



Financial Statements Announcement for the First Quarter ended 31 March 2019

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 2019, together with a comparative statement for the corresponding period of the immediately preceding financial year

These figures have not been audited.

| | Note | Group | | |
|-------------------------------------------------|------|--------------------|-------------|-------------------------------|
| | | S\$000 | | % Increase / (Decrease) |
| | | Three months ended | | |
| | | 31 Mar 2019 | 31 Mar 2018 | |
| | | | (restated) | |
| Revenue | 1 | 25,896 | 40,349 | (36) |
| Cost of sales | | (15,615) | (27,706) | (44) |
| Gross profit | 1 | 10,281 | 12,643 | (19) |
| Other operating income | 2 | 17 | 111 | (85) |
| Distribution costs | 3 | (1,999) | (1,532) | 30 |
| Administration expenses | 4 | (4,325) | (4,158) | 4 |
| Other operating expenses | 5 | (129) | (275) | (53) |
| Profit from operations | | 3,845 | 6,789 | (43) |
| Valuation losses on investment properties | 6 | (790) | (1,551) | (49) |
| Finance income | 7 | 69 | 93 | (26) |
| Finance costs | 8 | (1,019) | (1,203) | (15) |
| Foreign exchange gain (loss) | 9 | 187 | (274) | NM |
| Share of profit of associate and joint ventures | 10 | 208 | - | NM |
| Profit before income tax | | 2,500 | 3,854 | (35) |
| Income tax expenses | 11 | (520) | (460) | 13 |
| Profit for the quarter | | 1,980 | 3,394 | (42) |
| | | | | |
| <u>Profit attributable to:</u> | | | | |
| Equity holders of the Company | | 964 | 2,333 | (59) |
| Non-controlling interests | | 1,016 | 1,061 | (4) |
| | | 1,980 | 3,394 | (42) |
| | | | | |

NM – Not meaningful

THAKRAL CORPORATION LTD AND SUBSIDIARIES

| | Note | S\$'000 | | % Increase / (Decrease) |
|----------------------------------------------------------------------|------|--------------------|-------------|-------------------------------|
| | | Three months ended | | |
| | | 31 Mar 2019 | 31 Mar 2018 | |
| Profit for the quarter | | 1,980 | 3,394 | (42) |
| Other comprehensive loss | | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | | |
| Translation loss arising on consolidation | 12 | (1,110) | (1,941) | (43) |
| Other comprehensive loss for the quarter, net of tax | | (1,110) | (1,941) | (43) |
| Total comprehensive income for the quarter | | 870 | 1,453 | (40) |
| <u>Total comprehensive income attributable to:</u> | | | | |
| Equity holders of the Company | | 406 | 381 | 7 |
| Non-controlling interests | | 464 | 1,072 | (57) |
| | | 870 | 1,453 | (40) |

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

Reclassifications have been made to the prior year's Consolidated Income Statement in line with the classification in the audited financial statements for the year ended 31 Dec 18 - an amount of S\$332,000 related to withholding tax on certain investment income, previously included as administration expenses, is now reclassified as income tax expenses and another amount of S\$228,000 related to the beauty service business, previously included as distribution expenses, is now reclassified to cost of sales.

Note 1:

Consolidated Group revenue for the quarter ended 31 March 2019 declined to S\$25.9 million from S\$40.3 million in the previous corresponding quarter mainly due to the continued slowdown in sales in the Lifestyle Division's principal market, China as well as lower revenue at the Investment Division due to the completion of the Fortitude Valley, Newstead and Progress Road projects during the previous financial year.

Revenue includes investment income of S\$4.0 million (three months ended 31 Mar 18: S\$5.9 million).

Note 2:

Other operating income comprises:

| | S\$'000 | | % |
|----------------------|--------------------|-------------|--------------------------|
| | Three months ended | | Increase / (Decrease) |
| | 31 Mar 2019 | 31 Mar 2018 | |
| Government subsidies | 4 | 96 | (96) |
| Others | 13 | 15 | (13) |
| Total | 17 | 111 | (85) |

- i. The unit in China received lower VAT and other subsidies in the current quarter.

Notes to the Consolidated Income Statement and Consolidated Statement of Comprehensive Income:Note 3:

Distribution costs comprise:

| | S\$'000 | | % |
|-------------------------|--------------------|-------------|------------|
| | Three months ended | | Increase / |
| | 31 Mar 2019 | 31 Mar 2018 | (Decrease) |
| | | (restated) | |
| Staff costs | (961) | (785) | 22 |
| Advertising & promotion | (464) | (118) | 293 |
| Transportation | (186) | (221) | (16) |
| Travelling expenses | (56) | (64) | (13) |
| Others | (332) | (344) | (3) |
| Total | (1,999) | (1,532) | 30 |

- Staff costs increased due to the higher number of sales personnel in the current period as well as from the effect of the annual salary increment given to personnel earlier this year.
- Higher advertising and marketing expenses were incurred in the promotion of the Group's beauty and wellness products.
- Transportation costs reduced in view of the lower level of activity during the quarter.
- The reduction in the quarter in Travelling expenses was due to the reduced travel by the sales personnel in this quarter.
- Others include depreciation charged (in accordance with SFRS(I) 16 *Leases*) on right-of-use assets for leased warehouse.

