

WAIVER::WAIVER FROM COMPLIANCE WITH LISTING RULE 1014(2) IN CONNECTION WITH PROPOSED INTERNAL RESTRUCTURING

Issuer & Securities

Issuer/ Manager

THAKRAL CORPORATION LTD

Securities

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Announcement Details

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Announcement Reference

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Submitted By (Co./ Ind. Name)

Anil Daryanani

Designation

Chief Financial Officer

Description (Please provide a detailed description of the event in the box below)

Please refer to attached announcement on Receipt of "no-objection" letter from the Singapore Exchange Securities Trading Limited pursuant to the application for waiver from compliance with Listing Rule 1014(2) in connection with the proposed internal restructuring of a 75% subsidiary, Thakral Capital Holdings Pte. Ltd., and its group of companies.

Attachments



[ThakralCorp Receipt Waiver TCH Restructuring 20230810.pdf](#)

Total size = 145K MB



THAKRAL CORPORATION LTD

(Incorporated in the Republic of Singapore on 7 October 1993)

(Company Registration No. 199306606E)

RECEIPT OF “NO-OBJECTION” LETTER FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED PURSUANT TO THE APPLICATION FOR WAIVER FROM COMPLIANCE WITH LISTING RULE 1014(2) IN CONNECTION WITH THE PROPOSED INTERNAL RESTRUCTURING OF A 75% SUBSIDIARY, THAKRAL CAPITAL HOLDINGS PTE. LTD., AND ITS GROUP OF COMPANIES

The board of directors of Thakral Corporation Ltd (the “**Company**”) refers to the Company’s earlier announcement dated 10 August 2023 (the “**Proposed Transaction Announcement**”) in relation to the proposed internal restructuring of a 75% subsidiary, Thakral Capital Holdings Pte. Ltd., and its group of companies (the “**Proposed Transaction**”). Unless otherwise defined, all capitalised terms used herein shall have the meanings ascribed to them in the Proposed Transaction Announcement.

Based on the relative figures of the Proposed Transaction computed on the bases as set out in Rule 1006 of the Listing Manual, the Proposed Transaction is a major transaction pursuant to Chapter 10 of the Listing Manual. However, the Company had on 9 June 2023 submitted an application to the SGX-ST to, *inter alia*, seek a partial waiver from the requirement of Rule 1014(2) of the Listing Manual to seek prior approval from the Shareholders before the Proposed Transaction or any part thereof can take effect (to the extent that such approval is necessary).

Subsequently, on 10 August 2023, the Company received a letter from the SGX-ST informing the Company that the SGX-ST has no objection to the Company’s application subject to the conditions set out in paragraph 6.1 of the Proposed Transaction Announcement, appended hereto as **Schedule 1**. The reasons for seeking the waiver, as well as the status of the waiver conditions, are disclosed in paragraphs 6.2 and 6.3 of the Proposed Transaction Announcement respectively.

Accordingly, the Company will be seeking Shareholders’ ratification of the Proposed Transaction at an EGM to be convened as soon as practicable and not later than 7 November 2023. A circular containing further details of the Proposed Transaction, as well as a notice of the EGM, will be despatched to the Shareholders in due course.

The Company will make further announcements in relation the Proposed Transaction as and when there are material developments.

On behalf of the Board

Natarajan Subramaniam
Independent Non-Executive Chairman and Lead Independent Director

Singapore, 10 August 2023

SCHEDULE 1

PROPOSED TRANSACTION ANNOUNCEMENT



THAKRAL CORPORATION LTD

(Incorporated in the Republic of Singapore on 7 October 1993)

(Company Registration No. 199306606E)

