

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 and statement of comprehensive income, or a statement of comprehensive income, for the group, for the first quarter ended 31 March 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		
		S\$000		% Increase / (Decrease)
		Three months ended		
		31 Mar 2017	31 Mar 2016	
Revenue	1	36,896	80,262	(54)
Cost of sales		(26,359)	(71,809)	(63)
Gross profit	1	10,537	8,453	25
Other operating income	2	50	112	(55)
Distribution costs	3	(1,537)	(1,737)	(12)
Administrative expenses	4	(4,147)	(4,050)	2
Other operating expenses	5	(490)	(384)	28
Profit from operations		4,413	2,394	84
Valuation loss on investment properties	6	(1,543)	(877)	76
Finance income	7	169	244	(31)
Finance costs		(1,217)	(1,141)	7
Foreign exchange gain	8	294	428	(31)
Share of loss of joint ventures	9	(116)	-	NM
Profit before income tax		2,000	1,048	91
Income tax (expense) credit	10	(13)	19	NM
Profit for the quarter		1,987	1,067	86
Profit attributable to:				
Equity holders of the Company		1,511	625	142
Non-controlling interests		476	442	8
		1,987	1,067	86

NM – Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Note	S\$'000		%
			Three months ended		Increase / (Decrease)
			31 Mar 2017	31 Mar 2016	
Profit for the quarter			1,987	1,067	86
Other comprehensive income (loss)					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Translation gain (loss) arising on consolidation	11	271	(1,226)		NM
Fair value gain on available-for-sale investments, net of tax	12	357	108		231
Other comprehensive income (loss) for the quarter, net of tax			628	(1,118)	NM
Total comprehensive income (loss) for the quarter			2,615	(51)	NM
<u>Total comprehensive income (loss) attributable to:</u>					
Equity holders of the Company			1,614	(727)	NM
Non-controlling interests			1,001	676	48
			2,615	(51)	NM

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

Improvements in performance from both the Investment and Lifestyle Divisions enabled the Group to report gross profit growth of 25% to S\$10.5 million for quarter ended 31 March 2017 despite consolidated revenue declining by 54% to S\$36.9 million. Gross profit margin consequently rose to 28.6% from 10.5% previously.

Revenue included investment income comprising dividends and interest income amounting to S\$2.5 million (Three months ended 31 March 16: S\$2.5 million).

Note 2:

Other operating income comprises:

	S\$'000		%
	Three months ended		Increase / (Decrease)
	31 Mar 2017	31 Mar 2016	
Government subsidies	17	66	(74)
Others	33	46	(28)
Total	50	112	(55)

- Government subsidies in the previous corresponding quarter comprised mainly the wage credit received in Singapore which was not repeated this year due to the down-sizing of the unit.
- The decrease in Others is mainly from lower service fee income for the quarter as well as the non-recurrence of the equipment cost support received last year.

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Note 3:

Distribution costs comprise:

	S\$'000		%
	Three months ended		Increase /
	31 Mar 2017	31 Mar 2016	(Decrease)
Staff costs	(801)	(910)	(12)
Advertising & promotion	(145)	(259)	(44)
Transportation	(251)	(246)	2
Travelling expenses	(94)	(87)	8
Others	(246)	(235)	5
Total	(1,537)	(1,737)	(12)

- Staff costs declined in view of the reduced headcount.
- Advertising and marketing expenses were lower in view of the reduced marketing activity in the quarter.

Note 4:

Administration expenses comprise:

	S\$'000		%
	Three months ended		Increase / (Decrease)
	31 Mar 2017	31 Mar 2016	
Staff costs (including executive directors)	(2,530)	(2,482)	2
Directors' fees	(119)	(119)	-
Professional fees	(270)	(289)	(7)
Rent & rates	(185)	(247)	(25)
Travelling expenses	(57)	(90)	(37)
Insurance	(69)	(70)	(1)
Allowance for doubtful debts	(105)	(5)	NM
Withholding tax	(474)	(328)	45
Others	(338)	(420)	(20)
Total	(4,147)	(4,050)	2

- Rental expense declined mainly due to the savings from the relocation of the Hong Kong office.
- Travelling expenses declined due to the reduced directors and management travel during the quarter.
- Allowances were made for certain doubtful trade receivables in Hong Kong and India.
- Withholding tax relates to tax accruals on income from Investment Division projects currently in progress as well as on the distributions declared by the Japanese property holding vehicle.

