal of a disused asset during the latest quarter. 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.

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

Note 3:

Distribution costs comprise:

	S$'000		%	S$'000		%
	Six months ended		Increase /	Three months ended		Increase /
	30 Jun 2011	30 Jun 2010	(Decrease)	30 Jun 2011	30 Jun 2010	(Decrease)
Staff costs	(1,454)	(1,138)	28	(719)	(628)	14
Advertising & promotion	(174)	(176)	(1)	(84)	(52)	62
Transportation	(526)	(539)	(2)	(249)	(279)	(11)
Travelling expenses	(260)	(293)	(11)	(142)	(153)	(7)
Others	(371)	(256)	45	(171)	(124)	38
Total	(2,785)	(2,402)	16	(1,365)	(1,236)	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) Other distribution costs increased mainly due to higher entertainment expenses incurred during the Lunar New Year period.

Note 4:

Administration expenses comprise:

	S$'000		%	S$'000		%
	Six months ended		Increase /	Three months ended		Increase /
	30 Jun 2011	30 Jun 2010	(Decrease)	30 Jun 2011	30 Jun 2010	(Decrease)
Staff costs (including executive directors)	(4,960)	(4,643)	7	(2,467)	(2,414)	2
Directors' fees	(312)	(218)	43	(206)	(109)	89
Professional fees	(790)	(963)	(18)	(474)	(433)	9
Rent & rates	(355)	(361)	(2)	(176)	(179)	(2)
Travelling expenses	(196)	(177)	11	(89)	(95)	(6)
Insurance	(163)	(190)	(14)	(75)	(97)	(23)
Allowance for doubtful debts	(259)	(196)	32	(487)	(196)	148
Others	(1,266)	(801)	58	(590)	(318)	86
Total	(8,301)	(7,549)	10	(4,564)	(3,841)	19

(i) Staff costs rose due to higher performance linked employee accruals, annual pay adjustments and certain 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 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) Anticipated defaults in settlement by certain customers have necessitated an increase in allowance for doubtful debts.

(v) The increase in other administration expenses in the current period is mainly due to general cost increase, withholding taxes on intra-group dividend (S$130,000), donations (S$65,000) and the reversal of VAT (S$165,000) in the previous period.

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 the latest quarter.

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

Note 8:
Group income tax for the current period arose mainly in relation to higher taxable profits of the property development unit in Wujiang and of the distribution business unit in China.

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.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

STATEMENTS OF FINANCIAL POSITION

	Note	Group (S$ '000) as at		Company (S$ '000) as at	
		30 Jun 2011	31 Dec 2010	30 Jun 2011	31 Dec 2010
ASSETS					
Current assets					
Inventories	1	29,155	41,583	-	-
Available-for-sale investments	2	4,099	-	-	-
Trade receivables	4	29,362	30,106	-	-
Other receivables and prepayments	5	11,519	7,676	2,213	2,289
Cash and bank balances	6	41,349	33,189	858	844
Total current assets		115,484	112,554	3,071	3,133
Non-current assets					
Property, plant and equipment		4,022	4,132	24	28
Investment properties		11,659	12,176	-	-
Investments in subsidiaries		-	-	92,285	96,649
Available-for-sale investments	2	14,669	18,106	-	-
Held-to-maturity financial asset	3	5,499	-	-	-
Loan receivable	3	581	-	-	-
Total non-current assets		36,430	34,414	92,309	96,677
Total assets		151,914	146,968	95,380	99,810
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables		2,178	6,629	-	-
Bills payables and trust receipts	7	10,021	14,468	-	-
Bank overdrafts and loans	8	21,990	7,282	-	-
Other payables		12,303	11,295	236	625
Provisions		2,285	2,086	24	-
Income tax payable		644	1,020	-	-
Total current liabilities		49,421	42,780	260	625
Non-current liabilities					
Deferred tax liability		580	606	-	-
Total non-current liabilities		580	606	-	-
Total liabilities		50,001	43,386	260	625
Capital and reserves and non-controlling interests					
Issued capital		72,531	72,531	72,531	72,531
Reserves		25,107	27,453	22,589	26,654
Equity attributable to equity holders of the Company		97,638	99,984	95,120	99,185
Non-controlling interests		4,275	3,598	-	-
Total equity		101,913	103,582	95,120	99,185
Total liabilities and equity		151,914	146,968	95,380	99,810