PROPOSED INTERNAL RESTRUCTURING OF A 75% SUBSIDIARY, THAKRAL CAPITAL HOLDINGS PTE. LTD., AND ITS GROUP OF COMPANIES

1. INTRODUCTION

- 1.1. The board of directors (each, a “**Director**” and collectively, the “**Board**”) of Thakral Corporation Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that a wholly-owned subsidiary of the Company, Thakral Capital Holdings (Australia) Pty Ltd (the “**Purchaser**”), has entered into a demerger deed (the “**Demerger Deed**”) in respect of the transfer of a 25% shareholding interest (the “**25% TCH Interest**”) in the Company’s 75% subsidiary, Thakral Capital Holdings Pte. Ltd. (“**TCH**”), from the existing shareholders (other than the Company) (the “**Sellers**”) to the Purchaser pursuant to an internal restructuring exercise proposed to be undertaken (the “**Proposed Transaction**”).
- 1.2. Based on the relative figures of the Proposed Transaction computed on the bases as set out in Rule 1006 of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Proposed Transaction is a major transaction pursuant to Chapter 10 of the Listing Manual.
- 1.3. However, the Company had on 9 June 2023 submitted an application to the SGX-ST to, *inter alia*, seek a partial waiver from the requirement of Rule 1014(2) of the Listing Manual to seek prior approval from the shareholders of the Company (the “**Shareholders**”) before the Proposed Transaction or any part thereof can take effect (to the extent that such approval is necessary). Subsequently, on 10 August 2023, the Company received a letter from the SGX-ST (the “**SGX Outcome Letter**”) informing the Company that the SGX-ST has no objection to the Company’s application subject to the conditions set out in paragraph 6.1 below. Accordingly, the Company will be seeking Shareholders’ ratification of the Proposed Transaction at an extraordinary general meeting (“**EGM**”) to be convened as soon as practicable and not later than 7 November 2023.
- 1.4. Unless otherwise stated, all currency translations of Singapore dollar (“**S\$**”) from Australian dollar (“**A\$**”) used in this announcement are based on an exchange rate of S\$1 : A\$1.0943 for FY2022 and S\$1 : A\$1.1342 as at 8 August 2023, being the business day immediately preceding the date of this announcement.

2. BACKGROUND ON THE PROPOSED TRANSACTION

2.1. Information on TCH

TCH (and together with its subsidiaries and affiliated entities, the “**TCH Group**”) was incorporated in Singapore in 2009 and is the holding company of the Group’s investment business in Australia. 75% shareholding interest in TCH is held by the Company, with the 25% TCH Interest collectively held by the Sellers (the “**Current TCH Group Structure**”). Through its indirect wholly-owned subsidiary, Thakral Capital Australia Pty Ltd (“**TCAPA**”), as well as the subsidiaries and affiliated entities of TCAPA, TCH participates in higher yielding, niche high-end property projects in gateway cities such as Sydney, Melbourne and Brisbane (collectively, the “**TCH Group Assets**”).

In particular, GemLife, the Group’s joint venture with the Puljich family – in which the TCH Group has a 49.9% interest – has established itself as one of the leading players in the over-50s lifestyle resort living sector in Australia and is now one of Australia’s most respected brands in this segment. The Group’s business in Australia is now by far the largest component of its core operations in terms of net assets as well as profitability.

2.2. Information on the Sellers

The Current TCH Group Structure was implemented pursuant to a joint venture arrangement entered into in 2015 between the Company and, *inter alia*, certain Australian individuals (the “**Australian Executives**”) who were, until early July 2023, responsible for the management and day-to-day operations of the Group’s investment business in Australia. The 25% TCH Interest is held by the Sellers in the following proportions:

