

FIRST QUARTER RESULTS \* FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT

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\* Asterisks denote mandatory information

<b>Name of Announcer *</b>	THAKRAL CORPORATION LTD
<b>Company Registration No.</b>	199306066E
<b>Announcement submitted on behalf of</b>	THAKRAL CORPORATION LTD
<b>Announcement is submitted with respect to *</b>	THAKRAL CORPORATION LTD
<b>Announcement is submitted by *</b>	Anil Daryanani
<b>Designation *</b>	Group Financial Controller
<b>Date &amp; Time of Broadcast</b>	14-May-2013 19:32:36
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

<b>For the Financial Period Ended *</b>	31-03-2013
<b>Description</b>	Please refer to attachments.
<b>Attachments</b>	<a href="#">ThakralCorp_Results_Q1FY13_14May13.pdf</a> <a href="#">ThakralCorp_PR1QFY2013_20130514.pdf</a> Total size = <b>125K</b> (2048K size limit recommended)



## **THAKRAL CORPORATION LTD**

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

### **PRESS RELEASE**

#### **THAKRAL REPORTS REVENUE OF S\$88.9 MILLION FOR 1QFY2013**

- **Revenue rose by 27% compared to 1QFY2012 due to introduction of new brands and products as well as increase in sales of higher volume products**
- **Profit contributed by Investment Division rose to S\$1.5 million from S\$0.1 million in 1QFY2012**

**Singapore May 14, 2013**

Mainboard-listed Thakral Corporation Ltd (“Thakral” or the “Group”) reported a 27% increase in its Group revenue to S\$88.9 million for 1QFY2013, up from S\$70.0 million in the previous corresponding quarter.

The revenue increase was due to higher sales in both its core businesses – Distribution and Investment Divisions. The Distribution Division introduced new brands and products while more real estate investment projects were undertaken and completed in Australia.

With its improved turnover, the Group narrowed its net loss to S\$0.2 million in 1QFY2013, against a loss of S\$1.1 million in 4QFY2012 after excluding valuation gains on investment properties. Owing to the softer market demand in China, the Group’s gross margin slipped from 9.2% in 1QFY2012 to 6.1% in 1QFY2013.

The Investment Division put up a positive performance – with growth in both revenue and profit as projects in which investments were made in the last year became income producing and reached completion and as investment in new projects were made.

As a result of the Group’s effective cost control, overall expenses were lower than the previous corresponding quarter. Distribution expenses of S\$1.3 million were 8% lower than S\$1.5 million incurred in 1QFY2012. Administration expenses were down by about 16% from S\$4.6 million to S\$3.9 million. This was primarily due to lower staff bonus accruals in the current quarter.

Finance costs however increased from S\$0.5 million in 1QFY2012 to S\$1.2 million. This is mainly due to increase in senior debt to finance the GLNG phases 1 and 2 housing projects in Australia. These projects are already delivering positive returns to the Group.

## **Earnings Per Share and Net Asset Value Per Share**

Group Loss Per Share for the quarter under review was 0.01 cent compared to 0.06 cent profit per share in 1QFY2012.

Net Asset Value Per Share as at March 31, 2013 edged up to 4.17 cents from 4.15 cents as at December 31, 2012 because of translation gains from consolidation of subsidiaries.

## **Working Capital Position**

The Group's financial position remains healthy as the total cash and bank balances including non-current fixed deposits was relatively stable at S\$48.4 million as at March 31, 2013 compared to S\$49.3 million as at December 31, 2012.

The Group's operational cash inflow improved from S\$3.6 million in 1QFY2012, to S\$6.4 million in 1QFY2013.

## **Segmental Performance**

### **Distribution**

Revenue at the Distribution Division rose 26% to S\$86.6 million in 1QFY2013 from S\$69.0 million in 1QFY2012.

Lower margins led to the division's loss of S\$0.5 million for the quarter compared to a profit of S\$2.1 million in 1QFY2012, this loss for the current quarter is significantly less than the S\$2.6 million loss incurred in 4QFY2012.

Inventory remained around the same level as in the last quarter in FY2012. The trade receivable days were significantly reduced from 36 days in the last quarter to 28 days as at March 31, 2013.

