

## NINE MONTHS AND THIRD QUARTER \* FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT



\* Asterisks denote mandatory information

<b>Name of Announcer *</b>	THAKRAL CORPORATION LTD
<b>Company Registration No.</b>	199306606E
<b>Announcement submitted on behalf of</b>	THAKRAL CORPORATION LTD
<b>Announcement is submitted with respect to *</b>	THAKRAL CORPORATION LTD
<b>Announcement is submitted by *</b>	Anil Daryanani
<b>Designation *</b>	Chief Financial Officer
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### >> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

<b>For the Financial Period Ended *</b>	30-09-2013
<b>Description</b>	Please refer to attachments.
<b>Attachments</b>	<p><a href="#">📄 ThakralCorp_PR_3QFY2013_20131107.pdf</a></p> <p><a href="#">📄 ThakralCorp_Results_Q3FY13_7Nov13.pdf</a></p> <p>Total size =140K (2048K size limit recommended)</p>



## **THAKRAL CORPORATION LTD**

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

### **PRESS RELEASE**

#### **THAKRAL'S REVENUE UP BY 28% TO S\$288 MILLION IN 9MFY2013**

- Revenues for Distribution and Investment Divisions continue to improve in 9MFY2013
- Investment Division reports record earnings before interest and tax of S\$7.1 million

#### **Singapore Nov 7, 2013**

Mainboard-listed Thakral Corporation Ltd ("Thakral" or the "Group") reported a 28% increase in revenue to S\$288.4 million for the nine months ended September 30, 2013 ("9MFY2013") compared to the same period in FY2012.

This was due to higher revenues by the Group's two core businesses – electronics distribution and property investment. Channel sales at the Distribution Division improved while the Investment Division saw improved performance of real estate investments in Australia and the property development unit in China.

The Investment Division posted record segment earnings of S\$7.1 million in 9MFY2013, up nearly six folds compared to the S\$1.2 million registered in the corresponding period last year. This performance was mainly attributed to successful project completions and implementation of new projects in Australia.

However, overall weak consumer demand for electronic products, a high proportion of sales at low margins and allowance for aged inventory resulted in gross margin slipping to 6.3% in 9MFY2013 from 7.6% in the previous corresponding period.

The Group's gross profit for 9MFY2013 was S\$18.0 million, 5% higher than S\$17.2 million earned in 9MFY2012.

The Group also posted an operational profit (EBIT) of S\$1.8 million in 9MFY2013 against an operational loss of S\$0.8 million during the previous corresponding period. Finance costs increased by 88% to S\$4.6 million due to the additional borrowings to finance the Investment Division's projects.

In 9MFY2013, the Group made a net loss of S\$1.2 million compared to a net loss of S\$2.7 million in 9MFY2012 before the one-off gain of S\$15.0 million from disposal of the Thakral Holdings Group equity investment.

On a quarterly basis, the Group achieved 44% rise on revenue to S\$107.7 million

and reported a net loss of S\$0.8 million in 3QFY2013. The Group's gross profit in 3QFY2013 was S\$6.2 million, 4% higher than the S\$5.9 million achieved in 3QFY2012. The Group also recorded operational profit of S\$0.7 million, reversing from the S\$0.6 million operational loss in 3QFY2012.

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

Group Loss Per Share for the nine months under review was 0.06 cent. Group Loss Per Share for the quarter under review was 0.04 cent compared to Earnings Per Share of 0.49 cent for 3QFY2012, which included the one-off disposal gain.

Net Asset Value per share as at September 30, 2013 was lower at 3.92 cents compared to 4.15 cents as at December 31, 2012, mainly on account of the dividend paid to shareholders in April 2013 and the translation losses from consolidation of foreign subsidiaries.

### **Working Capital Position**

Inventories declined to S\$39.9 million as at September 30, 2013 from S\$46.5 million as at December 31, 2012. The Group is taking a cautious approach to replenish inventory in order to reduce over-stocking because of the current slow market conditions.

Trade receivables declined to S\$26.2 million as at September 30, 2013 from S\$30.7 million as at December 31, 2012 due to improved collections.

Overall operational cash inflow of S\$8.5 million - compared to outflow of S\$15.9 million in the previous corresponding period – was primarily due to reduction in trade receivables and inventories in the current period.

The Group's cash and bank balances (including non-current fixed deposits) improved to S\$51.3 million as at September 30, 2013, from S\$49.3 million at December 31, 2012 due to the net cash generated from operations.

### **Segmental Performance**

#### **Distribution**

Revenue at the Distribution Division of S\$278.2 million for the nine months ended September 30, 2013 rose 25% from S\$221.8 million in the previous corresponding period. Lower margins saw this division incur a loss of S\$2.8 million for the period, against a profit of S\$1.8 million in the previous corresponding period.

As for its quarterly performance, this division achieved revenue of S\$103.9 million for the third quarter of this year, against S\$72.5 million in 3QFY2012. The division's loss for the quarter under review was S\$1.4 million.

The Group's promotional efforts for consumer electronic products have improved the revenue for this division. However, the profit margin was hit by the pricing pressure from the overall weak consumer demand, a high proportion of products sold at low margins as well as allowances for aged inventory. The Group is continuing efforts to introduce new products to replace the decline in sales of high margin items.

