

[Print this page](#)**First Quarter \* Financial Statement And Dividend Announcement**

\* Asterisks denote mandatory information

Name of Announcer *	THAKRAL CORPORATION LTD
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Announcement submitted on behalf of	THAKRAL CORPORATION LTD
Announcement is submitted with respect to *	THAKRAL CORPORATION LTD
Announcement is submitted by *	Anil Daryanani
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**>> Announcement Details**

The details of the announcement start here ...

For the Financial Period Ended *	31-03-2008
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**First 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 first quarter ended 31 March 2008 together with comparative statements for the corresponding period of the immediately preceding financial year**

These figures have not been audited.

**Profit and loss statements**

	Note	Group		
		S\$000		% Increase / (Decrease)
		Three months ended		
		31 Mar 2008	31 Mar 2007	
<b>CONTINUING OPERATIONS</b>				
Revenue	1	88,856	48,152	85
Cost of sales		(85,329)	(44,531)	92
Gross profit	1	3,527	3,621	(3)
Other operating income	2	488	992	(51)
Distribution costs	3	(1,061)	(1,210)	(12)
Administration expenses	4	(4,071)	(3,332)	22
Other operating expenses	5	(627)	(661)	(5)
Loss from operations		(1,744)	(590)	196
Finance income		577	813	(29)
Finance costs	6	(53)	(161)	(67)
Foreign exchange gain	7	60	691	(91)
(Loss) profit before income tax, share of results of associates		(1,160)	753	NM
(Loss) profit from associates		(41)	20	NM
<b>(Loss) profit before income tax</b>		<b>(1,201)</b>	<b>773</b>	NM
Income tax expense	8	(35)	(419)	(92)
<b>(Loss) profit from continuing operations</b>		<b>(1,236)</b>	<b>354</b>	NM
<b>DISCONTINUING OPERATIONS</b>				
<b>Profit (loss) from discontinuing operations</b>	9	<b>685</b>	<b>(10)</b>	NM
<b>(Loss) profit for the quarter</b>		<b>(551)</b>	<b>344</b>	NM
<u>Attributable to</u>				
Shareholders of the Company		(535)	217	NM
Minority interests		(16)	127	NM
		<b>(551)</b>	<b>344</b>	NM

NM – Not meaningful

**Notes to the Income statement**

**Note 1:**

Turnover improved significantly in view of the higher level of sales activity for consumer electronics in China and Hong Kong in the quarter. Gross profit margin for the year, however, declined to about 4% from about 7.5% in the previous corresponding period due to the fall in contribution from the Group's higher margin property development unit in Wujiang as well as a timing difference in the recognition of a dividend from the Group's Indian investment.

**Note 2:**

Other operating income of continuing operations comprises:

	S\$'000		% Increase / (Decrease)
	Three months ended		
	31 Mar 2008	31 Mar 2007	
Gain on disposal of investment properties	207	-	NM
Gain on disposal of available-for-sale investments	-	850	NM
Gain on disposal of investment in an associate	53	-	NM
Miscellaneous	228	142	61
Total	488	992	(51)

**Note 3:**

Distribution costs of continuing operations comprises:

	S\$'000		% Increase / (Decrease)
	Three months ended		
	31 Mar 2008	31 Mar 2007	
Staff costs	(484)	(447)	8
Advertising & promotion	(76)	(58)	31
Transportation	(174)	(191)	(9)
Travelling expenses	(78)	(181)	(57)
Others	(249)	(333)	(25)
Total	(1,061)	(1,210)	(12)

- (i) Staff costs increased due to the higher headcount of sales and marketing personnel.
- (ii) Advertising charges were higher due to increased advertising expenses and participation in trade fairs.
- (iii) Transportation and travelling expenses declined mainly due to cost reductions and reduced travelling by sales personnel.

**Note 4:**

Administration expenses of continuing operations comprises:

	S\$'000		% Increase / (Decrease)
	Three months ended		
	31 Mar 2008	31 Mar 2007	
Staff costs (including executive directors)	(2,141)	(2,502)	(14)
Directors' fees	(167)	(155)	8
Professional fees	(240)	(301)	(20)
Rent & rates	(461)	(408)	13
Travelling expenses	(103)	(86)	20
Net reversal of allowance for doubtful debts	-	916	NM
Others	(959)	(796)	20
Total	(4,071)	(3,332)	22

- (i) Staff costs for the current quarter declined due to the lower headcount.
- (ii) Directors' fees for the current year include fees for an additional director appointed during the last financial year.
- (iii) Professional fees are lower in view of the absence of legal fees in relation to cases that have been settled or awaiting judgment.
- (iv) Rent and rates increased due to the overall higher office rental costs.
- (v) Travelling expenses rose due to increased travelling by management personnel and directors.
- (vi) The reversal of allowance for doubtful debts in the previous corresponding quarter relates to recoveries from a related party.