Note 4:

Administration expenses comprise:

| | S\$'000 | | % |
|---------------------------------------------|--------------------|-------------|------------|
| | Three months ended | | Increase / |
| | 31 Mar 2019 | 31 Mar 2018 | (Decrease) |
| | | (restated) | |
| Staff costs (including executive directors) | (2,462) | (3,139) | (22) |
| Directors' fees | (138) | (137) | 1 |
| Professional fees | (836) | (258) | 224 |
| Rent & rates | (7) | (144) | (95) |
| Depreciation on right-of-use assets | (274) | - | NM |
| Travelling expenses | (108) | (85) | 27 |
| Insurance | (71) | (65) | 9 |
| Allow ance for doubtful debts | (43) | - | NM |
| Others | (386) | (330) | 17 |
| Total | (4,325) | (4,158) | 4 |

- The decline in Staff costs was mainly on account of lower bonus accruals.
- Professional fees increased mainly due to higher project related legal fees in Australia as well as the costs incurred by the Company in relation to the partial offer for shares by the Thakral family.
- Rental expense decreased due to these costs now being accounted as depreciation on right-of-use assets in view of the adoption of the new SFRS(I) 16 *Leases* from 1 January 2019. In view of the modified approach followed on the adoption of this SFRS(I), comparative figures are not required to be restated. Aggregate lease related expenses increased on account of the higher rental paid in respect of the new office in Shanghai.
- Travelling expenses were higher due to increased travel by management during the quarter.

Notes to the Consolidated Income Statement and Consolidated Statement of Comprehensive Income:Note 5:

Other operating expenses comprise:

| | S\$'000 | | % |
|-----------------------------------------------|--------------------|-------------|--------------------------|
| | Three months ended | | Increase / (Decrease) |
| | 31 Mar 2019 | 31 Mar 2018 | |
| Depreciation on property, plant and equipment | (129) | (64) | 102 |
| Loss on derivative financial instrument | - | (211) | (100) |
| Total | (129) | (275) | (53) |

- i. Depreciation on property, plant and equipment increased mainly due to the charge on the leasehold improvements in the new office in Shanghai.
- ii. There was no further loss on the derivative financial instrument during this quarter.

Note 6:

The Group recognised a net valuation loss on the GLNG houses in Australia (which is expected to continue until the end of the lease terms).

Note 7:

Finance income declined from a combination of lower interest-earning deposits and lower interest rates on these funds during the latest quarter.

Note 8:

Finance costs reduced in view of the lower level of borrowings compared to the previous corresponding quarter. Finance costs also include a part of lease payments which were previously charged as administration / selling expenses in the income statement, as required by the new SFRS(I) 16 *Leases*.

Note 9:

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

Note 10:

The share of profits from associate and joint ventures arose mainly from the Group's Japanese property investments under TJP Pte Ltd and the GemLife joint venture for the development and management of retirement resorts in Australia. This also includes the start-up costs in relation to the CurrentBody joint venture.

Note 11:

Income tax for the quarter mainly relates to the withholding tax on the income from Investment Division projects and the distributions declared by the Japanese property holding vehicles, the deferred tax on the fair value gain on the financial assets measured at fair value through income statement as well as the share of profit of associate.

Note 12:

These unrealised 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

| | Note | Group (S\$ '000) as at | | Company (S\$ '000) as at | |
|------------------------------------------------------------------|------|-------------------------------|----------------|---------------------------------|----------------|
| | | 31 Mar 2019 | 31 Dec 2018 | 31 Mar 2019 | 31 Dec 2018 |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and bank balances | 1 | 9,558 | 11,510 | 43 | 944 |
| Trade receivables | 2 | 8,979 | 10,065 | - | - |
| Other receivables and prepayments | | 7,467 | 7,623 | 55 | 71 |
| Debt instruments measured at fair value through income statement | 4 | 21,195 | 18,540 | - | - |
| Inventories | | 18,879 | 24,180 | - | - |
| Total current assets | | 66,078 | 71,918 | 98 | 1,015 |
| Non-current assets | | | | | |
| Other receivables | 3 | 2,632 | 1,695 | - | - |
| Debt instruments measured at fair value through income statement | 4 | 60,327 | 53,349 | - | - |
| Property, plant and equipment | | 3,464 | 3,492 | 17 | 19 |
| Right-of-use assets | 5 | 3,047 | - | 130 | - |
| Investment properties | | 65,709 | 66,489 | - | - |
| Subsidiary corporations | | - | - | 117,271 | 115,980 |
| Joint ventures | 7 | 4,269 | 4,182 | - | - |
| Associate | 6 | 28,045 | 28,373 | - | - |
| Financial assets measured at fair value through income statement | 8 | 44,580 | 44,744 | - | - |
| Total non-current assets | | 212,073 | 202,324 | 117,418 | 115,999 |
| Total assets | | 278,151 | 274,242 | 117,516 | 117,014 |
| LIABILITIES AND EQUITY | | | | | |
| Current liabilities | | | | | |
| Trade and bills payables | 9 | 2,202 | 3,999 | - | - |
| Trust receipts | 9 | 7,084 | 10,968 | - | - |
| Bank and other borrowings | 10 | 33,697 | 24,933 | 177 | 4,342 |
| Lease liabilities | 5 | 1,552 | - | 57 | - |
| Other payables | 11 | 13,971 | 16,789 | 480 | 444 |
| Provisions | | 2,787 | 2,706 | 52 | 52 |
| Income tax payable | | 3,147 | 3,082 | - | - |
| Total current liabilities | | 64,440 | 62,477 | 766 | 4,838 |
| Non-current liabilities | | | | | |
| Amount owing to subsidiary corporations | | - | - | 10,866 | 6,950 |
| Bank and other borrowings | 10 | 18,820 | 19,419 | - | - |
| Lease liabilities | 5 | 1,387 | - | 75 | - |
| Deferred tax liability | | 10,914 | 10,593 | - | - |
| Total non-current liabilities | | 31,121 | 30,012 | 10,941 | 6,950 |
| Total liabilities | | 95,561 | 92,489 | 11,707 | 11,788 |
| Capital, reserves and non-controlling interests | | | | | |
| Issued capital | | 72,579 | 72,579 | 72,579 | 72,579 |
| Reserves | | 59,940 | 59,563 | 33,230 | 32,647 |
| Equity attributable to equity holders of the Company | | 132,519 | 132,142 | 105,809 | 105,226 |
| Non-controlling interests | | 50,071 | 49,611 | - | - |
| Total equity | | 182,590 | 181,753 | 105,809 | 105,226 |
| Total liabilities and equity | | 278,151 | 274,242 | 117,516 | 117,014 |

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 2019 | | As at 31 December 2018 | |
|---------------------|---------------|------------------------|---------------|
| Secured * | Unsecured | Secured * | Unsecured |
| S\$ 40,896,000 | S\$ 1,437,000 | S\$ 30,335,000 | S\$ 5,566,000 |

* Included trust receipts and lease liabilities

Please also see note (10) on page 8

Details of any collateral

Charge over property in Singapore; pledged bank deposits of S\$2.5 million; Company's corporate guarantee

Mortgages over the land owned by certain Australian subsidiaries in Gladstone, general fixed and floating charges over the assets of these subsidiaries as well as the subsidiaries that lease the residential properties to the lessees

Charge against specific corresponding debt instruments issued by a developer

Lease liabilities are considered to be secured by the underlying leased assets

Amount repayable after one year

| As at 31 March 2019 | | As at 31 December 2018 | |
|---------------------|---------------|------------------------|---------------|
| Secured * | Unsecured | Secured | Unsecured |
| S\$ 15,608,000 | S\$ 4,599,000 | S\$ 14,962,000 | S\$ 4,457,000 |

* Included lease liabilities

Please also see note (10) on page 8

Details of any collateral

Charge over property in Singapore; Company's corporate guarantee

Mortgages over the land owned by certain Australian subsidiaries in Gladstone, general fixed and floating charges over the assets of these subsidiaries as well as the subsidiaries that lease the residential properties to the lessees

Lease liabilities are considered to be secured by the underlying leased assets

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

(S\$ '000)