## **Investments**

The Investment Division achieved revenue of S\$10.2 million for the nine months ended September 30, 2013, compared with S\$4.0 million in 9MFY2012. The division's profit also improved to S\$7.1 million from S\$1.2 million in the previous corresponding period.

This division has completed and delivered the remaining 26 houses in the preceding quarter in Gladstone, Australia, under the second phase of the development project for GLNG. The Group now owns and has leased out 101 houses on long term leases to GLNG in Gladstone.

Due principally to the interest on external loans to finance the Investment Division's GLNG phase one and two projects in Australia, finance costs increased to S\$4.6 million in 9MFY2013 from S\$2.4 million in the previous corresponding period.

With the construction of the houses completed, the easing of lending constraints in Australia and lower interest rates, the loans for the 101 houses in Gladstone are currently in the course of being refinanced on more attractive terms. An announcement will be made when the refinancing is completed, which is expected to occur before the end of this year. The refinancing will result in lower cost of debt, whilst the income from the houses continues to increase based on locked in annual rent increment.

The Investment Division has several new projects in the course of due diligence and implementation in the next few months, which will be announced when confirmed. In addition, the Investment Division has formed several strategic alliances so as to be able to access capital for its projects more readily with major financial institutions in Australia and overseas.

## **Going Forward**

Mr. Natarajan Subramaniam, Independent Non-Executive Chairman of Thakral said: "In the nine months ended September 30, 2013, we have achieved satisfactory performance for the Investment Division. We are also taking efforts to improve the contribution and return the Distribution Division to profitability.

"The Group's principal market – the PRC and export markets continue to be affected by extremely sluggish demand generally. The Distribution Division will continue to identify new brands and lines of products, diversify its business and improve profitability.

"Housing market sentiment in Australia strengthened in 3QFY2013, underpinned by

an acceleration in house price growth in New South Wales, Victoria and Queensland, where we hold investments. Demand has improved for all types of new and established properties with national house prices now tipped to rise 3.3% in the next year and 4.5% in the next two years.

“Our Investment Division is currently working on a number of funding initiatives that will lower the cost of capital and at the same time broaden our capital base to allow us to take part in projects of larger scale. This division has identified some potential partners for these initiatives. It also has a pipeline of residential projects in Sydney, Melbourne and Brisbane where demand remains strong. We will announce these projects when finalized.

“In view of the weakening consumer demand in China despite the growing Investment Division business in Australia, the Group continues to maintain a cautious outlook for the year.”

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## **About Thakral**

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

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

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

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*Release issued on behalf of Thakral Corporation Ltd by  
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**Nine Months and Third 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 nine months and third quarter ended 30 September 2013 together with comparative statements for the corresponding period of the immediately preceding financial year**

These figures have not been audited.

**CONSOLIDATED INCOME STATEMENT**

	Note	Group			Group		
		S\$000		% Increase / (Decrease)	S\$000		% Increase / (Decrease)
		Nine months ended			Three months ended		
		30 Sep 2013	30 Sep 2012	30 Sep 2013	30 Sep 2012		
Revenue	1	288,443	225,762	28	107,683	74,750	44
Cost of sales		(270,400)	(208,572)	30	(101,516)	(68,844)	47
Gross profit	1	18,043	17,190	5	6,167	5,906	4
Other operating income	2	326	1,051	(69)	54	317	(83)
Distribution costs	3	(4,224)	(4,359)	(3)	(1,411)	(1,468)	(4)
Administrative expenses	4	(12,009)	(14,331)	(16)	(4,031)	(5,199)	(22)
Other operating expenses	5	(382)	(347)	10	(129)	(122)	6
Profit (loss) from operations		1,754	(796)	NM	650	(566)	NM
Gain on disposal of available-for-sale investments		-	14,978	(100)	-	14,978	(100)
Gain on disposal of subsidiaries		-	99	(100)	-	99	(100)
Valuation loss on investment properties		-	(193)	(100)	-	-	-
Finance income	6	1,017	923	10	312	266	17
Finance costs	7	(4,572)	(2,435)	88	(1,719)	(1,286)	34
Foreign exchange gain (loss)	8	838	139	NM	(56)	(349)	(84)
<b>(Loss) profit before income tax</b>		(963)	12,715	NM	(813)	13,142	NM
Income tax expense	9	(219)	(482)	(55)	(24)	(286)	(92)
<b>(Loss) profit for the period / quarter</b>		(1,182)	12,233	NM	(837)	12,856	NM
<u>Attributable to:</u>							
Equity holders of the Company		(1,525)	12,292	NM	(1,077)	12,765	NM
Non-controlling interests		343	(59)	NM	240	91	164
		(1,182)	12,233	NM	(837)	12,856	NM