## THAKRAL CORPORATION LTD AND SUBSIDIARIES

### Note 5:

Other operating expenses comprised depreciation charges for the periods.

### Note 6:

Finance costs were lower compared to the previous corresponding period as a result of the redemption of all outstanding convertible bonds in the previous financial year.

### Note 7:

Foreign exchange gain arose 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 from the taxable profits at the Group's property development unit in Wujiang.

### Note 9:

As previously announced, the Group has decided to exit from the home entertainment business. Accordingly this business has been classified as discontinuing operations.

The results of the home entertainment business were as follows:-

#### **Discontinuing operations**

	S\$000		% Increase / (Decrease)
	Three months ended		
	31 Mar 2008	31 Mar 2007	
Revenue	165	411	(60)
Cost of sales	(104)	(175)	(41)
Gross profit	61	236	(74)
Distribution costs	-	(190)	(100)
Administration expenses	(47)	(69)	(32)
Reversal of impairment charges and provisions	659	8	NM
Foreign exchange gain	12	5	140
Profit (loss) before tax	685	(10)	NM
Income tax expenses	-	-	NM
Profit (loss) after tax	685	(10)	NM

NM – Not meaningful

**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**

**Balance Sheets**

**Balance Sheets**

	Note	<b>Group</b>		<b>Company</b>	
		<b>( S\$ '000)</b>		<b>( S\$ '000)</b>	
		<b>as at</b>		<b>as at</b>	
		31 Mar 2008	31 Dec 2007	31 Mar 2008	31 Dec 2007
<b>ASSETS</b>					
<b>Current assets</b>					
Inventories	1	26,545	25,219	-	-
Trade receivables	2	41,323	42,981	-	-
Other receivables and prepayments		9,434	7,476	128	175
Cash and cash equivalents		110,571	112,134	71,607	71,630
<b>Total current assets</b>		<b>187,873</b>	<b>187,810</b>	<b>71,735</b>	<b>71,805</b>
<b>Non-current assets</b>					
Property, plant and equipment		14,019	14,666	17	19
Investment properties		10,835	12,181	-	-
Investment in subsidiaries		-	-	104,302	111,437
Investment in associates		1,480	1,558	1,480	1,520
Available-for-sale investments	3	51,599	77,323	28,367	50,156
Deferred tax asset		1	3	-	-
<b>Total non-current assets</b>		<b>77,934</b>	<b>105,731</b>	<b>134,166</b>	<b>163,132</b>
<b>Total assets</b>		<b>265,807</b>	<b>293,541</b>	<b>205,901</b>	<b>234,937</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade payables		6,931	5,490	-	-
Bank overdrafts and term loans		3,744	1,080	-	-
Other payables		9,801	12,221	392	515
Provisions		1,205	1,177	-	-
Income tax payable		679	717	408	408
<b>Total current liabilities</b>		<b>22,360</b>	<b>20,685</b>	<b>800</b>	<b>923</b>
<b>Non-current liabilities</b>					
Long-term loans		277	309	-	-
Deferred tax liability		267	317	-	-
<b>Total non-current liabilities</b>		<b>544</b>	<b>626</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>22,904</b>	<b>21,311</b>	<b>800</b>	<b>923</b>
<b>Capital and reserves</b>					
Issued capital		203,134	203,134	203,134	203,134
Reserves		35,665	64,674	1,967	30,880
<b>Equity attributable to equity shareholders of the Company</b>		<b>238,799</b>	<b>267,808</b>	<b>205,101</b>	<b>234,014</b>
<b>Minority interests</b>		<b>4,104</b>	<b>4,422</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>242,903</b>	<b>272,230</b>	<b>205,101</b>	<b>234,014</b>
<b>Total liabilities and equity</b>		<b>265,807</b>	<b>293,541</b>	<b>205,901</b>	<b>234,937</b>

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 31 March 2008		As at 31 December 2007	
Secured	Unsecured	Secured	Unsecured
S\$ 949,000	S\$ 2,795,000	S\$ 861,000	S\$ 219,000

Amount repayable after one year

As at 31 March 2008		As at 31 December 2007	
Secured	Unsecured	Secured	Unsecured
NIL	S\$ 277,000	NIL	S\$ 309,000

Details of any collateral

N.A.