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 June 2011		As at 31 December 2010	
Secured	Unsecured	Secured	Unsecured
S$ 25,365,000	S$ 6,646,000	S$ 21,750,000	NIL

Please also see note (7) below

Amount repayable after one year

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

Please also see note (7) below

Details of any collateral

Charge over properties in Hong Kong; pledged bank deposits of S$20.4 million; Company's corporate guarantee

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

	Note	(S$ '000) Six months ended 30 Jun 2011	(S$ '000) Six months ended 30 Jun 2010	(S$ '000) Three months ended 30 Jun 2011	(S$ '000) Three months ended 30 Jun 2010
Cash flows from operating activities					
Profit before income tax		5,456	32,490	2,138	30,228
Adjustments for:					
Depreciation expense		210	247	104	120
Dividend income and investment income		(860)	-	(860)	-
Finance lease charges		-	2	-	1
Interest expense		550	-	343	-
Interest income		(272)	(733)	(154)	(358)
Gain on disposal of property, plant and equipment		(309)	(1,527)	(309)	-
Gain on disposal of available-for-sale investments		-	(28,722)	-	(28,722)
Net foreign exchange (gain) loss		(959)	284	(329)	616
Allowance for inventories		204	466	288	250
Allowance for doubtful trade receivables		221	184	449	184
Allowance for doubtful other receivables		38	12	38	12
Operating cash flows before movements in working capital		4,279	2,703	1,708	2,331
Trade receivables		(475)	(1,742)	2,102	(5,460)
Other receivables and prepayments		(4,022)	(10,152)	(4,733)	(6,839)
Inventories		11,167	(10,198)	9,219	(696)
Trade payables		(4,314)	6,722	(10,999)	8,411
Other payables and provisions		1,674	9,629	2,764	11,157
Cash from (used in) operations		8,309	(3,038)	61	8,904
Income tax paid		(1,496)	(1,226)	(332)	(436)
Finance lease charges paid		-	(2)	-	(1)
Interest paid		(535)	-	(331)	-
Interest received		288	1,093	248	694
Net cash from (used in) operating activities		6,566	(3,173)	(354)	9,161
Cash flows from investing activities					
Additions to property, plant and equipment		(252)	(129)	(202)	(39)
Additions to other financial instruments		(5,825)	-	(5,825)	-
Proceeds from disposal of available-for-sale investments		-	30,705	-	30,705
Proceeds from disposal of property, plant and equipment		310	2,101	310	-
Net cash (used in) from investing activities		(5,767)	32,677	(5,717)	30,666
Cash flows from financing activities					
Cash Distribution on Capital Reduction		-	(130,606)	-	(130,606)
Dividends paid		(2,612)	-	(2,612)	-
Net repayment of obligations under finance lease		-	(6)	-	(3)
(Increase) decrease in fixed deposits with maturities exceeding three months	6	(1,739)	81,711	(1,853)	8,755
(Increase) decrease in pledged bank deposits	6	(17,064)	12	(8,620)	1,713
Decrease in bills receivable		-	988	-	173
(Decrease) increase in bills payable and trust receipts		(3,906)	813	(1,883)	(4,874)
Increase in bank loans	8	15,175	-	8,507	-
Net cash used in financing activities		(10,146)	(47,088)	(6,461)	(124,842)
Net effect of exchange rate changes in the balance of cash held in foreign currencies		(1,107)	(291)	(632)	(252)
Net decrease in cash and cash equivalents		(10,454)	(17,875)	(13,164)	(85,267)
Cash and cash equivalents at beginning of the period / quarter		24,027	35,590	26,737	102,982
Cash and cash equivalents at end of the period / quarter		13,573	17,715	13,573	17,715
Cash and cash equivalents were represented by:-					
Fixed deposits with maturities less than 3 months, cash at bank and hand	6	14,122	19,039	14,122	19,039
Bank overdrafts		(549)	(1,324)	(549)	(1,324)
		13,573	17,715	13,573	17,715

