

Financial Statements and Related Announcement::Second Quarter and/ or Half Yearly Results

Issuer & Securities

Issuer/ Manager	THAKRAL CORPORATION LTD
Securities	THAKRAL CORPORATION LTD - SG1C19013145 - T04
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Announcement Details

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For Financial Period Ended	30/06/2014
Attachments	<p>ThakralCorp_PR_2Q2014_20140807.pdf</p> <p>ThakralCorp_Results_Q2FY14_7Aug14.pdf</p> <p>Total size =131K</p>

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THAKRAL CORPORATION LTD

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

PRESS RELEASE

- **Investment Division reports growth**
- **Lifestyle Division yet to gain traction**

Singapore August 7, 2014

Mainboard-listed Thakral Corporation Ltd (“Thakral” or the “Group”) achieved turnover of S\$291.9 million for the six months ended June 30, 2014 (“1H2014”), up 61% from S\$180.8 million for the previous corresponding period.

Revenue from the Investment Division rose by about 9% to S\$7.0 million in 1H2014. Turnover at the Lifestyle Division climbed 63% to S\$284.9 million in 1H2014 compared to S\$174.4 million in 1H2013.

Group gross profit in 1H2014 was S\$11.5 million, slightly lower than S\$11.9 million in the previous corresponding period. The lower gross profit was due to certain fast-moving low-margin products making up a high proportion of the Lifestyle Division’s products in 1H2014 whilst the Group’s new lifestyle, healthcare, enviro-care and beauty products have yet to gain traction.

The Group reported net loss of S\$1.7 million in 1H2014 compared to S\$0.3 million net loss in 1H2013. This was attributed to lower profit margin and an allowance of S\$0.4 million during the period for a doubtful trade receivable, as well as higher distribution expenses resulting from increased marketing expenses to grow the Group’s range of new lifestyle products.

Distribution expenses rose by 10% to S\$3.1 million in 1H2014 as higher advertising and promotion expenses were incurred for the marketing of new brands and products in Singapore.

Other costs such as net finance costs, administration and other operating expenses however declined in 1H2014. Net finance costs reduced by 11% in 1H2014 to S\$1.9 million from S\$2.1 million previously, mainly due to savings achieved from the refinancing of the borrowings for the GLNG project in Australia.

Earnings Per Share and Net Asset Value Per Share

The Group’s Loss Per Share was 0.06 cent in 1H2014, compared to Loss Per Share of 0.02 cent in 1H2013.

Net Asset Value per share eased to 3.76 cents as at June 30, 2014 from 3.91 cents as at December 31, 2013.

Working Capital Position

The Group's financial position remains healthy. Total cash and bank balances, including non-current fixed deposits rose to S\$69.9 million as at June 30, 2014 against S\$53.6 million as at December 31, 2013.

Inventories, trade receivables and other receivables decreased in 1H2014.

Net reduction in working capital components led to a rise in overall operational cash inflow to S\$23.9 million in 1H2014 from S\$10.1 million in 1H2013.

Segmental Performance

Investments

Revenue for the Investment Division rose by 9% to S\$7.0 million in 1H2014 from S\$6.4 million in 1H2013, despite the absence of contribution from the property development unit in Wujiang which had completed the sales of all its units in FY2013.

Segmental profit from this division grew 19% to S\$5.0 million from S\$4.2 million in 1H2013.

During the first six months of 2014, the division signed an agreement for the iconic project in Brisbane, Australia – FV. This is a development over 3 stages yielding some 940 apartments and more than 5,000 square meters of retail. Investment Division has also identified several new projects.

Lifestyle

Revenue at the Lifestyle Division grew by 63% to S\$284.9 million in 1H2014 compared to S\$174.4 million in 1H2013.

While the Division saw sales growth, margin pressures and the increased cost to drive brand-building and sales for the new product range resulted in this division having to report losses.

Segment loss widened to S\$3.2 million in 1H2014 as compared to a loss of S\$1.4 million in the previous corresponding period.

Going Forward

Mr. Natarajan Subramaniam, Independent Non-Executive Chairman of Thakral said:

“Economic growth in China continues to slow, with the tightening of credit controls and cooling measures undertaken by the government. The slowdown in the real estate sector is also affecting consumer confidence in China, which is likely to remain subdued with the government implementing reforms to stabilize the economy over the long term.

“In view of the softer business environment in China, the Group’s Lifestyle Division will trade cautiously while continuing to strengthen its marketing efforts to drive growth for its new products and new brands in lifestyle, enviro-care and beauty.

