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 2014 together with comparative statements for the corresponding period of the immediately preceding financial year

These figures have not been audited.

## CONSOLIDATED INCOME STATEMENT

## Revenue

Cost of sales
Gross profit
Other operating income
Distribution costs
Administrative expenses
Other operating expenses
Profit from operations
Finance income
Finance costs
Foreign exchange (loss) gain
Profit (Loss) before income tax
Income tax expense
Profit (Loss) for the quarter

Profit (Loss) attributable to: Equity holders of the Company

Non-controlling interests

Note

1

1
2 3 4 5 6 7 8

| Group |  |  |
| :---: | :---: | :---: |
| S\$000 |  | \% <br> Increase / <br> (Decrease) |
| Three months ended |  |  |
| 31 Mar 2014 | 31 Mar 2013 |  |
| 179,527 | 88,923 | 102 |
| $(173,145)$ | $(83,524)$ | 107 |
| 6,382 | 5,399 | 18 |
|  | 103 | (44) |
| $(1,471)$ | $(1,349)$ | 9 |
| $(3,700)$ | $(3,871)$ | (4) |
| (123) | (125) | (2) |
| 1,146 | 157 | 630 |
| 373 | 282 | 32 |
| $(1,327)$ | $(1,227)$ | 8 |
| (76) | 640 | NM |
| 116 | (148) | NM |
| (15) | (38) | (61) |
| 101 | (186) | NM |
| 172 | (211) | NM |
| (71) | 25 | NM |
| 101 | (186) | NM |

NM - Not meaningful

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| Note |  |  | \% Increase / (Decrease) |
| :---: | :---: | :---: | :---: |
|  | Three months ended |  |  |
|  | 31 Mar 2014 | 31 Mar 2013 |  |
| Profit (Loss) for the quarter | 101 | (186) | NM |
| Other comprehensive income |  |  |  |
| Items that may be reclassified subsequently to profit or loss |  |  |  |
| Translation gain arising on consolidation | 240 | 928 | (74) |
| Other comprehensive income for the quarter, net of tax | 240 | 928 | (74) |
| Total comprehensive income for the quarter | 341 | 742 | (54) |
| Total comprehensive income (loss) attributable to: |  |  |  |
| Equity holders of the Company | 495 | 633 | (22) |
| Non-controlling interests | (154) | 109 | NM |
|  | 341 | 742 | (54) |

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

Note 1:
The Group saw turnover double to $\mathrm{S} \$ 179.5$ million for the quarter ended 31 March 2014 on the back of high sales of certain fast-moving low-margin items in the latest quarter as well as improved revenues at the Investment Division. The change in product mix and the Lifestyle Division's (formerly known as Distribution Division) current shift away from traditional digital products, Group gross profit margin declined to $3.6 \%$ from $6.1 \%$ achieved previously.

Revenue included investment income comprising dividends and interest income amounting to $\mathbf{S} \$ 1,087,000$ (Three months ended 31 Mar 13: $\mathrm{S} \$ 316,000$ )

Note 2:
Other operating income comprises:

Gain on disposal of property, plant and equipment
Commission income
Others
Total

| S\$'000 |  | \% <br> Increase / <br> (Decrease) |
| :---: | :---: | :---: |
| Three months ended |  |  |
| 31 Mar 2014 | 31 Mar 2013 |  |
|  | 12 | (100) |
| 19 | 57 | (67) |
| 39 | 34 | 15 |
| 58 | 103 | (44) |

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

## THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

## Note 3

Distribution costs comprise:

Staff costs
Advertising \& promotion
Transportation
Travelling expenses
Others
Total

| S\$'000 |  |  |
| :---: | :---: | :---: |
| Three mon | hs ended |  |
| 31 Mar 2014 | 31 Mar 2013 |  |
| (800) | (787) | 2 |
| (105) | (36) | 192 |
| (185) | (204) | (9) |
| (108) | (125) | (14) |
| (273) | (197) | 39 |
| $(1,471)$ | $(1,349)$ | 9 |

(i) Increased sales and marketing activities, particularly in Singapore, led to higher advertising and promotion expenses.
(ii) Travelling expenses were lower due to reduced travel by sales personnel.
(iii) The increase in others is mainly due to higher warehousing and other sales related expenses.

