

Financial Statements and Related Announcement::Full Yearly Results

Issuer & Securities

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|-------------------------|--|
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| Securities | THAKRAL CORPORATION LTD - SG1AJ2000005 - AWI |
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Announcement Details

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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 Net Profit of S\$39.7 million for FY2017

Singapore, 27 February 2018 – SGX Mainboard-listed Thakral Corporation Ltd (“Thakral” or the “Group”) has reported a net profit of S\$39.7 million for the financial year ended 31 December 2017 (FY2017) against S\$3.4 million in FY2016 after registering a one-off gain of S\$33.9 million from the sale of its warehouses in Hong Kong completed during the final quarter of 2017. Net profit attributable to equity holders improved to S\$37.7 million from S\$0.4 million in FY2016. For 4QFY2017, net profit attributable to shareholders also rose 79% to S\$1.5 million from S\$0.8 million in the previous corresponding period.

The robust earnings following the warehouse divestment in FY2017 also enabled the Group to strengthen its balance sheet substantially and to reward shareholders with a special interim dividend of S\$0.03 per share in November 2017.

The Group’s gross profit rose to S\$49.5 million, an increase of 9% from S\$45.2 million the previous year, while gross profit margin for FY2017 improved to 32.3% compared to 21.1% earlier despite a 29% dip in full-year revenue to S\$153.2 million from S\$214.9 million in FY2016. The lower revenue was mainly attributed to the Lifestyle Division which continued to shift its focus away from high-volume, low-margin products.

Distribution expenses fell 21% to S\$6.5 million due to the lower advertising and promotion costs incurred, mainly in China as well as a one-off marketing support provided by a brand owner in the third quarter.

The Group also benefitted from lower depreciation costs and foreign exchange loss.

Both the Group’s operating divisions – the Investment Division and the Lifestyle Division – improved their performance in FY2017. The Investment Division clocked in earnings of S\$23.2 million on higher revenue of S\$37.7 million while the Lifestyle Division trimmed its losses to S\$1.3 million on lower sales of S\$115.5 million during the year under review.

Net Asset Value Per Share and Earnings Per Share

Net Asset Value per share at 31 December 2017 was S\$1.00 compared to S\$0.74 for FY2016 reflecting the higher value from disposal of the warehouse properties as well as the strong growth in the valuation of the Group’s investments in Japan. The Group’s FY2017 earnings per share (“EPS”) rose to 28.81 cents vs 0.32 cent the previous period. For 4QFY2017, the Group’s EPS grew to 1.13 cents from 0.63

cent in the previous corresponding period.

Working Capital and Cash Flow

The Group's cash position at the end of 2017 strengthened considerably to S\$46.2 million, up 55% from S\$29.8 million as at 31 December 2016.

The Group's improved cash position also helped it to trim its borrowings from S\$90.2 million as at 31 December 2016 to S\$58.0 million as at the end of the FY2017.

Cash outflow increased in FY2017 with the growth of inventories to S\$24.1 million as at 31 December 2017 against S\$18.9 million at 31 December 2016 to meet the expected pick up in seasonal demand.

Segmental Performance

Investments

The Investment Division continued to deliver positive earnings and improved sales.

Revenue grew to S\$37.7 million for the year – up 4% from S\$36.2 million in FY2016. Segment operating result – before disposal and valuation gains/losses, special bonuses and incentives – was about level with the S\$27.2 million as in the previous financial year.

Settlements at the Fortitude Valley project in Brisbane progressed well during Q4FY2017 with senior lender and 3rd party investor funds being paid down. The Group expects to receive its settlement from this project progressively up to the end of FY2018.

The Group's GemLife joint venture has started to generate sales for the Bribie Island retirement homes project in 4QFY2017. Stage 1 construction works at the site (excluding community facilities) was 80% completed, with 80 out of 85 stage 1 homes contracted for. Meanwhile, Stage 1 construction works at Highfields (excluding community facilities) was 56% completed, with 17 out of 50 homes contracted for.

Marketing campaigns at the two newly acquired sites at Woodend and Lennox Head continue to attract strong sales enquiries and a significant number of holding deposits. Woodend construction works have started with 12 deposits in place. Lennox Head has not yet received its Development Approval but has over 40 deposits in place.

Lifestyle

The Lifestyle Division slashed its segment loss by 80% to S\$1.3 million in FY2017 compared to S\$6.6 million in the previous financial year. The division is mounting

concerted efforts in its wellness and beauty portfolio in efforts to stage a turnaround and head towards eventual profitability.

Going Forward

Mr. Natarajan Subramaniam, Independent Non-Executive Chairman of Thakral, said: “The year in review has been a truly rewarding year for us. The Group has continued its profitable growth track with strong earnings and the year’s enhanced results has enabled it to reward shareholders with higher dividends. Shareholders received a total of S\$0.05 per share comprising an interim dividend of S\$0.02 in August 2017 and a special interim dividend of S\$0.03 per share in November 2017.

We have benefitted from our strategic divestment of our warehouse properties in Hong Kong which enabled us to pare down debt, fund growth opportunities and finance asset enhancement initiatives. With a stronger balance sheet, we are well-poised to refresh our portfolios and make new investments to take advantage of new market prospects.”

Towards end November 2017, the Group’s Investment Division invested further in Osaka – in a retail and hotel property – as well as in the Legal Itachibori Building in January 2018. The Japanese investments have seen significant valuation gains, boosting the value of the Group’s investments to S\$34.2 million at end 2017, up 83% from S\$18.7 million in the same period last year.

To sustain long-term growth, the Group will be exploring other markets such as Singapore and other ASEAN countries where the potential for real estate demand is strong.

The Group’s key markets – China and Australia – are forecast to remain sturdy. Australia’s GDP growth is predicted to hit 3%* while the IMF expects China’s GDP growth to stand at 6.6% this year, up from the 6.5% prediction made last October.+

Global growth forecast for 2018 is also revised upward by 0.2 percentage points to 3.9% due to increased global growth momentum.+

The Group intends to ride on these favourable trends to achieve sustainable growth over the longer term.

Barring unforeseen circumstances, the Group’s outlook remains positive for FY2018.

+ Source: Xinhua, IMF ups China 2018 economic growth forecast, 23 January 2018

* Source: Business Insider, Australia’s economic growth in 2018 looks set to undershoot the RBA’s lofty expectations, 16 August 2017

About Thakral

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

The Group's Investment Division invests directly or with co-investors in real estate and other investment opportunities including property-backed financial instruments. The Group also earns income from the services rendered from the originating, packaging and managing of such projects. The Investment Division, through a joint venture, has expanded its businesses into development and management of retirement living resorts in Australia under the GemLife brand. Taking advantage of the upward trend in the Japanese property sector and the country's low interest rate, the Group has also expanded its investment footprint to Japan.