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

Note 1:
Inventories reduced to S$29.2 million as at 30 June 2011 from S$41.6 million as at 31 December 2010 mainly owing to slower replenishment as well as the disposal of some commercial units by Wujiang Dafa.

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 June 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 reduced marginally from those at 31 December 2010.

Note 5:
Other Receivables increased to S$11.5 million as at 30 June 2011 from S$7.7 million as at 31 December 2010 primarily due to advances made to suppliers towards the end of the period.

Note 6:
Cash and bank balances are comprised of:

	30-Jun-11	31-Dec-10
Cash and cash equivalents	S$14.1 million	S$24.8 million
Fixed deposits with maturities exceeding three months	S$6.8 million	S$5.1 million
Deposits that have been pledged to banks against borrowings (see also note 7 & 8 below)	S$20.4 million	S$3.3 million
Total	S$41.3 million	S$33.2 million

The increase in deposits pledged to the banks is due to additional banking facilities having been arranged with banks during the period. The Group has not fully utilized the corresponding facilities as at 30 June 2011.

Note 7:
Bills payable and trust receipts of S$10 million relate to short-term trade financing for the purchase of goods provided by banks in the Hong Kong for the Group's distribution businesses (see also note 6 above).

Note 8:
Bank loans and overdrafts include an amount of S$6.1 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 in 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 unit in Shanghai.

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

Six months ended 30 June 2011

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 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

Six months ended 30 June 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

Six months ended 30 June 2011

S$'000

Company	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

Six months ended 30 June 2010

S$'000

Company	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

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 Jun 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 June 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 June 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

	Six months ended 30 Jun 2011	Six months ended 30 Jun 2010
(i) Basic earnings per share	0.14 cent	1.22 cents
(ii) Fully diluted earnings per share	0.14 cent	1.22 cents

	Three months ended 30 Jun 2011	Three months ended 30 Jun 2010
(i) Basic earnings per share	0.06 cent	1.14 cents
(ii) Fully diluted earnings per share	0.06 cent	1.14 cents

Excluding the one-off gain on the disposal of the Gateway Distriparks Ltd investment in Q2-FY10, the basic earnings per share for the 6 months ended 30 June 2010 was 0.12 cent (3 months ended 30 June 2010 : 0.04 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 June 2011 and 30 June 2010 respectively. The diluted earnings per share for the 6 months ended 30 June 2011 are computed on the profit for the year after taxation and deduction of non-controlling interests divided by 2,615,848,591 (3 months ended 30 June 2011 : 2,615,809,247) with 3,434,923 (3 months ended 30 June 2011 : 3,395,579) 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 Jun 2011	As at 31 Dec 2010
Group	3.74 cents	3.83 cents
Company	3.64 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 – Six months ended 30 June 2011

Turnover & Profitability

The Group achieved consolidated turnover of S$191.1 million for the 6 months to 30 June 2011 as compared to S$226.5 million achieved in the previous corresponding period, a reduction of about 16%. The reduction in turnover was principally due to the continued focus on a mix of higher margin products in the distribution business, temporary disruption of supply of inventory as a result of the earthquake in Japan in March 2011, and the strengthening of the Singapore Dollar in which we report against the currencies in which we trade. The healthy inventory levels in March had enabled the Group to tide over the immediate disruption of supplies following the earthquake and continue sales. Normal supply has resumed.

The property development unit in Wujiang also sold some additional commercial property units during the latest quarter. The Group's real estate division, which has been investing in Australian property projects, also made its maiden contribution to the income from its projects.