Sellers	Description	Shareholding in TCH
GMC Investments (Aust) Pty Limited (ACN 603 268 453) in its capacity as trustee for GMC Investment Trust	A special purpose vehicle associated with Mr. Gregory Piercy, who was previously the Joint Managing Director of TCAPA. His responsibilities included business development, relationship management, strategy, origination, fund raising, risk management and overseeing the financial modelling of investment projects.	6.25%
Australian Forestry Investments Pty Ltd (ACN 106 873 910) in its capacity as trustee for Barry Family Trust	A special purpose vehicle associated with Mr. Kevin Barry, who was previously the Joint Managing Director of TCAPA. He was responsible for managing the day to day affairs of the Group’s Investment Division.	6.25%
Aljen Pty Ltd (ACN 081 245 883) in its capacity as trustee for Aljen Trust	A special purpose vehicle associated with Mr. Victor Shkolnik, who was previously an Executive Director of TCAPA. His responsibilities included risk management, execution of investment opportunities, project due diligence and oversight, corporate and funds management.	6.25%
J & H Singh Pty Ltd (ACN 005 902 894) in its capacity	A special purpose vehicle associated with the estate of	6.25%

as trustee for ASK Buyser Executive Superannuation Fund No. 1	the late Mr. Jaginder Singh Pasricha, who was previously a director of various subsidiaries operating under the Group's Investment Division, including TCAPA.	
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2.3. Principal Terms of the Demerger Deed

<i>Sale and Purchase</i>	The 25% TCH Interest shall be sold by the Sellers to the Purchaser free from encumbrances and together with all rights, entitlements and advantages attaching or accruing to them at completion of the Proposed Transaction (" Completion "), including the right to receive all dividends or distributions declared, made or paid on or after Completion.
<i>25% TCH Interest Transfer Payment</i>	The consideration for the purchase by the Purchaser of the 25% TCH Interest is A\$40,764,508 (approximately S\$35.94 million) (the " 25% TCH Interest Transfer Payment ").
<i>Option Cancellation Fee and Bonus Settlement Sum</i>	Separate from the Proposed Transaction and as described in Paragraph 2.4 below, the Australian Executives will also receive: (i) the Option Cancellation Fee (as defined below), being A\$18.75 million (approximately S\$16.53 million); and (ii) the Bonus Settlement Sum (as defined below), being A\$1.997 million (approximately S\$1.76 million).
<i>Total Sum</i>	<p>The sum of the 25% TCH Interest Transfer Payment, the Option Cancellation Fee and the Bonus Settlement Sum is A\$61,512,031 (approximately S\$54.23 million) (the "Total Sum").</p> <p>Payment of such sum shall be satisfied through the issue of promissory notes (the "Consideration Promissory Notes") of the same value and which in turn will be subsequently satisfied by a combination of cash and assets to be transferred to the Sellers by various Group entities, including 18.2% equity interest in each of the entities through which the GemLife business is carried out (the "GemLife Group Entities").</p> <p>The Total Sum was determined based on the effective and collective entitlement of the Sellers to the TCH Group Assets as at 30 June 2023 assuming that the Current TCH Group Structure had remained as at the date on which Completion takes place (the "Completion Date").</p>
<i>Conditions Precedent</i>	<ul style="list-style-type: none"> • Specific approval from the board of directors of TCH having been obtained for, <i>inter alia</i>, the transfer of the 25% TCH Interest from the Sellers to the Purchasers. • The Company having obtained the necessary shareholder approvals or waivers as required by the Listing Manual in

	<p>respect of the Proposed Transaction (the “SGX Condition Precedent”).</p> <ul style="list-style-type: none"> • Thakral Group Limited (as trustee of the S S Thakral Trust) continuing to hold at least 50.1% of the shares in issue in the Company until the SGX Condition Precedent is satisfied. • The Company and the Purchaser having procured that Thakral Group Limited (as trustee of the S S Thakral Trust) votes in favor of any resolution proposed at a general meeting of the Company in connection with satisfying the SGX Condition Precedent. • The shareholders deed of TCH (the “TCH Shareholders Deed”) having been terminated with effect from the Completion Date. • The relevant entities within the TCH Group as well as, <i>inter alia</i>, the Australian Executives, having entered into the relevant security arrangements in respect of the Consideration Promissory Notes. • The Australian Executives having resigned as directors of the relevant entities within the TCH Group with effect from no later than the Completion Date. • The warranties granted by the Sellers and the Purchaser being true and accurate in all respects and not misleading in any respect at Completion, and at all times between the date of the Demerger Deed and Completion. • No governmental body having issued, enacted, entered, promulgated or enforced any law or order restraining, enjoining or otherwise prohibiting any of the transactions contemplated by the Demerger Deed.
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2.4. Rationale for the Proposed Transaction