### **Investments**

Revenue for Investment Division more than doubled to S\$2.3 million for 1QFY2013 compared to S\$1.0 million in 1QFY2012. This was mainly due to higher contribution from the unit in Australia.

Segmental profit from this division also increased to S\$1.5 million from S\$0.1 million in 1QFY2012.

It completed and delivered a total of 30 houses by the end of 1QFY2013 in Gladstone, Australia, under the second phase of the housing development project for GLNG. Construction of the remaining 26 houses is progressing on time and within budget.

As previously announced, this division has committed up to A\$24.05 million funding for the A\$200 million Union Balmain project in Sydney, Australia. The Group intends to sell down up to A\$18 million of the commitment to its capital partners.

### **Going Forward**

Mr. Natarajan Subramaniam, Independent Non-Executive Chairman of Thakral said: “China’s economy is expected to grow at a slower pace of 7.7% compared to last year. Our Distribution Division has taken on new brands and products to appeal to a broader customer base, with the aim of delivering improved performance.

“Our Investment Division has delivered a strong set of results in the first quarter of FY2013 and going forward, the outlook remains positive. Housing vacancy rates in Australia’s major cities such as Sydney, Melbourne and Brisbane remain low at 1-2%.

“Housing affordability in Australia continues to improve, driven by, interest rate cuts and new developments. The stable residential property market in Australia offers a good opportunity for our Investment Division to grow. The division is currently evaluating a healthy pipeline of projects and we will announce each project after commitments are firmed up.

“In view of the current market conditions in China and the uncertain global economy, the Group will stay prudent in managing market risks while leveraging on new opportunities. Barring any unforeseen circumstances, the Group remains cautiously optimistic in its overall outlook for FY2013.”

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### **About Thakral**

Listed on the SGX Mainboard since December 1995, Thakral Corporation Ltd is in the consumer electronics distribution business and strategic property and equity investments.

Presently, China (including Hong Kong) and other Southeast Asian countries are the Group’s key markets for its consumer electronics distribution business. Under its extensive consumer brand portfolio are global names such as Apple, Canon, Casio, Fuji, Hewlett-Packard, Lenovo, Nikon, Nokia, Orion, Panasonic, Samsung and Sony. The Group has also taken up brands such as Belkin, Buffalo, Built, Cygnett, Empire, Huawei, Logic3, Native Union, Scott, Skullcandy, SwitchEasy and ZTE.

The Group also markets and distributes trendy consumer electronics products under its own proprietary brand “YES”.

The Group invests in real estate and other investment opportunities which include financial instruments backed by property and in direct property with a view to earning a strong return on its capital and revolving its capital speedily including bringing in co-investors. The Group also earns income from the services it provides in

originating, packaging and managing projects for its co-investors. The Group has been the cornerstone investor in these investment opportunities.

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

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**First Quarter Financial Statements Announcement**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, for the first quarter ended 31 March 2013 together with comparative statements for the corresponding period of the immediately preceding financial year**

These figures have not been audited.

**CONSOLIDATED INCOME STATEMENT**

	Note	Group		
		S\$000		% Increase / (Decrease)
		Three months ended		
		31 Mar 2013	31 Mar 2012	
Revenue	1	88,923	69,950	27
Cost of sales		(83,524)	(63,483)	32
Gross profit	1	5,399	6,467	(17)
Other operating income	2	103	616	(83)
Distribution costs	3	(1,349)	(1,474)	(8)
Administrative expenses	4	(3,871)	(4,595)	(16)
Other operating expenses	5	(125)	(108)	16
Profit from operations		157	906	(83)
Finance income	6	282	322	(12)
Finance costs	7	(1,227)	(450)	173
Foreign exchange gain	8	640	816	(22)
<b>(Loss) profit before income tax</b>		<b>(148)</b>	<b>1,594</b>	<b>NM</b>
Income tax expense	9	(38)	(125)	(70)
<b>(Loss) profit for the quarter</b>		<b>(186)</b>	<b>1,469</b>	<b>NM</b>
<u>Attributable to:</u>				
Equity holders of the Company		(211)	1,468	NM
Non-controlling interests		25	1	NM
		<b>(186)</b>	<b>1,469</b>	<b>NM</b>