Note

| | Three months ended | |
|---------------------------------------------------------------------------------------|--------------------|---------------|
| | 31 Mar 2019 | 31 Mar 2018 |
| | | (restated) |
| OPERATING ACTIVITIES | | |
| Profit before income tax | 2,500 | 3,854 |
| Adjustments for: | | |
| Depreciation expense of property, plant and equipment and right-of-use assets | 520 | 64 |
| Share of profit of associate and joint ventures | (208) | - |
| Dividend income from financial assets measured at FVTIS | (280) | - |
| Fair value gain on debt instruments | (3,072) | (5,321) |
| Fair value gain on financial assets | (616) | (613) |
| Interest expense | 1,019 | 1,203 |
| Interest income | (69) | (93) |
| Loss on disposal of property, plant and equipment | - | 2 |
| Valuation losses on investment properties | 790 | 1,551 |
| Unrealised loss on outstanding derivative financial instrument | - | 211 |
| Net unrealised foreign exchange gain | (170) | (43) |
| Share-based payment expenses | 5 | - |
| Provision for employee benefits | 96 | 74 |
| Allowance for inventories | - | 153 |
| Impairment loss recognised on trade receivables | 6 | - |
| Impairment loss recognised on other receivables | 37 | - |
| Operating cash flows before movements in working capital | 558 | 1,042 |
| Trade receivables | 1,057 | 994 |
| Other receivables and prepayments | (632) | (2,447) |
| Inventories | 5,510 | (247) |
| Trade and bills payable | (1,785) | 1,025 |
| Other payables and provisions | (2,897) | (235) |
| Cash generated from operations | 1,811 | 132 |
| Income tax paid | (5) | (576) |
| Interest paid | (711) | (470) |
| Interest received | 115 | 112 |
| Net cash generated from (used in) operating activities | 1,210 | (802) |
| INVESTING ACTIVITIES | | |
| Additions to property, plant and equipment | (107) | (179) |
| Proceeds from disposal of property, plant and equipment | - | 1 |
| Investments in joint ventures | (19) | - |
| Dividend received from financial assets measured at FVTIS | - | 1,458 |
| Additions to financial assets measured at FVTIS | - | (6,857) |
| Repayments of debt instruments measured at FVTIS | 4,924 | 13,412 |
| Additions to debt instruments measured at FVTIS | (11,455) | (6,354) |
| Net cash (used in) generated from investing activities | (6,657) | 1,481 |
| FINANCING ACTIVITIES | | |
| Decrease in fixed deposits with maturities exceeding three months | - | 2,293 |
| Decrease in pledged fixed deposits | 278 | 2,071 |
| (Decrease) increase in trust receipts | (3,814) | 197 |
| Increase in factoring loan | 285 | - |
| Repayments of lease liabilities | (525) | - |
| Other loans | 15,444 | - |
| Repayments of other loans | (6,820) | (1,487) |
| Repayments of bank loans | (1,040) | (3,942) |
| Net cash generated from (used in) financing activities | 3,808 | (868) |
| Net decrease in cash and cash equivalents | (1,639) | (189) |
| Cash and cash equivalents at beginning of quarter | 8,688 | 34,911 |
| Net effect of exchange rate changes in the balance of cash held in foreign currencies | (17) | (216) |
| Cash and cash equivalents at end of quarter | 7,032 | 34,506 |
| Cash and cash equivalents were represented by:- | | |
| Fixed deposits with maturities less than 3 months, cash and bank balances | 7,032 | 34,506 |
| | 7,032 | 34,506 |

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

To align with the reclassification of the withholding tax on certain investment income in the Income Statement, the corresponding reclassification has been made to the prior year's Statement of Cash Flows in line with the classifications in the audited financial statements for the year ended 31 Dec 18.

Note 1:

Cash and bank balances are comprised of:

| | <u>31-Mar-19</u> | <u>31-Dec-18</u> |
|------------------------------------------------------------------------------------------|-----------------------|------------------------|
| Cash and cash equivalents | S\$7.0 million | S\$8.7 million |
| Fixed deposits with maturities exceeding three months | S\$0.1 million | S\$0.1 million |
| Fixed deposits that have been pledged to banks against trust receipts and factoring loan | S\$2.5 million | S\$2.7 million |
| Total | <u>S\$9.6 million</u> | <u>S\$11.5 million</u> |

Note 2:

Trade receivables declined due to a combination of collections and lower sales in the quarter.

Included in trade receivables is an amount of S\$1.1 million (31 Dec 18: S\$0.8 million) which was factored to a bank on a full recourse basis. The cash received from the factoring is included as bank borrowing (Note 10).

Note 3:

Non-current other receivables increased mainly due to the loan advanced to the Associate in Japan.

Note 4:

The increase in aggregate debt instruments measured at fair value through income statement reflect the additional investments in the Australian projects, including the GemLife joint venture during the quarter. Of the total of S\$81.5 million (31 Dec 18: S\$71.9 million), debt instruments due by the GemLife joint venture entities amount to S\$36.2 million (31 Dec 18: S\$34.8 million) as at 31 Mar 2019.

Note 5:

Right-of-use assets represent the Group's right to use an asset over the life of the relevant lease. Lease liabilities are the amounts payable on such leases, segregated into current and non-current liabilities.

Note 6:

This represents the Group's investment in commercial properties and hotel building in Japan through a pooled investment structure that is accounted for as an associate by the Group in view of its significant influence over the entity. This includes the share of profit of the entity for the quarter.

