



THAKRAL CORPORATION LTD

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

PRESS RELEASE

THAKRAL REPORTS PROFITABLE 1Q2014 WITH STRONG REVENUE GROWTH

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Mainboard-listed Thakral Corporation Ltd (“Thakral” or the “Group”) reported a profit attributable to shareholders in 1Q2014. Revenue for the quarter doubled to S\$179.5 million from S\$88.9 million in 1Q2013.

Revenue from the Investment Division rose by 51% to S\$3.4 million for 1Q2014 from S\$2.3 million in 1Q2013 and at the Lifestyle Division doubled to S\$176.1 million in 1Q2014 compared to S\$86.6 million in 1Q2013.

Gross profit of the Group increased 18% to S\$6.4 million in 1Q2014. The Group’s net profit for 1Q2014 was S\$101,000, reversing from a loss of S\$186,000 in 1Q2013.

Distribution expenses rose to S\$1.5 million from S\$1.3 million in 1Q2013. This was mainly to support increased marketing activities for its new portfolio of lifestyle and environmental products.

Net finance costs, administration expenses and other operating expenses remained stable compared to those incurred in the previous corresponding quarter.

Earnings Per Share and Net Asset Value Per Share

The Group achieved Earnings Per Share of 0.01 cent, reversing the Loss Per Share of 0.01 cent in 1Q2013.

Net Asset Value per share improved marginally to 3.93 cents as at March 31, 2014 from 3.91 cents as at December 31, 2013.

Working Capital Position

The Group’s financial position remains healthy as the total cash and bank balances including non-current fixed deposits rose to S\$58.2 million as at March 31, 2014 against S\$53.6 million as at December 31, 2013.

The Group’s operational cash inflow improved from S\$6.4 million in 1Q2013 to S\$8.9 million in 1Q2014, primarily due to improved working capital cycle.

Segmental Performance

Investments

Revenue for the Investment Division increased by 51% to S\$3.4 million in 1Q2014 from S\$2.3 million in 1Q2013. This improved turnover was achieved even with the absence of contributions from the property development unit in Wujiang.

Segmental profit from this division also increased 72% to S\$2.5 million from S\$1.5 million in 1Q2013. The improvement in profit was solely contributed by the Group's investments in Australia.

While the Investment Division is continuing to explore opportunities in Australia, it is also reviewing new markets such as Japan to further grow its revenue and earnings.

Lifestyle

Revenue at the Lifestyle Division more than doubled to S\$176.1 million in 1Q2014 from S\$86.6 million in 1Q2013.

The Group's on-going transition to a new product range including lifestyle, beauty & health and eco-friendly products will take some time to bear fruit. The division recorded a loss of S\$0.6 million in 1Q2014 compared to S\$0.5 million loss in 1Q2013.

Trade receivables were halved to S\$13.5 million as at March 31, 2014 from S\$26.4 million as at December 31, 2013. The trade receivables turnover period for the current quarter was reduced to 10 days as compared to 28 days for 1Q2013.

The inventory turnover period for the current quarter was trimmed to 22 days as compared to 49 days for 1Q2013.

Going Forward

Mr. Natarajan Subramaniam, Independent Non-Executive Chairman of Thakral said: "The Group's strategy of having two core businesses has continued to bring positive returns and we were able to report a profit albeit a small one for the Group in the quarter.

"Our Investment Division has made good progress with its strong pipeline of projects.

"Our Distribution Division which is now the Lifestyle Division is making headway in its transformation towards lifestyle, beauty & health and enviro-care products where it has secured new partnerships from key brands in the past months. This division is expected to contribute positively to the Group in the medium to long term.

"Going forward, both our core divisions will explore new markets in Asia as they forge ahead with their growth plans, while managing market risks and global volatility

that will remain challenging in the coming months.

“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 – Lifestyle Division and Investment Division.

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.

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

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