



**First 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 (for the group) for the first quarter ended 31 March 2007 together with comparative statements for the corresponding period of the immediately preceding financial year**

These figures have not been audited.

**Profit and loss statements**

	Note	Group		
		S\$000		% Increase / (Decrease)
		Three months ended		
		31 Mar 2007	31 Mar 2006	
<b>CONTINUING OPERATIONS</b>				
Revenue	1	48,152	73,036	(34)
Cost of sales		(44,531)	(68,481)	(35)
Gross profit	1	3,621	4,555	(21)
Other operating income	2	992	1,067	(7)
Distribution costs	3	(1,210)	(1,853)	(35)
Administration expenses	4	(3,332)	(4,807)	(31)
Other operating expenses	5	(661)	(682)	(3)
Loss from operations		(590)	(1,720)	(66)
Finance income		813	842	(3)
Finance costs	6	(161)	(679)	(76)
Foreign exchange gain	7	691	775	(11)
Profit (loss) before income tax, share of results of associates		753	(782)	NM
Profit from associates		20	340	(94)
<b>Profit (loss) before income tax</b>		<b>773</b>	<b>(442)</b>	NM
Income tax expense	8	(419)	(81)	417
<b>Profit (loss) from continuing operations</b>		<b>354</b>	<b>(523)</b>	NM
<b>DISCONTINUING OPERATIONS</b>				
<b>Loss from discontinuing operations</b>	9	<b>(10)</b>	<b>(6,984)</b>	(100)
<b>Profit (loss) for the quarter</b>		<b>344</b>	<b>(7,507)</b>	NM
<u>Attributable to</u>				
Shareholders of the Company		217	(7,279)	NM
Minority interests		127	(228)	NM
		<b>344</b>	<b>(7,507)</b>	NM

NM – Not meaningful

## THAKRAL CORPORATION LTD AND SUBSIDIARIES

### Notes to the Income statement

#### Note 1:

The lower turnover and gross profit in the first quarter of the financial year was due to heavy competition and supply issues in its principal market continued to be faced by the Supply Chain Management division.

Gross profit margin for the quarter improved to 7.5% from 6.2% achieved in the previous corresponding quarter.

#### Note 2:

Other operating income of continuing operations comprises:

	S\$'000		% Increase / (Decrease)
	Three months ended		
	31 Mar 2007	31 Mar 2006	
Gain on disposal of properties	-	749	NM
Gain on disposal of available-for-sale investments	850	-	NM
Refund of tax on reinvestment of dividend in Wujiang subsidiary	-	198	NM
Miscellaneous	142	120	18
Total	992	1,067	(7)

#### Note 3:

Distribution costs of continuing operations comprises:

	S\$'000		% Increase / (Decrease)
	Three months ended		
	31 Mar 2007	31 Mar 2006	
Staff costs	(447)	(527)	(15)
Advertising & promotion	(58)	(423)	(86)
Transportation	(191)	(352)	(46)
Travelling expenses	(181)	(219)	(17)
Others	(333)	(332)	0
Total	(1,210)	(1,853)	(35)

- (i) Decrease in staff costs was due to the lower headcount of sales and marketing personnel.
- (ii) In the quarter ended 31 March 2006, the Group had incurred significant additional advertising and promotion charges, including investment in market development activities. These charges were not incurred during the quarter ended 31 March 2007.
- (iii) Transportation expenses declined in view of the lower business activity.

#### Note 4:

Administration expenses of continuing operations comprises:

	S\$'000		% Increase / (Decrease)
	Three months ended		
	31 Mar 2007	31 Mar 2006	
Staff costs (including executive directors)	(2,502)	(2,127)	18
Directors' fees	(155)	-	NM
Professional fees	(301)	(709)	(58)
Rent & rates	(408)	(439)	(7)
Travelling expenses	(86)	(125)	(31)
Net reversal (allowance) for doubtful debts	916	(193)	NM
Others	(796)	(1,214)	(34)
Total	(3,332)	(4,807)	(31)

NM – Not meaningful

## THAKRAL CORPORATION LTD AND SUBSIDIARIES

### Note 4:

- (i) Staff costs were comparatively higher due to the reversal of excess bonus provisions made during the quarter ended 31 March 2006.
- (ii) Lower professional fees were due to the facility fees and other related costs incurred during the previous corresponding quarter for the early repayment of the Group's syndicated bank loan in March 2006.
- (iii) Traveling expenses declined due to the lower number of management staff traveling in the current quarter.
- (iv) Reversal of allowance for doubtful debts of S\$1 million arose from the receipt on 30 March 2007 from a related party pursuant to the agreement announced on 30 March 2007. Accordingly, the Group reversed the appropriate provision made against the related party balance. The amount receivable had been fully provided for during the year ended 31 March 2006.