The Group's Lifestyle Division is focused on marketing and distributing brands in the beauty, wellness and lifestyle categories, working with leading ecommerce platforms as well as traditional retailers. The brands distributed by the Lifestyle Division include at-home beauty and personal care device brands MTG Refa, Panasonic, Philips, Braun, ikoo and PMD, skin and hair care brands Canvas, Codage, Institut Karite Paris, John Masters Organics and Botanist, wellness brands MTG SIXPAD, Style Seat and Slendertone and lifestyle brands Apple and DJI.

Greater China including Hong Kong, Southeast Asia and India are key markets for the Lifestyle Division and Australia and Japan for the Investment Division.

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

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Full Year and Fourth 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 year and fourth quarter ended 31 December 2017 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 | | % | S\$000 | | % |
| | | Year ended | | | Three months ended | | |
| | | 31 Dec 2017 | 31 Dec 2016 | Increase / (Decrease) | 31 Dec 2017 | 31 Dec 2016 | Increase / (Decrease) |
| Revenue | 1 | 153,230 | 214,893 | (29) | 42,238 | 44,426 | (5) |
| Cost of sales | | (103,687) | (169,644) | (39) | (25,000) | (26,846) | (7) |
| Gross profit | 1 | 49,543 | 45,249 | 9 | 17,238 | 17,580 | (2) |
| Other operating income | 2 | 319 | 810 | (61) | 184 | 110 | 67 |
| Distribution costs | 3 | (6,536) | (8,287) | (21) | (2,182) | (2,922) | (25) |
| Administrative expenses | 4 | (23,381) | (19,427) | 20 | (8,332) | (6,124) | 36 |
| Other operating (expenses) income | 5 | (778) | (683) | 14 | (180) | 407 | NM |
| Profit from operations | | 19,167 | 17,662 | 9 | 6,728 | 9,051 | (26) |
| Gain on disposal of assets held for sale | 6 | 33,858 | - | NM | (326) | - | NM |
| Valuation loss on investment properties | 7 | (6,883) | (7,318) | (6) | (2,268) | (4,686) | (52) |
| Finance income | 8 | 493 | 991 | (50) | 76 | 240 | (68) |
| Finance costs | | (5,432) | (5,330) | 2 | (1,392) | (1,323) | 5 |
| Foreign exchange loss | 9 | (741) | (1,391) | (47) | (814) | (573) | 42 |
| Share of loss of joint ventures | 10 | (116) | (400) | (71) | - | (400) | (100) |
| Profit before income tax | | 40,346 | 4,214 | NM | 2,004 | 2,309 | (13) |
| Income tax expenses | 11 | (640) | (770) | (17) | (656) | (256) | 156 |
| Profit for the year / quarter | | 39,706 | 3,444 | NM | 1,348 | 2,053 | (34) |
| <u>Profit (loss) attributable to:</u> | | | | | | | |
| Equity holders of the Company | | 37,748 | 423 | NM | 1,534 | 828 | 85 |
| Non-controlling interests | 13 | 1,958 | 3,021 | (35) | (186) | 1,225 | NM |
| | | 39,706 | 3,444 | NM | 1,348 | 2,053 | (34) |

NM – Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Note | S\$'000 | | % Increase / (Decrease) | S\$'000 | | % Increase / (Decrease) |
|---|------|---------------|--------------|-------------------------------|--------------------|--------------|-------------------------------|
| | | Year ended | | | Three months ended | | |
| | | 31 Dec 2017 | 31 Dec 2016 | | 31 Dec 2017 | 31 Dec 2016 | |
| Profit for the year / quarter | | 39,706 | 3,444 | NM | 1,348 | 2,053 | (34) |
| Other comprehensive income (loss) | | | | | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | | | | | |
| Translation (loss) gain arising on consolidation | 12 | (2,786) | 2,888 | NM | (977) | 75 | NM |
| Fair value gain (loss) on available-for-sale investments, net of tax | 13 | 13,095 | 485 | NM | 12,434 | (126) | NM |
| Other comprehensive income (loss) for the year / quarter, net of tax | | 10,309 | 3,373 | 206 | 11,457 | (51) | NM |
| Total comprehensive income for the year / quarter | | 50,015 | 6,817 | 634 | 12,805 | 2,002 | 540 |
| <u>Total comprehensive income attributable to:</u> | | | | | | | |
| Equity holders of the Company | | 41,985 | 2,820 | NM | 7,164 | 1,588 | 351 |
| Non-controlling interests | | 8,030 | 3,997 | 101 | 5,641 | 414 | NM |
| | | 50,015 | 6,817 | NM | 12,805 | 2,002 | 540 |

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

Performance improvements at both the Investment and Lifestyle Divisions enabled Group gross profit to expand by 9% to S\$49.5 million for the year ended 31 December 2017 from S\$45.2 million in the previous year, despite reduced turnover of S\$153.2 million. Group gross profit margin for the current year rose to 32.3% compared to 21.1% earlier.

Revenue included investment income comprising dividends and interest income amounting to S\$22.5 million (Year ended 31 December 16: S\$22.0 million).

Note 2:

Other operating income comprises:

| | S\$'000 | | % Increase / (Decrease) | S\$'000 | | % Increase / (Decrease) |
|-----------------------|-------------|-------------|-------------------------------|--------------------|-------------|-------------------------------|
| | Year ended | | | Three months ended | | |
| | 31 Dec 2017 | 31 Dec 2016 | | 31 Dec 2017 | 31 Dec 2016 | |
| Government subsidies | 18 | 141 | (87) | - | 4 | (100) |
| Compensation received | - | 402 | (100) | - | 3 | (100) |
| Others | 301 | 267 | 13 | 184 | 103 | 79 |
| Total | 319 | 810 | (61) | 184 | 110 | 67 |

- Government subsidies in the previous year comprised mainly the wage credit received in Singapore which was not repeated this year due to the down-sizing of the unit.
- The Group had received compensation and removal costs of S\$0.4 million from the landlord of the office in Hong Kong for the early termination of the lease in the previous year.
- The increase in Others is mainly from higher service fee income received in the latest quarter.

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 | | % |
|-------------------------|-------------|-------------|--------------------------|--------------------|-------------|--------------------------|
| | Year ended | | | Three months ended | | |
| | 31 Dec 2017 | 31 Dec 2016 | Increase / (Decrease) | 31 Dec 2017 | 31 Dec 2016 | Increase / (Decrease) |
| Staff costs | (3,584) | (3,723) | (4) | (989) | (965) | 2 |
| Advertising & promotion | (571) | (2,258) | (75) | (522) | (1,274) | (59) |
| Transportation | (1,062) | (929) | 14 | (265) | (251) | 6 |
| Travelling expenses | (356) | (375) | (5) | (102) | (110) | (7) |
| Others | (963) | (1,002) | (4) | (304) | (322) | (6) |
| Total | (6,536) | (8,287) | (21) | (2,182) | (2,922) | (25) |

- i. Advertising and promotion expenses for the current year include one-off marketing support provided by a brand owner received in Q2-FY17 and lower advertising and promotion costs incurred in China.
- ii. Transportation costs were higher due to costs incurred on certain orders by the subsidiary in India.