“The division is expected to progress gradually and is expected to take some time to make a positive impact.

“While the Group’s Lifestyle Division is making efforts to turnaround, the Investment Division continues to deliver positive results.

“In Australia, low interest rates continue to encourage the sales of new dwellings to meet the embedded shortage of housing. The supportive interest rate environment will continue to maintain the level of sales activity in existing and new dwellings in Australia although the pace of growth of values is expected to level out. The Group’s Investment Division will evaluate a pipeline of projects in Australia and other markets with strong upside potential (such as Japan) where the Group can optimize returns while minimizing risk. The Group expects the Investment Division to continue to hold its position and maintain a good growth rate.

“Barring any unforeseen circumstances, the Group remains cautiously optimistic in its overall outlook for FY2014.”

About Thakral

Listed on the SGX Mainboard since December 1995, Thakral Corporation Ltd has two divisions – Investment Division and Lifestyle Division.

The Group invests in real estate and other investment opportunities which include property-backed financial instruments and in direct property to earn strong returns on its capital and by revolving its capital speedily including by bringing in co-investors. The Group also earns income from the services it provides in originating, packaging and managing these projects. The Group has been the cornerstone investor in these investment opportunities.

The Group’s Lifestyle Division has undergone a change to reposition itself in Lifestyle products, including Beauty & Health and Enviro-Care products. Under its extensive brand portfolio are global names such as Apple, Acer, Beko, Bose, Canon, Cuvilady, Daewoo, Misfit, MTG (Refa), Orion, Panasonic, Robam, Samsung, Sharp, Skullcandy, Winia and Yamaha.

Presently, China (including Hong Kong), Southeast Asia and India, are the Group's key markets for its Lifestyle business while Australia is the key market for its

Investment Division.

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

For more information, please contact:

Tham Moon Yee, Lee Yew Meng and Lucas Yang Xiaoguang

Tel: (65) 6227 0502

Emails: tmy@stratagemconsultants.com
 yewmeng@stratagemconsultants.com
 lucasy@stratagemconsultants.com



Half Year and Second Quarter Financial Statements Announcement

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

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, for the six months and second quarter ended 30 June 2014 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			Group		
		S\$000		% Increase / (Decrease)	S\$000		% Increase / (Decrease)
		Six months ended			Three months ended		
		30 Jun 2014	30 Jun 2013	30 Jun 2014	30 Jun 2013		
Revenue	1	291,919	180,760	61	112,392	91,837	22
Cost of sales		(280,409)	(168,884)	66	(107,264)	(85,360)	26
Gross profit	1	11,510	11,876	(3)	5,128	6,477	(21)
Other operating income	2	88	272	(68)	30	169	(82)
Distribution costs	3	(3,083)	(2,813)	10	(1,612)	(1,464)	10
Administrative expenses	4	(7,973)	(7,978)	(0)	(4,273)	(4,107)	4
Other operating expenses	5	(245)	(253)	(3)	(122)	(128)	(5)
Profit (loss) from operations		297	1,104	(73)	(849)	947	NM
Finance income		759	705	8	386	423	(9)
Finance costs	6	(2,660)	(2,853)	(7)	(1,333)	(1,626)	(18)
Foreign exchange (loss) gain	7	(88)	894	NM	(12)	254	NM
Loss before income tax		(1,692)	(150)	NM	(1,808)	(2)	NM
Income tax expense	8	(34)	(195)	(83)	(19)	(157)	(88)
Loss for the period / quarter		(1,726)	(345)	400	(1,827)	(159)	NM
Profit (Loss) attributable to:							
Equity holders of the Company		(1,587)	(448)	254	(1,759)	(237)	NM
Non-controlling interests		(139)	103	NM	(68)	78	NM
		(1,726)	(345)	400	(1,827)	(159)	NM

NM – Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
		Six months ended			Three months ended		
		30 Jun 2014	30 Jun 2013		30 Jun 2014	30 Jun 2013	
Loss for the period / quarter		(1,726)	(345)	400	(1,827)	(159)	NM
Other comprehensive income (loss)							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Translation gain (loss) arising on consolidation	9	182	(2,124)	NM	(58)	(3,052)	(98)
Other comprehensive income (loss) for the period / quarter, net of tax		182	(2,124)	NM	(58)	(3,052)	(98)
Total comprehensive loss for the period / quarter		(1,544)	(2,469)	(37)	(1,885)	(3,211)	(41)
<u>Total comprehensive income (loss) attributable to:</u>							
Equity holders of the Company		(1,300)	(2,607)	(50)	(1,795)	(3,240)	(45)
Non-controlling interests		(244)	138	NM	(90)	29	NM
		(1,544)	(2,469)	(37)	(1,885)	(3,211)	(41)

