

EXTRAORDINARY/ SPECIAL GENERAL MEETING::VOLUNTARY**Issuer & Securities****Issuer/ Manager**

THAKRAL CORPORATION LTD

Security

THAKRAL CORPORATION LTD - SG1AJ2000005 - AWI

Announcement Details**Announcement Title**

Extraordinary/ Special General Meeting

Date &Time of Broadcast

14-Apr-2020 18:20:19

Status

New

Announcement Reference

SG200414XMETF9FN

Submitted By (Co./ Ind. Name)

Anil Daryanani

Designation

Chief Financial Officer

Event Narrative

| Narrative Type | Narrative Text |
|--------------------------|--|
| Additional Text | Please refer to attached Notice of Extraordinary General Meeting and Circular on Proposed Adoption of Share Buyback Mandate. |
| Narrative version | As the Covid-19 situation continues to evolve, the Company is closely monitoring the situation, including any precautionary measures that will be required or recommended by government agencies to minimise the risk of spread of Covid-19. The Company reserves the right to take appropriate measures to minimise risk to shareholders and others attending the extraordinary general meeting ("EGM"), which may include conducting temperature checks and requiring the signing of health declaration forms (which may also be used for the purposes of contact tracing, if required). |
| Narrative version | Shareholders and other attendees who are feeling unwell on the date of the EGM are advised not to attend the EGM. Shareholders and other attendees are also advised to arrive early at the EGM venue given that the above-mentioned measures may cause delay in the registration process. |

Narrative version

The Company will, however, implement the use of alternate mode of general meeting, including the use of video conferencing, webcast or other electronic means in order to comply with the safe distancing or other measures that are in place as required or recommended by government agencies should a physical meeting be not possible. Additional channel for the submission of proxy forms and questions related to the Company's EGM shall be made available should a physical meeting not be held.

Any changes in relation to the convening of its EGM shall be announced by the Company on the SGXNet. Shareholders are advised to check the SGXNet for updates.

Event Dates

Meeting Date and Time

12/06/2020 11:30:00

Response Deadline Date

09/06/2020 11:30:00

Event Venue(s)

Place

| Venue(s) | Venue details |
|---------------|--|
| Meeting Venue | Merchant Court Ballroom, Lobby Level, Swissotel Merchant Court, 20 Merchant Road, Singapore 058281 |

Attachments


[ThakralCorp_EGM_Notice_20200415.pdf](#)

[ThakralCorp_Circular_Share_Buyback_20200415.pdf](#)

Total size =119K MB



THAKRAL CORPORATION LTD

(Incorporated in Singapore)
(Company Registration No. 199306606E)

NOTICE OF EXTRAORDINARY GENERAL MEETING

All capitalised terms in this Notice of EGM and defined in the circular dated 15 April 2020 (the “Circular”) shall, unless otherwise defined herein, bear the respective meanings ascribed thereto in the Circular.

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“EGM”) of Thakral Corporation Ltd (the “Company”) will be held at Merchant Court Ballroom, Lobby Level, Swissôtel Merchant Court, 20 Merchant Road, Singapore 058281 on 12 June 2020 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.30 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing (with or without any modifications) the following ordinary resolution:-

ORDINARY RESOLUTION: PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

THAT:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the “Companies Act”), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“Shares”) not exceeding in aggregate the Maximum Percentage, at such price or prices as may be determined by the Directors in their discretion from time to time up to the Maximum Price, whether by way of:
 - (i) on-market purchases transacted through the trading system of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) or on another stock exchange (the “Other Stock Exchange”) on which the issuer’s equity securities are listed (“Market Acquisitions”); and/or
 - (ii) off-market acquisitions in accordance with an equal access scheme as defined in Section 76C of the Companies Act (“Off-Market Acquisitions”),and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, the Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “Share Buyback Mandate”);
- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next annual general meeting of the Company is held;
 - (ii) the date by which the next annual general meeting of the Company is required by law or the Constitution to be held; and
 - (iii) the date on which purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;
- (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution; and

- (d) to the extent that any action in connection with the matters referred to in the above paragraphs of this Resolution or the transactions contemplated and/or authorised by this Resolution has been performed or otherwise undertaken (whether partially or otherwise), they be and are hereby approved, ratified and confirmed.

BY ORDER OF THE BOARD

Chan Wan Mei
Company Secretary

Singapore, 15 April 2020

Notes:

1. A member (other than a Relevant Intermediary*) entitled to attend and vote at the EGM may appoint not more than two (2) proxies to attend and vote in his/her stead. A member which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member.
2. Where a member (other than a Relevant Intermediary*) appoints two (2) proxies, he or she shall specify the proportion of his or her shareholding to be represented by each proxy in the instrument appointing the proxies.
3. A Relevant Intermediary* may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
4. If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at 20 Upper Circular Road, #03-06 The Riverwalk, Singapore 058416 not later than 72 hours before the time appointed for the holding of the EGM.
5. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
6. A depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the EGM in order for the depositor to be entitled to attend and vote at the EGM.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes (the "**Warranty**"), and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of Warranty.

CIRCULAR DATED 15 APRIL 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular (as defined herein) is issued by Thakral Corporation Ltd (the “**Company**”). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of EGM (as defined herein) and the attached Proxy Form (as defined herein) to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of EGM and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should at once hand this Circular with the Notice of EGM and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy of any of the statements made, opinions expressed or reports contained in this Circular.