Note 4:

Administration expenses comprise:

| | S\$'000 | | % | S\$'000 | | % |
|---|-------------|-------------|--------------------------|--------------------|-------------|--------------------------|
| | Year ended | | | Three months ended | | |
| | 31 Dec 2017 | 31 Dec 2016 | Increase / (Decrease) | 31 Dec 2017 | 31 Dec 2016 | Increase / (Decrease) |
| Staff costs (including executive directors) | (14,502) | (12,021) | 21 | (4,482) | (3,638) | 23 |
| Directors' fees | (476) | (476) | - | (119) | (119) | - |
| Professional fees | (2,888) | (1,625) | 78 | (1,933) | (358) | 440 |
| Rent & rates | (713) | (838) | (15) | (160) | (197) | (19) |
| Travelling expenses | (348) | (325) | 7 | (119) | (96) | 24 |
| Insurance | (270) | (312) | (13) | (55) | (72) | (24) |
| Allowance for doubtful debts | (215) | (184) | 17 | (127) | (298) | (57) |
| Withholding tax | (2,411) | (2,030) | 19 | (1,139) | (801) | 42 |
| Others | (1,558) | (1,616) | (4) | (198) | (545) | (64) |
| Total | (23,381) | (19,427) | 20 | (8,332) | (6,124) | 36 |

- i. Staff costs increased due to the special bonuses of S\$2.4 million paid to certain executive directors and staff involved in the warehouse properties in Hong Kong and higher performance bonus accrued for the Investment Division in the latest quarter.
- ii. Professional fees include management fees of S\$1.5 million for an executive director and management in relation to the Japanese property investment in the latest quarter.
- iii. Rental expense declined mainly due to the savings from the relocation of the Hong Kong office as well as from the Group's personnel in Beijing now working from home to help reduce costs as well as their own travel times.
- iv. Insurance costs declined mainly due to savings at the unit in Hong Kong.
- v. Allowances were made for certain doubtful trade receivables in Hong Kong and India in this period.
- vi. Withholding tax relates to tax on income from Investment Division projects as well as on the distributions declared by the Japanese property holding vehicle. The higher withholding tax this year is mainly due to certain reversals in Q4-FY2016.
- vii. Lower Other expenses in the latest quarter were mainly due to the reversal of certain accruals.

Note 5:

Other operating expenses comprise:-

| | S\$'000 | | % | S\$'000 | | % |
|--|-------------|-------------|--------------------------|--------------------|-------------|--------------------------|
| | Year ended | | | Three months ended | | |
| | 31 Dec 2017 | 31 Dec 2016 | Increase / (Decrease) | 31 Dec 2017 | 31 Dec 2016 | Increase / (Decrease) |
| Depreciation | (246) | (403) | (39) | (65) | (62) | 5 |
| (Loss) gain on derivative financial instrument | (532) | (280) | 90 | (115) | 469 | NM |
| Total | (778) | (683) | 14 | (180) | 407 | NM |

- i. Depreciation reduced in this year mainly from the cessation of this charge on certain fully written-down assets.
- ii. The loss on derivative financial instrument arose mainly from the fair valuation of the hedge for the capital invested in the Japanese property holding vehicle.

Note 6:

The sale of the warehouse properties in Hong Kong was completed in the last quarter of the year. The gain had been taken up in the income statement in the previous quarter.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Note 7:

The Group recognized a valuation loss for the period mainly on the GLNG houses in Australia and which is expected to continue until the end of the lease terms.

Note 8:

Finance income declined from a combination of lower interest-earning deposits and lower interest rates on these funds in the current year.

Note 9:

Foreign exchange translation loss for the year arose mainly from the translation of monetary assets and liabilities, denominated in foreign currencies, outstanding as at the end of the year as well as the exchange loss realized on the settlement of an Australian dollar denominated receivable.

Note 10:

The share of loss from joint ventures comprises the pre-sale operating costs of the Group's Gemlife joint venture for the development and management of retirement resorts.

Note 11:

Income tax for the year was mainly provided on the profits at certain Australian entities.

There is no capital gains or profits tax impact from the gain on disposal of the warehouse properties in Hong Kong.

Note 12:

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.

Note 13:

The amount represents Thakral Japan Properties Pte Ltd (TJP)'s fair value gain on its available-for-sale investment in the Japanese property holding vehicle (of which the relevant portion is allocated to the non-controlling interests in TJP) backed by the significant valuation gain on the property portfolio this year.

The non-controlling interest's share of loss in the latest quarter was mainly due to the management fees charged to TJP by the Group for the management of the pooled investment vehicle.

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

| | Note | Group (S\$ '000) as at | | Company (S\$ '000) as at | |
|--|------|-------------------------------|----------------|---------------------------------|----------------|
| | | 31 Dec 2017 | 31 Dec 2016 | 31 Dec 2017 | 31 Dec 2016 |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and bank balances | 1 | 46,175 | 29,787 | 1,890 | 210 |
| Trade receivables | 2 | 11,807 | 9,871 | - | - |
| Other receivables and prepayments | 3 | 7,963 | 10,781 | 64 | 65 |
| Loans receivable | 4 | 48,198 | 28,382 | - | - |
| Assets held for sale | 5 | - | 40,140 | - | - |
| Inventories | 6 | 24,058 | 18,884 | - | - |
| Total current assets | | 138,201 | 137,845 | 1,954 | 275 |
| Non-current assets | | | | | |
| Pledged fixed deposits | 1 | 10 | 10 | - | - |
| Other receivables | 3 | 1,462 | - | - | - |
| Loans receivable | 4 | 31,619 | 25,870 | - | - |
| Property, plant and equipment | | 1,896 | 1,807 | 10 | 16 |
| Investment properties | 4 | 47,533 | 54,616 | - | - |
| Joint ventures | 7 | - | 115 | - | - |
| Subsidiary corporations | | - | - | 177,919 | 162,356 |
| Derivative financial instrument | 8 | 206 | 755 | - | - |
| Available-for-sale investments | 8 | 34,242 | 18,681 | - | - |
| Total non-current assets | | 116,968 | 101,854 | 177,929 | 162,372 |
| Total assets | | 255,169 | 239,699 | 179,883 | 162,647 |
| LIABILITIES AND EQUITY | | | | | |
| Current liabilities | | | | | |
| Trade payables | 9 | 3,760 | 2,633 | - | - |
| Bills payables and trust receipts | 9 | 11,207 | 21,535 | - | - |
| Bank and other borrowings | 10 | 31,691 | 44,664 | - | - |
| Other payables | | 23,097 | 21,616 | 856 | 649 |
| Provisions | 11 | 2,504 | 2,969 | 52 | 52 |
| Income tax payable | 12 | 554 | 721 | - | - |
| Total current liabilities | | 72,813 | 94,138 | 908 | 701 |
| Non-current liabilities | | | | | |
| Amount owing to subsidiary corporations | | - | - | 65,419 | 68,346 |
| Bank and other borrowings | 10 | 15,146 | 24,005 | - | - |
| Deferred tax liability | 8 | 4,500 | 1,143 | - | - |
| Total non-current liabilities | | 19,646 | 25,148 | 65,419 | 68,346 |
| Total liabilities | | 92,459 | 119,286 | 66,327 | 69,047 |
| Capital, reserves and non-controlling interests | | | | | |
| Issued capital | | 72,579 | 72,579 | 72,579 | 72,579 |
| Reserves | 13 | 59,334 | 23,892 | 40,977 | 21,021 |
| Equity attributable to equity holders of the Company | | 131,913 | 96,471 | 113,556 | 93,600 |
| Non-controlling interests | | 30,797 | 23,942 | - | - |
| Total equity | | 162,710 | 120,413 | 113,556 | 93,600 |
| Total liabilities and equity | | 255,169 | 239,699 | 179,883 | 162,647 |

