



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 2008 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 2008 | 31 Mar 2007 | |
| CONTINUING OPERATIONS | | | | |
| Revenue | 1 | 88,856 | 48,152 | 85 |
| Cost of sales | | (85,329) | (44,531) | 92 |
| Gross profit | 1 | 3,527 | 3,621 | (3) |
| Other operating income | 2 | 488 | 992 | (51) |
| Distribution costs | 3 | (1,061) | (1,210) | (12) |
| Administration expenses | 4 | (4,071) | (3,332) | 22 |
| Other operating expenses | 5 | (627) | (661) | (5) |
| Loss from operations | | (1,744) | (590) | 196 |
| Finance income | | 577 | 813 | (29) |
| Finance costs | 6 | (53) | (161) | (67) |
| Foreign exchange gain | 7 | 60 | 691 | (91) |
| (Loss) profit before income tax, share of results of associates | | (1,160) | 753 | NM |
| (Loss) profit from associates | | (41) | 20 | NM |
| (Loss) profit before income tax | | (1,201) | 773 | NM |
| Income tax expense | 8 | (35) | (419) | (92) |
| (Loss) profit from continuing operations | | (1,236) | 354 | NM |
| DISCONTINUING OPERATIONS | | | | |
| Profit (loss) from discontinuing operations | 9 | 685 | (10) | NM |
| (Loss) profit for the quarter | | (551) | 344 | NM |
| <u>Attributable to</u> | | | | |
| Shareholders of the Company | | (535) | 217 | NM |
| Minority interests | | (16) | 127 | NM |
| | | (551) | 344 | NM |

NM – Not meaningful

Notes to the Income statement

Note 1:

Turnover improved significantly in view of the higher level of sales activity for consumer electronics in China and Hong Kong in the quarter. Gross profit margin for the year, however, declined to about 4% from about 7.5% in the previous corresponding period due to the fall in contribution from the Group's higher margin property development unit in Wujiang as well as a timing difference in the recognition of a dividend from the Group's Indian investment.

Note 2:

Other operating income of continuing operations comprises:

| | S\$'000 | | % Increase / (Decrease) |
|--|--------------------|-------------|-------------------------|
| | Three months ended | | |
| | 31 Mar 2008 | 31 Mar 2007 | |
| Gain on disposal of investment properties | 207 | - | NM |
| Gain on disposal of available-for-sale investments | - | 850 | NM |
| Gain on disposal of investment in an associate | 53 | - | NM |
| Miscellaneous | 228 | 142 | 61 |
| Total | 488 | 992 | (51) |

Note 3:

Distribution costs of continuing operations comprises:

| | S\$'000 | | % Increase / (Decrease) |
|-------------------------|--------------------|-------------|-------------------------|
| | Three months ended | | |
| | 31 Mar 2008 | 31 Mar 2007 | |
| Staff costs | (484) | (447) | 8 |
| Advertising & promotion | (76) | (58) | 31 |
| Transportation | (174) | (191) | (9) |
| Travelling expenses | (78) | (181) | (57) |
| Others | (249) | (333) | (25) |
| Total | (1,061) | (1,210) | (12) |

- (i) Staff costs increased due to the higher headcount of sales and marketing personnel.
- (ii) Advertising charges were higher due to increased advertising expenses and participation in trade fairs.
- (iii) Transportation and travelling expenses declined mainly due to cost reductions and reduced travelling by sales personnel.

