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Name of Announcer *	THAKRAL CORPORATION LTD
Company Registration No.	199306606E
Announcement submitted on behalf of	THAKRAL CORPORATION LTD
Announcement is submitted with respect to *	THAKRAL CORPORATION LTD
Announcement is submitted by *	Tan Ping Ping
Designation *	Company Secretary
Date & Time of Broadcast	13-Jan-2010 00:24:35
Announcement No.	00001

>> ANNOUNCEMENT DETAILS*The details of the announcement start here ...*

Announcement Title *	(1) Notice of Extraordinary General Meeting & (2) Circular to Shareholders in relation to the Proposed Capital Reduction and Cash Distribution
Description	Please see attachments.
Attachments	 ThakralCorp_EGM_Notice_20100113.pdf  ThakralCorp_Circular_CapRedn_20100113.pdf Total size = 132K (2048K size limit recommended)

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THAKRAL CORPORATION LTD

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of THAKRAL CORPORATION LTD (the "**Company**") will be held on 4 February 2010, Thursday at 10.30 a.m. at Phoenix Ballroom II, Level 6, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031 to consider and if thought fit, to pass with or without any amendments, the following resolution as a special resolution:

Resolution 1: Special Resolution

The proposed Capital Reduction and Cash Distribution

That, pursuant to Article 50 of the Articles of Association of the Company and subject to the relevant approval of the High Court of the Republic of Singapore:

- (1) the paid-up share capital of the Company be reduced by the sum of up to S\$130.61 million and that such reduction be effected by a cash distribution to the shareholders of the Company of S\$0.05 for each fully paid-up ordinary share in the capital of the Company held as at a books closure date to be determined by the Directors; and
- (2) the Directors and each of them be and are hereby authorised to do all acts and things and to execute all such documents as they or he/she may consider necessary or expedient to give effect to this Resolution 1 (including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if so required)).

BY ORDER OF THE BOARD

Tan Ping Ping
Company Secretary
Date: 13 January 2010

Notes:

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

CIRCULAR DATED 13 JANUARY 2010

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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

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



THAKRAL CORPORATION LTD

(Incorporated in the Republic of Singapore on 7 October 1993)
(Company Registration No. 199306606E)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED CAPITAL REDUCTION AND CASH DISTRIBUTION

IMPORTANT DATES AND TIMES

- | | | |
|--|---|---|
| Last date and time for lodgment of Proxy Form | : | 2 February 2010 at 10.30 a.m. |
| Date and time of Extraordinary General Meeting | : | 4 February 2010 at 10.30 a.m. |
| Place of Extraordinary General Meeting | : | Phoenix Ballroom II, Level 6
Novotel Singapore Clarke Quay
177A River Valley Road
Singapore 179031 |

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DEFINITIONS

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

<i>“Act” or “Companies Act”</i>	:	The Companies Act (Chapter 50) of Singapore
<i>“Board”</i>	:	The board of Directors of the Company
<i>“Books Closure Date”</i>	:	A date to be announced on which the Transfer Books and the Register of Members of the Company will be closed in order to determine the entitlements of Shareholders under the proposed Capital Reduction and Cash Distribution
<i>“Capital Reduction”</i>	:	Shall have the meaning ascribed to it in Section 2.1 of this Circular
<i>“Cash Distribution”</i>	:	Shall have the meaning ascribed to it in Section 2.2 of this Circular
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Company”</i>	:	Thakral Corporation Ltd
<i>“Directors”</i>	:	The directors for the time being of the Company and <i>“Director”</i> means each or any one of them
<i>“EGM”</i>	:	The extraordinary general meeting of the Company, notice of which is set out in page 16 of this Circular
<i>“EPS”</i>	:	Earnings per Share
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Latest Practicable Date”</i>	:	7 January 2010, being the latest practicable date prior to the printing of this Circular
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST as amended or modified from time to time
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“Memorandum”</i>	:	Memorandum of Association of the Company
<i>“Month”</i>	:	A calendar month
<i>“NAV”</i>	:	Net asset value
<i>“Securities Accounts”</i>	:	Securities accounts maintained by a Depositor with CDP, but not including securities sub-accounts maintained with a Depository Agent
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Shareholders”</i>	:	Registered holders of Shares in the Register of members of the Company, except where the registered holder is CDP, the term <i>“Shareholders”</i> shall, in relation to such Shares and where the context so admits, mean the person whose securities accounts maintained with CDP are credited with Shares