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Amount repayable in one year or less, or on demand

| As at 31 December 2017 | | As at 31 December 2016 | |
|------------------------|---------------|------------------------|----------------|
| Secured | Unsecured | Secured | Unsecured |
| S\$ 36,282,000 | S\$ 6,616,000 | S\$ 56,040,000 | S\$ 10,159,000 |

Please also see notes (9 & 10) on page 9

Details of any collateral

Pledged bank deposits of S\$8.9 million; Company's corporate guarantee

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

Charge against specific corresponding debt instruments issued by a developer

Amount repayable after one year

| As at 31 December 2017 | | As at 31 December 2016 | |
|------------------------|---------------|------------------------|---------------|
| Secured | Unsecured | Secured | Unsecured |
| S\$ 6,547,000 | S\$ 8,599,000 | S\$ 18,681,000 | S\$ 5,324,000 |

Please also see note (10) on page 9

Details of any collateral

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

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**

| Note | (S\$ '000) | | (S\$ '000) | |
|---|-------------|-------------|--------------------|-------------|
| | Year ended | | Three months ended | |
| | 31 Dec 2017 | 31 Dec 2016 | 31 Dec 2017 | 31 Dec 2016 |
| OPERATING ACTIVITIES | | | | |
| | 40,346 | 4,214 | 2,004 | 2,309 |
| Profit before income tax | | | | |
| Adjustments for: | | | | |
| Depreciation expense | 246 | 403 | 65 | 62 |
| Share of loss of joint ventures | 116 | 400 | - | 400 |
| Interest income from loans receivable and dividend income from unquoted investments | (22,455) | (22,016) | (11,295) | (12,258) |
| Interest expense | 5,432 | 5,330 | 1,392 | 1,323 |
| Interest income | (493) | (991) | (76) | (240) |
| Loss on disposal of property, plant and equipment | 5 | 2 | - | - |
| Loss on exercise of derivative financial instrument | - | 223 | - | 223 |
| Gain on disposal of assets held for sale | (33,858) | - | 326 | - |
| Valuation loss on investment properties | 6,883 | 7,318 | 2,268 | 4,686 |
| Unrealised loss (gain) on outstanding derivative financial instrument | 532 | 57 | 115 | (692) |
| Net unrealised foreign exchange loss | 2,216 | 1,462 | 2,397 | 685 |
| Provision for employee benefits | 212 | 370 | 108 | 272 |
| Allowance for inventories | 522 | 1,098 | 350 | 555 |
| Allowance (reversal) for doubtful trade receivables | 205 | (7) | 127 | 123 |
| Allowance for doubtful other receivables | 10 | 191 | - | 175 |
| Operating cash flows before movements in working capital | (81) | (1,946) | (2,219) | (2,377) |
| Trade receivables | (2,858) | 2,504 | 2,723 | 156 |
| Other receivables and prepayments | 717 | (673) | 1,209 | 1,084 |
| Inventories | (6,880) | 5,356 | (7,285) | (1,579) |
| Trade payables | 1,298 | (3,593) | 1,576 | 312 |
| Other payables and provisions | 1,627 | 5,305 | (1,830) | (930) |
| Cash (used in) generated from operations | (6,177) | 6,953 | (5,826) | (3,334) |
| Income tax paid | (745) | (170) | (85) | (25) |
| Interest paid | (4,566) | (3,351) | (1,087) | (817) |
| Interest received | 1,910 | 530 | 70 | 478 |
| Net cash (used in) from operating activities | (9,578) | 3,962 | (6,928) | (3,698) |
| INVESTING ACTIVITIES | | | | |
| Additions to property, plant and equipment | (430) | (335) | (272) | (42) |
| Proceeds from disposal of property, plant and equipment | 3 | 8 | - | - |
| Proceeds from disposal of assets held for sale | 69,517 | - | 62,029 | - |
| Acquisition of investments in joint ventures | - | (513) | - | (4) |
| Repayment of loans receivable - current and non-current | 26,701 | 23,092 | 6,882 | 7,703 |
| Additions to loans receivable - current and non-current | (31,323) | (16,286) | (10,376) | (1,024) |
| Acquisition of derivative financial instrument | - | (217) | - | - |
| Net cash from investing activities | 64,468 | 5,749 | 58,263 | 6,633 |
| FINANCING ACTIVITIES | | | | |
| Dividend paid to non-controlling shareholders in a subsidiary corporation | (1,181) | (738) | (945) | (738) |
| Dividends paid | (6,543) | (2,617) | (3,926) | (2,617) |
| (Increase) decrease in fixed deposits with maturities exceeding three months | (2,282) | 10 | (2,282) | - |
| Decrease in pledged fixed deposits | 12,657 | 862 | 6,541 | 1,795 |
| (Decrease) increase in bills payable and trust receipts | (8,881) | 692 | (11,140) | 2,419 |
| Other loans | 19,956 | 6,365 | 3,669 | 2,352 |
| Loans from banks | 1,327 | 9,656 | 715 | 3,606 |
| Repayments of other loans | (9,614) | - | (3,146) | - |
| Repayments of bank loans | (32,966) | (22,016) | (15,854) | (7,511) |
| Net cash used in financing activities | (27,527) | (7,786) | (26,368) | (694) |
| Net increase in cash and cash equivalents | 27,363 | 1,925 | 24,967 | 2,241 |
| Cash and cash equivalents at beginning of year / quarter | 7,690 | 5,543 | 9,957 | 5,372 |
| Net effect of exchange rate changes in the balance of cash held in foreign currencies | (142) | 222 | (13) | 77 |
| Cash and cash equivalents at end of year / quarter | 34,911 | 7,690 | 34,911 | 7,690 |
| Cash and cash equivalents were represented by:- | | | | |
| Fixed deposits with maturities less than 3 months, cash and bank balances | 34,911 | 7,690 | 34,911 | 7,690 |
| | 34,911 | 7,690 | 34,911 | 7,690 |

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Note 1:

Cash and bank balances are comprised of:

| | <u>31-Dec-17</u> | <u>31-Dec-16</u> |
|---|------------------------|------------------------|
| Cash and cash equivalents | S\$34.9 million | S\$7.7 million |
| Fixed deposits with maturities exceeding three months | S\$2.4 million | S\$0.1 million |
| Fixed deposits that have been pledged to banks against bills payables and trust receipts (see note 9 below) | S\$2.5 million | S\$1.3 million |
| Fixed deposits that have been pledged to banks against bank loans | S\$6.4 million | S\$20.7 million |
| Total (including non-current fixed deposits) | <u>S\$46.2 million</u> | <u>S\$29.8 million</u> |

Pledged deposits maturing in the next 12 months are included under current assets while pledged deposits with remaining maturities over 1 year are included under non-current assets.

