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<b>Full Year and Fourth Quarter * Financial Statement And Dividend Announcement</b>	
* 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
Designation *	Group Financial Controller
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**>> Announcement Details**

The details of the announcement start here ...

For the Financial Period Ended *	31-12-2007
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**Full Year and Fourth 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 full year and fourth quarter ended 31 December 2007 together with comparative statements for the corresponding period of the immediately preceding financial year**

These figures have not been audited.

*The Group changed its financial year end from 31 March to 31 December during the preceding financial year. As such, the results for the last quarter of the financial year ended 31 March 2006 and the 9 months ended 31 December 2006 have been combined and are presented below for comparison only.*

**Profit and loss statements**

	Note	Group			Group		
		S\$000		% Increase / (Decrease)	S\$000		% Increase / (Decrease)
		Year ended			Three months ended		
		31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006		
<b>CONTINUING OPERATIONS</b>							
Revenue	1	288,410	239,582	20	73,427	48,089	53
Cost of sales		(271,272)	(225,538)	20	(70,216)	(47,990)	46
Gross profit	1	17,138	14,044	22	3,211	99	NM
Other operating income	2	1,701	4,496	(62)	384	1,558	(75)
Distribution costs	3	(3,820)	(6,368)	(40)	(931)	(1,621)	(43)
Administration expenses	4	(11,317)	(25,435)	(56)	(272)	(7,624)	(96)
Other operating expenses	5	(2,582)	(2,909)	(11)	(641)	(791)	(19)
Profit (loss) from operations		1,120	(16,172)	NM	1,751	(8,379)	NM
Valuation gains on investment properties	6	2,863	-	NM	2,863	-	NM
Finance income		3,297	3,719	(11)	863	915	(6)
Finance costs	7	(261)	(1,689)	(85)	(44)	(175)	(75)
Foreign exchange gain	8	2,156	1,591	36	1,093	390	180
Profit (loss) before income tax, share of results of associates		9,175	(12,551)	NM	6,526	(7,249)	NM
Profit (loss) from associates		121	302	(60)	(43)	154	NM
<b>Profit (loss) before income tax</b>		<b>9,296</b>	<b>(12,249)</b>	NM	<b>6,483</b>	<b>(7,095)</b>	NM
Income tax expense	9	(2,266)	(281)	NM	(824)	(289)	185
<b>Profit (loss) from continuing operations</b>		<b>7,030</b>	<b>(12,530)</b>	NM	<b>5,659</b>	<b>(7,384)</b>	NM
<b>DISCONTINUING OPERATIONS</b>							
Loss from discontinuing operations	10	(1,107)	(7,712)	(86)	(417)	(331)	26
<b>Profit (loss) for the year / quarter</b>		<b>5,923</b>	<b>(20,242)</b>	NM	<b>5,242</b>	<b>(7,715)</b>	NM
<u>Attributable to</u>							
Shareholders of the Company		5,451	(19,243)	NM	5,317	(7,021)	NM
Minority interests		472	(999)	NM	(75)	(694)	(89)
		<b>5,923</b>	<b>(20,242)</b>	NM	<b>5,242</b>	<b>(7,715)</b>	NM

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**Notes to the Income statement**

Note 1:

Turnover improved in view of a more intense level of sales activity in China and Hong Kong in the last 9 months with gross profit consequently being higher. Gross profit margin for the year, however, remained flat at about 5.9%. This was due to the continued heavy competition faced by the Supply Chain Management division in the Group's principal market.

Note 2:

Other operating income of continuing operations comprises:

	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
	Year ended			Three months ended		
	31 Dec 2007	31 Dec 2006		31 Dec 2007	31 Dec 2006	
Gain on disposal of properties	59	3,578	(98)	(4)	1,341	NM
Gain on disposal of available-for-sale investments	836	-	NM	(14)	-	NM
Refund of tax on reinvestment of dividend in Wujiang subsidiary	-	198	NM	-	-	NM
Damages and interest received from a supplier on termination of agreement	245	-	NM	245	-	NM
Miscellaneous	561	720	(22)	157	217	(28)
Total	1,701	4,496	(62)	384	1,558	(75)

- (i) Damages and interest were received by a subsidiary from a supplier in respect of their unilateral termination of a distribution agreement.

Note 3:

Distribution costs of continuing operations comprises:

	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
	Year ended			Three months ended		
	31 Dec 2007	31 Dec 2006		31 Dec 2007	31 Dec 2006	
Staff costs	(1,114)	(2,047)	(46)	(402)	(590)	(32)
Advertising & promotion	(557)	(1,009)	(45)	(191)	(226)	(15)
Transportation	(616)	(965)	(36)	(141)	(168)	(16)
Travelling expenses	(593)	(887)	(33)	(130)	(237)	(45)
Others	(940)	(1,460)	(36)	(67)	(400)	(83)
Total	(3,820)	(6,368)	(40)	(931)	(1,621)	(43)

- (i) Apart from a general reduction in staff costs, staff costs include the reversal in the previous quarter of amounts accrued under a sales incentive scheme by a PRC subsidiary upon the discontinuation of the scheme.
- (ii) In the 12 months ended 31 December 2006, the Group had incurred significant additional advertising and promotion charges, including investment in market development activities. These charges were significantly reduced during the year ended 31 December 2007.
- (iii) Transportation expenses declined mainly due to cost reductions.
- (iv) The other distribution expenses for the latest quarter include the reversal of over-estimated sales tax charges. Excluding such reversal, other distribution expenses are generally consistent with the previous corresponding quarter.

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**Note 4:**

Administration expenses of continuing operations comprises:

	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
	Year ended			Three months ended		
	31 Dec 2007	31 Dec 2006		31 Dec 2007	31 Dec 2006	
Staff costs (including executive directors)	(9,398)	(11,110)	(15)	(2,305)	(2,122)	9
Directors' fees	(652)	(440)	48	(167)	(155)	8
Professional fees	(1,993)	(2,321)	(14)	(480)	(632)	(24)
Rent & rates	(1,812)	(1,614)	12	(465)	(446)	4
Travelling expenses	(389)	(586)	(34)	(115)	(150)	(23)
Net reversal (allowance) for doubtful debts	6,663	(3,401)	NM	4,180	(1,889)	(321)
Impairment in value of plant & equipment	(7)	(458)	(98)	-	(458)	(100)
Others	(3,729)	(5,505)	(32)	(920)	(1,772)	(48)
Total	(11,317)	(25,435)	(56)	(272)	(7,624)	(96)