Group's contingent liabilities

	As at 31 March 2008	As at 31 December 2007
Potential property tax	S\$ 604,000	S\$ 605,000

**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 Cash Flow Statement**

	( S\$ '000)	
	Three months ended	
	31 Mar 2008	31 Mar 2007
<b>Cash flows from operating activities</b>		
(Loss) profit before income tax	(516)	763
Adjustments for:		
Share of loss (profit) from associates	41	(20)
Depreciation expense	627	661
Dividend income from quoted equity shares	-	(467)
Finance lease charges	-	10
Interest expense	53	151
Interest income	(577)	(813)
Gain on disposal of investment in an associate	(53)	-
Gain on disposal of available-for-sale investments	-	(850)
Gain on disposal of property, plant and equipment	(5)	-
Gain on disposal of investment properties	(207)	-
Share based payment expense	8	28
Reversal of allowance for inventories	(20)	(187)
Reversal of allowance for doubtful trade receivables	(138)	(924)
Reversal of allowance for doubtful other receivables	(56)	-
<b>Operating cash flows before movements in working capital</b>	<b>(843)</b>	<b>(1,648)</b>
Trade receivables	1,796	2,142
Other receivables and prepayments	(2,427)	1,196
Inventories	(1,306)	5,931
Trade payables	1,441	(1,038)
Other payables	(2,392)	(1,878)
<b>Cash (used in) generated from operations</b>	<b>(3,731)</b>	<b>4,705</b>
Dividends received	481	-
Income tax paid	(133)	(326)
Finance lease charges paid	-	(10)
Interest paid	(52)	(10)
Interest received	626	816
<b>Net cash (used in) generated from operating activities</b>	<b>(2,809)</b>	<b>5,175</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(99)	(36)
Net investment in balances from associates	8	(6)
Proceeds from disposal of property, plant and equipment	5	-
Proceeds from disposal of available-for-sale investments	-	1,104
Proceeds from disposal of investment in an associate	80	-
Proceeds from disposal of investment properties	1,103	-
Cash to minority shareholders	(324)	(845)
<b>Net cash from investing activities</b>	<b>773</b>	<b>217</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of shares on exercise of employees' share options	-	3
Repayment of finance lease obligations	-	(111)
Repayment of bank term loans	(55)	(52)
<b>Net cash used in financing activities</b>	<b>(55)</b>	<b>(160)</b>
Net effect of exchange rate changes in consolidating subsidiaries	(2,121)	(1,393)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(4,212)</b>	<b>3,839</b>
Cash and cash equivalents at beginning of the period	111,260	123,981
<b>Cash and cash equivalents at end of the period</b>	<b>107,048</b>	<b>127,820</b>
Cash and cash equivalents were represented by:-		
Fixed deposits, cash at bank and hand	110,571	127,873
Bank overdraft	(3,523)	(53)
	<b>107,048</b>	<b>127,820</b>

**Notes to the Balance Sheet and Consolidated Cash Flow Statement**

Note 1:

Inventories increased marginally to S\$26.5 million as at 31 March 2008 from S\$25.2 million as at 31 December 2007 mainly due to the increased stocking of consumer electronics products to support a higher volume of sales.

Note 2:

Trade receivables decreased to S\$41.3 million as at 31 March 2008 from S\$43.0 million as at 31 December 2007 due to improved collections.

Note 3:

Available-for-sale investments decreased due to the decline in fair values of the investments arising from the recent turmoil in global financial markets.

