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MISCELLANEOUS

** Asterisks denote mandatory information*

Name of Announcer *	THAKRAL CORPORATION LTD
Company Registration No.	199306606E
Announcement submitted on behalf of	THAKRAL CORPORATION LTD
Announcement is submitted with respect to *	THAKRAL CORPORATION LTD
Announcement is submitted by *	Anil Daryanani
Designation *	Group Financial Controller
Date & Time of Broadcast	12-Apr-2011 18:23:37
Announcement No.	00220

>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title *	(1) Notice of Extraordinary General Meeting & (2) Circular to Shareholders in relation to the Proposed Mandate for Interested Person Transactions
Description	Please see attachments.
Attachments	<p> ThakralCorp_EGMnotice_20110413.pdf</p> <p> ThakralCorp_Circular_IPTmandate_20110413.pdf</p> <p>Total size = 169K (2048K size limit recommended)</p>

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THAKRAL CORPORATION LTD

(Company Registration No. 199306606E)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at Phoenix Ballroom II, Level 6, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031 on 29 April 2011, Friday, at 3.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Eighteenth Annual General Meeting of the Company to be held at 3.00 p.m. on the same day at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

AS AN ORDINARY RESOLUTION

1. PROPOSED ADOPTION OF A SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

THAT:-

- (i) approval be and is hereby given for the Company, its subsidiaries and associated companies or any of them to enter into any of the transactions falling within the categories of interested person transactions set out in Section 1.1 of the Circular, with any party who is of the class or classes of interested persons described in Section 2.3 of the Circular, provided that such transactions are made on normal commercial terms in accordance with the review procedures for interested person transactions as set out in Sections 3, 4 and 5 (where applicable) of the Circular (the "**IP Mandate**");
- (ii) the IPT Mandate shall, unless revoked or varied by the IPT Company in general meeting, continue to be in force until the conclusion of the next Annual General Meeting of the Company;
- (iii) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual which may be prescribed by Singapore Exchange Securities Trading Limited from time to time; and
- (iv) the Directors of the Company and each of them be and are hereby authorised and empowered to complete and to do all such acts and things, and to approve, modify, ratify and execute such documents, acts and things as they, he or she may consider necessary, desirable or expedient to give effect to the abovementioned resolutions.

BY ORDER OF THE BOARD

Tan Ping Ping
Company Secretary
Singapore
Date: 13 April 2011

Notes:-

1. A member of the Company entitled to attend and vote at the Extraordinary General Meeting (the "Meeting") is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be deposited at the registered office of the Company at 20 Upper Circular Road, #03-06 The Riverwalk, Singapore 058416 not less than forty-eight (48) hours before the time for holding the Meeting.

CIRCULAR DATED 13 APRIL 2011

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about this Circular or as to the action that you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Thakral Corporation Ltd (the “**Company**”), you should forward this Circular with the Notice of the Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Your attention is drawn to Section 13 of this Circular in respect of actions to be taken if you wish to attend and vote at the Extraordinary General Meeting.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, opinions expressed or reports contained in this Circular.



THAKRAL CORPORATION LTD

(Incorporated in Singapore)
(Company Registration Number: 199306606E)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED MANDATE FOR INTERESTED PERSON TRANSACTIONS

**Independent Financial Advisor in relation to the
Adoption of the Mandate for Interested Person Transactions**

ERNST & YOUNG

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	27 April 2011 at 3.30 p.m.
Date and time of Extraordinary General Meeting	:	29 April 2011 at 3.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Eighteenth annual general meeting of the Company to be held at 3.00 p.m. on the same day at the same place).
Place of Extraordinary General Meeting	:	Phoenix Ballroom II, Level 6, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

- “Articles” : The Articles of Association of the Company.
- “associate” : In the case of a company,
- (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:-
 - (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
 - (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- “Audit Committee” : The audit committee of the Company comprising Natarajan Subramaniam, Lee Ying Cheun and Pratap Chinnan Nambiar.
- “Board” : The board of Directors of the Company as at the date of this Circular.
- “CDP” : The Central Depository (Pte) Limited.
- “Chief Financial Officer” : The chief financial officer of the Company who is not an Interested Person.
- “Circular” : This circular dated 13 April 2011.
- “Companies Act” or “Act” : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
- “Company” : Thakral Corporation Ltd.
- “Director” : A director of the Company as at the date of this Circular.
- “EGM” : The extraordinary general meeting of the Company to be convened on 29 April 2011, notice of which is given on page 28 of this Circular.
- “FY” : Financial year ended or ending 31 December.
- “Group” : The Company, its subsidiaries and/or its associated companies.

“IFA Letter”	:	The letter dated 13 April 2011 from the IFA to the Independent Directors in relation to the adoption of the IPT Mandate, a copy of which is set out in Appendix III to this Circular.
“Immediate Family”	:	In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent.
“Independent Directors”	:	Has the meaning as ascribed to it in Section 11.1 in this Circular.
“Independent Financial Advisor” or “IFA”	:	Ernst & Young Corporate Finance Pte Ltd, being the independent financial advisor to the Independent Directors for the IPT Mandate.
“Interested Person Transactions”	:	Has the meaning as ascribed to it under Section 1.1 of this Circular.
“Interested Persons”	:	The Thakral Family Companies, and “Interested Person” means any of the Thakral Family Companies.
“IPT Mandate”	:	A Shareholders’ general mandate pursuant to Chapter 9 of the Listing Manual permitting the Company, its subsidiaries and associated companies or any of them, to enter into Interested Person Transactions with the Interested Persons and has the meaning ascribed to it in Section 1.4 of this Circular.
“Latest Practicable Date”	:	31 March 2011, being the latest practicable date prior to the printing of this Circular.
“Listing Manual”	:	The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time.
“Lock Out Agreement”	:	The agreement entered into by the Company, Mr. Kartar Singh Thakral, Thakral Brothers (Private) Limited and Dartmoor Pte Ltd dated 24 November 1995 in relation to the parties’ trading activities with their consumer electronics product customers worldwide and between themselves.
“NTA”	:	Net tangible assets.
“Rights to Lock-Out”	:	Has the meaning as ascribed to it in Section 3.2.4 of this Circular.
“Sales Director”	:	The sales director of a major subsidiary of the Company who is not an Interested Person.
“SC Territories”	:	Eastern Europe, the Middle East, Singapore, Malaysia, Thailand, Indonesia, Vietnam and Cambodia.
“Securities Accounts”	:	Securities accounts maintained by a Depositor with CDP but not including securities sub-accounts maintained with a Depository Agent.
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited.
“Shareholders”	:	The registered holders of Shares except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors into whose Securities Accounts those Shares are credited. Any reference to Shares held by Shareholders shall include Shares standing to the credit of the respective Shareholders’ Securities Accounts.

- “Shares” : Ordinary shares in the share capital of the Company.
- “Subsidiaries” : Has the meaning as ascribed to it by Section 5 of the Companies Act.
- “Substantial Shareholder” : Has the meaning as ascribed it by Section 81 of the Companies Act.
- “TCL Territories” : Hong Kong, the People’s Republic of China, Taiwan, Japan, the Philippines and such other countries as may be agreed by the parties to the Lock Out Agreement from time to time.
- “TFC Sale in TCL Territories” : Sale by any of the Thakral Family Companies of consumer electronics products (i) to parties in the TCL Territories or (ii) to parties outside the TCL Territories which they know to be destined for resale in or into the TCL Territories.
- “Thakral Controlling Companies” : Thakral Investments Limited, Preview Investments Limited and/or any company (i) that will be deemed as a controlling shareholder of the Company within the definition of the Listing Manual and (ii) in which a Thakral Family Director or his associate has an interest;
- and “Thakral Controlling Company” shall mean any of them.
- “Thakral Controlling Shareholders” : Mr. Kartar Singh Thakral, Mr. Inderbethyl Singh Thakral, Madam Manbeen Kaur Thakral and/or any individual who (i) will be deemed as a controlling shareholder of the Company within the definition of the Listing Manual and (ii) is an associate of a Thakral Family Director;
- and “Thakral Controlling Shareholder” shall mean any of them.
- “Thakral Family Directors” : Mr. Kartar Singh Thakral, Mr. Jasvinder Singh Thakral and/or Mr. Inderbethyl Singh Thakral and “Thakral Family Director” shall mean any of them.
- “Thakral Family Company” : (1) a company in which any Thakral Family Director and his Immediate Family together (directly or indirectly) have an interest of 30% or more; or
- (2) a company in which any Thakral Controlling Shareholder and his Immediate Family together (directly or indirectly) have an interest of 30% or more; or
- (3) a Thakral Controlling Company; or
- (4) a company which is a subsidiary or holding company of any Thakral Controlling Company or a subsidiary of such holding company or a company in the equity of the Thakral Controlling Company and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more,
- excluding the Group from time to time, and “Thakral Family Companies” shall be construed accordingly.

