

[Print this page](#)[FULL YEAR AND FOURTH QUARTER](#) * FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT** Asterisks denote mandatory information*

Name of Announcer *	THAKRAL CORPORATION LTD
Company Registration No.	199306606E
Announcement submitted on behalf of	THAKRAL CORPORATION LTD
Announcement is submitted with respect to *	THAKRAL CORPORATION LTD
Announcement is submitted by *	Anil Daryanani
Designation *	Group Financial Controller
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[>> ANNOUNCEMENT DETAILS](#)*The details of the announcement start here ...*

For the Financial Period Ended *	31-12-2010
Description	Please refer to attachments.

Attachments

[ThakralCorp_Results_Q4FY10_28Feb11.pdf](#)[ThakralCorp_PR_FY2010_20110228.pdf](#)[FY2010ResultsBriefing_20110228.pdf](#)Total size = **1781K**
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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 year and fourth quarter ended 31 December 2010 together with comparative statements for the corresponding period of the immediately preceding financial year

These figures have not been audited.

CONSOLIDATED PROFIT AND LOSS STATEMENT

	Note	Group			Group		
		S\$000		%	S\$000		%
		Year ended			Three months ended		
		31 Dec 2010	31 Dec 2009	Increase / (Decrease)	31 Dec 2010	31 Dec 2009	Increase / (Decrease)
Continuing Operations							
Revenue	1	409,299	438,806	(7)	81,546	111,714	(27)
Cost of sales		(385,237)	(418,581)	(8)	(75,458)	(106,374)	(29)
Gross profit	1	24,062	20,225	19	6,088	5,340	14
Other operating income	2	2,248	2,044	10	259	198	31
Distribution costs	3	(5,169)	(3,879)	33	(1,424)	(908)	57
Administrative expenses	4	(14,917)	(14,045)	6	(3,738)	(3,940)	(5)
Other operating expenses	5	(473)	(514)	(8)	(109)	(128)	(15)
Profit from operations		5,751	3,831	50	1,076	562	91
Net gain on disposal of available-for-sale investments	6	28,722	-	NM	-	-	-
Valuation gain on investment properties	7	2,070	2,723	(24)	2,070	2,723	(24)
Finance income	8	909	1,734	(48)	89	530	(83)
Finance costs		(143)	(46)	211	(126)	(4)	NM
Foreign exchange gain	9	1,906	1,247	53	659	359	84
Profit before income tax, share of results of associates		39,215	9,489	313	3,768	4,170	(10)
Profit from associates		-	1,253	(100)	-	-	-
Profit before income tax		39,215	10,742	265	3,768	4,170	(10)
Income tax expense	10	(1,396)	(952)	47	(382)	(243)	57
Profit from continuing operations		37,819	9,790	286	3,386	3,927	(14)
Discontinued Operations							
Profit from discontinued operations	11	-	1,961	(100)	-	1,904	(100)
Profit for the year / quarter		37,819	11,751	222	3,386	5,831	(42)
<u>Attributable to:</u>							
Owners of the Company		37,542	11,519	226	3,288	5,691	(42)
Non-controlling interests		277	232	19	98	140	(30)
		37,819	11,751	222	3,386	5,831	(42)

NM – Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	S\$'000		%	S\$'000		%
		Year ended			Three months ended		
		31 Dec 2010	31 Dec 2009		31 Dec 2010	31 Dec 2009	
Profit for the year / quarter		37,819	11,751	222	3,386	5,831	(42)
Other comprehensive income							
Translation loss arising on consolidation	12	(8,465)	(4,146)	104	(2,296)	(863)	166
Net fair value changes in available-for-sale investments	13	2,833	14,404	(80)	3,121	3,097	1
Reclassification to profit or loss from equity upon disposal of available-for-sale investments	6	(29,235)	-	NM	-	-	-
Other comprehensive income for the period / quarter, net of tax		(34,867)	10,258	NM	825	2,234	(63)
Total comprehensive income for the period / quarter		2,952	22,009	(87)	4,211	8,065	(48)
<u>Total comprehensive income attributable to:</u>							
Owners of the Company		2,881	21,884	(87)	4,147	7,941	(48)
Non-controlling interests		71	125	(43)	64	124	(48)
		2,952	22,009	(87)	4,211	8,065	(48)

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

The Group continued to focus on higher margin distribution business by making more effective use of its capital resources after completing the Capital Reduction exercise. As a result of curtailing certain businesses which had high turnover but limited margins, the overall turnover for the year and quarter reduced by 7% and 27% respectively compared to the previous corresponding periods. However, overall gross profit earned increased by 19% for the year compared to the previous financial year as a result of improved gross margin of 5.9% compared to 4.6% in the previous year. The gross margin of 7.5% in Q4 FY2010 was appreciably higher than the 4.8% earned in Q4 FY2009.

Note 2:

Other operating income of continuing operations comprises:

	S\$'000		%	S\$'000		%
	Year ended			Three months ended		
	31 Dec 2010	31 Dec 2009		31 Dec 2010	31 Dec 2009	
VAT and business tax subsidy	88	88	-	7	17	(59)
Net gain on disposal of properties	1,480	363	308	(20)	96	NM
Damages and interest received from legal claims	-	833	(100)	-	(9)	(100)
Commission income	301	578	(48)	13	88	(85)
Miscellaneous	379	182	108	259	6	NM
Total	2,248	2,044	10	259	198	31

- (i) The net gain arose on the disposal of a group property in China.
- (ii) Commission income declined in view of a lower volume of logistical support business during the year.
- (iii) Miscellaneous income for the year and quarter includes certain unclaimed amounts no longer considered payable.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Note 3:

Distribution costs of continuing operations comprise:

	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
	Year ended			Three months ended		
	31 Dec 2010	31 Dec 2009		31 Dec 2010	31 Dec 2009	
Staff costs	(2,584)	(1,951)	32	(748)	(476)	57
Advertising & promotion	(325)	(173)	88	(101)	(10)	NM
Transportation	(1,058)	(772)	37	(252)	(145)	74
Travelling expenses	(638)	(453)	41	(163)	(134)	22
Others	(564)	(530)	6	(160)	(143)	12
Total	(5,169)	(3,879)	33	(1,424)	(908)	57

- (i) The increase in the overall distribution costs during the year and the quarter was mainly on account of the increased focus on the channel business resulting in a significant increase during the year. Staff costs increased in the current year primarily due to the addition of sales personnel in new channels of business and annual pay adjustments.
- (ii) Advertising charges increased for the full year due to the higher level of seasonal advertising and marketing activity in the latest quarter.
- (iii) Transportation expenses increased in view of the higher level of channel sales activity in China.
- (iv) Travelling expenses were higher due to increased travel by sales personnel.

Note 4:

Administration expenses of continuing operations comprise:

	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
	Year ended			Three months ended		
	31 Dec 2010	31 Dec 2009		31 Dec 2010	31 Dec 2009	
Staff costs (including executive directors)	(10,237)	(7,996)	28	(3,279)	(2,008)	63
Directors' fees	(429)	(390)	10	(103)	(118)	(13)
Professional fees	(1,507)	(1,645)	(8)	(247)	(706)	(65)
Rent & rates	(733)	(1,158)	(37)	(202)	(170)	19
Travelling expenses	(379)	(254)	49	(127)	(98)	30
Insurance	(377)	(372)	1	(87)	(85)	2
Net (allowance) reversal of allowance for doubtful debts	177	(133)	NM	483	(302)	NM
Impairment in value of investment properties	-	(319)	(100)	-	-	-
Reversal of impairment charges and provision for planned closure	152	525	(71)	152	221	(31)
Others	(1,584)	(2,303)	(31)	(328)	(674)	(51)
Total	(14,917)	(14,045)	6	(3,738)	(3,940)	(5)

- (i) Staff costs rose due to higher performance linked employee accruals, annual pay adjustments and certain increase in headcount. The current year also includes the salary costs of a director who was paid consultancy fees which was recorded as professional fees in the last year.
- (ii) Directors had taken a voluntary fee reduction in the previous financial year. The increase in the current year is primarily due to the normalisation of these fees.
- (iii) Although professional fees in the previous year included significant recoveries of legal costs, professional fees incurred in the current year and the latest quarter were significantly lower mainly due to the absence of expenses in relation to the re-positioning of the Group's business that were incurred in the previous corresponding periods.
- (iv) Rent and rates declined for the current year primarily due to the shift of operations to smaller and more economical premises in Hong Kong and Shanghai.
- (v) Travelling expenses increased due to increased travelling by management and executive directors.
- (vi) The decline in other administration expenses in the current year is due to steps taken for general cost reduction as well as reversal of certain provisions for property and business taxes in respect of properties sold no longer considered necessary.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Note 5:

Other operating expenses comprised depreciation charges for the relevant periods.

Note 6:

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

Note 7:

Valuation gains on investment properties represented the unrealized appreciation in the value of the Group's investment properties in Hong Kong and People's Republic of China during the year.

Note 8:

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

Note 9:

Foreign exchange gain arose mainly from translation of monetary assets and liabilities, denominated in foreign currencies, outstanding as at the end of the year.

Note 10:

Group income tax for the current year arose mainly in relation to the taxable profits of the distribution business and of the property development unit in Wujiang as well as deferred taxation on the valuation gain on investment properties. The tax charge in the previous year had also been reduced by a one-off reversal of a provision which was in excess of requirements.

Note 11:

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

	S\$000		% Increase / (Decrease)	S\$000		% Increase / (Decrease)
	Year ended			Three months ended		
	31 Dec 2010	31 Dec 2009		31 Dec 2010	31 Dec 2009	
<u>Electronic Manufacturing Services ("EMS")</u>						
Revenue	-	141	(100)	-	-	NM
Cost of sales	-	(83)	100	-	-	NM
Gross profit	-	58	(100)	-	-	NM
Other operating income	-	1,539	(100)	-	1,539	(100)
Reversal of impairment charges and provisions for planned closure	-	365	(100)	-	365	(100)
Foreign exchange loss	-	(1)	100	-	-	NM

Note 12:

These unrealized differences arise due to fluctuations in exchange rates of the foreign currencies in which the net assets of the Group's overseas operations are denominated.