### Note 5:

Other operating expenses comprised the depreciation charges for the periods.

### Note 6:

Finance costs were lower compared to the previous corresponding quarter due to the savings in interest expenses on the long-term syndicated bank loan which was fully repaid in March 2006, partially offset by the interest expense on convertible bonds.

### Note 7:

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

### Note 8:

Group income tax expense mainly arose from taxable gains on the sale of properties in the PRC.

### Note 9:

As previously announced, the Group has decided to exit from the home entertainment business. Accordingly this business has been classified as discontinuing operations.

The results of the home entertainment business were as follows:-

	S\$000		% Increase / (Decrease)
	Three months ended		
	31 Mar 2007	31 Mar 2006	
Revenue	411	1,786	(77)
Cost of sales	(175)	(1,215)	(86)
Gross profit	236	571	(59)
Distribution costs	(190)	(458)	(59)
Administration expenses	(69)	(38)	82
Impairment charges	8	(7,058)	NM
Finance costs	-	(1)	NM
Foreign exchange gain	5	-	NM
Loss before tax	(10)	(6,984)	(100)
Income tax expenses	-	-	NM
Loss after tax	(10)	(6,984)	(100)

NM – Not meaningful

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

**Balance Sheets**

**Balance Sheets**

	Note	<b>Group</b>		<b>Company</b>	
		<b>( S\$ '000)</b>		<b>( S\$ '000)</b>	
		<b>as at</b>		<b>as at</b>	
		31 Mar 2007	31 Dec 2006	31 Mar 2007	31 Dec 2006
<b>ASSETS</b>					
<b>Current assets</b>					
Inventories	1	28,694	34,437	-	-
Trade receivables		27,353	28,571	-	-
Other receivables and prepayments		7,961	8,883	550	86
Cash and cash equivalents		127,873	123,981	72,772	72,650
<b>Total current assets</b>		<b>191,881</b>	<b>195,872</b>	<b>73,322</b>	<b>72,736</b>
<b>Non-current assets</b>					
Property, plant and equipment	2	16,439	24,175	28	31
Investment properties	2	9,874	775	-	-
Investment in subsidiaries		-	-	93,408	98,090
Investment in associates		1,454	1,430	1,374	1,374
Available-for-sale investments	3	58,243	70,193	37,403	48,141
Deferred tax asset		315	289	-	-
<b>Total non-current assets</b>		<b>86,325</b>	<b>96,862</b>	<b>132,213</b>	<b>147,636</b>
<b>Total assets</b>		<b>278,206</b>	<b>292,734</b>	<b>205,535</b>	<b>220,372</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade payables		6,514	7,552	-	-
Bank term loans and trust receipts		259	206	-	-
Other payables		16,905	18,568	606	639
Income tax payable		1,147	1,216	408	408
Obligations under finance leases		177	288	-	-
<b>Total current liabilities</b>		<b>25,002</b>	<b>27,830</b>	<b>1,014</b>	<b>1,047</b>
<b>Non-current liabilities</b>					
Long-term loans		464	515	-	-
Convertible bonds	4	12,115	12,026	12,115	12,026
<b>Total non-current liabilities</b>		<b>12,579</b>	<b>12,541</b>	<b>12,115</b>	<b>12,026</b>
<b>Total liabilities</b>		<b>37,581</b>	<b>40,371</b>	<b>13,129</b>	<b>13,073</b>
<b>Capital and reserves</b>					
Issued capital		190,448	190,402	190,448	190,402
Reserves		45,462	56,512	1,958	16,897
<b>Equity attributable to equity shareholders of the Company</b>		<b>235,910</b>	<b>246,914</b>	<b>192,406</b>	<b>207,299</b>
<b>Minority interests</b>		<b>4,715</b>	<b>5,449</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>240,625</b>	<b>252,363</b>	<b>192,406</b>	<b>207,299</b>
<b>Total liabilities and equity</b>		<b>278,206</b>	<b>292,734</b>	<b>205,535</b>	<b>220,372</b>