NM – Not meaningful

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
		Nine months ended			Three months ended		
		30 Sep 2013	30 Sep 2012		30 Sep 2013	30 Sep 2012	
<b>(Loss) profit for the period / quarter</b>		<b>(1,182)</b>	<b>12,233</b>	<b>NM</b>	<b>(837)</b>	<b>12,856</b>	<b>NM</b>
<b>Other comprehensive income (loss)</b>							
Items that may be reclassified subsequently to profit or loss							
Translation (loss) gain arising on consolidation	10	(1,799)	(6,104)	(71)	325	(2,117)	NM
Net fair value changes in available-for-sale investments		-	7,281	(100)	-	1,346	(100)
Reclassification to profit or loss from equity upon disposal of available-for-sale investment		-	(14,978)	(100)	-	(14,978)	(100)
<b>Other comprehensive (loss) income for the period / quarter, net of tax</b>		<b>(1,799)</b>	<b>(13,801)</b>	<b>(87)</b>	<b>325</b>	<b>(15,749)</b>	<b>NM</b>
<b>Total comprehensive loss for the period / quarter</b>		<b>(2,981)</b>	<b>(1,568)</b>	<b>90</b>	<b>(512)</b>	<b>(2,893)</b>	<b>(82)</b>
Total comprehensive income (loss) attributable to:							
Equity holders of the Company		(3,370)	(1,249)	170	(763)	(2,870)	(73)
Non-controlling interests		389	(319)	NM	251	(23)	NM
		<b>(2,981)</b>	<b>(1,568)</b>	<b>90</b>	<b>(512)</b>	<b>(2,893)</b>	<b>(82)</b>

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

Turnover for the period increased by 28% to S\$288.4 million in view of the Group's efforts to improve business through the introduction of new brands and products. Lower margins of 6.3% for the period were principally due to continued pressure on margins from the overall weak consumer demand, a high proportion of sales at low margins as well as allowances made in the current period for aged/slow-moving inventory.

Revenue for the period included investment income comprising dividends and interest income amounting to S\$2,323,000 (Nine months ended 30 Sep 12: S\$1,063,000)

**Note 2:**

Other operating income comprises:

	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
	Nine months ended			Three months ended		
	30 Sep 2013	30 Sep 2012		30 Sep 2013	30 Sep 2012	
Tax subsidy	114	180	(37)	10	172	(94)
Gain on disposal of property, plant and equipment	15	44	(66)	3	11	(73)
Credit arising from severance of Indian relationship	-	427	(100)	-	(3)	(100)
Commission income	105	314	(67)	14	102	(86)
Miscellaneous	92	86	7	27	35	(23)
Total	326	1,051	(69)	54	317	(83)

- (i) Tax subsidies were received in China.
- (ii) 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)
	Nine months ended			Three months ended		
	30 Sep 2013	30 Sep 2012		30 Sep 2013	30 Sep 2012	
Staff costs	(2,364)	(2,506)	(6)	(771)	(864)	(11)
Advertising & promotion	(167)	(90)	86	(33)	(43)	(23)
Transportation	(642)	(697)	(8)	(228)	(222)	3
Travelling expenses	(381)	(474)	(20)	(127)	(150)	(15)
Others	(670)	(592)	13	(252)	(189)	33
Total	(4,224)	(4,359)	(3)	(1,411)	(1,468)	(4)

- (i) Increased advertising and promotion expenses were incurred by the Distribution business for the introduction of new brands and products.
- (ii) Travelling expenses were lower due to reduced travel by sales personnel.

**Note 4:**

Administration expenses comprise:

	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
	Nine months ended			Three months ended		
	30 Sep 2013	30 Sep 2012		30 Sep 2013	30 Sep 2012	
Staff costs (including executive directors)	(7,787)	(9,760)	(20)	(2,575)	(3,428)	(25)
Directors' fees	(364)	(364)	-	(121)	(121)	-
Professional fees	(952)	(1,011)	(6)	(343)	(393)	(13)
Rent & rates	(631)	(499)	26	(208)	(175)	19
Travelling expenses	(248)	(255)	(3)	(68)	(82)	(17)
Insurance	(275)	(299)	(8)	(91)	(125)	(27)
Reversal (allowance) for doubtful debts	15	(221)	NM	(34)	(150)	(77)
Impairment loss for available-for-sale investment	-	(25)	(100)	-	-	-
Withholding tax	(290)	(519)	(44)	(142)	(264)	(46)
Others	(1,477)	(1,378)	7	(449)	(461)	(3)
Total	(12,009)	(14,331)	(16)	(4,031)	(5,199)	(22)

- (i) Lower staff costs were a result of reduced bonus accruals and staff headcount.
- (ii) Increase in rentals as well as leasing of additional office space resulted in higher rent and rates.
- (iii) Withholding tax in the current period relates to tax accruals on income from Investment Division projects currently in progress. In the previous corresponding period, withholding tax arose mainly because of intra-group dividends paid by a subsidiary in China.

**Note 5:**

Other operating expenses comprise depreciation charges for the relevant periods.

## THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

#### Note 6:

Finance income was higher upon recognition of interest income on a deposit in China.

#### Note 7:

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

#### Note 8:

Foreign exchange translation gain / loss arose mainly from the translation of monetary assets and liabilities, denominated in foreign currencies, outstanding as at the end of the quarter, in particular the sharp weakening of the Japanese Yen during the current period.

#### Note 9:

Group income tax was lower than the previous corresponding period due to the absence of taxable profits at the Distribution units in China.