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

Group turnover increased by 61% to S\$291.9 million for the six months ended 30 June 2014 mainly from high sales of certain fast-moving low-margin items in the period as well as improved revenues at the Investment Division. With the change in product mix and the Lifestyle Division's (formerly known as Distribution Division) continuing transition from traditional digital products, Group gross profit margin declined to 3.9% from 6.6% achieved previously.

Revenue for the six months ended 30 June 2014 included investment income comprising dividends and interest income amounting to S\$2,088,000 improving from S\$1,510,000 for the six months ended 30 June 2013 due to the higher average investment during the current period.

Note 2:

Other operating income comprises:

	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
	Six months ended			Three months ended		
	30 Jun 2014	30 Jun 2013		30 Jun 2014	30 Jun 2013	
Tax subsidy	-	104	(100)	-	103	(100)
Gain on disposal of property, plant and equipment	-	12	(100)	-	-	NM
Commission income	28	91	(69)	9	34	(74)
Others	60	65	(8)	21	32	(34)
Total	88	272	(68)	30	169	(82)

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

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)	S\$'000		% Increase / (Decrease)
	Six months ended			Three months ended		
	30 Jun 2014	30 Jun 2013		30 Jun 2014	30 Jun 2013	
Staff costs	(1,653)	(1,593)	4	(853)	(806)	6
Advertising & promotion	(331)	(134)	147	(226)	(98)	131
Transportation	(369)	(414)	(11)	(184)	(210)	(12)
Travelling expenses	(224)	(254)	(12)	(116)	(129)	(10)
Others	(506)	(418)	21	(233)	(221)	5
Total	(3,083)	(2,813)	10	(1,612)	(1,464)	10

- (i) Increased sales and marketing activities, particularly in Singapore, led to higher advertising and promotion expenses.
- (ii) Transportation expenses declined due to the lower level of sales activity in China.
- (iii) Travelling expenses were lower due to reduced travel by sales personnel.
- (iv) The increase in others is mainly due to higher entertainment, warehousing and other sales related expenses.

Note 4:

Administration expenses comprise:

	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
	Six months ended			Three months ended		
	30 Jun 2014	30 Jun 2013		30 Jun 2014	30 Jun 2013	
Staff costs (including executive directors)	(5,008)	(5,212)	(4)	(2,489)	(2,653)	(6)
Directors' fees	(243)	(243)	-	(122)	(122)	-
Professional fees	(591)	(609)	(3)	(361)	(297)	22
Rent & rates	(438)	(423)	4	(231)	(207)	12
Travelling expenses	(179)	(180)	(1)	(91)	(110)	(17)
Insurance	(171)	(184)	(7)	(81)	(99)	(18)
Allowance for doubtful debts	(375)	49	NM	(346)	41	NM
Withholding tax	(264)	(148)	78	(136)	(116)	17
Others	(704)	(1,028)	(32)	(416)	(544)	(24)
Total	(7,973)	(7,978)	(0)	(4,273)	(4,107)	4

- (i) Professional fees in the quarter were higher mainly due to amounts paid in relation to the projects in Australia.
- (ii) Travelling expenses for the latest quarter were lower due to reduced travel by Directors and management personnel.
- (iii) The Group made an allowance of S\$0.4 million during the period for a doubtful trade receivable as the customer is no longer contactable.
- (iv) Withholding tax relates to tax accruals on income from Investment Division projects currently in progress.
- (v) The reduction in others is mainly due to the reversal of certain accruals and general cost savings.

Note 5:

Other operating expenses comprise depreciation charges for the relevant periods.

Note 6:

Savings from the refinancing of the loans for the GLNG projects in Australia completed at the end of the previous financial year resulted in lower finance costs in the latest quarter.

Note 7:

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

Note 8:

Group income tax was lower than the previous corresponding quarter principally due to the absence of taxable profits at the Wujiang Dafa property unit in China.

Note 9:

These unrealized translation 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.