Note 4:

Administration expenses of continuing operations comprises:

| | S\$'000 | | % Increase / (Decrease) |
|--|--------------------|-------------|-------------------------|
| | Three months ended | | |
| | 31 Mar 2008 | 31 Mar 2007 | |
| Staff costs (including executive directors) | (2,141) | (2,502) | (14) |
| Directors' fees | (167) | (155) | 8 |
| Professional fees | (240) | (301) | (20) |
| Rent & rates | (461) | (408) | 13 |
| Travelling expenses | (103) | (86) | 20 |
| Net reversal of allowance for doubtful debts | - | 916 | NM |
| Others | (959) | (796) | 20 |
| Total | (4,071) | (3,332) | 22 |

- (i) Staff costs for the current quarter declined due to the lower headcount.
- (ii) Directors' fees for the current year include fees for an additional director appointed during the last financial year.
- (iii) Professional fees are lower in view of the absence of legal fees in relation to cases that have been settled or awaiting judgment.
- (iv) Rent and rates increased due to the overall higher office rental costs.
- (v) Travelling expenses rose due to increased travelling by management personnel and directors.
- (vi) The reversal of allowance for doubtful debts in the previous corresponding quarter relates to recoveries from a related party.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Note 5:

Other operating expenses comprised depreciation charges for the periods.

Note 6:

Finance costs were lower compared to the previous corresponding period as a result of the redemption of all outstanding convertible bonds in the previous financial year.

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 for the current period arose mainly from the taxable profits at the Group's property development unit in Wujiang.

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:-

Discontinuing operations

| | S\$000 | | % Increase / (Decrease) |
|---|--------------------|-------------|-------------------------------|
| | Three months ended | | |
| | 31 Mar 2008 | 31 Mar 2007 | |
| Revenue | 165 | 411 | (60) |
| Cost of sales | (104) | (175) | (41) |
| Gross profit | 61 | 236 | (74) |
| Distribution costs | - | (190) | (100) |
| Administration expenses | (47) | (69) | (32) |
| Reversal of impairment charges and provisions | 659 | 8 | NM |
| Foreign exchange gain | 12 | 5 | 140 |
| Profit (loss) before tax | 685 | (10) | NM |
| Income tax expenses | - | - | NM |
| Profit (loss) after tax | 685 | (10) | NM |

NM – Not meaningful

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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 | Group (S\$ '000) as at | | Company (S\$ '000) as at | |
|--|------|-------------------------------|----------------|---------------------------------|----------------|
| | | 31 Mar 2008 | 31 Dec 2007 | 31 Mar 2008 | 31 Dec 2007 |
| ASSETS | | | | | |
| Current assets | | | | | |
| Inventories | 1 | 26,545 | 25,219 | - | - |
| Trade receivables | 2 | 41,323 | 42,981 | - | - |
| Other receivables and prepayments | | 9,434 | 7,476 | 128 | 175 |
| Cash and cash equivalents | | 110,571 | 112,134 | 71,607 | 71,630 |
| Total current assets | | 187,873 | 187,810 | 71,735 | 71,805 |
| Non-current assets | | | | | |
| Property, plant and equipment | | 14,019 | 14,666 | 17 | 19 |
| Investment properties | | 10,835 | 12,181 | - | - |
| Investment in subsidiaries | | - | - | 104,302 | 111,437 |
| Investment in associates | | 1,480 | 1,558 | 1,480 | 1,520 |
| Available-for-sale investments | 3 | 51,599 | 77,323 | 28,367 | 50,156 |
| Deferred tax asset | | 1 | 3 | - | - |
| Total non-current assets | | 77,934 | 105,731 | 134,166 | 163,132 |
| Total assets | | 265,807 | 293,541 | 205,901 | 234,937 |
| LIABILITIES AND EQUITY | | | | | |
| Current liabilities | | | | | |
| Trade payables | | 6,931 | 5,490 | - | - |
| Bank overdrafts and term loans | | 3,744 | 1,080 | - | - |
| Other payables | | 9,801 | 12,221 | 392 | 515 |
| Provisions | | 1,205 | 1,177 | - | - |
| Income tax payable | | 679 | 717 | 408 | 408 |
| Total current liabilities | | 22,360 | 20,685 | 800 | 923 |
| Non-current liabilities | | | | | |
| Long-term loans | | 277 | 309 | - | - |
| Deferred tax liability | | 267 | 317 | - | - |
| Total non-current liabilities | | 544 | 626 | - | - |
| Total liabilities | | 22,904 | 21,311 | 800 | 923 |
| Capital and reserves | | | | | |
| Issued capital | | 203,134 | 203,134 | 203,134 | 203,134 |
| Reserves | | 35,665 | 64,674 | 1,967 | 30,880 |
| Equity attributable to equity shareholders of the Company | | 238,799 | 267,808 | 205,101 | 234,014 |
| Minority interests | | 4,104 | 4,422 | - | - |
| Total equity | | 242,903 | 272,230 | 205,101 | 234,014 |
| Total liabilities and equity | | 265,807 | 293,541 | 205,901 | 234,937 |

