

Financial Statements and Related Announcement::Third Quarter Results

Issuer & Securities

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

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For Financial Period Ended	30/09/2014
Attachments	<p>ThakralCorp_PR_Q3FY14_20141111.pdf</p> <p>ThakralCorp_Results_Q3FY14_20141111.pdf</p> <p>Total size =138K</p>

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THAKRAL CORPORATION LTD

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

PRESS RELEASE

THAKRAL REPORTS SIGNIFICANT GROWTH IN INVESTMENT DIVISION

Singapore, 11 November 2014 – SGX Mainboard-listed Thakral Corporation Ltd (“Thakral” or the “Group”) reported improved results for the 3QFY2014.

Group net loss for the quarter was reduced by a third to S\$0.6 million on a turnover of S\$91.3 million.

This was due to improved contributions from the Investment Division, which recorded higher revenue growth.

For the first nine months of the year (9MFY2014), Group revenue rose by 33% to S\$383.2 million while its net loss increased to S\$2.3 million compared to a loss of S\$1.2 million in the same period last year. This was due to lower gross margin of 4.7% compared to 6.3% in the previous corresponding nine months.

The Lifestyle Division’s performance was negatively affected by the longer time needed for its new products to gain market acceptability and the higher proportion of sales of fast-moving low margin items. Sales of the Lifestyle Division were also lower in the latest quarter in view of the overall softer Chinese economy.

There was also no contribution to revenue from the Wujiang Dafa property unit as all its commercial properties had been sold in the last financial year.

The Group’s Investment Division, however continued to report robust growth - increasing its revenue by 16% to S\$11.9 million in 9MFY2014 from the previous corresponding period. It benefitted from higher rental income and better returns from its projects in Australia.

The Group’s overall gross profit in 9MFY2014 remained stable at S\$17.9 million against the S\$18.0 million in the previous corresponding period.

Net finance costs were reduced by 20% to S\$2.8 million in this period from S\$3.6 million in the last corresponding period. The reduction was largely due to savings from the refinancing of the loans for the GLNG projects in Australia - completed at the end of the previous financial year.

Overall Distribution expenses at S\$4.9 million were up 17 per cent from S\$4.2 million in the previous corresponding period. This was mainly due to higher advertising and marketing expenses incurred to create awareness and placement of the Group’s

new brands and products, both online and in stores.

Earnings Per Share and Net Asset Value Per Share

The Group's Loss Per Share was 0.09 cent in 9MFY2014, compared to Loss Per Share of 0.06 cent in 9MFY2013.

Net Asset Value per share reduced marginally to 3.67 cents as at 30 September 2014 compared to 3.91 cents as at 31 December 2013.

Working Capital and Cash Flow

The Group's financial position remains healthy.

With better management of inventory levels, inventories declined to S\$29.7 million as at 30 September 2014 from S\$34.1 million as at 31 December 2013.

Trade receivables also reduced to S\$11.6 million as at 30 September 2014 from S\$26.4 million as at 31 December 2013.

In view of lower advances paid to suppliers for the purchase of goods, other receivables and prepayments fell to S\$16.1 million as at 30 September 2014 from S\$28.3 million as at 31 December 2013.

Overall operational cash inflow went up to S\$14.8 million for the period ended 30 September 2014 from S\$8.4 million during the previous corresponding period. This improvement was due to net reduction in working capital components and savings in net finance costs.

Segmental Performance

Investments

Higher rental income from the GLNG projects, improved efficiency in funds utilization and higher returns from projects in 9MFY2014, has boosted this division's revenues by 16% to S\$11.9 million, up from S\$10.2 million in the previous corresponding period. This was despite the absence of any contribution from the Wujiang Dafa property unit this year. Segment result improved by 23% to S\$8.8 million for 9MFY2014 from S\$7.1 million in the same period of FY2013.

Lifestyle

This division saw increased sales of S\$371.3 million for 9MFY2014, up from S\$278.2 million in the previous corresponding period. A major contributor for this is the higher proportion of sales of fast-moving low margin items while its new products will require more time to gain a foothold in the market.

These factors coupled with allowance for doubtful receivables made in the preceding quarter, caused segment loss to widen to S\$5.9 million for the nine months, up from S\$2.8 million in the same period last year. The division continues to add new brands and product lines to grow the business and to return to profitability.