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	
		30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
<u>ASSETS</u>					
Current assets					
Cash and bank balances	5	49,064	45,935	262	185
Trade receivables	3	12,071	26,423	-	-
Other receivables and prepayments	4	6,794	28,284	22	165
Bills receivable		-	145	-	-
Loans receivable	2	1,556	2,500	-	-
Inventories	1	28,711	34,148	-	-
Total current assets		98,196	137,435	284	350
Non-current assets					
Property, plant and equipment		5,298	5,403	19	21
Investment properties	2	89,182	86,612	-	-
Subsidiaries		-	-	121,598	121,608
Loans receivable	2	18,113	19,842	-	-
Non-current fixed deposits	5	20,814	7,694	-	-
Interest receivable on non-current fixed deposits	4	644	253	-	-
Available-for-sale investments		7	7	-	-
Total non-current assets		134,058	119,811	121,617	121,629
Total assets		232,254	257,246	121,901	121,979
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Trade payables	6	8,026	20,361	-	-
Bills payables and trust receipts	6	14,641	18,427	-	-
Bank overdraft and loans	7	45,522	47,591	-	-
Other payables		12,512	12,377	353	357
Provisions		3,142	3,630	39	39
Income tax payable		73	165	-	-
Total current liabilities		83,916	102,551	392	396
Non-current liabilities					
Amount owing to a subsidiary		-	-	26,232	24,216
Loans from financial institutions	7	45,280	47,484	-	-
Deferred tax liability		391	383	-	-
Total non-current liabilities		45,671	47,867	26,232	24,216
Capital, reserves and non-controlling interests					
Issued capital		72,579	72,579	72,579	72,579
Reserves		25,865	29,782	22,698	24,788
Equity attributable to equity holders of the Company		98,444	102,361	95,277	97,367
Non-controlling interests		4,223	4,467	-	-
Total equity		102,667	106,828	95,277	97,367
Total liabilities and equity		232,254	257,246	121,901	121,979

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 30 June 2014		As at 31 December 2013	
Secured	Unsecured	Secured	Unsecured
S\$ 43,623,000	S\$ 16,540,000	S\$ 49,337,000	S\$ 16,681,000

Please also see notes (6 & 7) on page 7

Details of any collateral

Charge over properties in Hong Kong and pledge on rental proceeds; pledged bank deposits of S\$18.1 million;
Company's corporate guarantee
1st mortgage over 101 houses in Gladstone, Australia

Amount repayable after one year

As at 30 June 2014		As at 31 December 2013	
Secured	Unsecured	Secured	Unsecured
S\$ 41,064,000	S\$ 4,216,000	S\$ 43,711,000	S\$ 3,773,000

Please also see note (7) on page 7

Details of any collateral

1st mortgage over 101 houses in Gladstone, Australia

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)		(S\$ '000)	
	Six months ended		Three months ended	
	30 Jun 2014	30 Jun 2013	30 Jun 2014	30 Jun 2013
OPERATING ACTIVITIES				
Loss before income tax	(1,692)	(150)	(1,808)	(2)
Adjustments for:				
Depreciation expense	245	253	122	128
Dividend income and investment income from unquoted investments	(2,088)	(1,510)	(1,001)	(1,194)
Interest expense	2,660	2,853	1,333	1,626
Interest income	(759)	(705)	(386)	(423)
Gain on disposal of property, plant and equipment	-	(12)	-	-
Net foreign exchange gain	(89)	(1,771)	(163)	(1,306)
Provision for employee benefits	118	107	62	50
(Reversal) Allowance for inventories	(264)	116	152	13
Allowance (Reversal) for doubtful trade receivables	362	(49)	346	(41)
Allowance for doubtful other receivables	13	-	-	-
Operating cash flows before movements in working capital	(1,494)	(868)	(1,343)	(1,149)
Trade receivables	13,615	10,416	933	3,396
Other receivables and prepayments	19,731	(1,430)	3,442	(516)
Inventories	4,928	6,271	20,054	3,239
Trade payables	(12,210)	(964)	(7,214)	1,239
Other payables and provisions	(142)	87	(375)	(489)
Cash generated from operations	24,428	13,512	15,497	5,720
Income tax paid	(119)	(690)	(15)	(620)
Interest paid	(2,416)	(2,963)	(1,192)	(1,500)
Interest received	2,034	243	688	112
Net cash from operating activities	23,927	10,102	14,978	3,712
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(172)	(38)	(132)	(18)
Proceeds from disposal of property, plant and equipment	-	15	-	-
Repayment of loans receivable - current and non-current	8,764	1,247	6,617	-
Additions to investment properties and investment properties under development	-	(8,257)	-	(1,275)
Additions to loans receivable - current and non-current	(3,002)	(14,409)	(3,002)	(1,742)
Net cash from (used in) investing activities	5,590	(21,442)	3,483	(3,035)
FINANCING ACTIVITIES				
Proceeds from issue of shares on exercise of employees' share options	-	48	-	22
Dividend paid to non-controlling shareholders	(205)	-	-	-
Dividend paid	(2,617)	(2,615)	(2,617)	(2,615)
(Increase) decrease in fixed deposits with maturities exceeding three months	(4,026)	244	(4,102)	4,144
Decrease (increase) in pledged bank deposits	6,647	(23)	5,607	(3,974)
(Decrease) Increase in bills payable and trust receipts	(3,588)	2,006	256	126
New loans from bank loans and loans from financial institutions	-	12,141	-	982
Repayments of bank loans	(2,289)	-	(17)	-
Decrease in short-term bank loans	(1,932)	(3,449)	(3,483)	(807)
Net cash (used in) from financing activities	(8,010)	8,352	(4,356)	(2,122)
Net increase (decrease) in cash and cash equivalents	21,507	(2,988)	14,105	(1,445)
Cash and cash equivalents at beginning of the period / quarter	25,933	25,668	33,248	24,245
Net effect of exchange rate changes in the balance of cash held in foreign currencies	(119)	(243)	(32)	(363)
Cash and cash equivalents at end of the period / quarter	47,321	22,437	47,321	22,437
Cash and cash equivalents were represented by:-				
Fixed deposits with maturities less than 3 months, cash and bank balances	47,321	24,152	47,321	24,152
Bank overdrafts	-	(1,715)	-	(1,715)
	47,321	22,437	47,321	22,437