“Shares”	:	Ordinary shares in the capital of the Company
“Special Resolution”	:	The special resolution to approve the proposed Capital Reduction and Cash Distribution to be passed by Shareholders at the forthcoming EGM, which is set out in the Notice of EGM on page 16 of this Circular
“Substantial Shareholder”	:	A Shareholder who has an interest of not less than 5% of the issued voting shares of the Company
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“Thakral Corporation Employees’ Share Option Scheme”	:	Thakral Corporation Employees’ Share Option Scheme 2001 (approved and adopted on 30 March 2001 and the rules of which were revised and approved on 30 July 2004)
“%”	:	Percentage or per centum

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Act.

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

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

Any reference to a time of the day and date in this Circular shall be a reference to Singapore time and date, unless otherwise stated.

THAKRAL CORPORATION LTD

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

Directors:

Kartar Singh Thakral (Chairman and Executive Director)
Natarajan Subramaniam (Deputy Chairman and Independent Non-Executive Director)
Lee Ying Cheun (Independent Non-Executive Director)
Pratap Chinnan Nambiar (Independent Non-Executive Director)
Inderbethal Singh Thakral (Executive Director)
Jasvinder Singh Thakral (Executive Director)
Jaginder Singh Pasricha (Executive Director)
Teo Tong Kooi (Non-Executive Director)
Ting Sii Tien @ Yao Sik Tien (Non-Executive Director)
Hoh Weng Ming (Alternate to Teo Tong Kooi)

Registered Office:

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

13 January 2010

To: **The Shareholders of THAKRAL CORPORATION LTD**

Dear Sir/Madam

1. INTRODUCTION

1.1 EGM

The Directors are convening the EGM to be held at Phoenix Ballroom II, Level 6, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031 on 4 February 2010 at 10.30 a.m. to seek the approval of Shareholders for the proposed Capital Reduction (as defined in Section 2.1 below) and Cash Distribution (as defined in Section 2.2 below), details of which are set out under Section 2 of this Circular.

1.2 Circular

The purpose of this Circular is to explain the reasons for, and to provide the Shareholders with information relating to the proposal for the Capital Reduction and Cash Distribution to be tabled at the EGM.

1.3 SGX-ST

The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Circular.

2. THE PROPOSED CAPITAL REDUCTION AND CASH DISTRIBUTION

2.1 Announcement

On 1 December 2009, the Board announced that the Company proposes to undertake the proposed capital reduction exercise ("**Capital Reduction**") to be carried out by the Company pursuant to Section 78G of the Companies Act.

A copy of the announcement relating to the proposed Capital Reduction and Cash Distribution is available on the SGX-ST website: <http://www.sgx.com>.

2.2 Proposed Capital Reduction and Cash Distribution

In connection with the proposed Capital Reduction, the Company is proposing to make a cash distribution (“**Cash Distribution**”) whereby the Company will distribute the sum of approximately S\$130.6 million (the “**Cash Distribution Sum**”) (equal to S\$0.05 per Share to Shareholders), based on the issued and paid-up share capital of the Company of approximately S\$203.1 million comprising approximately 2,612,113,668 Shares as at the Latest Practicable Date, subject to the conditions in section 2.6 below having been satisfied.