Recognising that the Current TCH Group Structure was put in place since the inception of the TCH Group and for the TCH Group’s business as then envisaged eight years ago (taking into account the then prevailing circumstances and commercial objectives of the parties), a strategic review was undertaken by the Australian Executives with the involvement of representatives from the Company to look into the appropriateness of maintaining the Current TCH Group Structure. In particular, with the current focus on the GemLife brand and with limited activity in the Australian residential and commercial real estate sectors, it was decided that the Australian Executives would separate from TCAPA which would involve, among other things, resigning from their employment with TCAPA, selling their equity interests in TCH to the Purchaser and agreeing to the cancellation of their options granted under the TCH Employee Share Option Scheme (the “**TCH ESOS**”) for an option cancellation fee of A\$18.75 million (approximately S\$16.53 million) (the “**Option Cancellation Fee**”). In addition, the Australian Executives would also be paid their contractual bonus entitlements amounting to A\$1.997 million (approximately S\$1.76 million) (the

“**Bonus Settlement Sum**”), following which their entitlements to any contractual bonus would cease. As such, moving forward, the Current TCH Group Structure would be simplified thereby reducing the cost of maintaining the TCH Group (collectively, the “**Management Separation**”).

Unwinding the Company’s association with the Australian Executives would be beneficial to the Company immediately as well as in the long term as it would enable the Company to regain its proportionate shareholder rights in respect of the GemLife Group Entities, particularly with the termination of the TCH Shareholders Deed, which gives the Australian Executives disproportionate rights due to the Company’s reliance on their management expertise in the beginning stages of the joint venture. Further, the effective cancellation of the TCH ESOS would also protect the Company’s equity stake in the GemLife Group Entities from dilution going forward, and the termination of any bonus entitlements due to the Australian Executives would result in significant cost savings. In particular, under the Current TCH Group Structure, the Company (through TCH) bears 75% of the bonuses contractually payable to the Australian Executives under the TCH Shareholders Deed. Following Completion, the TCH Shareholders Deed will be terminated and the Company will hold its effective equity interest in each of the GemLife Group Entities directly and accordingly, the obligation of the Company to bear part of the bonuses contractually payable to the Australian Executives out of its returns from its investment in TCH will cease. Following Completion, the Group will directly hold a 31.7% interest in the GemLife Group Entities.

Accordingly, the Board believes that the Proposed Transaction is in the commercial interests of and will be beneficial to the Group as a whole.

2.5. Board’s Assessment of the Proposed Transaction

The Board believes that the Proposed Transaction is in the best interests of the Company in light of and having taken into consideration the rationale for the Proposed Transaction as set out in Paragraph 2.4 above. In particular, the Board has arrived at its assessment of the Proposed Transaction after taking into account the following:

- (a) *The Proposed Transaction would allow the Company to regain its proportionate shareholder rights in respect of the GemLife Group Entities*

As noted in Paragraph 2.4 above, the unwinding the Company’s association with the Australian Executives would be beneficial to the Company immediately as well as in the long term as it would enable the Company to regain its proportionate shareholder rights in respect of the GemLife Group Entities, particularly with the termination of the TCH Shareholders Deed, which gives the Australian Executives disproportionate rights due to the Company’s reliance on their management expertise in the beginning stages of the joint venture. As the Group’s focus is now on the GemLife brand, there is no commercial objective or benefit to maintaining the current management structure.