THAKRAL CORPORATION LTD

(Incorporated in Singapore)
(Company Registration No. 199306606E)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

IMPORTANT DATES AND TIMES

| | | |
|--|---|---|
| Last date and time for lodgement of Proxy Form | : | 9 June 2020 at 11.30 a.m. |
| Date and time of Extraordinary General Meeting | : | 12 June 2020 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.30 a.m. on the same day and at the same place) |
| Place of Extraordinary General Meeting | : | Merchant Court Ballroom, Lobby Level Swissôtel Merchant Court 20 Merchant Road Singapore 058281 |

CONTENTS

| | Page |
|--|------|
| DEFINITIONS | 3 |
| LETTER TO SHAREHOLDERS | 6 |
| 1. INTRODUCTION | 6 |
| 2. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE | 6 |
| 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS | 19 |
| 4. EXTRAORDINARY GENERAL MEETING | 19 |
| 5. ACTION TO BE TAKEN BY SHAREHOLDERS | 20 |
| 6. DIRECTORS' RECOMMENDATION | 20 |
| 7. DIRECTORS' RESPONSIBILITY STATEMENT | 20 |
| 8. DOCUMENTS FOR INSPECTION | 20 |
| NOTICE OF EXTRAORDINARY GENERAL MEETING | N-1 |
| PROXY FORM | |

DEFINITIONS

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

- “Annual Report 2019”** : The Company’s annual report for the financial year ended 31 December 2019;
- “associate”** : (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;
- “associated company”** : A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group;
- “Average Closing Price”** : Has the meaning ascribed to it in Section 2.3.4 of this Circular;
- “Board”** : The board of Directors of the Company as at the Latest Practicable Date;
- “CDP”** : The Central Depository (Pte) Limited;
- “Companies Act”** : The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time;
- “Company”** : Thakral Corporation Ltd;
- “Constitution”** : The constitution of the Company;
- “controlling shareholder”** : A person who:
- (a) holds directly or indirectly 15% or more of the total voting rights in a company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or
 - (b) in fact exercises control over a company;
- “day of the making of the offer”** : Has the meaning ascribed to it in Section 2.3.4 of this Circular;
- “Directors”** : The directors of the Company as at the Latest Practicable Date;

DEFINITIONS

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| “EGM” | : | The extraordinary general meeting of the Company to be held at Merchant Court Ballroom, Lobby Level, Swissôtel Merchant Court, 20 Merchant Road, Singapore 058281 on 12 June 2020 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.30 a.m. on the same day and at the same place), notice of which is given in the Notice of EGM set out on Page N-1 of this Circular; |
| “EPS” | : | Earnings per Share; |
| “FY” | : | Financial year ended or ending 31 December, as the case may be; |
| “Group” | : | The Company and its subsidiaries; |
| “Latest Practicable Date” | : | 31 March 2020, being the latest practicable date prior to the printing of this Circular; |
| “Listing Manual” | : | The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time; |
| “Market Acquisitions” | : | Has the meaning ascribed to it in Section 2.3.3(a) of this Circular; |
| “Market Day” | : | A day on which the SGX-ST is open for trading of securities; |
| “Maximum Percentage” | : | Has the meaning ascribed to it in Section 2.3.1 of this Circular; |
| “Maximum Price” | : | Has the meaning ascribed to it in Section 2.3.4 of this Circular; |
| “Notice of EGM” | : | The notice of EGM as set out on Page N-1 of this Circular; |
| “NTA” | : | Net tangible assets; |
| “Off-Market Acquisitions” | : | Has the meaning ascribed to it in Section 2.3.3(b) of this Circular; |
| “Proxy Form” | : | The proxy form in respect of the EGM as set out in this Circular; |
| “Securities Account” | : | A securities account maintained by a depositor with CDP, but does not include a securities sub-account maintained with a depository agent; |
| “Securities and Futures Act” | : | The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time; |
| “SGX-ST” | : | Singapore Exchange Securities Trading Limited; |
| “Share Buyback Mandate” | : | A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Companies Act and the Listing Manual; |
| “Share Buyback” | : | Buyback of Shares by the Company pursuant to the Share Buyback Mandate; |

DEFINITIONS

| | | |
|-------------------------------------|---|---|
| “ Shareholders ” | : | Registered holders of Shares except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares, mean the persons whose Securities Accounts maintained with CDP are credited with the Shares; |
| “ Shares ” | : | Ordinary shares in the share capital of the Company; |
| “ subsidiary holdings ” | : | Shareholdings in the Company held by its subsidiary(ies) as further elaborated in sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act; |
| “ Substantial Shareholder ” | : | A Shareholder who has an interest in not less than 5% of the issued Shares; |
| “ Take-Over Code ” | : | The Singapore Code on Take-Overs and Mergers, as amended or modified from time to time; |
| “ treasury shares ” | : | The Shares held in treasury by the Company; |
| “ S\$ ” and “ cents ” | : | Singapore dollars and cents, respectively; and |
| “ % ” or “ per cent ” | : | Per centum or percentage. |

The terms “**depositor**”, “**depository agent**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, in Section 81 SF of the Securities and Futures Act. The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

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

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

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

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 any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

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

LETTER TO SHAREHOLDERS

THAKRAL CORPORATION LTD

(Incorporated in Singapore)
(Company Registration No. 199306606E)

Directors

Natarajan Subramaniam (Independent Non-Executive Chairman and Lead Independent Director)
Kartar Singh Thakral (Executive Director)
Inderbethal Singh Thakral (Executive Director and Chief Executive Officer)
Lee Ying Cheun (Independent Non-Executive Director)
Dileep Nair (Independent Non-Executive Director)
Bikramjit Singh Thakral (Non-Independent Non-Executive Director)

Registered Office

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

15 April 2020

To: The Shareholders of the Company

Dear Sir/Madam

THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

The Directors of the Company propose to table the proposed Share Buyback Mandate at the forthcoming EGM of the Company to be held at Merchant Court Ballroom, Lobby Level, Swissôtel Merchant Court, 20 Merchant Road, Singapore 058281 on 12 June 2020 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.30 a.m. on the same day and at the same place). The purpose of this Circular, which is circulated together with the Annual Report 2019, is to provide Shareholders with information relating to, and to seek their approval for the proposed adoption of the Share Buyback Mandate.

2. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

2.1. Rationale

The rationale for the adoption of the Share Buyback Mandate is to allow the Company to undertake a purchase or acquisition of its Shares is as follows:

- (a) the Share Buyback Mandate provides the Company with greater flexibility in managing its capital, share capital structure and maximising returns to the Shareholders. Undertaking the Share Buyback at the appropriate price level is one of the ways through which the return on equity (and, depending on market conditions, the EPS and the NTA per Share) of the Company may be enhanced;
- (b) the Share Buyback is an expedient, effective and cost efficient way to facilitate the return of surplus funds which are in excess of the Company's financial needs, to the Shareholders;
- (c) the adoption of the Share Buyback Mandate provides the Directors with the flexibility to undertake the Share Buyback at any time, subject to market conditions, during the period when the Share Buyback Mandate is in force; and
- (d) Shares purchased or acquired under the Share Buyback Mandate may be held as treasury shares and used for prescribed purposes, such as selling the treasury shares for cash. The transfer of treasury shares in lieu of issuing new Shares pursuant to any share scheme or as consideration for acquisitions would also mitigate the dilution impact for existing Shareholders.

LETTER TO SHAREHOLDERS

The Share Buyback will only be undertaken if it can benefit the Company and the Shareholders. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to the Maximum Percentage, the Company may not necessarily purchase or acquire, or be able to purchase or acquire, the Maximum Percentage. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the listing status of the Shares on the SGX-ST, the liquidity and capital adequacy positions of the Company or the Group as a whole.

It should be noted that there is no assurance that the proposed adoption of the Share Buyback Mandate or the purchase or acquisition of Shares under the Share Buyback Mandate will achieve the desired effect, nor is there assurance that such effect (if achieved) can be sustained over the long term.

2.2. Mandate

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Listing Manual and such other laws and regulations as may for the time being, be applicable. Paragraph 58A of the Constitution expressly permits the Company to purchase or otherwise acquire Shares issued by it on such terms as the Company may think fit and in the manner prescribed by applicable laws and the Listing Manual. It is also a requirement under the Companies Act that a company which wishes to purchase or otherwise acquire its own shares should obtain the approval at a general meeting of its shareholders.

The Company is accordingly proposing to seek the approval of Shareholders to authorise the Directors to buy back issued and fully paid Shares in the capital of the Company in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Companies Act and the Listing Manual.

2.3. Terms of the Mandate

The authority and limitations placed on the purchases or acquisitions of Shares by the Company under the Share Buyback Mandate, for which the approval is sought, are summarised below.

2.3.1. *Maximum Number of Shares*

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

Pursuant to Rule 882 of the Listing Manual, unless a lower limit is prescribed by the Constitution, the total number of Shares that may be purchased or acquired shall not exceed 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the EGM at which the Share Buyback Mandate is approved, unless: (i) the Company has, at any time during the relevant period, reduced its share capital by a special resolution under Section 78B or Section 78C of the Companies Act; or (ii) the court has, at any time during the relevant period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event, the total number of issued Shares excluding treasury shares and subsidiary holdings shall be taken to be the total number of issued Shares excluding treasury shares and subsidiary holdings as altered (the “**Maximum Percentage**”).

For illustrative purposes only, based on the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company of 130,860,616 Shares as at the Latest Practicable Date, and assuming that prior to the EGM:

- (a) no further Shares are issued; and
- (b) the Company does not reduce its share capital,

not more than 13,086,061 Shares (representing the Maximum Percentage as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

LETTER TO SHAREHOLDERS

As at the Latest Practicable Date, the Company does not hold any treasury shares nor does any of its subsidiaries hold any subsidiary holdings.

2.3.2. Duration of Authority

If the proposed adoption of the Share Buyback Mandate is approved by the Shareholders at the EGM, purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of EGM, up to:

- (a) the date on which the next annual general meeting of the Company is held or required by law or the Constitution to be held;
- (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Shareholders in a general meeting,

whichever is the earliest.

The Share Buyback Mandate may be renewed at each annual general meeting or other general meeting of the Company.

2.3.3. Manner of Purchases or Acquisition of Shares

Pursuant to Rule 882 of the Listing Manual, purchases or acquisitions of Shares by the Company may only be made by way of:

- (a) on-market purchases transacted through the SGX-ST's trading system or on another stock exchange on which the issuer's equity securities are listed ("**Market Acquisitions**"); and/or
- (b) off-market acquisitions in accordance with an equal access scheme as defined in Section 76C of the Companies Act ("**Off-Market Acquisitions**").