## Note 4:

Administration expenses comprise:
Staff costs
(including executive directors)
Directors' fees
Professional fees
Rent \& rates
Travelling expenses
Insurance
Allowance for doubtful debts
Withholding tax
Others
Total

| S\$'000 |  | \% <br> Increase / <br> (Decrease) |
| :---: | :---: | :---: |
| Three months ended |  |  |
| 31 Mar 2014 | 31 Mar 2013 |  |
| $(2,519)$ | $(2,559)$ | (2) |
| (121) | (121) | - |
| (230) | (312) | (26) |
| (207) | (216) | (4) |
| (88) | (70) | 26 |
| (90) | (85) | 6 |
| (29) | 8 | NM |
| (128) | (32) | 300 |
| (288) | (484) | (40) |
| $(3,700)$ | $(3,871)$ | (4) |

(i) Reduced legal and other consultancy resulted in savings in Professional fees.
(ii) Travelling expenses were higher due to increased travel by Directors and management personnel in the quarter.
(iii) Withholding tax relates to tax accruals on income from Investment Division projects currently in progress.
(iv) The reduction in others is mainly due to the reversal of certain accruals.

## Note 5:

Other operating expenses comprise depreciation charges for the relevant periods.

## Note 6:

Finance income increased due to higher deposits placed in China.

## Note 7:

Foreign exchange translation loss in the quarter 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 Lifestyle division 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

## ASSETS

## Current assets

Cash and bank balances
Trade receivables
Other receivables and prepayments
Bills receivable
Loans receivable
Inventories
Total current assets

## Non-current assets

Property, plant and equipment
Investment properties
Subsidiaries
Loans receivable
Non-current fixed deposits
Interest receivable on non-current fixed deposits
Available-for-sale investments
Total non-current assets

## Total assets

## LIABILITIES AND EQUITY

## Current liabilities

Trade payables
Bills payables and trust receipts
Bank overdraft and loans
Other payables
Provisions
Income tax payable
Total current liabilities

## Non-current liabilities

Amount owing to a subsidiary
Loans from financial institutions
Deferred tax liability
Total non-current liabilities
Capital, reserves and non-controlling interests
Issued capital
Reserves

Equity attributable to equity holders of the Company
Non-controlling interests
Total equity
Total liabilities and equity

| Note | $\begin{gathered} \text { Group } \\ \text { ( S\$ '000) } \\ \text { as at } \\ \hline \end{gathered}$ |  | $\begin{gathered} \hline \text { Company } \\ \text { ( S\$ '000) } \\ \text { as at } \end{gathered}$ |  |
| :---: | :---: | :---: | :---: | :---: |
|  | 31 Mar 2014 | 31 Dec 2013 | 31 Mar 2014 | 31 Dec 2013 |
| 5 | 40,643 | 45,935 | 2,801 | 185 |
| 3 | 13,527 | 26,423 |  |  |
| 4 | 10,607 | 28,284 | 51 | 165 |
|  | 204 | 145 |  |  |
| 2 | 2,071 | 2,500 | - |  |
| 1 | 49,045 | 34,148 |  |  |
|  | 116,097 | 137,435 | 2,852 | 350 |
|  | 5,314 | 5,403 | 20 | 21 |
| 2 | 88,874 | 86,612 | - | - |
| 2 | 20,030 | 19,842 | 121,618 | 121,608 |
| 5 | 17,592 | 19,842 7,694 | - | - |
| 4 |  | 253 7 | - |  |
|  | 132,245 | 119,811 | 121,638 | 121,629 |
|  | 248,342 | 257,246 | 124,490 | 121,979 |
| 6 | 15,307 | 20,361 |  |  |
| 6 | 14,525 | 18,427 | - |  |
| 7 | 48,465 | 47,591 | - | - |
|  | 12,904 | 12,377 | 295 | 357 |
|  | 3,122 | 3,630 | 39 | 39 |
|  | 70 | 165 |  | - |
|  | 94,393 | 102,551 | 334 | 396 |
|  |  | - | 26,433 | 24,216 |
| 7 | $\begin{array}{r} 46,390 \\ 390 \end{array}$ | $\begin{array}{r} 47,484 \\ 383 \end{array}$ | - | - |
|  | 46,780 | 47,867 | 26,433 | 24,216 |
|  | 72,579 | 72,579 | 72,579 | 72,579 |
|  | 30,277 | 29,782 | 25,144 | 24,788 |
|  | 102,856 | 102,361 | 97,723 | 97,367 |
|  | 4,313 | 4,467 | - | - |
|  | 107,169 | 106,828 | 97,723 | 97,367 |
|  | 248,342 | 257,246 | 124,490 | 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 31 March 2014 |  | As at 31 December 2013 |  |
| :---: | :---: | :---: | :---: |
| Secured | Unsecured | Secured | Unsecured |
| $S \$ 46,794,000$ | $S \$ 16,196,000$ | $S \$ 49,337,000$ | $S \$ 16,681,000$ |