Going Forward

Mr. Natarajan Subramaniam, Independent Non-Executive Chairman of Thakral said: “Strong demand and limited supply continued to boost property prices in Australia. The Residential Property Price Index (RPPI) for the weighted average of Australia’s eight capital cities increased 1.8 per cent in the June quarter 2014 and 10.1 per cent through the year to the June quarter 2014, according to figures released by the Australian Bureau of Statistics (ABS).

“Local surveys have shown that demand will remain positive in view of the prevailing low interest rate environment, continued population growth and the lower Australian dollar which will encourage more investment in new housing. All these factors are expected to provide a favorable backdrop for the Group’s investments in Australia.

“In line with our market diversification strategy, the Group’s Investment Division has also recently concluded new investments in Osaka, Japan. The Group has invested in two buildings in the Yotsubashi-suji, about 150 meters apart in the prime district of Osaka together with other investors under a pooled investment structure to be managed by our subsidiary TCAP Pte Ltd.

“Current occupancy for both buildings is about 90% and they are expected to be yield accretive for the Group.

“For the Lifestyle Division, with China’s economic growth likely to remain muted, consumer demand is expected to soften and overall sentiment will be subdued. However, despite the weaker operating environment, this division will continue with its strategy of introducing innovative products and work towards profitability.

“In view of the expected challenging trends in the global economy, the Group maintains a very cautious outlook for the year.”

About Thakral

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

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

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

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

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

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

These figures have not been audited.

CONSOLIDATED INCOME STATEMENT

	Note	Group			Group		
		S\$000		% Increase / (Decrease)	S\$000		% Increase / (Decrease)
		Nine months ended			Three months ended		
		30 Sep 2014	30 Sep 2013	30 Sep 2014	30 Sep 2013		
Revenue	1	383,213	288,443	33	91,294	107,683	(15)
Cost of sales		(365,361)	(270,400)	35	(84,952)	(101,516)	(16)
Gross profit	1	17,852	18,043	(1)	6,342	6,167	3
Other operating income	2	113	326	(65)	25	54	(54)
Distribution costs	3	(4,928)	(4,224)	17	(1,845)	(1,411)	31
Administrative expenses	4	(11,999)	(12,009)	(0)	(4,026)	(4,031)	(0)
Other operating expenses	5	(363)	(382)	(5)	(118)	(129)	(9)
Profit from operations		675	1,754	(62)	378	650	(42)
Finance income		1,087	1,017	7	328	312	5
Finance costs	6	(3,927)	(4,572)	(14)	(1,267)	(1,719)	(26)
Foreign exchange (loss) gain	7	(84)	838	NM	4	(56)	NM
Loss before income tax		(2,249)	(963)	134	(557)	(813)	(31)
Income tax expense	8	(53)	(219)	(76)	(19)	(24)	(21)
Loss for the period / quarter		(2,302)	(1,182)	95	(576)	(837)	(31)
<u>Profit (Loss) attributable to:</u>							
Equity holders of the Company		(2,441)	(1,525)	60	(854)	(1,077)	(21)
Non-controlling interests		139	343	(59)	278	240	16
		(2,302)	(1,182)	95	(576)	(837)	(31)

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 2014	30 Sep 2013		30 Sep 2014	30 Sep 2013	
Loss for the period / quarter		(2,302)	(1,182)	95	(576)	(837)	(31)
Other comprehensive income (loss)							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Translation (loss) gain arising on consolidation	9	(1,255)	(1,800)	(30)	(1,437)	324	NM
Other comprehensive (loss) income for the period / quarter, net of tax		(1,255)	(1,800)	(30)	(1,437)	324	NM
Total comprehensive loss for the period / quarter		(3,557)	(2,982)	19	(2,013)	(513)	292
<u>Total comprehensive income (loss) attributable to:</u>							
Equity holders of the Company		(3,674)	(3,371)	9	(2,374)	(764)	211
Non-controlling interests		117	389	(70)	361	251	44
		(3,557)	(2,982)	19	(2,013)	(513)	292

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

Group turnover increased by 33% to S\$383.2 million for the nine months ended 30 September 2014 mainly from high sales of certain fast-moving low-margin items as well as improved revenues at the Investment Division, notwithstanding the absence of a contribution from the Wujiang Dafa property unit. With the Lifestyle Division's (formerly known as Distribution Division) new product lines being slower to take off than expected along with the impact from Wujiang Dafa, Group gross profit margin declined to 4.7% from 6.3% achieved previously.