Note 5:

Other operating expenses comprise:-

	S\$'000		%
	Three months ended		Increase /
	31 Mar 2017	31 Mar 2016	(Decrease)
Depreciation	(58)	(96)	(40)
Loss on derivative financial instrument	(432)	(288)	50
Total	(490)	(384)	28

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

THAKRAL CORPORATION LTD AND SUBSIDIARIES

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

Note 6:

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

Note 7:

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

Note 8:

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

Note 9:

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 villages.

Note 10:

Income tax in the previous corresponding quarter had included the reversal of certain deferred tax liabilities on the GLNG houses, which is not applicable in the current quarter.

Note 11:

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 12:

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).

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 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
ASSETS					
Current assets					
Cash and bank balances	1	31,337	29,787	77	210
Trade receivables	2	13,124	9,871	-	-
Other receivables and prepayments		10,233	10,781	67	65
Loans receivable	3	22,117	28,382	-	-
Assets held for sale	4	38,633	40,140	-	-
Inventories	5	13,595	18,884	-	-
Total current assets		129,039	137,845	144	275
Non-current assets					
Pledged fixed deposits	1	10	10	-	-
Loans receivable	3	28,377	25,870	-	-
Property, plant and equipment		1,757	1,807	14	16
Investment properties	3	54,055	54,616	-	-
Joint ventures	6	-	115	-	-
Subsidiary corporations		-	-	162,382	162,356
Derivative financial instrument	7	327	755	-	-
Available-for-sale investments	7	19,238	18,681	-	-
Total non-current assets		103,764	101,854	162,396	162,372
Total assets		232,803	239,699	162,540	162,647
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	8	2,827	2,633	-	-
Bills payables and trust receipts	8	18,467	21,535	-	-
Bank and other borrowings	9	40,140	44,664	-	-
Other payables		21,000	21,616	692	649
Provisions		2,775	2,969	52	52
Income tax payable		741	721	-	-
Total current liabilities		85,950	94,138	744	701
Non-current liabilities					
Amount owing to subsidiary corporations		-	-	65,739	68,346
Bank and other borrowings	9	22,591	24,005	-	-
Deferred tax liability		1,234	1,143	-	-
Total non-current liabilities		23,825	25,148	65,739	68,346
Total liabilities		109,775	119,286	66,483	69,047
Capital, reserves and non-controlling interests					
Issued capital		72,579	72,579	72,579	72,579
Reserves		25,506	23,892	23,478	21,021
Equity attributable to equity holders of the Company		98,085	96,471	96,057	93,600
Non-controlling interests		24,943	23,942	-	-
Total equity		123,028	120,413	96,057	93,600
Total liabilities and equity		232,803	239,699	162,540	162,647

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 2017		As at 31 December 2016	
Secured	Unsecured	Secured	Unsecured
S\$ 50,260,000	S\$ 8,347,000	S\$ 56,040,000	S\$ 10,159,000

Please also see notes (8 & 9) on page 9

Details of any collateral

Charge over properties in Hong Kong and pledge on rental proceeds; pledged bank deposits of S\$19.6 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

Amount repayable after one year

As at 31 March 2017		As at 31 December 2016	
Secured	Unsecured	Secured	Unsecured
S\$ 16,967,000	S\$ 5,624,000	S\$ 18,681,000	S\$ 5,324,000