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Amount repayable in one year or less, or on demand

As at 31 March 2007		As at 31 December 2006	
Secured	Unsecured	Secured	Unsecured
NIL	S\$ 436,000	NIL	S\$ 494,000

Amount repayable after one year

As at 31 March 2007		As at 31 December 2006	
Secured	Unsecured	Secured	Unsecured
NIL	S\$ 12,579,000	NIL	S\$ 12,541,000

Details of any collateral

Not applicable

Group's contingent liabilities

	As at 31 March 2007	As at 31 December 2006
Contractual obligations with third parties	S\$ 874,000	S\$ 880,000
Potential property tax	S\$ 603,000	S\$ 604,000

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year****Consolidated Cash Flow Statement**

	( S\$ '000)	
	Three months ended	
	31 Mar 2007	31 Mar 2006
<b>Cash flows from operating activities</b>		
Profit (loss) before income tax	763	(7,426)
Adjustments for:		
Share of profit from associates	(20)	(340)
Depreciation expense	661	682
Dividend income from quoted equity shares	(467)	(350)
Finance lease charges	10	35
Interest expense	151	645
Interest income	(813)	(842)
Gain on disposal of available-for-sale investments	(850)	-
Gain on disposal of property, plant and equipment	-	(729)
Share based payment expense	28	126
Impairment in value of plant and equipment	-	(115)
Reversal of allowance for inventories	(187)	(65)
(Reversal) allowance for doubtful trade receivables	(924)	5,171
Allowance for doubtful other receivables	-	1,770
<b>Operating loss before working capital changes</b>	<b>(1,648)</b>	<b>(1,438)</b>
Trade receivables	2,142	4,932
Other receivables and prepayments	1,196	4,914
Inventories	5,931	15,962
Trade payables	(1,038)	(5,315)
Other payables	(1,878)	(1,909)
<b>Cash generated from operations</b>	<b>4,705</b>	<b>17,146</b>
Dividends received	-	355
Income tax paid	(326)	(862)
Finance lease charges paid	(10)	(35)
Interest paid	(10)	(335)
Interest received	816	1,032
<b>Net cash generated from operating activities</b>	<b>5,175</b>	<b>17,301</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(36)	(1,489)
Net investment in balances from associates	(6)	326
Additions to investment properties	-	(58)
Proceeds from disposal of property, plant and equipment	-	759
Proceeds from disposal of available-for-sale investments	1,104	-
Cash to minority shareholders	(845)	-
<b>Net cash from (used in) investing activities</b>	<b>217</b>	<b>(462)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of shares on exercise of employees' share options	3	18
Proceeds on issue of convertible bonds in rights issue	-	55,840
Proceeds on issue of ordinary shares in rights issue	-	11,720
Repayment of finance lease obligations	(111)	(380)
Proceeds from (repayment of) trust receipts and other borrowings	53	(10,630)
Repayment of bank term loans	(52)	(22,538)
<b>Net cash (used in) from financing activities</b>	<b>(107)</b>	<b>34,030</b>
Net effect of exchange rate changes in consolidating subsidiaries	(1,393)	(4,545)
<b>Net increase in cash and cash equivalents</b>	<b>3,892</b>	<b>46,324</b>
Cash and cash equivalents at beginning of the period	123,981	88,171
<b>Cash and cash equivalents at end of the period</b>	<b>127,873</b>	<b>134,495</b>

**Notes to the Balance Sheet and Consolidated Cash Flow Statement**

Note 1:

Inventories reduced from S\$34.4 million as at 31 December 2006 to S\$28.7 million as at 31 March 2007 due to the lower level of business activity.