“S\$” : Singapore Dollars, the lawful currency of the Republic of Singapore.

“%” or “per cent” : Per centum.

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act or any statutory modification thereof, as the case may be.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, not otherwise defined in this Circular shall have the meaning ascribed to it under the Companies Act or the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

LETTER TO SHAREHOLDERS

THAKRAL CORPORATION LTD

(Incorporated in Singapore)
(Company Registration Number: 199306606E)

Board of Directors:

Kartar Singh Thakral (Chairman, Executive Director)
Inderbethal Singh Thakral (Executive Director)
Jasvinder Singh Thakral (Executive Director)
Jaginder Singh Pasricha (Executive Director)
Natarajan Subramaniam (Deputy Chairman, Independent Director)
Lee Ying Cheun (Independent Director)
Pratap Chinnan Nambiar (Independent Director)
Ting Sii Tien @ Yao Sik Tien (Non-Executive Director)

Registered Office:

20 Upper Circular Road
#03-06 The Riverwalk
Singapore 058416

13 April 2011

To: The Shareholders of Thakral Corporation Ltd

1. INTRODUCTION

- 1.1 The Group has a trading relationship with the Thakral Family Companies and intends to continue entering into trading transactions in consumer electronics and electrical products in the ordinary course of business with the Thakral Family Companies. Such trading transactions constitute “interested person transactions” under Chapter 9 of the Listing Manual (the “**Interested Person Transactions**”) and the Directors envisage that such trading transactions between the Group and the Thakral Family Companies will occur frequently in the ordinary course of the Group’s business and could arise at any time and from time to time. For instance, in the financial year ended 31 December 2010 (“**FY2010**”), Astral Computers Pte Ltd, Thakral Brothers (Private) Limited and Thakral Realty (S) Pte Ltd were Interested Persons who had transacted with the Group.
- 1.2 Although the Group has had a trading relationship with certain Thakral Family Companies for some time, the Company had undertaken a capital reduction exercise during the course of FY2010 following which, the net tangible asset value of the Group declined substantially by approximately S\$130.6 million to S\$99,984,000 as at 31 December 2010. Given that the Group’s transactions with the relevant Thakral Family Companies for FY2010 (“**FY2010 Interested Person Transactions**”) amounted to only about 2.6% of the Group’s audited NTA in FY2009, the relevant thresholds under Rule 905 and Rule 906 of the Listing Manual were not exceeded. As such, the Company did not seek to obtain Shareholders’ approval for the FY2010 Interested Person Transactions.
- 1.3 However, as there is a likelihood that the Group’s transactions with the relevant Thakral Family Companies for FY2011 will exceed 5% of the Group’s latest audited NTA (being the Group’s audited NTA for FY2010) and as there may be an increase in the number of transactions with the relevant Thakral Family Companies in the year, the Group wishes to obtain Shareholders’ approval for continuing transactions under the proposed mandate and avoid the need for recurrent announcements or specific Shareholders’ approval in accordance with Chapter 9 of the Listing Manual.
- 1.4 If a mandate from the Shareholders in accordance with the provisions of Chapter 9 of the Listing Manual (the “**IPT Mandate**”) is obtained for the Interested Person Transactions, Interested Person Transactions entered into under the IPT Mandate will not separately be subject to the materiality thresholds in Chapter 9 of the Listing Manual. The Company will also not need to convene separate general meetings of the Company to seek the approval of the Shareholders for each of the Interested Person Transactions, thereby substantially reducing administration time and expenses in convening such meetings.

The Directors are convening an EGM to be held on 29 April 2011 to seek Shareholders' approval for the proposed adoption of the IPT Mandate to facilitate the Interested Person Transactions. The purpose of this Circular is to provide Shareholders with the relevant information relating to the ordinary resolution to be proposed at the EGM and to seek their approval of such ordinary resolution.

2. THE PROPOSED ADOPTION OF THE IPT MANDATE

2.1 Chapter 9 of the Listing Manual

- 2.1.1 Chapter 9 of the Listing Manual deals with transactions between an "entity at risk" and an "interested person", and provides that, subject to certain materiality thresholds and exceptions, such transactions must be approved by the shareholders of the listed company and must be announced immediately.
- 2.1.2 The Thakral Family Companies are "interested persons" for the purposes of Chapter 9 of the Listing Manual.
- 2.1.3 Pursuant to Chapter 9 of the Listing Manual, the approval of Shareholders would have to be obtained for the trading transactions with the Thakral Family Companies if the value of the transaction concerned equals to, or exceeds: (i) 5% of the Group's latest audited NTA; or (ii) 5% of the Group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year.
- 2.1.4 Based on the latest audited consolidated accounts of the Group for the financial year ended 31 December 2010, the NTA of the Group was S\$99,984,000. Accordingly, in relation to the Company, for the purposes of Chapter 9 of the Listing Manual, 5% of the Company's latest audited consolidated NTA would be S\$4,999,200.
- 2.1.5 Chapter 9 of the Listing Manual, however, allows a listed company to seek from its shareholders a mandate for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the sale and purchase of supplies and materials. This mandate is subject to disclosure in the listed company's annual report of the aggregate value of the transactions conducted pursuant to the mandate during the financial year concerned, and must be renewed annually.
- 2.1.6 General information relating to Chapter 9 of the Listing Manual, including terms such as "interested person", "associate", "associated company" and "controlling shareholder", are set out in **Appendix I** to this Circular.

2.2 Rationale for the IPT Mandate

- 2.2.1 The Group has from time to time been sourcing consumer electronics and electrical products from the Thakral Family Companies and vice versa. The Thakral Family Companies and the Group have only been sourcing such products through each other when it is mutually advantageous to trade with or through one another rather than directly with suppliers. The Group has only been sourcing products for the Thakral Family Companies where it has a better relationship with the suppliers than the Thakral Family Companies. Similarly, the Group has only been sourcing such products from the Thakral Family Companies where the Thakral Family Companies have a better relationship with the suppliers than the Group. The parties therefore wish to continue with the existing relationship as regards trading in consumer electronics and electrical products.
- 2.2.2 In view of the time-sensitive and recurrent nature of commercial transactions, the adoption of the IPT Mandate, pursuant to Chapter 9 of the Listing Manual will enable the Group, in the ordinary course of its business, to enter into the transactions with the Thakral Family Companies as set out above, provided that such transactions are made on normal commercial terms. Please refer to Section 2.5 of this Circular below for the benefits of the IPT Mandate to the Shareholders.

2.3 Classes of Interested Persons

2.3.1 The IPT Mandate will apply to interested person transactions which are carried out with the Thakral Family Companies only.

2.4 Nature and Description of Interested Person Transactions

2.4.1 The ongoing interested person transactions that will be covered under the IPT Mandate are the sale and purchase of consumer electronics and electrical products to and/or from the Thakral Family Companies.

2.4.2 Transactions with Interested Persons which do not fall within the ambit of the proposed IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

2.4.3 The proposed IPT Mandate will not cover any Interested Person Transaction that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions. In addition, the IPT Mandate will not include transactions for the purchase or sale of assets, undertakings or businesses.

2.5 Benefits to Shareholders

2.5.1 The adoption of the IPT Mandate eliminates the need to convene separate general meetings from time to time to seek Shareholders' approval as and when the need to enter or renew the transactions with the Thakral Family Companies arises, thereby reducing substantially the administrative time and expense in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

2.5.2 The IPT Mandate is intended to facilitate transactions contemplated therein which are entered into in the ordinary course of business and which are transacted from time to time with the Thakral Family Companies, provided that they are carried out at arms' length and on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

3. REVIEW PROCEDURES FOR THE INTERESTED PERSON TRANSACTIONS WITH THE THAKRAL FAMILY COMPANIES

3.1 General

In general, the Company has established various procedures to ensure that the Interested Person Transactions with the Thakral Family Companies are undertaken on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. In general, the Group will only enter into transactions with the Interested Persons if: (i) the terms offered by the Interested Persons to the Group are not less favourable than the terms that may be obtainable by the Group from unrelated third parties; and/or (ii) the terms extended by the Group to the Interested Persons are not more favourable than the terms extended by the Group to unrelated third parties.