Note 7:

This represents the Group's interest in the joint venture entities for the GemLife retirement housing business. This includes the share of profit of the entities for the quarter.

Note 8:

This represents the Group's investments in commercial properties and hotel buildings in Japan through pooled investment structures which are accounted for as financial assets measured at fair value through income statement.

Note 9:

Aggregate trade and bills payable and trust receipts reduced in view of repayments and lower purchases in the quarter.

Note 10:

Aggregate bank and other borrowings increased mainly on account of the additional funding taken by the Investment Division in the quarter.

Note 11:

Other payables decreased on account of payment of certain accrued expenses.

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 2019

S\$'000

Group

**Balance at 1 Jan 2019,
as previously reported**

Effect on adoption of SFRS(I) 16

Balance at 1 Jan 2019, restated

Total comprehensive income for
the quarter

Profit for the quarter

Other comprehensive loss for
the quarter

Transactions with owners,
recognised directly in equity

Recognition of share-based
payments of a subsidiary
corporation

Balance at 31 Mar 2019

| Issued capital | Capital reserve | Asset revaluation reserve | Share options reserve | Foreign currency translation reserve | Retained earnings | Equity attributable to equity holders of the Company | Non- controlling interests | Total |
|-------------------|--------------------|---------------------------------|-----------------------------|-----------------------------------------------|----------------------|------------------------------------------------------------------|----------------------------------|----------------|
| 72,579 | (9,084) | 296 | 2 | (6,489) | 74,838 | 132,142 | 49,611 | 181,753 |
| - | - | - | - | - | (33) | (33) | (5) | (38) |
| 72,579 | (9,084) | 296 | 2 | (6,489) | 74,805 | 132,109 | 49,606 | 181,715 |
| - | - | - | - | - | 964 | 964 | 1,016 | 1,980 |
| - | - | - | - | (558) | - | (558) | (552) | (1,110) |
| - | - | - | - | (558) | 964 | 406 | 464 | 870 |
| - | - | - | 4 | - | - | 4 | 1 | 5 |
| 72,579 | (9,084) | 296 | 6 | (7,047) | 75,769 | 132,519 | 50,071 | 182,590 |

Three months ended 31 March 2018

S\$'000

Group

Balance at 1 Jan 2018

Total comprehensive income for
the quarter

Profit for the quarter

Other comprehensive (loss)
income for the quarter

Balance at 31 Mar 2018

| Issued capital | Capital reserve | Asset revaluation reserve | Foreign currency translation reserve | Retained earnings | Equity attributable to equity holders of the Company | Non- controlling interests | Total |
|-------------------|--------------------|---------------------------------|-----------------------------------------------|----------------------|------------------------------------------------------------------|----------------------------------|----------------|
| 72,579 | (9,207) | 296 | (2,530) | 70,775 | 131,913 | 30,797 | 162,710 |
| - | - | - | - | 2,333 | 2,333 | 1,061 | 3,394 |
| - | - | - | (1,952) | - | (1,952) | 11 | (1,941) |
| - | - | - | (1,952) | 2,333 | 381 | 1,072 | 1,453 |
| 72,579 | (9,207) | 296 | (4,482) | 73,108 | 132,294 | 31,869 | 164,163 |

Three months ended 31 March 2019

S\$'000

Company

Balance as at 1 Jan 2019, as previously reported

Effect on adoption of SFRS(I) 16

Balance as at 1 Jan 2019, restated

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

Balance as at 31 Mar 2019

| Issued capital | Retained earnings | Total |
|-------------------|----------------------|----------------|
| 72,579 | 32,647 | 105,226 |
| - | (2) | (2) |
| 72,579 | 32,645 | 105,224 |
| - | 585 | 585 |
| 72,579 | 33,230 | 105,809 |

Three months ended 31 March 2018

Company**Balance as at 1 Jan 2018**

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

Balance as at 31 Mar 2018

| S\$'000 | | |
|----------------|-------------------|---------|
| Issued capital | Retained earnings | Total |
| 72,579 | 40,977 | 113,556 |
| - | 10,309 | 10,309 |
| 72,579 | 51,286 | 123,865 |

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, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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.

The Company did not have any outstanding convertibles or treasury shares as at 31 Mar 2019 and 31 Dec 2018.

The Company does not have any share option scheme currently in effect.

The outstanding share options under the Thakral Capital Holdings Pte Ltd Employees' Share Option Scheme were 78,300 as at 31 Mar 2019 and 31 Dec 2018; the options are not exercisable until 1 Nov 2021.

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 130,860,616 as at 31 March 2019 and 31 December 2018.

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.

1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings 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 period as those of the audited financial statements for the year ended 31 December 2018.