Note

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THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Note 1:

Inventories reduced due to slower replenishment in the low season during the latest quarter.

Note 2:

The net reduction in Loans receivable during the period is mainly from the sell-down of a part of the Group's investment in the Vida Apartments project in Brisbane.

The Group consolidates the investment properties 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.

Note 3:

The reduction in Trade receivables in the period is due to collections as well as sales of certain fast-moving items generally being made on cash basis.

Note 4:

Other receivables and prepayments reduced mainly due to lower advances to suppliers for the purchase of goods. Other receivables include the interest receivable on fixed deposits with maturities of less than one year. Interest accrued on deposits with maturities over 1 year is included under non-current assets.

Note 5:

Cash and bank balances are comprised of:

	<u>30-Jun-14</u>	<u>31-Dec-13</u>
Cash and cash equivalents	S\$47.3 million	S\$27.6 million
Fixed deposits with maturities exceeding three months	S\$4.5 million	S\$0.5 million
Fixed deposits that have been pledged to banks against Bills payables, trust receipts and bank overdrafts (see note 6 & 7 below)	S\$1.3 million	S\$3.2 million
Fixed deposits that have been pledged to banks against bank Loans (see note 7 below)	S\$16.8 million	S\$22.3 million
Total (including non-current fixed deposits)	S\$69.9 million	S\$53.6 million

Certain fixed deposits were renewed for periods exceeding 1 year during the period.

Note 6:

Trade payables and Bills payable and trust receipts were lower due to settlements made during the period.

Note 7:

Bank loans include an amount of S\$5.4 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).

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

Six months ended 30 June 2014

S\$'000

Group	Issued capital	Asset revaluation reserve	Options reserve	Foreign currency translation reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total
Balance at 1 Jan 2014	72,579	3,125	263	(27,873)	54,267	102,361	4,467	106,828
Total comprehensive income for the quarter						-		-
Profit (loss) for the quarter	-	-	-	-	172	172	(71)	101
Other comprehensive (loss) income for the quarter	-	(11)	-	334	-	323	(83)	240
	-	(11)	-	334	172	495	(154)	341
Balance at 31 Mar 2014	72,579	3,114	263	(27,539)	54,439	102,856	4,313	107,169
Total comprehensive loss for the quarter						-		-
Loss for the quarter	-	-	-	-	(1,759)	(1,759)	(68)	(1,827)
Other comprehensive loss for the quarter	-	(27)	-	(9)	-	(36)	(22)	(58)
	-	(27)	-	(9)	(1,759)	(1,795)	(90)	(1,885)
Transactions with owners, recognised directly in equity								
Dividend	-	-	-	-	(2,617)	(2,617)	-	(2,617)
Balance at 30 Jun 2014	72,579	3,087	263	(27,548)	50,063	98,444	4,223	102,667