- (i) Apart from the overall reduction in staff costs, staff costs for the current quarter were higher than the previous corresponding quarter due to the higher reversal of accrued staff bonus during the quarter ended 31 December 2006.
- (ii) Directors' fees were comparatively higher as the directors had waived their fees for the quarter ended 31 March 2006. The fees for the current year also include fees accrued for an additional director appointed during the year.
- (iii) Upon repayment of the Group's syndicated bank loan in March 2006, facility fees and other related costs were not incurred during the current financial year. The current quarter also includes the credit of an amount of S\$380,000 being the estimated recovery of legal fees and disbursements awarded to a subsidiary in a case against a supplier. As a result, professional fees during the year and the quarter were recorded at a lower level.
- (iv) Rent and rates increased due to the higher office rental costs in Hong Kong.
- (v) Travelling expenses declined due to the lower number of management staff travelling in the current period.
- (vi) Reversal of allowance for doubtful debts of S\$6.7 million arose primarily from receipts of S\$3.0 million during the year from a related party pursuant to the agreement announced on 30 March 2007 as well as the reversal of the provisions made against the remaining balance in view of full adherence to the terms of the agreement by the debtor. The amount receivable had been fully provided for during the financial year ended 31 March 2006.
- (vii) Other administration expenses for the previous corresponding quarter included the accrual of urban real estate tax on the Group's properties in China for some previous years which was not repeated this year.

**Note 5:**

Other operating expenses comprised depreciation charges for the periods.

**Note 6:**

With the adoption of the fair value model under the new FRS 40 which is effective for periods commencing 1 January 2007, certain leasehold properties previously included as property, plant and equipment have been reclassified to investment property and measured at fair value. In accordance with FRS 40, valuation gains on investment properties of S\$2.9 million have been recognized during the year.

**Note 7:**

Finance costs were lower compared to the previous corresponding periods due to the savings in interest expenses on the long-term syndicated bank loan which was fully repaid in March 2006 and lower interest expenses on convertible bonds as a result of the gradual conversion of the bonds.

**Note 8:**

Foreign exchange gain arose 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 from the taxable profits at the Group's property development unit in Wujiang as well as the transfer to the income statement of deferred tax assets not expected to be recoverable by the subsidiary in Japan.

The charge for the year also includes the deferred tax liability on the valuation gain on investment properties amounting to S\$0.3 million as well as a one-off payment of withholding tax made by the subsidiary in Japan upon its remittance of a dividend to the Company.

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Note 10:

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:-

	S\$000		% Increase / (Decrease)	S\$000		% Increase / (Decrease)
	Year ended			Three months ended		
	31 Dec 2007	31 Dec 2006		31 Dec 2007	31 Dec 2006	
Revenue	986	5,322	(81)	457	92	397
Cost of sales	(486)	(4,176)	(88)	(281)	(73)	285
Gross profit	500	1,146	(56)	176	19	826
Other operating income	-	27	NM	-	-	-
Distribution costs	(571)	(1,507)	(62)	(100)	(234)	(57)
Administration expenses	(325)	(298)	9	(94)	(105)	(10)
Impairment charges	(734)	(7,058)	(90)	(408)	-	NM
Finance income	2	2	-	2	2	-
Finance costs	-	(1)	NM	-	-	-
Foreign exchange gain (loss)	21	(23)	NM	7	(13)	NM
Loss before tax	(1,107)	(7,712)	(86)	(417)	(331)	26
Income tax expenses	-	-	NM	-	-	NM
Loss after tax	(1,107)	(7,712)	(86)	(417)	(331)	26

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	Group ( S\$ '000) as at		Company ( S\$ '000) as at	
		31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
<b>ASSETS</b>					
<b>Current assets</b>					
Inventories	1	25,219	34,437	-	-
Trade receivables	2	42,981	28,571	-	-
Other receivables and prepayments		7,476	8,883	175	86
Cash and cash equivalents		112,134	123,981	71,630	72,650
<b>Total current assets</b>		<b>187,810</b>	<b>195,872</b>	<b>71,805</b>	<b>72,736</b>
<b>Non-current assets</b>					
Property, plant and equipment	3	14,666	24,175	19	31
Investment properties	3	12,181	775	-	-
Investment in subsidiaries		-	-	111,437	98,090
Investment in associates		1,558	1,430	1,520	1,374
Available-for-sale investments	4	77,323	70,193	50,156	48,141
Deferred tax asset		3	289	-	-
<b>Total non-current assets</b>		<b>105,731</b>	<b>96,862</b>	<b>163,132</b>	<b>147,636</b>
<b>Total assets</b>		<b>293,541</b>	<b>292,734</b>	<b>234,937</b>	<b>220,372</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade payables		5,490	7,552	-	-
Bank overdrafts and term loans		1,080	206	-	-
Other payables		13,398	18,568	515	639
Income tax payable		717	1,216	408	408
Obligations under finance leases		-	288	-	-
<b>Total current liabilities</b>		<b>20,685</b>	<b>27,830</b>	<b>923</b>	<b>1,047</b>
<b>Non-current liabilities</b>					
Long-term loans		309	515	-	-
Convertible bonds	5	-	12,026	-	12,026
Deferred tax liability	3	317	-	-	-
<b>Total non-current liabilities</b>		<b>626</b>	<b>12,541</b>	<b>-</b>	<b>12,026</b>
<b>Total liabilities</b>		<b>21,311</b>	<b>40,371</b>	<b>923</b>	<b>13,073</b>
<b>Capital and reserves</b>					
Issued capital		203,134	190,402	203,134	190,402
Reserves		64,674	56,512	30,880	16,897
<b>Equity attributable to equity shareholders of the Company</b>		<b>267,808</b>	<b>246,914</b>	<b>234,014</b>	<b>207,299</b>
<b>Minority interests</b>		<b>4,422</b>	<b>5,449</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>272,230</b>	<b>252,363</b>	<b>234,014</b>	<b>207,299</b>
<b>Total liabilities and equity</b>		<b>293,541</b>	<b>292,734</b>	<b>234,937</b>	<b>220,372</b>

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**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 December 2007		As at 31 December 2006	
Secured	Unsecured	Secured	Unsecured
S\$ 861,000	S\$ 219,000	NIL	S\$ 494,000

Amount repayable after one year

As at 31 December 2007		As at 31 December 2006	
Secured	Unsecured	Secured	Unsecured
NIL	S\$ 309,000	NIL	S\$ 12,541,000

Details of any collateral

N.A.