Note 2:

With the adoption of the fair value model under the new FRS 40 which is effective for periods commencing 1 January 2007, certain leasehold properties previously included as property, plant and equipment have been reclassified to investment property and measured at fair value. In line with the provisions of FRS40, the fair value changes upon the adoption of the FRS have been taken to the opening balance of retained earnings.

Note 3:

Available-for-sale investments declined mainly due to the changes in fair values of investments arising from the global decline in share prices in March 2007 as well as the disposal of an investment during the quarter.

Note 4:

The unsecured convertible bonds were issued on 16 February 2006. The bonds are convertible into ordinary shares of the Company at any time between the date of issue of the bonds and 30 days prior to their maturity date. On issue, the bonds were convertible to 10 shares per S\$0.80 bond.

If the bonds are not converted, they will be redeemed on 16 February 2009 at S\$0.80 per bond. Interest of 2% per annum will be paid semi-annually until 31 December 2008.

During the three months, 53,000 bonds were converted into ordinary shares.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Statement of changes in equity**

**Three months ended 31 Mar 2007**

S\$'000

**Group**

**Balance at 1 Jan 2007**

Net fair value changes in available-for-sale investments

Realisation of revaluation reserve on disposal of available-for-sale investments

Translation loss arising on consolidation

Net loss recognised directly in equity

Effect of adoption of FRS 40

Ordinary shares issued upon conversion of bonds

Issue of shares on exercise of employees' share options

Recognition of share-based payments

Dividend paid to minority interests

Net profit for the quarter

**Balance at 31 Mar 2007**

	Total shareholders' equity							Minority interests	Total equity
	Issued capital	Revaluation reserve	Options reserve	Convertible bonds reserve	Translation reserve	Retained earnings	Total		
<b>Balance at 1 Jan 2007</b>	190,402	58,348	686	766	(6,106)	2,818	246,914	5,449	252,363
Net fair value changes in available-for-sale investments	-	(10,682)	-	-	-	-	(10,682)	-	(10,682)
Realisation of revaluation reserve on disposal of available-for-sale investments	-	(836)	-	-	-	-	(836)	-	(836)
Translation loss arising on consolidation	-	-	-	-	(1,772)	-	(1,772)	(16)	(1,788)
Net loss recognised directly in equity	-	(11,518)	-	-	(1,772)	-	(13,290)	(16)	(13,306)
Effect of adoption of FRS 40	-	112	-	-	(275)	2,161	1,998	-	1,998
Ordinary shares issued upon conversion of bonds	43	-	-	(3)	-	-	40	-	40
Issue of shares on exercise of employees' share options	3	-	-	-	-	-	3	-	3
Recognition of share-based payments	-	-	28	-	-	-	28	-	28
Dividend paid to minority interests	-	-	-	-	-	-	-	(845)	(845)
Net profit for the quarter	-	-	-	-	-	217	217	127	344
<b>Balance at 31 Mar 2007</b>	<b>190,448</b>	<b>46,942</b>	<b>714</b>	<b>763</b>	<b>(8,153)</b>	<b>5,196</b>	<b>235,910</b>	<b>4,715</b>	<b>240,625</b>