Note 2:

The increase in trade receivables is mainly due to sales made to certain major customers on longer credit terms.

Note 3:

The reduction in the current other receivable and prepayments is mainly due to the receipts of certain accrued fee income by the Investment Division as well as accrued interest on certain fixed deposits.

Non-current other receivables mainly represent an advance made to the Gemlife joint venture which will be converted to interest-bearing loans receivable with a tenor of more than 12 months upon successful completion of the acquisition of a land parcel.

Note 4:

The aggregate increase in loans receivable arises from the investments made in projects in Australia during the year. Of the total loans receivable of S\$79.8 million, loans to the Gemlife joint venture entities amount to S\$17.2 million as at 31 December 2017 (31 December 2016: S\$6.3 million).

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

Note 5:

Assets held for sale are comprised of:

| | <u>31-Dec-17</u> | <u>31-Dec-16</u> |
|--|------------------|------------------|
| | <u>S\$'000</u> | <u>S\$'000</u> |
| Investment properties | - | 36,619 |
| Properties, plant and equipment (Leasehold land and buildings) | - | 3,521 |
| Total | <u>-</u> | <u>40,140</u> |

The sale of these properties was completed on 2 November 2017.

Note 6:

In view of the Group stocking up for the seasonal demand, inventories grew to S\$24.1 million as at 31 December 2017 from S\$18.9 million as at 31 December 2016.

Note 7:

This represents the Group's interest in the joint venture entities for the GemLife retirement housing business.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Note 8:

The Group invested in commercial properties and hotel buildings in Japan through a pooled investment structure which accounted for this as an available-for-sale investment.

Derivative financial instruments represent the mark-to-market values of the Group's medium-term forex option taken to hedge its capital invested in the Japanese property holding vehicle as at the respective dates.

Deferred tax liability increased primarily on the fair value gain on the available-for-sale investment during the year.

Note 9:

Aggregate trade payables and bills payable and trust receipts reduced by nearly 40% from last year due to the repayments made in the latest quarter following the sale of the warehouse properties in Hong Kong.

Note 10:

Certain bank loans were paid off in the latest quarter following the sale of the warehouse properties in Hong Kong.

Note 11:

The decrease in Provisions is mainly due to the long service payments made to certain retirees in Hong Kong.

Note 12:

The decrease in Income tax payable is mainly due to the tax payment made by the unit in Australia during the year.

Note 13:

The increase in the Company's reserves is mainly due to the reversal of impairment loss for investments in subsidiary corporations in the last quarter.

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

Year ended 31 December 2017

SS'000

| | Issued capital | Capital reserve | Asset revaluation reserve | Investment revaluation reserve | Options reserve | Foreign currency translation reserve | Retained earnings | Attributable to equity holders of the Company | Non-controlling interests | Total |
|---|----------------|-----------------|---------------------------|--------------------------------|-----------------|--------------------------------------|-------------------|---|---------------------------|----------------|
| Group | | | | | | | | | | |
| Balance at 1 Jan 2017 | 72,579 | (9,207) | 3,278 | 1,804 | 31 | (27,680) | 55,666 | 96,471 | 23,942 | 120,413 |
| Total comprehensive income for the quarter | | | | | | | | | | |
| Profit for the quarter | - | - | - | - | - | - | 1,511 | 1,511 | 476 | 1,987 |
| Other comprehensive income (loss) for the quarter | - | - | - | 178 | - | (75) | - | 103 | 525 | 628 |
| | - | - | - | 178 | - | (75) | 1,511 | 1,614 | 1,001 | 2,615 |
| Transactions with owners, recognised directly in equity | | | | | | | | | | |
| Transfer from options reserve to retained earnings on cancellation / lapse of share options | - | - | - | - | (31) | - | 31 | - | - | - |
| Balance at 31 Mar 2017 | 72,579 | (9,207) | 3,278 | 1,982 | - | (27,755) | 57,208 | 98,085 | 24,943 | 123,028 |
| Total comprehensive income for the quarter | | | | | | | | | | |
| Profit for the quarter | - | - | - | - | - | - | 1,165 | 1,165 | 620 | 1,785 |
| Other comprehensive income (loss) for the quarter | - | - | - | 47 | - | (1,131) | - | (1,084) | (328) | (1,412) |
| | - | - | - | 47 | - | (1,131) | 1,165 | 81 | 292 | 373 |
| Balance at 30 Jun 2017 | 72,579 | (9,207) | 3,278 | 2,029 | - | (28,886) | 58,373 | 98,166 | 25,235 | 123,401 |
| Total comprehensive income for the quarter | | | | | | | | | | |
| Profit for the quarter | - | - | - | - | - | - | 33,538 | 33,538 | 1,048 | 34,586 |
| Other comprehensive income (loss) for the quarter | - | - | - | 105 | - | (517) | - | (412) | 48 | (364) |
| | - | - | - | 105 | - | (517) | 33,538 | 33,126 | 1,096 | 34,222 |
| Transactions with owners, recognised directly in equity | | | | | | | | | | |
| Dividend | - | - | - | - | - | - | (2,617) | (2,617) | - | (2,617) |
| Balance at 30 Sep 2017 | 72,579 | (9,207) | 3,278 | 2,134 | - | (29,403) | 89,294 | 128,675 | 26,331 | 155,006 |
| Total comprehensive income for the quarter | | | | | | | | | | |
| Profit (loss) for the quarter | - | - | - | - | - | - | 1,534 | 1,534 | (186) | 1,348 |
| Other comprehensive income (loss) for the quarter | - | - | - | 6,203 | - | (573) | - | 5,630 | 5,827 | 11,457 |
| | - | - | - | 6,203 | - | (573) | 1,534 | 7,164 | 5,641 | 12,805 |
| Transactions with owners, recognised directly in equity | | | | | | | | | | |
| Transfer from asset revaluation reserve to retained earnings on disposal of asset held for sale | - | - | (2,982) | - | - | - | 2,982 | - | - | - |
| Dividend to non-controlling shareholders in a subsidiary corporation | - | - | - | - | - | - | - | - | (1,175) | (1,175) |
| Dividend | - | - | - | - | - | - | (3,926) | (3,926) | - | (3,926) |
| Balance at 31 Dec 2017 | 72,579 | (9,207) | 296 | 8,337 | - | (29,976) | 89,884 | 131,913 | 30,797 | 162,710 |