Revenue for the nine months ended 30 September 2014 included investment income comprising dividends and interest income amounting to S\$3,447,000, improving from S\$2,323,000 for the nine months ended 30 September 2013 due to the improved efficiency in funds utilization and higher return rates from real estate projects during the current period.

Note 2:

Other operating income comprises:

	S\$'000		% Increase / (Decrease)	S\$'000		% Increase / (Decrease)
	Nine months ended			Three months ended		
	30 Sep 2014	30 Sep 2013		30 Sep 2014	30 Sep 2013	
Tax subsidy	11	114	(90)	11	10	10
Gain on disposal of property, plant and equipment	-	15	(100)	-	3	NM
Commission income	29	105	(72)	1	14	(93)
Others	73	92	(21)	13	27	(52)
Total	113	326	(65)	25	54	(54)

- (i) Commission income declined due to a 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		%	S\$'000		%
	Nine months ended			Three months ended		
	30 Sep 2014	30 Sep 2013	Increase / (Decrease)	30 Sep 2014	30 Sep 2013	Increase / (Decrease)
Staff costs	(2,576)	(2,364)	9	(923)	(771)	20
Advertising & promotion	(642)	(167)	284	(311)	(33)	842
Transportation	(586)	(642)	(9)	(217)	(228)	(5)
Travelling expenses	(345)	(381)	(9)	(121)	(127)	(5)
Others	(779)	(670)	16	(273)	(252)	8
Total	(4,928)	(4,224)	17	(1,845)	(1,411)	31

- (i) Staff costs were higher in the latest quarter mainly due to the additional sales manpower deployed.
- (ii) Advertising and promotion expenses rose due to increased sales and marketing activities, particularly in Singapore and China, in relation to the new product range.
- (iii) The increase in others is mainly due to higher entertainment and other sales related expenses.

Note 4:

Administration expenses comprise:

	S\$'000		%	S\$'000		%
	Nine months ended			Three months ended		
	30 Sep 2014	30 Sep 2013	Increase / (Decrease)	30 Sep 2014	30 Sep 2013	Increase / (Decrease)
Staff costs (including executive directors)	(7,542)	(7,787)	(3)	(2,534)	(2,575)	(2)
Directors' fees	(364)	(364)	-	(121)	(121)	-
Professional fees	(1,047)	(952)	10	(456)	(343)	33
Rent & rates	(663)	(631)	5	(225)	(208)	8
Travelling expenses	(286)	(248)	15	(107)	(68)	57
Insurance	(255)	(275)	(7)	(84)	(91)	(8)
(Allowance) reversal for doubtful debts	(305)	15	NM	70	(34)	NM
Withholding tax	(423)	(290)	46	(159)	(142)	12
Others	(1,114)	(1,477)	(25)	(410)	(449)	(9)
Total	(11,999)	(12,009)	(0)	(4,026)	(4,031)	(0)

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

Note 5:

Other operating expenses comprise depreciation charges for the relevant periods.

Note 6:

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

Note 7:

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

Note 8:

Group income tax was lower than the previous corresponding period mainly as the Wujiang Dafa property unit in China was dormant this year and did not have any taxable profits.

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. The Australian Dollar in particular declined significantly in the latest quarter.

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 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
<u>ASSETS</u>					
Current assets					
Cash and bank balances	5	24,232	45,935	217	185
Trade receivables	3	11,605	26,423	-	-
Other receivables and prepayments	4	16,067	28,284	89	165
Bills receivable		10	145	-	-
Loans receivable	2	8,597	2,500	-	-
Inventories	1	29,708	34,148	-	-
Total current assets		90,219	137,435	306	350
Non-current assets					
Property, plant and equipment		5,265	5,403	17	21
Investment properties	2	86,047	86,612	-	-
Subsidiaries		-	-	121,602	121,608
Loans receivable	2	22,385	19,842	-	-
Non-current fixed deposits	5	21,549	7,694	-	-
Interest receivable on non-current fixed deposits	4	553	253	-	-
Available-for-sale investments		7	7	-	-
Total non-current assets		135,806	119,811	121,619	121,629
Total assets		226,025	257,246	121,925	121,979
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Trade payables	6	7,951	20,361	-	-
Bills payables and trust receipts	6	16,171	18,427	-	-
Bank overdraft and loans	7	45,849	47,591	-	-
Other payables	8	13,961	12,377	397	357
Provisions		3,138	3,630	39	39
Income tax payable		72	165	-	-
Total current liabilities		87,142	102,551	436	396
Non-current liabilities					
Amount owing to a subsidiary		-	-	26,781	24,216
Loans from financial institutions	7	41,589	47,484	-	-
Deferred tax liability		383	383	-	-
Total non-current liabilities		41,972	47,867	26,781	24,216
Capital, reserves and non-controlling interests					
Issued capital		72,579	72,579	72,579	72,579
Reserves		23,491	29,782	22,129	24,788
Equity attributable to equity holders of the Company		96,070	102,361	94,708	97,367
Non-controlling interests		841	4,467	-	-
Total equity		96,911	106,828	94,708	97,367
Total liabilities and equity		226,025	257,246	121,925	121,979