#### Note 10:

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.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

**STATEMENTS OF FINANCIAL POSITION**

	Note	Group ( S\$ '000) as at		Company ( S\$ '000) as at	
		30 Sep 2013	31 Dec 2012	30 Sep 2013	31 Dec 2012
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Inventories	1	39,886	46,476	-	-
Loan receivables	2	5,553	4,759	-	-
Available-for-sale investments	2	3,659	-	-	-
Trade receivables	3	26,156	30,731	-	-
Other receivables and prepayments		6,206	6,149	187	183
Bills receivable		27	-	-	-
Cash and bank balances	4	46,975	30,565	219	315
Total current assets		128,462	118,680	406	498
<b>Non-current assets</b>					
Property, plant and equipment		5,694	6,038	5	12
Investment properties	2	85,909	63,124	-	-
Investment properties under development	2	-	18,680	-	-
Subsidiaries		-	-	123,432	123,111
Loan receivables	2	14,746	901	-	-
Non-current fixed deposits	4	4,305	18,766	-	-
Available-for-sale investments		8	3,436	-	-
Total non-current assets		110,662	110,945	123,437	123,123
<b>Total assets</b>		<b>239,124</b>	<b>229,625</b>	<b>123,843</b>	<b>123,621</b>
<b><u>LIABILITIES AND EQUITY</u></b>					
<b>Current liabilities</b>					
Trade payables		9,969	8,120	-	-
Bills payables and trust receipts	5	13,005	10,533	-	-
Bank overdraft and loans	6	40,212	35,895	-	-
Other payables		12,239	12,492	314	547
Provisions		3,524	4,069	27	27
Income tax payable		141	676	-	-
Total current liabilities		79,090	71,785	341	574
<b>Non-current liabilities</b>					
Amount owing to subsidiaries		-	-	24,127	22,995
Loans from external parties	2	52,425	44,685	-	-
Deferred tax liability		105	102	-	-
Total non-current liabilities		52,530	44,787	24,127	22,995
<b>Capital, reserves and non-controlling interests</b>					
Issued capital		72,579	72,531	72,579	72,531
Reserves		29,979	35,965	26,796	27,521
Equity attributable to equity holders of the Company		102,558	108,496	99,375	100,052
Non-controlling interests		4,946	4,557	-	-
Total equity		107,504	113,053	99,375	100,052
<b>Total liabilities and equity</b>		<b>239,124</b>	<b>229,625</b>	<b>123,843</b>	<b>123,621</b>

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Amount repayable in one year or less, or on demand

As at 30 September 2013		As at 31 December 2012	
Secured	Unsecured	Secured	Unsecured
S\$ 36,814,000	S\$ 16,403,000	S\$ 28,591,000	S\$ 17,837,000

Please also see notes (5 & 6) below

Details of any collateral

Charge over properties in Hong Kong; pledged bank deposits of S\$23.5 million; Company's corporate guarantee

Amount repayable after one year

As at 30 September 2013		As at 31 December 2012	
Secured	Unsecured	Secured	Unsecured
S\$ 48,637,000	S\$ 3,788,000	S\$ 44,685,000	NIL