## THAKRAL CORPORATION LTD AND SUBSIDIARIES

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Statement of changes in equity**
**Three months ended 31 Mar 2008**

S\$'000

	Total shareholders' equity							Minority interests	Total equity
	Issued capital	Asset revaluation reserve	Fair value adjustment reserve	Options reserve	Translation reserve	Retained earnings	Total		
<b>Group</b>									
<b>Balance at 1 Jan 2008</b>	203,134	112	66,461	751	(13,080)	10,430	267,808	4,422	272,230
Net fair value changes in available-for-sale investments	-	-	(25,297)	-	-	-	(25,297)	-	(25,297)
Translation loss arising on consolidation	-	(8)	-	-	(3,177)	-	(3,185)	22	(3,163)
Net (loss) profit recognised directly in equity	-	(8)	(25,297)	-	(3,177)	-	(28,482)	22	(28,460)
Net loss for the quarter	-	-	-	-	-	(535)	(535)	(16)	(551)
Total recognised (loss) profit	-	(8)	(25,297)	-	(3,177)	(535)	(29,017)	6	(29,011)
Recognition of share-based payments	-	-	-	8	-	-	8	-	8
Dividend paid to minority interests	-	-	-	-	-	-	-	(324)	(324)
<b>Balance at 31 Mar 2008</b>	<b>203,134</b>	<b>104</b>	<b>41,164</b>	<b>759</b>	<b>(16,257)</b>	<b>9,895</b>	<b>238,799</b>	<b>4,104</b>	<b>242,903</b>

**Three months ended 31 Mar 2007**

S\$'000

	Total shareholders' equity							Minority interests	Total equity	
	Issued capital	Asset revaluation reserve	Fair value adjustment reserve	Options reserve	Convertible bonds reserve	Translation reserve	Retained earnings			
<b>Group</b>										
<b>Balance at 31 Dec 2006</b>	190,402	-	58,348	686	766	(6,106)	2,818	246,914	5,449	252,363
Effect of adoption of FRS 40	-	112	-	-	-	(275)	2,161	1,998	-	1,998
<b>Balance at 1 Jan 2007</b>	190,402	112	58,348	686	766	(6,381)	4,979	248,912	5,449	254,361
Net fair value changes in available-for-sale investments	-	-	(10,682)	-	-	-	-	(10,682)	-	(10,682)
Translation loss arising on consolidation	-	-	-	-	-	(1,772)	-	(1,772)	(16)	(1,788)
Net loss recognised directly in equity	-	-	(10,682)	-	-	(1,772)	-	(12,454)	(16)	(12,470)
Realisation of revaluation reserve on disposal of available-for-sale investments	-	-	(836)	-	-	-	-	(836)	-	(836)
Net profit for the quarter	-	-	-	-	-	-	217	217	127	344
Total recognised (loss) profit	-	-	(11,518)	-	-	(1,772)	217	(13,073)	111	(12,962)
Recognition of share-based payments	-	-	-	28	-	-	-	28	-	28
Ordinary shares issued upon conversion of bonds	43	-	-	-	(3)	-	-	40	-	40
Issue of shares on exercise of employees' share options	3	-	-	-	-	-	-	3	-	3
Dividend paid to minority interests	-	-	-	-	-	-	-	-	(845)	(845)
<b>Balance at 31 Mar 2007</b>	<b>190,448</b>	<b>112</b>	<b>46,830</b>	<b>714</b>	<b>763</b>	<b>(8,153)</b>	<b>5,196</b>	<b>235,910</b>	<b>4,715</b>	<b>240,625</b>

**Statement of changes in equity****Three months ended 31 Mar 2008**

Company	S\$'000				Total
	Issued capital	Fair value adjustment reserve	Options reserve	Accumulated losses	
<b>Balance as at 1 Jan 2008</b>	203,134	48,173	751	(18,044)	234,014
Net fair value changes in available-for-sale investments	-	(21,789)	-	-	(21,789)
Net loss recognised directly in equity	-	(21,789)	-	-	(21,789)
Net loss for the quarter	-	-	-	(7,132)	(7,132)
Total recognised loss	-	(21,789)	-	(7,132)	(28,921)
Recognition of share-based payments	-	-	8	-	8
<b>Balance as at 31 Mar 2008</b>	203,134	26,384	759	(25,176)	205,101

**Three months ended 31 Mar 2007**

Company	S\$'000					Total
	Issued capital	Fair value adjustment reserve	Options reserve	Convertible bonds reserve	Accumulated losses	
<b>Balance as at 1 Jan 2007</b>	190,402	46,158	686	766	(30,713)	207,299
Net fair value changes in available-for-sale investments	-	(10,738)	-	-	-	(10,738)
Net loss recognised directly in equity	-	(10,738)	-	-	-	(10,738)
Net loss for the quarter	-	-	-	-	(4,226)	(4,226)
Total recognised loss	-	(10,738)	-	-	(4,226)	(14,964)
Ordinary shares issued upon conversion of bonds	43	-	-	(3)	-	40
Issue of shares on exercise of employees' share options	3	-	-	-	-	3
Recognition of share-based payments	-	-	28	-	-	28
<b>Balance as at 31 Mar 2007</b>	190,448	35,420	714	763	(34,939)	192,406

**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 financial year, a total of 1,402,500 share options lapsed during the period under the Thakral Corporation Employees' Share Option 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 31 Mar 2008	As at 31 Dec 2007
Outstanding options	36,333,000	37,735,500

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

The Company did not have any treasury shares as at 31 March 2008 and 31 December 2007.