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Amount repayable in one year or less, or on demand

As at 30 September 2014		As at 31 December 2013	
Secured	Unsecured	Secured	Unsecured
S\$ 47,678,000	S\$ 14,342,000	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\$22.9 million;
Company's corporate guarantee
1st mortgage over 101 houses in Gladstone, Australia

Amount repayable after one year

As at 30 September 2014		As at 31 December 2013	
Secured	Unsecured	Secured	Unsecured
S\$ 37,448,000	S\$ 4,141,000	S\$ 43,711,000	S\$ 3,773,000

Please also see note (7) on page 7

Details of any collateral

1st mortgage over 101 houses in Gladstone, Australia

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**CONSOLIDATED STATEMENT OF CASH FLOWS**

	(S\$ '000)		(S\$ '000)	
	Nine months ended		Three months ended	
	30 Sep 2014	30 Sep 2013	30 Sep 2014	30 Sep 2013
OPERATING ACTIVITIES				
Loss before income tax	(2,249)	(963)	(557)	(813)
Adjustments for:				
Depreciation expense	363	382	118	129
Dividend income and investment income from unquoted investments	(3,447)	(2,323)	(1,359)	(813)
Interest expense	3,927	4,572	1,267	1,719
Interest income	(1,087)	(1,017)	(328)	(312)
Loss (Gain) on disposal of property, plant and equipment	1	(15)	1	(3)
Net foreign exchange (gain) loss	(287)	(1,672)	(198)	99
Provision for employee benefits	177	146	59	39
(Reversal) Allowance for inventories	(189)	685	75	569
Allowance (Reversal) for doubtful trade receivables	292	(14)	(70)	35
Allowance (Reversal) for doubtful other receivables	13	(1)	-	(1)
Operating cash flows before movements in working capital	(2,486)	(220)	(992)	648
Trade receivables	14,378	5,568	763	(4,848)
Other receivables and prepayments	10,868	(1)	(8,863)	1,429
Inventories	4,563	7,503	(365)	1,232
Trade payables	(12,423)	1,609	(213)	2,573
Other payables and provisions	1,262	(988)	1,404	(1,075)
Cash generated from (used in) operations	16,162	13,471	(8,266)	(41)
Income tax paid	(162)	(781)	(43)	(91)
Interest paid	(3,485)	(4,667)	(1,069)	(1,704)
Interest received	2,266	352	232	109
Net cash from (used in) operating activities	14,781	8,375	(9,146)	(1,727)
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(236)	(50)	(64)	(12)
Proceeds from disposal of property, plant and equipment	-	19	-	4
Repayment of loans receivable - current and non-current	9,224	1,247	460	-
Additions to investment properties and investment properties under development	-	(8,336)	-	(79)
Additions to loans receivable - current and non-current	(14,774)	(14,463)	(11,772)	(54)
Net cash used in investing activities	(5,786)	(21,583)	(11,376)	(141)
FINANCING ACTIVITIES				
Proceeds from issue of shares on exercise of employees' share options	-	48	-	-
Dividend / distribution paid to non-controlling shareholders	(4,019)	-	(3,814)	-
Dividend paid	(2,617)	(2,615)	-	-
(Increase) Decrease in fixed deposits with maturities exceeding three months	(3,673)	222	353	(22)
Decrease (Increase) in pledged bank deposits	2,537	(237)	(4,110)	(214)
(Decrease) Increase in bills payable and trust receipts	(2,404)	2,228	1,184	222
New bank loans raised	6,509	33,793	3,896	9,449
Repayments of bank loans and loans from financial institutions	(12,417)	(19,672)	(5,583)	(4,020)
Net cash (used in) from financing activities	(16,084)	13,767	(8,074)	5,415
Net (decrease) increase in cash and cash equivalents	(7,089)	559	(28,596)	3,547
Cash and cash equivalents at beginning of the period / quarter	25,933	25,668	47,321	22,437
Net effect of exchange rate changes in the balance of cash held in foreign currencies	(180)	(263)	(61)	(20)
Cash and cash equivalents at end of the period / quarter	18,664	25,964	18,664	25,964
Cash and cash equivalents were represented by:-				
Fixed deposits with maturities less than 3 months, cash and bank balances	18,664	27,643	18,664	27,643
Bank overdrafts	-	(1,679)	-	(1,679)
	18,664	25,964	18,664	25,964