3.2 Lock Out Agreement

3.2.1 To minimise any potential conflict of interest that may arise as a result of certain members of the Thakral family's interests in the Group, the Company had entered into the Lock Out Agreement with Mr. Kartar Singh Thakral, Thakral Brothers (Private) Limited and Dartmoor Pte Ltd (the "**Other LOA Parties**").

3.2.2 As announced by the Company on 30 March 2007, the Company has agreed with the Other LOA Parties to terminate the Lock Out Agreement (the "**Termination**") upon certain terms and conditions so as to allow it to trade freely in the SC Territories without being subject to such restrictions on the Group under the Lock Out Agreement.

3.2.3 The Termination took effect from 28 September 2007 and was subject to the Company providing certain undertakings to the SGX-ST.

3.2.4 Notwithstanding the Termination, the Audit Committee has the right to require the provisions of the Lock Out Agreement to re-apply to the parties of the Lock Out Agreement (“**Rights to Lock-Out**”) if the shareholding of Mr. Kartar Singh Thakral, Mr. Jasvinder Singh Thakral and Mr. Inderbethyl Singh Thakral and/or their family members in the Company is 15% or more than 15%, or when the quantum of a transaction relating to the TFC Sale in TCL Territories is of a value equal to, or exceeding:

- (i) 3% of the Group’s latest audited consolidated NTA; or
- (ii) 3% of the Group’s latest audited consolidated NTA, when aggregated with the values of all other TFC Sales in TCL Territories during the same financial year of the Company.

TFC Sales in TCL Territories in FY2010 were less than S\$30,000 and did not exceed 3% of the Group’s latest audited consolidated NTA for FY2010.

3.2.5 The Audit Committee regularly reviews whether the Rights to Lock-Out have become exercisable and should be exercised by the Audit Committee. The first of such reviews was conducted at the Audit Committee meeting held on 6 August 2009 when the shareholding of the Thakral Family Directors in the Company exceeded 15% for the first time on 5 June 2009 and the second of such reviews was conducted at the Audit Committee meeting held on 4 August 2010. The Audit Committee noted during these two reviews that the TFC Sales in TCL Territories were relatively insignificant as compared to the sales by the Group in SC Territories. After due consideration, taking into account that the Group would likely benefit more than the relevant Thakral Family Companies if the Lock Out Agreement was not reinstated, the Audit Committee took the view that it was advantageous to all Shareholders including minority shareholders that the Audit Committee not exercise the Rights to Lock-Out and not reinstate the Lock Out Agreement.

3.2.6 More information about the Lock Out Agreement and the Termination is set out at **Appendix II** of this Circular.

3.3 Other review procedures

3.3.1 In addition, the Company has implemented and will continue to maintain the following procedures:

- (a) the Company or relevant Group company will seek to obtain third party quotations from the market and/or from comparable transactions undertaken by the Group with third parties to decide whether the Interested Person Transactions should be transacted. In the event that it is not possible or practicable to obtain third party quotations (for example, where the relevant Thakral Family Company is the sole supplier of the relevant consumer electronics and electrical products in certain regions), the Company or relevant Group company will generally only enter into the Interested Person Transactions if, *inter alia*, the profits based on the transaction prices are within the acceptable margins set by the Company or relevant Group company. In such cases, the Sales Director shall record such Interested Person Transactions and report the same to the Audit Committee on a quarterly basis. The Audit Committee will review such Interested Person Transactions to ascertain whether the Interested Person Transactions are conducted on normal commercial terms, at arm’s length and will not be prejudicial to the interests of the Company and its minority shareholders;
- (b) the Company shall maintain and make available to the Audit Committee, on a regular basis, a statement of records of all TFC Sales in TCL Territories disclosed by the Thakral Family Directors and of all Interested Person Transactions;

- (c) the Audit Committee shall be provided with the statement described in sub-section 3.3.1.(b) above and such other relevant information which it may reasonably require with the co-operation of the Company and the Thakral Family Directors;
- (d) the Audit Committee will review such information on a quarterly basis to ascertain the level of TFC Sales in TCL Territories and will consider whether the Rights to Lock-Out have become exercisable and should be exercised by the Audit Committee;
- (e) the Audit Committee will review the shareholding information contained in the Register of Directors' Shareholdings and Register of Substantial Shareholding maintained by the Company to ascertain whether the shareholding of the Thakral Family Directors and/or their family members in the Company is 15% or more than 15%, and if so, whether the Rights to Lock-Out should be exercised by the Audit Committee;
- (f) the Audit Committee will review any actual or potential conflicts of interests in relation to sales of consumer electronics and electrical products in TCL Territories that may involve any Thakral Family Director disclosed by him to the Board and the exercise of his fiduciary duties in this respect. Upon disclosure of an actual or potential conflict of interests by any Thakral Family Director, the Audit Committee will evaluate whether it considers a conflict of interests does in fact exist. The review will include an examination of the nature of the conflict and such relevant supporting data, as the Audit Committee may deem reasonably necessary;
- (g) the Audit Committee will review from time to time the procedures established to monitor TFC Sales in TCL Territories to determine if such procedures are adequate and/or commercially practicable for purposes of monitoring TFC Sales in TCL Territories. If, during its periodic review, the Audit Committee believes that the procedures as stated above have become inappropriate or are no longer sufficient to monitor TFC Sales in TCL Territories, the Audit Committee will improve on and/or adopt new procedures to deal with potential conflict of interest between certain members of the Thakral family and the Group in relation to sales in the TCL Territories;
- (h) the Thakral Family Directors will deliver to the Company, not later than 30 days after 31 March, 30 June, 30 September and 31 December in each year, a certificate signed by any one of the Thakral Family Directors certifying the aggregate amount of TFC Sales in TCL Territories for that quarter, and setting out the names of the Thakral Family Companies which carried out such TFC Sales in TCL Territories and a breakdown of the amount of such TFC Sales in TCL Territories and the number of customers in respect of each relevant country for that quarter ("**Quarterly Certificates**");
- (i) the Thakral Family Directors will abstain from participating in Board discussions involving, and voting at the Board in respect of, any matter and/or business opportunity relating to sales of consumer electronics and electrical products in the TCL Territories where there is any conflict of interest arising between the relevant Thakral Family Director and the Group in respect of such matter and/or business opportunity; and
- (j) the Audit Committee will review, and if considered appropriate, request the Thakral companies identified in the Quarterly Certificates referred to in paragraph 3.3.1(h) or such other Thakral Family Companies as the Company may reasonably request in writing ("**Relevant TF Companies**") to procure from the auditors of the Relevant TF Companies a certificate signed by the auditors certifying the aggregate amount of TFC Sales in the TCL Territories undertaken by such Relevant TF Company for that year, and setting out a breakdown of the amount of such TFC Sales in TCL Territories and the number of customers in respect of each country for that year. Such auditors'

certification shall be made at the expense of the Company. The Relevant TF Company is required to procure the audit certificate within 30 days of the request from the Company.

4. REVIEW BY AUDIT COMMITTEE

- 4.1 The Audit Committee is of the view that the procedures described in paragraph 3.3.1 above for determining transaction prices between the Group and the Thakral Family Companies, if complied with, are sufficient to ensure that the transactions with the Thakral Family Companies as regards trading in consumer electronics and electrical products, are on normal commercial terms and will not be prejudicial to the interests of minority shareholders.
- 4.2 All transactions between the Group and the Thakral Family Companies are subject to the quarterly review of the Audit Committee to ensure that they are carried out on an arm's length and commercial basis. In the event that a member of the Audit Committee is interested in any Interested Person Transaction, he will abstain from reviewing that particular transaction.
- 4.3 If during periodic reviews by the Audit Committee, the Audit Committee is of the view that the review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Group are conducted, the Company will revert to Shareholders for a fresh mandate based on new guidelines and review procedures to ensure that the interested person transactions with the Thakral Family Companies will be carried out on an arm's length basis and normal commercial terms, and will not be prejudicial to the interests of the Company and the minority shareholders.
- 4.4 During the period prior to obtaining a fresh mandate from the Shareholders, all interested person transactions, including those covered under the IPT Mandate, will be subject to review and approval by the Audit Committee.