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 2008 | | As at 31 December 2007 | |
|---------------------|---------------|------------------------|-------------|
| Secured | Unsecured | Secured | Unsecured |
| S\$ 949,000 | S\$ 2,795,000 | S\$ 861,000 | S\$ 219,000 |

Amount repayable after one year

| As at 31 March 2008 | | As at 31 December 2007 | |
|---------------------|-------------|------------------------|-------------|
| Secured | Unsecured | Secured | Unsecured |
| NIL | S\$ 277,000 | NIL | S\$ 309,000 |

Details of any collateral

N.A.

Group's contingent liabilities

| | As at 31 March 2008 | As at 31 December 2007 |
|------------------------|---------------------|------------------------|
| Potential property tax | S\$ 604,000 | S\$ 605,000 |

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 2008 | 31 Mar 2007 |
| Cash flows from operating activities | | |
| (Loss) profit before income tax | (516) | 763 |
| Adjustments for: | | |
| Share of loss (profit) from associates | 41 | (20) |
| Depreciation expense | 627 | 661 |
| Dividend income from quoted equity shares | - | (467) |
| Finance lease charges | - | 10 |
| Interest expense | 53 | 151 |
| Interest income | (577) | (813) |
| Gain on disposal of investment in an associate | (53) | - |
| Gain on disposal of available-for-sale investments | - | (850) |
| Gain on disposal of property, plant and equipment | (5) | - |
| Gain on disposal of investment properties | (207) | - |
| Share based payment expense | 8 | 28 |
| Reversal of allowance for inventories | (20) | (187) |
| Reversal of allowance for doubtful trade receivables | (138) | (924) |
| Reversal of allowance for doubtful other receivables | (56) | - |
| Operating cash flows before movements in working capital | (843) | (1,648) |
| Trade receivables | 1,796 | 2,142 |
| Other receivables and prepayments | (2,427) | 1,196 |
| Inventories | (1,306) | 5,931 |
| Trade payables | 1,441 | (1,038) |
| Other payables | (2,392) | (1,878) |
| Cash (used in) generated from operations | (3,731) | 4,705 |
| Dividends received | 481 | - |
| Income tax paid | (133) | (326) |
| Finance lease charges paid | - | (10) |
| Interest paid | (52) | (10) |
| Interest received | 626 | 816 |
| Net cash (used in) generated from operating activities | (2,809) | 5,175 |
| Cash flows from investing activities | | |
| Additions to property, plant and equipment | (99) | (36) |
| Net investment in balances from associates | 8 | (6) |
| Proceeds from disposal of property, plant and equipment | 5 | - |
| Proceeds from disposal of available-for-sale investments | - | 1,104 |
| Proceeds from disposal of investment in an associate | 80 | - |
| Proceeds from disposal of investment properties | 1,103 | - |
| Cash to minority shareholders | (324) | (845) |
| Net cash from investing activities | 773 | 217 |
| Cash flows from financing activities | | |
| Net proceeds from issue of shares on exercise of employees' share options | - | 3 |
| Repayment of finance lease obligations | - | (111) |
| Repayment of bank term loans | (55) | (52) |
| Net cash used in financing activities | (55) | (160) |
| Net effect of exchange rate changes in consolidating subsidiaries | (2,121) | (1,393) |
| Net (decrease) increase in cash and cash equivalents | (4,212) | 3,839 |
| Cash and cash equivalents at beginning of the period | 111,260 | 123,981 |
| Cash and cash equivalents at end of the period | 107,048 | 127,820 |
| Cash and cash equivalents were represented by:- | | |
| Fixed deposits, cash at bank and hand | 110,571 | 127,873 |
| Bank overdraft | (3,523) | (53) |
| | 107,048 | 127,820 |

