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

ANNOUNCEMENT

REPLY TO SGX QUERIES REGARDING INVESTMENT IN A 10% STAKE IN THE HOLDING COMPANY OF CURRENTBODY

All capitalised terms not defined herein have the meanings ascribed to them in the Company's Press Release titled "*Thakral invests in a 10% stake in the holding company of CurrentBody*" on 22 June 2023 *(Announcement Reference: SG230622OTHRGNBC) (the "**PR**").*

The Board of Directors (the "**Board**") of Thakral Corporation Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") refers the queries from the Singapore Exchange Regulation Pte Ltd ("**SGX**") on 23 June 2023 in relation to the PR and appends its response below.

SGX Query 1

For the acquisition of the ordinary shares, preference shares, interest bearing notes, transfer of the shares in CBT, please disclose the following:-

(a) the aggregate value of the consideration, stating the factors taken into account in arriving at it and how it will be satisfied, including the terms of payment; and
(b) in the case of unlisted shares, the net asset value represented by such shares.

Response:

a. (i) The consideration for the investment is an aggregate amount of S$9.09 million[1] (equivalent of GBP5.30 million) ("**Consideration**"), comprising the following:

1. S$4.64 million for the issuance and allotment of 2,706,366 C Preference Shares by Glow Topco (being 10% of the total issued preference shares by Glow Topco) to Thakral Lifestyle Pte Ltd ("**TLPL**"), a wholly owned subsidiary of the Company; and

2. S$4.45 million for the issuance of loan notes ("**Midco Notes**") at face value of GBP2.59 million) by Project Glow Midco Limited ("**Glow Midco**"), which is a wholly owned subsidiary of Glow Topco (being 10% of the total issued loan notes of Glow Midco) to TLPL.

TLPL was also issued and allotted 61,667 B2 Ordinary Shares in Glow Topco at a nominal value, equivalent to an interest of about 9.4% of the

[1] All figures in British Sterling have been converted to Singapore Dollars based on an exchange rate of 0.5833:1 as at 20 June 2023.

current issued ordinary shares in Glow Topco[2].

(ii) The Consideration was satisfied by:

1. the transfer by TLPL of its 50% shareholding in CBT with net book value of S$1.09 million[3];

2. the transfer by TLPL of loan notes of aggregate face value amounting to S$1.70 million (equivalent of GBP0.99 million) issued by CBT; and

3. a cash injection of S$3.18 million (equivalent of GBP1.85 million) ("**Cash Injection**").

b. The terms of the C Preference Shares are set out in paragraph a in the Response to SGX Query 3. The net asset value of the B2 Ordinary Shares ascribed to it by TLPL is nominal. Notwithstanding that a nominal value is ascribed to the B2 Ordinary Shares, the Board is of the view that the investment is in the best interest of the Group and will bring value to the shareholders. Some of the factors considered by the Board in making this investment are as follows:

(i) CB, which is the operating entity of Glow Topco, has consistently delivered strong performance since its entry into the joint venture with the Group in 2018.

(ii) This investment allows the Group to unlock the investment in CBT into a more favorable position to realise its initial investment in CBT in 2018. It would otherwise be difficult for TLPL to divest its 50% shareholding in CBT, which is illiquid due to the nature of the investment.

(iii) There are synergies between the position of Glow Topco and its subsidiaries (collectively, the "**Glow Group**") as a leading player in at-home use beauty and wellness devices and the Group's expertise and recognition as a beauty and wellness brand distributor and retailer player in the Greater China and other Asian markets.

SGX Query 2

What is the amount of "further cash amount" to be invested by Thakral?

Response:

Other than the Cash Injection already made, there is no further amount to be invested by the Company or TLPL.

[2] As part of the terms of the investment, ordinary shares were to be issued to certain key management executives in Glow Topco and its operating entities. After the allotment of such shares, TLPL will hold an indirect interest of 9.4% in CBT.

[3] Taking the Consideration less the Cash Injection and the aggregate face value of the loan notes issued by CBT to TLPL, the consideration received by TLPL for its 50% shareholding in CBT is approximately S$4.21 million. As a result of the investment, the Company was therefore able to recognise a profit of S$3.12 million on the transfer by TLPL of the shares in CBT to CB.

SGX Query 3

What are the salient terms of the preference shares and interest bearing notes?