The Directors may impose such terms and conditions, which are consistent with the Share Buyback Mandate, the Constitution, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). Under Section 76C(6) of the Companies Act, an equal access scheme must satisfy all the following conditions:

- (1) offers for the purchase or acquisition of issued Shares under the scheme shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;
- (2) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (3) the terms of all the offers are the same, except that there shall be disregarded:
 - a. differences in consideration attributable to the fact that offers relate to Shares with different accrued dividend entitlements;
 - b. (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - c. differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

LETTER TO SHAREHOLDERS

In addition, Rule 885 of the Listing Manual provides that, in making Off-Market Acquisitions, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Share Buyback;
- (iv) the consequences, if any, of the Share Buyback by the Company that will arise under the Take-Over Code or other applicable take-over rules;
- (v) whether the Share Buyback, if made, could affect the listing of the Shares on the SGX-ST;
- (vi) details of any Share Buyback made by the Company in the previous 12 months (whether Market Acquisitions or Off-Market Acquisitions in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4. *Maximum Purchase Price*

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (a) in the case of a Market Acquisition, 105% of the Average Closing Price; and
- (b) in the case of an Off-Market Acquisition pursuant to an equal access scheme, 120% of the Average Closing Price,

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five Market Days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Acquisitions or, as the case may be, the day of the making of the offer pursuant to the Off-Market Acquisitions, and deemed to be adjusted for any corporate action that occurs during such five-Market Day period and the day on which the purchases are made; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Acquisitions.

The Listing Manual restricts a listed company from purchasing Shares by way of Market Acquisitions at a price per Share which is more than 5% above the Average Closing Price.

Although the Listing Manual does not prescribe a maximum price in relation to Off-Market Acquisitions, the Company has set a cap of 20% above the Average Closing Price as the maximum price for a Share to be purchased or acquired by way of Off-Market Acquisitions.

LETTER TO SHAREHOLDERS

2.4. Status of Purchased Shares under the Share Buyback Mandate

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share in accordance with Section 76H of the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired out of the capital of the Company and the amount of the share capital of the Company shall be reduced accordingly.

2.5. Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below.

2.5.1. *Maximum Holdings*

As the Company only has shares of one class, the number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

2.5.2. *Voting and Other Rights*

The Company cannot exercise any right in respect of treasury shares and any purported exercise of such a right is void. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3. *Disposal and Cancellation*

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares (or any of them) for cash;
- (b) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (c) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares (or any of them); or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Pursuant to Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

LETTER TO SHAREHOLDERS

2.6. Source of Funds for Share Buyback

The Company may purchase or acquire its own Shares out of capital as well as from its profits, in accordance with the Constitution and applicable laws. It may use internal resources or external borrowings, or a combination of both, to finance its purchase or acquisition of Shares pursuant to the Share Buyback Mandate.

The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Company would be materially adversely affected. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Company, and the prevailing market conditions.

2.7. Financial Effects of the Share Buyback Mandate

It is not possible for the Company to realistically calculate or quantify the financial effects of purchases of Shares that may be made pursuant to the Share Buyback Mandate as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased, whether the purchase is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Purely for illustrative purposes only, and based on the assumptions set out below:

- (a) based on 130,860,616 Shares in issue as at the Latest Practicable Date (the Company does not hold any treasury shares and subsidiary holdings) and assuming no further Shares are issued and the Company does not hold any treasury shares and subsidiary holdings on or prior to the EGM, not more than 13,086,061 Shares (representing the Maximum Percentage as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate;
- (b) in the case of Market Acquisitions by the Company and assuming that the Company purchases or acquires 13,086,061 Shares at the Maximum Price of S\$0.4725 for one Share (being the price equivalent to 105% of the Average Closing Price), the maximum amount of funds required for the purchase or acquisition of 13,086,061 Shares (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) is approximately S\$6.18 million;
- (c) in the case of Off-Market Acquisitions by the Company and assuming that the Company purchases or acquires 13,086,061 Shares at the Maximum Price of S\$0.54 for one Share (being the price equivalent to 120% of the Average Closing Price), the maximum amount of funds required for the purchase or acquisition of 13,086,061 Shares (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) is approximately S\$7.07 million;
- (d) the consideration for the purchase or acquisition of Shares is financed entirely by internal resources of the Company;
- (e) the purchase or acquisition of Shares took place at the beginning of FY2019 on 1 January 2019; and

LETTER TO SHAREHOLDERS

- (f) the transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate were insignificant and have been ignored for the purpose of computing the financial effects,

the financial effects of the:

- (i) Market Acquisition of 13,086,061 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and held as treasury shares;
- (ii) Market Acquisition of 13,086,061 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and cancelled;
- (iii) Off-Market Acquisition of 13,086,061 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and held as treasury shares; and
- (iv) Off-Market Acquisition of 13,086,061 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and cancelled,

on the audited financial statements of the Group and the Company for FY2019 are set out in the following pages.

The financial effects of the acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of profits are similar to that of purchases made out of capital. Therefore, only the financial effects of the acquisition of Shares pursuant to the Share Buyback Mandate by way of purchases made out of capital are set out in this Circular.

2.7.1. *Market Acquisitions made entirely out of capital and held as treasury shares*