Notes to the Balance Sheet and Consolidated Cash Flow Statement

Note 1:

Inventories increased marginally to S\$26.5 million as at 31 March 2008 from S\$25.2 million as at 31 December 2007 mainly due to the increased stocking of consumer electronics products to support a higher volume of sales.

Note 2:

Trade receivables decreased to S\$41.3 million as at 31 March 2008 from S\$43.0 million as at 31 December 2007 due to improved collections.

Note 3:

Available-for-sale investments decreased due to the decline in fair values of the investments arising from the recent turmoil in global financial markets.

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 2008

S\$'000

Group

Balance at 1 Jan 2008

Net fair value changes in available-for-sale investments

Translation loss arising on consolidation

Net (loss) profit recognised directly in equity

Net loss for the quarter

Total recognised (loss) profit

Recognition of share-based payments

Dividend paid to minority interests

Balance at 31 Mar 2008

| | Total shareholders' equity | | | | | | | Minority interests | Total equity |
|--|----------------------------|---------------------------|-------------------------------|-----------------|---------------------|-------------------|----------|--------------------|--------------|
| | Issued capital | Asset revaluation reserve | Fair value adjustment reserve | Options reserve | Translation reserve | Retained earnings | Total | | |
| Balance at 1 Jan 2008 | 203,134 | 112 | 66,461 | 751 | (13,080) | 10,430 | 267,808 | 4,422 | 272,230 |
| Net fair value changes in available-for-sale investments | - | - | (25,297) | - | - | - | (25,297) | - | (25,297) |
| Translation loss arising on consolidation | - | (8) | - | - | (3,177) | - | (3,185) | 22 | (3,163) |
| Net (loss) profit recognised directly in equity | - | (8) | (25,297) | - | (3,177) | - | (28,482) | 22 | (28,460) |
| Net loss for the quarter | - | - | - | - | - | (535) | (535) | (16) | (551) |
| Total recognised (loss) profit | - | (8) | (25,297) | - | (3,177) | (535) | (29,017) | 6 | (29,011) |
| Recognition of share-based payments | - | - | - | 8 | - | - | 8 | - | 8 |
| Dividend paid to minority interests | - | - | - | - | - | - | - | (324) | (324) |
| Balance at 31 Mar 2008 | 203,134 | 104 | 41,164 | 759 | (16,257) | 9,895 | 238,799 | 4,104 | 242,903 |