Please also see note (9) 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

Charge against specific corresponding debt instruments issued by a developer

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**

	(S\$ '000)	
	Three months ended	
Note	31 Mar 2017	31 Mar 2016
OPERATING ACTIVITIES		
Profit before income tax	2,000	1,048
Adjustments for:		
Depreciation expense	58	96
Share of loss of joint ventures	116	-
Interest income from loans receivable and dividend income from unquoted investments	(2,502)	(2,519)
Interest expense	1,217	1,141
Interest income	(169)	(244)
Loss (gain) on disposal of property, plant and equipment	8	(3)
Valuation loss on investment properties	1,543	877
Unrealised loss on outstanding derivative financial instrument	432	288
Net unrealised foreign exchange gain	(352)	(176)
Provision for employee benefits	50	45
Allowance for inventories	7	31
Allowance for doubtful trade receivables	105	5
Operating cash flows before movements in working capital	2,513	589
Trade receivables	(3,651)	78
Other receivables and prepayments	(370)	(1,427)
Inventories	4,773	2,938
Trade payables	272	(2,328)
Other payables and provisions	(428)	5,430
Cash generated from operations	3,109	5,280
Income tax (paid) refund	(4)	18
Interest paid	(714)	(919)
Interest received	1,285	9
Net cash from operating activities	3,676	4,388
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(25)	(47)
Proceeds from disposal of property, plant and equipment	-	6
Repayment of loans receivable - current and non-current	7,824	2,803
Additions to loans receivable - current and non-current	(755)	(1,608)
Net cash from investing activities	7,044	1,154
FINANCING ACTIVITIES		
Dividend paid to non-controlling shareholders in a subsidiary corporation	(236)	-
Decrease (increase) in pledged fixed deposits	1,843	(86)
Decrease in bills payable and trust receipts	(2,306)	(859)
Loans from banks and other borrowings	1,261	1,724
Repayments of bank loans	(7,295)	(2,814)
Net cash used in financing activities	(6,733)	(2,035)
Net increase in cash and cash equivalents	3,987	3,507
Cash and cash equivalents at beginning of quarter	7,690	5,543
Net effect of exchange rate changes in the balance of cash held in foreign currencies	(32)	(43)
Cash and cash equivalents at end of quarter	11,645	9,007
Cash and cash equivalents were represented by:-		
Fixed deposits with maturities less than 3 months, cash and bank balances	11,645	9,007
	11,645	9,007

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-Mar-17</u>	<u>31-Dec-16</u>
Cash and cash equivalents	S\$11.6 million	S\$7.7 million
Fixed deposits with maturities exceeding three months	S\$0.1 million	S\$0.1 million
Fixed deposits that have been pledged to banks against bills payables and trust receipts (see note 8 below)	S\$1.2 million	S\$1.3 million
Fixed deposits that have been pledged to banks against bank loans	S\$18.4 million	S\$20.7 million
Total (including non-current fixed deposits)	<u>S\$31.3 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 the sales made to a major customer on longer credit terms as well as accrual of certain project-related fees by the Investment Division.

Note 3:

The aggregate decrease in loans receivable arises mainly from the recoupment of the investment made in the Vida project in Australia.

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 4:

Assets held for sale are comprised of:

	<u>31-Mar-17</u>	<u>31-Dec-16</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Investment properties	35,244	36,619
Properties, plant and equipment (Leasehold land and buildings)	3,389	3,521
Total	<u>38,633</u>	<u>40,140</u>

The investment properties represent the warehouse properties in Hong Kong which are intended to be sold. Leasehold land and buildings represent the warehouse currently in use by the Group in Hong Kong.

Note 5:

The reduction in inventories is from the on-going push to clear stocks.

Note 6:

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

Note 7:

The Group invested in commercial properties and a hotel building 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.

Notes to the Statements of Financial Position and Consolidated Statement of Cash Flows:Note 8:

Aggregate trade payables and bills payable and trust receipts decreased following settlements in the period.

Note 9:

Aggregate bank and other loans declined in view of net reductions in Australia, China and Hong Kong.

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 March 2017**

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 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

Three months ended 31 March 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

THAKRAL CORPORATION LTD AND SUBSIDIARIES

Three months ended 31 March 2017

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

S\$'000			
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

Three months ended 31 March 2016

Company

Balance as at 1 Jan 2016

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

Balance as at 31 Mar 2016

S\$'000			
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

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 period.