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 $\$ 23.8$ million; Company's corporate guarantee
$1^{\text {st }}$ mortgage over 101 houses in Gladstone, Australia

Amount repayable after one year

| As at 31 March 2014 |  | As at 31 December 2013 |  |
| :---: | :---: | :---: | :---: |
| Secured | Unsecured | Secured | Unsecured |
| $S \$ 42,347,000$ | $S \$ 4,043,000$ | $S \$ 43,711,000$ | $S \$ 3,773,000$ |

Please also see note (7) on page 7

Details of any collateral
$1^{\text {st }}$ 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

## OPERATING ACTIVITIES

Profit (Loss) before income tax
Adjustments for:
Depreciation expense
Dividend income and investment income from unquoted investments
Interest expense
Interest income
Gain on disposal of property, plant and equipment
Net foreign exchange (loss) gain
Provision for employee benefits
(Reversal) Allowance for inventories
Allowance (Reversal) for doubtful trade receivables
Allowance for doubtful other receivables
Operating cash flows before movements in working capital Trade receivables
Other receivables and prepayments
Inventories
Trade payables
Other payables and provisions
Cash generated from operations
Income tax paid
Interest paid
Interest received
Net cash from operating activities

## INVESTING ACTIVITIES

Additions to property, plant and equipment
Proceeds from disposal of property, plant and equipment
Repayment of loans receivable - current and non-current
Additions to investment properties and investment properties under development
Additions to loans receivable - current and non-current
Net cash from (used in) investing activities

## FINANCING ACTIVITIES

Proceeds from issue of shares on exercise of employees'
share options
Dividend paid to non-controlling shareholders
Decrease (increase) in fixed deposits with maturities exceeding three months
Decrease in pledged bank deposits
(Decrease) Increase in bills payable and trust receipts
New loans from bank loans and loans from financial institutions
Repayments of bank loans
Increase (Decrease) in short-term bank loans
Net cash (used in) from financing activities
Net increase (decrease) in cash and cash equivalents
Cash and cash equivalents at beginning of the quarter
Net effect of exchange rate changes in the balance of cash held in foreign currencies
Cash and cash equivalents at end of the quarter

Cash and cash equivalents were represented by:-
Fixed deposits with maturities less than 3 months, cash and bank
5
balances
Bank overdrafts


## THAKRAL CORPORATION LTD AND SUBSIDIARIES

Notes to the Statements of Financial Position and Consolidated Statement of Cash Flows:
Note 1:
Inventories increased due to due to significant purchases of certain fast-moving items made in March 14.

## Note 2:

The net reduction in Loans receivable during the quarter 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 quarter 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:

|  | 31-Mar- | 31-Dec-13 |
| :---: | :---: | :---: |
| Cash and cash equivalents | S $\$ 34.0$ million | S $\$ 27.6$ million |
| Fixed deposits with maturities exceeding three months | S $\$ 0.4$ 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\$2.2 million | S\$3.2 million |
| Fixed deposits that have been pledged to banks against bank Loans (see note 7 below) | S\$21.6 million | S\$22.3 million |
| Total (including non-current fixed deposits) | S\$58.2 million | S\$53.6 million |

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

## Note 6:

Combined 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 $\$ 5.5$ 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

Three months ended 31 March 2014

## Group

Balance at 1 Jan 2014
Total comprehensive income for the quarter
Profit (loss) for the quarter
Other comprehensive (loss) income for the quarter