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Year ended 31 December 2016

S\$'000

| Group | Issued capital | Capital reserve | Asset revaluation reserve | Investment 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 2016 | 72,579 | (9,207) | 3,278 | 1,562 | 51 | (29,835) | 57,840 | 96,268 | 21,164 | 117,432 |
| Total comprehensive loss for the quarter | | | | | | | | | | |
| Profit for the quarter | - | - | - | - | - | - | 625 | 625 | 442 | 1,067 |
| Other comprehensive income (loss) for the quarter | - | - | - | 54 | - | (1,406) | - | (1,352) | 234 | (1,118) |
| | - | - | - | 54 | - | (1,406) | 625 | (727) | 676 | (51) |
| Balance at 31 Mar 2016 | 72,579 | (9,207) | 3,278 | 1,616 | 51 | (31,241) | 58,465 | 95,541 | 21,840 | 117,381 |
| Total comprehensive income for the quarter | | | | | | | | | | |
| (Loss) Profit for the quarter | - | - | - | - | - | - | (432) | (432) | 486 | 54 |
| Other comprehensive income (loss) for the quarter | - | - | - | 118 | - | (697) | - | (579) | 604 | 25 |
| | - | - | - | 118 | - | (697) | (432) | (1,011) | 1,090 | 79 |
| Transactions with owners, recognised directly in equity | | | | | | | | | | |
| Transfer from options reserve to retained earnings on cancellation / lapse of share options | - | - | - | - | (20) | - | 20 | - | - | - |
| Balance at 30 Jun 2016 | 72,579 | (9,207) | 3,278 | 1,734 | 31 | (31,938) | 58,053 | 94,530 | 22,930 | 117,460 |
| Total comprehensive income for the quarter | | | | | | | | | | |
| (Loss) profit for the quarter | - | - | - | - | - | - | (598) | (598) | 868 | 270 |
| Other comprehensive income for the quarter | - | - | - | 133 | - | 3,435 | - | 3,568 | 949 | 4,517 |
| | - | - | - | 133 | - | 3,435 | (598) | 2,970 | 1,817 | 4,787 |
| Balance at 30 Sep 2016 | 72,579 | (9,207) | 3,278 | 1,867 | 31 | (28,503) | 57,455 | 97,500 | 24,747 | 122,247 |
| Total comprehensive income for the quarter | | | | | | | | | | |
| Profit for the quarter | - | - | - | - | - | - | 828 | 828 | 1,225 | 2,053 |
| Other comprehensive (loss) income for the quarter | - | - | - | (63) | - | 823 | - | 760 | (811) | (51) |
| | - | - | - | (63) | - | 823 | 828 | 1,588 | 414 | 2,002 |
| Transactions with owners, recognised directly in equity | | | | | | | | | | |
| Dividend to non-controlling shareholders in a subsidiary corporation | - | - | - | - | - | - | - | - | (1,219) | (1,219) |
| Dividend | - | - | - | - | - | - | (2,617) | (2,617) | - | (2,617) |
| | - | - | - | - | - | - | (2,617) | (2,617) | (1,219) | (3,836) |
| Balance at 31 Dec 2016 | 72,579 | (9,207) | 3,278 | 1,804 | 31 | (27,680) | 55,666 | 96,471 | 23,942 | 120,413 |

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Year ended 31 December 2017

S\$'000

Company

Balance as at 1 Jan 2017

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 31 Mar 2017

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

Balance as at 30 Jun 2017

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

Transactions with owners, recognised directly in equity

Dividend

Balance as at 30 Sep 2017

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

Transactions with owners, recognised directly in equity

Dividend

Balance as at 31 Dec 2017

| Issued capital | Options reserve | Retained earnings | Total |
|----------------|-----------------|-------------------|----------------|
| 72,579 | 31 | 20,990 | 93,600 |
| - | - | 2,457 | 2,457 |
| - | (31) | 31 | - |
| 72,579 | - | 23,478 | 96,057 |
| - | - | 1,144 | 1,144 |
| 72,579 | - | 24,622 | 97,201 |
| - | - | 872 | 872 |
| - | - | (2,617) | (2,617) |
| 72,579 | - | 22,877 | 95,456 |
| - | - | 22,026 | 22,026 |
| - | - | (3,926) | (3,926) |
| 72,579 | - | 40,977 | 113,556 |

Year ended 31 December 2016

S\$'000

Company

Balance as at 1 Jan 2016

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

Balance as at 31 Mar 2016

Loss for the quarter, representing total comprehensive loss 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 Jun 2016

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

Balance as at 30 Sep 2016

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

Transactions with owners, recognised directly in equity

Dividend

Balance as at 31 Dec 2016

| Issued capital | Options reserve | Retained earnings | Total |
|----------------|-----------------|-------------------|---------------|
| 72,579 | 51 | 23,410 | 96,040 |
| - | - | (2,440) | (2,440) |
| 72,579 | 51 | 20,970 | 93,600 |
| - | - | (163) | (163) |
| - | (20) | 20 | - |
| 72,579 | 31 | 20,827 | 93,437 |
| - | - | (695) | (695) |
| 72,579 | 31 | 20,132 | 92,742 |
| - | - | 3,475 | 3,475 |
| - | - | (2,617) | (2,617) |
| 72,579 | 31 | 20,990 | 93,600 |

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, 700,000 share options (equivalent to 35,000 shares on 20:1 basis following the completion of the share consolidation in FY2015) expired during the year.

The number of shares that may be issued on exercise of all the outstanding options under the 2001 Scheme is as follows:-

| | As at 31 Dec 2017 | As at 31 Dec 2016 |
|---------------------|-------------------|-------------------|
| Outstanding options | - | 35,000 |

The Company did not have any treasury shares as at 31 December 2017 and 31 December 2016.

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

The total number of issued shares was 130,860,616 as at 31 December 2017 and 31 December 2016.

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 2016.

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

On 1 January 2017, the Group adopted all the new and revised FRSs and Interpretations of FRS that are effective from that date and are relevant to its operations. The Group was mainly affected by the following new / revised FRSs and amendments to FRS:-

Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*

The adoption of the above does not result in significant 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

| | Year ended 31 Dec 2017 | Year ended 31 Dec 2016 |
|---------------------------------------|---------------------------|---------------------------|
| (i) Basic earnings per share | 28.85 cents | 0.32 cent |
| (ii) Fully diluted earnings per share | 28.85 cents | 0.32 cent |

| | Three months ended 31 Dec 2017 | Three months ended 31 Dec 2016 |
|---------------------------------------|-----------------------------------|-----------------------------------|
| (i) Basic earnings per share | 1.17 cents | 0.63 cent |
| (ii) Fully diluted earnings per share | 1.17 cents | 0.63 cent |

Basic earnings per share and diluted earnings per share are computed on the profit for the above periods after taxation and deduction of non-controlling interests divided by 130,860,616 being the adjusted weighted average number of shares in issue during the periods ended 31 December 2017 and 31 December 2016.