- (b) *The Proposed Transaction would result in significant cost savings for the Company in the long-run*

As also noted in Paragraph 2.4 above, the Company (through TCH) currently bears 75% of the bonuses contractually payable to the Australian Executives under the Current TCH Group Structure and as provided for in the TCH Shareholders Deed. Following Completion and in line with the shift in the focus of the TCH Group to the GemLife brand which operates on a different financial model, the TCH Shareholders Deed will be terminated with the Company holding its effective equity interest in each of the GemLife

Group Entities directly. Accordingly, the obligation of the Company to bear part of the bonuses contractually payable to the Australian Executives out of its returns from its investment in TCH will also cease. The termination of such bonus arrangements would result in significant cost savings for the Company.

3. VALUE OF THE 25% TCH INTEREST

- 3.1. Based on the Group's latest audited financial statements for FY2022, the book value and the net tangible assets ("NTA") value of the 25% TCH Interest is A\$29.2 million (approximately S\$26.8) million.
- 3.2. The open market value of the 25% TCH Interest is not available as the shares of TCH are not publicly traded.
- 3.3. The net profit attributable to the 25% TCH Interest for FY2022 is A\$6,346,000 (approximately S\$6,063,000).

4. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

The following are presented for illustration purposes only and are not intended to reflect the actual future financial situation of the Company and/or the Group after Completion. The financial effects of the Proposed Transaction on the Company as set out below are based on the Group's latest audited financial statements for FY2022 and the following assumptions:

- (a) the financial effects on the Group's NTA per ordinary share in the capital of the Company ("**Share**") have been computed assuming that Completion took place on 31 December 2022; and
- (b) the financial effects on the Group's earnings per Share have been computed assuming that Completion took place on 1 January 2022.

4.1. Share Capital

As no new Shares will be issued by the Company in connection with the Proposed Transaction, the Proposed Transaction will have no impact on the Company's issued share capital.

4.2. NTA per Share

	Before the Proposed Transaction	After Completion (assuming payment of the 25% TCH Interest Transfer Payment only)	After Completion (assuming payment of the Total Sum)
NTA ⁽¹⁾ attributable to the Shareholders (S\$'000)	153,387	153,387	136,821
Number of Shares	129,516,816	129,516,816	129,516,816
NTA per Share (cents)	118.43	118.43	105.64 ⁽²⁾

Notes:

- (1) NTA means total assets less the sum of total liabilities, non-controlling interest and intangible assets (net of non-controlling interest).
- (2) This takes into account the Option Cancellation Fee and the Bonus Settlement Sum and other costs associated with the Proposed Transaction. These are one-off payments which will not recur post-Completion.

4.3. Earnings per Share

	Before the Proposed Transaction	After Completion (assuming payment of the 25% TCH Interest Transfer Payment only)	After Completion (assuming payment of the Total Sum)
Profit after taxation and non-controlling interests (S\$'000) ("PAT")	18,617	21,978 ⁽¹⁾	2,051 ⁽²⁾
Weighted average number of Shares	130,832,172	130,832,172	130,832,172
Earnings per Share (cents)	14.23	16.80	1.57

Note:

- (1) The pro forma increase in PAT and consequently earnings per Share post-Completion arises mainly from net savings from the elimination of the Australian Executives and team's staff costs (including bonuses), professional fees, travelling costs, general expenses as well as non-controlling interests' share of profits following Completion.
- (2) The decrease in earnings is due to the Option Cancellation Fee and the Bonus Settlement Sum and other costs associated with the Proposed Transaction. These are one-off payments which will not recur post-Completion. For illustrative purposes only, the Company has adopted a conservative approach and also included Option Cancellation Fee and the Bonus Settlement Sum and other costs which are part of the Company's ordinary commercial activities to be borne during the financial year ended 31 December 2023.