Balance at 31 Mar 2014

| Issued capital | Asset revaluation reserve | Options reserve | Foreign currency translation reserve | Retained earnings | Attributable to equity holders of the Company | Noncontrolling interests | Total |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 72,579 | 3,125 | 263 | $(27,873)$ | 54,267 | 102,361 | 4,467 | 106,828 |
| - | - | - | - | 172 | $172$ | (71) | 101 |
| - | (11) | - | 334 | - | 323 | (83) | 240 |
| - | (11) | - | 334 | 172 | 495 | (154) | 341 |
| 72,579 | 3,114 | 263 | $(27,539)$ | 54,439 | 102,856 | 4,313 | 107,169 |

Three months ended 31 March 2013

| Group <br> Balance at 1 Jan 2013 |  Asset <br> Issued  <br> capital revaluation <br> reserve <br> 年  |  | Options reserve | Translation reserve | Retained earnings | Attributable <br> to equity <br> holders of the Company | Noncontrolling interests | S\$'000 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |  |  |
|  | 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 |

Three months ended 31 March 2014

## Company

Balance as at 1 Jan 2014
Profit for the quarter, representing total comprehensive income for the quarter
Balance as at 31 Mar 2014

|  | S\$'000 |  |  |
| :---: | :---: | ---: | ---: |
| Issued <br> capital | Options <br> reserve | Retained <br> earnings | Total |
| $\mathbf{7 2 , 5 7 9}$ | $\mathbf{2 6 3}$ | $\mathbf{2 4 , 5 2 5}$ | $\mathbf{9 7 , 3 6 7}$ |
| - | - | 356 | 356 |
| $\mathbf{7 2 , 5 7 9}$ | $\mathbf{2 6 3}$ | $\mathbf{2 4 , 8 8 1}$ | $\mathbf{9 7 , 7 2 3}$ |

Three months ended 31 March 2013

## Company

Balance as at 1 Jan 2013
Loss for the quarter, representing total comprehensive loss for the quarter Issue of shares on exercises of employees' share options
Balance as at 31 Mar 2013

| Issued <br> capital | Options <br> reserve | Retained <br> earnings | Total |
| ---: | ---: | ---: | ---: |
| $\mathbf{7 2 , 5 3 1}$ | $\mathbf{7 5 9}$ | $\mathbf{2 6 , 7 6 2}$ | $\mathbf{1 0 0 , 0 5 2}$ |
| - | - | $(325)$ | $(325)$ |
| 26 | - | - | 26 |
| 72,557 | 759 | 26,437 | $\mathbf{9 9 , 7 5 3}$ |

## THAKRAL CORPORATION LTD AND SUBSIDIARIES

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 31 Mar 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 31 March 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 31 March 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
FRS 110 Consolidated Financial Statements
FRS 112 Disclosure of Interests in Other Entities
Amendments to FRS 32
Amendments to FRS 36

Separate Financial Statements

Financial Instruments: Presentation
Impairment of Assets

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
(i) Basic profit (loss) per share
(ii) Fully diluted profit (loss) per share

| Three months ended <br> 31 Mar 2014 | Three months ended <br> 31 Mar 2013 |
| :---: | :---: |
| 0.01 cent | $(0.01)$ cent <br> 0.01 cent |
| 0.01$)$ cent |  |

Basic profit (loss) per share are computed on the profit / loss for the quarters after taxation and deduction of non-controlling interests divided by $2,617,213,668$ and $2,614,163,112$ being the weighted average number of shares in issue during the quarter ended 31 March 2014 and 31 March 2013 respectively. The diluted profit per share for the period ended 31 March 2014 is computed on the profit for the quarter 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

Group
Company

| As at |
| :---: | :---: |
| 31 Mar 2014 | | As at |
| :---: |
| 31 Dec 2013 |
| 3.93 cents |
| 3.73 cents |
| 3.91 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 - Quarter ended 31 March 2014

## Turnover \& Profitability

The Group recorded an operational profit (EBIT) of S\$1.1 million for the quarter ended 31 March 2014 compared to S $\$ 0.2$ million in the previous corresponding quarter. Group turnover doubled to $\mathbf{S} \$ 179.5$ million for the quarter from $\mathbf{S} \$ 88.9$ million in the previous corresponding quarter. Revenues at the Group's Investment Division rose by $51 \%$ to $\$ 3.4$ million for the quarter ended 31 March 2014 from $\mathrm{S} \$ 2.3$ million in the previous corresponding quarter. Sales at the Lifestyle Division expanded to $\mathbf{S} \$ 176.1$ million in the quarter compared to $\mathbf{S} \$ 86.6$ million in the previous corresponding quarter mainly from sales of certain fast-moving low-margin items.