Despite the reduction in overall turnover compared to 1H-FY2010, the overall gross margin increased by 36% during the year to date to S$15.5 million from S$11.3 million in the previous corresponding period. Margins improved to 8.1% in the latest period as compared to 5.0% in the previous corresponding period. While the major increase was recorded in the margins of the distribution business, the property development unit in Wujiang also reported a significantly improved gross profit contribution during this period. Gross profits and margin were also helped by the initial contribution from the Group's real estate division.

The Group disposed of a disused asset during the latest quarter, realizing a gain of S$0.3 million. However, the previous period had included a gain of S$1.5 million from the disposal of a property in China. As a result, other income reduced by S$1.2 million (66%) in the current period.

Finance income declined to S$0.3 million in the current period from S$0.7 million in the previous corresponding period mainly due to lower deposits in the half-year resulting from the outflow of funds for the Cash Distribution to shareholders in FY 2010.

Finance costs, on the other hand, increased by S$0.6 million in the current period mainly due to the trade finance and bank loans taken by the Group to finance its operations and investments in the real estate division.

Foreign exchange gains were S$0.9 million in the latest period but were negligible in the previous corresponding period. These arose mainly from the translation of monetary assets and liabilities denominated in foreign currencies outstanding at the end of the period.

Group net income attributable to shareholders amounted to S$3.5 million for the current half-year, compared to S$3.1 million in the previous corresponding period excluding the one-off gain of S$28.7 million from the disposal of the Group's Indian investment.

Expenses

Distribution expenses of S$2.8 million in the current half-year were higher by 16% as compared to S$2.4 million in the previous corresponding period mainly due to the higher level of staffing as well as the effect of the annual pay adjustments.

Administration expenses, excluding allowances relating to doubtful receivables in both periods, were higher by about 9% at S$8.0 million, compared to S$7.4 million in the previous corresponding period. The increase was principally due to withholding taxes on intra-group dividends, staff costs and general cost increase.

Group income tax of S$1.2 million in the current period was significantly higher than the S$0.5 million incurred in the previous corresponding period. This was mainly due to the tax on the higher level of taxable profits at the Wujiang property unit as well as at the distribution business in China.

Working Capital and Cash Flow

Inventories reduced to S$29.2 million as at 30 June 2011 from S$41.6 million as at 31 December 2010 mainly due to slower replenishment as well as the disposal of some commercial units by Wujiang Dafa. Trade Receivables reduced marginally to S$29.3 million as at 30 June 2011 from S$30.1 million as at 31 December 2010. Other Receivables increased to S$11.5 million as at 30 June 2011 from S$7.7 million as at 31 December 2010 primarily due to advances made to suppliers towards the end of the period.

The reduction in non-current available-for-sale investments to S$14.7 million as at 30 June 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$32.0 million as at 30 June 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 unit in Shanghai.

Overall operational cash inflow for the six months to 30 June 2011 of S$6.8 million was in contrast to the net cash outflow of S$3.2 million seen in the previous corresponding period. This was mainly as a result of the reversal of cash-flows made on account of inventories in respect of which there had been an outflow of S$10.2 million in the previous corresponding period as against an inflow of about S$11.2 million in the current period.

Net Asset Value

Net Asset Value per share as at 30 June 2011 was 3.74 cents as compared to 3.83 cents as at 31 December 2010. Despite the profits earned during the current period, the slight reduction was on account of translation losses and the payment of interim dividend.

Performance Summary

Distribution

The distribution business, which accounts for around 97% of the overall business of the Group, achieved turnover of S$185.7 million in the current period, a decline of about 17.4% in S$ terms from the S$224.8 million achieved in the previous corresponding period. Notwithstanding the reduced turnover, segment result was higher by 21% at S$4.0 million as compared to S$3.3 million achieved in 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 a maiden contribution was recognized for the income from investments made by the Group's Real Estate Division; however, in the overall Group's context, this revenue is relatively small. Segment results of S$2.7 million for the half-year are a significant improvement over the previous corresponding period which included gains of S$1.5 million from the disposal of a building in China which had been treated as other operating income.