5. THRESHOLD LIMITS

- 5.1 In addition to the review procedures as mentioned above, the Group will supplement its internal systems by setting threshold limits in respect of the Interested Persons Transactions with review procedures in place to ensure that all categories of Interested Person Transactions are undertaken on an arm's length basis, on normal commercial terms and are not prejudicial to the interests of the Group and its minority shareholders. Interested Person Transactions are categorised pursuant to such review procedures as follows:
- (a) a Category 1 transaction is one in which the transaction value exceeds S\$100,000.00 but is less than or is equal to S\$250,000.00;
 - (b) a Category 2 transaction is one in which the transaction value exceeds S\$250,000.00, but is less than or is equal to S\$500,000.00; and
 - (c) a Category 3 transaction is one where the transaction value exceeds S\$500,000.00.
- 5.2 Category 1 transactions are subject to the review and approval of the Sales Director prior to being transacted. Category 2 transactions are subject to the review and approval of the Chief Financial Officer prior to being transacted. Category 3 transactions are subject to the review and approval of the Audit Committee prior to being transacted.
- 5.3 The threshold limits set out above are based on expected and past sale and purchases volume of the Group as well as the need for commercial efficiency.
- 5.4 In the event that the Sales Director, Chief Financial Officer or a member of the Audit Committee (where applicable) is deemed to be an interested person (as defined in the Listing Manual) in any Interested Person Transaction, he will abstain from reviewing that particular transaction. Approval of that transaction will accordingly be undertaken by a suitable person nominated by the Audit Committee or by the remaining members of the Audit Committee (where applicable).

6. VALIDITY PERIOD OF THE IPT MANDATE

- 6.1 The proposed IPT Mandate will take effect from the passing of the ordinary resolution relating thereto, and will (unless revoked or varied by the Company in general meeting) continue in force until the conclusion of the next annual general meeting of the Company. Approval from Shareholders will be sought for the renewal of the IPT Mandate at the next annual general meeting and at each subsequent annual general meeting of the Company, subject to satisfactory review by the Audit Committee of its continued application to the transactions with the Thakral Family Companies.

7. DISCLOSURE IN ANNUAL REPORT

- 7.1 The Company will announce the aggregate value of transactions conducted with the Interested Persons pursuant to the IPT Mandate for the relevant financial periods which the Company is required to report on pursuant to the Listing Manual and within the time required for the announcement of such reports.
- 7.2 Disclosure will also be made in the Company's annual report of the aggregate value of transactions conducted with the Interested Persons pursuant to the IPT Mandate during the financial year, and in the annual reports for subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Listing Manual.

8. OPINION OF IFA

- 8.1 The IFA, in arriving at its opinion in respect of the proposed IPT Mandate, has considered, *inter alia*, the review procedures set up by the Company, the role of the Audit Committee in enforcing the proposed IPT Mandate and the rationale for and benefits of the proposed IPT Mandate.
- 8.2 Having regard to the considerations set out in the IFA Letter and the information available to the IFA as at the Latest Practicable Date, the IFA is of the opinion that the review procedures set up by the Company for determining transaction prices of the Interested Person Transactions, if adhered to, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

9. STATEMENT OF THE AUDIT COMMITTEE

- 9.1 Having considered, *inter alia*, the terms, the rationale for and the benefits of the proposed IPT Mandate, the Audit Committee is satisfied that the methods or procedures implemented and will be maintained by the Company as set out in Section 3.3.1 of this Circular for determining transaction prices of Interested Person Transactions are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.
- 9.2 The Audit Committee is also satisfied that, as at the Latest Practicable Date, the procedures that have been established to monitor TFC Sales in TCL Territories, as referred to in Section 3.3.1(g) of this Circular, are adequate and/or commercially practicable for purposes of monitoring TFC Sales in TCL Territories. The Audit Committee will review from time to time such procedures as stated in Section 3.3.1(g) of this Circular.

10. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY

10.1 The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest		Number of Thakral Share Options
	No. of Shares	%	No. of Shares	%	
Directors					
Kartar Singh Thakral	–	–	781,473,230 ⁽¹⁾	29.91	–
Inderbethal Singh Thakral	–	–	781,473,230 ⁽¹⁾	29.91	–
Jasvinder Singh Thakral	–	–	–	–	5,200,000
Jaginder Singh Pasricha	–	–	–	–	–
Natarajan Subramaniam	–	–	–	–	–
Lee Ying Cheun	–	–	–	–	–
Pratap Chinnan Nambiar	–	–	–	–	–
Ting Sii Tien @ Yao Sik Tien	–	–	–	–	–
Substantial Shareholders					
Kartar Singh Thakral	–	–	781,473,230 ⁽¹⁾	29.91	–
Inderbethal Singh Thakral	–	–	781,473,230 ⁽¹⁾	29.91	–
Manbeen Kaur Thakral	–	–	781,463,368 ⁽²⁾	29.91	–
Thakral Investments Limited	194,412,792	7.44	587,050,576 ⁽³⁾	22.47	–
Preview Investments Limited	137,525,000	5.26	449,525,576 ⁽⁴⁾	17.21	–
Bikramjit Singh Thakral	178,000	0.01	384,525,576 ⁽⁵⁾	14.72	–
Prime Trade Enterprises Limited	384,525,576	14.72	–	–	–
Venture Delta Limited	317,737,352	12.16	–	–	–
Constellation Star Holdings Limited	–	–	318,737,352 ⁽⁶⁾	12.20	–
China Yuchai International Limited	–	–	318,737,352 ⁽⁶⁾	12.20	–
HL Technology Systems Pte Ltd	–	–	318,737,352 ⁽⁶⁾	12.20	–
Hong Leong (China) Limited	–	–	318,737,352 ⁽⁶⁾	12.20	–
Hong Leong Asia Ltd.	–	–	318,737,352 ⁽⁶⁾	12.20	–
Hong Leong Corporation Holdings Pte Ltd	–	–	318,737,352 ⁽⁶⁾	12.20	–
Hong Leong Enterprises Pte. Ltd.	–	–	318,737,352 ⁽⁶⁾	12.20	–
Hong Leong Investment Holdings Pte. Ltd.	–	–	318,737,352 ⁽⁶⁾	12.20	–
Davos Investment Holdings Private Limited	–	–	318,737,352 ⁽⁶⁾	12.20	–
Kwek Holdings Pte Ltd	–	–	318,737,352 ⁽⁶⁾	12.20	–

Notes:

(1) Held through Thakral Investments Limited, TPL Investments Pte Ltd⁽⁷⁾, Preview Investments Limited, Prime Trade Enterprises Limited and Market Watch Ltd⁽⁸⁾.

- (2) Held through Thakral Investments Limited, Preview Investments Limited, Prime Trade Enterprises Limited and Market Watch Ltd⁽⁸⁾.
- (3) Held through Preview Investments Limited, Prime Trade Enterprises Limited and Market Watch Ltd⁽⁸⁾.
- (4) Held through Prime Trade Enterprises Limited and Market Watch Ltd⁽⁸⁾.
- (5) Held through Prime Trade Enterprises Limited.
- (6) Held through Venture Delta Limited and Grace Star Services Ltd⁽⁹⁾.
- (7) TPL Investments Pte Ltd holds 9,862 shares in the Company which amounts to an interest of 0.0004% in the Company.
- (8) Market Watch Ltd holds 65 million shares in the Company which amounts to an interest of 2.49% in the Company.
- (9) Grace Star Services Ltd holds 1 million shares in the Company which amounts to an interest of 0.04% in the Company.

10.2 The following Directors hold directorships and/or have direct shareholdings in the following companies as at the Latest Practicable Date:-

- (i) Mr. Ting Sii Tien @ Yao Sik Tien is a director of Venture Delta Limited (“**VDL**”) and Grace Star Services Ltd. (“**GSS**”), both of which hold in aggregate 12.20% of the issued share capital of the Company. VDL and GSS are wholly-owned subsidiaries of China Yuchai International Limited (“**CYI**”) which is a subsidiary of Hong Leong Asia Ltd. (“**HLA**”);
- (ii) Mr. Ting Sii Tien @ Yao Sik Tien have direct shareholding interests in HLA;
- (iii) Mr. Kartar Singh Thakral and Mr. Inderbethal Singh Thakral have deemed shareholding interests in the Company, and in Thakral Investments Limited, which has a direct shareholding interest of 7.44% and a deemed shareholding interest of 22.47% in the Company; and
- (iv) Mr. Jasvinder Singh Thakral holds options to subscribe for new Shares under the Thakral Corporation Employees’ Share Option Scheme 2001.