Group's contingent liabilities

	As at 31 December 2007	As at 31 December 2006
Contractual obligations with third parties	NIL	S\$ 880,000
Potential property tax	S\$ 605,000	S\$ 604,000

THAKRAL CORPORATION LTD AND SUBSIDIARIES

**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)		( S\$ '000)	
	Year ended		Three months ended	
	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax	8,189	(19,961)	6,066	(7,426)
Adjustments for:				
Share of (profit) loss from associates	(121)	(302)	43	(154)
Depreciation expense	2,582	2,909	641	791
Dividend income from quoted equity shares	(2,788)	(2,639)	(1,194)	(1,039)
Finance lease charges	22	135	-	30
Interest expense	239	1,555	44	145
Interest income	(3,299)	(3,721)	(865)	(917)
Debt settlement gain on redemption of convertible bonds	(13)	-	(13)	-
Gain on liquidation of a subsidiary	-	(250)	-	-
Gain on disposal of available-for-sale investments	(836)	-	14	-
(Gain) loss on disposal of property, plant and equipment	(65)	(2,590)	2	(415)
Valuation gains on investment property	(2,863)	-	(2,863)	-
Share based payment expense	92	168	19	1
Impairment (reversal) in value of plant and equipment	7	343	-	458
Allowance for inventories	1,760	1,229	3,634	895
(Reversal) allowance for doubtful trade receivables	(6,822)	8,223	(3,958)	1,736
Allowance for doubtful other receivables	38	1,053	-	(717)
<b>Operating cash flows before movements in working capital</b>	<b>(3,878)</b>	<b>(13,848)</b>	<b>1,570</b>	<b>(6,612)</b>
Trade receivables	(7,588)	4,358	(1,082)	3,507
Other receivables and prepayments	1,425	5,937	1,254	650
Inventories	7,458	21,467	1,565	3,194
Trade payables	(2,062)	(5,616)	(1,786)	(2,116)
Other payables	(5,374)	(4,081)	(1,589)	600
<b>Cash (used in) generated from operations</b>	<b>(10,019)</b>	<b>8,217</b>	<b>(68)</b>	<b>(777)</b>
Dividends received	2,666	2,834	624	1,448
Income tax paid	(2,052)	(2,247)	(119)	(474)
Finance lease charges paid	(22)	(135)	-	(30)
Interest paid	(159)	(950)	(45)	(120)
Interest received	3,151	3,853	757	916
<b>Net cash (used in) generated from operating activities</b>	<b>(6,435)</b>	<b>11,572</b>	<b>1,149</b>	<b>963</b>
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment	(491)	(2,961)	(201)	(577)
Net investment in balances from associates	(10)	317	8	(5)
Additions to investment properties	-	(133)	-	-
Proceeds from disposal of property, plant and equipment	179	3,210	30	514
Proceeds from disposal of available-for-sale investments	1,104	-	-	-
Proceeds from disposal of investment properties	-	4,101	-	3,904
Cash to minority shareholders	(1,498)	-	-	-
<b>Net cash (used in) from investing activities</b>	<b>(716)</b>	<b>4,534</b>	<b>(163)</b>	<b>3,836</b>
<b>Cash flows from financing activities</b>				
Net proceeds from issue of shares on exercise of employees' share options	275	18	-	-
Proceeds on issue of convertible bonds in rights issue	-	55,840	-	-
Proceeds on issue of ordinary shares in rights issue	-	11,720	-	-
Redemption of convertible bonds	(429)	-	(429)	-
Repayment of finance lease obligations	(289)	(1,563)	-	(368)
Repayment of trust receipts and other borrowings	-	(12,510)	(632)	(989)
Repayment of bank term loans	(206)	(22,692)	(51)	(47)
<b>Net cash (used in) from financing activities</b>	<b>(649)</b>	<b>30,813</b>	<b>(1,112)</b>	<b>(1,404)</b>
Net effect of exchange rate changes in consolidating subsidiaries	(4,921)	(11,109)	(2,790)	(3,707)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(12,721)</b>	<b>35,810</b>	<b>(2,916)</b>	<b>(312)</b>
Cash and cash equivalents at beginning of the period	123,981	88,171	114,176	124,293
<b>Cash and cash equivalents at end of the period</b>	<b>111,260</b>	<b>123,981</b>	<b>111,260</b>	<b>123,981</b>

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

Note 1:

Inventories reduced from S\$34.4 million as at 31 December 2006 to S\$25.2 million as at 31 December 2007 mainly due to the sale of properties by the property development unit in Wujiang as well as the improved consumer electronics inventory turnaround supporting a higher volume of sales.

Note 2:

Trade receivables increased from S\$28.6 million as at 31 December 2006 to S\$43.0 million as at 31 December 2007 mainly due to the significantly increased level of business activity during the last 3 quarters and the reversal of allowance for doubtful debt of S\$3.7 million which is receivable from a related party in 2008.

Note 3:

With the adoption of the fair value model under the new FRS 40 which is effective for periods commencing 1 January 2007, certain leasehold properties previously included as property, plant and equipment have been reclassified to investment property and measured at fair value. In line with the provisions of FRS 40, the fair value changes upon the adoption of the FRS have been taken to the opening balance of retained earnings.

In accordance with the FRS 40, valuation gains on investment properties of S\$2.9 million have been recognized during the year. Deferred tax liability on this unrealized valuation gain amounting to S\$0.3 million has been considered in the tax charge for the year.

Note 4:

Available-for-sale investments increased mainly due to the changes in fair values of investments net of the disposal of an investment during the year.

Note 5:

The unsecured convertible bonds were issued on 16 February 2006. The bonds were convertible into ordinary shares of the Company at any time between the date of issue of the bonds and 30 days prior to their maturity date. On issue, the bonds were convertible to 10 shares per S\$0.80 bond.

During the year, 15,298,625 bonds were converted into ordinary shares.

All outstanding bonds were redeemed on 30 November 2007 at S\$0.80 per bond plus accrued interest at 2% per annum.