4.4. Gearing

	Before the Proposed Transaction	After Completion (assuming payment of the 25% TCH Interest Transfer Payment only)	After Completion (assuming payment of the Total Sum)
Total borrowings (S\$'000)	51,359	51,354	51,354
Total cash (S\$'000)	20,058	17,198 ⁽¹⁾	17,198 ⁽¹⁾
Net borrowings (S\$'000)	31,301	34,156	34,156
Equity (S\$'000)	153,387	153,387	136,821 ⁽²⁾
Gearing times	0.33	0.33	0.38

Notes:

- (1) Including pro forma recoupment of investments from certain projects.
- (2) This also takes into account the Option Cancellation Fee and the Bonus Settlement Sum and other costs associated with the Proposed Transaction. These are one-off payments which will not recur post-Completion.

5. RELATIVE FIGURES UNDER RULE 1006

The relative figures of the Proposed Transaction computed on the bases as set out in Rule 1006 of the Listing Manual and based on the Group's latest announced consolidated accounts for the six months ended 30 June 2023 ("1H-FY2023") are set out as follows:

	Bases Under Rule 1006	Relative Figure (%)
(a)	The net asset value ("NAV") of the assets to be disposed of, compared with the Group's NAV. This basis is not applicable to an acquisition of assets.	N.A.
(b)	The net profits / (loss) ⁽¹⁾ attributable to the assets acquired or disposed of, compared with the Group's net profits.	15.36 ⁽²⁾
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares.	0.00 (based on net consideration value) or 77.82 (based on the gross value of the total receivables due to the Sellers) ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	N.A.
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil & gas company, but not to an acquisition of such assets.	N.A.

Notes:

- (1) Means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (2) Based on the net profit attributable to the 25% TCH Interest of A\$2,613,000 (approximately S\$2,351,000) for 1H-FY2023 and the net profit attributable to the Group of S\$15,307,000 for 1H-FY2023.

- (3) Based on the net consideration value of zero (on the basis that the Sellers are receiving what was already effectively owned by them under the Current TCH Group Structure in terms of value) and the market capitalisation of the Company being S\$69,689,377, which is calculated based on the weighted average price of S\$0.545 per Share on 8 August 2023 (being the market day preceding the date of the Demerger Deed) and 127,870,416 Shares in issue as at 8 August 2023 (being the market day preceding the date of the Demerger Deed). However, if the consideration were to be based on the gross value of the total receivables due to the Sellers of A\$61,512,031 (approximately S\$54.23 million)], the relative figure would be 77.82%.

As the relative figure in respect of Rule 1006(c) of the Listing Manual may potentially exceed 20%, the Company has taken the view that the Proposed Transaction constitutes a “major transaction” under Rule 1014 of the Listing Manual. Accordingly, unless waived or exempted by the SGX-ST, the Proposed Transaction must be made conditional upon approval by the Shareholders at a general meeting.

6. WAIVER APPLICATION

6.1. Approval of Waiver Application

The Company had submitted an application to the SGX-ST to, *inter alia*, seek a partial waiver from the requirement of Rule 1014(2) of the Listing Manual to seek prior approval from the Shareholders before the Proposed Transaction or any part thereof can take effect (to the extent that such approval is necessary). Subsequently, on 10 August 2023, the Company received the Outcome Letter informing the Company that the SGX-ST has no objection to the Company’s waiver application (the “**Waiver**”), subject to the following conditions (the “**Waiver Conditions**”):

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Manual and if the Waiver Conditions have been satisfied. If the Waiver Conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- (b) the Company seeking Shareholders' ratification of the Proposed Transaction at an EGM to be held as soon as practicable and not later than 7 November 2023;
- (c) submission of a written undertaking from the Undertaking Shareholder (as defined below) that (i) it will vote in favour of the Proposed Transaction at the EGM to be convened; and (ii) it will not sell, transfer or otherwise dispose of its Shares prior to the EGM; and
- (d) disclosure of the Board’s assessment as to whether the Proposed Restructuring is in the best interests of the Company and the bases for such an assessment via an SGXNet announcement.

The Waiver will not be effective if any of the conditions have not been fulfilled.