Six months ended 30 June 2013

S\$'000

Group	Issued capital	Asset revaluation reserve	Options reserve	Translation reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total
Balance at 1 Jan 2013	72,531	2,751	759	(24,032)	56,487	108,496	4,557	113,053
Total comprehensive income for the quarter								
(Loss) profit for the quarter	-	-	-	-	(211)	(211)	25	(186)
Other comprehensive income for the quarter	-	40	-	804	-	844	84	928
	-	40	-	804	(211)	633	109	742
Transactions with owners, recognised directly in equity								
Issue of shares on exercises of employees' share options	26	-	-	-	-	26	-	26
Balance at 31 Mar 2013	72,557	2,791	759	(23,228)	56,276	109,155	4,666	113,821
Total comprehensive loss for the quarter								
(Loss) profit for the quarter	-	-	-	-	(237)	(237)	78	(159)
Other comprehensive income (loss) for the quarter	-	63	-	(3,066)	-	(3,003)	(49)	(3,052)
	-	63	-	(3,066)	(237)	(3,240)	29	(3,211)
Transactions with owners, recognised directly in equity								
Issue of shares on exercises of employees' share options	22	-	-	-	-	22	-	22
Dividend	-	-	-	-	(2,615)	(2,615)	-	(2,615)
	22	-	-	-	(2,615)	(2,593)	-	(2,593)
Balance at 30 Jun 2013	72,579	2,854	759	(26,294)	53,424	103,322	4,695	108,017

Six months ended 30 June 2014

S\$'000

Company	Issued capital	Options reserve	Retained earnings	Total
Balance as at 1 Jan 2014	72,579	263	24,525	97,367
Profit for the quarter, representing total comprehensive income for the quarter	-	-	356	356
Balance as at 31 Mar 2014	72,579	263	24,881	97,723
Profit for the quarter, representing total comprehensive income for the quarter	-	-	171	171
Transactions with owners, recognised directly in equity				
Dividend	-	-	(2,617)	(2,617)
Balance as at 30 Jun 2014	72,579	263	22,435	95,277

Six months ended 30 June 2013

S\$'000

Company

Balance as at 1 Jan 2013

Loss for the quarter, representing total comprehensive loss for the quarter

Transactions with owners, recognised directly in equity

Issue of shares on exercises of employees' share options

Balance as at 31 Mar 2013

Profit for the quarter, representing total comprehensive income for the quarter

Transactions with owners, recognised directly in equity

Issue of shares on exercises of employees' share options

Dividend

Balance as at 30 Jun 2013

Issued capital	Options reserve	Retained earnings	Total
72,531	759	26,762	100,052
-	-	(325)	(325)
26	-	-	26
72,557	759	26,437	99,753
-	-	2,041	2,041
22	-	-	22
-	-	(2,615)	(2,615)
22	-	(2,615)	(2,593)
72,579	759	25,863	99,201

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, 5,020,000 share options expired during the period.

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

	As at 30 Jun 2014	As at 31 Dec 2013
Outstanding options	5,642,500	10,662,500

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

The Company did not have any treasury shares as at 30 June 2014 and 31 December 2013.

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 2,617,213,668 as at 30 June 2014 and 31 December 2013.

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 2013.

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 2014. The Group was mainly affected by the following new / revised FRSs and amendments to FRS:-

FRS 27	<i>Separate Financial Statements</i>
FRS 110	<i>Consolidated Financial Statements</i>
FRS 112	<i>Disclosure of Interests in Other Entities</i>
Amendments to FRS 32	<i>Financial Instruments: Presentation</i>
Amendments to FRS 36	<i>Impairment of Assets</i>

The adoption of the above does not result in changes to the Group and Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

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

	Six months ended 30 Jun 2014	Six months ended 30 Jun 2013
(i) Basic loss per share	(0.06) cent	(0.02) cent
(ii) Fully diluted loss per share	(0.06) cent	(0.02) cent

	Three months ended 30 Jun 2014	Three months ended 30 Jun 2013
(i) Basic loss per share	(0.07) cent	(0.01) cent
(ii) Fully diluted loss per share	(0.07) cent	(0.01) cent

Basic loss per share are computed on the loss for the periods after taxation and deduction of non-controlling interests divided by 2,617,213,668 and 2,615,648,862 being the weighted average number of shares in issue during the period ended 30 June 2014 and 30 June 2013 respectively. The diluted loss per share for the period ended 30 June 2014 is computed on the loss for the period after taxation and deduction of non-controlling interests divided by 2,617,213,668 being the weighted average number of shares in issue during the quarter.