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

| | As at 31 Dec 2017 | As at 31 Dec 2016 |
|---------|----------------------|----------------------|
| Group | 100.80 cents | 73.72 cents |
| Company | 86.78 cents | 71.53 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 – Year ended 31 December 2017

Turnover & Profitability

The Group successfully completed the sale of its warehouse properties in Hong Kong during the final quarter of 2017 and reports profit attributable to shareholders of S\$37.7 million for the financial year ended 31 December 2017 ("FY2017"). The Company also paid a special interim dividend of S\$0.03 per share to shareholders on 27 November 2017.

Notwithstanding the decline in turnover for the year and latest quarter, the Group's gross profit rose by 9% for the year to S\$49.5 million from S\$45.2 million in the previous financial year on the back of improved performance from both its Investment and Lifestyle business divisions. Gross profit performance for the latest quarter, however, remained about level compared to the previous year.

The Group recognised valuation loss mainly on its GLNG houses in Australia of S\$6.9 million for the year compared to S\$7.3 million in the previous year.

The Group achieved net profit before tax (PBT) of S\$40.3 million for the year compared to S\$4.2 million for the prior year.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Finance Income

Finance income declined by half for the year to S\$0.5 million compared to S\$1.0 million previously in view of lower funds on deposit during the year.

Expenses

Distribution expenses for the year of S\$6.5 million were lower by 21% than the S\$8.3 million incurred in the previous financial year due to the lower advertising and promotion costs incurred, mainly in China, in the current year as well as the one-off marketing support provided by a brand owner in the preceding quarter.

Administration expenses increased to S\$23.4 million from S\$19.4 million in the previous year mainly due to bonuses and management fees of S\$3.9 million for executive directors, management and staff on the back of the valuation gains in Japan as well as for the sale of the warehouse property in Hong Kong. Excluding these, Administration expenses remained about level with those in the previous financial year.

Foreign exchange loss of S\$0.7 million arose mainly from the translation of foreign currency denominated monetary assets and liabilities outstanding at the end of the year as well as the exchange loss realized on the settlement of an Australian dollar denominated receivable.

Working Capital and Cash Flow

Inventory grew to S\$24.1 million as at 31 December 2017 against S\$18.9 million as at 31 December 2016, in view of the Group stocking up for the seasonal demand. The inventory turnover period for the current period increased to 76 days against 48 days for the previous year.

Trade receivables also increased to S\$11.8 million as at 31 December 2017 from S\$9.9 million as at 31 December 2016 due to sales being made to certain large customers on longer credit terms as well as the accrual of certain project-related fees by the Investment Division. The trade receivables turnover period for the current period was 26 days against 19 days for the previous year.

Following the sale of the Hong Kong warehouse properties, the Group paid off certain loans during the year, with aggregate bank and other borrowings declining by about a third to S\$58.0 million as at 31 December 2017 from S\$90.2 million as at 31 December 2016.

Other payables increased mainly due to the share application monies of S\$1.9 million received from the other investors in the Japanese property investment vehicle mainly to fund the investment in the Legal Itachibori Building.

The Group's cash position at the end of the year was strong, with cash on hand of S\$46.2 million as compared to S\$29.8 million as at 31 December 2016. Cash pledged against bank loans and facilities also reduced from S\$22.0 million as at 31 December 2016 to S\$8.9 million as at the end of the year. The Group saw net outflows of cash from operating activities of S\$9.6 million for the year compared to net inflows of S\$4.0 million in the previous financial year, mainly due to the increase in inventories and trade receivables in this year.

Osaka's office market has shown strong rental growth in FY2017, backed by solid demand and limited supply in the market. This has attracted both domestic and overseas investors to the market. The Group's investments in real estate in Japan saw a significant valuation gain during FY2017, with the value of its available-for-sale investments rising to S\$34.2 million as at 31 December 2017 compared to S\$18.7 million at the previous year end. The Japanese entity had further invested in a retail and hotel property in Osaka in the last quarter of FY2017 as well as the Legal Itachibori Building in the first quarter of FY2018. The Group has provided for a management fee of about S\$1.5 million during the latest quarter for the management of the pooled investment vehicle.

Net Asset Value

Net Asset Value per share as at 31 December 2017 increased to 100.80 cents, compared to 73.72 cents as at 31 December 2016, reflecting the enhancement in value from the disposal of the warehouse properties as well as the strong growth in the valuation of the Japanese investment.

Performance Summary

Investments

Settlements at the Fortitude Valley project in Brisbane progressed well during Q4-FY17 with senior lender and 3rd party investor funds being paid down. It is expected that the Group would receive its settlement from this project by about end-FY18.

As previously reported, the Gemlife joint venture started recognizing sales for the Bribie Island retirement homes project in Q4-FY2017 as buyers commenced moving into their properties. Stage 1 construction works at Bribie Island (excluding the Community Facilities) are 80% completed, with 80 out of 85 stage 1 homes contracted. Stage 1 construction works at Highfields (excluding the Community Facilities) are 56% completed, with 17 out of 50 stage 1 homes contracted. Marketing campaigns at the two newly acquired sites at Woodend and Lennox Head continue to result in strong sales enquiries and a significant number of holding deposits. Woodend construction works have commenced with 12 deposits in place. Lennox Head has not yet received its Development Approval but has over 40 deposits in place.

The division achieved revenue of S\$37.7 million for the year compared to S\$36.2 million for the previous financial year, a growth of 4%. Segment operating result – before disposal gain and valuation loss, bonuses and management fees stated above – was about level with the S\$27.2 million earned in the previous financial year.

Lifestyle

The division narrowed its segment loss to S\$1.3 million for the latest financial year compared to S\$6.6 million in the previous financial year, a reduction of about 80%. The division is making gradual progress to achieve breakeven and eventual profitability. The division is now selling a few new brands of skincare, haircare and beauty devices and expects to see growth from these going forward.

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

The performance of both Divisions met management's expectations. The Lifestyle Division continues its efforts to expand and return to profitability.

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.

For 2018, the Investment Division remains focused on achieving its construction and sales targets for its retirement homes business. It will also consider selective investments in residential or commercial projects that meet its return criteria.