Note 13:

The change in the value of available-for-sale investments is due to fluctuations in the market value of the Group's listed investments in India (up to the date of disposal) and Australia for the year.

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

	Note	Group		Company	
		(S\$ '000)		(S\$ '000)	
		as at		as at	
		31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
<u>ASSETS</u>					
Current assets					
Inventories	1	41,583	27,492	-	-
Available-for-sale investments	5	-	34,583	-	34,583
Trade receivables	2	30,106	38,061	-	-
Other receivables and prepayments	3	7,676	6,271	2,289	260
Bills receivable		-	992	-	-
Cash and bank balances	4	33,189	122,967	844	75,619
Total current assets		112,554	230,366	3,133	110,462
Non-current assets					
Property, plant and equipment		4,132	5,118	28	134
Investment properties		12,176	11,249	-	-
Investments in subsidiaries		-	-	96,649	116,783
Available-for-sale investments	5	18,106	9,000	-	-
Total non-current assets		34,414	25,367	96,677	116,917
Total assets		146,968	255,733	99,810	227,379
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Trade payables		6,629	4,330	-	-
Bills payables and trust receipts	6	14,468	4,454	-	-
Bank loans and overdrafts	7	7,282	-	-	-
Other payables		11,295	12,061	625	670
Provisions		2,086	2,027	-	-
Finance lease		-	16	-	16
Income tax payable		1,020	1,232	-	-
Total current liabilities		42,780	24,120	625	686
Non-current liabilities					
Finance lease		-	76	-	76
Deferred tax liability		606	304	-	-
Total non-current liabilities		606	380	-	76
Total liabilities		43,386	24,500	625	762
Capital and reserves and minority interests					
Issued capital		72,531	203,134	72,531	203,134
Reserves		27,453	24,572	26,654	23,483
Equity attributable to equity holders of the Company		99,984	227,706	99,185	226,617
Non-controlling interests		3,598	3,527	-	-
Total equity		103,582	231,233	99,185	226,617
Total liabilities and equity		146,968	255,733	99,810	227,379

THAKRAL CORPORATION LTD AND SUBSIDIARIES

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 December 2010		As at 31 December 2009	
Secured	Unsecured	Secured	Unsecured
S\$ 21,750,000	NIL	S\$ 4,470,000	NIL

Please also see note (7) below

Amount repayable after one year

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

Please also see note (7) below

Details of any collateral

Charge over properties in Hong Kong; pledged bank deposits of S\$3.3 million; Company's corporate guarantee

Group's contingent liabilities

	As at 31 December 2010	As at 31 December 2009
Potential property tax	NIL	S\$ 632,000

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year
CONSOLIDATED STATEMENT OF CASH FLOWS

Note	(S\$ '000)		(S\$ '000)	
	Year ended		Three months ended	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
Cash flows from operating activities				
Profit before income tax	39,215	12,703	3,768	6,074
Adjustments for:				
Share of profit from associates	-	(1,253)	-	-
Depreciation expense	473	514	109	128
Dividend income from quoted equity shares	-	(1,058)	-	(371)
Finance lease charges	3	2	-	1
Interest expense	140	44	126	3
Interest income	(909)	(1,734)	(89)	(530)
(Gain) loss on disposal of property, plant and equipment	(1,481)	(1,694)	18	(1,614)
Gain on disposal of investment properties	-	(279)	-	(97)
Valuation gain on investment properties	(2,070)	(2,723)	(2,070)	(2,723)
Gain on disposal of available-for-sale investments	(28,722)	-	-	-
Net foreign exchange loss (gain)	84	(786)	1,787	433
Reversal of impairment charges and provisions for planned closure	-	(890)	-	(890)
Allowance for impairment in value of available-for-sale investments	15	-	15	-
Impairment charges for investment properties	-	319	-	3
Allowance (reversal) for inventories	1,194	(30)	542	(172)
Allowance (reversal) for doubtful trade receivables	94	158	(146)	352
Reversal of allowance for doubtful other receivables	(272)	(25)	(338)	(28)
Operating cash flows before movements in working capital	7,764	3,268	3,722	569
Trade receivables	5,497	(723)	5,042	7,228
Other receivables and prepayments	(1,791)	(1,414)	6,537	(1,097)
Inventories	(17,662)	(10,857)	(8,396)	4,815
Trade payables	2,648	1,794	(2,139)	(4,534)
Other payables and provisions	341	88	(8,975)	255
Cash (used in) from operations	(3,203)	(7,844)	(4,209)	7,236
Dividends received	-	1,052	-	372
Income tax paid	(1,224)	(123)	8	113
Finance lease charges paid	(3)	(2)	-	(1)
Interest paid	(97)	(44)	(83)	(4)
Interest received	1,214	1,404	75	800
Net cash (used in) from operating activities	(3,313)	(5,557)	(4,209)	8,516
Cash flows from investing activities				
Additions to property, plant and equipment	(304)	(486)	(125)	(60)
Additions to available-for-sale investments	(3,612)	-	(3,612)	-
Distribution and net recovery of balances from associates	-	2,421	-	-
Proceeds from disposal of available-for-sale investments	30,705	-	-	-
Proceeds from disposal of property, plant and equipment	2,002	1,938	30	1,784
Proceeds from disposal of investment properties	-	4,207	-	51
Net cash from (used in) investing activities	28,791	8,080	(3,707)	1,775
Cash flows from financing activities				
Cash Distribution on Capital Reduction	(130,606)	-	-	-
Net proceeds from issue of shares on exercise of employees' share options	3	-	3	-
Repayment of obligations under finance lease	(92)	(5)	(83)	(3)
Net new bank loans raised	6,544	-	6,544	-
Decrease (increase) in fixed deposits with maturities exceeding three months	80,964	(86,041)	(1,703)	5,094
(Increase) decrease in pledged bank deposits	(2,011)	(1,336)	(1,367)	831
Decrease (increase) in bills receivable	971	(992)	(8)	749
Increase (decrease) in bills payable and trust receipts	10,261	4,454	10,076	(2,769)
Net cash (used in) from financing activities	(33,966)	(83,920)	13,462	3,902
Net effect of exchange rate changes in the balance of cash held in foreign currencies	(3,075)	(1,282)	(2,206)	(1,179)
Net (decrease) increase in cash and cash equivalents	(11,563)	(82,679)	3,340	13,014
Cash and cash equivalents at beginning of the year / quarter	35,590	118,269	20,687	22,576
Cash and cash equivalents at end of the year / quarter	24,027	35,590	24,027	35,590
Cash and cash equivalents were represented by:-				
Fixed deposits with maturities less than 3 months, cash at bank and hand	24,765	35,590	24,765	35,590
Bank overdrafts	(738)	-	(738)	-
	24,027	35,590	24,027	35,590

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

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Note 1:

Inventories increased to S\$41.6 million as at 31 December 2010 from S\$27.5 million as at 31 December 2009. Increased stock levels need to be maintained to cater to an increased volume of channel business as well as in preparation for the upcoming high season. Opportunistic as well as regular purchases continue to be made to cater for increased seasonal and regular demand for products.

Note 2:

Trade Receivables declined to S\$30.1 million as at 31 December 2010 from S\$38.1 million as at 31 December 2009 as a result of the lower turnover during the latest quarter.

Note 3:

Other Receivables increased to S\$7.7 million as at 31 December 2010 from S\$6.3 million as at 31 December 2009 primarily due to higher recoverable VAT payments.

Note 4:

Cash and bank balances are comprised of:

	<u>31-Dec-10</u>	<u>31-Dec-09</u>
Cash and cash equivalents	S\$24.8 million	S\$35.6 million
Fixed deposits with maturities exceeding three months	S\$5.1 million	S\$86.0 million
Fixed deposits that have been pledged to the bank against Bills payable (see also note 6 below)	S\$3.3 million	S\$1.3 million
Total	<u>S\$33.2 million</u>	<u>S\$122.9 million</u>

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

Note 5:

The aggregate fair value of the combined portfolio of investments reduced to S\$18.1 million as at 31 December 2010 from S\$43.6 million as at 31 December 2009 primarily due to the disposal of the available-for-sale quoted equity investment in Gateway Distriparks Ltd, India. The value as at 31 December 2010 includes the investment made by the Group in the Australian real estate project during the last quarter of the year.

Note 6:

Bills payable and trust receipts of S\$14.5 million relate to short-term trade financing for the purchase of goods provided by banks in the PRC and Hong Kong for the Group's distribution businesses (see also note 4 above).

Note 7:

Bank loans and overdrafts relate principally to a 10-year mortgage loan obtained during the final quarter against, inter alia, the security of certain properties in Hong Kong. The entire outstanding amount of the term loan is expected to be repaid in full in year 2020, but it has been classified as current liability in view of accounting rules that require such classification for term loans that are subject to a 'repayment on demand' clause (which provide the lender with a right to demand repayment at any time at its discretion).