As at the Latest Practicable Date, save as disclosed above, none of the Directors of the Company, nor, so far as the Directors of the Company are aware, the substantial shareholders of the Company have any interest, whether direct or indirect, in the general mandate for IPT other than in their capacity as a shareholder of the Company.

11. DIRECTORS’ RECOMMENDATION

- 11.1 The Directors who are considered independent for the purpose of making a recommendation to Shareholders on the adoption of the IPT Mandate are Messrs Natarajan Subramaniam, Jaginder Singh Pasricha, Lee Ying Cheun, Pratap Chinnan Nambiar and Ting Sii Tien @ Yao Sik Tien (the “**Independent Directors**”).
- 11.2 The Independent Directors are of the view that the entry into of the Interested Person Transactions between the Group and the Thakral Family Companies in the ordinary course of its business (as described in Section 1.1) are in the best interests of the Group. For the reasons as set out in Section 2.2 and taking into consideration the Audit Committee’s confirmation in Section 9, the Independent Directors are of the opinion that the current review procedures for the Interested Person Transactions with the Thakral Family Companies are sufficient to ensure that the transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Group and the minority shareholders and recommend that Shareholders vote in favour of the resolution relating to the IPT Mandate to be proposed at the EGM.
- 11.3 In accordance with the requirements of Chapter 9 of the Listing Manual, the Thakral Family Directors, being directors of the Thakral Family Companies, have abstained from making any recommendation on the IPT Mandate.

12. EXTRAORDINARY GENERAL MEETING

- 12.1 The EGM, notice of which is set out on page 28 of this Circular, will be held on 29 April 2011, Friday, at Phoenix Ballroom II, Level 6, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031 at 3.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Eighteenth Annual General Meeting of the Company to be held at 3.00 p.m. on the same day at the same place), for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution set out in the Notice of EGM.

13. ACTION TO BE TAKEN BY SHAREHOLDERS

- 13.1 Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote on their behalf should sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 20 Upper Circular Road, #03-06 The Riverwalk, Singapore 058416, not later than 48 hours before the time fixed for the EGM. The appointment of a proxy by a shareholder does not preclude him from attending and voting in person at the meeting if he wishes to do so.

14. SHAREHOLDERS WHO WILL ABSTAIN FROM VOTING

- 14.1 By virtue of their interest in the IPT Mandate, the Thakral Family Companies, being Interested Persons, will abstain and have undertaken to ensure that their associates will abstain from voting on the ordinary resolution relating to the proposed adoption of the IPT Mandate at the forthcoming EGM.

Further, the Thakral Family Companies undertake to decline to accept appointment as proxies to vote and attend at the forthcoming EGM in respect of the ordinary resolution relating to the proposed adoption of the IPT Mandate for other Shareholders of the Company unless the Shareholder concerned shall have given specific instructions as to the manner in which his votes are to be cast.

15. DIRECTORS' RESPONSIBILITY STATEMENT

- 15.1 The issue of this Circular to Shareholders has been seen and approved by all the Directors who (including those who may have delegated supervision of this Circular) have taken all reasonable care to ensure that the facts stated and the opinions expressed (excluding those expressed by IFA in the IFA Letter and, in the case of the Directors who are not Independent Directors, the Independent Directors' recommendations) in this Circular are fair and accurate in all material respects and that no material facts have been omitted which would make any such information misleading in any material respect. However, in respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Group are fair and accurate in all material respects. The Directors jointly and severally accept responsibility accordingly.

16. CONSENTS

- 16.1 The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the letter containing its advice to the Independent Directors (attached to this Circular as **Appendix III**) and all references thereto, in the form and context in which they appear in this Circular.

17. DOCUMENTS AVAILABLE FOR INSPECTION

- 17.1 The following documents are available for inspection at the registered office of the Company at 20 Upper Circular Road, #03-06 The Riverwalk, Singapore 058416 during normal business hours from the date of this Circular up to the date of the EGM:
- (a) the Annual Report of the Company for the financial year ended 31 December 2010;
 - (b) the IFA Letter; and
 - (c) the letter of consent of IFA referred to in Section 16 of this Circular.

Yours faithfully

For and on behalf of the Board of Directors of
THAKRAL CORPORATION LTD

Natarajan Subramaniam
Deputy Chairman and Independent Director

APPENDIX I

GENERAL MANDATE

A listed company may seek a general mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

For the purposes of Chapter 9 of the Listing Manual:-

- (i) an “**entity at risk**” means:-
 - (a) the listed company;
 - (b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (c) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company;
- (ii) an “**interested person**” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;
- (iii) an “**associate**” in relation to an interested person who is a director, chief executive officer or controlling shareholder includes an immediate family member (that is, the spouse, child, adopted-child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/ his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;
- (iv) an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles as Chapter 9;
- (v) an “**interested person transaction**” means a transaction between an entity at risk and an interested person; and
- (vi) a “**transaction**” includes-
 - (a) the provision or receipt of financial assistance;
 - (b) the acquisition, disposal or leasing of assets;
 - (c) the provision or receipt of services;
 - (d) the issuance or subscription of securities;
 - (e) the granting of or being granted options; and
 - (f) the establishment of joint ventures or joint investments;

whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

APPENDIX II

General Terms of the Lock Out Agreement

Under the Lock Out Agreement, the Group may not sell consumer electronics products in Eastern Europe, the Middle East, Singapore, Malaysia, Thailand, Indonesia, Vietnam and Cambodia (collectively, “**SC Territory**”) unless:-

- (a) the Company first offers to make such sales in the SC Territory to Thakral Brothers (Private) Limited (“**Thakral Singapore**”) for onward sale and Thakral Singapore has refused such offer; or
- (b) the Company has the written consent of Thakral Singapore to do so (such consent not to be unreasonably withheld if Thakral Singapore is unable or unwilling itself to handle the relevant business).

The aforesaid restriction does not apply to existing customers of the Group. Further, customers in the SC Territory to whom the Group has made one or more sale without being in breach of the aforesaid undertaking will thereafter be treated as the customers (“**New Customers**”) of the Group and the Group will thereafter be entitled to sell to these customers even though they are located in the SC Territory. Thakral Singapore is not precluded from selling to the New Customers or to existing customers of the Group located in the SC Territory.

Thakral Singapore and the Thakral Family Companies may not sell any consumer electronics products in Hong Kong, the PRC, Taiwan, Japan, the Philippines and such other countries as may be agreed by the parties from time to time (“**TCL Territory**”) or to parties outside the TCL Territory which they know to be destined for resale in or into the TCL Territory. There is currently no consumer electronics product customer of Thakral Singapore or the Thakral Family Companies located in the TCL Territory.

Besides geographical demarcation, there is some product differentiation in the items that the Group and Thakral Singapore distribute. Although there are common products distributed by both, certain models are only distributed by either the Group or Thakral Singapore.

Pursuant to the Lock Out Agreement, the parties also agreed that transactions between Thakral Singapore and the Group would be on the following main terms:

- (a) In the event that one such party (“**Buyer**”) orders products from the other party (“**Seller**”) of which the Seller has stock at such time, the price of such products and the other commercial terms of the transaction (for example, the credit period and any volume-related discounts) shall be no more favourable than those charged by the Seller to its other customers at that time.
- (b) In the event that the Buyer orders products of which the Seller has no stock at such time, the price of such products shall be the costs (that is, cost, insurance and freight charges) of such products to the Seller plus a margin to be agreed of not more than 2% for electronics products. The margin will depend on the type of products, size per order and the administration costs involved in sourcing the products.
- (c) In the event that any party (“**Requesting Party**”) requests the other party (“**Receiving Party**”) to clear stock of products held by the Requesting Party, the price and margin for such products will be negotiated by the Sales Director and agreed upon within 7 days of the receipt of the request by the Receiving Party. The price will be based upon the Requesting Party’s knowledge of the prevailing market price of the stock to be cleared and will be accepted by the Receiving Party. The margin is agreed at not more than 2% of the price of the stock. In addition, the Requesting Party will indemnify the Receiving Party against any expense it may incur as a result of its agreeing to clear the stocks. This practice is similar to the clearing of excess stocks by the Group’s suppliers.