NM – Not meaningful

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	S\$'000		% Increase / (Decrease)
		Three months ended		
		31 Mar 2013	31 Mar 2012	
<b>(Loss) profit for the quarter</b>		<b>(186)</b>	<b>1,469</b>	<b>NM</b>
<b>Other comprehensive income (loss)</b>				
Items that may be reclassified subsequently to profit or loss				
Translation gain (loss) arising on consolidation	10	928	(4,351)	NM
Net fair value changes in available-for-sale investments		-	(348)	(100)
<b>Other comprehensive income (loss) for the quarter, net of tax</b>		<b>928</b>	<b>(4,699)</b>	<b>NM</b>
<b>Total comprehensive income (loss) for the quarter</b>		<b>742</b>	<b>(3,230)</b>	<b>NM</b>
<u>Total comprehensive income (loss) attributable to:</u>				
Equity holders of the Company		633	(3,094)	NM
Non-controlling interests		109	(136)	NM
		<b>742</b>	<b>(3,230)</b>	<b>NM</b>

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

Turnover for the quarter increased by 27% to S\$88.9 million in view of the Group's efforts to improve business through the introduction of new brands and products. Lower margins of 6.1% for the quarter were principally due to sales of certain high turnover items that sell at lower margins.

Revenue for the quarter included investment income comprising dividends and interest income amounting to S\$318,000 (Q1-FY12: S\$695,000)

Note 2:

Other operating income comprises:

	S\$'000		% Increase / (Decrease)
	Three months ended		
	31 Mar 2013	31 Mar 2012	
Gain on disposal of property, plant and equipment	12	25	(52)
Credit arising from severance of Indian relationship	-	430	(100)
Commission income	57	118	(52)
Miscellaneous	34	43	(21)
<b>Total</b>	<b>103</b>	<b>616</b>	<b>(83)</b>

- (i) Commission income declined due to lower level of logistical support business during the quarter.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Note 3:

Distribution costs comprise:

	S\$'000		% Increase / (Decrease)
	Three months ended		
	31 Mar 2013	31 Mar 2012	
Staff costs	(787)	(799)	(2)
Advertising & promotion	(36)	(34)	6
Transportation	(204)	(255)	(20)
Travelling expenses	(125)	(174)	(28)
Others	(197)	(212)	(7)
Total	(1,349)	(1,474)	(8)

- (i) Transportation expenses reduced for the period due to the lower level of channel sales activity as a result of the business conditions in China.
- (ii) Travelling expenses were lower due to reduced travel by sales personnel.

Note 4:

Administration expenses comprise:

	S\$'000		% Increase / (Decrease)
	Three months ended		
	31 Mar 2013	31 Mar 2012	
Staff costs (including executive directors)	(2,559)	(3,234)	(21)
Directors' fees	(121)	(121)	-
Professional fees	(312)	(211)	48
Rent & rates	(216)	(146)	48
Travelling expenses	(70)	(73)	(4)
Insurance	(85)	(83)	2
Reversal of allowance for doubtful debts	8	30	(73)
Impairment loss for available-for-sale investment	-	(25)	(100)
Withholding tax	(32)	(229)	(86)
Others	(484)	(503)	(4)
Total	(3,871)	(4,595)	(16)

- (i) Lower staff costs were a result of reduced bonus accruals and staff headcount.
- (ii) Professional fees amounting S\$187,000 were capitalized in the previous corresponding quarter as they related to on-going projects.
- (iii) Increase in rentals as well as leasing of additional office space resulted in higher rent and rates.
- (iv) Withholding tax in the previous corresponding quarter arose mainly because of intra-group dividends paid by a subsidiary in China.

Note 5:

Other operating expenses comprise depreciation charges for the relevant periods.



## THAKRAL CORPORATION LTD AND SUBSIDIARIES

### Notes to the Consolidated Income Statement and Consolidated Statement of Comprehensive Income:

#### Note 6:

Finance income declined due to a combination of a lower level of fixed deposits as well as lower interest rates.

#### Note 7:

Finance costs increased mainly due to increase in senior debt to finance the GLNG 1 and 2 projects of the Investment Division.