Note

5

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Note 1:

Inventories reduced in the current period with better management of inventory levels.

Note 2:

The increase in Loans receivable during the period is mainly from investments made in new projects in Fortitude Valley in Brisbane and in Cammeray in Sydney.

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

Note 3:

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

Note 4:

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

Note 5:

Cash and bank balances are comprised of:

	<u>30-Sep-14</u>	<u>31-Dec-13</u>
Cash and cash equivalents	S\$18.7 million	S\$27.6 million
Fixed deposits with maturities exceeding three months	S\$4.2 million	S\$0.5 million
Fixed deposits that have been pledged to banks against Bills payables, trust receipts and bank overdrafts (see note 6 & 7 below)	S\$1.4 million	S\$3.2 million
Fixed deposits that have been pledged to banks against bank Loans (see note 7 below)	S\$21.5 million	S\$22.3 million
Total (including non-current fixed deposits)	S\$45.8 million	S\$53.6 million

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

Note 6:

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

Note 7:

Bank loans include an amount of S\$5.5 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).

Note 8:

Other payables were higher on account of investor funds held for project disbursements by the Investment Division.

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 2014

S\$'000

Group	Issued capital	Asset revaluation reserve	Options reserve	Foreign currency translation reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total
Balance at 1 Jan 2014	72,579	3,125	263	(27,873)	54,267	102,361	4,467	106,828
Total comprehensive income for the quarter								
Profit (loss) for the quarter	-	-	-	-	172	172	(71)	101
Other comprehensive (loss) income for the quarter	-	(11)	-	334	-	323	(83)	240
	-	(11)	-	334	172	495	(154)	341
Balance at 31 Mar 2014	72,579	3,114	263	(27,539)	54,439	102,856	4,313	107,169
Total comprehensive loss for the quarter								
Loss for the quarter	-	-	-	-	(1,759)	(1,759)	(68)	(1,827)
Other comprehensive loss for the quarter	-	(27)	-	(9)	-	(36)	(22)	(58)
	-	(27)	-	(9)	(1,759)	(1,795)	(90)	(1,885)
Transactions with owners, recognised directly in equity								
Dividend	-	-	-	-	(2,617)	(2,617)	-	(2,617)
Balance at 30 Jun 2014	72,579	3,087	263	(27,548)	50,063	98,444	4,223	102,667
Total comprehensive loss for the quarter								
(Loss) profit for the quarter	-	-	-	-	(854)	(854)	278	(576)
Other comprehensive loss for the quarter	-	66	-	(1,586)	-	(1,520)	83	(1,437)
	-	66	-	(1,586)	(854)	(2,374)	361	(2,013)
Transactions with owners, recognised directly in equity								
Distributions to Non-controlling interests	-	-	-	-	-	-	(3,743)	(3,743)
Transfer from options reserve to retained earnings on cancellation / lapse of share options	-	-	(8)	-	8	-	-	-
Balance at 30 Sep 2014	72,579	3,153	255	(29,134)	49,217	96,070	841	96,911