| | <u>Group</u> | | <u>Company</u> | |
|--|-------------------------------------|------------------------------------|-------------------------------------|------------------------------------|
| | <u>Before the Share Buyback</u> | <u>After the Share Buyback</u> | <u>Before the Share Buyback</u> | <u>After the Share Buyback</u> |
| As at 31 December 2019 | | | | |
| Share capital (S\$'000) | 72,579 | 72,579 | 72,579 | 72,579 |
| Shares held in treasury (S\$'000) | – | (6,183) | – | (6,183) |
| Shareholders' equity (S\$'000) | 135,275 | 129,092 | 98,386 | 92,203 |
| NTA (S\$'000) | 135,275 | 129,092 | 98,386 | 92,203 |
| Current assets (S\$'000) | 70,181 | 63,998 | 463 | 463 |
| Current liabilities (S\$'000) | 53,957 | 53,957 | 834 | 834 |
| Working capital (S\$'000) | 16,224 | 10,041 | (371) | (371) |
| Total borrowings (S\$'000) | 46,038 | 46,038 | 240 | 240 |
| Cash and bank balances | 10,822 | 4,639 | 383 | 383 |
| Number of Shares ⁽¹⁾ (excluding treasury shares) ('000) | 130,861 | 117,775 | 130,861 | 117,775 |
| Number of treasury shares ('000) | – | 13,086 | – | 13,086 |
| Weighted average number of shares ('000) | 130,861 | 117,775 | 130,861 | 117,775 |
| Financial Ratios | | | | |
| NTA per share (cents) ⁽²⁾ | 103.37 | 109.61 | 75.18 | 78.29 |
| Basic EPS ⁽³⁾ (cents) | 6.94 | 7.71 | (1.23) | (1.36) |
| Gearing ⁽⁴⁾ (%) | 0.34 | 0.36 | 0.00 | 0.00 |
| Current ratio ⁽⁵⁾ (times) | 1.30 | 1.19 | 0.56 | 0.56 |

LETTER TO SHAREHOLDERS

Notes:

- (1) Number of Shares excludes 13,086,061 Shares that have been assumed to be held as treasury shares.
- (2) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 31 December 2019.
- (3) EPS has been computed based on FY2019 net profit attributable to Shareholders divided by the weighted average number of Shares in issue.
- (4) Gearing has been computed based on total borrowings divided by Shareholders' equity.
- (5) Current ratio represents the ratio of current assets to current liabilities.

2.7.2. Market Acquisitions made entirely out of capital and cancelled

| | <u>Group</u> | | <u>Company</u> | |
|---|-----------------------------|----------------------------|-----------------------------|----------------------------|
| | Before the Share Buyback | After the Share Buyback | Before the Share Buyback | After the Share Buyback |
| As at 31 December 2019 | | | | |
| Share capital (S\$'000) | 72,579 | 66,396 | 72,579 | 66,396 |
| Shares held in treasury (S\$'000) | – | – | – | – |
| Shareholders' equity (S\$'000) | 135,275 | 129,092 | 98,386 | 92,203 |
| NTA (S\$'000) | 135,275 | 129,092 | 98,386 | 92,203 |
| Current assets (S\$'000) | 70,181 | 63,998 | 463 | 463 |
| Current liabilities (S\$'000) | 53,957 | 53,957 | 834 | 834 |
| Working capital (S\$'000) | 16,224 | 10,041 | (371) | (371) |
| Total borrowings (S\$'000) | 46,038 | 46,038 | 240 | 240 |
| Cash and bank balances | 10,822 | 4,639 | 383 | 383 |
| Number of Shares (excluding treasury shares) ('000) | 130,861 | 117,775 | 130,861 | 117,775 |
| Number of treasury shares ('000) | – | – | – | – |
| Weighted average number of shares ('000) | 130,861 | 117,775 | 130,861 | 117,775 |
| Financial Ratios | | | | |
| NTA per share (cents) ⁽¹⁾ | 103.37 | 109.61 | 75.18 | 78.29 |
| Basic EPS ⁽²⁾ (cents) | 6.94 | 7.71 | (1.23) | (1.36) |
| Gearing ⁽³⁾ (%) | 0.34 | 0.36 | 0.00 | 0.00 |
| Current ratio ⁽⁴⁾ (times) | 1.30 | 1.19 | 0.56 | 0.56 |

Notes:

- (1) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 31 December 2019.
- (2) EPS has been computed based on FY2019 net profit attributable to Shareholders divided by the weighted average number of Shares in issue.
- (3) Gearing has been computed based on total borrowings divided by Shareholders' equity.
- (4) Current ratio represents the ratio of current assets to current liabilities.

LETTER TO SHAREHOLDERS

2.7.3. *Off-Market Acquisitions made entirely out of capital and held as treasury shares*

| | <u>Group</u> | | <u>Company</u> | |
|--|-----------------------------|----------------------------|-----------------------------|----------------------------|
| | Before the Share Buyback | After the Share Buyback | Before the Share Buyback | After the Share Buyback |
| As at 31 December 2019 | | | | |
| Share capital (S\$'000) | 72,579 | 72,579 | 72,579 | 72,579 |
| Shares held in treasury (S\$'000) | – | (7,066) | – | (7,066) |
| Shareholders' equity (S\$'000) | 135,275 | 128,209 | 98,386 | 91,320 |
| NTA (S\$'000) | 135,275 | 128,209 | 98,386 | 91,320 |
| Current assets (S\$'000) | 70,181 | 63,115 | 463 | 463 |
| Current liabilities (S\$'000) | 53,957 | 53,957 | 834 | 834 |
| Working capital (S\$'000) | 16,224 | 9,158 | (371) | (371) |
| Total borrowings (S\$'000) | 46,038 | 46,038 | 240 | 240 |
| Cash and bank balances | 10,822 | 3,756 | 383 | 383 |
| Number of Shares ⁽¹⁾ (excluding treasury shares) ('000) | 130,861 | 117,775 | 130,861 | 117,775 |
| Number of treasury shares ('000) | – | 13,086 | – | 13,086 |
| Weighted average number of shares ('000) | 130,861 | 117,775 | 130,861 | 117,775 |
| Financial Ratios | | | | |
| NTA per share (cents) ⁽²⁾ | 103.37 | 108.86 | 75.18 | 77.54 |
| Basic EPS ⁽³⁾ (cents) | 6.94 | 7.71 | (1.23) | (1.36) |
| Gearing ⁽⁴⁾ (%) | 0.34 | 0.36 | 0.00 | 0.00 |
| Current ratio ⁽⁵⁾ (times) | 1.30 | 1.17 | 0.56 | 0.56 |

Notes:

- (1) Number of Shares excludes 13,086,061 Shares that have been assumed to be held as treasury shares.
- (2) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 31 December 2019.
- (3) EPS has been computed based on FY2019 net profit attributable to Shareholders divided by the weighted average number of Shares in issue.
- (4) Gearing has been computed based on total borrowings divided by Shareholders' equity.
- (5) Current ratio represents the ratio of current assets to current liabilities.