#### Note 8:

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

#### Note 9:

Group income tax for the current quarter declined due to lower taxable profits at the Distribution units in China.

#### Note 10:

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

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

**STATEMENTS OF FINANCIAL POSITION**

	Note	Group ( S\$ '000) as at		Company ( S\$ '000) as at	
		31 Mar 2013	31 Dec 2012	31 Mar 2013	31 Dec 2012
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Inventories	1	44,067	46,476	-	-
Loan receivables	2	5,505	4,759	-	-
Trade receivables	3	24,155	30,731	-	-
Other receivables and prepayments	4	7,186	6,149	115	183
Cash and bank balances	5	40,066	30,565	445	315
Total current assets		120,979	118,680	560	498
<b>Non-current assets</b>					
Property, plant and equipment		5,909	6,038	9	12
Investment properties	2	73,778	63,124	-	-
Investment properties under development	2	16,600	18,680	-	-
Subsidiaries		-	-	123,111	123,111
Loan receivables	2	11,991	901	-	-
Non-current fixed deposits	5	8,357	18,766	-	-
Available-for-sale investments		3,496	3,436	-	-
Total non-current assets		120,131	110,945	123,120	123,123
<b>Total assets</b>		<b>241,110</b>	<b>229,625</b>	<b>123,680</b>	<b>123,621</b>
<b><u>LIABILITIES AND EQUITY</u></b>					
<b>Current liabilities</b>					
Trade payables	6	6,024	8,120	-	-
Bills payables and trust receipts	6	12,544	10,533	-	-
Bank overdraft and loans	7	33,861	35,895	-	-
Other payables		13,474	12,492	452	547
Provisions		3,985	4,069	27	27
Income tax payable		674	676	-	-
Total current liabilities		70,562	71,785	479	574
<b>Non-current liabilities</b>					
Amount owing to subsidiaries		-	-	23,448	22,995
Loans from external parties	2	56,623	44,685	-	-
Deferred tax liability		104	102	-	-
Total non-current liabilities		56,727	44,787	23,448	22,995
<b>Capital, reserves and non-controlling interests</b>					
Issued capital		72,557	72,531	72,557	72,531
Reserves		36,598	35,965	27,196	27,521
Equity attributable to equity holders of the Company		109,155	108,496	99,753	100,052
Non-controlling interests		4,666	4,557	-	-
Total equity		113,821	113,053	99,753	100,052
<b>Total liabilities and equity</b>		<b>241,110</b>	<b>229,625</b>	<b>123,680</b>	<b>123,621</b>

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Amount repayable in one year or less, or on demand

As at 31 March 2013		As at 31 December 2012	
Secured	Unsecured	Secured	Unsecured
S\$ 28,636,000	S\$ 17,769,000	S\$ 28,591,000	S\$ 17,837,000

Please also see notes (7 & 8) below

Details of any collateral

Charge over properties in Hong Kong; pledged bank deposits of S\$18.2 million; Company's corporate guarantee

Amount repayable after one year

As at 31 March 2013		As at 31 December 2012	
Secured	Unsecured	Secured	Unsecured
S\$ 52,731,000	S\$ 3,892,000	S\$ 44,685,000	NIL