## 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**

Year ended 31 Dec 2007

S\$'000

	Total shareholders' equity						Minority interests	Total equity	
	Issued capital	Revaluation reserve	Options reserve	Convertible bonds reserve	Translation reserve	Retained earnings			
<b>Group</b>									
<b>Balance at 1 Jan 2007</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
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>	190,448	46,942	714	763	(8,153)	5,196	235,910	4,715	240,625
Net fair value changes in available-for-sale investments	-	18,336	-	-	-	-	18,336	-	18,336
Translation gain arising on consolidation	-	-	-	-	537	-	537	130	667
Net gain recognised directly in equity	-	18,336	-	-	537	-	18,873	130	19,003
Net profit for the quarter	-	-	-	-	-	1,624	1,624	477	2,101
Total recognised profit	-	18,336	-	-	537	1,624	20,497	607	21,104
Ordinary shares issued upon conversion of bonds	5,960	-	-	(357)	-	-	5,603	-	5,603
Issue of shares on exercise of employees' share options	207	-	(22)	-	-	-	185	-	185
Recognition of share-based payments	-	-	24	-	-	-	24	-	24
<b>Balance as at 30 Jun 2007</b>	196,615	65,278	716	406	(7,616)	6,820	262,219	5,322	267,541
Net fair value changes in available-for-sale investments	-	(5,180)	-	-	-	-	(5,180)	-	(5,180)
Translation loss arising on consolidation	-	-	-	-	(1,656)	-	(1,656)	(99)	(1,755)
Net loss recognised directly in equity	-	(5,180)	-	-	(1,656)	-	(6,836)	(99)	(6,935)
Net loss for the quarter	-	-	-	-	-	(1,707)	(1,707)	(57)	(1,764)
Total recognised loss	-	(5,180)	-	-	(1,656)	(1,707)	(8,543)	(156)	(8,699)
Ordinary shares issued upon conversion of bonds	5,912	-	-	(350)	-	-	5,562	-	5,562
Issue of shares on exercise of employees' share options	92	-	(5)	-	-	-	87	-	87
Recognition of share-based payments	-	-	21	-	-	-	21	-	21
Dividends paid to minority interests	-	-	-	-	-	-	-	(653)	(653)
<b>Balance as at 30 Sep 2007</b>	202,619	60,098	732	56	(9,272)	5,113	259,346	4,513	263,859

## THAKRAL CORPORATION LTD AND SUBSIDIARIES

Year ended 31 Dec 2007

S\$'000

**Group**
**Balance as at 30 Sep 2007**

Net fair value changes in available-for-sale investments

Translation loss arising on consolidation

Net gain (loss) recognised directly in equity

Net profit (loss) for the quarter

Total recognised profit (loss)

Ordinary shares issued upon conversion of bonds

Redemption of convertible bonds

Recognition of share-based payments

**Balance as at 31 Dec 2007**

	Total shareholders' equity							Minority interests	Total equity
	Issued capital	Revaluation reserve	Options reserve	Convertible bonds reserve	Translation reserve	Retained earnings	Total		
<b>Balance as at 30 Sep 2007</b>	202,619	60,098	732	56	(9,272)	5,113	259,346	4,513	263,859
Net fair value changes in available-for-sale investments	-	6,475	-	-	-	-	6,475	-	6,475
Translation loss arising on consolidation	-	-	-	-	(3,808)	-	(3,808)	(16)	(3,824)
Net gain (loss) recognised directly in equity	-	6,475	-	-	(3,808)	-	2,667	(16)	2,651
Net profit (loss) for the quarter	-	-	-	-	-	5,317	5,317	(75)	5,242
Total recognised profit (loss)	-	6,475	-	-	(3,808)	5,317	7,984	(91)	7,893
Ordinary shares issued upon conversion of bonds	515	-	-	(30)	-	-	485	-	485
Redemption of convertible bonds	-	-	-	(26)	-	-	(26)	-	(26)
Recognition of share-based payments	-	-	19	-	-	-	19	-	19
<b>Balance as at 31 Dec 2007</b>	<b>203,134</b>	<b>66,573</b>	<b>751</b>	<b>-</b>	<b>(13,080)</b>	<b>10,430</b>	<b>267,808</b>	<b>4,422</b>	<b>272,230</b>

Year ended 31 Dec 2006

S\$'000

**Group**
**Balance at 1 Jan 2006**

Net fair value changes in available-for-sale investments

Translation loss arising on consolidation

Net loss recognised directly in equity

Net loss for the quarter

Total recognised loss

Adjustment arising from abolition of par value of shares

Ordinary shares issued pursuant to rights issue

Recognition of equity component of convertible bonds

Ordinary shares issued upon conversion of bonds

Recognition of share-based payments

Issue of shares on exercise of employees' share options

**Balance as at 31 Mar 2006**

Net fair value changes in available-for-sale investments

Translation (loss) gain arising on consolidation

Net (loss) gain recognised directly in equity

Net loss for the quarter

Total recognised (loss) profit

Ordinary shares issued upon conversion of bonds

Recognition of share-based payments

Liquidation of a subsidiary

**Balance as at 30 Jun 2006**

	Total shareholders' equity								Minority interests	Total equity
	Issued capital	Share premium	Investment revaluation reserve	Options reserve	Convertible bonds reserve	Translation reserve	Retained earnings	Total		
<b>Balance at 1 Jan 2006</b>	88,106	46,944	74,203	518	-	6,970	22,061	238,802	6,950	245,752
Net fair value changes in available-for-sale investments	-	-	(9,355)	-	-	-	-	(9,355)	-	(9,355)
Translation loss arising on consolidation	-	-	-	-	-	(4,705)	-	(4,705)	(90)	(4,795)
Net loss recognised directly in equity	-	-	(9,355)	-	-	(4,705)	-	(14,060)	(90)	(14,150)
Net loss for the quarter	-	-	-	-	-	-	(7,279)	(7,279)	(228)	(7,507)
Total recognised loss	-	-	(9,355)	-	-	(4,705)	(7,279)	(21,339)	(318)	(21,657)
Adjustment arising from abolition of par value of shares	46,944	(46,944)	-	-	-	-	-	-	-	-
Ordinary shares issued pursuant to rights issue	11,649	-	-	-	-	-	-	11,649	-	11,649
Recognition of equity component of convertible bonds	-	-	-	-	3,409	-	-	3,409	-	3,409
Ordinary shares issued upon conversion of bonds	71	-	-	-	(4)	-	-	67	-	67
Recognition of share-based payments	-	-	-	126	-	-	-	126	-	126
Issue of shares on exercise of employees' share options	18	-	-	-	-	-	-	18	-	18
<b>Balance as at 31 Mar 2006</b>	<b>146,788</b>	<b>-</b>	<b>64,848</b>	<b>644</b>	<b>3,405</b>	<b>2,265</b>	<b>14,782</b>	<b>232,732</b>	<b>6,632</b>	<b>239,364</b>
Net fair value changes in available-for-sale investments	-	-	(13,207)	-	-	-	-	(13,207)	-	(13,207)
Translation (loss) gain arising on consolidation	-	-	-	-	-	(3,104)	-	(3,104)	125	(2,979)
Net (loss) gain recognised directly in equity	-	-	(13,207)	-	-	(3,104)	-	(16,311)	125	(16,186)
Net loss for the quarter	-	-	-	-	-	-	(1,102)	(1,102)	(48)	(1,150)
Total recognised (loss) profit	-	-	(13,207)	-	-	(3,104)	(1,102)	(17,413)	77	(17,336)
Ordinary shares issued upon conversion of bonds	813	-	-	-	(50)	-	-	763	-	763
Recognition of share-based payments	-	-	-	(2)	-	-	-	(2)	-	(2)
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	(250)	(250)
<b>Balance as at 30 Jun 2006</b>	<b>147,601</b>	<b>-</b>	<b>51,641</b>	<b>642</b>	<b>3,355</b>	<b>(839)</b>	<b>13,680</b>	<b>216,080</b>	<b>6,459</b>	<b>222,539</b>