Three months ended 31 Mar 2007

S\$'000

Group

Balance at 31 Dec 2006

Effect of adoption of FRS 40

Balance at 1 Jan 2007

Net fair value changes in available-for-sale investments

Translation loss arising on consolidation

Net loss recognised directly in equity

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

Net profit for the quarter

Total recognised (loss) profit

Recognition of share-based payments

Ordinary shares issued upon conversion of bonds

Issue of shares on exercise of employees' share options

Dividend paid to minority interests

Balance at 31 Mar 2007

| | Total shareholders' equity | | | | | | | Minority interests | Total equity | |
|--|----------------------------|---------------------------|-------------------------------|-----------------|---------------------------|---------------------|-------------------|--------------------|--------------|----------|
| | Issued capital | Asset revaluation reserve | Fair value adjustment reserve | Options reserve | Convertible bonds reserve | Translation reserve | Retained earnings | | | Total |
| Balance at 31 Dec 2006 | 190,402 | - | 58,348 | 686 | 766 | (6,106) | 2,818 | 246,914 | 5,449 | 252,363 |
| Effect of adoption of FRS 40 | - | 112 | - | - | - | (275) | 2,161 | 1,998 | - | 1,998 |
| Balance at 1 Jan 2007 | 190,402 | 112 | 58,348 | 686 | 766 | (6,381) | 4,979 | 248,912 | 5,449 | 254,361 |
| Net fair value changes in available-for-sale investments | - | - | (10,682) | - | - | - | - | (10,682) | - | (10,682) |
| Translation loss arising on consolidation | - | - | - | - | - | (1,772) | - | (1,772) | (16) | (1,788) |
| Net loss recognised directly in equity | - | - | (10,682) | - | - | (1,772) | - | (12,454) | (16) | (12,470) |
| Realisation of revaluation reserve on disposal of available-for-sale investments | - | - | (836) | - | - | - | - | (836) | - | (836) |
| Net profit for the quarter | - | - | - | - | - | - | 217 | 217 | 127 | 344 |
| Total recognised (loss) profit | - | - | (11,518) | - | - | (1,772) | 217 | (13,073) | 111 | (12,962) |
| Recognition of share-based payments | - | - | - | 28 | - | - | - | 28 | - | 28 |
| Ordinary shares issued upon conversion of bonds | 43 | - | - | - | (3) | - | - | 40 | - | 40 |
| Issue of shares on exercise of employees' share options | 3 | - | - | - | - | - | - | 3 | - | 3 |
| Dividend paid to minority interests | - | - | - | - | - | - | - | - | (845) | (845) |
| Balance at 31 Mar 2007 | 190,448 | 112 | 46,830 | 714 | 763 | (8,153) | 5,196 | 235,910 | 4,715 | 240,625 |

Statement of changes in equity**Three months ended 31 Mar 2008**

S\$'000

| Company | Issued | Fair value | Options | Accumulated | Total |
|--|---------|-----------------------|---------|-------------|----------|
| | capital | adjustment reserve | reserve | losses | |
| Balance as at 1 Jan 2008 | 203,134 | 48,173 | 751 | (18,044) | 234,014 |
| Net fair value changes in available-for-sale investments | - | (21,789) | - | - | (21,789) |
| Net loss recognised directly in equity | - | (21,789) | - | - | (21,789) |
| Net loss for the quarter | - | - | - | (7,132) | (7,132) |
| Total recognised loss | - | (21,789) | - | (7,132) | (28,921) |
| Recognition of share-based payments | - | - | 8 | - | 8 |
| Balance as at 31 Mar 2008 | 203,134 | 26,384 | 759 | (25,176) | 205,101 |

Three months ended 31 Mar 2007

S\$'000

| Company | Issued | Fair value | Options | Convertible | Accumulated | Total |
|--|---------|-----------------------|---------|------------------|-------------|----------|
| | capital | adjustment reserve | reserve | bonds reserve | losses | |
| Balance as at 1 Jan 2007 | 190,402 | 46,158 | 686 | 766 | (30,713) | 207,299 |
| Net fair value changes in available-for-sale investments | - | (10,738) | - | - | - | (10,738) |
| Net loss recognised directly in equity | - | (10,738) | - | - | - | (10,738) |
| Net loss for the quarter | - | - | - | - | (4,226) | (4,226) |
| Total recognised loss | - | (10,738) | - | - | (4,226) | (14,964) |
| 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 |
| Balance as at 31 Mar 2007 | 190,448 | 35,420 | 714 | 763 | (34,939) | 192,406 |

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 financial year, a total of 1,402,500 share options lapsed during the period under the Thakral Corporation Employees' Share Option Scheme 2001 (the "2001 Scheme").

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 2008 | As at 31 Dec 2007 |
|---------------------|-------------------|-------------------|
| Outstanding options | 36,333,000 | 37,735,500 |

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

The Company did not have any treasury shares as at 31 March 2008 and 31 December 2007.

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 excluding treasury shares was 2,612,113,668 as at 31 March 2008 and 31 December 2007.

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

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 year ended 31 December 2007.

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

N.A.