**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 31 March 2008 and 31 December 2007.

**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**

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 2007.

**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**

N.A.

**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**

<b>From continuing and discontinuing operations</b>	Three months ended 31 Mar 2008	Three months ended 31 Mar 2007
(i) Basic earnings (loss) per share	(0.02) cents	0.01 cents
(ii) Fully diluted earnings (loss) per share	(0.02) cents	0.01 cents
<b>From continuing operations</b>	Three months ended 31 Mar 2008	Three months ended 31 Mar 2007
(i) Basic earnings (loss) per share	(0.05) cents	0.01 cents
(ii) Fully diluted earnings (loss) per share	(0.05) cents	0.01 cents

Basic loss per share is computed on the loss for the period after taxation and deduction of minority interests divided by 2,612,113,668 being the weighted average number of shares in issue during the quarter ended 31 March 2008. Basic earning per share is computed on the profit for the period after taxation and deduction of minority interests divided by 2,455,913,778 being the weighted average number of shares in issue during the quarter ended 31 March 2007.

Fully diluted loss per share for the quarter ended 31 March 2008 is computed on the loss after taxation and deduction of minority interests divided by 2,612,113,668 being the weighted average number of shares in issue during the quarter ended 31 March 2008. Employee share options to purchase 6,880,000 ordinary shares at S\$0.06 were outstanding as at 31 March 2008 but were not included in the computation of the diluted loss per share because these options were antidilutive. The options expire on 6 April 2013.

Fully diluted earning per share for the quarter ended 31 March 2007 is computed on the profit after taxation and deduction of minority interests divided by 2,616,789,008 being the weighted average number of shares in issue during the quarter ended 31 March 2007, 3,095,690 shares being the dilutive effect of potentially exercisable options outstanding as at that date and 157,779,540 shares, being the dilutive effect of the convertible bonds outstanding as at the date.

**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**  
**(a) current period reported on and (b) immediately preceding financial year**

**Net Asset Value**

	As at 31 Mar 2008	As at 31 Dec 2007
Group	9.14 cents	10.25 cents
Company	7.85 cents	8.96 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 – three months ended 31 March 2008**

Turnover & Profitability

The Group achieved revenues of S\$88.9 million for the quarter ended 31 March 2008, as compared to S\$48.2 million achieved in the previous corresponding period ended 31 March 2007, an increase of 85%. The increase was entirely attributable to higher sales in the Supply Chain Management segment ("SCM") of the Group. Declines were seen in the other business segments of the Group. The segmental mix of turnover reflects the Group's progress in expanding its brand portfolio, product mix and distribution channels for its SCM business.

Sales at the SCM division increased by 114% to S\$85.4 million in the quarter from S\$39.8 million in the previous corresponding period. However, EMS revenues decreased by 45% in this traditionally slow quarter to S\$2.9 million from S\$5.3 million achieved in the previous corresponding period. This was mainly due to substantially lower orders from some of its major customers. Sales at the property division in Wujiang continued to be affected by the measures introduced by the PRC government to cool the property market in China. The unit's sales declined by 80% to S\$0.5 million in the current quarter as compared to S\$2.5 million in the previous corresponding period.

The gross profit margin declined substantially in the quarter to about 4% from about 7.5% in the previous corresponding period. The significantly higher sales by the SCM division resulted in a lower gross profit margin. Significant contribution from the high margin property division in the previous corresponding period were absent during the current quarter. The gross margin in the current quarter was also affected by a timing difference in the recognition of a dividend from the Group's Indian investment. A dividend of S\$0.4 million was declared in April this year. In the previous financial year, a dividend of S\$0.5 million had been declared and recorded by the Group in March. Accordingly, the year-to-date gross profit of S\$3.5 million was almost the same as the S\$3.6 million recorded in the previous corresponding period.