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 December 2010

S\$'000

Group

Balance at 1 Jan 2010

Total comprehensive income for the quarter

Balance at 31 Mar 2010

Total comprehensive income for the quarter

Capital reduction

Balance at 30 Jun 2010

Total comprehensive income for the quarter

Balance at 30 Sep 2010

Total comprehensive income for the quarter

Issue of shares on exercise of employees' share options

Balance at 31 Dec 2010

	Issued capital	Asset revaluation reserve	Fair value adjustment reserve	Options reserve	Translation reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total
Balance at 1 Jan 2010	203,134	687	33,894	759	(12,506)	1,738	227,706	3,527	231,233
Total comprehensive income for the quarter	-	(3)	(915)	-	(638)	2,005	449	70	519
Balance at 31 Mar 2010	203,134	684	32,979	759	(13,144)	3,743	228,155	3,597	231,752
Total comprehensive income for the quarter	-	(3)	(31,698)	-	416	29,843	(1,442)	87	(1,355)
Capital reduction	(130,606)	-	-	-	-	-	(130,606)	-	(130,606)
Balance at 30 Jun 2010	72,528	681	1,281	759	(12,728)	33,586	96,107	3,684	99,791
Total comprehensive income for the quarter	-	(39)	3,090	-	(5,730)	2,406	(273)	(150)	(423)
Balance at 30 Sep 2010	72,528	642	4,371	759	(18,458)	35,992	95,834	3,534	99,368
Total comprehensive income for the quarter	-	(17)	3,121	-	(2,245)	3,288	4,147	64	4,211
Issue of shares on exercise of employees' share options	3	-	-	-	-	-	3	-	3
Balance at 31 Dec 2010	72,531	625	7,492	759	(20,703)	39,280	99,984	3,598	103,582

Year ended 31 December 2009

S\$'000

Group

Balance at 1 Jan 2009

Total comprehensive income for the quarter

Balance at 31 Mar 2009

Total comprehensive income for the quarter

Transfer from asset revaluation reserve to retained earnings on disposal of properties

Balance at 30 Jun 2009

Total comprehensive income for the quarter

Transfer from asset revaluation reserve to retained earnings on disposal of properties

Balance at 30 Sep 2009

Total comprehensive income for the quarter

Dividends paid to non-controlling shareholders

Balance at 31 Dec 2009

	Issued capital	Asset revaluation reserve	Fair value adjustment reserve	Options reserve	Translation reserve	Retained earnings (Accumulated losses)	Attributable to equity holders of the Company	Non-controlling interests	Total
Balance at 1 Jan 2009	203,134	968	19,490	759	(8,486)	(10,043)	205,822	3,926	209,748
Total comprehensive income for the quarter	-	53	(10,706)	-	6,412	792	(3,449)	240	(3,209)
Balance at 31 Mar 2009	203,134	1,021	8,784	759	(2,074)	(9,251)	202,373	4,166	206,539
Total comprehensive income for the quarter	-	(47)	11,773	-	(6,768)	3,314	8,272	(165)	8,107
Transfer from asset revaluation reserve to retained earnings on disposal of properties	-	(112)	-	-	-	112	-	-	-
Balance at 30 Jun 2009	203,134	862	20,557	759	(8,842)	(5,825)	210,645	4,001	214,646
Total comprehensive income for the quarter	-	(22)	10,240	-	(2,820)	1,722	9,120	(74)	9,046
Transfer from asset revaluation reserve to retained earnings on disposal of properties	-	(150)	-	-	-	150	-	-	-
Balance at 30 Sep 2009	203,134	690	30,797	759	(11,662)	(3,953)	219,765	3,927	223,692
Total comprehensive income for the quarter	-	(3)	3,097	-	(844)	5,691	7,941	124	8,065
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(524)	(524)
Balance at 31 Dec 2009	203,134	687	33,894	759	(12,506)	1,738	227,706	3,527	231,233

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Year ended 31 December 2010

S\$'000

Company

Balance as at 1 Jan 2010

Total comprehensive income for the quarter

Balance as at 31 Mar 2010

Total comprehensive income for the quarter

Capital reduction

Balance as at 30 Jun 2010

Total comprehensive income for the quarter

Balance as at 30 Sep 2010

Total comprehensive income for the quarter

Issue of shares on exercise of employees' share options

Balance as at 31 Dec 2010

	Issued capital	Fair value adjustment reserve	Options reserve	Retained earnings (Accumulated losses)	Total
Balance as at 1 Jan 2010	203,134	32,600	759	(9,876)	226,617
Total comprehensive income for the quarter	-	(1,775)	-	1,432	(343)
Balance as at 31 Mar 2010	203,134	30,825	759	(8,444)	226,274
Total comprehensive income for the quarter	-	(30,825)	-	29,668	(1,157)
Capital reduction	(130,606)	-	-	-	(130,606)
Balance as at 30 Jun 2010	72,528	-	759	21,224	94,511
Total comprehensive income for the quarter	-	-	-	(408)	(408)
Balance as at 30 Sep 2010	72,528	-	759	20,816	94,103
Total comprehensive income for the quarter	-	-	-	5,079	5,079
Issue of shares on exercise of employees' share options	3	-	-	-	3
Balance as at 31 Dec 2010	72,531	-	759	25,895	99,185

Year ended 31 December 2009

S\$'000

Company

Balance as at 1 Jan 2009

Total comprehensive income for the quarter

Balance as at 31 Mar 2009

Total comprehensive income for the quarter

Balance as at 30 Jun 2009

Total comprehensive income for the quarter

Balance as at 30 Sep 2009

Total comprehensive income for the quarter

Balance as at 31 Dec 2009

	Issued capital	Fair value adjustment reserve	Options reserve	Accumulated losses	Total
Balance as at 1 Jan 2009	203,134	19,490	759	(19,354)	204,029
Total comprehensive income for the quarter	-	(7,956)	-	4,603	(3,353)
Balance as at 31 Mar 2009	203,134	11,534	759	(14,751)	200,676
Total comprehensive income for the quarter	-	10,889	-	(1,724)	9,165
Balance as at 30 Jun 2009	203,134	22,423	759	(16,475)	209,841
Total comprehensive income for the quarter	-	5,186	-	3,878	9,064
Balance as at 30 Sep 2009	203,134	27,609	759	(12,597)	218,905
Total comprehensive income for the quarter	-	4,991	-	2,721	7,712
Balance as at 31 Dec 2009	203,134	32,600	759	(9,876)	226,617

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Since the beginning of the year, a total of 1,045,000 share options expired during the period under the Thakral Corporation Employees' Share Option Scheme 2001 (the "2001 Scheme") while 300,000 share options were exercised during the 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 2010	As at 31 Dec 2009
Outstanding options	22,923,000	24,268,000

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Following on from the Capital Reduction of S\$0.05 per share, the Company also reduced the subscription price of the outstanding share options under the 2001 Scheme by S\$0.05 per share.

During the year, 300,000 ordinary shares were issued on the exercise of employees' share options granted under the 2001 Scheme. The share capital of the Company increased to S\$72,531,000.

The Company did not have any treasury shares as at 31 December 2010 and 31 December 2009.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares was 2,612,413,668 and 2,612,113,668 as at 31 December 2010 and 31 December 2009 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 period as those of the audited financial statements for the year ended 31 December 2009.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

In the current year, the Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS that are relevant to its operations and effective for annual periods beginning on or after 1 January 2010. The Group was mainly affected by the following new / revised FRS:

FRS 27 - Consolidated and Separate Financial Statements (Revised)
FRS 28 - Investments in Associates (Revised)
FRS 103 - Business Combinations (Revised)

The adoption of these new / revised FRS has no material impact on the financial statements of the Group and of the Company.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

From continuing and discontinued operations	Year ended 31 Dec 2010	Year ended 31 Dec 2009
(i) Basic earnings per share	1.44 cents	0.44 cent
(ii) Fully diluted earnings per share	1.44 cents	0.44 cent
From continuing operations	Year ended 31 Dec 2010	Year ended 31 Dec 2009
(i) Basic earnings per share	1.44 cents	0.37 cent
(ii) Fully diluted earnings per share	1.44 cents	0.37 cent
From continuing and discontinued operations	Three months ended 31 Dec 2010	Three months ended 31 Dec 2009
(i) Basic earnings per share	0.13 cent	0.22 cent
(ii) Fully diluted earnings per share	0.13 cent	0.22 cent
From continuing operations	Three months ended 31 Dec 2010	Three months ended 31 Dec 2009
(i) Basic earnings per share	0.13 cent	0.14 cent
(ii) Fully diluted earnings per share	0.13 cent	0.14 cent

Basic earnings and diluted earnings per share are computed on the profit for the periods after taxation and deduction of non-controlling interests divided by 2,612,137,504 and 2,612,113,668 being the weighted average number of shares in issue during the year / quarter ended 31 December 2010 and 31 December 2009 respectively. The diluted earnings per share for the year ended 31 December 2010 are computed on the profit for the year after taxation and deduction of non-controlling interests divided by 2,615,655,318 with 3,517,814 shares being the dilutive effect of potentially exercisable options outstanding as at the end of the year. The diluted earnings per share for the quarter ended 31 December 2010 are computed on the profit for the year after taxation and deduction of non-controlling interests divided by 2,615,659,957 with 3,522,453 shares being the dilutive effect of potentially exercisable options outstanding as at the end of the year.

7. Net asset value (for the issuer and group) per ordinary share based on issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

Net Asset Value	As at 31 Dec 2010	As at 31 Dec 2009
Group	3.83 cents	8.72 cents
Company	3.80 cents	8.68 cents

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

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors.

It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review – Year ended 31 December 2010

Turnover & Profitability

The Group focused on channel sales at higher margins during the second half of 2010. It achieved consolidated revenues of S\$409.3 million for the year ended 31 December 2010 as compared to S\$438.8 million in the previous year, a decline of 6.7%. Turnover fell by 27% in the latest quarter to S\$81.5 million compared to S\$111.7 million in the previous corresponding quarter.

However, despite the decline in turnover, Group gross profit climbed 19.0% to S\$24.1 million in 2010 compared to S\$20.2 million in 2009. The Group has been successful in gradually migrating to higher margin channel business that has improved margins to 5.9% for the year compared to 4.6% a year earlier. The margin achieved in the latest quarter was 7.5% compared to 4.8% in the previous corresponding quarter. In the previous year, dividend income constituted about 5% of the overall gross profit earned.

Other income for the year increased overall by 10% to S\$2.2 million and arose mainly from disposal gains on the sale of properties in China.

The continued rise in property prices in China (including Hong Kong) saw the value of the Group's remaining investment property assets increase by S\$2.1 million, compared to unrealized valuation gains of S\$2.7 million assessed in the previous financial year.

Net finance income for the year was lower at S\$0.8 million as compared to S\$1.7 million in the previous year mainly due to lower deposits in the current year resulting from the outflow of funds for the Cash Distribution to shareholders.

Foreign exchange gains in the current year amount to S\$1.9 million as against S\$1.2 million in the previous financial year. These gains arose mainly from the translation of monetary assets and liabilities denominated in foreign currencies outstanding as at the year-end.

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

Group net income attributable to shareholders was S\$37.5 million for the year as compared to S\$11.5 million in the previous year. The net income for the current year includes the gain of S\$28.7 million recognized on the disposal of quoted investments in India.

