



## THAKRAL CORPORATION LTD

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

### ANNOUNCEMENT

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#### **RESPONSE TO QUERY ON NOT PROVIDING PROFIT WARNING PRIOR TO RELEASE OF FIRST QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE 3 MONTHS ENDED 30 JUNE 2006**

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The Board of Directors of Thakral Corporation Ltd ("the Company") refers to the query from the Singapore Exchange Securities Trading Ltd ("SGX-ST") via email on 2 August 2006.

#### **SGX-ST Query:**

"In its Full Year Financial Statement Announcement of 29/05/2006, the Group had stated that it "expects to improve from the substantial losses recorded for the financial year ended 31 March 2006...". In its announcement of 27/07/2006, the Group had stated that it did not live up to expectation as slow sales in consumer electronic goods, delay in product launches combined with margin erosion in both the consumer electronic goods and electronic services manufacturing divisions had an adverse impact on profitability. Given that the Group was not able to meet its projected improvement, please explain why the Company had not considered providing a profit warning prior to the release of its First Quarter Financial Statement Announcement."

#### **Company's Reply**

The Company had in its announcements of results for:

Full year results ended 31 March 2006 released on 29 May 2006 (item 10) stated:

"Barring any unforeseen circumstances, the Group expects to improve from the substantial losses recorded for the financial year ended 31 March 2006. However, due to the continuing difficult market conditions, any improvement in the "supply chain management" business segment may be limited."

First quarter results ended 30 June 2006 released on 27 July 2006 (item 9) stated:

"The performance of the Group did not live up to expectation as slow sales in consumer electronic goods, delay in product launches combined with margin erosion in both the consumer electronic goods and electronic services manufacturing divisions had an adverse impact on profitability."

The reference to the expected improvement from substantial losses in the full year results ended 31 March 2006 was in relation to the full financial year ending 31 March 2007 and not in relation to the first quarter ended 30 June 2006.

There was no statement made in the announcement of the full year results ended 31 March 2006 to indicate that the Group would be profitable for the first quarter ended 30 June 2006 although Management had expected better results than that reported. Therefore, the Company did not issue a profit warning statement.

By Order of the Board

Tan San-Ju  
Secretary  
3 August 2006