

# Analyse this...

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## Thakral Corporation Ltd Capital reduction exercise

 THK SP  
HOLD: TP: S\$0.09

 Price @16/06/10: S\$0.085  
52-week range (SGD): 0.05 – 0.10  
Market cap – S\$222.0m

### Maintain HOLD; target price of S\$0.09

- Maintain **HOLD**; target price of **S\$0.09** unchanged, still on a cum-distribution basis or **S\$0.04** on an ex-distribution basis.
- We continue to peg our target price at 1x CY10 P/BV to derive an ex-distribution target price of S\$0.04.
- Thakral has obtained the court order to proceed with its capital reduction and cash distribution exercise. Shareholders who are registered in the register of members as at the books closure date will be entitled to cash distribution of S\$0.05 for every share held. The last date and time of “cum” trading of the shares is 21 Jun 2010 at 5pm. Shareholders should note that shares traded from 9am on 22 Jun 2010 will not be entitled to the cash distribution.
- Outlook for the Group’s distribution business remains bright given the rising demand for consumer electronics in China while its property business is expected to pick up gradually.

### Relevant Dates

#### Description of Event Date

Last day to deposit old share certificates with CDP	16 June 2010
Last date and time of “cum” trading of the Shares	21 June 2010, 5.00 p.m.
Date and time of commencement of “ex” trading of the Shares	22 June 2010, 9.00 a.m.
Books Closure Date	24 June 2010, 5.00 p.m.
Expected date of payment of the Cash Distribution	7 July 2010

### Capital Reduction Exercise

- Thakral Corporation has lodged a copy of the order of court in respect of the confirmation of the reduction in share capital of the Company on 9 Jun 2010. Accordingly, the special resolution for the capital reduction exercise that was passed at the EGM on 4 Feb 2010 will take effect from 9 Jun 2010.
- Books closure date for the purpose of determining shareholders’ entitlements to the cash distribution has been set as 24 Jun 2010. Shareholders who are registered in the register of members as at the books closure date will be entitled to the cash distribution of S\$0.05 for every share held.
- The last date and time of “cum” trading of the shares is 21 Jun 2010 at 5pm. Shareholders should note that shares traded from 9am on 22 Jun 2010 will not be entitled to the cash distribution.
- Shares will trade on an “ex-cash” basis from 9am on 22 Jun 2010.
- Payment is expected to be made on 7 Jul 2010.

### Technical analysis



- **Technical BUY**
- The stock continues to hold above its moving averages as well as its long term support trend line. The short and longer term trend remains up, suggesting that prices could resume its uptrend soon.
- Technical indicators are flattish, suggesting that the bulls and bears are still battling here with no clear winner yet.
- As the trend is still up, we remain buyers of this stock. However, bulls should keep a tight stop at below S\$0.07, its 200-day SMA. Upside resistance is seen at S\$0.09 and S\$0.105.