Nine months ended 30 September 2013

S\$'000

Group	Issued capital	Asset revaluation reserve	Options reserve	Translation reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total
Balance at 1 Jan 2013	72,531	2,751	759	(24,032)	56,487	108,496	4,557	113,053
Total comprehensive income for the quarter								
(Loss) profit for the quarter	-	-	-	-	(211)	(211)	25	(186)
Other comprehensive income for the quarter	-	40	-	804	-	844	84	928
	-	40	-	804	(211)	633	109	742
Transactions with owners, recognised directly in equity								
Issue of shares on exercises of employees' share options	26	-	-	-	-	26	-	26
Balance at 31 Mar 2013	72,557	2,791	759	(23,228)	56,276	109,155	4,666	113,821
Total comprehensive loss for the quarter								
(Loss) profit for the quarter	-	-	-	-	(237)	(237)	78	(159)
Other comprehensive income (loss) for the quarter	-	63	-	(3,066)	-	(3,003)	(49)	(3,052)
	-	63	-	(3,066)	(237)	(3,240)	29	(3,211)
Transactions with owners, recognised directly in equity								
Issue of shares on exercises of employees' share options	22	-	-	-	-	22	-	22
Dividend	-	-	-	-	(2,615)	(2,615)	-	(2,615)
	22	-	-	-	(2,615)	(2,593)	-	(2,593)
Balance at 30 Jun 2013	72,579	2,854	759	(26,294)	53,424	103,322	4,695	108,017
Transactions with owners, recognised directly in equity								
(Loss) profit for the quarter	-	-	-	-	(1,077)	(1,077)	240	(837)
Other comprehensive (loss) income for the quarter	-	(29)	-	342	-	313	11	324
	-	(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

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Nine months ended 30 September 2014

S\$'000

Company

Balance as at 1 Jan 2014

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

Balance as at 31 Mar 2014

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

Transactions with owners, recognised directly in equity

Dividend

Balance as at 30 Jun 2014

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

Transactions with owners, recognised directly in equity

Transfer from options reserve to retained earnings on cancellation / lapse of share options

Balance as at 30 Sep 2014

Issued capital	Options reserve	Retained earnings	Total
72,579	263	24,525	97,367
-	-	356	356
72,579	263	24,881	97,723
-	-	171	171
-	-	(2,617)	(2,617)
72,579	263	22,435	95,277
-	-	(569)	(569)
-	(8)	8	-
72,579	255	21,874	94,708

Nine months ended 30 September 2013

S\$'000

Company

Balance as at 1 Jan 2013

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

Transactions with owners, recognised directly in equity

Issue of shares on exercises of employees' share options

Balance as at 31 Mar 2013

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

Transactions with owners, recognised directly in equity

Issue of shares on exercises of employees' share options

Dividend

Balance as at 30 Jun 2013

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

Balance as at 30 Sep 2013

Issued capital	Options reserve	Retained earnings	Total
72,531	759	26,762	100,052
-	-	(325)	(325)
26	-	-	26
72,557	759	26,437	99,753
-	-	2,041	2,041
22	-	-	22
-	-	(2,615)	(2,615)
22	-	(2,615)	(2,593)
72,579	759	25,863	99,201
-	-	174	174
72,579	759	26,037	99,375

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, 5,110,000 and 75,000 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 2014	As at 31 Dec 2013
Outstanding options	5,477,500	10,662,500

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

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

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

The total number of issued shares was 2,617,213,668 as at 30 September 2014 and 31 December 2013.

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

Not applicable.

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

These figures have not been audited or reviewed.

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

Not applicable.

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

Except as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those of the audited financial statements for the year ended 31 December 2013.

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

In the current year, the Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS that are relevant to its operations and effective for annual periods beginning on or after 1 January 2014. The Group was mainly affected by the following new / revised FRSs and amendments to FRS:-

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

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

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

	Nine months ended 30 Sep 2014	Nine months ended 30 Sep 2013
(i) Basic loss per share	(0.09) cent	(0.06) cent
(ii) Fully diluted loss per share	(0.09) cent	(0.06) cent
	Three months ended 30 Sep 2014	Three months ended 30 Sep 2013
(i) Basic loss per share	(0.03) cent	(0.04) cent
(ii) Fully diluted loss per share	(0.03) cent	(0.04) cent

Basic loss per share are computed on the loss for the periods after taxation and deduction of non-controlling interests divided by 2,617,213,668 and 2,616,176,195 being the weighted average number of shares in issue during the period ended 30 September 2014 and 30 September 2013 respectively. The diluted loss per share for the period ended 30 September 2014 is computed on the loss for the period after taxation and deduction of non-controlling interests divided by 2,617,213,668 being the weighted average number of shares in issue during the quarter.

Basic loss per share are computed on the loss for the quarters after taxation and deduction of non-controlling interests divided by 2,617,213,668 being the weighted average number of shares in issue during the quarters ended 30 September

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

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

Net Asset Value

	As at 30 Sep 2014	As at 31 Dec 2013
Group	3.67 cents	3.91 cents
Company	3.62 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 – Nine months ended 30 September 2014

Turnover & Profitability

Turnover eased by 15% in 3QFY2014 to S\$91.3 million. Due to improved contributions from the Investment Division, which recorded higher revenue growth, the Group reduced its net loss by a third to S\$0.6 million.