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

| From continuing and discontinuing operations | Three months ended 31 Mar 2008 | Three months ended 31 Mar 2007 |
|---|-----------------------------------|-----------------------------------|
| (i) Basic earnings (loss) per share | (0.02) cents | 0.01 cents |
| (ii) Fully diluted earnings (loss) per share | (0.02) cents | 0.01 cents |
| From continuing operations | Three months ended 31 Mar 2008 | Three months ended 31 Mar 2007 |
| (i) Basic earnings (loss) per share | (0.05) cents | 0.01 cents |
| (ii) Fully diluted earnings (loss) per share | (0.05) cents | 0.01 cents |

Basic loss per share is computed on the loss for the period after taxation and deduction of minority interests divided by 2,612,113,668 being the weighted average number of shares in issue during the quarter ended 31 March 2008. Basic earning per share is computed on the profit for the period 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.

Fully diluted loss per share for the quarter ended 31 March 2008 is computed on the loss after taxation and deduction of minority interests divided by 2,612,113,668 being the weighted average number of shares in issue during the quarter ended 31 March 2008. Employee share options to purchase 6,880,000 ordinary shares at S\$0.06 were outstanding as at 31 March 2008 but were not included in the computation of the diluted loss per share because these options were antidilutive. The options expire on 6 April 2013.

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 ended 31 March 2007, 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.

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

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

Net Asset Value

| | As at 31 Mar 2008 | As at 31 Dec 2007 |
|---------|----------------------|----------------------|
| Group | 9.14 cents | 10.25 cents |
| Company | 7.85 cents | 8.96 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 – three months ended 31 March 2008

Turnover & Profitability

The Group achieved revenues of S\$88.9 million for the quarter ended 31 March 2008, as compared to S\$48.2 million achieved in the previous corresponding period ended 31 March 2007, an increase of 85%. The increase was entirely attributable to higher sales in the Supply Chain Management segment ("SCM") of the Group. Declines were seen in the other business segments of the Group. The segmental mix of turnover reflects the Group's progress in expanding its brand portfolio, product mix and distribution channels for its SCM business.

Sales at the SCM division increased by 114% to S\$85.4 million in the quarter from S\$39.8 million in the previous corresponding period. However, EMS revenues decreased by 45% in this traditionally slow quarter to S\$2.9 million from S\$5.3 million achieved in the previous corresponding period. This was mainly due to substantially lower orders from some of its major customers. Sales at the property division in Wujiang continued to be affected by the measures introduced by the PRC government to cool the property market in China. The unit's sales declined by 80% to S\$0.5 million in the current quarter as compared to S\$2.5 million in the previous corresponding period.

The gross profit margin declined substantially in the quarter to about 4% from about 7.5% in the previous corresponding period. The significantly higher sales by the SCM division resulted in a lower gross profit margin. Significant contribution from the high margin property division in the previous corresponding period were absent during the current quarter. The gross margin in the current quarter was also affected by a timing difference in the recognition of a dividend from the Group's Indian investment. A dividend of S\$0.4 million was declared in April this year. In the previous financial year, a dividend of S\$0.5 million had been declared and recorded by the Group in March. Accordingly, the year-to-date gross profit of S\$3.5 million was almost the same as the S\$3.6 million recorded in the previous corresponding period.

In the current financial year, the Group disposed of a property in the PRC and its interest in an associate, realizing total gains of about S\$0.26 million. However, during the previous corresponding period, however, the Group had disposed of an investment in India at a gain of S\$0.85 million. Other income therefore declined to S\$0.5 million in the current quarter as compared to S\$1.0 million in the previous corresponding quarter.

Foreign exchange gains from the translation of monetary assets and liabilities denominated in foreign currencies amounted to S\$0.06 million as against S\$0.7 million previously.

Operations at the Group's Home Entertainment Division were discontinued on 31 March 2008 and provisions and accruals that were no longer required were reversed. This led to the discontinuing business recording a profit of S\$0.7 million for the quarter.

Accordingly, the Group achieved a net loss after tax of S\$0.5 million as against a profit of S\$0.3 million in the previous corresponding period.