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

On 1 January 2019, the Group adopted all the SFRS(I) pronouncements that are effective from that date and are relevant to its operations. The Group was mainly affected by the following:-

| | |
|----------------------------|-----------------------------------------------------------------------------------------------------------|
| SFRS(I) 16 | <i>Leases</i> |
| Amendments to SFRS(I) 9 | <i>Financial Instruments: Prepayment Features with Negative Compensation</i> |
| Amendments to SFRS(I) 1-28 | <i>Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures</i> |
| SFRS(I) INT 23 | <i>Uncertainty over Income Tax Treatments</i> |

As certain leases entered by the Group as lessee meet the definition of a lease under SFRS(I) 16, the Group has recognised right-of-use assets and the corresponding lease liabilities in its Statements of Financial Position. The lease payments are now charged as depreciation as well as finance costs. In view of the modified approach adopted by the Group for this SFRS(I), prior period figures are not required to be restated. The effect of the adoption of this modified approach includes the recognition of a net liability of S\$38,000 as of 1 January 2019 relating to the cumulative retrospective impact from initially applying the standard that has been adjusted to retained earnings.

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 2019 | Three months ended 31 Mar 2018 |
|----------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| (i) Based on the weighted average number of ordinary shares on issue | 0.74 cent | 1.78 cents |
| (ii) On a fully diluted basis | 0.74 cent | 1.78 cents |

Basic earnings per share and diluted earnings per share are computed on the profit for the above periods after taxation and deduction of non-controlling interests divided by 130,860,616 being the adjusted weighted average number of shares in issue during the periods ended 31 March 2019 and 31 March 2018.

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

| | As at 31 Mar 2019 | As at 31 Dec 2018 |
|---------|----------------------|----------------------|
| Group | 101.27 cents | 100.98 cents |
| Company | 80.86 cents | 80.41 cents |

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of (a) 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; and (b) 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 2019

Revenue & Profitability

Consolidated Group revenue for the quarter ended 31 March 2019 declined to S\$25.9 million from S\$40.3 million in the previous corresponding quarter mainly due to the continued slowdown in sales in the Lifestyle Division's principal market, China. The PRC Government's announcement in early March about the revision of VAT rates from April 2019 also impacted sales as customers held off purchases in expectation of price reductions. Revenue at the Investment Division was also lower mainly from the absence of income in the current period in relation to the completed projects – Fortitude Valley, Newstead and Progress Road – that had been recognised in the previous corresponding quarter. This is also a result of the ongoing shift in the Investment Division's focus to the GemLife projects on which ongoing returns are lower and therefore yet to match the level of contributions previously seen from its housing projects.

Gross profit consequently declined by 19% to S\$10.3 million for the current quarter from S\$12.6 million previously.

Profit from operations of S\$3.8 million for the latest quarter was 43% lower than S\$6.8 million achieved in the previous corresponding quarter as profits from projects that closed in the previous corresponding quarter have not been replaced by new projects.

Valuation loss of S\$0.8 million recognised on the GLNG houses in Gladstone, Australia for the current quarter was lower than the S\$1.6 million taken up in the previous corresponding quarter mainly in view of the bottoming out of property values in Gladstone.

Net Finance costs declined to S\$1.0 million from S\$1.1 million in the previous corresponding quarter mainly on account of lower external funding during the quarter of some of the Investment Division's projects.

Expenses

Higher advertising and promotion expenses in the quarter resulted in Distribution expenses of S\$2.0 million being 30% higher than the S\$1.5 million incurred in the previous corresponding quarter.

Foreign exchange gain of S\$0.2 million for the current quarter arose mainly from the translation of foreign currency denominated assets and liabilities outstanding as at the end of the quarter compared to a loss of S\$0.3 million in the earlier quarter.

The Group also recognised share of profits from an associate and joint ventures of S\$0.2 million in the quarter. This includes the start-up costs in relation to the CurrentBody joint venture.

The Group recorded net profit of S\$2.0 million for the current quarter as compared to S\$3.4 million achieved previously.

Working Capital and Cash Flow

Inventories declined to S\$18.9 million as at 31 March 2019 compared to S\$24.2 million as at 31 December 2018 with clearance of inventories. In view of lower sales, the inventory turnover period for the year increased to 124 days against 79 days for the previous corresponding quarter.

Trade receivables reduced to S\$9.0 million as at 31 March 2019 from S\$10.1 million as at 31 December 2018 in view of collections and sales. The trade receivables turnover period for the year was 33 days against 25 days for the previous corresponding quarter.

Aggregate debt instruments measured at fair value through income statement increased to S\$81.5 million as at 31 March 2019 compared to S\$71.9 million as at 31 December 2018 reflecting the additional investments in the Australian projects, including the GemLife joint venture during the quarter.