Please also see note (2) below

Details of any collateral

Charge over units in property development asset-holding unit trust

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

		( S\$ '000)	
		Three months ended	
		31 Mar 2013	31 Mar 2012
	Note		
<b>OPERATING ACTIVITIES</b>			
(Loss) profit before income tax		(148)	1,594
Adjustments for:			
Depreciation expense		125	108
Dividend income and investment income		(316)	(695)
Interest expense		1,227	450
Interest income		(282)	(322)
Gain on disposal of property, plant and equipment		(12)	(25)
Net foreign exchange gain		(465)	(593)
Impairment loss on available-for-sale investments		-	25
Allowance for inventories		103	57
Reversal of allowance for doubtful trade receivables		(8)	(23)
Reversal of allowance for doubtful other receivables		-	(7)
<b>Operating cash flows before movements in working capital</b>		224	569
Trade receivables		7,020	3,410
Other receivables and prepayments		(914)	(729)
Inventories		3,032	11,050
Trade payables		(2,203)	(9,360)
Other payables and provisions		633	(147)
<b>Cash generated from operations</b>		7,792	4,793
Income tax paid		(70)	(870)
Interest paid		(1,463)	(445)
Interest received		131	128
<b>Net cash from operating activities</b>		6,390	3,606
<b>INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(20)	(73)
Proceeds from disposal of property, plant and equipment		15	45
Additions to investment properties and investment properties under development		(6,982)	(14,344)
Net additions to loan receivables		(11,420)	(847)
<b>Net cash used in investing activities</b>		(18,407)	(15,219)
<b>FINANCING ACTIVITIES</b>			
Net proceeds from issue of shares on exercise of employees' share options		26	-
Dividends paid		-	(2,612)
Increase in fixed deposits with maturities exceeding three months	5	(3,900)	(862)
Decrease in pledged bank deposits	5	3,951	-
Increase in bills payable and trust receipts		1,880	1,733
Increase in loans from external parties	2	11,159	16,123
Decrease in bank loans	7	(2,642)	(85)
<b>Net cash from financing activities</b>		10,474	14,297
<b>Net (decrease) increase in cash and cash equivalents</b>		(1,543)	2,684
Cash and cash equivalents at beginning of the quarter		25,668	29,066
Net effect of exchange rate changes in the balance of cash held in foreign currencies		120	(1,475)
<b>Cash and cash equivalents at end of the quarter</b>		24,245	30,275
Cash and cash equivalents were represented by:-			
Fixed deposits with maturities less than 3 months, cash and bank balances	5	25,919	30,275
Bank overdrafts		(1,674)	-
		24,245	30,275

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Note 1:

There was no material change in the level of inventories from the previous quarter.

Note 2:

The Group's Investment Division sold-down a part of its investment in a project classified as Loan receivable during the quarter to its new fund, the TCAP Capital Partners Fund No. 1. Funding was advanced for another project – Union Balmain – during the quarter.

The Group consolidates the investment properties (under development as well as completed) and the relevant loan financing provided by the financial institutions for the two GLNG projects on its statement of financial position. The recourse of the financial institutions for the loans provided remains limited to the GLNG projects only. All completed properties are recorded as Investment properties and are being carried at an internal valuation.

The increase in the value of investment properties during the quarter is from the 13 completed units of the GLNG-2 project. The investment properties under development of S\$16.6 million are in respect of the 26 units under the GLNG-2 project.

Increased borrowings from the external parties are mainly a result of the external funding drawn for the second phase of the GLNG project as well as the funding received from the external investors for the Investment Division's fund, the TCAP Capital Partners Fund No. 1, and invested in GLNG-2.

Note 3:

The reduction in Trade receivables to S\$24.2 million as at 31 March 2013 from S\$30.7 million as at 31 December 2012 is due to improved collections.

Note 4:

Other Receivables increased to S\$7.2 million as at 31 March 2013 from S\$6.1 million as at 31 December 2012 primarily due to increases in advances to suppliers.

Note 5:

Cash and bank balances are comprised of:

	<u>31-Mar-13</u>	<u>31-Dec-12</u>
Cash and cash equivalents	S\$25.9 million	S\$27.3 million
Fixed deposits with maturities exceeding three months	S\$4.3 million	S\$0.3 million
Fixed deposits that have been pledged to banks against Bills payables, trust receipts and bank overdrafts (see note 6 below)	S\$2.9 million	S\$2.9 million
Fixed deposits that have been pledged to banks against bank loans	S\$15.3 million	S\$18.8 million
Total (including non-current fixed deposits)	S\$48.4 million	S\$49.3 million

Note 6:

Trade Payables along with Bills and Trust Receipt loans payable were generally level with those as at 31 December 2012. Bills payable and trust receipts relate to short-term trade financing for the purchase of goods provided by banks in Hong Kong and Singapore for the Group's distribution business.

Note 7:

The decrease in bank loans is due to repayment of borrowings in China. Bank loans include an amount of S\$5.7 million which is a 10-year mortgage loan obtained against, inter alia, the security of certain properties in Hong Kong. The entire outstanding amount of the term loan is expected to be repaid in full by the year 2020 but it has been classified as a current liability in view of accounting rules that require such classification for term loans that are subject to a 'repayment on demand' clause (which provide the lender with a right to demand repayment at any time at its discretion).