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Year ended 31 Dec 2006

S\$'000

**Group**

**Balance at 30 Jun 2006**

Net fair value changes in available-for-sale investments

Translation loss arising on consolidation

Net loss recognised directly in equity

Net loss for the quarter

Total recognised loss

Ordinary shares issued upon conversion of bonds

Recognition of share-based payments

**Balance as at 30 Sep 2006**

Net fair value changes in available-for-sale investments

Translation loss arising on consolidation

Net gain (loss) recognised directly in equity

Net loss for the quarter

Total recognised profit (loss)

Ordinary shares issued upon conversion of bonds

Recognition of share-based payments

**Balance as at 31 Dec 2006**

	Total shareholders' equity							Minority interests	Total equity	
	Issued capital	Share premium	Investment revaluation reserve	Options reserve	Convertible bonds reserve	Translation reserve	Retained earnings			
<b>Balance at 30 Jun 2006</b>	147,601	-	51,641	642	3,355	(839)	13,680	216,080	6,459	222,539
Net fair value changes in available-for-sale investments	-	-	(6,713)	-	-	-	-	(6,713)	-	(6,713)
Translation loss arising on consolidation	-	-	-	-	-	(412)	-	(412)	(177)	(589)
Net loss recognised directly in equity	-	-	(6,713)	-	-	(412)	-	(7,125)	(177)	(7,302)
Net loss for the quarter	-	-	-	-	-	-	(3,841)	(3,841)	(29)	(3,870)
Total recognised loss	-	-	(6,713)	-	-	(412)	(3,841)	(10,966)	(206)	(11,172)
Ordinary shares issued upon conversion of bonds	42,765	-	-	-	(2,587)	-	-	40,178	-	40,178
Recognition of share-based payments	-	-	-	43	-	-	-	43	-	43
<b>Balance as at 30 Sep 2006</b>	190,366	-	44,928	685	768	(1,251)	9,839	245,335	6,253	251,588
Net fair value changes in available-for-sale investments	-	-	13,420	-	-	-	-	13,420	-	13,420
Translation loss arising on consolidation	-	-	-	-	-	(4,855)	-	(4,855)	(110)	(4,965)
Net gain (loss) recognised directly in equity	-	-	13,420	-	-	(4,855)	-	8,565	(110)	8,455
Net loss for the quarter	-	-	-	-	-	-	(7,021)	(7,021)	(694)	(7,715)
Total recognised profit (loss)	-	-	13,420	-	-	(4,855)	(7,021)	1,544	(804)	740
Ordinary shares issued upon conversion of bonds	36	-	-	-	(2)	-	-	34	-	34
Recognition of share-based payments	-	-	-	1	-	-	-	1	-	1
<b>Balance as at 31 Dec 2006</b>	190,402	-	58,348	686	766	(6,106)	2,818	246,914	5,449	252,363

Year ended 31 Dec 2007

S\$'000

**Company**

**Balance as at 1 Jan 2007**

Net fair value changes in available-for-sale investments

Ordinary shares issued upon conversion of bonds

Issue of shares on exercise of employees' share options

Recognition of share-based payments

Net loss for the quarter

**Balance as at 31 Mar 2007**

Net fair value changes in available-for-sale investments

Ordinary shares issued upon conversion of bonds

Issue of shares on exercise of employees' share options

Recognition of share-based payments

Net profit for the quarter

**Balance as at 30 Jun 2007**

Net fair value changes in available-for-sale investments

Ordinary shares issued upon conversion of bonds

Issue of shares on exercise of employees' share options

Recognition of share-based payments

Net loss for the quarter

**Balance as at 30 Sep 2007**

	Issued capital	Investment revaluation reserve	Options reserve	Convertible bonds reserve	Accumulated losses	Total
<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)
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
Net loss for the quarter	-	-	-	-	(4,226)	(4,226)
<b>Balance as at 31 Mar 2007</b>	190,448	35,420	714	763	(34,939)	192,406
Net fair value changes in available-for-sale investments	-	9,711	-	-	-	9,711
Ordinary shares issued upon conversion of bonds	5,960	-	-	(357)	-	5,603
Issue of shares on exercise of employees' share options	207	-	(22)	-	-	185
Recognition of share-based payments	-	-	24	-	-	24
Net profit for the quarter	-	-	-	-	3,415	3,415
<b>Balance as at 30 Jun 2007</b>	196,615	45,131	716	406	(31,524)	211,344
Net fair value changes in available-for-sale investments	-	(4,879)	-	-	-	(4,879)
Ordinary shares issued upon conversion of bonds	5,912	-	-	(350)	-	5,562
Issue of shares on exercise of employees' share options	92	-	(5)	-	-	87
Recognition of share-based payments	-	-	21	-	-	21
Net loss for the quarter	-	-	-	-	(2,909)	(2,909)
<b>Balance as at 30 Sep 2007</b>	202,619	40,252	732	56	(34,433)	209,226

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Year ended 31 Dec 2007

S\$'000

Company

Balance as at 30 Sep 2007

Net fair value changes in available-for-sale investments

Ordinary shares issued upon conversion of bonds

Redemption of convertible bonds

Recognition of share-based payments

Net profit for the quarter

Balance as at 31 Dec 2007

Issued capital	Investment revaluation reserve	Options reserve	Convertible bonds reserve	Accumulated losses	Total
202,619	40,252	732	56	(34,433)	209,226
-	7,921	-	-	-	7,921
515	-	-	(30)	-	485
-	-	-	(26)	-	(26)
-	-	19	-	-	19
-	-	-	-	16,389	16,389
203,134	48,173	751	-	(18,044)	234,014