Financial assets measured at fair value through income statement of S\$44.6 million remained about level with S\$44.7 million as at 31 December 2018.

The Group also recognised right-of-use assets and aggregate lease liabilities of S\$3.0 million and S\$2.9 million respectively representing the Group's lease commitments upon the adoption of SFRS(I) 16 Leases.

Aggregate borrowings (including lease liabilities) increased to S\$62.5 million as at 31 March 2019 as against S\$55.3 million as at 31 December 2018 mainly on account of the additional funding taken by the Investment Division in the quarter.

Cash balances decreased to S\$9.6 million as at 31 March 2019 compared to S\$11.5 million as at 31 December 2018.

Net Asset Value

Net Asset Value per share grew to 101.27 cents as at 31 March 2019 from 100.98 cents as at 31 December 2018.

Performance Summary

Investments

Australia

The Newstead project was completed in June 2018 and the Group continues to recoup its investment from settlements of the remaining units. The Grange project was completed in October 2018 and the Group recouped the principal and a part of the returns from this project with the remaining return expected to be received by Q2-FY19. Construction on the Noosa Parkridge project is progressing well, with the first settlements expected in Q2-FY19. The strong demand for this project has led to earlier commencement of the second phase. Construction of The Oxford Residences project in Sydney's Bondi Junction continues, with practical completion expected in June 2020.

On the retirement living operations, sales and settlements at the Bribie Island and Highfields projects are progressing well. Community facilities at both projects have been completed and the clubhouse at Highfields was officially opened in February 2019. Over 160 houses have now been occupied at both these projects. Construction of the display village and first homes at the Woodend project have been completed and the first residents moved into the resort in January 2019. Sales for the Maroochy Quays (formerly Maroochydore) project commenced in Q3-FY18 and construction commenced in Q1-FY19. Development approval for the Lennox Head project is awaited. GemLife continues to review other land sites for acquisition.

Japan

The construction of the retail property – named Nambanaka Thakral Building – was completed in mid-March and the building handed over to the tenant. It is expected that the tenant will open its store around end-April. Renovations to the properties continue to be made with lease renewals being carried out at improved rates. Vacancy rates remain low in Osaka and, with very few upcoming completions of large new office buildings, rent levels should remain on a rising trend. The Group continues to seek investment in additional properties.

The division achieved revenues of S\$7.4 million for the latest quarter as against S\$9.5 million achieved in the previous corresponding quarter. Income was lower mainly from the absence of income in the current period in relation to the completed projects – Fortitude Valley, Newstead and Progress Road – that had been recognised in the previous corresponding quarter. Segment operating result before valuation losses/gains and share of profit of joint ventures and associate was S\$5.6 million, as against S\$7.5 million in the previous corresponding quarter.

Lifestyle

Sales at the division came in at S\$18.5 million for the latest quarter, a decline from S\$30.9 million achieved in the previous corresponding quarter, reflecting the sluggish consumer sentiment in its markets. Segment loss of S\$1.0 million included the share of start-up costs recognised in relation to its CurrentBody joint venture.

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 both Divisions in the quarter met management's expectations. The Lifestyle Division is still continuing efforts to grow the business.

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.

House prices in Australia continued to weaken in early 2019. With economic growth losing momentum and the Treasury flagging the risks for the economy from the housing downturn, there are expectations the RBA may lower rates over the second half of the year. The Investment Division's housing projects continue to move forward while it remains focused on growing the GemLife retirement living business. Limited upcoming supply in the office sector in Osaka, Japan – the next phase of new supply will commence only in 2020 – has resulted in the market remaining tight and rents continuing to rise.

The Chinese economy expanded by 6.4 percent year-on-year in the first quarter of 2019 suggesting the government's tax cuts and other measures to support expansion were taking effect. However, the nominal growth rate of household consumption slowed to 7.3 per cent, from 8.0 per cent in the fourth quarter and 7.6 per cent in the first quarter in the previous year. Despite a slowing economy and the ongoing US-China trade war, the popularity of e-commerce and rising spending in lower tier cities is set to help China's retail sector overcome rising macroeconomic risks. eMarketer expects e-commerce to account for 35 percent of retail spending in China, which is equivalent to about US\$2 trillion – over half of all e-commerce sales globally. The Lifestyle Division is working with some of the key players in this market segment and is continuing steps to grow a profitable business.