Expenses

Distribution expenses increased to S\$5.2 million in the current year from S\$3.9 million in the previous financial year. The significantly higher level of activities in the channel distribution business during the current year necessitated increased staffing, advertisement and promotion activities and transportation and travelling expenses.

Overall administration expenses of S\$14.9 million for the current year were 6% higher than the S\$14.0 million for the previous year. Staff costs rose due to the additional headcount as well as annual salary adjustments. Director's fees were higher in the current year due to the normalization of fees from the reductions made in the previous year. The consequent increase in these staffing costs was partially compensated by savings in rental costs and professional fees during the current year. Professional fees in the previous year had also incorporated significant recoveries of legal costs.

Group income tax was mainly in relation to the taxable profits of the distribution business at the PRC and of the property entity, Wujiang Dafa as well as deferred taxation on the valuation gain on investment properties.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Working Capital and Cash Flow

Inventories increased to S\$41.6 million as at 31 December 2010 from S\$27.5 million as at 31 December 2009. Increased inventory needs to be maintained to cater to an increased volume of channel business as well as in preparation for the upcoming high season. Opportunistic as well as regular purchases continue to be made to cater for increased seasonal and regular demand for products.

Trade and Bills Receivables declined to S\$30.1 million as at 31 December 2010 from S\$39.1 million as at 31 December 2009 as a result of the lower turnover during the latest quarter.

Other Receivables increased to S\$7.7 million as at 31 December 2010 from S\$6.3 million as at 31 December 2009 primarily due to higher VAT payments.

The reduction in Available for Sale investments, included under Current Assets, is on account of the disposal of the quoted investment in Gateway Distriparks Ltd, India. The value of the remaining Australian investment in shares, included under "Non Current Assets", has increased by S\$5.5 million owing to favourable price and exchange movements during the year. In the last quarter, the Group has also invested in a real estate project in Australia.

Bank borrowings increased to S\$21.75 million as at 31 December 2010 from S\$4.5 million as at 31 December 2009. In view of the cash outflow pursuant to the Capital Reduction exercise, the Group has arranged banking facilities to provide additional funding for growth of the Group's distribution business as well as for investment in the real estate business.

Overall operational cash outflow was S\$3.3 million for the year and reduced as compared to the outflow of S\$5.6 million in the previous financial year. Improved operational profits as well as reductions in outstanding trade receivables were able to cover adequately the cash requirements for the build-up of inventories as at the year end. Fixed deposits and the proceeds from the sale of Available for Sale investments in India were primarily used for completing the Cash Distribution to shareholders of S\$130.6 million on 30 June 2010, pursuant to the Capital Reduction.

Net Asset Value

Net Asset Value per share as at 31 December 2010 was 3.83 cents as compared to 8.72 cents as at 31 December 2009. This was primarily due to the reduction of capital by 5 cents per share. The Cash Distribution to shareholders was made by the CDP on 7 July 2010.

Performance Summary

Distribution

Turnover at the Distribution business declined to S\$406.9 million for the current year as compared to S\$435.3 million in the last financial year, a decline of 6.5%. However, the Group's focus on higher margin channel business has resulted in Segment profit of S\$8.5 million for the year, which was a marked improvement from the S\$6.9 million achieved in the previous financial year. Excluding the one-off legal damages, interest and cost recoveries of S\$1.7 million received in the previous corresponding period, a growth of 64% was recorded on a Y-O-Y basis.

Real Estate Investments

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

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Group's operational performance in the period met management's expectations.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The PRC economy grew by 9.8% in the fourth quarter of 2010 and by 10.3% for the full year, up from 9.2% growth in 2009. In the backdrop of a spurt in economic activity, the PRC government is making attempts to boost domestic consumption to wean away the economy's dependence on exports which should enable the Group to maintain its focus on growing its business.

The Group's focus on making more intense utilization of its available capital continues to yield positive results. The Group is positive of maintaining growth in its distribution business in 2011.

The Group is also working on a pipeline of projects in Australia for its Real Estate business and is close to finalizing some of these investments.

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/recommendeded, a statement to that effect

Subsequent to 31 December 2009, the directors do not recommend any payment of dividend.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)****13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

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

- a) Distribution ("DIST")
- b) Electronic manufacturing services ("EMS") – operations were discontinued during previous year
- c) Property holding division including real estate investments ("PPT")
- d) Others ("OTH") - those activities which do not fall into the above categories

Group's reportable segments**S\$'000****Year ended 31 December 2010**

	DIST	EMS	PPT	OTH	TOTAL
Revenue					
External sales from continuing operations	406,942	-	2,357	-	409,299
Result					
Segment result from continuing operations	8,486	-	1,591	(2,156)	7,921
Unallocated corporate expenses					
					(2,170)
Valuation gain on investment properties			2,070		2,070
Gain on disposal of available-for-sale investments					28,722
Finance income					909
Finance costs					(143)
Foreign exchange gain					1,906
Profit before income tax					39,215
Income tax expense					(1,396)
Net profit for the year					37,819
Other information					
Capital expenditure:					
Property, plant and equipment	298	-	-	6	304
Depreciation expense of continuing operations	369	-	91	13	473
Assets					
Segment assets	104,892	-	26,691	15,385	146,968
Total assets					146,968
Liabilities					
Segment liabilities	38,172	-	2,970	618	41,760
Income tax payable					1,020
Deferred tax liability					606
Total liabilities					43,386

THAKRAL CORPORATION LTD AND SUBSIDIARIES

S\$'000

Year ended 31 December 2009

	DIST	EMS	PPT	OTH	TOTAL
Revenue					
External sales from continuing operations	435,336	-	2,412	1,058	438,806
Result					
Segment result from continuing operations	6,928	-	720	(1,829)	5,819
Unallocated corporate expenses					(1,988)
Valuation gain on investment properties			2,723		2,723
Finance income					1,734
Finance costs					(46)
Foreign exchange gain					1,247
Profit before income tax and share of results of associates					9,489
Share of results of associates					1,253
Profit before income tax					10,742
Income tax expense					(952)
Profit after tax from continuing operations					9,790
Profit from discontinued operations		1,961			1,961
Net profit for the year					11,751

Other information					
Capital expenditure:					
Property, plant and equipment	443		-	140	583
Depreciation expense of continuing operations	401	-	94	19	514

Assets					
Segment assets	109,980	-	26,190	119,533	255,703
Assets of discontinued operations		30			30
Total assets					255,733
Liabilities					
Segment liabilities	19,272	-	2,608	755	22,635
Liabilities of discontinued operations		329			329
Income tax payable					1,232
Deferred tax liability					304
Total liabilities					24,500

Geographical information

S\$'000

Geographical segments:	Revenue		Capital expenditure		Non-current assets	
	31 Dec		31 Dec		31 Dec	
	2010	2009	2010	2009	2010	2009
People's Republic of China (including Hong Kong)	393,077	421,546	217	402	14,656	14,678
Others	16,222	17,401	87	181	1,652	1,689
	409,299	438,947	304	583	16,308	16,367

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

Revenue from discontinued operations was all derived in the People's Republic of China.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

See item 8 on review of performance

15. A breakdown of revenue

Breakdown of revenue

From continuing and discontinued operations

- a) Revenue reported for first half year
- b) Net profit after tax before deducting non-controlling interests reported for first half year
- c) Revenue reported for second half year
- d) Net profit after tax before deducting non-controlling interests reported for second half year

S\$'000		%
Year ended 31 Dec 2010	Year ended 31 Dec 2009	Increase / (Decrease)
226,538	212,357	7
32,000	4,166	NM
182,761	226,590	(19)
5,819	7,585	(23)

From continuing operations

- a) Revenue reported for first half year
- b) Net profit after tax before deducting non-controlling interests reported for first half year
- c) Revenue reported for second half year
- d) Net profit after tax before deducting non-controlling interests reported for second half year

S\$'000		%
Year ended 31 Dec 2010	Year ended 31 Dec 2009	Increase / (Decrease)
226,538	212,216	7
32,000	4,109	NM
182,761	226,590	(19)
5,819	5,681	2

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 year ended 31 December 2010 under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000) *
Thakral Brothers Pte Ltd and subsidiaries	S\$'000	S\$'000
Sales, net of return	557	N/A
Purchases, net of returns	5,180	N/A
Operating lease charges paid / payable	168	N/A

* No general mandate was in effect during the year.

BY ORDER OF THE BOARD

Tan Ping Ping
 Chan Lai Yin
 Company Secretaries
 28 February 2011



THAKRAL CORPORATION LTD

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

PRESS RELEASE

THAKRAL ACHIEVED 50% RISE IN OPERATIONAL PROFIT IN FY2010

- Net profit jumps to S\$37.8 million, including exceptional gain of S\$28.7 million from the sale of investment in Gateway Distriparks Limited
- Gross profit for FY2010 goes up by 19% to S\$24 million

Singapore, February 28, 2011 – SGX-Mainboard-listed Thakral Corporation Ltd (“Thakral” or the “Group”), posted a 50% increase in operating profit to S\$5.75 million in FY2010 as it reaped the benefits from its focus on higher margin consumer electronics products.

Net profit for FY2010 leapt by 222% to S\$37.8 million. This was largely due to the exceptional gain of S\$28.7 million from the sale of its investment in Gateway Distriparks Limited in India as well as higher gross and operating profit.

Other income for FY2010 increased marginally to S\$2.2 million, mainly due to disposal gains from the sale of properties in China.

The Group’s gross profit went up by 19% to S\$24 million in FY2010 from S\$20.2 million in FY2009, despite a 7% decline in revenue to S\$409.3 million in FY2010. This was attributed to the Group’s successful strategy of focusing on higher margin channel business that has boosted margins to 5.9% for the year compared to 4.6% in FY2009.

On a quarterly basis, despite higher distribution and administrative costs, the Group’s operating profit also rose 91% to S\$1.08 million in 4QFY2010 from S\$0.6 million in 4QFY2009.

This was achieved as a result of the Group’s gradual migration to a higher margin channel business. Gross profit also improved notwithstanding a turnover decline by

27% to S\$81.5 million against S\$111.7 million in 4QFY2009. Profit margin in 4QFY2010 was 7.5% compared to 4.8% in 4QFY2009.