Please also see note (2) below

Details of any collateral

Charge over units in property development asset-holding unit trusts

**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)	
	Nine months ended		Three months ended	
	30 Sep 2013	30 Sep 2012	30 Sep 2013	30 Sep 2012
<b>OPERATING ACTIVITIES</b>				
(Loss) profit before income tax	(963)	12,715	(813)	13,142
Adjustments for:				
Depreciation expense	382	347	129	122
Dividend income and investment income	(2,323)	(1,063)	(813)	(120)
Interest expense	4,572	2,435	1,719	1,286
Interest income	(1,017)	(923)	(312)	(266)
Gain on disposal of property, plant and equipment	(15)	(44)	(3)	(11)
Gain on disposal of available-for-sale investments	-	(14,978)	-	(14,978)
Gain on disposal of subsidiaries	-	(99)	-	(99)
Valuation loss on investment properties	-	193	-	-
Net foreign exchange (gain) loss	(1,556)	(3)	90	91
Impairment loss on available-for-sale investments	-	25	-	-
Allowance for inventories	685	146	569	80
(Reversal of) allowance for doubtful trade receivables	(14)	204	35	133
Allowance for doubtful other receivables	(1)	17	(1)	17
<b>Operating cash flows before movements in working capital</b>	(250)	(1,028)	600	(603)
Trade receivables	5,568	(6,688)	(4,848)	(3,717)
Other receivables and prepayments	(1)	(2,028)	1,429	497
Inventories	7,503	6,130	1,232	6,992
Trade payables	1,609	(9,511)	2,573	(11,287)
Other payables and provisions	(842)	(448)	(1,036)	2,592
<b>Cash generated from (used in) operations</b>	13,587	(13,573)	(50)	(5,526)
Dividend income and Investment income received	-	803	-	-
Income tax paid	(781)	(1,176)	(91)	18
Interest paid	(4,667)	(2,398)	(1,704)	(1,246)
Interest received	352	478	109	171
<b>Net cash from (used in) operating activities</b>	8,491	(15,866)	(1,736)	(6,583)
<b>INVESTING ACTIVITIES</b>				
Additions to property, plant and equipment	(50)	(553)	(12)	(134)
Proceeds from disposal of property, plant and equipment	19	98	4	26
Proceeds from disposal of held-to-maturity investment	-	6,377	-	-
Disposal of subsidiaries	-	(5)	-	(5)
Additions to investment properties and investment properties under development	(8,336)	(30,465)	(79)	(9,629)
Net additions to loan receivables	(13,332)	(828)	(45)	-
Additions to available-for-sale investment	-	(1,720)	-	-
<b>Net cash used in investing activities</b>	(21,699)	(27,096)	(132)	(9,742)
<b>FINANCING ACTIVITIES</b>				
Net proceeds from issue of shares on exercise of employees' share options	48	-	-	-
Dividends paid	(2,615)	(2,612)	-	-
Decrease (increase) in fixed deposits with maturities exceeding three months	222	7,339	(22)	3,269
Increase in pledged bank deposits	(237)	(6,203)	(214)	(4,379)
Increase in bills payable and trust receipts	2,228	1,084	222	326
Increase (decrease) in loans from external parties	11,165	21,239	(976)	(1,194)
increase in bank loans	2,956	14,309	6,405	9,478
<b>Net cash from financing activities</b>	13,767	35,156	5,415	7,500
<b>Net increase (decrease) in cash and cash equivalents</b>	559	(7,806)	3,547	(8,825)
Cash and cash equivalents at beginning of the period / quarter	25,668	29,066	22,437	28,700
Net effect of exchange rate changes in the balance of cash held in foreign currencies	(263)	(1,168)	(20)	217
<b>Cash and cash equivalents at end of the period / quarter</b>	25,964	20,092	25,964	20,092
Cash and cash equivalents were represented by:-				
Fixed deposits with maturities less than 3 months, cash and bank balances	27,643	21,743	27,643	21,743
Bank overdrafts	(1,679)	(1,651)	(1,679)	(1,651)
	25,964	20,092	25,964	20,092

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

Note 1:

Inventories reduced due to the Group taking a cautious approach to its replenishment and to reduce over-stocking in view of the current economic environment.

Note 2:

The Group's Investment Division sold-down a part of its investment in a project classified as Loan receivable during the period to its new fund, the TCAP Capital Partners Fund No. 1. Funding was also provided for the Union Balmain development in Sydney, Australia, Vida Apartments in Brisbane and the Gateway project in Mackay in the period.

The Group consolidates the investment properties (under development as well as completed) and the relevant loan financing provided by the financial institutions for the two GLNG projects on its statement of financial position. The recourse of the financial institutions for the loans provided remains limited to the GLNG projects only.

All 56 units of the GLNG-2 project were completed in the period resulting in the increase in the value of investment properties. GLNG-1 properties are carried at an internal valuation supplemented by professional valuation. The newly completed GLNG-2 properties have been carried at cost and shall be revalued at year end.

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

Note 3:

The reduction in Trade receivables is due to improved collections.

Note 4:

Cash and bank balances are comprised of:

	<u>30-Sep-13</u>	<u>31-Dec-12</u>
Cash and cash equivalents	S\$27.7 million	S\$27.3 million
Fixed deposits with maturities exceeding three months	S\$0.1 million	S\$0.3 million
Fixed deposits that have been pledged to banks against Bills payables, trust receipts and bank overdrafts (see note 6 below)	S\$3.2 million	S\$2.9 million
Fixed deposits that have been pledged to banks against bank loans	S\$20.3 million	S\$18.8 million
Total (including non-current fixed deposits)	S\$51.3 million	S\$49.3 million

Note 5:

Bills payable and trust receipts relate to short-term trade financing for the purchase of goods provided by banks in Hong Kong and Singapore for the Group's distribution business.

Note 6:

The net increase in bank loans is due to additional borrowings in China. Bank loans include an amount of S\$5.8 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**

Nine months ended 30 September 2013

S\$'000

**Group**

Balance at 1 Jan 2013

Issue of shares on exercises of employees' share options

Total comprehensive income (loss) for the quarter

Balance at 31 Mar 2013

Issue of shares on exercises of employees' share options

Total comprehensive income (loss) for the quarter

Dividends

Balance at 30 Jun 2013

Total comprehensive income (loss) for the quarter

Balance at 30 Sep 2013

	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
Issue of shares on exercises of employees' share options	26	-	-	-	-	26	-	26
Total comprehensive income (loss) for the quarter	-	40	-	804	(211)	633	109	742
Balance at 31 Mar 2013	72,557	2,791	759	(23,228)	56,276	109,155	4,666	113,821
Issue of shares on exercises of employees' share options	22	-	-	-	-	22	-	22
Total comprehensive income (loss) for the quarter	-	63	-	(3,066)	(237)	(3,240)	29	(3,211)
Dividends	-	-	-	-	(2,615)	(2,615)	-	(2,615)
Balance at 30 Jun 2013	72,579	2,854	759	(26,294)	53,424	103,322	4,695	108,017
Total comprehensive income (loss) for the quarter	-	(29)	-	342	(1,077)	(764)	251	(513)
Balance at 30 Sep 2013	72,579	2,825	759	(25,952)	52,347	102,558	4,946	107,504