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

**STATEMENT OF CHANGES IN EQUITY**

**Three months ended 31 March 2013**

S\$'000

**Group**

**Balance at 1 Jan 2013**

Issue of shares on exercises of employees' share options  
Total comprehensive income (loss) for the quarter

**Balance at 31 Mar 2013**

Issued capital	Asset revaluation reserve	Options reserve	Translation reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total
72,531	2,751	759	(24,032)	56,487	108,496	4,557	113,053
26	-	-	-	-	26	-	26
-	40	-	804	(211)	633	109	742
72,557	2,791	759	(23,228)	56,276	109,155	4,666	113,821

**Three months ended 31 March 2012**

S\$'000

**Group**

**Balance at 1 Jan 2012**

Total comprehensive income (loss) for the quarter  
Dividends

**Balance at 31 Mar 2012**

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
72,531	2,911	7,697	759	(16,953)	45,527	112,472	5,554	118,026
-	(84)	(348)	-	(4,130)	1,468	(3,094)	(136)	(3,230)
-	-	-	-	-	(2,612)	(2,612)	-	(2,612)
72,531	2,827	7,349	759	(21,083)	44,383	106,766	5,418	112,184

**Three months ended 31 March 2013**

S\$'000

**Company**

**Balance as at 1 Jan 2013**

Issue of shares on exercises of employees' share options  
Total comprehensive loss for the quarter

**Balance as at 31 Mar 2013**

Issued capital	Options reserve	Retained earnings	Total
72,531	759	26,762	100,052
26	-	-	26
-	-	(325)	(325)
72,557	759	26,437	99,753

**Three months ended 31 March 2012**

S\$'000

**Company**

**Balance as at 1 Jan 2012**

Total comprehensive income for the quarter  
Dividends

**Balance as at 31 Mar 2012**

Issued capital	Options reserve	Retained earnings	Total
72,531	759	27,498	100,788
-	-	2,110	2,110
-	-	(2,612)	(2,612)
72,531	759	26,996	100,286

**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 2,630,000 share options have been exercised under the Thakral Corporation Employees' Share Options Scheme 2001.

## THAKRAL CORPORATION LTD AND SUBSIDIARIES

The number of shares that may be issued on exercise of all the outstanding options under the 2001 Scheme is as follows:-

	As at 31 Mar 2013	As at 31 Dec 2012
Outstanding options	16,762,500	19,392,500

The share capital of the Company increased to S\$72,557,000 as at 31 March 2013 from S\$72,531,000 as at 31 December 2012.

The Company did not have any treasury shares as at 31 March 2013 and 31 December 2012.

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

The total number of issued shares was 2,615,043,668 and 2,612,413,668 as at 31 March 2013 and 31 December 2012 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 item 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 year ended 31 December 2012.

**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 2013. The Group was mainly affected by the following new / revised FRSs and amendments to FRS:-

Amendments to FRS 1	Presentation of Financial Statements – Amendments relating to Presentation of Items of Other Comprehensive Income
Amendments to FRS 19	Employee Benefits
Amendments to FRS 107	Financial Instruments: Disclosure – Offsetting Financial Assets and Financial Liabilities
FRS 113	Fair Value Measurement
Annual Improvements to FRS 2012	

**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**

	Three months ended 31 Mar 2013	Three months ended 31 Mar 2012
(i) Basic (loss) earnings per share	(0.01) cent	0.06 cent
(ii) Fully diluted (loss) earnings per share	(0.01) cent	0.06 cent

Basic (loss) earnings per share are computed on the (loss) profit for the periods after taxation and deduction of non-controlling interests divided by 2,614,163,112 and 2,612,413,668 being the weighted average number of shares in issue during the period ended 31 March 2013 and 31 March 2012 respectively. The diluted loss per share for the period ended 31 March 2013 is computed on the loss for the period after taxation and deduction of non-controlling interests divided by 2,614,163,112 being the weighted average number of shares in issue during the period.