Improved contribution from the Investment Division enabled the Group to report gross profit of $\mathrm{S} \$ 6.4$ million for the latest quarter compared to $\mathrm{S} \$ 5.4$ million in the previous corresponding quarter, an increase of $18 \%$.

Nevertheless, with low-margin products making up a high proportion of the Lifestyle Division's product mix in this quarter along with its ongoing shift away from traditional digital products, Group gross profit margin declined to $3.6 \%$ from 6.1\% achieved previously.

## Other Income

Other income declined to $\mathbf{S} \$ 0.06$ million for the quarter from $\mathbf{S} \$ 0.1$ million in the previous corresponding quarter mainly due to the lower income from logistical support business.

## THAKRAL CORPORATION LTD AND SUBSIDIARIES

## Finance Income and Costs

Net finance costs of $\mathbf{S} \$ 1.0$ million in the quarter remained stable compared to those incurred in the previous corresponding quarter.

## Expenses

Increased sales and marketing activities of the Lifestyle Division, particularly in Singapore, undertaken in relation to the promotion of new brands and products led to an increase in Distribution expenses to $\mathrm{S} \$ 1.5$ million for the latest quarter as compared to $\mathrm{S} \$ 1.3$ million in the previous corresponding quarter.

Overall Administration expenses remained stable compared to those incurred in the previous corresponding quarter.

## $\underline{T a x}$

Group income tax declined to $\mathbf{S} \$ 0.02$ million in the quarter from $\mathrm{S} \$ 0.04$ million in the previous corresponding quarter mainly due to the absence of taxable profits at the Lifestyle division unit in China.

## Attributable Profit/Loss

Profit attributable to shareholders for the current quarter was $\mathrm{S} \$ 0.2$ million as compared to a loss of $\mathbf{S} \$ 0.2$ million incurred in the previous corresponding quarter.

## Working Capital and Cash Flow

Inventories climbed to $\mathbf{S} \$ 49.0$ million as at 31 March 2014 as compared to $\mathbf{S} \$ 34.1$ million as at 31 December 2013 due to significant purchases of certain fast-moving items made towards the end of the quarter. The inventory turnover period for the current quarter was 22 days as compared to 49 days for the quarter ended 31 March 2013.

Trade receivables halved to $\mathrm{S} \$ 13.5$ million as at 31 March 2014 from $\mathrm{S} \$ 26.4$ million as at 31 December 2013 due to collections made in the quarter as well as due to the fact that sales of fast-moving items are generally made on cash basis. The trade receivables turnover period for the current quarter was 10 days as compared to 28 days for the quarter ended 31 March 2013.

Other receivables and prepayments reduced to $\mathbf{S} \$ 10.6$ million as at 31 March 2014 from $\mathbf{S} \$ 28.5$ million as at 31 December 2013 due to a reduction in the advances made to suppliers.

Overall operational cash inflow was $\mathrm{S} \$ 8.9$ million during the latest quarter compared to the net inflow of $\mathbf{S} \$ 6.4$ million in the previous corresponding quarter. This was mainly as a result of net changes in working capital components.

## Net Asset Value

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

## Performance Summary

## Investments

Notwithstanding the absence of contribution from the property development unit in Wujiang which had completed the sales of all its units in FY13, the Division saw revenues improve by $51 \%$ to $\$ 3.4$ million for the quarter from $\mathrm{S} \$ 2.3$ million in the previous corresponding quarter. Segment result grew $72 \%$ to $\mathrm{S} \$ 2.5$ million in the current quarter from $\mathrm{S} \$ 1.5$ million in the previous corresponding quarter.

## Lifestyle

While the Division's sales more than doubled to $\mathbf{S} \$ 176.1$ million in the latest 3 months, low margins and the on-going transition to a new product range resulted in this business not being able to fully cover costs. Accordingly, segment loss widened to $\mathbf{S} \$ 0.6$ million for the quarter as compared to $\mathrm{S} \$ 0.5$ million in the previous corresponding quarter.
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. However, changeover from distribution of traditional digital products to that of lifestyle products will be gradual and it may take some time to achieve satisfactory levels as the range of products in the Lifestyle Division is being significantly expanded and new distribution rights to be negotiated.
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.