LETTER TO SHAREHOLDERS

2.7.4. *Off-Market Acquisitions made entirely out of capital and cancelled*

| | <u>Group</u> | | <u>Company</u> | |
|--|-----------------------------|----------------------------|-----------------------------|----------------------------|
| | Before the Share Buyback | After the Share Buyback | Before the Share Buyback | After the Share Buyback |
| As at 31 December 2019 | | | | |
| Share capital (S\$'000) | 72,579 | 65,513 | 72,579 | 65,513 |
| Shares held in treasury (S\$'000) | – | – | – | – |
| Shareholders' equity (S\$'000) | 135,275 | 128,209 | 98,386 | 91,320 |
| NTA (S\$'000) | 135,275 | 128,209 | 98,386 | 91,320 |
| Current assets (S\$'000) | 70,181 | 63,115 | 463 | 463 |
| Current liabilities (S\$'000) | 53,957 | 53,957 | 834 | 834 |
| Working capital (S\$'000) | 16,224 | 9,158 | (371) | (371) |
| Total borrowings (S\$'000) | 46,038 | 46,038 | 240 | 240 |
| Cash and bank balances | 10,822 | 3,756 | 383 | 383 |
| Number of Shares ⁽¹⁾ (excluding treasury shares) ('000) | 130,861 | 117,775 | 130,861 | 117,775 |
| Number of treasury shares ('000) | – | – | – | – |
| Weighted average number of shares ('000) | 130,861 | 117,775 | 130,861 | 117,775 |
| Financial Ratios | | | | |
| NTA per share (cents) ⁽¹⁾ | 103.37 | 108.86 | 75.18 | 77.54 |
| Basic EPS ⁽²⁾ (cents) | 6.94 | 7.71 | (1.23) | (1.36) |
| Gearing ⁽³⁾ (%) | 0.34 | 0.36 | 0.00 | 0.00 |
| Current ratio ⁽⁴⁾ (times) | 1.30 | 1.17 | 0.56 | 0.56 |

Notes:

- (1) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 31 December 2019.
- (2) EPS has been computed based on FY2019 net profit attributable to Shareholders divided by the weighted average number of Shares in issue.
- (3) Gearing has been computed based on total borrowings divided by Shareholders' equity.
- (4) Current ratio represents the ratio of current assets to current liabilities.

The financial effects set out above are for illustrative purposes only. Although the Share Buyback Mandate would authorise the Company to purchase up to the Maximum Percentage, the Company may not necessarily purchase or acquire, or be able to purchase or acquire, the Maximum Percentage. In addition, the Company may cancel all or part of the Shares repurchased or holds all or part of the Shares repurchased in treasury.

2.8. Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of a Share Buyback by the Company or who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

LETTER TO SHAREHOLDERS

2.9. Listing Manual

2.9.1. *Free Float*

The Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities must be held by public shareholders. As at the Latest Practicable Date, approximately 48.1% of the issued ordinary share capital of the Company are held in the hands of 6,719 public shareholders. Assuming that the Company repurchased the Maximum Percentage as at the Latest Practicable Date from members of the public by way of a Market Acquisition, the percentage of the issued ordinary share capital of the Company held by the public would be approximately 42.3%.

The Directors will ensure that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will not have any effect on the listing status of the Shares on the SGX-ST, or on the orderly trading of the Shares. Before undertaking any such purchase or acquisition, the Directors shall at all times take due cognisance of:

- (a) the then shareholding spread of the Company in respect of the number of Shares held by Substantial Shareholders and by non-Substantial Shareholders; and
- (b) the volume of trading on the SGX-ST in respect of the Shares immediately before the exercise of any Shares purchase.

2.9.2. *Reporting Requirements*

Additionally, the Listing Manual also specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST:

- (a) in the case of a Market Acquisition, by 9.00 am on the Market Day following the day on which it purchased shares; and
- (b) in the case of an Off-Market Acquisition under an equal access scheme, by 9.00 am on the second Market Day after the close of acceptances of the offer.

Such notification currently requires the inclusion of details of, *inter alia*, the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable.

2.9.3. *Dealing in Shares*

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. Further, in conformity with the best practices on dealing with securities under the Listing Manual:

- (a) where the Company announces its quarterly financial statements (whether required by the SGX-ST or otherwise), the Company will not purchase or acquire any Shares during the period commencing two weeks before the announcement of the Company’s financial statements for each of the first three quarters of its FY, and one month before the announcement of the Company’s full year financial statements, and ending on the date of the announcement of the relevant financial statements; or
- (b) where the Company does not announce its quarterly financial statements, the Company will not purchase or acquire any Shares during the period commencing one month before the announcement of the Company’s half year and full year financial statements, and ending on the date of the announcement of the relevant financial statements.

LETTER TO SHAREHOLDERS

2.10. Take-Over Obligations

Appendix 2 of the Take-Over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.10.1. *Obligation to make a Take-Over Offer*

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-Over Code. If as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-Over Code.