Rationale for the termination of the Lock Out Agreement

Based on information available to the Company at the date of the announcement dated 30 March 2007 (the “**Announcement**”), there was no consumer electronics product customer of the Singapore Companies located in the TCL Territories, and the Company had not been approached by the Singapore Companies to trade in the TCL Territories. In addition, the Lock-Out Agreement was entered into when certain members of the Thakral family was the controlling shareholder of the Group. As of the date of the Announcement, such members of the Thakral family (with a shareholding interest of about 12.00% in the Company) was no longer the controlling shareholder of the Company and, China Yuchai International Limited, through its wholly owned subsidiary, Venture Delta Limited, was the single largest shareholder of the Company with a shareholding interest of 36.60% in the Company.¹ As such, at the date of the Announcement, the Board of Directors was of the view that, on balance, the Lock-Out Agreement is no longer necessary, taking into consideration, *inter alia*, the Group’s trading activities (both existing and proposed) in the SC Territories and the change in controlling shareholders of the Company.

Undertakings given pursuant to the termination of the Lock Out Agreement

The Termination was subject to the Company providing certain undertakings to the SGX-ST including but not limited to the following:

- (a) the submission of an undertaking from the Company that the Audit Committee reserves the right to enter into the Lock-Out Agreement (the “**Rights to Lock-Out**”) if the shareholding of Kartar Singh Thakral, Jasvinder Singh Thakral and Inderbethal Singh Thakral and/or their family members in the Company is 15% or more than 15%, or when the quantum of a transaction relating to the TFC Sale in TCL Territories is of a value equal to, or exceeding:
 - (i) 3% of the Group’s latest audited consolidated NTA; or
 - (ii) 3% of the Group’s latest audited consolidated NTA, when aggregated with the values of all other TFC Sales in TCL Territories during the same financial year of the Company (the “**Relevant Threshold**”);
- (b) the submission of an undertaking from the Thakral family that the Audit Committee reserves the Rights to Lock-Out if the shareholding of the Thakral Family Directors and/or their family members in the Company is 15% or more than 15%, or when the quantum of a TFC Sale in TCL Territories crosses the Relevant Threshold; and
- (c) the submission of an undertaking from the Company that the Company will keep the Audit Committee informed of the size of TFC Sales in TCL Territories should these cross the thresholds set out in paragraphs (a) and (b) above after the Termination of the Lock-Out Agreement takes effect.

In addition, each of the Thakral Family Directors has given the following undertakings to the Company for the purpose of monitoring the TFC Sales in TCL Territories so as to enable the Audit Committee to decide whether the Rights to Lock-Out have become exercisable and should be exercised.

- (a) the Thakral Family Directors will deliver to the Company, not later than 30 days after 31 March, 30 June, 30 September and 31 December in each year, a certificate signed by any one of the Thakral Family Directors certifying the aggregate amount of TFC Sales in TCL Territories for that quarter, and setting out the names of the Thakral Family Companies which carried out such TFC Sales in TCL Territories and a breakdown of the amount of such TFC Sales in TCL Territories and the number of customers in respect of each relevant country for that quarter (“**Quarterly Certificates**”);
- (b) he will abstain from participating in Board discussions involving, and voting at the Board in respect of, any matter and/or business opportunity relating to sales of consumer electronics products in the TCL Territories where there is any conflict of interest arising between him and the Group in respect of such matter and/or business opportunity; and

¹ Please note that these shareholding interests have since changed. Please refer to Section 10.1 of this Circular for the table of shareholding interests.

- (c) procure that the auditors of each of the relevant Thakral Family Companies which have been identified in any Quarterly Certificate delivered to the Company (whether in respect of the current or prior years) and such other Thakral Family Companies as the Company may reasonably request in writing (“**Relevant TF Companies**”), will deliver to the Company, no later than 30 days after (i) 31 December in each year and (ii) a request in writing made by the Company (such request not to be made more than once in each year), a certificate signed by the auditors certifying the aggregate amount of TFC Sales in TCL Territories undertaken by such Relevant TF Company for that year (or, as the case may be, the relevant period specified by the Company in such request), and setting out a breakdown of the amount of such TFC Sales in TCL Territories and the number of customers in respect of each relevant country for that year (or, as the case may be, such relevant period). Such auditors’ certification shall be made at the expense of the Relevant TF Company.

APPENDIX III

13 April 2011

The Independent Directors of
Thakral Corporation Ltd
20 Upper Circular Road,
#03-06, The Riverwalk
Singapore 058416

Dear Sirs:

THE PROPOSED ADOPTION OF A SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

1 INTRODUCTION

Thakral Corporation Ltd (the "**Company**") is proposing to adopt a general mandate (the "**IPT Mandate**") for recurring interested person transactions (the "**Interested Person Transactions**") between the Company, its subsidiaries and/or associated companies (together, the "**Group**"), and Thakral Family Companies.

Thakral Family Companies are companies (excluding the Group) defined as below:

- (i) companies in which any Thakral Family Director (as defined below) and his spouse, child, adopted child, step-child, sibling and parent ("**Immediate Family**") together (directly or indirectly) have an interest of 30% or more; or
- (ii) companies in which any Thakral Controlling Shareholder (as defined below) and his Immediate Family together (directly or indirectly) have an interest of 30% or more; or
- (iii) Thakral Controlling Companies (as defined below); or
- (iv) companies which are subsidiaries or holding companies of any Thakral Controlling Company or subsidiaries of such holding company or companies in the equity of the Thakral Controlling Company and/or such other companies taken together (directly or indirectly) have an interest of 30% or more.

The Thakral Family Directors include Messrs Kartar Singh Thakral, Inderbethal Singh Thakral and/or Jasvinder Singh Thakral.

The Thakral Controlling Shareholders refer to Messrs Kartar Singh Thakral, Inderbethal Singh Thakral, Madam Manbeen Kaur Thakral and/or any individual who (i) will be deemed as a controlling shareholder of the Company within the definition of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and (ii) is an associate of a Thakral Family Director.

The Thakral Controlling Companies refer to Thakral Investments Limited, Preview Investments Limited and/or any company (i) that will be deemed as a controlling shareholder of the Company within the definition of the Listing Manual, and (ii) in which a Thakral Family Director or his associate has an interest.

This letter has been prepared for the use of the directors of the Company who are considered independent (the "**Independent Directors**") for the purposes of the proposed adoption of the IPT Mandate and is to be incorporated into the circular to shareholders of the Company (the "**Shareholders**") dated 13 April 2011 (the "**Circular**") which provides, *inter alia*, the details of the IPT Mandate and the recommendation of the Independent Directors thereon. Unless otherwise defined, all terms in the Circular have the same meaning in this letter.

To comply with the requirements of Chapter 9 of the Listing Manual, Ernst & Young Corporate Finance Pte Ltd (“**EYCF**”) has been appointed as the independent financial advisor to provide an opinion on whether the review procedures set out in the IPT Mandate as described in the Section 3 of the Circular, for determining the transaction prices of the Interested Person Transactions are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders (the “**Minority Shareholders**”).

2 TERMS OF REFERENCE

The objective of this letter is to provide an independent opinion, for the purposes of Chapter 9 of the Listing Manual, on whether the review procedures set out in the IPT Mandate for determining the transaction prices of the Interested Person Transactions are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its Minority Shareholders.

EYCF’s views as set forth in this letter are based on the prevailing market and economic conditions, and our analysis of the information provided in the Circular as well as information provided to us by the Company, as of the Latest Practicable Date. Accordingly, this opinion shall not take into account any event or condition which occur after the Latest Practicable Date.

EYCF is not and was not involved in any aspect of the discussions on the scope of the IPT Mandate, nor were we involved in the deliberations leading up to the decision by the Directors to obtain the IPT Mandate or the review procedures adopted by the Company for determining the transaction prices of the Interested Person Transactions. In the course of our evaluation of the review procedures proposed in connection with the IPT Mandate, we have held discussions with the Directors and management of the Company. We have not independently verified information furnished by the Directors and management of the Company or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. Nevertheless, the Directors have confirmed to us that to the best of their knowledge and belief, the information provided to us (whether written or verbal) as well as the information contained in the Circular constitutes a full and true disclosure, in all material respects, of all material facts relating to the IPT Mandate and there is no material information the omission of which would make any of the information contained herein or in the Circular inaccurate, incomplete or misleading in any material respect.