**Three months ended 31 Mar 2006**

S\$'000

**Group**

**Balance at 1 Jan 2006**

Net fair value changes in available-for-sale investments

Translation loss arising on consolidation

Net loss recognised directly in equity

Adjustment arising from abolition of par value of shares

Ordinary shares issued pursuant to rights issue

Recognition of equity component of convertible bonds

Ordinary shares issued upon conversion of bonds

Recognition of share-based payments

Issue of shares on exercise of employees' share options

Net loss for the quarter

**Balance as at 31 Mar 2006**

	Total shareholders' equity								Minority interests	Total equity
	Issued capital	Share premium	Investment revaluation reserve	Options reserve	Convertible bonds reserve	Translation reserve	Retained earnings	Total		
<b>Balance at 1 Jan 2006</b>	88,106	46,944	74,203	518	-	6,970	22,061	238,802	6,950	245,752
Net fair value changes in available-for-sale investments	-	-	(9,355)	-	-	-	-	(9,355)	-	(9,355)
Translation loss arising on consolidation	-	-	-	-	-	(4,705)	-	(4,705)	(90)	(4,795)
Net loss recognised directly in equity	-	-	(9,355)	-	-	(4,705)	-	(14,060)	(90)	(14,150)
Adjustment arising from abolition of par value of shares	46,944	(46,944)	-	-	-	-	-	-	-	-
Ordinary shares issued pursuant to rights issue	11,649	-	-	-	-	-	-	11,649	-	11,649
Recognition of equity component of convertible bonds	-	-	-	-	3,409	-	-	3,409	-	3,409
Ordinary shares issued upon conversion of bonds	71	-	-	-	(4)	-	-	67	-	67
Recognition of share-based payments	-	-	-	126	-	-	-	126	-	126
Issue of shares on exercise of employees' share options	18	-	-	-	-	-	-	18	-	18
Net loss for the quarter	-	-	-	-	-	-	(7,279)	(7,279)	(228)	(7,507)
<b>Balance as at 31 Mar 2006</b>	<b>146,788</b>	<b>-</b>	<b>64,848</b>	<b>644</b>	<b>3,405</b>	<b>2,265</b>	<b>14,782</b>	<b>232,732</b>	<b>6,632</b>	<b>239,364</b>

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Three months ended 31 Mar 2007

S\$'000

**Company**

**Balance as at 1 Jan 2007**

Net fair value changes in available-for-sale investments  
 Ordinary shares issued upon conversion of bonds  
 Issue of shares on exercise of employees' share options  
 Recognition of share-based payments  
 Net loss for the quarter

**Balance as at 31 Mar 2007**

	Issued capital	Investment revaluation reserve	Options reserve	Convertible bonds reserve	Accumulated losses	Total
<b>Balance as at 1 Jan 2007</b>	190,402	46,158	686	766	(30,713)	207,299
Net fair value changes in available-for-sale investments	-	(10,738)	-	-	-	(10,738)
Ordinary shares issued upon conversion of bonds	43	-	-	(3)	-	40
Issue of shares on exercise of employees' share options	3	-	-	-	-	3
Recognition of share-based payments	-	-	28	-	-	28
Net loss for the quarter	-	-	-	-	(4,226)	(4,226)
<b>Balance as at 31 Mar 2007</b>	190,448	35,420	714	763	(34,939)	192,406

Three months ended 31 Mar 2006

S\$'000

**Company**

**Balance as at 1 Jan 2006**

Net fair value changes in available-for-sale investments  
 Adjustment arising from abolition of par value of shares  
 Ordinary shares issued pursuant to rights issue  
 Recognition of equity component of convertible bonds  
 Ordinary shares issued upon conversion of bonds  
 Recognition of share-based payments  
 Issue of shares on exercise of employees' share options  
 Net loss for the quarter

**Balance as at 31 March 2006**

	Issued capital	Share premium	Investment revaluation reserve	Options reserve	Convertible bonds reserve	Retained earnings	Total
<b>Balance as at 1 Jan 2006</b>	88,106	46,944	66,145	518	-	29,050	230,763
Net fair value changes in available-for-sale investments	-	-	(6,620)	-	-	-	(6,620)
Adjustment arising from abolition of par value of shares	46,944	(46,944)	-	-	-	-	-
Ordinary shares issued pursuant to rights issue	11,649	-	-	-	-	-	11,649
Recognition of equity component of convertible bonds	-	-	-	-	3,409	-	3,409
Ordinary shares issued upon conversion of bonds	71	-	-	-	(4)	-	67
Recognition of share-based payments	-	-	-	126	-	-	126
Issue of shares on exercise of employees' share options	18	-	-	-	-	-	18
Net loss for the quarter	-	-	-	-	-	(14,394)	(14,394)
<b>Balance as at 31 March 2006</b>	146,788	-	59,525	644	3,405	14,656	225,018

(Note) In accordance with The Companies (Amendment) Act 2005 effective from 30 January 2006, the concept of authorized share capital and par value has been abolished and accordingly, share premium was transferred to the Company's share capital.