Year ended 31 Dec 2006

S\$'000

Company

Balance as at 1 Jan 2006

Net fair value changes in available-for-sale investments

Adjustment arising from abolition of par value of shares

Ordinary shares issued pursuant to rights issue

Recognition of equity component of convertible bonds

Ordinary shares issued upon conversion of bonds

Recognition of share-based payments

Issue of shares on exercise of employees' share options

Net loss for the quarter

Balance as at 31 March 2006

Net fair value changes in available-for-sale investments

Ordinary shares issued upon conversion of bonds

Recognition of share-based payments

Net loss for the quarter

Balance as at 30 June 2006

Net fair value changes in available-for-sale investments

Ordinary shares issued upon conversion of bonds

Recognition of share-based payments

Net loss for the quarter

Balance as at 30 September 2006

Net fair value changes in available-for-sale investments

Ordinary shares issued upon conversion of bonds

Recognition of share-based payments

Net loss for the quarter

Balance as at 31 December 2006

Issued capital	Share premium	Investment revaluation reserve	Options reserve	Convertible bonds reserve	Retained earnings	Total
88,106	46,944	66,145	518	-	29,050	230,763
-	-	(6,620)	-	-	-	(6,620)
46,944	(46,944)	-	-	-	-	-
11,649	-	-	-	-	-	11,649
-	-	-	-	3,409	-	3,409
71	-	-	-	(4)	-	67
-	-	-	126	-	-	126
18	-	-	-	-	-	18
-	-	-	-	-	(14,394)	(14,394)
146,788	-	59,525	644	3,405	14,656	225,018
-	-	(14,120)	-	-	-	(14,120)
813	-	-	-	(50)	-	763
-	-	-	(2)	-	-	(2)
-	-	-	-	-	(3,823)	(3,823)
147,601	-	45,405	642	3,355	10,833	207,836
-	-	(9,293)	-	-	-	(9,293)
42,765	-	-	-	(2,587)	-	40,178
-	-	-	43	-	-	43
-	-	-	-	-	(1,366)	(1,366)
190,366	-	36,112	685	768	9,467	237,398
-	-	10,046	-	-	-	10,046
36	-	-	-	(2)	-	34
-	-	-	1	-	-	1
-	-	-	-	-	(40,180)	(40,180)
190,402	-	46,158	686	766	(30,713)	207,299

(Note) In accordance with The Companies (Amendment) Act 2005 effective from 30 January 2006, the concept of authorized share capital and par value was abolished and accordingly, share premium was transferred to the Company's share capital in the financial year ended 31 March 2006.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

**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, 2,080,000 share options were granted and accepted under the Thakral Corporation Employees' Share Option Scheme 2001 (the "2001 Scheme"). A total of 1,735,500 share options lapsed while 3,321,750 share options were exercised during the current financial year.

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 Dec 2007	As at 31 Dec 2006
Outstanding options	37,735,500	40,712,750

The number of shares that may be issued on conversion of all the outstanding convertible bonds issued on 16 February 2006 is as follows:-

	As at 31 Dec 2007	As at 31 Dec 2006
Convertible bonds	NIL	158,309,540

During the period, the share capital of the Company increased as follows:

	No. of shares	S\$'000
Issued capital as at 1 January 2007	2,455,805,668	190,402
- Issue of ordinary shares arising from the conversion of convertible bonds	152,986,250	12,430
- Issue of ordinary shares arising from the exercise of share options granted under the 2001 scheme	3,321,750	302
Total as at 31 December 2007	2,612,113,668	203,134

The Company did not have any treasury shares as at 31 December 2007 and 31 December 2006.

**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 and 2,455,805,668 as at 31 December 2007 and 31 December 2006 respectively.

**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 year as those of the audited financial statements for the financial period ended 31 December 2006.

**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 2007, the Group and the Company adopted all the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations issued by the Council on Corporate Disclosure and Governance which became effective for the Group from 1 January 2007. The Group was mainly affected by the following new or revised FRS:

- FRS 40 Investment Property
- FRS 107 Financial Instruments: Disclosures
- Amendments to FRS 1 Presentation of Financial Statements on Capital Disclosures

Description of changes

Set out below is a brief description of those FRS which have a significant impact on the financial statements of the Group and the Company.

a. FRS 40 – Investment Property

Before the adoption of FRS 40, the Group used the revaluation model. Under the revaluation model, increases in carrying amounts above a cost-based measure are recognized as revaluation surplus in the revaluation reserve. With the adoption of the fair value model under the new FRS 40 which is effective for periods commencing 1 January 2007, the Group carries investment properties at fair value. Changes in fair value are recognized in the profit and loss statement except the changes arising upon the adoption of the FRS on its effective date which are directly taken to the opening balance of retained earnings. With the adoption of the new FRS 40, certain leasehold properties previously included as property, plant and equipment have been reclassified to investment property and measured at fair value.

b. FRS 107 – Financial Instruments : Disclosure and Amendment to FRS 1 (Revised) – Presentation of Financial Statements (Capital Disclosures)

FRS 107 requires the Group and the Company to disclose the qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The amendment to FRS 1 requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

**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>	Year ended 31 Dec 2007	Year ended 31 Dec 2006
(i) Basic earnings (loss) per share	0.21 cents	(0.92) cents
(ii) Fully diluted earnings (loss) per share	0.21 cents	(0.92) cents
<b>From continuing operations</b>	Year ended 31 Dec 2007	Year ended 31 Dec 2006
(i) Basic earnings (loss) per share	0.26 cents	(0.55) cents
(ii) Fully diluted earnings (loss) per share	0.26 cents	(0.55) cents
<b>From continuing and discontinuing operations</b>	Three months ended 31 Dec 2007	Three months ended 31 Dec 2006
(i) Basic earnings (loss) per share	0.20 cents	(0.29) cents
(ii) Fully diluted earnings (loss) per share	0.20 cents	(0.29) cents
<b>From continuing operations</b>	Three months ended 31 Dec 2007	Three months ended 31 Dec 2006
(i) Basic earnings (loss) per share	0.22 cents	(0.27) cents
(ii) Fully diluted earnings (loss) per share	0.22 cents	(0.27) cents

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Basic earnings per share is computed on the profit for the period after taxation and deduction of minority interests divided by 2,536,584,251 and 2,606,704,033 being the weighted average number of shares in issue during the year and the quarter ended 31 December 2007 respectively. Basic loss per share is computed on the loss for the period after taxation and deduction of minority interests divided by 2,100,402,618 and 2,455,456,572 being the weighted average number of shares in issue during the twelve months and quarter ended 31 December 2006 respectively.