The Group's Investment Division increased its revenue by 16% to S\$11.9 million in the first nine months of FY2014 compared to the previous corresponding period, benefitting from higher rental income and returns from its projects in Australia.

However, sales of the Lifestyle Division were lower in view of the overall softer Chinese economy.

The Group's overall gross profit remained stable at S\$17.9 million (vs S\$18.0 million in the last corresponding period).

For the first nine months of the year, Group revenue rose by 33% to S\$383.2 million with a net loss of S\$2.3 million as compared to a loss of S\$1.2 million in the same period last year. This was due to lower gross margin of 4.7% compared to 6.3% in the previous corresponding period. The Lifestyle Division continued to invest more resources to improve sales of its new product portfolio. There was no contribution to revenue from the Wujiang Dafa property unit as its commercial properties had all been sold in the last financial year.

Other Income

Other income declined to S\$0.1 million in the current period mainly due to the absence of a tax subsidy received last year and lower commission income this year.

Finance Income and Costs

Net finance costs reduced by 20% to S\$2.8 million in the current period from S\$3.6 million in the previous corresponding period mainly due to the savings from the refinancing of the borrowings for the GLNG project in Australia.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Expenses

Overall Distribution expenses at S\$4.9 million were higher by 17% compared to S\$4.2 million in the previous corresponding period mainly due to the higher advertising and marketing expenses incurred to create awareness and placement of the Group's new brands and products, both online and in stores.

Administration expenses were generally level with those incurred in the previous corresponding period, notwithstanding the allowances/reversals made for doubtful receivables in both periods.

Tax

Group income tax at S\$0.05 million was lower than the S\$0.2 million in the previous corresponding period due to the Wujiang Dafa property unit being dormant in the current year.

Attributable Loss

Despite the strong performance of the Investment Division, the slow pick up of the Group's new lifestyle products and the resultant low margins led to the Group reporting a loss attributable to shareholders of S\$2.4 million for the year-to-date as compared to a loss of S\$1.5 million in the previous corresponding period. The loss in the previous year had included an exchange gain of S\$0.8 million as against the small loss in the current period.

Working Capital and Cash Flow

Inventories declined to S\$29.7 million as at 30 September 2014 from S\$34.1 million as at 31 December 2013 with better management of inventory levels. The inventory turnover period for the latest nine months was 24 days as compared to 44 days for the previous corresponding period.

Trade receivables also reduced to S\$11.6 million as at 30 September 2014 from S\$26.4 million as at 31 December 2013. The trade receivables turnover period for the latest nine months was 14 days as compared to 27 days for the previous corresponding period.

In view of lower advances paid to suppliers for the purchase of goods, Other receivables and prepayments declined to S\$16.1 million as at 30 September 2014 from S\$28.3 million as at 31 December 2013.

The improvement in overall operational cash inflow to S\$14.8 million for the period ended 30 September 2014 compared to S\$8.4 million for the previous corresponding period was due to the net reduction in working capital components as well as savings in net finance costs.

Net Asset Value

Net Asset Value per share declined to 3.67 cents as at 30 September 2014 from 3.91 cents as at 31 December 2013 due to the dividend paid to shareholders during the year, the loss incurred in the current period as well as the adverse impact from the decline in the Australian Dollar on the Group's Australian real estate investments.

Performance Summary

Investments

Increased rental income from the GLNG projects, improved efficiency in funds utilization and higher returns from projects in the first nine months of FY2014 boosted this division's revenues by 16% to S\$11.9 million, up from S\$10.2 million in the previous corresponding period. This was despite the absence of any contribution from the Wujiang Dafa property unit this year. Segment result improved by 23% to S\$8.8 million for 9MFY2014 from S\$7.1 million in the same period of FY2013.

Lifestyle

This division recorded increased sales of S\$371.3 million for the first nine months of 2014, up from S\$278.2 million in the previous corresponding period. A major contributor for this is the higher proportion of sales of fast-moving low margin items while its new products still needed more time to gain market acceptability. These factors coupled with the allowance for doubtful receivables made in the preceding quarter, caused segment loss to widen to S\$5.9 million for the nine months, up from S\$2.8 million in the same period last year. The division continues to add new brands and product lines to grow the business and to return to profitability

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

The performance of the Investment Division met management's expectations. The Lifestyle Division's new brand and product range is taking longer than expected to impact the results. Management expects this to progress only gradually and needs time to achieve a turnaround.