We have also made reasonable enquiries and used our judgement in assessing such information and have found no reason to doubt the reliability of such information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. We have not conducted a comprehensive review of the business, operations and financial condition of the Company or the transactions described on the Circular.

Our opinion is addressed to the Independent Directors for their benefit and deliberation on the IPT Mandate. The recommendations made to the Shareholders in relation to the IPT Mandate shall remain the responsibility of the Independent Directors. In preparing this letter, we have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any Shareholder. As different Shareholders would have different investment objectives, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his Shares should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

3 EVALUATION OF THE PROPOSED REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

3.1 Rationale for, and benefits of the IPT Mandate

The full text of the Directors’ rationale for, and benefits of adopting the IPT Mandate can be found in Sections 2.2 and 2.5 of the Circular.

We note, *inter alia*, the following:-

- (a) The Group has from time to time been sourcing consumer electronics and electrical products from the Thakral Family Companies and vice versa. The Thakral Family Companies and the Group have only been sourcing such products through each other when it is mutually advantageous to trade with or through one another rather than directly with suppliers. The Group has only been sourcing products for the Thakral Family Companies where it has a better relationship with the suppliers than the Thakral Family Companies. Similarly, the Group has only been sourcing such products from the Thakral Family Companies where the Thakral Family Companies has a better relationship with the suppliers than the Group. The parties therefore wish to continue with the existing relationship as regards trading in consumer electronics and electrical products.
- (b) The adoption of the IPT Mandate eliminates the need to convene separate general meetings from time to time to seek Shareholders' approval as and when the need to enter or renew the transactions with the Thakral Family Companies arises, thereby reducing substantially the administrative time and expense in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.
- (c) The IPT Mandate is intended to facilitate transactions contemplated therein which are entered into in the ordinary course of business and which are transacted from time to time with the Thakral Family Companies, provided that they are carried out at arms' length and on normal commercial terms and are not prejudicial to the interests of the Company and its Minority Shareholders.

3.2 Interested Person Transactions

The classes of Interested Persons and nature and description of Interested Person Transactions which will be covered by the IPT Mandate are set out below:-

3.2.1 Classes of Interested Persons

The IPT Mandate will apply to interested person transactions which are carried out with the Thakral Family Companies only.

3.2.2 Nature and Description of Interested Person Transactions

The ongoing interested person transactions that will be covered under the IPT Mandate are the sale and purchase of consumer electronics and electrical products to and/or from the Thakral Family Companies.

Transactions with the Interested Persons which do not fall within the ambit of the proposed IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

The proposed IPT Mandate will not cover any transaction by the Group with Interested Persons that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions. In addition, the IPT Mandate will not include transactions for the purchase or sale of assets, undertakings or businesses.

3.3 Review Procedures for Interested Person Transactions

The detailed text of the review procedures for the Interested Person Transactions can be found in Section 3 of the Circular.

We note, *inter alia*, the following procedures established by the Group:-

3.3.1 Review Procedures

In general, the Company has established various procedures to ensure that the Interested Person Transactions with the Thakral Family Companies are undertaken on normal commercial terms and will not be prejudicial to the interests of the Company and the Minority Shareholders. In general, the Group will only enter into transactions with the

Interested Persons if (i) the terms offered by the Interested Persons to the Group are not less favourable than the terms that may be obtainable by the Group from unrelated third parties; and/or (ii) the terms extended by the Group to the Interested Persons are not more favourable than the terms extended by the Group to unrelated third parties.

In particular, the following review procedures have been implemented:

(a) Lock Out Agreement

To minimise any potential conflict of interest that may arise as a result of certain members of the Thakral family's interests in the Group, the Company had entered into the Lock Out Agreement on 24 November 1995 with Mr. Kartar Singh Thakral, Thakral Brothers (Private) Limited and Dartmoor Pte Ltd (the "**Other LOA Parties**").

As announced by the Company on 30 March 2007, the Company has agreed with the Other LOA Parties to terminate the Lock Out Agreement (the "**Termination**") upon certain terms and conditions so as to allow it to trade freely in the SC Territories without being subject to such restrictions on the Group under the Lock Out Agreement. The Termination took effect from 28 September 2007 and was subject to the Company providing certain undertakings to the SGX-ST.

Notwithstanding the Termination, the Audit Committee of the Company (comprising Messrs Natarajan Subramaniam, Lee Ying Cheun and Pratap Chinnan Nambiar) has the right to require the provisions of the Lock Out Agreement to re-apply to the parties of the Lock Out Agreement (the "**Rights to Lock-Out**") if the shareholding of Messrs Kartar Singh Thakral, Jasvinder Singh Thakral and Inderbethal Singh Thakral and/or their family members in the Company is 15% or more than 15%, or when the quantum of a transaction relating to the TFC Sales in TCL Territories (as defined in the Circular) is of a value equal to, or exceeding:

- (i) 3% of the Group's latest audited consolidated NTA; or
- (ii) 3% of the Group's latest audited consolidated NTA, when aggregated with the values of all other TFC Sales in TCL Territories during the same financial year of the Company.

The Audit Committee regularly reviews whether the Rights to Lock-Out have become exercisable and should be exercised by the Audit Committee. The first of such reviews was conducted at the Audit Committee meeting held on 6 August 2009 when the shareholding of the Thakral Family Directors in the Company exceeded 15% for the first time on 5 June 2009 and the second of such reviews was conducted at the Audit Committee meeting held on 4 August 2010.

The Audit Committee noted during these two reviews that the TFC Sales in TCL Territories were relatively insignificant as compared to the sales by the Group in SC Territories. After due consideration, taking into account that the Group would likely benefit more than the relevant Thakral Family Companies if the Lock Out Agreement was not reinstated, the Audit Committee took the view that it was advantageous to all Shareholders including Minority Shareholders that the Audit Committee not exercise the Rights to Lock-Out and not reinstate the Lock Out Agreement.

More information about the Lock Out Agreement and Termination is set out at Appendix II of the Circular.

(b) Other Review Procedures

- (i) The Company or relevant Group company will seek to obtain third party quotations from the market and/or from comparable transactions undertaken by the Group with third parties to decide whether the Interested Person Transactions should be transacted.

In the event that it is not possible or practicable to obtain third party quotations (for example, where the relevant Thakral Family Company is the sole supplier of the relevant consumer electronics and electrical products in certain regions), the Company or relevant Group company will generally only enter into the Interested Person Transactions if, *inter alia*, the profits based on the transaction prices are within the acceptable margins set by the Company or relevant Group company.

In such cases, the Sales Director shall record such Interested Person Transactions and report the same to the Audit Committee on a quarterly basis. The Audit Committee will review such Interested Person Transactions to ascertain whether the Interested Person Transactions are conducted on normal commercial terms, at arm's length and will not be prejudicial to the interests of the Company and its Minority Shareholders;

- (ii) the Company shall maintain and make available to the Audit Committee on a regular basis, a statement of records of all TFC Sales in TCL Territories disclosed by the Thakral Family Directors and of all Interested Person Transactions;
- (iii) the Audit Committee shall be provided with the statement described in Section 3.3.1 (b)(ii) above and Section 3.3.1 (b) of the Circular and such other relevant information which it may reasonably require with the co-operation of the Company and the Thakral Family Directors;
- (iv) the Audit Committee will review such information on a quarterly basis to ascertain the level of TFC Sales in TCL Territories and will consider whether the Rights to Lock-Out have become exercisable and should be exercised by the Audit Committee;
- (v) the Audit Committee will review the shareholding information contained in the Register of Directors' Shareholdings and Register of Substantial Shareholding maintained by the Company to ascertain whether the shareholding of the Thakral Family Directors and/or their family members in the Company is 15% or more than 15%, and if so, whether the Rights to Lock-Out should be exercised by the Audit Committee;
- (vi) the Audit Committee will review any actual or potential conflicts of interests in relation to sales of consumer electronics and electrical products in TCL Territories that may involve any Thakral Family Director disclosed by him to the Board of Directors and the exercise of his fiduciary duties in this respect. Upon disclosure of an actual or potential conflict of interests by any Thakral Family Director, the Audit Committee will evaluate whether it considers a conflict of interests does in fact exist. The review will include an examination of the nature of the conflict and such relevant supporting data, as the Audit Committee may deem reasonably necessary;
- (vii) the Audit Committee will review from time to time the procedures established to monitor TFC Sales in TCL Territories to determine if such procedures are adequate and/or commercially practicable for purposes of monitoring TFC Sales in TCL Territories. If, during its periodic review, the Audit Committee believes that the procedures as stated above have become inappropriate or are no longer sufficient to monitor TFC Sales in TCL Territories, the Audit Committee will improve on and/or adopt new procedures to deal with potential conflict of interest between certain members of the Thakral family and the Group in relation to sales in the TCL Territories;