The level of the Cash Distribution pursuant to the Capital Reduction has been determined to allow the Company and its subsidiaries (the “**Group**”) to maintain sufficient cash reserves and assets to support the Group’s existing businesses, which are more fully described in section 2.5 below, as well as to take advantage of new business opportunities that may arise from time to time in the near future.

The actual amount to be returned to Shareholders pursuant to the Capital Distribution will be based on the issued and paid-up share capital of the Company as at the Books Closure Date.

The aggregate amount of cash to be paid to each Shareholder pursuant to the proposed Capital Reduction and Cash Distribution will be adjusted by rounding down any fractions of a cent to the nearest cent, where applicable.

The Capital Reduction and Cash Distribution will not result in a cancellation of Shares, or a change in the number of Shares issued by the Company immediately after the Capital Reduction and Cash Distribution.

2.3 Illustration

For illustrative purposes only and based on the assumption that a Shareholder holds 1,000 Shares as at the Books Closure Date, the following sets out the position of such Shareholder pre-capital distribution and post-capital distribution and the cash distribution that such Shareholder will receive:

	Shareholder with 1,000 Shares
<u>Position pre-capital distribution</u>	
Shares currently held	1,000
<u>Position post-capital distribution</u>	
Cash distribution received	S\$50
Shares held post-capital distribution	1,000

In summary, all Shareholders (including Shareholders who hold odd lots of Shares, subject to the effects of rounding down referred to in Section 2.2) will receive a cash distribution of S\$0.05 for every Share held as at the Books Closure Date, while maintaining the same shareholding in the Company.

2.4 Rationale for the proposed Capital Reduction and Cash Distribution

The Directors are of the view that the proposed Capital Reduction and Cash Distribution are in the best interests of the Group and will allow the Company to achieve a more efficient capital structure.

The Cash Distribution Sum comprises paid-up capital in excess of the immediate requirements of the Company. In determining the level of capital to be returned to Shareholders, the Company has ensured that it retains sufficient capital for its existing businesses, described in section 2.5 below.

Further, the Company has not paid dividends to Shareholders since the dividend payment for the financial year ended 31 March 2005. The proposed Capital Reduction and Cash Distribution are therefore to reward Shareholders for their patience by returning the excess capital of the Company to Shareholders.

In addition, the Board has previously not reached a consensus on the strategy and business direction for the use or investment of the Company's surplus cash reserves. In these circumstances, the Board has unanimously resolved that the surplus capital in the Company be returned to Shareholders by way of the proposed Capital Reduction and Cash Distribution.

The Company's financial position is expected to remain strong and healthy cash flow generated from operations is expected to be able to support any debt repayments and fund new business opportunities.

2.5 The Group's Business

The Group's existing businesses include the following:

(a) *The Distribution Business*

The present principal business of the Group is in supply chain management, marketing, distribution and brand building of consumer electronics (collectively, the "**Distribution Business**"). The Group also makes strategic property and equity investments. The Distribution Business accounts for approximately 99.5% of the Group's gross revenue for the 9 months ended 30 September 2009 and employs 263 employees as at 31 December 2009.

The Distribution Business consists of the wholesale purchase and onward sale to other wholesalers and dealers in Hong Kong, the People's Republic of China (the "**PRC**"), India and other export markets of consumer electronic products such as digital video cameras, digital still cameras, plasma television sets, desktop and notebook computers, personal digital assistants, data projectors, electronic accessories, mobile phones and audio products including digital audio players. The Group distributes more than 15 brands of consumer electronic products including Apple, Asus, Canon, Casio, Fuji, Kodak, Lenovo, Nikon, Nokia, Olympus, Orion, Panasonic, Pentax, Samsung and Sony.

(b) *Property and Equity Investments*

(i) Property Investments

The Group holds a diverse portfolio of property in the PRC, Hong Kong and Japan acquired over the years. The majority of the properties consist of apartments or commercial properties in the PRC, Hong Kong and Japan.

In addition the Group has been a joint venture partner for the development of over 950 commercial and retail units in Wujiang in the PRC since 1994. Construction on the site is now complete and the remaining units are being progressively sold.