However, net profit in 4QFY2010 was 42% lower at S\$3.39 million compared to S\$5.83 million in 4QFY2009. This is mainly due to the absence of a one-off gain of S\$1.9 million from the disposal of machinery of the discontinued operations and lower valuation gain from investment properties.

The continued rise in property prices in China (including Hong Kong) led to a S\$2.1 million increase in the value of the Group's remaining investment property assets.

Foreign exchange gains in the current year amounted to S\$1.9 million against S\$1.2 million in the previous financial year.

Mr Kartar Singh Thakral ("Mr Kartar"), Executive Chairman of Thakral commented: "We made much progress in FY2010 as we leveraged on the strong rebound in the global financial crisis to forge ahead with our strategic growth plans. We are pleased to deliver a record profit. While the record profit includes a one-off gain from the sale of investment in Gateway Distriparks Limited in India, we have registered strong growth in our operating profit and margins.

This sterling performance was possible owing to the strategic focus undertaken by our Consumer Electronics Division in enhancing its portfolio of higher margin products and solutions which made more effective and efficient use of our capital base to drive better returns for our shareholders."

Earnings Per Share and Net Asset Value Per Share

Group Earnings Per Share (from continuing and discontinued operations) for the full year under review was 1.44 cents, up from 0.44 cent for FY2009. The EPS for the current year includes the gain on the disposal of the Gateway Distriparks Limited investment.

Group Earnings Per Share (from continuing and discontinued operations) for 4QFY2010 was 0.13 cent compared to 0.22 cent for 4QFY2009. Excluding the one-off items in both periods, Group EPS would have grown by 97% in 4QFY2010.

The Company made a cash distribution of S\$130.6 million (5 cents per share) in July 2010 pursuant to its Capital Reduction exercise in the year under review. Group Net Asset Value Per Share after the cash distribution of 5 cents per share increased from 3.72 cents on December 31, 2009 to 3.83 cents on December 31, 2010.

Working Capital Position

After the cash distribution of S\$130.6 million to shareholders in July 2010, the Group's cash balance stood at S\$33.2 million at December 31, 2010, significantly lower than the S\$122.9 million at December 31, 2009.

Overall operational cash outflow for the financial year under review was \$3.3 million, lower than the S\$5.6 million in the previous financial year. The improved operational profits and reductions in outstanding trade receivables plus banking facilities adequately covered the cash requirements for the build-up of inventories as at the year-end.

Segmental Performance

Distribution

The distribution segment is the main growth driver for the Group in FY2010, accounting for more than 99% of the Group's revenue for the year. Turnover for this segment was down 6.5% to S\$406.9 million for FY2010 against S\$435.3 million in FY2009.

However, the Group's focus on higher margin channel business has resulted in the distribution segment's profit of S\$8.5 million for FY2010, higher than S\$6.9 million in FY2009. The distribution segment, excluding the one-off legal damages, interest and

cost recoveries of S\$1.7 million, enjoyed a 64% growth compared to that of FY2009.

Property and Real Estate Investments

Revenue from this segment stood at S\$2.4 million. This segment recorded a gain of S\$1.5 million from the disposal of a property in China.

The Group, which made its first investment of S\$3.6 million in the property market in Australia during the year under view, has made steady and promising progress in its real estate division.

Going Forward

Mr Kartar said: “The PRC economy grew by 9.8% in the fourth quarter of 2010 and by 10.3% for the full year, up from 9.2% growth in 2009.

The Chinese economy is expected to continue growing at a healthy pace but at a slower rate than previously.

While the PRC government is making efforts to cool the over-heated economy, it is also pushing ahead to boost domestic consumption and wean away the economy’s dependence on exports. This augurs well for us as the Group is focusing on growth of its consumer electronics business.

As such, we are optimistic of maintaining the growth momentum in our consumer electronics distribution business in 2011.

The Group is also working on a pipeline of projects in Australia for its real estate business and is close to finalizing some of these investments. The real estate division aims to create a sustainable second revenue stream and contribute to positive shareholder value.”

Barring unforeseen circumstances, the Group remains confident of another profitable performance in FY2011.

About Thakral

Listed on the SGX Mainboard since December 1995 with its Distribution business headquartered in Shanghai, China, Thakral Corporation Ltd is in the consumer electronics distribution business as well as strategic property and equity investments.

Presently, China (including Hong Kong) and India are the Group's key markets for its products. Under its extensive consumer brand portfolio are global names such as Apple, Canon, Casio, Fuji, Hewlett-Packard, Kodak, Lenovo, Nikon, Nokia, Orion, Panasonic, Samsung and Sony. The Group has also taken up new brands such as Altec Lansing, Case-Mate, Parrot, Scott and SwitchEasy.

Major products distributed under these key brands include digital cameras, data-vision projectors, iPhones, iPads, mobile phones, plasma and LED TVs, digital photo frames, portable DVD players, iPod accessories, MP3/MP4/MP5 players, desktop and notebook computers, memory cards, personal digital assistants (PDAs) and games/media players, printers, electronic accessories and consumables.

The Group also markets and distributes trendy consumer electronics products under its own proprietary brand "YES". These products include audio players and accessories, portable media players, portable DVD players, LCD/Plasma/LED-backlit LCD TVs, digital photo frames, LED flashlights, battery chargers and memory cards.

The Group has made its first real estate financial investment in Australia and is now going through legal process for several other transactions.

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

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FY2010 RESULTS BRIEFING



THAKRAL
CORPORATION LTD



Inderbethal Singh Thakral
Managing Director, Distribution Business
28th February 2011



THAKRAL
CORPORATION LTD



Presentation Outline

- Company Background
- Financial Highlights
- Business Strategies & Future Plans
- Prospects



Apple iPad iPhone



Company Background

- Listed on the Mainboard of Singapore Exchange in 1995
- HQ in Shanghai, PRC, with another principal office in Hong Kong
- Key markets in China (including Hong Kong), India and other South-Asian and Southeast Asian countries



Key Shareholders

Key Shareholders	Shareholding Post Capital Reduction	Shareholding as of Feb 2011
Thakral Family	29.92%	29.91%
Hong Leong Asia Ltd / China Yuchai International Limited through Venture Delta Limited and Grace Star Services Ltd	12.53%	12.20%
Remaining shares excluding those held by the above two substantial shareholders	57.55%	57.89%



Thakral PRC Business Team



★ Offices:
Shanghai (HQ)
Beijing
Chengdu
Guangzhou
Hong Kong

● Sales reps
in 25 cities
across
China

我国政区拼合图



Thakral PRC Business



Thakral Panasonic Image Store in Shanghai, China



THAKRAL
CORPORATION LTD



Key Businesses

▪ Consumer Electronics Distribution

- **Digital audio/video products** e.g. digital cameras, data-vision projectors, iPhones, iPads, mobile phones, plasma and LED TVs, digital photo frames, portable DVD players and iPod accessories, MP3/MP4/MP5 players
- **IT products** e.g. desktops, notebooks, memory cards, personal digital assistants (PDAs), printers, electronic accessories and consumables
- **Games & Media Players** e.g. Lenovo G120, Nintendo DS



Brand Portfolio

In-house Brands	Third Party Global Brands			
	   	   	    	    



Key Businesses

- **Strategic property and equity investments**
 - Property Holding:
 - Residential, commercial and warehousing properties in China and Hong Kong
 - Equity Investments:
 - 3.5% stake in Thakral Holdings Ltd in Australia
 - 25% stake in real-estate related HarbourOne Mezzanine Fund in Australia



Financial Highlights



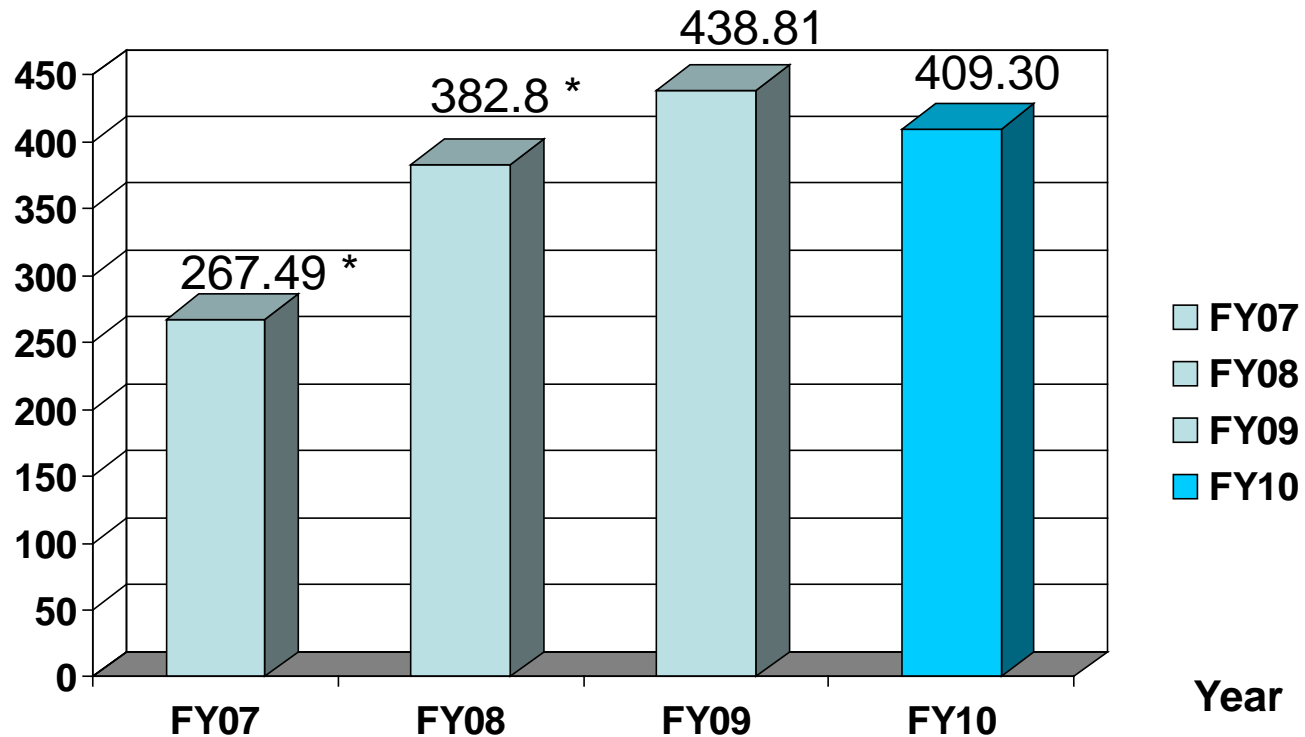
Financial Snapshot (FY10 vs FY09)