Nine months ended 30 September 2012

S\$'000

**Group**

Balance at 1 Jan 2012

Total comprehensive income (loss) for the quarter

Dividends

Balance at 31 Mar 2012

Total comprehensive income (loss) for the quarter

Balance at 30 Jun 2012

Total comprehensive income (loss) for the quarter

Balance at 30 Sep 2012

	Issued capital	Asset revaluation reserve	Fair value adjustment reserve	Options reserve	Translation reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total
Balance at 1 Jan 2012	72,531	2,911	7,697	759	(16,953)	45,527	112,472	5,554	118,026
Total comprehensive income (loss) for the quarter	-	(84)	(348)	-	(4,130)	1,468	(3,094)	(136)	(3,230)
Dividends	-	-	-	-	-	(2,612)	(2,612)	-	(2,612)
Balance at 31 Mar 2012	72,531	2,827	7,349	759	(21,083)	44,383	106,766	5,418	112,184
Total comprehensive income (loss) for the quarter	-	25	6,283	-	348	(1,941)	4,715	(160)	4,555
Balance at 30 Jun 2012	72,531	2,852	13,632	759	(20,735)	42,442	111,481	5,258	116,739
Total comprehensive income (loss) for the quarter	-	(91)	(13,632)	-	(1,912)	12,765	(2,870)	(23)	(2,893)
Balance at 30 Sep 2012	72,531	2,761	-	759	(22,647)	55,207	108,611	5,235	113,846

Nine months ended 30 September 2013

S\$'000

**Company**

Balance as at 1 Jan 2013

Issue of shares on exercises of employees' share options

Total comprehensive loss for the quarter

Balance as at 31 Mar 2013

Issue of shares on exercises of employees' share options

Total comprehensive income for the quarter

Dividends

Balance as at 30 Jun 2013

Total comprehensive income for the quarter

Balance as at 30 Sep 2013

	Issued capital	Options reserve	Retained earnings	Total
Balance as at 1 Jan 2013	72,531	759	26,762	100,052
Issue of shares on exercises of employees' share options	26	-	-	26
Total comprehensive loss for the quarter	-	-	(325)	(325)
Balance as at 31 Mar 2013	72,557	759	26,437	99,753
Issue of shares on exercises of employees' share options	22	-	-	22
Total comprehensive income for the quarter	-	-	2,041	2,041
Dividends	-	-	(2,615)	(2,615)
Balance as at 30 Jun 2013	72,579	759	25,863	99,201
Total comprehensive income for the quarter	-	-	174	174
Balance as at 30 Sep 2013	72,579	759	26,037	99,375

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Nine months ended 30 September 2012

S\$'000

**Company**

**Balance as at 1 Jan 2012**

Total comprehensive income for the quarter  
Dividends

**Balance as at 31 Mar 2012**

Total comprehensive loss for the quarter

**Balance as at 30 Jun 2012**

Total comprehensive loss for the quarter

**Balance as at 30 Sep 2012**

Issued capital	Options reserve	Retained earnings	Total
72,531	759	27,498	100,788
-	-	2,110	2,110
-	-	(2,612)	(2,612)
72,531	759	26,996	100,286
-	-	(230)	(230)
72,531	759	26,766	100,056
-	-	(1,713)	(1,713)
72,531	759	25,053	98,343

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Since the beginning of the year, a total of 4,800,000 share options have been exercised under the Thakral Corporation Employees' Share Options Scheme 2001 while 200,000 and 505,000 share options expired and lapsed respectively 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 Sep 2013	As at 31 Dec 2012
Outstanding options	13,887,500	19,392,500

The share capital of the Company increased to S\$72,579,000 as at 30 September 2013 from S\$72,531,000 as at 31 December 2012.

The Company did not have any treasury shares as at 30 September 2013 and 31 December 2012.

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

The total number of issued shares was 2,617,213,668 and 2,612,413,668 as at 30 September 2013 and 31 December 2012 respectively.

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice**

These figures have not been audited or reviewed.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied**

Except as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those of the audited financial statements for the year ended 31 December 2012.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

In the current year, the Group has adopted all the new and revised Singapore Financial Reporting Standards (“FRS”) and Interpretations of FRS that are relevant to its operations and effective for annual periods beginning on or after 1 January 2013. The Group was mainly affected by the following new / revised FRSs and amendments to FRS:-

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

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

	Nine months ended 30 Sep 2013	Nine months ended 30 Sep 2012
(i) Basic (loss) earnings per share	(0.06) cent	0.47 cent
(ii) Fully diluted (loss) earnings per share	(0.06) cent	0.47 cent

  

	Three months ended 30 Sep 2013	Three months ended 30 Sep 2012
(i) Basic (loss) earnings per share	(0.04) cent	0.49 cent
(ii) Fully diluted (loss) earnings per share	(0.04) cent	0.49 cent

Basic (loss) earnings per share are computed on the loss / profit for the periods after taxation and deduction of non-controlling interests divided by 2,616,176,195 and 2,612,413,668 being the weighted average number of shares in issue during the period ended 30 September 2013 and 30 September 2012 respectively. The diluted loss per share for the period ended 30 September 2013 is computed on the loss for the period after taxation and deduction of non-controlling interests divided by 2,616,176,195 being the weighted average number of shares in issue during the period. The diluted earnings per share for the period ended 30 September 2012 is computed on the profit for the period after taxation and deduction of non-controlling interests divided by 2,615,809,295 with 3,395,627 shares being the dilutive effect of potentially exercisable options outstanding as at the end of the period.