(ii) Equity Investments

The Group's equity investments at present comprise of shares acquired in Gateway Distriparks Limited ("**GDL**") quoted on the National Stock Exchange of India Limited and the Bombay Stock Exchange and in Thakral Holdings Group ("**THG**") quoted on the Australian Securities Exchange.

In determining the amount of capital to be returned to shareholders, the Board has had regard to the capital required for the efficient functioning of the Distribution Business and likely capital requirements for real estate activities over a 12-month period. In coming to that view, the Board has given consideration to the possible disposal or otherwise monetizing its equity investments and progressively realizing its surplus property assets and more efficiently using the portion of the balance sheet allocated for the Distribution Business.

2.6 Conditions Precedent

The proposed Capital Reduction and Cash Distribution are subject to, *inter alia*, the following conditions:

- (a) the approval of Shareholders by way of passing of the Special Resolution. The approval of the proposed Capital Reduction requires a majority of not less than three-fourths of the Shareholders present and voting at the EGM at which not less than twenty-one (21) days' notice of the EGM shall have been given;
- (b) the approval and confirmation of the High Court of the Republic of Singapore to the Capital Reduction and the Cash Distribution;
- (c) a copy of the order of court approving the Capital Reduction and the Cash Distribution together with the other documents prescribed under the Companies Act, Chapter 50 being lodged with the Accounting and Corporate Regulatory Authority of Singapore and the Registrar of Companies having recorded the information lodged in the appropriate register; and
- (d) the approval of all other relevant regulatory authorities (if any and if necessary).

2.7 Financial Effects of the proposed Capital Reduction

For illustrative purposes only and based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2008 ("**FY2008**") and the latest announced consolidated financial statements of the Group for the nine months ended 30 September 2009 ("**3Q2009**"), the financial effects of the Capital Reduction on the Company and the Group, as the case may be, are set out below.

The financial effects are based on the key assumptions that:

- (i) for the purpose of computing the financial effects on EPS and Return on Equity for FY2008, it is assumed that the Capital Reduction had been effected on 1 January 2008;
- (ii) for the purpose of computing the financial effects on EPS and Return on Equity for 3Q2009, it is assumed that the Capital Reduction had been effected on 1 January 2009;
- (iii) for the purpose of computing the financial effects on the NAV (excluding minority interests) per Share and on the gearing of the Group for FY2008, it is assumed that the Capital Reduction had been effected on 31 December 2008;
- (iv) for the purpose of computing the financial effects on the NAV (excluding minority interests) per Share and on the gearing of the Group for 3Q2009, it is assumed that the Capital Reduction had been effected on 30 September 2009;
- (v) none of the outstanding options ("**Thakral Share Options**") to subscribe for new Shares under the Thakral Corporation Employees' Share Option Scheme were exercised as at the Latest Practicable Date;
- (vi) no awards of shares have been issued under the Thakral Corporation Employees' Share Performance Plan 2001 (approved and adopted on 30 March 2001 and the rules of which were revised and approved on 30 July 2004) as at the Latest Practicable Date;
- (vii) cash required for distribution will be generated through liquid cash resources on hand and disposal or other means for monetising of assets as required at book values; and
- (viii) estimated transaction costs of approximately S\$200,000 have been taken into account in the computation of the financial effects.

The financial effects have been prepared solely for illustrative purposes and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Capital Reduction has been effected.