The continuing strengthening of the global economies is expected to provide support to Chinese exports in 2018. In an expanding economy, the Chinese consumer, buoyed by wage growth, low cost of living and a strong yuan, is expected to support healthy spending. This provides a favourable business environment for the Lifestyle Division's business in China and Hong Kong, which will continue its attempts to expand its business in the year to return to profitability. However, the possibility of additional US trade measures in 2018 affecting China cannot be discounted, which could adversely impact the Chinese consumer and economy.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No; a special interim dividend of S\$0.03 per share and an interim dividend of S\$0.02 per share were paid to shareholders on 27 November 2017 and 21 August 2017 respectively.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

For the previous corresponding period, the Company had declared an interim dividend of S\$0.02 per share which was paid on 7 December 2016 to shareholders.

(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 declared for the quarter. A special interim dividend of S\$0.03 per share and an interim dividend of S\$0.02 per share were paid to shareholders on 27 November 2017 and 21 August 2017 respectively.

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 year ended 31 December 2017 (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 | - | 14,628 |
| Co-investment in loans receivable | 1,176 | - |
| In Sewa Foundation Limited | | |
| Co-investment in loans receivable | 1,675 | - |

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

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

Group's reportable segments**S\$'000****Year ended 31 December 2017**

| | INV | LIFE | OTH | TOTAL |
|--|---------|---------|---------|---------|
| Revenue | | | | |
| External sales | 37,691 | 115,539 | - | 153,230 |
| Result | | | | |
| Segment operating result | 23,177 | (1,255) | (1,309) | 20,613 |
| Gain on disposal of assets held for sale | 33,858 | - | - | 33,858 |
| Valuation loss on investment properties | (6,883) | - | - | (6,883) |
| Share of loss of joint ventures | (116) | - | - | (116) |
| Segment result | 50,036 | (1,255) | (1,309) | 47,472 |
| Unallocated corporate expenses | | | | (1,446) |
| Finance income | | | | 493 |
| Finance costs | | | | (5,432) |
| Foreign exchange loss | | | | (741) |
| Profit before income tax | | | | 40,346 |
| Income tax expenses | | | | (640) |
| Profit for the year | | | | 39,706 |
| Other information | | | | |
| Capital expenditure: | | | | |
| Property, plant and equipment | 27 | 401 | 2 | 430 |
| Depreciation expense | 24 | 214 | 8 | 246 |
| Assets | | | | |
| Segment assets | 186,931 | 66,274 | 1,964 | 255,169 |
| Total assets | | | | 255,169 |
| Liabilities | | | | |
| Segment liabilities | 56,602 | 30,144 | 659 | 87,405 |
| Income tax payable | | | | 554 |
| Deferred tax liability | | | | 4,500 |
| Total liabilities | | | | 92,459 |

THAKRAL CORPORATION LTD AND SUBSIDIARIES

S\$'000

Year ended 31 December 2016

| | INV | LIFE | OTH | TOTAL |
|---|---------|---------|---------|---------|
| Revenue | | | | |
| External sales | 36,246 | 178,647 | - | 214,893 |
| Result | | | | |
| Segment operating result | 27,223 | (6,571) | (1,452) | 19,200 |
| Valuation loss on investment properties | (7,318) | - | - | (7,318) |
| Share of loss of joint ventures | (400) | - | - | (400) |
| Segment result | 19,505 | (6,571) | (1,452) | 11,482 |
| Unallocated corporate expenses | | | | (1,538) |
| Finance income | | | | 991 |
| Finance costs | | | | (5,330) |
| Foreign exchange loss | | | | (1,391) |
| Profit before income tax | | | | 4,214 |
| Income tax expenses | | | | (770) |
| Profit for the year | | | | 3,444 |

| Other information | | | | |
|-------------------------------|----|-----|----|-----|
| Capital expenditure: | | | | |
| Property, plant and equipment | 5 | 318 | 12 | 335 |
| Depreciation expense | 17 | 380 | 6 | 403 |

| Assets | | | | |
|--------------------------|---------|--------|-----|---------|
| Segment assets | 176,348 | 63,060 | 291 | 239,699 |
| Total assets | | | | 239,699 |
| Liabilities | | | | |
| Segment liabilities | 51,537 | 65,433 | 452 | 117,422 |
| Income tax payable | | | | 721 |
| Deferred tax liability | | | | 1,143 |
| Total liabilities | | | | 119,286 |

Geographical information

S\$'000

| Geographical segments: | Revenue | | Capital expenditure | | Non-current assets * | |
|---|---------|---------|---------------------|------|----------------------|--------|
| | 31 Dec | | 31 Dec | | 31 Dec | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| People's Republic of China (including Hong Kong) | 133,336 | 191,674 | 353 | 231 | 3,106 | 2,974 |
| Australia | 12,512 | 12,632 | 27 | 5 | 45,122 | 52,169 |
| Others | 7,382 | 10,587 | 50 | 99 | 1,201 | 1,280 |
| | 153,230 | 214,893 | 430 | 335 | 49,429 | 56,423 |

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

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

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

See item 8 on review of performance

16. A breakdown of revenue

| | S\$'000 | | % |
|--|---------------------------|---------------------------|--------------------------|
| | Year ended 31 Dec 2017 | Year ended 31 Dec 2016 | Increase / (Decrease) |
| a) Revenue reported for first half year | 71,382 | 134,386 | (47) |
| b) Net profit after tax before deducting non-controlling interests reported for first half year | 3,772 | 1,121 | 236 |
| c) Revenue reported for second half year | 81,848 | 80,507 | 2 |
| d) Net profit after tax before deducting non-controlling interests reported for second half year | 35,934 | 2,323 | 1,447 |

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

| | Year ended 31 Dec 2017 S\$'000 | Year ended 31 Dec 2016 S\$'000 |
|---|--------------------------------------|--------------------------------------|
| Ordinary shares (tax-exempt one-tier) | | |
| - Interim (paid on 21 Aug 2017; last year paid on 7 Dec 2016) | 2,617 | 2,617 |
| - Special interim (paid on 27 Nov 2017) | 3,926 | - |
| Total | 6,543 | 2,617 |

THAKRAL CORPORATION LTD AND SUBSIDIARIES

18. Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

| Name | Age | Family relationship with any director and / or substantial shareholder | Current position and duties, and the year the position was held | Details of changes in duties and position held, if any, during the year |
|----------------------|-----|--|--|---|
| Satbir Singh Thakral | 30 | Son of the Company's Director, Mr. Inderbethal Singh Thakral | Marketing Director of Thakral Lifestyle group | Launching and managing marketing activities of Lifestyle Division |
| Kuldip Singh Thakral | 88 | Brother of the Company's Director, Mr. Kartar Singh Thakral | Chairman of Thakral Brothers Limited, Osaka – General strategic management since the incorporation of Thakral Brothers Limited Osaka in 1972 | No change |

Confirmation pursuant to Rule 720(1)

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

ON BEHALF OF THE BOARD

Kartar Singh Thakral
Director

Inderbethal Singh Thakral
Director
27 February 2018

BY ORDER OF THE BOARD

Chan Wan Mei
Chan Lai Yin
Company Secretaries
27 February 2018