Response:

a. The C Preference Shares are a class of preference shares in Glow Topco. The salient terms of the C Preference Shares are as follows:

(i) As with other classes of preference shares, holders of C Preference Shares will receive a fixed cumulative dividend at the annual rate of 10% of the principal value per share;

(ii) As with other classes of preference shares, the C Preference Shares are redeemable on 26 October 2027;

(iii) In addition, holders of C Preference Shares are entitled to payment of S$2.23 million (equivalent of GBP1.30 million) ("**C Preference Redemption Sum**") pro rata to the number of C Preference Shares held, if:

(aa) any of the following events occur:

I. the completion of any sale of any interest in any shares of Glow Topco (whether in one transaction or a series of related transactions) resulting in the transferee (either alone or together with its connected persons) holding a controlling interest; or

II. the listing of any shares in Glow Topco (or securities representing such shares) to, or the grant of permission for any such shares (or securities representing such shares) to be listed on a recognised investment exchange; or

III. a voluntary or involuntary distribution pursuant to a winding-up, dissolution or liquidation of Glow Topco; and

(bb) in the reasonable opinion of the board of Glow Topco, the gross revenue of CBT for the 12-month period commencing on 1 January 2023 is equal to or exceeds (i) 105% of the gross revenue for the 12 month period commencing on 1 January 2022 or (ii) RMB 100 million (whichever is lower).

The Company is currently the sole holder of C Preference Shares.

b. The Midco Notes are constituted by a loan note instrument executed by Glow Midco. The salient terms of the Midco Notes are as follows:

(i) Interest accrues daily at the rate of 10% per annum;

(ii) The Midco Notes are to be repaid on the fifth anniversary of the date of the loan note instrument (i.e. 22 June 2023) constituting the Midco Notes that are issued to the Company;

(iii) The liabilities to be owed by Glow Midco under the Midco Notes rank pari passu with all liabilities owed or to be owed under loan notes constituted by instruments entered into by any entity in the Glow Group from time to time and any redemption amounts payable in respect of any preference shares issued by Glow Topco.

SGX Query 4

Please confirm if the Company will still hold any interest in CBT after the proposed transfer of the 50% stake in CBT.

Response:

The Company will no longer hold any direct shares in CBT through TLPL, which will now be a 100% subsidiary of Glow Topco. The Company will hold an indirect interest of 9.4% in CBT through TLPL's shareholding in Glow Topco.

SGX Query 5

What would be the Group's final interests in Glow Topco?

Response:

The Group's final interest in Glow Topco will be 9.4% after taking into account the allotment of ordinary shares to key management executives in Glow Topco and its operating entities as part of the terms of the investment.

SGX Query 6

How would these interests in Glow Topco be accounted for in the Group's financial statements after the proposed transactions?

Response:

The investment in the C Preference Shares and Midco Notes shall be accounted for as financial assets at amortised cost while the B2 Ordinary Shares shall be accounted for as financial assets at fair value through the Group's income statement.

SGX Query 7

Please disclose the effect of the transaction on the net tangible assets per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the end of that financial year.

Response:

The effect of the investment on the net tangible assets per share ("**NTA**") for the most recently completed financial year, assuming that the investment had been effected at the end of that financial year is as follows:

NTA as at 31 Dec 2022:	118.43 Singapore cents
NTA (assuming that the investment had been effected at the end of that financial year:	120.67 Singapore cents

SGX Query 8

Please disclose the effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year.

Response:

The effect of the investment on the earnings per share ("**EPS**") for the most recently completed financial year, assuming that the investment had been effected at the beginning of that financial year is as follows:

EPS for year ended 31 Dec 2022:	14.23 Singapore cents
EPS (assuming that the investment had been effected at the beginning of that financial year):	13.47 Singapore cents

SGX Query 9

Please disclose whether any director or controlling shareholder has any interest, direct or indirect, in the transaction and the nature of such interests.

Response:

Mr. Indergopal Singh Thakral ("**Mr. Gopal**") is a controlling shareholder of the Company. He entered into a service agreement with CBT to be engaged as consultant of Glow Topco's business in Asia on completion of the investment (the "**Service Agreement**").

Under the Service Agreement with CBT, Mr. Gopal will receive a monthly fee of GBP3,500. The term of the Service Agreement is for 24 months commencing from the date of completion of the investment in Glow Topco. As part of the scope of services, Mr. Gopal may be appointed to continue to sit on the board of CBT post-completion of Thakral's investment in Glow Topco.

Other than as disclosed above, none of the Directors or controlling shareholders of the Company have any interest, direct or indirect (other than through their shareholdings in the Company), in the transaction.

SGX Query 10

The announcement discloses that, "Under the terms of the preference shares in Glow Topco issued to Thakral, Thakral will receive a preference sum of about S$2.2 million (equivalent of GBP1.3 million), subject to the fulfilment of certain conditions".

In this regard,
(a) please clarify the "certain conditions".
(b) please elaborate on the salient terms of the preference shares to be issued to Thakral.
(c) please disclose the factors taken into consideration for Thakral to receive a preference sum of S$2.2m.

Response:

a. The "certain conditions" are set out in paragraph a(iii) in Response to SGX Query 3.

b. The salient terms of the C Preference Shares allotted to the Company in paragraph a in Response to SGX Query 3.

c. The factors taken into consideration for TLPL to receive the C Preference Redemption Sum are based on the performance targets to be achieved by CBT as set out in paragraph (a)(iii)(bb) in Response to SGX Query 3.

On behalf of the Board

Natarajan Subramaniam
Independent Non-Executive Chairman and Lead Independent Director

Singapore, 27 June 2023