(a) Share Capital

The effect of the Capital Reduction on the issued share capital of the Company as at the Latest Practicable Date is expected to be as follows:

As at Latest Practicable Date	Before the Capital Reduction	After the Capital Reduction
No. of issued Shares	2,612,113,668	2,612,113,668
Amount of share capital (S\$'000)	203,134	72,528

(b) Earnings per Share

The Capital Reduction will have the following impact on the EPS of the Group:

For FY2008	Before the Capital Reduction	After the Capital Reduction
Loss after tax and minority interests of the Group (S\$'000)	(20,473)	(22,755)
Weighted average no. of Shares	2,612,113,668	2,612,113,668
EPS (Singapore cents)	(0.78)	(0.87)

For 3Q2009 (9-month period)	Before the Capital Reduction	After the Capital Reduction
Profit after tax and minority interests of the Group (S\$'000)	5,828	3,930
Weighted average no. of Shares	2,612,113,668	2,612,113,668
EPS (Singapore cents)	0.22	0.15

Note:

- (1) It is estimated that there would be reduction of interest and dividend income of approximately S\$2.3 million for the financial year ended 31 December 2008 and S\$1.9 million for the 9 months ended 30 September 2009 as a result of the Capital Reduction. The reduction in interest income would arise due to the utilisation of funds which are currently placed in interest-earning deposits for the Cash Distribution to shareholders and the consequential loss of interest income earned by such deposits. The Board has given consideration to the possibility of disposing some or all of its equity investments being the Group's holding in the shares in GDL and/or THG. On the assumption that some or all the equity investments are sold, certain dividends previously received in respect of these equity investments may no longer be received by the Group. The illustrative effects on earnings do not take into account gains arising from the possible disposals of these equity investments and take into account the effects of the disposal of only some of these equity investments.

(c) Net Asset Value

The Capital Reduction will have the following impact on the NAV and NAV per share of the Group:

As at 31 December 2008	Before the Capital Reduction	After the Capital Reduction
Consolidated NAV (excluding minority interests) (S\$'000)	205,822	75,016
No. of issued Shares	2,612,113,668	2,612,113,668
NAV per Share (Singapore cents)	7.88	2.87

As at 30 September 2009	Before the Capital Reduction	After the Capital Reduction
Consolidated NAV (excluding minority interests) (S\$'000)	219,765	88,959
No. of issued Shares	2,612,113,668	2,612,113,668
NAV per Share (Singapore cents)	8.41	3.41

(d) Gearing

The Capital Reduction will have the following impact on the gearing of the Group:

As at 31 December 2008	Before the Capital Reduction	After the Capital Reduction
Total borrowing ¹ (S\$'000)	815	815
Net assets ² (S\$'000)	209,748	78,942
Gearing ³	0.00	0.01

As at 30 September 2009	Before the Capital Reduction	After the Capital Reduction
Total borrowing ¹ (S\$'000)	7,642	7,642
Net assets ² (S\$'000)	223,692	92,886
Gearing ³	0.03	0.08

Notes:

- (1) Total borrowings comprise long-term borrowings and short-term borrowings which are interest-bearing.
- (2) Net assets equal total assets less total liabilities (including minority interests).
- (3) Gearing is defined as total borrowings divided by net assets.

(e) Return on Equity

The Capital Reduction will have the following impact on the Return on Equity of the Group:

As at 31 December 2008	Before the Capital Reduction	After the Capital Reduction
(Loss) attributable to shareholders (S\$'000)	(20,473)	(22,755)
Closing shareholder funds ¹ (S\$'000)	205,822	101,617
Return on Equity	(9.95%)	(22.39%)

For 3Q2009 (9-month period)	Before the Capital Reduction	After the Capital Reduction
Profit attributable to shareholders (S\$'000)	5,828	3,930
Closing shareholder funds ¹ (S\$'000)	219,765	79,142
Return on Equity	2.65%	4.97%

Note:

- (1) The decline in shareholders' funds is principally due to the return of the Cash Distribution Sum to Shareholders, the income foregone on the assets used for the Cash Distribution and adjustments arising from the change in fair value from the notional conversion of assets to cash at the beginning of the relevant periods.

2.8 **Administrative Procedures**

2.8.1 Books Closure Date

Shareholders who are registered in the Register of Members of the Company and Depositors whose Securities Accounts are credited with Shares as at the Books Closure Date will be entitled to the Cash Distribution, based on the number of Shares held as at the Books Closure Date.