During the current quarter, the Group made investments in Australia in the real estate projects of Australia Towers and Emerant Lane. These projects are progressing satisfactorily and continue to be on time and on budget.

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.

The Group is seeing signs of normalization of supplies from Japanese manufacturers in its distribution business. The Group expects the supply position to improve in the second half of the year.

The Chinese economy continued its growth in the second quarter and remains strong despite inflationary pressures and interest rate hikes.

The real estate division has now established a joint venture entity in Australia with 3 executives with extensive experience in originating, packaging and funding transactions. With the establishment of this joint venture through TCAP Pte Ltd, in which the Group has a majority shareholding, the pipeline of new opportunities continues to grow whilst access to capital is also enhanced. Several new opportunities are being explored and will be announced when 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 June 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.

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 (Japan, Singapore and Australia), has 3 main core divisional activities as follows:

a) Distribution ("DIST")
b) Property holding division including real estate investments ("PPT")
c) Others ("OTH") - those activities which do not fall into the above categories

<u>Group's reportable segments</u>

S$'000
Six months ended 30 June 2011

	DIST	PPT	OTH	TOTAL
Revenue				
External sales	185,671	5,424	-	191,095
Result				
Segment result	4,034	2,743	(926)	5,851
Unallocated corporate expenses				(1,040)
Finance income				272
Finance costs				(550)
Foreign exchange gain				923
Profit before income tax				5,456
Income tax expense				(1,159)
Profit for the period				4,297
Other information				
Capital expenditure:				
Property, plant and equipment	242	9	1	252
Depreciation expense	175	30	5	210
Assets				
Segment assets	97,089	39,236	15,589	151,914
Total assets				151,914
Liabilities				
Segment liabilities	40,223	8,303	251	48,777
Income tax payable				644
Deferred tax liability				580
Total liabilities				50,001

S$'000
Six months ended 30 June 2010

	DIST	PPT	OTH	TOTAL
Revenue				
External sales	224,786	1,752	-	226,538
Result				
Segment result	3,336	1,650	(1,035)	3,951
Unallocated corporate expenses				(942)
Gain on disposal of available-for-sale investments				28,722
Finance income				733
Finance costs				(2)
Foreign exchange gain				28
Profit before income tax				32,490
Income tax expense				(490)
Profit for the period				32,000

Other information				
Capital expenditure:				
Property, plant and equipment	125	-	4	129
Depreciation expense	188	52	7	247
Assets				
Segment assets	108,917	21,158	10,655	140,730
Total assets				140,730
Liabilities				
Segment liabilities	36,898	2,075	794	39,767
Liabilities of discontinued operations			233	233
Income tax payable				550
Deferred tax liability				389
Total liabilities				40,939

Geographical information

S$'000

Geographical segments:	**Revenue**		**Capital expenditure**		**Non-current assets**	
	30 Jun		30 Jun		30 Jun	
	2011	2010	2011	2010	2011	2010
People's Republic of China (including Hong Kong)	187,783	217,693	241	48	14,112	13,825
Others	3,312	8,845	11	81	1,569	1,777
	191,095	226,538	252	129	15,681	15,602

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

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 six months ended 30 June 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$100,000)
	S$'000	S$'000
Thakral Brothers Pte Ltd and subsidiaries		
Sales, net of return	120	N/A
Purchases, net of returns	109	N/A

BY ORDER OF THE BOARD

Tan Ping Ping
Chan Lai Yin
Company Secretaries
11 August 2011

<u>Statement Pursuant to SGX Listing Rule 705(4) of the Listing Manual</u>
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 6 months ended 30 June 2011 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Kartar Singh Thakral
Chairman

Inderbethal Singh Thakral
Director
11 August 2011