Basic loss per share are computed on the loss for the quarters after taxation and deduction of non-controlling interests divided by 2,617,213,668 and 2,617,118,283 being the weighted average number of shares in issue during the quarter ended 30 June 2014 and 30 June 2013 respectively. The diluted loss per share for the quarter ended 30 June 2014 is computed on the loss for the period after taxation and deduction of non-controlling interests divided by 2,617,213,668 being the weighted average number of shares in issue during the quarter.

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

Net Asset Value

	As at 30 Jun 2014	As at 31 Dec 2013
Group	3.76 cents	3.91 cents
Company	3.64 cents	3.72 cents

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

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

Review – Six months ended 30 June 2014

The Group recorded an increase in turnover of 61% to S\$291.9 million for the six months ended 30 June 2014 as compared to S\$180.8 million for the previous corresponding period. The Group's Investment Division saw revenues grow by 9% to \$7.0 million for the half year compared to S\$6.4 million achieved in the previous corresponding period. The Lifestyle Division achieved sales of S\$284.9 million in the period, compared to S\$174.4 million in the previous corresponding period, mainly from sales of certain fast-moving low-margin items. However, sales during the latest quarter declined in comparison to the preceding quarter due to the traditionally slow season.

The Group achieved gross profit of S\$11.5 million for the current period compared to S\$11.9 million in the previous corresponding period.

With low-margin products making up a high proportion of the Lifestyle Division's product mix and its new lifestyle, healthcare, enviro-care and beauty products yet to gain full traction, Group gross profit margin declined to 3.9% from 6.6% achieved in the previous corresponding period.

Other Income

Other income declined to S\$0.09 million in the latest half year mainly due to the absence of a tax subsidy that had been received in the previous year.

Finance Income and Costs

Net finance costs declined by 11% during the current period to S\$1.9 million from S\$2.1 million previously mainly due to the savings achieved from the refinancing of the borrowings for the GLNG project in Australia towards the end of the previous financial year and the rapid amortization of the loan through the rent and fees received.

Expenses

Distribution expenses increased by 10% to S\$3.1 million for the current period mainly due to higher advertising and promotion expenses incurred principally in Singapore in the marketing of new brands and products.

The Group had to make an allowance of S\$0.4 million for a doubtful trade receivable from a customer during the period as the customer is no longer contactable. Excluding this allowance, overall Administration expenses declined by about 5% compared to those incurred in the previous corresponding period.

Tax

Group income tax declined to S\$0.03 million for the half year from S\$0.2 million in the previous corresponding period due to the absence of revenue and profits at the Wujiang Dafa property unit as it had sold off all remaining commercial units in the previous financial year.

Attributable Loss

A slow sales season combined with low margins resulted in the Group incurring a loss attributable to shareholders of S\$1.6 million for the current half year compared to a loss of S\$0.4 million in the previous corresponding period. The loss in the previous period had included an exchange gain of S\$0.9 million as against the small loss in the current period. Attributable loss for the second quarter was \$1.8 million compared to a loss of S\$0.2 million for the previous corresponding quarter.

Working Capital and Cash Flow

Inventories declined to S\$28.7 million as at 30 June 2014 from S\$34.1 million as at 31 December 2013 due to slower replenishment in the low sales season. The inventory turnover period for the current half year was 20 days as compared to 47 days for the six months ended 30 June 2013.

Trade receivables reduced to S\$12.1 million as at 30 June 2014 from S\$26.4 million as at 31 December 2013 due to collections in the period as well as sales for the fast-moving low-margin items generally being on cash basis. The trade receivables turnover period for the current half year was 12 days as compared to 26 days for the six months ended 30 June 2013.

Other receivables and prepayments reduced to S\$6.8 million as at 30 June 2014 from S\$28.3 million as at 31 December 2013 mainly due to lower advances paid to suppliers for the purchase of goods.

The improvement in overall operational cash inflow to S\$23.9 million for the six months ended 30 June 2014 as compared to S\$10.1 million for the period to 30 June 2013 was due to the net reduction in working capital components.

Net Asset Value

Net Asset Value per share declined to 3.76 cents as at 30 June 2014 from 3.91 cents as at 31 December 2013 due to the dividend paid to shareholders during the latest quarter as well as the loss incurred in the period.