Shareholders registered in the Register of Members of the Company and Depositors whose Securities Accounts are credited with Shares as at the Books Closure Date will be considered for purposes of the Capital Reduction and Cash Distribution on the basis of the number of such Shares registered in their names or standing to the credit of their Securities Accounts as at the Books Closure Date.

Upon obtaining the Court's approval of the proposed Capital Reduction and Cash Distribution, an announcement will be made to notify Shareholders of the Books Closure Date.

2.8.2 Shareholders holding Scrip Shares

Shareholders who hold Shares registered in their own name in the Register of Members of the Company and who wish to deposit their Shares with CDP prior to the Books Closure Date must deliver their existing share certificates in respect of their Shares, together with the duly executed instruments of transfer in favour of CDP, at least five (5) Market Days prior to the Books Closure Date, in order for their Securities Accounts maintained with CDP to be credited with the relevant Shares prior to the Books Closure Date.

Shareholders who do not deposit their existing share certificates as aforesaid or who do not wish to deposit their existing share certificates with CDP are advised to forward all their existing share certificates to the Company's Share Registrar, as soon as possible after they have been notified of the Books Closure Date for cancellation and exchange for new share certificates reflecting the new amount paid per Share. No receipt will be issued by the Share Registrar for the receipt of the physical existing share certificates. The new share certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the Books Closure Date or the date of receipt of the existing share certificates, whichever is later.

Shareholders should note that new share certificates will not be issued to Shareholders unless their existing share certificates have been tendered to the Share Registrar for cancellation. Shareholders should notify the Company's Share Registrar if they have lost any of their existing existing share certificates or if there is any change in their address from that reflected in the Register of Members of the Company.

Shareholders are to deliver their respective existing share certificates to the Company's Share Registrar or CDP in accordance with the provisions set out above only after the announcement of the Books Closure Date by the Company.

2.8.3 Payment of the Cash Distribution

Payment of the Cash Distribution pursuant to the proposed Capital Reduction will be made in the following manner:

(a) *Shareholders holding Scrip Shares*

Shareholders whose Shares are registered in the Register of Members of the Company as at the Books Closure Date will have the cheques for payment of their entitlements to the Cash Distribution under the proposed Capital Reduction despatched to them by ordinary post at their own risk addressed to their respective addresses in the Register of Members of the Company on the Books Closure Date, tentatively, on 8 June 2010 (the "**Expected Payment Date**"). The Company shall not be liable for any loss in transmission.

(b) *Shareholders holding Scripless Share*

Shareholders who are Depositors and who have Shares standing to the credit of their Securities Accounts as at the Books Closure Date will have the cheques for payment of their respective entitlements to the Cash Distribution under the proposed Capital Reduction despatched to them by CDP by ordinary post at their own risk, tentatively, on the Expected Payment Date. Neither the Company nor CDP shall be responsible or liable for any loss in transmission. Alternatively, such Shareholders will have payment of their respective entitlements to the Cash Distribution under the proposed Capital Reduction made in such other manner as they may have agreed with CDP for the payment of dividends or other distributions, tentatively, on the Expected Payment Date.

3. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS

3.1 Interests in Shares

The interests of the Directors and controlling shareholders, direct and indirect, in the Shares as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders as maintained under the provisions of the Companies Act are set out below:

	Direct Interest		Deemed Interest		No. of Thakral Share Options
	No. of Shares	%	No. of Shares	%	
Directors					
Kartar Singh Thakral	–	–	781,473,230	29.92	–
Natarajan Subramaniam	–	–	–	–	500,000
Lee Ying Cheun	–	–	–	–	500,000
Pratap Chinnan Nambiar	–	–	–	–	–
Inderbethyl Singh Thakral	–	–	781,473,230	29.92	–
Jasvinder Singh Thakral	–	–	–	–	5,200,000
Teo Tong Kooi	–	–	–	–	–
Ting Sii Tien @ Yao Sik Tien	–	–	–	–	–
Jaginder Singh Pasricha	–	–	–	–	–
Hoh Weng Ming (Alternate to Teo Tong Kooi)	–	–	–	–	–
Controlling Shareholders					
Kartar Singh Thakral	–	–	781,473,230	29.92	–
Inderbethyl Singh Thakral	–	–	781,473,230	29.92	–
Manbeen Kaur Thakral	–	–	781,463,368	29.92	–
Thakral Investments Limited	194,412,792	7.44	587,050,576	22.47	–
Preview Investments Limited	137,525,000	5.26	449,525,576	17.21	–
Venture Delta Limited	897,990,352	34.38	–	–	–
Constellation Star Holdings Limited	–	–	898,990,352	34.42	–
China Yuchai International Limited	–	–	898,990,352	34.42	–
HL Technology Systems Pte Ltd	–	–	898,990,352	34.42	–
Hong Leong (China) Limited	–	–	898,990,352	34.42	–
Hong Leong Asia Ltd.	–	–	898,990,352	34.42	–
Hong Leong Corporation Holdings Pte Ltd	–	–	898,990,352	34.42	–
Hong Leong Enterprises Pte. Ltd.	–	–	898,990,352	34.42	–
Hong Leong Investment Holdings Pte. Ltd.	–	–	898,990,352	34.42	–
Davos Investment Holdings Private Limited	–	–	898,990,352	34.42	–
Kwek Holdings Pte Ltd	–	–	898,990,352	34.42	–
Bikramjit Singh Thakral	178,000	0.01	449,525,576	17.21	–
Prime Trade Enterprises Limited	333,525,576	12.77	116,000,000	4.44	–

3.2 Interests of Directors and Controlling Shareholders

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

- (i) Mr Ting Sii Tien @ Yao Sik Tien is a director of Venture Delta Limited (“**VDL**”) and Grace Star Services Ltd. (“**GSS**”), both of which hold in aggregate 34.42% of the issued share capital of the Company. VDL and GSS are wholly-owned subsidiaries of China Yuchai International Limited (“**CYI**”) which is a subsidiary of Hong Leong Asia Ltd. (“**HLA**”);
- (ii) Mr Teo Tong Kooi is a director of CYI, and a director and the chief executive officer of HLA;
- (iii) Mr Ting Sii Tien @ Yao Sik Tien and Mr Teo Tong Kooi have direct shareholding interests in HLA;
- (iv) Mr Kartar Singh Thakral and Mr Inderbethal Singh Thakral have deemed shareholding interests in the Company, and in Thakral Investments Limited, which has a direct shareholding interest of 7.44% and a deemed shareholding interest of 22.47% in the Company; and
- (v) Mr Natarajan Subramaniam, Mr Lee Ying Cheun and Mr Jasvinder Singh Thakral have been granted options to subscribe for new Shares under the Thakral Corporation Employees’ Share Option Scheme.

Save as disclosed above, none of the Directors of the Company, nor, so far as the Directors of the Company are aware, the controlling shareholders of the Company have any interest, whether direct or indirect, in the Capital Reduction and Cash Distribution other than in their capacity as a shareholder of the Company.

4. RECOMMENDATIONS OF DIRECTORS

The Directors are unanimously of the opinion that the Capital Reduction and Cash Distribution are in the interests of the Company, having considered, amongst other things, the rationale for and the financial effects of the proposed Capital Reduction and Cash Distribution. Accordingly, the Directors recommend that Shareholders vote in favour of the Special Resolution as set out in the Notice of EGM.

5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 16 of this Circular, will be held at Phoenix Ballroom II, Level 6, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031 on 4 February 2010 at 10.30 a.m., for the purpose of considering and, if thought fit, passing the Special Resolution as set out in the Notice of EGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company not less than forty-eight (48) hours before the time fixed for the EGM. The completion and lodgment of the Proxy Form by a Shareholder will not prevent him from attending and voting in person at the EGM if he so wishes.

