



## THAKRAL CORPORATION LTD

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

### ANNOUNCEMENT

#### **ANNUAL GENERAL MEETING TO BE HELD ON 29 APRIL 2022 (“AGM”) - RESPONSE TO ADDITIONAL SUBSTANTIVE AND RELEVANT QUESTIONS**

The board of directors (the “**Board**”) of Thakral Corporation Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcement on 22 April 2022 (Ref: SG220413MEETZKBJ) in connection with its Response to Substantive and Relevant Questions and Business Update Presentation.

The Board would like to advise that it has received additional questions from a shareholder on 24 April 2022 in relation to its Annual Report 2021. The Board would like to thank the shareholder for his questions and has set out the questions and the Company’s response in blue as follow:

**A. Page 111, impairment loss of \$126m. Can you provide more information, what is this impairment relates to and how is this amount derived at?**

**Company’s Reply**

*These are historical accumulated provisions made by the holding company for adverse exchange rate movements on the foreign currency-denominated net asset values of overseas subsidiaries and the losses made by subsidiaries in prior years. The provisions are usually made by the holding company for the difference between the net realisable value of the net assets of the subsidiaries and its carrying cost. These provisions are reversed on preparation of the Group’s consolidated accounts. They do not impact the current year movement in net asset values or profits except as arising from current year performance of the subsidiaries as well as from changes in exchange rates applicable between the subsidiaries and the holding company in the year.*

**B. Page 89, negative cashflow from operations for both 2021 (14m) and 2020 (7.7m). Does the management have a timeline when the cashflow from operation is likely to turn positive?**

**Company’s Reply**

*As the level of sales increases, there is increase in deployment of working capital in inventory and receivables resulting in net outflows. As such, management’s operational focus is on receivables being collected promptly and inventory turned over quickly, both of which are monitored very closely. The cash flow of the Company is also impacted by the timing and maturity/sell-down of the projects/investments or acquisition of properties/investments. The cash flow of the Company is therefore always in rotation and provision of a timeline is not possible. The Group’s cash flow is its lifeblood and is therefore under continuous management monitoring.*

- C. Page 84. Profit attributable of \$17.2m. Can you share what is the profitable attributable to equity holder, excluding valuation gain from investment properties and share of profit from associates and JV?**

**Company's Reply**

*The overall business model for the Group has changed over the years, and we consider the investments that we have made in associates/joint venture and in properties to be as much of our core business as the Lifestyle operations. The Group's investments are made with a long-term view to provide positive returns for shareholders. Valuation gains/share of profit are recognised in line with the relevant accounting standards. This is part and parcel of holding these assets until realisation. As there are operating costs incurred in the running/maintenance of these assets/investments as well as manpower costs involved in managing them, providing information on results excluding these valuation gains and share of profit of joint ventures/associates will not be meaningful.*

- D. Page 32. How much investment has the company made on the various companies mentioned: W Capital, Intrepid, Fraction, and DJI drone technology?**

**Company's Reply**

*In view of commercial sensitivity, we do not disclose the amount of each investment separately. As at 31 December 2021, the aggregate investment made in these ventures was S\$4.36 million – less than 1.3% of the Group's total assets as at that date.*

*Please be advised that there is no investment by the Group in DJI. The recent investment by the Group was in Skylark Drones, which was completed after the balance sheet date.*

Substantial and relevant questions received from shareholders after this announcement shall be addressed during the Company's AGM and updated to be included with the Minutes of the AGM to be published on the Company's website within a month from the AGM.

On behalf of the Board

Natarajan Subramaniam  
Independent Non-Executive Chairman and Lead Independent Director

Singapore, 26 April 2022