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

**Net Asset Value**

	As at 31 Mar 2013	As at 31 Dec 2012
Group	4.17 cents	4.15 cents
Company	3.81 cents	3.83 cents

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

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

**Review – Three months ended 31 March 2013**

**Turnover & Profitability**

The general slowdown witnessed in 2012 in the Group's PRC and export markets continued during the quarter ended 31 March 2013. However, there was overall improvement in performance in March 2013, resulting in the Group incurring a marginal loss of S\$0.2 million during the quarter. This loss was much lower than the losses incurred in the preceding 3 quarters, after excluding the one-off non-operational gains reported last year.

The Group's efforts to improve the distribution business through the introduction of new brands and products showed some positive results. The Group's turnover for the quarter increased by 27% to S\$88.9 million from S\$70.0 million in the previous corresponding quarter ended 31 March 2012.

The Group's consolidated gross margin declined to 6.1% for the quarter as compared to 9.2% in the previous corresponding quarter principally because the Distribution business included certain high turnover products that sold at lower margins. Group gross profit declined by 17% to S\$5.4 million in the quarter as compared to S\$6.5 million in the previous corresponding quarter.

The Investment Division continues to grow its business, with several project opportunities in the pipeline, resulting in increase of its revenue in comparison with the previous corresponding quarter.

Other income at S\$0.1 million in the current quarter compared to S\$0.6 million in the previous corresponding quarter, excluded the one-off credit of S\$0.4 million upon the severance of a business relationship in India in the earlier period.

The marginal decline in finance income to S\$0.3 million resulted from a lower level of fixed deposits and interest rates.



## THAKRAL CORPORATION LTD AND SUBSIDIARIES

Finance costs increased to S\$1.2 million in the latest quarter from S\$0.5 million in the previous corresponding quarter mainly owing to interest on senior debts from financial institutions to finance the GLNG 1 and 2 projects of the Investment Division.

Foreign exchange gains of S\$0.6 million in the latest quarter as compared to S\$0.8 million in the previous corresponding quarter arose mainly from the translation of monetary assets and liabilities denominated in foreign currencies outstanding at the end of the quarter.

### Expenses

Overall distribution expenses of S\$1.3 million were lower than those incurred in the previous corresponding quarter.

Administration expenses reduced by about 16%. This was primarily due to lower staff bonus accruals in the current quarter.

Group income tax declined to only S\$0.04 million from S\$0.1 million in the previous corresponding quarter as a result of the lower taxable profits at the PRC Distribution unit in the quarter.

### Working Capital and Cash Flow

There was no material change in the level of inventories from the previous quarter.

Improved collections resulted in Trade receivables declining to S\$24.2 million as at 31 March 2013 from S\$30.7 million as at 31 December 2012. Other receivables increased to S\$7.2 million as at 31 March 2013 from S\$6.1 million as at 31 December 2012 primarily due to increases in advances to suppliers.

The Group established during the quarter and managed as Trustee an external investment fund of A\$4.75 million (equivalent to about S\$6.1 million). Certain of the Group's investments in the Australian real estate projects were sold down to the fund, with the sale proceeds being ploughed back into new real estate projects in Australia. Additional funding drawn from financial institutions to finance the ongoing development works for the second phase of the GLNG housing project as well as moneys received from the said investment fund resulted in loans from external parties increasing to S\$56.6 million as at 31 March 2013 from S\$44.7 million as at 31 December 2012. This is reflected by an increase in the Investment properties, which includes the reclassification of 13 houses that were completed during the quarter.

Overall operational cash flow remained positive at S\$6.4 million for the quarter.

### Net Asset Value

Net Asset Value per share as at 31 March 2013 improved to 4.17 cents as compared to 4.15 cents as at 31 December 2012 on account of the translation gains arising on consolidation of foreign subsidiaries.

### **Performance Summary**

#### Distribution

Revenues at the Distribution Division improved to S\$86.6 million for the quarter ended 31 March 2013 from S\$69.0 million in the previous corresponding quarter. Lower margins led the Division to record a segmental loss of S\$0.5 million for the quarter as compared to a profit of S\$2.1 million in the previous corresponding quarter. Segmental loss for the current quarter is significantly less than the loss of S\$2.6 million incurred in the immediately preceding quarter.