	FY10	FY09	% change
Revenue (S\$ million)	409.30	438.81	(6.7)
Gross Profit (S\$ million)	24.06	20.23	18.9
Gross Margin (%)	5.9	4.6	28.3
Net Attributable Profit (S\$ million)	37.54	11.52	225.9
Net Attributable Profit (S\$ million) (Excluding exceptional items)	7.39	3.09	139
Net Margin (%)	9.2	2.6	253.8
Earnings Per Share (cents)	1.44	0.44	227
Earnings Per Share (cents) (Excluding exceptional items)	0.28	0.12	133
Net Asset Value Per Share (cents)	3.83	3.72 (excluding the 5 cents per share for the capital reduction)	3



Revenue (Full Year)

Revenue (\$m)

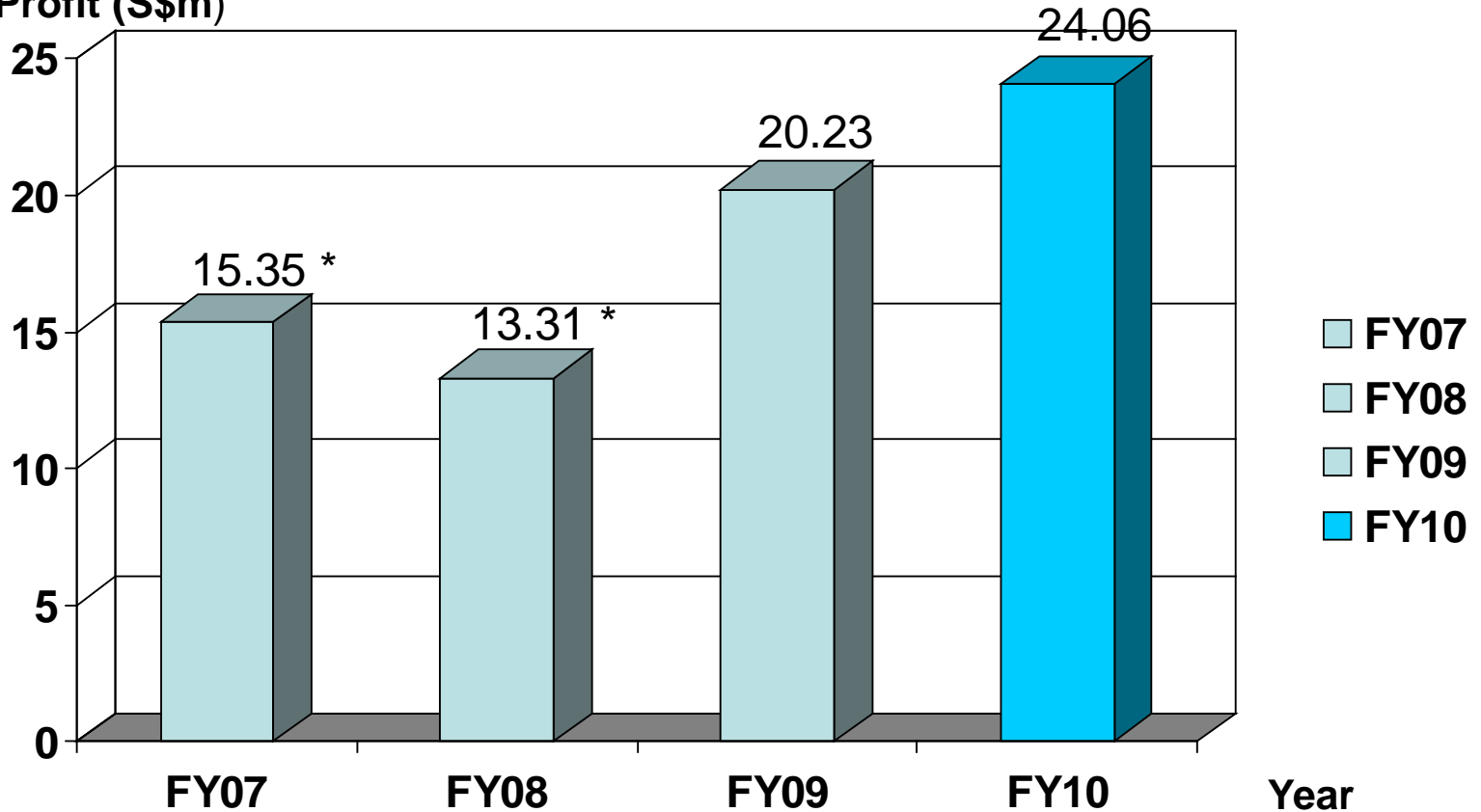


* Revenue figures for FY07 and FY08 adjusted to exclude discontinued EMS operations to enable a like-for-like comparison



Gross Profit (Full Year)

Gross Profit (S\$m)

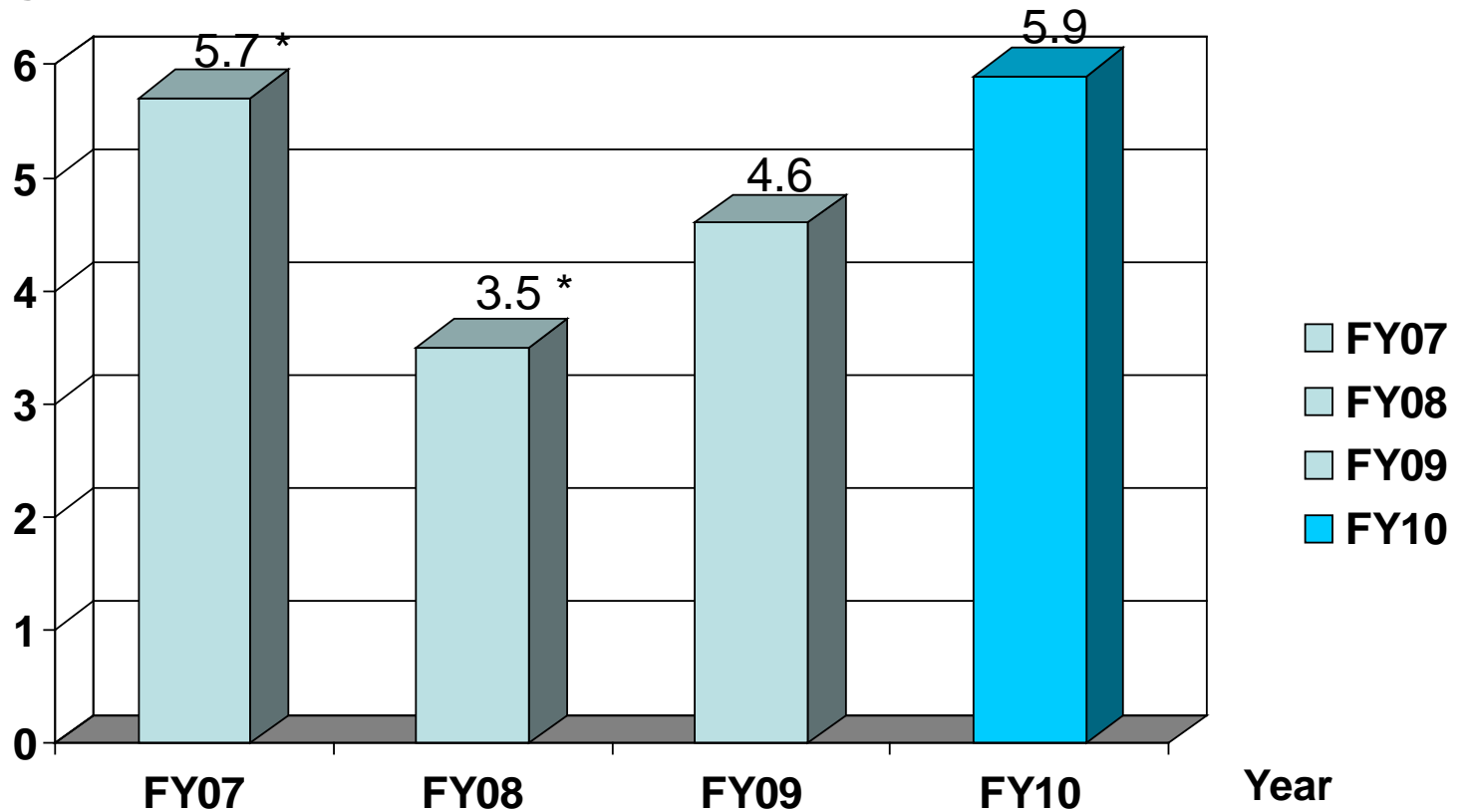


* Gross Profit figures for FY07 and FY08 adjusted to exclude discontinued EMS operations to enable a like-for-like comparison



Gross Margins (Full Year)