2.10.2. *Persons Acting in Concert*

Under the Take-Over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert:

- (a) A company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the aforesaid companies, and any company whose associated companies include any of the aforesaid companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (b) A company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) A company with any of its pension funds and employee share schemes;
- (d) A person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) A financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;
- (f) Directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) Partners; and
- (h) An individual, his close relatives, his related trusts, and any person who is accustomed to act according to the instructions and companies controlled by any of the above, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights .

LETTER TO SHAREHOLDERS

The circumstances under which Shareholders of the Company (including Directors of the Company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-Over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-Over Code.

2.10.3. Effect of Rule 14 and Appendix 2 of the Take-Over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-Over Code is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Take-Over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 of the Take-Over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

2.11. Application of the Take-Over Code

As at the Latest Practicable Date, the details of the shareholdings of the Directors and Substantial Shareholders of the Company are as set out in Section 3 below. As at the Latest Practicable Date, based on the number of Shares held by the Directors and Substantial Shareholders of the Company, the purchase by the Company of the Maximum Percentage would not cause:

- (a) the voting rights of any of the Substantial Shareholders or Directors of the Company to increase to 30% or more; and
- (b) in respect of a Director or Substantial Shareholder who holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder to increase by more than 1% in any period of six months.

Accordingly, to the best of the Directors' knowledge, there are no persons who may incur an obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the proposed adoption of the Share Buyback Mandate.

The statements in this Circular do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-Over Code. Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by the Company.

2.12. Shares Purchased by the Company

The Company has not entered into transactions to purchase or acquire any Shares during the 12 months immediately preceding the Latest Practicable Date.

LETTER TO SHAREHOLDERS

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders (both direct and deemed) in the issued share capital of the Company as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholdings of the Company as at the Latest Practicable Date are set out below. The percentages shown are based on the issued capital of the Company as at the Latest Practicable Date.

| | <u>Direct Interest</u> | | <u>Deemed Interest</u> | |
|--|------------------------|-------|---------------------------|-------|
| | No. of Shares | % | No. of Shares | % |
| Directors | | | | |
| Kartar Singh Thakral | – | – | 65,692,560 ⁽¹⁾ | 50.20 |
| Inderbethal Singh Thakral | – | – | 65,692,560 ⁽¹⁾ | 50.20 |
| Bikramjit Singh Thakral | – | – | 65,692,560 ⁽¹⁾ | 50.20 |
| Substantial Shareholders (other than Directors) | | | | |
| Gurmukh Singh Thakral | – | – | 65,692,560 ⁽¹⁾ | 50.20 |
| Karan Singh Thakral | – | – | 65,692,560 ⁽¹⁾ | 50.20 |
| Rikhipal Singh Thakral | – | – | 65,692,560 ⁽¹⁾ | 50.20 |
| Indergopal Singh Thakral | | | 65,692,560 ⁽¹⁾ | 50.20 |
| Prime Trade Enterprises Limited | 65,692,560 | 50.20 | – | – |
| Thakral Group Limited (as trustee of the S S Thakral Trust) | – | – | 65,692,560 ⁽²⁾ | 50.20 |
| Beneficiaries of the S S Thakral Trust | | | 65,692,560 ⁽³⁾ | 50.20 |

Notes:

- (1) Mr. Kartar Singh Thakral, head of the Thakral Family, and the members and/or directors of Thakral Group Limited, Messrs Inderbethal Singh Thakral, Gurmukh Singh Thakral (Alternate Director: Mr. Bikramjit Singh Thakral), Karan Singh Thakral, Rikhipal Singh Thakral and Indergopal Singh Thakral have the authority to dispose of, or to exercise control over the disposal of, the 65,692,560 ordinary shares of Thakral Corporation Ltd (the "Shares") held by Prime Trade Enterprises Limited in which Thakral Group Limited is deemed interested (whether such authority is or is capable of being made subject to restraint or restriction). Therefore, Messrs Kartar Singh Thakral, Inderbethal Singh Thakral, Bikramjit Singh Thakral, Gurmukh Singh Thakral, Karan Singh Thakral, Rikhipal Singh Thakral and Indergopal Singh Thakral are also deemed interested in the Shares held by Prime Trade Enterprises Limited.
- (2) Thakral Group Limited, as the holding company of Prime Trade Enterprises Limited, is deemed interested in the Shares held by Prime Trade Enterprises Limited. Thakral Group Limited, a public company limited by guarantee, is the trustee of the S S Thakral Trust, a full discretionary trust for the benefit of certain members of the extended Thakral Family.
- (3) Where any property held in trust consist of or include shares and a person knows, or has reasonable grounds for believing, that he has an interest under the trust, he shall be deemed to have an interest in those shares. Therefore, the beneficiaries of the S S Thakral Trust are also deemed interested in the Shares held by Prime Trade Enterprises Limited although no specific beneficiaries have been identified as at the Latest Practicable Date.

4. EXTRAORDINARY GENERAL MEETING

The EGM will be held at Merchant Court Ballroom, Lobby Level, Swissôtel Merchant Court, 20 Merchant Road, Singapore 058281 on 12 June 2020 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.30 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing, with or without any modification(s), the ordinary resolution as set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

5. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed therein 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 72 hours before the time fixed for the EGM. The appointment of a proxy or proxies by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes in place of the proxy.

A depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP at least 72 hours before the EGM.

6. DIRECTORS' RECOMMENDATION

Having fully considered, *inter alia*, the scope, rationale and the benefits of the Share Buyback Mandate, the Directors, having carefully considered the terms and rationale of the Share Buyback Mandate, are of the view that the Share Buyback Mandate is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed adoption of the Share Buyback Mandate at the forthcoming EGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

8. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution;
- (b) the audited consolidated financial statements of the Group for FY2019; and
- (c) the Annual Report 2019.