Investment Division

Revenues at this Division amounted to S\$2.3 million for the current quarter as compared to S\$1.0 million in the previous corresponding quarter. This was mainly due to the improved contribution from the unit in Australia. Sales at the Group's property development unit in Wujiang remained negligible.

The Division completed and delivered a total of 30 houses by the end of the quarter in Gladstone, Australia, under the second phase of the development project for GLNG. Construction of the remaining 26 houses is progressing on time and within budget.

As previously announced, the Division also provided funding for the Union Balmain development in Sydney, Australia, towards the end of the quarter.

**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 quarter 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.**

GDP growth in China has continued to slow, falling to 7.7% in the first 3 months of 2013, below the 7.9% reported in the final quarter of 2012. While the Distribution Division continues its efforts to introduce new brands and products to diversify its business, it maintains a cautious outlook for the year.

Housing affordability in Australia continues to improve with interest rate cuts and stable market prices. The Investment Division continues to evaluate a pipeline of projects.

**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?  
N.A.

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

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

Subsequent to 31 March 2013, the directors do not recommend any payment of dividend.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

Name of interested person	Aggregate value of all interested person transactions during the period ended 31 March 2013 (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	-	131

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

**14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

The Group which operates in two geographical segments being the People's Republic of China (including Hong Kong) and others (Japan, Singapore and Australia), has 3 main core divisional activities as follows:

- Distribution ("DIST")
- Investment ("INV") - includes property investments in China / Hong Kong and real estate investments in Australia
- Others ("OTH") - those activities which do not fall into the above categories

**Group's reportable segments****S\$'000****Three months ended 31 March 2013**

	DIST	INV	OTH	TOTAL
<b>Revenue</b>				
External sales	86,640	2,283	-	88,923
<b>Result</b>				
Segment result	(467)	1,451	(403)	581
Unallocated corporate expenses				(424)
Finance income				282
Finance costs				(1,227)
Foreign exchange gain				640
Loss before income tax				(148)
Income tax expense				(38)
Loss for the quarter				(186)
<b>Other information</b>				
Capital expenditure:				
Property, plant and equipment	19	1	-	20
Depreciation expense	95	28	2	125
<b>Assets</b>				
Segment assets	106,110	134,428	572	241,110
<b>Total assets</b>				241,110
<b>Liabilities</b>				
Segment liabilities	55,952	70,083	476	126,511
Income tax payable				674
Deferred tax liability				104
<b>Total liabilities</b>				127,289

THAKRAL CORPORATION LTD AND SUBSIDIARIES

**S\$'000**

**Three months ended 31 March 2012**

	DIST	INV	OTH	TOTAL
<b>Revenue</b>				
External sales	68,996	954	-	69,950
<b>Result</b>				
Segment result	2,069	127	(688)	1,508
Unallocated corporate expenses				(602)
Finance income				322
Finance costs				(450)
Foreign exchange gain				816
Profit before income tax				1,594
Income tax expense				(125)
Profit for the quarter				1,469

<b>Other information</b>				
Capital expenditure:				
Property, plant and equipment	73	-	-	73
Depreciation expense	78	28	2	108

<b>Assets</b>				
Segment assets	102,726	80,871	14,840	198,437
<b>Total assets</b>				198,437
<b>Liabilities</b>				
Segment liabilities	43,941	41,027	472	85,440
Income tax payable				724
Deferred tax liability				89
<b>Total liabilities</b>				86,253

**Geographical information**

S\$'000

Geographical segments:	Revenue		Capital expenditure		Non-current assets *	
	31 Mar		31 Mar		31 Mar	
	2013	2012	2013	2012	2013	2012
People's Republic of China (including Hong Kong)	82,738	69,079	11	68	22,446	17,197
Others	6,185	871	9	5	73,841	28,944
	88,923	69,950	20	73	96,287	46,141

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

\* Non-current assets other than financial instruments

**15. 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

**Negative confirmation pursuant to Rule 705(5)**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements for the 3 months ended 31 March 2013 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Kartar Singh Thakral  
Director

Inderbethal Singh Thakral  
Director  
14 May 2013

BY ORDER OF THE BOARD

Chan Lai Yin  
Tay Chee Wah  
Company Secretaries  
14 May 2013