Home prices in Australia's capital cities continue to rise. Residential building approvals remain close to record levels. Australia also continues to enjoy favourable interest rates and population growth which have resulted in low vacancy rates. The opportunities for the Investment Division participating in projects therefore continue to be strong.

With slowing economic growth in its principal market, China, the Group maintains a cautious outlook for the Group's Lifestyle Division. This business is moving along the path for gradually shifting to distribution of lifestyle, beauty, health and enviro-care products. The Division is hopeful that this shift will show good results in the medium to long term.
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 31 March 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 31 March 2014 (excluding transactions less than $\$ \$ 100,000$ 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) |
| :---: | :---: | :---: |
|  | S\$'000 | S\$'000 |
| Thakral Brothers Pte Ltd and subsidiaries |  |  |
| Purchases, net of returns | - | 2,410 |
| Sales, net of returns | - | 591 |
| Profit share for purchasing services | 459 | - |

## THAKRAL CORPORATION LTD AND SUBSIDIARIES

## 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
Three months ended 31 March 2014

|  | LIFE | INV | OTH | TOTAL |
| :--- | ---: | ---: | ---: | ---: |
| Revenue |  |  |  |  |
| External sales | 176,084 | 3,443 | - | 179,527 |
| Result <br> Segment result |  |  |  |  |


| Unallocated corporate expenses | $(381)$ |
| :--- | ---: |
| Finance income | 373 |
| Finance costs | $(1,327)$ |
| Foreign exchange loss | $(76)$ |
| Profit before income tax | 116 |
| Income tax expense | $(15)$ |
| Profit for the quarter | 101 |


| Other information |  |  |  |  |
| :--- | ---: | ---: | ---: | ---: |
| Capital expenditure: <br> Property, plant and equipment | 39 | - | 1 |  |
| Depreciation expense | 94 | 27 |  | 2 |


| Assets |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| Segment assets | 113,859 | 131,603 | 2,880 | 248,342 |
| Total assets |  |  |  | 248,342 |
| Liabilities |  |  |  |  |
| Segment liabilities | 77,982 | 62,405 | 326 | 140,713 |
| Income tax payable |  |  |  | 70 |
| Deferred tax liability |  |  |  | 390 |
| Total liabilities |  |  |  | 141,173 |

S\$'000
Three months ended 31 March 2013

|  | LIFE | INV | OTH | TOTAL |
| :--- | ---: | ---: | ---: | ---: |
| Revenue <br> External sales | 86,640 | 2,283 | - | 88,923 |
| Result <br> Segment result |  |  |  |  |


| Unallocated corporate expenses | $(424)$ |
| :--- | :---: |
| Finance income | 282 |
| Finance costs | $(1,227)$ |
| Foreign exchange gain | 640 |
| Loss before income tax | $(148)$ |
| Income tax expense | $(38)$ |
| Loss for the quarter | $(186)$ |


| Other information |  |  |  |
| :--- | ---: | ---: | ---: | ---: |
| Capital expenditure: <br> Property, plant and equipment | 19 |  |  |
| Depreciation expense | 1 |  | - |


| Assets |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| Segment assets | 106,110 | 134,428 | 512 | 241,050 |
| Total assets |  |  |  | 241,050 |
| Liabilities |  |  |  |  |
| Segment liabilities | 55,952 | 70,083 | 476 | 126,511 |
| Income tax payable |  |  |  | 674 |
| Deferred tax liability |  |  |  | 104 |
| Total liabilities |  |  |  | 127,289 |

## Geographical information

S\$'000

| Geographical segments: | Revenue |  | Capital expenditure |  | Non-current assets * |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 31 Mar |  | 31 Mar |  | 31 Mar |  |
|  | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| People's Republic of China (including Hong Kong) Others | 173,694 | 82,738 | 22 | 11 | 24,501 | 22,446 |
|  | 5,833 | 6,185 | 18 | 9 | 69,687 | 73,841 |
|  | 179,527 | 88,923 | 40 | 20 | 94,188 | 96,287 |

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

* Non-current assets other than financial instruments

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

See item 8 on review of performance

## Negative confirmation pursuant to Rule 705(5)

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements for the 3 months ended 31 March 2014 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Kartar Singh Thakral
Director
Inderbethal Singh Thakral
Director
12 May 2014

## BY ORDER OF THE BOARD

Chan Wan Mei
Tay Chee Wah
Company Secretaries
12 May 2014