Fully diluted earnings per share for the period ended 31 December 2007 is computed on the profit after taxation and deduction of minority interests divided by 2,541,261,640 and 2,610,838,967 being the weighted average number of shares in issue during the year and the quarter ended 31 December 2007. The dilutive effect of potentially exercisable options outstanding as at that date are 4,677,389 and 4,134,934 being the weighted average number of shares in issue during the year and the quarter ended 31 December 2007.

Fully diluted loss per share for the period ended 31 December 2006 is computed on the loss after taxation and deduction of minority interests divided by 2,100,402,618 and 2,455,456,572 being the weighted average number of shares in issue during the twelve months and the quarter ended 31 December 2006 respectively. Employee share options to purchase 8,630,000, 1,050,000 and 1,778,750 ordinary shares at S\$0.06, S\$0.08 and S\$0.09 were outstanding as at 31 December 2006 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, 27 May 2008 and 2 April 2016. Convertible bonds which mature on 16 February 2009 convertible into 158,309,540 ordinary shares were outstanding as at 31 December 2006 but were not included in the computation of the diluted loss per share because these bonds were antidilutive.

### 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 Dec 2007	As at 31 Dec 2006
Group	10.25 cents	10.05 cents
Company	8.96 cents	8.44 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 – year ended 31 December 2007

##### Turnover & Profitability

*The Group had changed its financial year end from 31 March to 31 December during the preceding financial year. As such, the results for the last quarter of the financial year ended 31 March 2006 and the 9 months ended 31 December 2006 have been combined and are presented for comparison purposes only.*

Group turnover for the year ended 31 December 2007 showed significant improvement over that for the 12 months ended 31 December 2006. Turnover in the latest year rose by 20% to S\$288.4 million as compared to S\$239.6 million in the earlier 12 months. During the latest quarter, turnover grew by 53% from a year earlier. The Group saw turnover growth across most of the continuing businesses this year, including the Supply Chain Management (“SCM”) division, Electronic Manufacturing Services (“EMS”) division and property business.

The Group's SCM division annual turnover increased by 19% to S\$257.5 million in the year as compared to S\$216.9 million in the previous corresponding period. The EMS and property divisions saw strong turnover growth of 40% and 41% respectively in the year. The results of the property division also contributed strongly to the Group's bottom-line with a segmental profit of S\$2.6 million for the year as against S\$0.3 million in the previous corresponding period. However, due to measures introduced by the PRC government to cool the property market, the performance of this division was muted in the second half of the year.

## THAKRAL CORPORATION LTD AND SUBSIDIARIES

The higher revenues combined with a similar year-over-year gross profit margin led to the gross profit increasing by 22% to S\$17.1 million for the current year as against S\$14.0 million in the previous 12 month period.

Lower asset sales this year reduced gains from such disposals to S\$0.9 million as against S\$3.6 million realized during the previous 12 month period. The Group disposed of an investment in India in the current financial year for a gain of about S\$0.84 million.

Provisions of S\$3 million made in previous years for amounts due from a related party were reversed during the year based on the repayment of the debt. Additional provisions of S\$3.7 million relating to the rest of the afore-mentioned debt were also reversed at year-end since they are no longer considered necessary by the Group and the debtor has been fully adhering to the terms of the previously announced settlement agreement.

The rising prices of property in China have benefited the Group which saw an increase in the value of its property holdings in China (including Hong Kong) during the year. In line with the requirements of FRS 40, the unrealized increase in value of investment properties amounting to S\$2.9 million has been recognized in the income statement for the year. This is before deferred tax of S\$0.3 million on the unrealized gain, which is included in the tax charge for the year.

Foreign exchange gains from the translation of monetary assets and liabilities denominated in foreign currencies amounted to S\$2.2 million as against S\$1.6 million previously.

Accordingly, the group achieved a net profit after tax of S\$5.9 million for the year ended 31 December 2007 as against a loss of S\$20.2 million incurred in the previous corresponding 12 months.

### Expenses

The Group maintained tight control on distribution and administrative expenses. Excluding one-time charges and reversals during the year, distribution expenses declined by 26% over the previous year.

Overall administration expenses of S\$11.3 million for the year include the net reversal of provisions made in previous years for amounts due from a related party mentioned above. Excluding the impact of provisions, reversal of provisions and the one-off credits/payments in both periods, administration expenses declined by about 10% this year.

Finance costs for the year decreased by S\$1.4 million compared to the previous year. This was mainly due to interest savings on the long-term syndicated bank loan which was fully repaid in March 2006 as well as the lower interest expenses on convertible bonds as a result of the ongoing conversion of the bonds.

Group income tax arose mainly due to taxable profits at the Group's property development unit in Wujiang as well as the charge to the income statement of the deferred tax asset at the subsidiary in Japan which is not expected to be recoverable. The charge for the year also includes the deferred tax liability on the valuation gain on investment properties amounting to S\$0.3 million as well as a one-off payment of withholding tax made by the subsidiary in Japan upon its remittance of a dividend to the Company.

### Working Capital and Cash Flow

Inventories declined by about 27% to S\$25.2 million from S\$34.4 million as at 31 December 2006 mainly from the sales of properties by the property unit in Wujiang and improved inventory turnaround supporting a higher level of sales.

With the increase in sales made by the SCM division in the run-up to the festive season in late December, trade receivables increased by 50% to S\$43.0 million as against S\$28.6 million as on 31 December 2006. The increase was primarily in China where the level of business has increased significantly during the year.

The Group saw a net operational cash outflow of S\$6.4 million for the current year as compared to an operational cash inflow of S\$11.6 million in the previous 12 month period. The reduction in inventories during the current year was S\$7.5 million compared to a reduction of S\$21.5 million in the previous year. The reduction this year was despite significantly higher turnover compared to the previous year and significantly affected the comparative cash inflow position between the two years. Further, in line with expansion of business during the current year, the group had increased its working capital investment in receivables by S\$7.6 million compared to a decrease in receivables in the previous year by S\$4.4 million.

## THAKRAL CORPORATION LTD AND SUBSIDIARIES

### Net Asset Value

Group net asset value per share increased to 10.25 cents as at 31 December 2007 from 10.05 cents as at 31 December 2006. This was a result of the attributable profit for the year and the increase in the fair value of its available for sale investments. Despite the higher number of shares in issue as at 31 December 2007 following the conversion of convertible bonds during the year, NAV per share showed an increase.