**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 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 financial year, 2,080,000 share options were granted and accepted under the Thakral Corporation Employees' Share Option Scheme 2001 (the "2001 Scheme"). A total of 230,500 share options lapsed while 50,000 share options were exercised during the first three months of the current financial 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 Mar 2007	As at 31 Mar 2006
Outstanding options	42,512,250	46,888,000

The number of shares that may be issued on conversion of all the outstanding convertible bonds issued on 16 February 2006 is as follows:-

	As at 31 Mar 2007	As at 31 Mar 2006
Convertible bonds	157,779,540	703,949,040

During the period, the share capital of the Company increased as follows:

	No. of shares	S\$'000
Issued capital as at 1 January 2007	2,455,805,668	190,402
- Issue of ordinary shares arising from the conversion of convertible bonds	530,000	43
- Issue of ordinary shares arising from the exercise of share options granted under the 2001 scheme	50,000	3
Total as at 31 March 2007	2,456,385,668	190,448

**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 paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 December 2006.

**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 2007, the Group and the Company adopted all the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations issued by the Council on Corporate Disclosure and Governance which became effective for the Group from 1 January 2007. The Group was mainly affected by the following new or revised FRS:

FRS 40	Investment Property
FRS 107	Financial Instruments: Disclosures

Amendments to FRS 1 Presentation of Financial Statements on Capital Disclosures

## THAKRAL CORPORATION LTD AND SUBSIDIARIES

### Description of changes

Set out below is a brief description of those FRS which have a significant impact on the financial statements of the Group and the Company.

a. FRS 40 – Investment Property

Before the adoption of FRS 40, the Group used the revaluation model. Under the revaluation model, increases in carrying amounts above a cost-based measure are recognized as revaluation surplus in the revaluation reserve. With the adoption of the fair value model under FRS 40, the Group carries investment properties at fair value. Changes in fair value are recognized in the profit and loss statement except the changes arising upon the adoption of the FRS on its effective date which are directly taken to the opening balance of retained earnings.

As a result of the adoption of the FRS, the depreciation charge for the current quarter was lower by S\$56,000.

b. FRS 107 – Financial Instruments : Disclosure and Amendment to FRS 1 (Revised) – Presentation of Financial Statements (Capital Disclosures)

FRS 107 requires the Group and the Company to disclose the qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The amendment to FRS 1 requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

**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**

<b>From continuing and discontinuing operations</b>	Three months ended 31 Mar 2007	Three months ended 31 Mar 2006
(i) Basic earnings (loss) per share	0.01 cents	(0.40) cents
(ii) Fully diluted earnings (loss) per share	0.01 cents	(0.40) cents

  

<b>From continuing operations</b>	Three months ended 31 Mar 2007	Three months ended 31 Mar 2006
(i) Basic earnings (loss) per share	0.01 cents	(0.02) cents
(ii) Fully diluted earnings (loss) per share	0.01 cents	(0.02) cents

Basic earning per share is computed on the profit for the quarter after taxation and deduction of minority interests divided by 2,455,913,778 being the weighted average number of shares in issue during the quarter ended 31 March 2007. Basic loss per share is computed on the loss for the quarter ended 31 March 2006 after taxation and deduction of minority interests divided by 1,841,111,641 being the weighted average number of shares in issue during the quarter.

Fully diluted earning per share for the quarter ended 31 March 2007 is computed on the profit after taxation and deduction of minority interests divided by 2,616,789,008 being the weighted average number of shares in issue during the quarter, 3,095,690 shares, being the dilutive effect of potentially exercisable options outstanding as at that date and 157,779,540 shares, being the dilutive effect of the convertible bonds outstanding as at the date.

Fully diluted loss per share for the quarter ended 31 March 2006 is computed on the loss after taxation and deduction of minority interests divided by 1,841,111,641 being the weighted average number of shares in issue during the quarter. Employee share options to purchase 9,030,000 and 1,050,000 ordinary shares at S\$0.06 and S\$0.08 were outstanding as at 31 March 2006 but were not included in the computation of the diluted earnings per share because these options were antidilutive. The options expire on 6 April 2013 and 27 May 2008. Convertible bonds which mature on 16 February 2009 to convert into 703,949,040 ordinary shares at S\$0.08 were outstanding but were not included in the computation of the diluted earnings per share because these bonds were antidilutive.