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

The Company did not have any treasury shares as at 31 March 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 March 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

	Three months ended 31 Mar 2017	Three months ended 31 Mar 2016
(i) Basic earnings per share	1.15 cents	0.48 cent
(ii) Fully diluted earnings per share	1.15 cents	0.48 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 March 2017 and 31 March 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 Mar 2017	As at 31 Dec 2016
Group	74.95 cents	73.72 cents
Company	73.40 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 – Quarter ended 31 March 2017

Turnover & Profitability

The Group's Investment Division continued its growth momentum in the quarter ended 31 March 2017 (Q1-FY17) with revenue, including certain project related fees recognized from this quarter, increasing by 29% to S\$7.2 million compared to S\$5.6 million in the previous corresponding quarter ended 31 March 2016. Continuing its focus on higher margin items as well as due to the effect of reduction in supplies of certain mobility products from Q2-FY16, the Lifestyle Division's revenues declined to S\$29.7 million for the latest quarter compared to S\$74.7 million previously. Overall Group turnover reduced by 54% to S\$36.9 million for Q1-FY17 as against S\$80.3 million in the previous corresponding quarter.

Notwithstanding the revenue reduction, the Lifestyle Division was able to grow its gross profit in the quarter from a pick-up in certain beauty and wellness products. Combined with the Investment Division's growth, Group gross profit expanded to S\$10.5 million for the quarter as compared to S\$8.5 million in the previous corresponding quarter. Group gross profit margin accordingly increased to 28.6% for the quarter as against 10.5% in the comparative quarter.

Operating profit rose by 84% to S\$4.4 million during the quarter compared to S\$2.4 million in the previous corresponding quarter.

Notwithstanding a higher valuation loss taken on the investment properties in Australia and share of associate's pre-sale operating costs for the retirement living joint venture in the current period, the Group's net profit before tax was S\$2.0 million for Q1-FY17 compared to S\$1.0 million reported for the previous corresponding quarter, an increase of 91%.

Finance Income and Costs

Finance income declined 31% to S\$0.2 million due to a combination of lower interest-earning deposits and lower interest rates on these funds.

Expenses

Distribution expenses declined by 12% to S\$1.5 million primarily due to reduced advertising and marketing expenses incurred in the current period as well as lower staff costs from a reduced headcount compared to last year.

There was no significant increase in overall Administration expenses compared to the previous quarter.

Other operating expenses increased to S\$0.5 million from S\$0.4 million in the previous corresponding quarter due to the mark-to-market loss on the foreign currency option taken to hedge the capital invested in the Japanese property holding vehicle.

Foreign exchange gain of S\$0.3 million for the quarter arose mainly from the translation of foreign currency denominated monetary assets and liabilities outstanding as at the end of the period.

Attributable Profit

The Group more than doubled profit attributable to shareholders to S\$1.5 million compared to the S\$0.6 million earned in the previous quarter.

Working Capital and Cash Flow

Inventory reduced to S\$13.6 million from S\$18.9 million as at 31 December 2016 through a continued push to rationalize inventory levels. The inventory turnover period for the current quarter rose to 55 days against 30 days for the previous corresponding quarter.

Trade receivables increased to S\$13.1 million from S\$9.9 million as at 31 December 2016. The trade receivables turnover period for the quarter was 28 days against 14 days for the earlier quarter.

Aggregate bank and other borrowings reduced to S\$81.2 million as at 31 March 2017 compared to S\$90.2 million as at 31 December 2016.

The Group saw a net cash inflow from operating activities of S\$3.7 million for the current quarter compared to an inflow of S\$4.4 million in the previous corresponding quarter from the movement in working capital components.

Net Asset Value

Net Asset Value per share as at 31 March 2017 improved to 74.95 cents, compared to 73.72 cents as at 31 December 2016.

Performance Summary

Investments

The Division's revenue for the quarter expanded by 29% to S\$7.2 million for the latest quarter and included certain project related fees recognized from this quarter. Segment operating profit of S\$5.0 million was an improvement of 26% over S\$4.0 million earned in the previous corresponding quarter. The Division's projects continue to progress smoothly with additional sites being vetted and identified for the Gemlife retirement living joint venture.

Lifestyle

Despite the decline in revenue to S\$29.7 million in the quarter from S\$74.7 million for reasons explained above, the Division broke even this quarter at the segment profit level compared to the segment loss of S\$0.9 million in the previous corresponding quarter. The Group continues to expand its beauty, wellness and lifestyle business while also keeping overheads under control.

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 improve growth and cement its turnaround.

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.