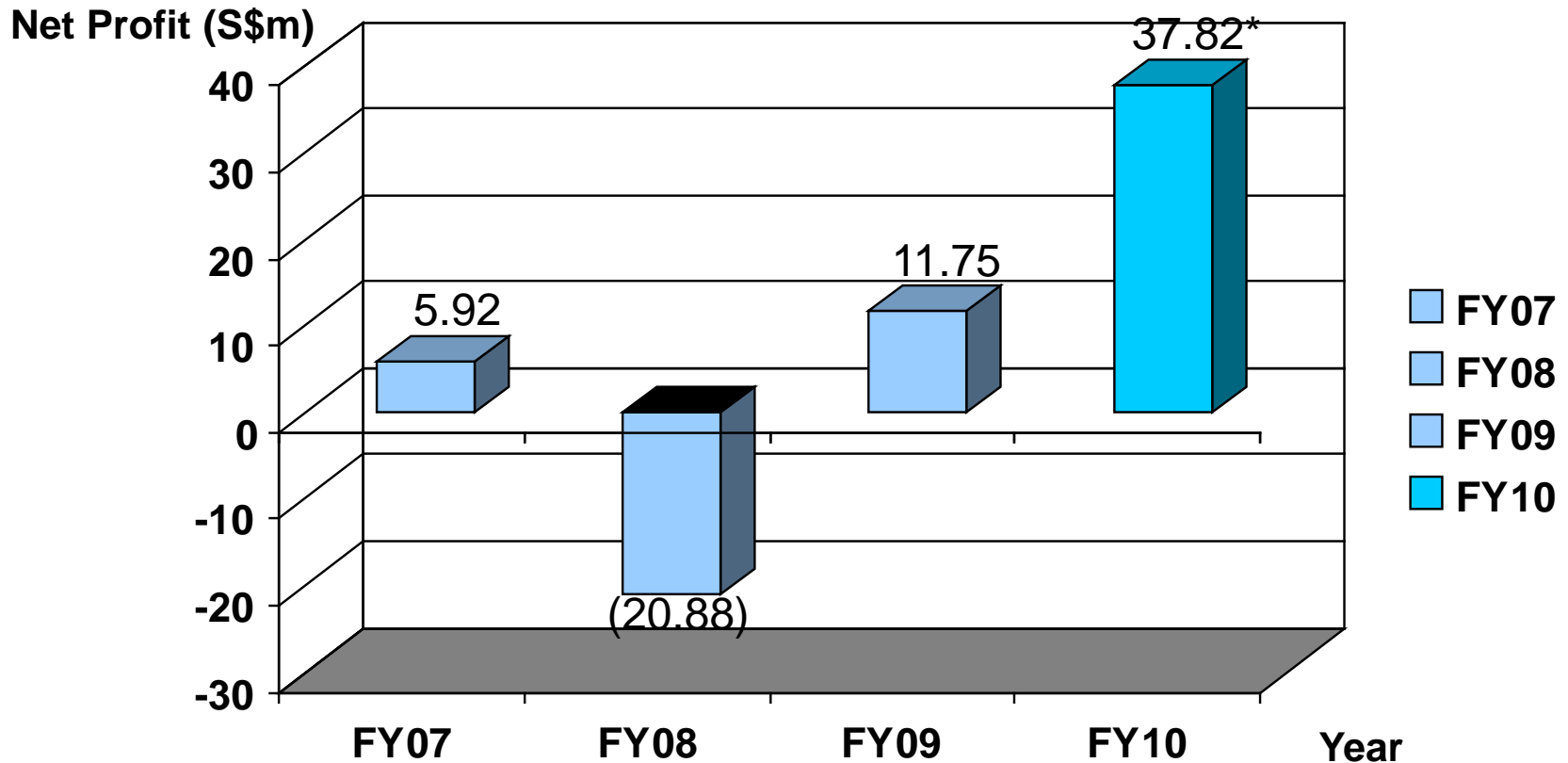
Gross Margins (%)



* Gross Margin % for FY07 and FY08 adjusted to exclude discontinued EMS operations to enable a like-for-like comparison



Net Profit (Full Year)



*Includes gain from sale of investment in Gateway Distriparks Limited



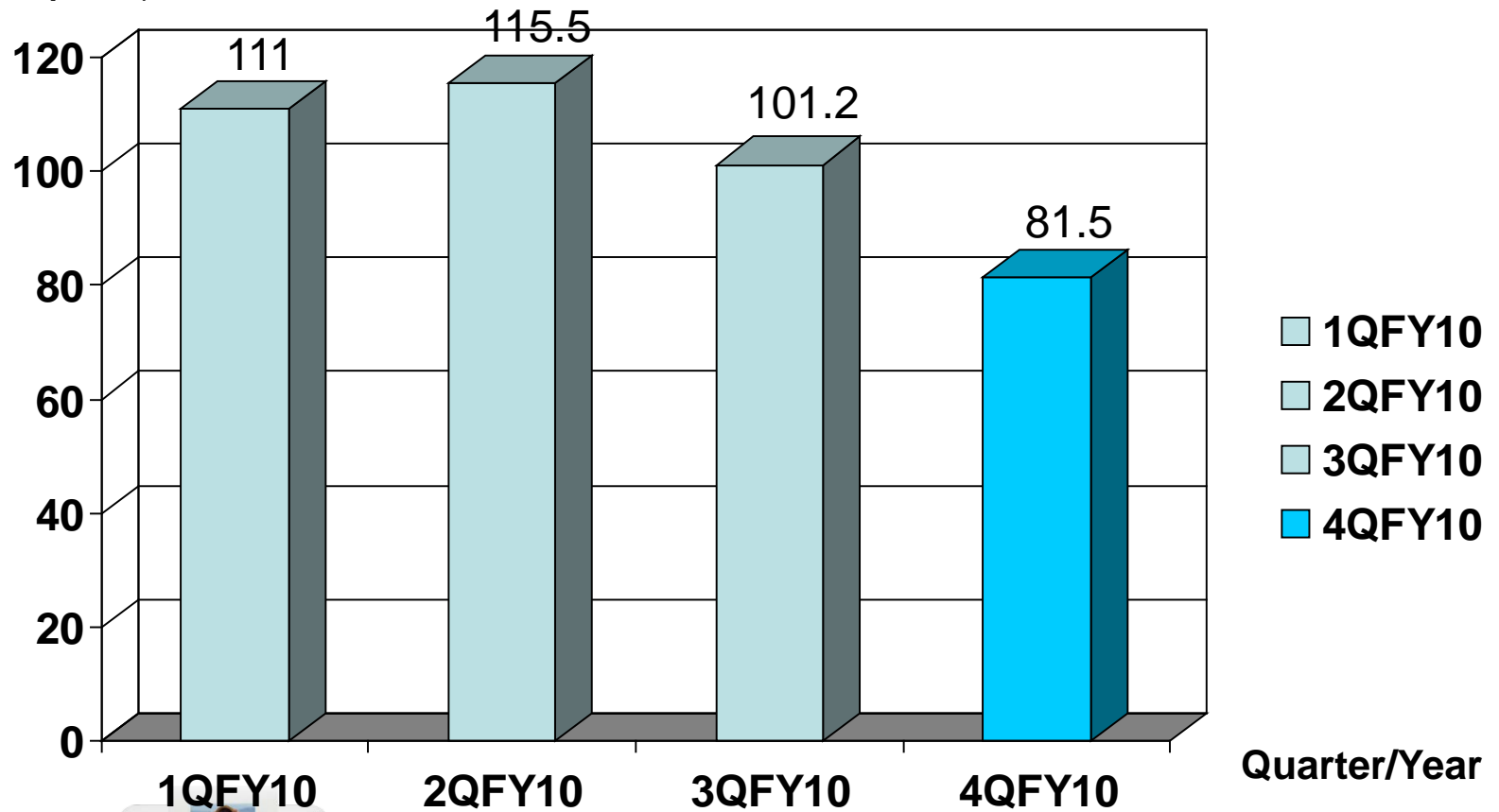
Financial Snapshot (4QFY10 vs 4QFY09)

	4QFY10	4QFY09	% change
Revenue (S\$ million)	81.55	111.71	(27)
Gross Profit (S\$ million)	6.09	5.34	14
Gross Margin (%)	7.5	4.8	56
Net Attributable Profit (S\$ million)	3.29	5.69	(42)
Net Attributable Profit (S\$ million) (Excluding exceptional items)	1.86	0.94	98
Net Margin (%)	4.0	5.1	(22)
Earnings Per Share (cents)	0.13	0.22	(41)
Earnings Per Share (cents) (Excluding exceptional items)	0.071	0.036	97



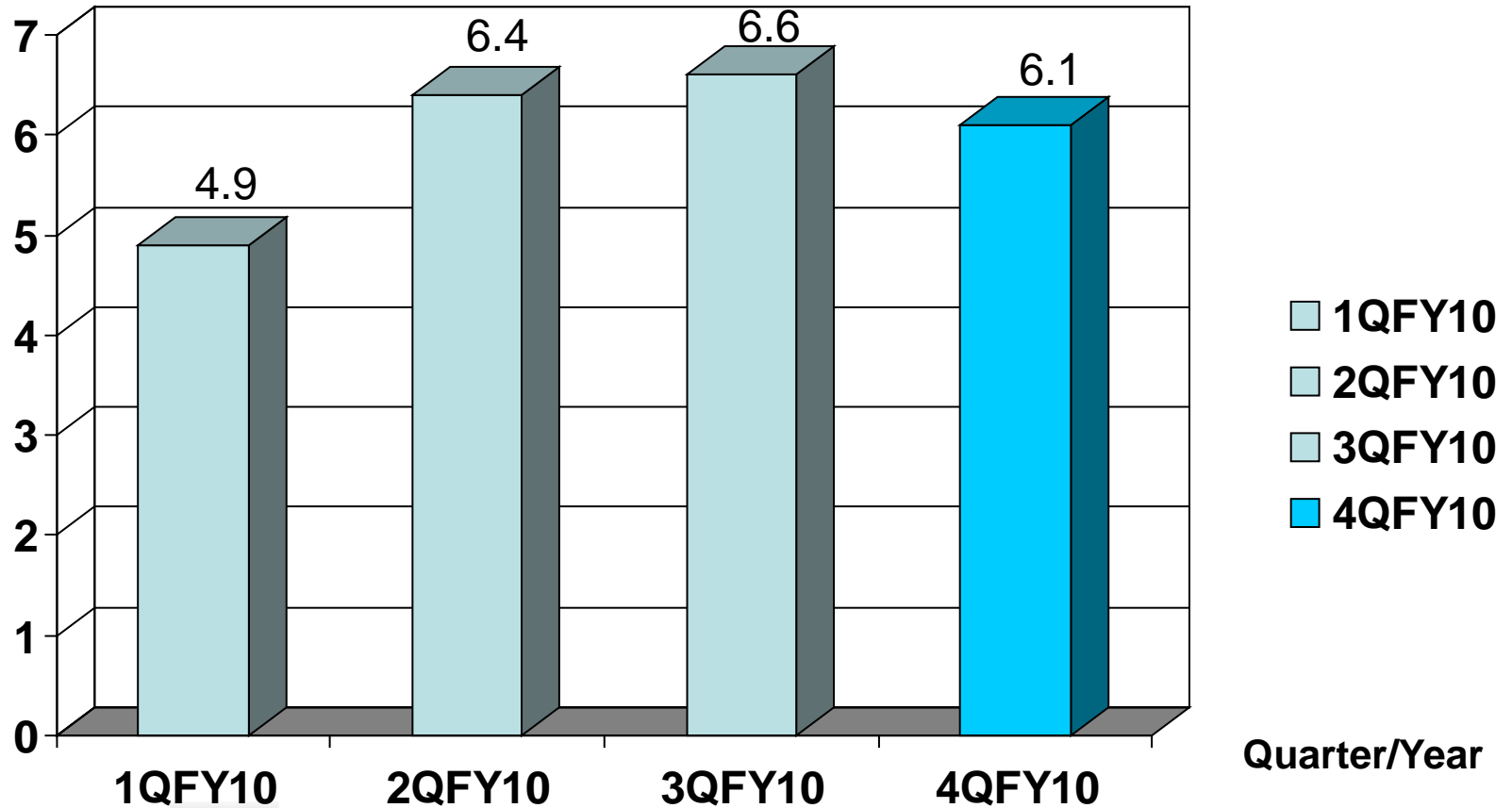
Revenue (Quarterly)