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Expenses

Operating expenses in the previous corresponding period had included the reversal of S\$1 million of provision in respect of an amount recovered from a related party in that quarter. Adjusting for this reversal, operating expenses in the current quarter declined by about 7% to S\$5.1 million from S\$5.5 million in the previous corresponding period.

Finance income declined by 29% primarily as a result of the decline in interest rates earned on the Group's deposits.

Finance costs declined by 67% to S\$0.05 million in the current quarter as compared to S\$0.2 million in the previous corresponding period, mainly as a result of the redemption of the Group's convertible bonds in the preceding quarter.

Group income tax significantly declined to S\$0.04 million in the quarter from S\$0.4 million in the previous corresponding period, mainly due to the lower profits at the Group's property development unit in Wujiang.

Working Capital and Cash Flow

Despite the higher level of sales activity, inventories increased marginally to S\$26.5 million as at 31 March 2008 as compared to S\$25.2 million as at 31 December 2007 while trade receivables declined to S\$41.3 million as at that date from S\$43.0 million as at 31 December 2007.

The Group saw a net operational cash outflow of S\$2.8 million in the latest quarter as compared to an operational cash inflow of S\$5.2 million in the previous corresponding quarter. In the current quarter, there was a cash outflow amounting to a total of S\$3.6 million to finance the increase in inventories and other receivables arising from the higher turnover in the quarter. Conversely, a reduction in these two items in the previous corresponding quarter resulted in a cash inflow amounting to a total of S\$7.1 million.

Net Asset Value

With the volatility in the global financial markets triggered by the sub-prime fallout in the U.S., the market value of the Group's available-for-sale investments in India and Australia has been adversely affected in the quarter. This is the primary reason for the decline of the Group's net asset value per share to 9.14 cents as at 31 March 2008 from 10.25 cents as at 31 December 2007.

Performance Summary – Continuing Operations

Supply Chain Management ("SCM")

The significant increase in turnover at the SCM division by 114% compared to the previous corresponding period reflects the progress of the Group's continuing efforts to improve sales via expansion of its brand portfolio and product mix.

Segmental loss of S\$0.5 million against a loss of S\$1.4 million in the previous corresponding period reflects an improving situation. In the previous corresponding period, the segment result also included the reversal of S\$1 million of provisions in respect of an amount recovered from a related party in that quarter.

However, competition in this business segment continues to remain intense and margins are thin.

Electronic Manufacturing Services ("EMS")

The EMS division has been adversely affected by substantially reduced orders from some of its major customers. Revenues at this segment declined by 45% compared to the previous corresponding period. With the implementation of the new wage policy by the Chinese government, the salaries have increased. In addition, the cost of operations has also increased with the rise in energy, transportation and rental costs.

Segment loss was S\$0.7 million against a loss of S\$0.6 million in the previous corresponding period.

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 overall performance in the quarter broadly 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.

Management is continuing its efforts to widen the product and brand portfolio for the SCM division as well as boost sales for the existing brands. In addition, the division continues to expand its distribution network in China, with added focus on developing markets including India and Indo-China. The efforts appear to be bearing fruit. However, due to intense competition and declining margins, the Group expects to continue operating under difficult market conditions in the current financial year.

The business in China will become more competitive due to excess capacity and reduced demand in the EMS sector. The strengthening of the RMB against the US\$ has resulted in lower margins. This will adversely affect the future performance of this division.

Continuing instability in the global financial markets may lead to fluctuations in the value of the Group's investments in India and Australia and consequently in the Group's net asset value.