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

**(a) current period reported on and (b) immediately preceding financial year**

**Net Asset Value**

	As at 31 Mar 2007	As at 31 Dec 2006
Group	9.60 cents	10.05 cents
Company	7.83 cents	8.44 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 – 3 months ended 31 March 2007**

Turnover & Profitability

Turnover from the Group's continuing operations during the quarter ended 31 March 2007 was S\$48.2 million. While this was on par with the turnover achieved in the preceding quarter ended 31 December 2006, it was a decline of about 34% as compared to the previous corresponding quarter and reflects the ongoing competition and difficult market conditions faced by the Group's Supply Chain Management ("SCM") division. The Group's property development unit in Wujiang also contributed positively with improved sales as compared to the previous corresponding quarter.

Gross profit for the latest quarter was S\$3.6 million as compared to S\$4.6 million in the previous corresponding quarter. Gross profit margin improved to about 7.5% from 6.2% previously, mainly as a result of the higher margin contribution from the Wujiang property development unit and improved dividend income from the Group's investment in India.

The Group also disposed of an investment in India which realized a gain of about S\$0.85 million. In addition, following the receipt of the first installment of S\$1 million from a related party under the agreement announced on 30 March 2007, the Group reversed the provision in respect of this amount during the quarter.

The Group was able to achieve a small net profit of S\$0.3 million for the quarter just ended as compared to a net loss of S\$7.5 million in the previous corresponding quarter.

Expenses

Distribution expenses declined to S\$1.2 million from S\$1.9 million in the previous corresponding quarter, mainly as a result of lower advertising & promotion and decreased transportation expenses.

Administration expenses of S\$3.3 million in the present quarter included the reversal of provisions against the related party receivables stated above. Excluding this reversal, administration expenses would have been S\$4.3 million, a decline of about 10% from the S\$4.8 million incurred in the previous corresponding quarter.

Net finance income increased three-fold mainly due to the lower finance costs on the syndicated loan that was repaid in March 2006.

Group income tax arose mainly from the taxable profits at the Group's property development unit in Wujiang.

## THAKRAL CORPORATION LTD AND SUBSIDIARIES

### Working Capital

Inventories were further reduced from S\$34.4 million as at 31 December 2006 to S\$28.7 million as at 31 March 2007, which is in line with the lower level of business activity and the sale of properties by the unit in Wujiang.

Trade receivables as at 31 March 2007 were slightly reduced to S\$27.4 million from S\$28.6 million as at 31 December 2006.

### Net Asset Value

Group net asset value declined to 9.60 cents from 10.05 cents as at 31 December 2006. This was mainly due to the decline in the value of the Group's investments following the global retreat in share prices in March.

## **Performance Summary – Continuing Operations**

### Supply Chain Management (“SCM”)

The SCM division continued to be affected by severe market conditions and intense competition in its principal market of China. Revenue declined by about 43% to S\$39.8 million as compared to the S\$69.6 million achieved in the previous corresponding quarter. However, sales in the month of March showed significant improvement over the previous few months, and the Group intends to continue building on this newly-laid foundation to further drive the recovery effort. Segmental loss widened to S\$1.4 million from S\$0.4 million in the previous corresponding quarter.

### Electronic Manufacturing Services (“EMS”)

The EMS division doubled its revenue to S\$5.3 million in the latest quarter as compared to S\$2.6 million achieved in the previous corresponding quarter. Segmental loss also declined by 48% to S\$0.6 million from the loss of S\$1.2 million in the previous corresponding quarter. The change in the division's senior management and the adoption of a new strategy is propelling the unit in the right direction.

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

The Group's performance in the first quarter met the management's expectations.

## **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.**

Efforts are continuing to widen the product and brand portfolio for the SCM division, as well as drive increased sales for the existing brands. In addition, the division continues to expand its distribution network in order to create more value. However, the Group expects to continue operating under difficult market conditions.