Performance Summary

Investments

Revenues expanded by about 9% to S\$7.0 million for the current half year notwithstanding the absence of contribution from the property development unit in Wujiang which had completed the sales of all its units in FY13. Segment result grew by 19% to S\$5.0 million for the current period compared to S\$4.2 million previously.

Lifestyle

While the Division saw sales grow to S\$284.9 million in the current period, margin pressure and the new product range still gaining recognition resulted in this division not fully covering its costs. Accordingly, segment loss widened to S\$3.2 million for the period as compared to a loss of S\$1.4 million in the previous corresponding period.

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

The performance of the Investment Division met management's expectations. The Lifestyle Division's transition to lifestyle, healthcare and beauty products from traditional digital products, however, was not up to management expectations but is expected to progress gradually and take some time to achieve a satisfactory scale to provide acceptable returns to shareholders.

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.

Low interest rates in Australia continue to encourage the sales of new dwellings to meet the embedded shortage of housing. The low interest rate conditions are expected to maintain the level of activity of sales in existing and new dwellings in Australia be it that the pace of growth of values is expected to level out. The Group's Investment Division continues to evaluate a pipeline of projects to take advantage of the sales activity to optimize returns whilst managing risk. The Group expects the Investment division to continue to hold its position and maintain a good growth rate.

Economic growth in China continues to slow, with the mounting slowdown in the real estate sector increasing risk and adversely affecting consumer confidence. Consumer sentiment is likely to remain subdued with the PRC government providing targeted support in certain sectors only as it implements reforms for stabilizing the economy over the long term. With the Lifestyle Division's new range of lifestyle, healthcare, enviro-care and beauty products also yet to gain a firm foothold, the outlook for this Division continues to be cautious.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

Subsequent to 30 June 2014, 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 30 June 2014 (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
Purchases, net of returns	-	8,474
Sales, net of returns	-	980
Profit share for purchasing services	452	-
Operating lease charges paid / payable	168	-

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

- a) Lifestyle ("LIFE") formerly known as Distribution
- b) Investment ("INV") - includes property investments in China / Hong Kong and real estate investments in Australia
- c) Others ("OTH") - those activities which do not fall into the above categories

Group's reportable segments**S\$'000****Six months ended 30 June 2014**

	LIFE	INV	OTH	TOTAL
Revenue				
External sales	284,922	6,997	-	291,919
Result				
Segment result	(3,209)	5,035	(804)	1,022
Unallocated corporate expenses				(725)
Finance income				759
Finance costs				(2,660)
Foreign exchange loss				(88)
Loss before income tax				(1,692)
Income tax expense				(34)
Loss for the period				(1,726)
Other information				
Capital expenditure:				
Property, plant and equipment	171	-	1	172
Depreciation expense	186	56	3	245
Assets				
Segment assets	97,821	134,131	302	232,254
Total assets				232,254
Liabilities				
Segment liabilities	65,737	63,003	383	129,123
Income tax payable				73
Deferred tax liability				391
Total liabilities				129,587

THAKRAL CORPORATION LTD AND SUBSIDIARIES

S\$'000

Six months ended 30 June 2013

	LIFE	INV	OTH	TOTAL
Revenue				
External sales	174,370	6,390	-	180,760
Result				
Segment result	(1,356)	4,226	(844)	2,026
Unallocated corporate expenses				(922)
Finance income				705
Finance costs				(2,853)
Foreign exchange gain				894
Loss before income tax				(150)
Income tax expense				(195)
Loss for the period				(345)

Other information				
Capital expenditure:				
Property, plant and equipment	37	1	-	38
Depreciation expense	190	58	5	253

Assets				
Segment assets	104,660	127,351	365	232,376
Total assets				232,376
Liabilities				
Segment liabilities	58,741	65,018	287	124,046
Income tax payable				207
Deferred tax liability				106
Total liabilities				124,359

Geographical information

S\$'000

Geographical segments:	Revenue		Capital expenditure		Non-current assets *	
	30 Jun		30 Jun		30 Jun	
	2014	2013	2014	2013	2014	2013
People's Republic of China (including Hong Kong)	280,076	165,882	53	18	24,223	22,854
Others	11,843	14,878	119	20	70,257	68,521
	291,919	180,760	172	38	94,480	91,375

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

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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 6 months ended 30 June 2014 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Kartar Singh Thakral
Director

Inderbethal Singh Thakral
Director
7 August 2014

BY ORDER OF THE BOARD

Chan Wan Mei
Tay Chee Wah
Company Secretaries
7 August 2014