Basic (loss) earnings per share are computed on the loss / profit for the quarters after taxation and deduction of non-controlling interests divided by 2,617,213,668 and 2,612,413,668 being the weighted average number of shares in issue during the quarter ended 30 September 2013 and 30 September 2012 respectively. The diluted loss per share for the quarter ended 30 September 2013 is computed on the loss 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. The diluted earnings per share for the quarter ended 30 September 2012 is computed on the profit for the period after taxation and deduction of non-controlling interests divided by 2,615,800,335 with 3,386,667 shares being the dilutive effect of potentially exercisable options outstanding as at the end of the period.

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

**Net Asset Value**

	As at 30 Sep 2013	As at 31 Dec 2012
Group	3.92 cents	4.15 cents
Company	3.80 cents	3.83 cents

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

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

**Review – Nine months ended 30 September 2013**

The Group's principal PRC and export markets remained affected by slow demand in the 9 months ended 30 September 2013. The weakening of certain Asian currencies during the latest quarter over concern of the impact of the expected commencement of the tapering of the Fed's bond-buying program also adversely affected demand from these markets. The Group continued its efforts to replace the sharp decline in gross margins from one of its major product categories, digital cameras. During the same period, the real estate investments in Australia and the contribution of the property development unit in China saw improvement. The Group recorded an operational profit (EBIT) of S\$1.8 million during the current period as compared to an operational loss of S\$0.8 million during the previous corresponding period.

Group consolidated turnover for the year-to-date rose by 28% to S\$288.4 million as compared to S\$225.8 million in the corresponding period in 2012. Turnover in the latest quarter increased by 44% to S\$107.7 million as compared to S\$74.8 million in the previous corresponding quarter, mainly as a result of improved channel sales in the current period. Assisted by higher earnings from the Investment Division, Group gross profit of S\$18.0 million was 5% higher than S\$17.2 million earned in the previous corresponding period. However, pressure on margins from the overall weak consumer demand, a high proportion of sales at low margins as well as allowances made in the current period for aged/slow-moving inventory resulted in the consolidated gross margin declining to 6.3% in the latest period as compared to 7.6% in the previous corresponding period.

Other income earned in the current period was S\$0.3 million as compared to S\$1.1 million in the previous corresponding period, which included a one-off credit of S\$0.4 million upon the severance of a business relationship in India in that period.

Finance income increased 10% to S\$1.0 million in the current period from S\$0.9 million in the previous corresponding period.

Finance costs increased substantially to S\$4.6 million in the latest period from S\$2.4 million in the previous corresponding period mainly due to the interest on external loans to finance the Investment Divisions' GLNG 1 and 2 projects in Australia.

Foreign exchange gains of S\$0.8 million in the current period as compared to S\$0.1 million in the previous corresponding period arose mainly on account of the sharp weakening of the Japanese Yen.

Net attributable loss for the year to date was S\$1.5 million as compared to an attributable profit of S\$12.3 million in the previous corresponding period which had included significant one-off gains on the disposal of the Australian listed equity investment.

**Expenses**

Overall distribution expenses of S\$4.2 million for the latest period were marginally lower than the S\$4.4 million incurred in the previous corresponding period.

Administration expenses remained in control and declined by about 16% for the latest period mainly as a result of lower staff headcount and bonus accruals.

## THAKRAL CORPORATION LTD AND SUBSIDIARIES

Group income tax declined by 55% to S\$0.2 million mainly due to the absence of taxable profits at the Distribution units in China.

### Working Capital and Cash Flow

Inventories declined to S\$39.9 million as at 30 September 2013 from S\$46.5 million as at 31 December 2012. The Group is taking a cautious approach to replenishing inventory in order to reduce over-stocking in view of the current slow market conditions.

Trade receivables declined to S\$26.2 million as at 30 September 2013 from S\$30.7 million as at 31 December 2012 due to improved collections. Other receivables at S\$6.2 million were about level with those as at 31 December 2012.

The Group established during the year and managed as Trustee the TCAP Capital Partners Fund No. 1 ("TCAP No. 1 Fund") which raised A\$5.0 million (equivalent to about S\$5.8 million) from external investors. Certain of the Group's investments in the Australian real estate projects were sold down to the fund, with the sale proceeds being ploughed back into new real estate projects in Australia.

The increase in investment properties during the current period was on account of the completion of phase 2 of the GLNG housing project of 56 houses fully leased under long term leases to the GLNG consortium in Gladstone, Queensland, which was funded by loans from financial institutions and capital provided by the Group, part of which was sold down to the TCAP No. 1 Fund. Investment properties included the reclassification of 39 houses that were completed during the current period.