Revenue (S\$m)



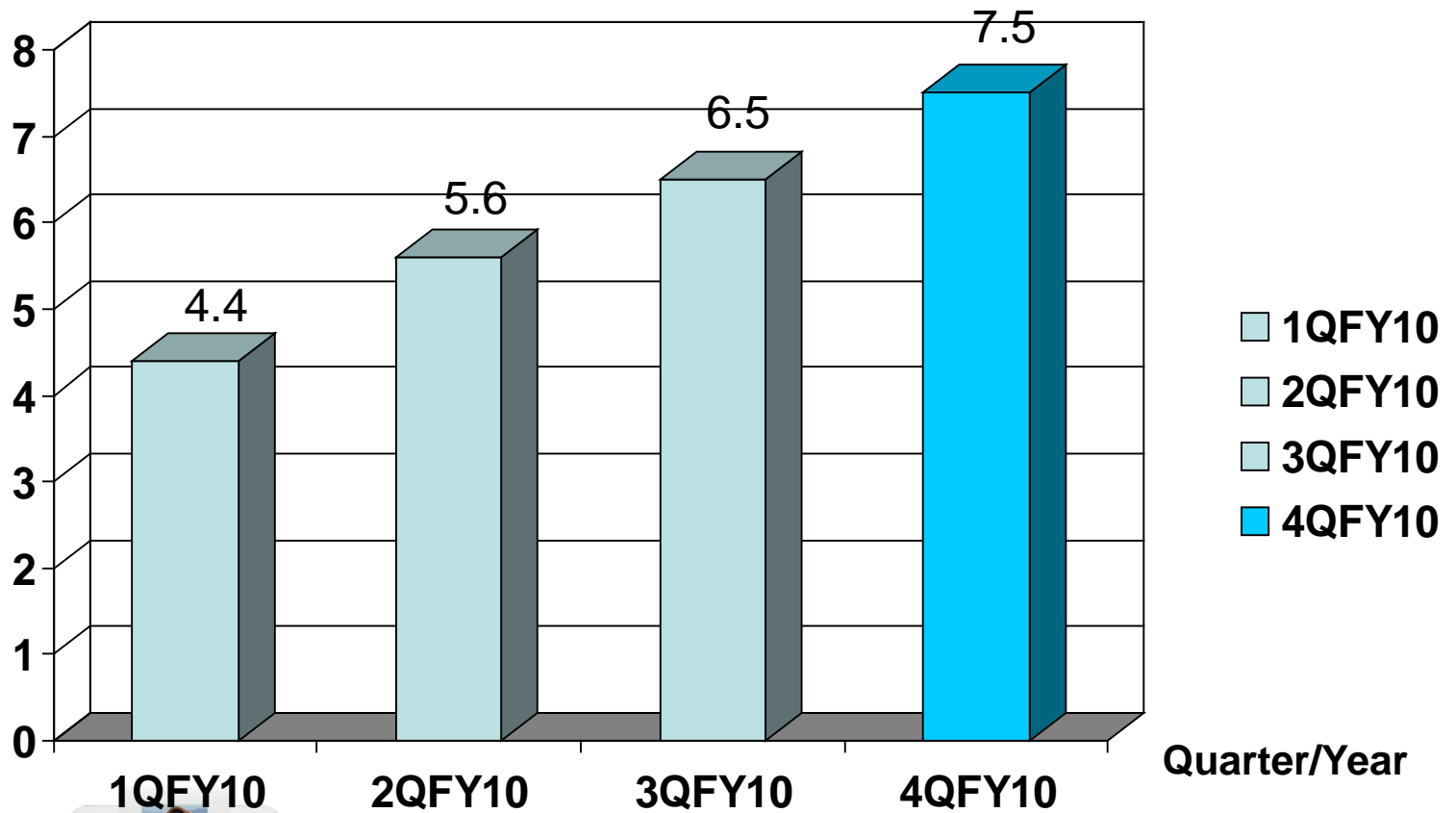
Gross Profit (Quarterly)

Gross Profit (S\$m)



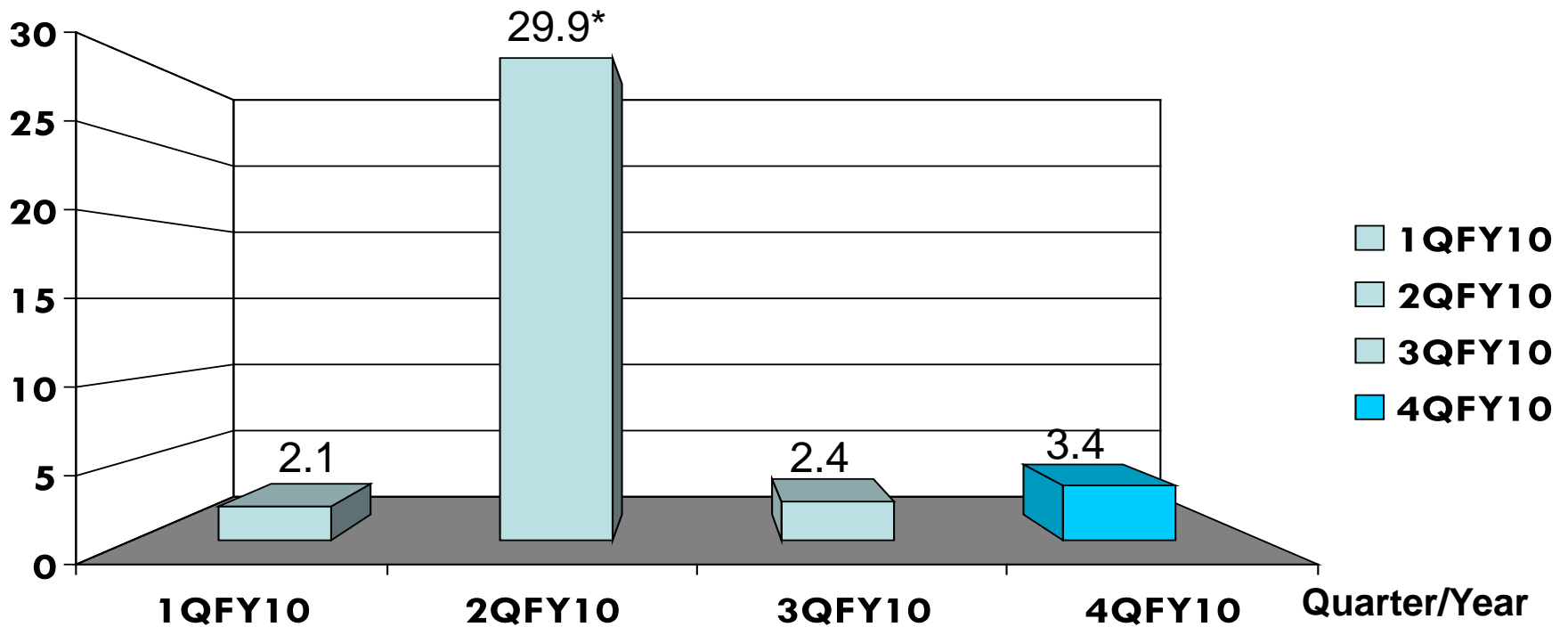
Gross Margins (Quarterly)

Gross Margins (%)



Net Profit (Quarterly)

Net Profit (S\$m)



*Includes S\$28.7 million gain from sale of investment in Gateway Distriparks Limited



Business Strategies & Future Plans



THAKRAL
CORPORATION LTD



Business Strategies & Future Plans

- Having achieved a good product mix with reasonable margin levels, going forward, the Group will now focus on growing the channel and customer base for each product category
- Continued focus to increase corporate sales and sales of accessories, including speakers etc for iPhone's, iPad's
- Redeploy cash to generate better returns
- Invest and/or Co-invest in real estate projects in the region



Prospects



Prospects

Consumer Electronics Distribution:

- PRC economy grew by 10.3% in 2010, up from 9.2% growth in 2009
- India and other South-Asian / Southeast Asian economies are also seeing growth
- PRC government is making a concerted effort to boost domestic consumption to reduce dependence on exports
- Group is focused on making more intense utilization of its available capital to grow the business
- With our expanding channel network, we attract other brands to call on us to distribute their products in certain regions or to a particular channel - thus opening up more opportunities
- The Group is positive of maintaining growth in its distribution business in 2011



Prospects

Real Estate Investments:

- The Group is working on a pipeline of projects in Australia for its Real Estate business and is close to finalizing some of these investments.
- Create a sustainable second revenue stream to contribute to positive shareholder value.

Barring unforeseen circumstances, the Group remains confident of another profitable performance in FY2011.



Thank You

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