- (viii) the Thakral Family Directors will deliver to the Company, not later than 30 days after 31 March, 30 June, 30 September and 31 December in each year, a certificate signed by any one of the Thakral Family Directors certifying the aggregate amount of TFC Sales in TCL Territories for that quarter, and setting out the names of the Thakral Family Companies which carried out such TFC Sales in TCL Territories and a breakdown of the amount of such TFC Sales in TCL Territories and the number of customers in respect of each relevant country for that quarter (the “**Quarterly Certificates**”);
- (ix) the Thakral Family Directors will abstain from participating in Board discussions involving, and voting at the Board in respect of, any matter and/or business opportunity relating to sales of consumer electronics and electrical products in the TCL Territories where there is any conflict of interest arising between the relevant Thakral Family Director and the Group in respect of such matter and/or business opportunity; and
- (x) The Audit Committee will review, and if considered appropriate, request the Thakral companies identified in the Quarterly Certificates referred to in Section 3.3.1 (viii) above or Section 3.3.1 (h) of the Circular or such other Thakral Family Companies as the Company may reasonably request in writing (“**Relevant TF Companies**”), to procure from the auditors of the Relevant TF Companies a certificate signed by the auditors certifying the aggregate amount of TFC Sales in the TCL Territories undertaken by such Relevant TF Company for that year, and setting out a breakdown of the amount of such TFC Sales in TCL Territories and the number of customers in respect of each country for that year. Such auditors’ certification shall be made at the expense of the Company. The Relevant TF Company is required to procure the audit certificate within 30 days of the request from the Company.

3.3.2 Threshold Limits for Mandated Transactions

In addition to the review procedures as mentioned above, the Group will supplement its internal systems by setting threshold limits in respect of the Interested Persons Transactions with review procedures in place to ensure that all categories of Interested Person Transactions are undertaken on an arm’s length basis, on normal commercial terms and are not prejudicial to the interests of the Group and its Minority Shareholders. Interested Person Transactions are categorised pursuant to such review procedures as follows:

- (a) a Category 1 transaction is one in which the transaction value exceeds S\$100,000.00 but is less than or is equal to S\$250,000.00;
- (b) a Category 2 transaction is one in which the transaction value exceeds S\$250,000.00, but is less than or is equal to S\$500,000.00; and
- (c) a Category 3 transaction is one where the transaction value exceeds S\$500,000.00.

Category 1 transactions are subject to the review and approval of the Sales Director prior to being transacted. Category 2 transactions are subject to the review and approval of the Chief Financial Officer prior to being transacted. Category 3 transactions are subject to the review and approval of the Audit Committee prior to being transacted.

In the event that the Sales Director, Chief Financial Officer or a member of the Audit Committee (where applicable) is deemed to be an interested person (as defined in the Listing Manual) in any Interested Person Transaction, he will abstain from reviewing that particular transaction. Approval of that transaction will accordingly be undertaken by a suitable person nominated by the Audit Committee or by the remaining members of the Audit Committee (where applicable).

3.3.3 Review by Audit Committee

All transactions between the Group and the Thakral Family Companies are subject to the quarterly review of the Audit Committee to ensure that they are carried out on an arm's length and commercial basis. In the event that a member of the Audit Committee is interested in any Interested Person Transaction, he will abstain from reviewing that particular transaction.

If during periodic reviews by the Audit Committee, the Audit Committee is of the view that the review procedures as stated in the Circular have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Group are conducted, the Company will revert to Shareholders for a fresh mandate based on new guidelines and review procedures to ensure that the interested person transactions with the Thakral Family Companies will be carried out on an arm's length basis and normal commercial terms, and will not be prejudicial to the interests of the Company and its Minority Shareholders.

During the period prior to obtaining a fresh mandate from the Shareholders, all interested person transactions, including those covered under the IPT Mandate, will be subject to review and approval by the Audit Committee.

4 **CONCLUSION**

In arriving at our opinion on whether the review procedures for determining the transaction prices of the Interested Person Transactions for purposes of the IPT Mandate are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its Minority Shareholders, we have considered the following:-

- (a) the Directors' rationale for, and the benefits accruing to the Group arising from the IPT Mandate;
- (b) the classes of Interested Persons and the nature and description of the Interested Person Transactions to be covered by the IPT Mandate; and
- (c) the review procedures for the Interested Person Transactions.

Based on the analysis undertaken and subject to the qualifications and assumptions made herein, EYCF is of the opinion that the review procedures for determining the transactions prices of the Interested Person Transactions, as set out in Section 3 of the Circular, if adhered to, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its Minority Shareholders.

We have prepared this letter for the use of the Independent Directors of the Company in connection with and for the purposes of their consideration of the IPT Mandate. A copy of the letter may be reproduced in the Circular.

Whilst a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose except in relation to the proposed IPT Mandate at any time and in any manner without the prior written consent of EYCF in each specific case. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
Ernst & Young Corporate Finance Pte Ltd

Leslie Koh
Director

THAKRAL CORPORATION LTD

(Company Registration No. 199306606E)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at Phoenix Ballroom II, Level 6, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031 on 29 April 2011, Friday, at 3.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Eighteenth Annual General Meeting of the Company to be held at 3.00 p.m. on the same day at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

AS AN ORDINARY RESOLUTION

1. PROPOSED ADOPTION OF A SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

THAT:-

- (i) approval be and is hereby given for the Company, its subsidiaries and associated companies or any of them to enter into any of the transactions falling within the categories of interested person transactions set out in Section 1.1 of the Circular, with any party who is of the class or classes of interested persons described in Section 2.3 of the Circular, provided that such transactions are made on normal commercial terms in accordance with the review procedures for interested person transactions as set out in Sections 3, 4 and 5 (where applicable) of the Circular (the "**IPT Mandate**");
- (ii) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next Annual General Meeting of the Company;
- (iii) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual which may be prescribed by Singapore Exchange Securities Trading Limited from time to time; and
- (iv) the Directors of the Company and each of them be and are hereby authorised and empowered to complete and to do all such acts and things, and to approve, modify, ratify and execute such documents, acts and things as they, he or she may consider necessary, desirable or expedient to give effect to the abovementioned resolutions.

BY ORDER OF THE BOARD

Tan Ping Ping
Company Secretary
Singapore

Date: 13 April 2011

Notes:-

1. A member of the Company entitled to attend and vote at the Extraordinary General Meeting (the "Meeting") is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be deposited at the registered office of the Company at 20 Upper Circular Road, #03-06 The Riverwalk, Singapore 058416 not less than forty-eight (48) hours before the time for holding the Meeting.

THAKRAL CORPORATION LTD

(Company Registration No. 199306606E)
(Incorporated in the Republic of Singapore with limited liability)

IMPORTANT:

1. For investors who have used their CPF monies to buy Thakral Corporation Ltd's shares, the Circular dated 13 April 2011 is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

*I/We, _____ (Name), *NRIC/Passport/Registration No. _____

of _____

(Address)

being a member/members of Thakral Corporation Ltd (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Extraordinary General Meeting (the "Meeting") of the Company to be held on 29 April 2011, Friday, at 3.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Eighteenth Annual General Meeting of the Company to be held at 3.00 p.m. on the same day at the same place) at Phoenix Ballroom II, Level 6, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031 and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolution proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	RESOLUTION	FOR	AGAINST
1	The Proposed Adoption of a Shareholders' Mandate for Interested Person Transactions		

Dated this _____ day of _____ 2011

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

* Delete where inapplicable



Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 20 Upper Circular Road, #03-06 The Riverwalk, Singapore 058416 not less than 48 hours before the time appointed for the Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

1st fold here

PROXY FORM

Affix
postage
stamp
here

The Company Secretary
THAKRAL CORPORATION LTD
20 Upper Circular Road
#03-06 The Riverwalk
Singapore 058416

2nd fold here

3rd fold here and seal