In the current financial year, the Group disposed of a property in the PRC and its interest in an associate, realizing total gains of about S\$0.26 million. However, during the previous corresponding period, however, the Group had disposed of an investment in India at a gain of S\$0.85 million. Other income therefore declined to S\$0.5 million in the current quarter as compared to S\$1.0 million in the previous corresponding quarter.

Foreign exchange gains from the translation of monetary assets and liabilities denominated in foreign currencies amounted to S\$0.06 million as against S\$0.7 million previously.

Operations at the Group's Home Entertainment Division were discontinued on 31 March 2008 and provisions and accruals that were no longer required were reversed. This led to the discontinuing business recording a profit of S\$0.7 million for the quarter.

Accordingly, the Group achieved a net loss after tax of S\$0.5 million as against a profit of S\$0.3 million in the previous corresponding period.

## THAKRAL CORPORATION LTD AND SUBSIDIARIES

### Expenses

Operating expenses in the previous corresponding period had included the reversal of S\$1 million of provision in respect of an amount recovered from a related party in that quarter. Adjusting for this reversal, operating expenses in the current quarter declined by about 7% to S\$5.1 million from S\$5.5 million in the previous corresponding period.

Finance income declined by 29% primarily as a result of the decline in interest rates earned on the Group's deposits.

Finance costs declined by 67% to S\$0.05 million in the current quarter as compared to S\$0.2 million in the previous corresponding period, mainly as a result of the redemption of the Group's convertible bonds in the preceding quarter.

Group income tax significantly declined to S\$0.04 million in the quarter from S\$0.4 million in the previous corresponding period, mainly due to the lower profits at the Group's property development unit in Wujiang.

### Working Capital and Cash Flow

Despite the higher level of sales activity, inventories increased marginally to S\$26.5 million as at 31 March 2008 as compared to S\$25.2 million as at 31 December 2007 while trade receivables declined to S\$41.3 million as at that date from S\$43.0 million as at 31 December 2007.

The Group saw a net operational cash outflow of S\$2.8 million in the latest quarter as compared to an operational cash inflow of S\$5.2 million in the previous corresponding quarter. In the current quarter, there was a cash outflow amounting to a total of S\$3.6 million to finance the increase in inventories and other receivables arising from the higher turnover in the quarter. Conversely, a reduction in these two items in the previous corresponding quarter resulted in a cash inflow amounting to a total of S\$7.1 million.

### Net Asset Value

With the volatility in the global financial markets triggered by the sub-prime fallout in the U.S., the market value of the Group's available-for-sale investments in India and Australia has been adversely affected in the quarter. This is the primary reason for the decline of the Group's net asset value per share to 9.14 cents as at 31 March 2008 from 10.25 cents as at 31 December 2007.

## **Performance Summary – Continuing Operations**

### Supply Chain Management ("SCM")

The significant increase in turnover at the SCM division by 114% compared to the previous corresponding period reflects the progress of the Group's continuing efforts to improve sales via expansion of its brand portfolio and product mix.

Segmental loss of S\$0.5 million against a loss of S\$1.4 million in the previous corresponding period reflects an improving situation. In the previous corresponding period, the segment result also included the reversal of S\$1 million of provisions in respect of an amount recovered from a related party in that quarter.

However, competition in this business segment continues to remain intense and margins are thin.

### Electronic Manufacturing Services ("EMS")

The EMS division has been adversely affected by substantially reduced orders from some of its major customers. Revenues at this segment declined by 45% compared to the previous corresponding period. With the implementation of the new wage policy by the Chinese government, the salaries have increased. In addition, the cost of operations has also increased with the rise in energy, transportation and rental costs.

Segment loss was S\$0.7 million against a loss of S\$0.6 million in the previous corresponding period.

## **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 overall performance in the quarter broadly met the 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.**

Management is continuing its efforts to widen the product and brand portfolio for the SCM division as well as boost sales for the existing brands. In addition, the division continues to expand its distribution network in China, with added focus on developing markets including India and Indo-China. The efforts appear to be bearing fruit. However, due to intense competition and declining margins, the Group expects to continue operating under difficult market conditions in the current financial year.

The business in China will become more competitive due to excess capacity and reduced demand in the EMS sector. The strengthening of the RMB against the US\$ has resulted in lower margins. This will adversely affect the future performance of this division.