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/recommendeded, a statement to that effect

Subsequent to 31 December 2007, 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:

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

S\$'000**Three months ended 31 Mar 2008**

| | Supply Chain Management | Electronic Manufacturing Services | Property Holding | Others | Consolidated total |
|---|-------------------------|-----------------------------------|------------------|--------|--------------------|
| Revenue | | | | | |
| External sales from continuing operations | 85,429 | 2,916 | 511 | - | 88,856 |
| Result | | | | | |
| Segment result from continuing operations | (507) | (747) | 86 | (481) | (1,649) |
| Unallocated corporate expenses | | | | | (355) |
| Gain on disposal of properties | | | | | 207 |
| Gain on disposal of investment in an associate | | | | | 53 |
| Finance income | | | | | 577 |
| Finance costs | | | | | (53) |
| Foreign exchange gain | | | | | 60 |
| Loss before income tax and share of results of associates | | | | | (1,160) |
| Share of results of associates | | | | | (41) |
| Loss before income tax | | | | | (1,201) |
| Income tax expense | | | | | (35) |
| Loss after tax from continuing operations | | | | | (1,236) |
| Profit from discontinuing operations | 685 | | | | 685 |
| Net loss for the quarter | | | | | (551) |

| Other information | | | | | |
|---|-----|-----|----|---|-----|
| Capital expenditure: | | | | | |
| Property, plant and equipment | 92 | 7 | - | - | 99 |
| Depreciation expense of continuing operations | 167 | 417 | 41 | 2 | 627 |

| Assets | | | | | |
|---|--------|--------|--------|---------|---------|
| Segment assets | 97,374 | 14,174 | 26,514 | 126,151 | 264,213 |
| Assets of discontinuing operations | 113 | | | | 113 |
| Deferred tax asset | | | | | 1 |
| Investment in associates | | | | | 1,480 |
| Total assets | | | | | 265,807 |
| Liabilities | | | | | |
| Segment liabilities | 14,417 | 4,676 | 2,040 | 516 | 21,649 |
| Liabilities of discontinuing operations | 309 | | | | 309 |
| Income tax payable | | | | | 679 |
| Deferred tax liability | | | | | 267 |
| Total liabilities | | | | | 22,904 |

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Three months ended 31 Mar 2007

| | Supply Chain Management | Electronic Manufacturing Services | Property Holding | Others | Consolidated total |
|---|-------------------------|-----------------------------------|------------------|--------|--------------------|
| Revenue | | | | | |
| External sales from continuing operations | 39,845 | 5,336 | 2,504 | 467 | 48,152 |
| Result | | | | | |
| 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 |

Other information

| | | | | | |
|---|-----|-----|----|---|-----|
| Capital expenditure: | | | | | |
| Property, plant and equipment | 12 | 23 | | 1 | 36 |
| Depreciation expense of continuing operations | 172 | 441 | 45 | 3 | 661 |

Assets

| | | | | | |
|------------------------------------|--------|--------|--------|---------|---------|
| 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 |
| Total assets | | | | | 278,206 |

Liabilities

| | | | | | |
|---|--------|-------|-------|-----|--------|
| 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 |
| Total liabilities | | | | | 37,581 |

Secondary reporting – geographical segments

S\$'000

| Continuing and discontinuing operations | Revenue | | Capital Expenditure | | Total Assets | |
|--|---------|--------|---------------------|------|--------------|---------|
| | 31 Mar | | 31 Mar | | 31 Mar | |
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| People's Republic of China (including Hong Kong) | 84,684 | 47,145 | 97 | 31 | 153,368 | 143,102 |
| Others | 4,337 | 1,418 | 2 | 5 | 112,439 | 135,104 |
| | 89,021 | 48,563 | 99 | 36 | 265,807 | 278,206 |

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

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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 quarter ended 31 March 2008 under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual upto 26 April 2007) | Aggregate value of all interested person transactions conducted under shareholders' mandate (upto 26 April 2007) pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000) |
|-----------------------------|--|---|
| Millennium Gloucester Hotel | S\$'000 | S\$'000 |
| Sales, net of returns | 1,090 | NIL |

BY ORDER OF THE BOARD

Lim Chee Ying
Tan Ping Ping
Company Secretaries
5 May 2008

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 2008 to be false or misleading.

ON BEHALF OF THE BOARD

Kartar Singh Thakral
Chairman

Jasvinder Singh Thakral
Director
5 May 2008