Yours faithfully,
For and on behalf of the Board of Directors of
THAKRAL CORPORATION LTD

Natarajan Subramaniam
Independent Non-Executive Chairman and Lead Independent Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

THAKRAL CORPORATION LTD

(Incorporated in Singapore)
(Company Registration No. 199306606E)

All capitalised terms in this Notice of EGM and defined in the circular dated 15 April 2020 (the “Circular”) shall, unless otherwise defined herein, bear the respective meanings ascribed thereto in the Circular.

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“EGM”) of Thakral Corporation Ltd (the “Company”) will be held at Merchant Court Ballroom, Lobby Level, Swissôtel Merchant Court, 20 Merchant Road, Singapore 058281 on 12 June 2020 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.30 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing (with or without any modifications) the following ordinary resolution:-

ORDINARY RESOLUTION: PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

THAT:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the “Companies Act”), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“Shares”) not exceeding in aggregate the Maximum Percentage, at such price or prices as may be determined by the Directors in their discretion from time to time up to the Maximum Price, whether by way of:
- (i) on-market purchases transacted through the trading system of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) or on another stock exchange (the “Other Stock Exchange”) on which the issuer’s equity securities are listed (“Market Acquisitions”); and/or
 - (ii) off-market acquisitions in accordance with an equal access scheme as defined in Section 76C of the Companies Act (“Off-Market Acquisitions”),
- and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, the Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “Share Buyback Mandate”);
- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next annual general meeting of the Company is held;
 - (ii) the date by which the next annual general meeting of the Company is required by law or the Constitution to be held; and
 - (iii) the date on which purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;
- (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) to the extent that any action in connection with the matters referred to in the above paragraphs of this Resolution or the transactions contemplated and/or authorised by this Resolution has been performed or otherwise undertaken (whether partially or otherwise), they be and are hereby approved, ratified and confirmed.

BY ORDER OF THE BOARD

Chan Wan Mei
Company Secretary

Singapore, 15 April 2020

Notes:

1. A member (other than a Relevant Intermediary*) entitled to attend and vote at the EGM may appoint not more than two (2) proxies to attend and vote in his/her stead. A member which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member.
2. Where a member (other than a Relevant Intermediary*) appoints two (2) proxies, he or she shall specify the proportion of his or her shareholding to be represented by each proxy in the instrument appointing the proxies.
3. A Relevant Intermediary* may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
4. If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at 20 Upper Circular Road, #03-06 The Riverwalk, Singapore 058416 not later than 72 hours before the time appointed for the holding of the EGM.
5. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
6. A depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the EGM in order for the depositor to be entitled to attend and vote at the EGM.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes (the "**Warranty**"), and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of Warranty.

PROXY FORM

THAKRAL CORPORATION LTD

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

PROXY FORM EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. Pursuant to Section 181(1C) of the Companies Act, Cap. 50 of Singapore (the "Act"), a Relevant Intermediary (as defined in the Act) may appoint more than two (2) proxies to attend, speak and vote at the Extraordinary General Meeting (the "EGM").
2. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.
3. This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF Investors and SRS Investors are requested to contact their respective agent banks for any queries they may have with regard to their appointment as proxies or the appointment of their agent banks as proxies for the EGM.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 15 April 2020.

I/We, _____ with NRIC/Passport Number: _____

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 (delete as appropriate) | | | |
| Name | NRIC/ Passport No. | Proportion of Shareholdings (%) | |
| | | No. of Shares | % |
| Address | | | |

or failing him/her, the Chairman of the EGM of the Company as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the EGM to be held at Merchant Court Ballroom, Lobby Level, Swissôtel Merchant Court, 20 Merchant Road, Singapore 058281 on 12 June 2020 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.30 a.m. on the same day and at the same place). I/We direct my/our proxy to vote for or against the resolution proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any matter arising at the EGM 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.

Voting will be conducted by poll. If you wish to exercise all your votes "For", "Against" or "Abstain" the Ordinary Resolution as indicated hereunder, please indicate so with a "X" within the box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" as well as to "Abstain" from the resolution, please indicate the number of shares in the box provided. In the absence of specific directions, the proxy/proxies may vote or abstain as he/they may think fit.

| Ordinary Resolution | For | Against | Abstain |
|--|-----|---------|---------|
| The Proposed Adoption of the Share Buyback Mandate | | | |

Dated this _____ day of _____ 2020.

| | |
|---------------------------------|--|
| Total Number of Shares held in: | |
| CDP Register | |
| Register of Members | |

Signature(s) of Member(s)/Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



PROXY FORM

Notes:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(1C) of the Act, a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting. Where a member appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.
2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. A proxy need not be a member of the Company.
4. 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 81SF of the Securities and Futures Act, Cap. 289 of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members of the Company, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
5. 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 72 hours before the time set for the EGM.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with the Constitution of the Company and Section 179 of the Act.
9. Subject to Note 11 below, the submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the EGM if he so wishes. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies, if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on 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 if a shareholder of the Company, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
11. CPF Investors and/or SRS Investors who buy shares in the Company may attend and cast their vote at the meeting in person. CPF Investors and/or SRS Investors who are unable to attend the meeting but would like to vote, may inform CPF and/or SRS approved nominees to appoint Chairman of the EGM to act as their proxy, in which case, the CPF Investor and/or SRS Investors shall be precluded from attending the meeting.

Fold Here

Affix
Stamp
Here

EGM PROXY FORM

The Company Secretary
THAKRAL CORPORATION LTD

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

Fold Here