Continuing instability in the global financial markets may lead to fluctuations in the value of the Group's investments in India and Australia and consequently in the Group's net asset value.

**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 2007, 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**

**Primary reporting - business segments**

The Group which operates in two geographical segments being People's Republic of China (including Hong Kong) and others (Singapore and Japan) has 4 main core divisional activities as follows:

- a) Supply chain management, marketing & brand building
- b) Electronic manufacturing services
- c) Property holding
- d) Others (those activities which do not fall into the above categories)

**S\$'000****Three months ended 31 Mar 2008**

	Supply Chain Management	Electronic Manufacturing Services	Property Holding	Others	Consolidated total
<b>Revenue</b>					
External sales from continuing operations	85,429	2,916	511	-	88,856
<b>Result</b>					
Segment result from continuing operations	(507)	(747)	86	(481)	(1,649)
Unallocated corporate expenses					(355)
Gain on disposal of properties					207
Gain on disposal of investment in an associate					53
Finance income					577
Finance costs					(53)
Foreign exchange gain					60
Loss before income tax and share of results of associates					(1,160)
Share of results of associates					(41)
Loss before income tax					(1,201)
Income tax expense					(35)
Loss after tax from continuing operations					(1,236)
Profit from discontinuing operations	685				685
Net loss for the quarter					(551)

<b>Other information</b>					
Capital expenditure:					
Property, plant and equipment	92	7	-	-	99
Depreciation expense of continuing operations	167	417	41	2	627

<b>Assets</b>					
Segment assets	97,374	14,174	26,514	126,151	264,213
Assets of discontinuing operations	113				113
Deferred tax asset					1
Investment in associates					1,480
<b>Total assets</b>					265,807
<b>Liabilities</b>					
Segment liabilities	14,417	4,676	2,040	516	21,649
Liabilities of discontinuing operations	309				309
Income tax payable					679
Deferred tax liability					267
<b>Total liabilities</b>					22,904

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S\$'000

Three months ended 31 Mar 2007

	Supply Chain Management	Electronic Manufacturing Services	Property Holding	Others	Consolidated total
<b>Revenue</b>					
External sales from continuing operations	39,845	5,336	2,504	467	48,152
<b>Result</b>					
Segment result from continuing operations	(1,356)	(630)	841	876	(269)
Unallocated corporate expenses					(321)
Finance income					813
Finance costs					(161)
Foreign exchange gain					691
Profit before income tax and share of results of associates					753
Share of results of associates					20
Profit before income tax					773
Income tax expense					(419)
Profit after tax from continuing operations					354
Loss from discontinuing operations	(10)				(10)
Net profit for the quarter					344

**Other information**

Capital expenditure:					
Property, plant and equipment	12	23		1	36
Depreciation expense of continuing operations	172	441	45	3	661

**Assets**

Segment assets	98,200	17,124	25,617	133,936	274,877
Assets of discontinuing operations	1,560				1,560
Deferred tax asset					315
Investment in associates					1,454
<b>Total assets</b>					278,206

**Liabilities**

Segment liabilities	13,517	5,779	2,915	765	22,976
Liabilities of discontinuing operations	1,343				1,343
Income tax payable					1,147
Unallocated liabilities					12,115
<b>Total liabilities</b>					37,581

**Secondary reporting – geographical segments**

S\$'000

Continuing and discontinuing operations	Revenue		Capital Expenditure		Total Assets	
	31 Mar		31 Mar		31 Mar	
	2008	2007	2008	2007	2008	2007
People's Republic of China (including Hong Kong)	84,684	47,145	97	31	153,368	143,102
Others	4,337	1,418	2	5	112,439	135,104
	89,021	48,563	99	36	265,807	278,206

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

THAKRAL CORPORATION LTD AND SUBSIDIARIES

**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 quarter ended 31 March 2008 under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual upto 26 April 2007)	Aggregate value of all interested person transactions conducted under shareholders' mandate (upto 26 April 2007) pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)
Millennium Gloucester Hotel	S\$'000	S\$'000
Sales, net of returns	1,090	NIL

BY ORDER OF THE BOARD

Lim Chee Ying  
Tan Ping Ping  
Company Secretaries  
5 May 2008

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 3 months ended 31 March 2008 to be false or misleading.

ON BEHALF OF THE BOARD

Kartar Singh Thakral  
Chairman

Jasvinder Singh Thakral  
Director  
5 May 2008