The Company is required to make an immediate disclosure via SGXNet if it is/will be in contravention of any laws and regulations governing the Company and the constitution of the Company (or the equivalent in the Company’s country of incorporation) arising from the Waiver.

The SGX-ST reserves the right to amend and/or vary its decision relating to the Waiver and such decision is subject to changes in the SGX-ST’s policies.

6.2. Reasons for Seeking the Waiver

The Company had sought the Waiver on the following grounds:

- (a) No change in the Company's effective beneficial equity interests in the TCH Group Assets: The respective effective beneficial equity interests in the TCH Group Assets of the Company and the Sellers remain unchanged before and after Completion, and the Proposed Transaction will not result in the Company acquiring or disposing of any of its effective beneficial equity interests in the TCH Group Assets. For this reason, the Board is of the opinion that there will be no material change in the risk profile of the Company arising from the Proposed Transaction. Accordingly, the Board is of the view that the Shareholders would not be unduly concerned about the Proposed Transaction.
- (b) Benefits to unwinding the joint venture arrangement: As noted in paragraph 2.4 above, implementing the Management Separation would be beneficial to the Company as it would enable the Company to regain its proportionate shareholder rights in respect of the GemLife Group Entities. Further, the effective cancellation of the TCH ESOS would also protect the Company's equity stake in the GemLife Group Entities from dilution going forward, and the termination of any bonus entitlements due to the Australian Executives would result in significant cost savings.
- (c) Changes to Australian regulations: In light of the information provided to the Company regarding recent Australian regulatory changes, the Company is of the view that swift execution of the Proposed Transaction is advisable to safeguard the potential returns from the Group's businesses in Australia, should there be any impact at all. Implementing the Proposed Transaction also facilitates the Company's ability to mitigate compliance risks and minimise financial implications that could result from the regulatory changes.
- (d) Irrevocable undertaking from the Majority Shareholder: The Company has also consulted with Thakral Group Limited, the controlling shareholder of the Company which holds 51.37% of the voting rights in the Company (the "**Undertaking Shareholder**"), on the Proposed Transaction. After having considered the rationale for the Proposed Transaction, Thakral Group Limited has given an irrevocable undertaking to vote in favour of the Proposed Transaction should this matter be tabled before the Shareholders for consideration. Accordingly, there is no concern that any resolution that may be placed before the Shareholders in connection with the Proposed Transaction would not be passed.

6.3. Waiver Conditions

As at the date of this announcement, not all of the Waiver Conditions have been satisfied.

The Company considers the condition described in paragraphs 6.1(a) and 6.1(d) above to be complied with, by the making of this announcement and the disclosure of the reasons for the Waiver as well as the Board's assessment as to whether the Proposed Transaction is in the best interests of the Company. The Company had also on 10 August 2023 submitted a written undertaking from the Undertaking Shareholder to the SGX-ST in relation to matters set out in paragraph 6.1(c) above.

The Company will make an update announcement in respect of the Waiver Conditions set out in paragraph 6.1(b) above as and when it is met.

7. EXTRAORDINARY GENERAL MEETING AND SHAREHOLDERS' CIRCULAR

Pursuant to the Waiver, the Company will convene an EGM to seek the ratification by the Shareholders for the Proposed Transaction. A circular containing further details of the Proposed Transaction, as well as a notice of the EGM, will be despatched to the Shareholders in due course.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or substantial shareholders of the Company (other than in his capacity as Director or Shareholder of the Company) have any interest, direct or indirect, in the Proposed Transaction.

9. SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Transaction. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts on the Proposed Transaction, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

11. DOCUMENTS FOR INSPECTION

A copy of the Demerger Deed is available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this announcement.

12. FURTHER INFORMATION

The Company will make further announcements in relation the Proposed Transaction as and when there are material developments.

On behalf of the Board

Natarajan Subramaniam
Independent Non-Executive Chairman and Lead Independent Director

Singapore, 10 August 2023