## **11. Dividend**

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

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

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

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

### **(c) Date payable**

Not applicable

### **(d) Books closure date**

Not applicable

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

Subsequent to 31 December 2006, the directors do not recommend any payment of dividend.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

**13. 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**

**Primary reporting - business segments**

The Group which operates in two geographical segments being People's Republic of China (including Hong Kong) and others (Singapore and Japan) has 4 main core divisional activities as follows:

- a) Supply chain management, marketing & brand building
- b) Electronic manufacturing services
- c) Property holding
- d) Others (those activities which do not fall into the above categories)

**S\$'000****Three months ended 31 Mar 2007**

	Supply Chain Management	Electronic Manufacturing Services	Property Holding	Others	Consolidated total
<b>Revenue</b>					
External sales from continuing operations	39,845	5,336	2,504	467	48,152
<b>Result</b>					
Segment result from continuing operations	(1,356)	(630)	841	876	(269)
Unallocated corporate expenses					(321)
Finance income					813
Finance costs					(161)
Foreign exchange gain					691
Profit before income tax and share of results of associates					753
Share of results of associates					20
Profit before income tax					773
Income tax expense					(419)
Profit after tax from continuing operations					354
Loss from discontinuing operations	(10)				(10)
Net profit for the quarter					344

<b>Other information</b>					
Capital expenditure:					
Property, plant and equipment	12	23	-	1	36
Depreciation expense of continuing operations	172	441	45	3	661

<b>Assets</b>					
Segment assets	98,200	17,124	25,617	133,936	274,877
Assets of discontinuing operations	1,560				1,560
Deferred tax asset					315
Investment in associates					1,454
<b>Total assets</b>					278,206
<b>Liabilities</b>					
Segment liabilities	13,517	5,779	2,915	765	22,976
Liabilities of discontinuing operations	1,343				1,343
Income tax payable					1,147
Unallocated liabilities					12,115
<b>Total liabilities</b>					37,581

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S\$'000

Three months ended 31 Mar 2006

	Supply Chain Management	Electronic Manufacturing Services	Property Holding	Others	Consolidated total
<b>Revenue</b>					
External sales from continuing operations	69,644	2,627	414	351	73,036
<b>Result</b>					
Segment result from continuing operations	(424)	(1,212)	(395)	278	(1,753)
Unallocated corporate expenses					(716)
Gain on disposal of properties					749
Finance income					842
Finance costs					(679)
Foreign exchange gain					775
Loss before income tax and share of results of associates					(782)
Share of results of associates					340
Loss before income tax					(442)
Income tax expense					(81)
Loss after tax from continuing operations					(523)
Loss from discontinuing operations	(6,984)				(6,984)
Net loss for the quarter					(7,507)

**Other information**

Capital expenditure:					
Property, plant and equipment	1,273	184	(1)	-	1,456
Depreciation expense of continuing operations	147	418	111	6	682

<b>Assets</b>					
Segment assets	119,850	18,415	30,324	153,081	321,670
Assets of discontinuing operations	3,842				3,842
Deferred tax asset					78
Investment in associates					1,460
<b>Total assets</b>					327,050
<b>Liabilities</b>					
Segment liabilities	18,559	6,679	4,631	807	30,676
Liabilities of discontinuing operations	2,391				2,391
Income tax payable					1,906
Unallocated liabilities					52,713
<b>Total liabilities</b>					87,686

**Secondary reporting – geographical segments**

S\$'000

<b>Continuing and discontinuing operations</b>	<b>Revenue</b>		<b>Capital Expenditure</b>		<b>Total Assets</b>	
	31 Mar		31 Mar		31 Mar	
	2007	2006	2007	2006	2007	2006
People's Republic of China (including Hong Kong)	47,145	70,414	31	1,440	143,102	160,419
Others	1,418	4,408	5	16	135,104	166,631
	48,563	74,822	36	1,456	278,206	327,050

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

**14. 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

**15. A breakdown of revenue**

Not applicable

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

Not applicable

**17. The aggregate value of interested person transactions entered into during the financial period under review**

Name of interested person	Aggregate value of all interested person transactions during the three months ended 31 March 2007 under review (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	NIL	4,738

BY ORDER OF THE BOARD

Lim Chee Ying  
Tan Ping Ping  
Company Secretaries  
26 April 2007

Statement Pursuant to SGX Listing Rule 705(4) of the Listing Manual

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 results for the 3 months ended 31 March 2007 to be false or misleading.

ON BEHALF OF THE BOARD

Kartar Singh Thakral  
Chairman

Inderbethal Singh Thakral  
Director  
26 April 2007