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.

Strong demand and limited supply continued to boost property prices in Australia. The Residential Property Price Index (RPPI) for the weighted average of Australia's eight capital cities increased 1.8 per cent in the June quarter 2014 and 10.1 per cent in the previous year, according to figures released by the Australian Bureau of Statistics (ABS).

The increase in the RPPI was due largely to increases in Sydney (+3.1 per cent), Melbourne (+1.3 per cent) and Brisbane (+1.8 per cent), the three key cities where the Group has focused on.

Low interest rates and strong demand have encouraged builders and developers to construct more dwellings. Much of this has been concentrated in apartments, units and townhouses.

Going forward, local surveys have shown that demand will remain positive in view of the prevailing low interest rate environment, continued population growth and the lower Australian dollar which will encourage more investment in new housing. All these factors are expected to provide a favorable backdrop for the Group's investments in Australia.

In line with our market diversification strategy, the Group's Investment Division has also recently concluded new investment agreements in Osaka, Japan. The Group has invested in two buildings located in the Yotsubashi-suji, about 150 meters apart in the prime district of Osaka together with other investors under a pooled investment structure to be managed by TCAP.

Current occupancy for both buildings is about 90% and they are expected to be yield accretive for the Group.

For the Lifestyle Division, with China's economic growth likely to remain muted, consumer demand is expected to soften and overall sentiment will be subdued. However, despite the weaker operating environment, this division will continue with its strategy of introducing innovative products and work towards profitability.

In view of the expected challenging trends in the global economy, the Group maintains a very cautious outlook for the year.

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

Subsequent to 30 September 2014, the directors do not recommend any payment of dividend.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

Name of interested person	Aggregate value of all interested person transactions during the period ended 30 September 2014 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)
Thakral Brothers Pte Ltd and subsidiaries	S\$'000	S\$'000
Purchases, net of returns	-	9,779
Sales, net of returns	-	990
Profit share for purchasing services	457	-
Operating lease charges paid / payable	168	-
ASK Holdings Sdn Bhd		
Co-investment in loans receivable	1,148	-

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****Nine months ended 30 September 2014**

	LIFE	INV	OTH	TOTAL
Revenue				
External sales	371,317	11,896	-	383,213
Result				
Segment result	(5,862)	8,769	(1,182)	1,725
Unallocated corporate expenses				(1,050)
Finance income				1,087
Finance costs				(3,927)
Foreign exchange loss				(84)
Loss before income tax				(2,249)
Income tax expense				(53)
Loss for the period				(2,302)
Other information				
Capital expenditure:				
Property, plant and equipment	233	2	1	236
Depreciation expense	275	83	5	363
Assets				
Segment assets	96,355	129,346	324	226,025
Total assets				226,025
Liabilities				
Segment liabilities	69,754	58,478	427	128,659
Income tax payable				72
Deferred tax liability				383
Total liabilities				129,114

THAKRAL CORPORATION LTD AND SUBSIDIARIES

S\$'000

Nine months ended 30 September 2013

	LIFE	INV	OTH	TOTAL
Revenue				
External sales	278,225	10,218	-	288,443
Result				
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)

Other information				
Capital expenditure:				
Property, plant and equipment	46	4	-	50
Depreciation expense	287	88	7	382

Assets				
Segment assets	104,718	133,996	410	239,124
Total assets				239,124
Liabilities				
Segment liabilities	63,914	67,128	332	131,374
Income tax payable				141
Deferred tax liability				105
Total liabilities				131,620

Geographical information

S\$'000

Geographical segments:	Revenue		Capital expenditure		Non-current assets *	
	30 Sep		30 Sep		30 Sep	
	2014	2013	2014	2013	2014	2013
People's Republic of China (including Hong Kong)	365,157	266,830	107	27	24,699	22,524
Others	18,056	21,613	129	23	66,613	69,079
	383,213	288,443	236	50	91,312	91,603

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

* Non-current assets other than financial instruments

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

See item 8 on review of performance

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Negative confirmation pursuant to Rule 705(5)

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements for the 9 months ended 30 September 2014 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Kartar Singh Thakral
Director

Inderbethal Singh Thakral
Director
11 November 2014

BY ORDER OF THE BOARD

Chan Wan Mei
Tay Chee Wah
Company Secretaries
11 November 2014