Overall operational cash inflow of S\$8.5 million as compared to the outflow of S\$15.9 million in the previous corresponding period was primarily due to the reduction in trade receivables and inventories in the current period.

### Net Asset Value

Net Asset Value per share as at 30 September 2013 reduced to 3.92 cents as compared to 4.15 cents as at 31 December 2012 mainly on account of the dividend paid to shareholders in the current period and the translation losses arising on consolidation of foreign subsidiaries.

## **Performance Summary**

### Distribution

Revenue at the Distribution Division of S\$278.2 million for the nine months ended 30 September 2013 were a 25.5% improvement over those in the previous corresponding period. Lower margins saw this Division incur a segmental loss of S\$2.8 million for the period, compared to a profit of S\$1.8 million earned in the previous corresponding period.

### Investment

The Division achieved revenue of S\$10.2 million for the nine months ended 30 September 2013 with segmental profit of S\$7.1 million. This was a marked increase over revenues and segmental profit of S\$4.0 million and S\$1.2 million respectively in the previous corresponding period.

The Division had completed and delivered the remaining 26 houses in the preceding quarter in Gladstone, Australia, under the second phase of the development project for GLNG.

As previously announced, the Division also provided funding for the Union Balmain development in Sydney, Vida Apartments in Brisbane as well as the Gateway project in Mackay.

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

The Group's performance in the period has not been up to management's expectations principally because sale of new brands and products has not fully replaced the decline in sales of high margin items. The Group continues its search for new brands and products.

**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.**

The Distribution Division continues efforts to identify new brands and lines of products to diversify its business and improve profitability. In view of slow demand for its products in its principal market, however, it continues to maintain a cautious outlook for the year.

Housing market sentiment in Australia strengthened in the quarter, underpinned by an acceleration in house price growth in New South Wales, Victoria and Queensland, where we hold investments. Demand has improved for all types of new and established property. Property professionals are also optimistic in relation to future house price growth. National house prices are now tipped to rise 3.3% in the next year and 4.5% in the next 2 years, with stronger outcomes in all states.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? No dividend declared for the quarter ended 30 September 2013. See item 12 below.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

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

No dividend has been declared for FY2013. A second interim dividend in respect of FY2012 of S\$0.001 was paid to shareholders on 15 April 2013.

**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 September 2013 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)
Thakral Brothers Pte Ltd and subsidiaries	S\$'000	S\$'000
Sales, net of return	-	1,061
Purchases	-	39,651

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

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

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

- a) Distribution ("DIST")
- 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**

**Nine months ended 30 September 2013**

	DIST	INV	OTH	TOTAL
<b>Revenue</b>				
External sales	278,225	10,218	-	288,443
<b>Result</b>				
Segment result	(2,756)	7,120	(1,277)	3,087
Unallocated corporate expenses				(1,333)
Finance income				1,017
Finance costs				(4,572)
Foreign exchange gain				838
Loss before income tax				(963)
Income tax expense				(219)
Loss for the period				(1,182)
<b>Other information</b>				
Capital expenditure:				
Property, plant and equipment	46	4	-	50
Depreciation expense	287	88	7	382
<b>Assets</b>				
Segment assets	104,718	133,996	410	239,124
<b>Total assets</b>				239,124
<b>Liabilities</b>				
Segment liabilities	63,914	67,128	332	131,374
Income tax payable				141
Deferred tax liability				105
<b>Total liabilities</b>				131,620

THAKRAL CORPORATION LTD AND SUBSIDIARIES

S\$'000

Nine months ended 30 September 2012

	DIST	INV	OTH	TOTAL
<b>Revenue</b>				
External sales	221,721	4,041	-	225,762
<b>Result</b>				
Segment result	1,752	1,231	(1,979)	1,004
Unallocated corporate expenses				(1,800)
Gain on disposal of available-for-sale investments				14,978
Gain on disposal of subsidiaries				99
Valuation loss on investment properties				(193)
Finance income				923
Finance costs				(2,435)
Foreign exchange gain				139
Profit before income tax				12,715
Income tax expense				(482)
Profit for the period				12,233

<b>Other information</b>				
Capital expenditure:				
Property, plant and equipment	536	16	1	553
Depreciation expense	256	84	7	347

<b>Assets</b>				
Segment assets	108,115	88,568	21,702	218,385
<b>Total assets</b>				218,385
<b>Liabilities</b>				
Segment liabilities	53,788	49,565	367	103,720
Income tax payable				732
Deferred tax liability				87
<b>Total liabilities</b>				104,539

**Geographical information**

S\$'000

Geographical segments:	Revenue		Capital expenditure		Non-current assets *	
	30 Sep		30 Sep		30 Sep	
	2013	2012	2013	2012	2013	2012
People's Republic of China (including Hong Kong)	266,830	219,474	27	382	22,524	16,868
Others	21,613	6,288	23	171	69,079	44,763
	288,443	225,762	50	553	91,603	61,631

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 9 months ended 30 September 2013 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Kartar Singh Thakral  
Director

Inderbethal Singh Thakral  
Director  
7 Nov 2013

BY ORDER OF THE BOARD

Chan Lai Yin  
Tay Chee Wah  
Company Secretaries  
7 Nov 2013