### **Performance Summary – Continuing Operations**

#### Supply Chain Management (“SCM”)

The SCM division continued its strong revenue growth in the final quarter, rising by about 74% from the previous corresponding quarter. Revenue grew by 19% year-over-year. The Group's efforts at expanding the brand portfolio and product mix, as well as strengthening the sales teams and distribution channels have helped to propel the growth of this segment. From an over-reliance on one brand, the Group has successfully diversified and now represents the following international brands – Apple, Asus, Casio, Canon, Creative, Fuji, Kodak, Lenovo, Panasonic, Pentax, Olympus, Samsung, Sony and Trust.

Segmental profit of S\$1.0 million against a loss of S\$11.1 million in the previous corresponding period reflected an improving situation.

However, competition in this business segment remains intense.

#### Electronic Manufacturing Services (“EMS”)

This division also saw strong revenue growth of about 40% to S\$20.9 million as against S\$14.9 million in the previous corresponding period. However, even though the gross profit margin has more than doubled in 2007 from the previous 12-month period, it was not sufficient to cover the operational costs. As a result, a segmental loss of S\$2.1 million was recorded for the year, including a S\$1.0 million loss in the latest quarter. This was against a segmental loss of S\$6.2 million in the previous corresponding period, an improvement of about 67%.

### **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 performance in the financial year has 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 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. However, due to intense competition and declining margins, the Group expects to continue operating under difficult market conditions in the next financial year.

Efforts at turning around the EMS division have been encouraging with the loss being reduced significantly in the current fiscal year. Despite fierce competition in this market segment, the Group is cautiously optimistic of continuing with this improvement in the next financial year.

Due to the volatility in the global markets triggered off by the sub-prime fallout in the U.S., the market value of the Group's available-for-sale investments in India and Australia may be adversely affected.

### **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

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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**

**Year ended 31 Dec 2007**

	Supply Chain Management	Electronic Manufacturing Services	Property Holding	Others	Consolidated total
<b>Revenue</b>					
External sales from continuing operations	257,537	20,924	7,161	2,788	288,410
<b>Result</b>					
Segment result from continuing operations	1,022	(2,060)	2,566	1,034	2,562
Unallocated corporate expenses					(1,442)
Valuation gains on investment properties					2,863
Finance income					3,297
Finance costs					(261)
Foreign exchange gain					2,156
Profit before income tax and share of results of associates					9,175
Share of results of associates					121
Profit before income tax					9,296
Income tax expense					(2,266)
Profit after tax from continuing operations					7,030
Loss from discontinuing operations	(1,107)				(1,107)
Net profit for the year					5,923

**Other information**

Capital expenditure:					
Property, plant and equipment	320	170	-	1	491
Depreciation expense of continuing operations	701	1,692	178	11	2,582

<b>Assets</b>					
Segment assets	97,652	14,051	28,042	151,895	291,640
Assets of discontinuing operations	340				340
Deferred tax asset					3
Investment in associates					1,558
<b>Total assets</b>					293,541
<b>Liabilities</b>					
Segment liabilities	12,001	3,706	2,688	660	19,055
Liabilities of discontinuing operations	1,222				1,222
Income tax payable					717
Deferred tax liability					317
<b>Total liabilities</b>					21,311

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S\$'000

Year ended 31 Dec 2006

	Supply Chain Management	Electronic Manufacturing Services	Property Holding	Others	Consolidated total
<b>Revenue</b>					
External sales from continuing operations	216,946	14,907	5,089	2,640	239,582
<b>Result</b>					
Segment result from continuing operations	(11,140)	(6,186)	286	(13)	(17,053)
Unallocated corporate expenses					(2,697)
Gain on disposal of properties					3,578
Finance income					3,719
Finance costs					(1,689)
Foreign exchange gain					1,591
Loss before income tax and share of results of associates					(12,551)
Share of results of associates					302
Loss before income tax					(12,249)
Income tax expense					(281)
Loss after tax from continuing operations					(12,530)
Loss from discontinuing operations	(7,712)				(7,712)
Net loss for the period					(20,242)

<b>Other information</b>					
Capital expenditure:					
Property, plant and equipment	2,009	901	(1)	19	2,928
Depreciation expense of continuing operations	698	1,756	432	23	2,909

<b>Assets</b>					
Segment assets	101,870	18,010	25,123	144,298	289,301
Assets of discontinuing operations	1,714				1,714
Deferred tax asset					289
Investment in associates					1,430
<b>Total assets</b>					292,734
<b>Liabilities</b>					
Segment liabilities	15,935	6,303	2,564	865	25,667
Liabilities of discontinuing operations	1,462				1,462
Income tax payable					1,216
Unallocated liabilities					12,026
<b>Total liabilities</b>					40,371

**Secondary reporting – geographical segments**

S\$'000

<b>Continuing and discontinuing operations</b>	<b>Revenue</b>		<b>Capital Expenditure</b>		<b>Total Assets</b>	
	31 Dec		31 Dec		31 Dec	
	2007	2006	2007	2006	2007	2006
People's Republic of China (including Hong Kong)	279,058	231,979	368	2,868	160,400	146,057
Others	10,338	12,925	123	60	133,141	146,677
	289,396	244,904	491	2,928	293,541	292,734

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**

**From continuing and discontinuing operations**

	S\$'000		%
	Year ended 31 Dec 2007	Year ended 31 Dec 2006	Increase / (Decrease)
a) Revenue reported for first half year	137,100	144,602	(5)
b) Operating profit (loss) after tax before deducting minority interests reported for first half year	2,445	(8,657)	NM
c) Revenue reported for second half year	152,296	100,302	52
d) Operating profit (loss) after tax before deducting minority interests reported for second half year	3,478	(11,585)	NM

**From continuing operations**

	S\$'000		%
	Year ended 31 Dec 2007	Year ended 31 Dec 2006	Increase / (Decrease)
a) Revenue reported for first half year	136,621	141,734	(4)
b) Operating profit (loss) after tax before deducting minority interests reported for first half year	2,974	(1,181)	NM
c) Revenue reported for second half year	151,789	97,848	55
d) Operating profit (loss) after tax before deducting minority interests reported for second half year	4,056	(11,349)	NM

**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

THAKRAL CORPORATION LTD AND SUBSIDIARIES

**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 year ended 31 December 2007 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)
Thakral Brothers (Pte) Ltd., and subsidiaries	S\$'000	S\$'000
Sales, net of returns	803	NIL
Purchases, net of returns	7,482	4,664
Sajuna Ltd Operating lease charges paid / payable	307	NIL

BY ORDER OF THE BOARD

Lim Chee Ying  
Tan Ping Ping  
Company Secretaries  
25 February 2008