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 and the reason(s) for the decision

Subsequent to 31 Dec 2018, 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 2019 (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 | - | 654 |

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 four geographical segments being Australia, the People's Republic of China (including Hong Kong), Singapore and others (India and Japan), has 3 main core divisional activities as follows:

- a) Investment ("INV") - includes real estate investments in Australia, People's Republic of China, Japan and Singapore
- b) Lifestyle ("LIFE") – comprises distribution of beauty, wellness and lifestyle products in India, Japan, Peoples' Republic of China (including Hong Kong), Singapore and in various export markets
- c) Others ("OTH") - those other activities which do not fall into the above categories

Group's reportable segments**S\$'000****Three months ended 31 March 2019**

| | INV | LIFE | OTH | TOTAL |
|--------------------------------------------------------|-------|---------|-------|---------|
| Revenue | | | | |
| External revenue | 7,371 | 18,525 | - | 25,896 |
| Result | | | | |
| Segment operating result | 5,588 | (1,034) | (321) | 4,233 |
| Valuation loss on investment properties | (790) | - | - | (790) |
| Share of profit (loss) of associate and joint ventures | 227 | (19) | - | 208 |
| Segment result | 5,025 | (1,053) | (321) | 3,651 |
| Unallocated corporate expenses | | | | (388) |
| Finance income | | | | 69 |
| Finance costs | | | | (1,019) |
| Foreign exchange gain | | | | 187 |
| Profit before income tax | | | | 2,500 |
| Income tax expense | | | | (520) |
| Profit for the quarter | | | | 1,980 |

| | | | | |
|-------------------------------|----|-----|----|-----|
| Other information | | | | |
| Capital expenditure: | | | | |
| Property, plant and equipment | - | 107 | - | 107 |
| Depreciation expense | 21 | 483 | 16 | 520 |

| | | | | |
|--------------------------|---------|--------|-----|---------|
| Assets | | | | |
| Segment assets | 236,874 | 41,009 | 268 | 278,151 |
| Total assets | | | | 278,151 |
| Liabilities | | | | |
| Segment liabilities | 57,293 | 23,645 | 562 | 81,500 |
| Income tax payable | | | | 3,147 |
| Deferred tax liability | | | | 10,914 |
| Total liabilities | | | | 95,561 |

THAKRAL CORPORATION LTD AND SUBSIDIARIES

S\$'000

Three months ended 31 March 2018

| | INV | LIFE | OTH | TOTAL |
|-----------------------------------------|---------|--------|-------|---------|
| Revenue | | | | |
| External sales | 9,479 | 30,870 | - | 40,349 |
| Result | | | | |
| Segment operating result (restated) | 7,465 | (70) | (181) | 7,214 |
| Valuation loss on investment properties | (1,551) | - | - | (1,551) |
| Segment result (restated) | 5,914 | (70) | (181) | 5,663 |
| Unallocated corporate expenses | | | | (425) |
| Finance income | | | | 93 |
| Finance costs | | | | (1,203) |
| Foreign exchange loss | | | | (274) |
| Profit before income tax (restated) | | | | 3,854 |
| Income tax expenses (restated) | | | | (460) |
| Profit for the quarter | | | | 3,394 |

| | | | | |
|-------------------------------|---|-----|----|-----|
| Other information | | | | |
| Capital expenditure: | | | | |
| Property, plant and equipment | - | 168 | 11 | 179 |
| Depreciation expense | 4 | 59 | 1 | 64 |

| | | | | |
|-----------------------------------|---------|--------|-----|---------|
| Assets | | | | |
| Segment assets | 193,982 | 56,730 | 471 | 251,183 |
| Total assets | | | | 251,183 |
| Liabilities | | | | |
| Segment liabilities (restated) | 47,511 | 29,231 | 519 | 77,261 |
| Income tax payable (restated) | | | | 4,107 |
| Deferred tax liability (restated) | | | | 5,652 |
| Total liabilities | | | | 87,020 |

Geographical information

S\$'000

| Geographical segments: | Revenue | | Capital expenditure | | Non-current assets * | |
|-----------------------------------------------------|---------|--------|---------------------|------|----------------------|--------|
| | 31 Mar | | 31 Mar | | 31 Mar | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| People's Republic of China (including Hong Kong) | 20,588 | 35,979 | 107 | 168 | 7,036 | 3,154 |
| Australia | 2,863 | 3,019 | - | - | 33,371 | 41,987 |
| Singapore | 1,205 | 613 | - | 11 | 30,540 | 38 |
| Others | 1,240 | 738 | - | - | 1,273 | 1,204 |
| | 25,896 | 40,349 | 107 | 179 | 72,220 | 46,383 |

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

* Non-current assets other than financial instruments, associate and joint ventures

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 2019 to be false or misleading in any material aspect.

Confirmation pursuant to Rule 720(1)

It is confirmed that the Company has procured undertakings from all its Directors and executive officers.

ON BEHALF OF THE BOARD

Kartar Singh Thakral
Director

Inderbethal Singh Thakral
Director
29 April 2019

BY ORDER OF THE BOARD

Chan Wan Mei
Chan Lai Yin
Company Secretaries
29 April 2019