Dwelling values rose by 19% in Sydney in the twelve months to March 2017. Regulators and banks took action to limit bank lending in an attempt to dampen investor demand for property in Sydney and Melbourne. Brisbane continues to record sustainable growth conditions with capital values rising 4.4% over the past year. Although housing approvals fell by 17 per cent from their peak over the past eight months, under-investment in past years has led Australia's largest cities continue to see strong demand. Australia's economy is forecast to grow faster than any of the G8 economies over the next three years with New South Wales driving the expansion, according to economists surveyed by Bloomberg News. Australia's status as a safe haven is also luring increasing numbers of the global rich, underpinning demand for housing. Barring any unforeseen factors, the Group's projects in both the residential property segment and the growing retirement

housing sector in Australia would enable it to enjoy sustained growth from this business.

China's economy continued to accelerate by 6.9% in the first quarter of 2017, boosted by a pick-up in retail sales, factory output, government infrastructure spending and an ongoing boom in the housing market. The economy is gradually becoming more consumer-driven with consumption contributing to 77.2% of the GDP expansion in the first quarter, up from 64.6% last year. Retail sales grew 10% in Q1-2017, outpacing GDP growth. Select trade figures provide signs of the global economy warming up while recent high level meetings between China's and US leaders have considerably reduced risks of a trade war between the two countries. This may enable the PRC economy to grow at a steady pace. The Lifestyle Division's business is showing improvement and management remains focused on sustaining and growing this during 2017.

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 2016, the directors do not recommend any payment of dividend.

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 period ended 31 March 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	-	5,101

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****Three months ended 31 March 2017**

	INV	LIFE	OTH	TOTAL
Revenue				
External sales	7,206	29,690	-	36,896
Result				
Segment operating result	5,026	80	(313)	4,793
Valuation loss on investment properties	(1,543)	-	-	(1,543)
Share of loss of joint ventures	(116)	-	-	(116)
Segment result	3,367	80	(313)	3,134
Unallocated corporate expenses				(380)
Finance income				169
Finance costs				(1,217)
Foreign exchange gain				294
Profit before income tax				2,000
Income tax expenses				(13)
Profit for the quarter				1,987
Other information				
Capital expenditure:				
Property, plant and equipment	20	5	-	25
Depreciation expense	4	52	2	58
Assets				
Segment assets	177,853	54,792	158	232,803
Total assets				232,803
Liabilities				
Segment liabilities	49,878	57,432	490	107,800
Income tax payable				741
Deferred tax liability				1,234
Total liabilities				109,775

THAKRAL CORPORATION LTD AND SUBSIDIARIES

S\$'000

Three months ended 31 March 2016

	INV	LIFE	OTH	TOTAL
Revenue				
External sales	5,584	74,678	-	80,262
Result				
Segment operating result	3,981	(857)	(306)	2,818
Valuation loss on investment properties	(877)	-	-	(877)
Segment result	3,104	(857)	(306)	1,941
Unallocated corporate expenses				(424)
Finance income				244
Finance costs				(1,141)
Foreign exchange gain				428
Profit before income tax				1,048
Income tax credit				19
Profit for the quarter				1,067

Other information				
Capital expenditure:				
Property, plant and equipment	5	40	2	47
Depreciation expense	4	91	1	96

Assets				
Segment assets	166,648	67,005	188	233,841
Total assets				233,841
Liabilities				
Segment liabilities	49,491	65,413	447	115,351
Income tax payable				71
Deferred tax liability				1,038
Total liabilities				116,460

Geographical information

S\$'000

Geographical segments:	Revenue		Capital expenditure		Non-current assets *	
	31 Mar		31 Mar		31 Mar	
	2017	2016	2017	2016	2017	2016
People's Republic of China (including Hong Kong)	32,540	74,662	1	1	2,825	2,840
Australia	2,763	2,678	20	5	51,718	59,107
Others	1,593	2,922	4	41	1,269	1,322
	36,896	80,262	25	47	55,812	63,269

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

Negative confirmation pursuant to Rule 705(5)

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 statements for the 3 months ended 31 March 2017 to be false or misleading in any material aspect.

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 April 2017

BY ORDER OF THE BOARD

Chan Wan Mei

Chan Lai Yin

Company Secretaries

27 April 2017