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 at least forty-eight (48) hours before the EGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm that, having made all reasonable enquiries, to the best of their knowledge and belief, the facts stated and the opinions expressed in this Circular are fair and accurate in all material respects as at the date hereof and that there are no other material facts the omission of which would make any statement in this Circular misleading in any material respect as at the Latest Practicable Date.

Where any information has been extracted from published or publicly available sources or is otherwise based on information provided by quoted sources, the sole responsibility of the Directors has been to ensure that, having made reasonable enquiries, such information was accurately and correctly extracted from these sources or, as the case may be reflected or reproduced in this Circular.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 20 Upper Circular Road, #03-06 The Riverwalk, Singapore 058416, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the existing Memorandum and Articles of Association of the Company;
- (b) the annual report of the Company for the financial year ended 31 December 2008; and
- (c) the latest announced consolidated accounts of the Group for 3Q2009.

Yours faithfully

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

Kartar Singh Thakral
Chairman

INDICATIVE TIMETABLE

The following are the indicative dates and times for the proposed Capital Reduction and Cash Distribution⁽¹⁾.

Last date and time for lodgement of Proxy Forms for the EGM ⁽²⁾	:	2 February 2010, 10.30 a.m.
Date and time of the EGM	:	4 February 2010, 10.30 a.m.
Expected date for court approval of the proposed Capital Reduction	:	30 April 2010
Expected Books Closure Date for the proposed Capital Reduction	:	25 May 2010
Expected date of payment for the Cash Distribution	:	8 June 2010

Notes:

- (1) The above timetable is indicative only and the actual dates of the above events will be announced in due course by way of an SGXNET announcement released on the SGX-ST website.
- (2) All Proxy Forms must be lodged at the registered office of the Company at 20 Upper Circular Road, #03-06 The Riverwalk, Singapore 058416 not less than 48 hours before the time of the EGM. Completion and return of a Proxy Form will not preclude a Shareholder from attending and voting in person at the EGM.

THAKRAL CORPORATION LTD

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of THAKRAL CORPORATION LTD (the “**Company**”) will be held on 4 February 2010, Thursday at 10.30 a.m. at Phoenix Ballroom II, Level 6, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031 to consider and if thought fit, to pass with or without any amendments, the following resolution as a special resolution:

Resolution 1: Special Resolution

The proposed Capital Reduction and Cash Distribution

That, pursuant to Article 50 of the Articles of Association of the Company and subject to the relevant approval of the High Court of the Republic of Singapore:

- (1) the paid-up share capital of the Company be reduced by the sum of up to S\$130.61 million and that such reduction be effected by a cash distribution to the shareholders of the Company of S\$0.05 for each fully paid-up ordinary share in the capital of the Company held as at a books closure date to be determined by the Directors; and
- (2) the Directors and each of them be and are hereby authorised to do all acts and things and to execute all such documents as they or he/she may consider necessary or expedient to give effect to this Resolution 1 (including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if so required)).

BY ORDER OF THE BOARD

Tan Ping Ping
Company Secretary
Date: 13 January 2010

Notes:

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

THAKRAL CORPORATION LTD

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

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. For investors who have used their CPF monies to buy Thakral Corporation Ltd's shares, the Circular dated 13 January 2010 is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

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

of _____

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

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

*and/or

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

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Extraordinary General Meeting (the "Meeting") of the Company to be held on 4 February 2010, Thursday at 10.30 a.m. at Phoenix Ballroom II, Level 6, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031 and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolution proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

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

No.	SPECIAL RESOLUTION	FOR	AGAINST
1	To approve the proposed Capital Reduction and Cash Distribution		

Dated this _____ day of _____ 2010

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

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

* Delete where inapplicable



Notes:

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

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stamp
here

PROXY FORM

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

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6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

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

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