


**CONSUMERS**

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**Stock Profile/Statistics**

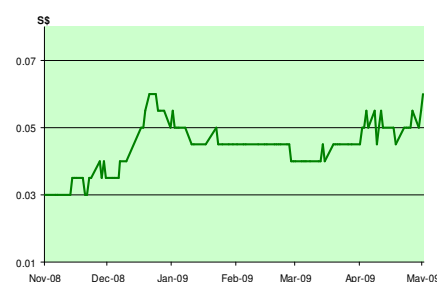
Bloomberg Ticker	THK SP
STI	2185.29
Issued Share Capital (m)	2612.11
Market Capitalisation (S\$m)	156.73
52 week H   L Price (S\$)	0.08   0.025
Average Volume (3m) '000	672.21
YTD Returns (%)	9.09
Net gearing (x)	Net cash
Altman Z-Score	6.97
ROCE/WACC	0.61
Beta (x)	0.87
Book Value/share (S\$)	7.75

**Major Shareholders**

Venture Delta	34.42%
Thakral Investments	12.71%
Babcock & Brown	8.93%

**Share Performance (%)**

Month	Absolute	Relative
1m	33.3%	15.5%
3m	33.3%	3.7%
6m	100.0%	74.1%
12m	0.0%	31.0%

**6-month Share Price Performance**

**1Q09 Results Review**

Private Circulation Only

**THAKRAL CORP**

(SGX Research Incentive Scheme)

NOT RATED

Price

S\$0.06

**Registers profit in 1Q09**

**1Q09 net profit of S\$0.8m**, compared with a loss of S\$0.5m in 1Q08. This was achieved on the back of 14% YoY higher sales. The improved sales was largely due to higher sales at its consumer electronics division in China. However, its property JV in China recorded a 50% decline in revenue during the quarter, due to the weak property market in China. Hence, the distribution of consumer electronics products accounted for 99% of Group revenue.

	1Q08	% chge	1Q09	% chge	4Q08
Revenue	85.9	14	97.9	7	91.2
Operating profit	(1.1)	n.m.	0.6	n.m.	(4.5)
Profit from continuing ops	(0.6)	n.m.	0.8	n.m.	(11.2)
Net profit	(0.5)	n.m.	0.8	n.m.	(11.2)

**Cost reduction initiatives paid off.** As a result of Thakral's cost reduction initiatives, operating expenses declined. This helped boost the Group's operating profit to S\$0.6m, compared with an operating loss of S\$1.1m a year earlier.

**Intends to continue to reposition in Pan-Asian property sector.** Although the consumer electronics business seems to be picking up, with increased demand from China, Thakral plans to continue to reposition itself in the Pan Asian property sector. It had previously secured a MOU with Australian developer Payce Consolidated in Dec 08, to invest in real estate and real estate-backed assets in Australia. However, the MOU was subsequently terminated on 1 May 09. Despite that, Thakral expects to continue its efforts in repositioning its principal business from the Distribution business to real estate and related infrastructure activities in the Pan Asian region.

**Balance sheet remains strong.** Thakral has a net cash balance of S\$121.9m at end 1Q09, up from S\$118.3m at end FY08. At S\$0.06, Thakral is trading at 0.8x P/B.

FYE 31 Dec (S\$m)	FY06*	FY07	FY08
Turnover	239.6	288.4	389.0
Net Profit	(12.0)	5.5	(20.5)
% chg YoY	(53%)	n.m.	n.m.
EPS (S¢)	(0.92)	0.2	(0.8)
ROE	(4.9%)	2.1%	(8.5%)
ROA	(3.9%)	1.9%	(7.8%)
P/E (x)	n.m.	30.0	n.m.
P/B (x)	0.6	0.6	0.8

\* Financial period was nine months.  
 Source: Company

**Termination of MOU.** A substantial portion of the transactions contemplated by the MOU involves 179 completed and unsold residential apartments in Sydney. Since the MOU was signed in Dec 08, Payce Consolidated has sold out 42 apartments and has issued contracts for the sale of another 48 apartments. The sales prices have been in line with valuations. By the time the MOU transactions are completed, Payce would have about 100 apartments left unsold. Hence, Payce felt that it is no longer in its best interests to complete the transactions contemplated in the MOU, and would not be able to satisfy the conditions in the MOU.

## DMG & Partners Research Guide to Investment Ratings

**Buy:** Share price may exceed 10% over the next 12 months

**Trading Buy:** Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain

**Neutral:** Share price may fall within the range of +/- 10% over the next 12 months

**Take Profit:** Target price has been attained. Look to accumulate at lower levels

**Sell:** Share price may fall by more than 10% over the next 12 months

**Not Rated:** Stock is not within regular research coverage

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