

Issuer: Thakral Corporation Ltd

Security: Thakral Corporation Ltd

Meeting details:

Date: 28 April 2017

Time: 14:00H

Venue: Cinnamon Room, Level 5, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031

Company Description

Thakral Corporation Ltd, an investment holding company, operates in investments and lifestyle divisions. Its Investment division invests directly or with co-investors in real estate and other investment opportunities, including property-backed financial instruments. This division also offers services related to originating, packaging, and managing of such projects. In addition, the Investment division, through a joint venture, engages in the development and management of retirement living resorts in Australia under the GemLife brand name. This division operates in Australia and Japan. The company's Lifestyle division re-focuses on marketing and distributing brands in the beauty, wellness, and lifestyle categories, working with ecommerce platforms, as well as traditional retailers. Its partners include beauty and personal care device brands, MTG Refa, Panasonic, Philips, and Braun; skin care brands, Canvas and Leaders; cosmetic brand, Color Me; wellness brands, MTG SIXPAD and Style Seat; and lifestyle brands, Apple, DJI, and Skullcandy. This division operates in Greater China, including Hong Kong, Southeast Asia, and India. The company was formerly known as Thakral Corporation Singapore Limited and changed its name to Thakral Corporation Ltd in November 1994. Thakral Corporation Ltd was incorporated in 1993 and is based in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=AWI)

Q1. The group through a joint venture (JV), has expanded its businesses into development and management of retirement living resorts in Australia under the GemLife brand name. The two resort-style retirement communities – GemLife Bribie Island and GemLife Highfields – have been launched in Queensland, Australia in 2016.

In the Message from Chief Executive Officer (page 6 of the annual report), it was said that “GemLife has further contracted and taken options on various sites and will progressively develop more resorts to bolster its portfolio and profile in the retirement living segment”.

- a) **Given that GemLife is a new strategic key driver for the group, can management provide shareholders with a holistic overview of the overall growth strategy, including the timeline, key milestones and expected returns.**
- b) **As the two projects in Queensland have been launched since the end of 2016, can management update shareholders on the progress made?**
- c) **How much will the group invest in the new business of resort-style retirement homes? How does the group intend to fund this?**

Q2. In 2015, management had decided to dispose of the warehouse properties in Hong Kong. Since last year, the properties were recognised in the financial statement as assets held-for-sale. The valuation of assets held for sale was also one of the key audit matters highlighted in the independent auditors’ report (page 50).

- a) **What is the progress made by management in the disposal of the warehouse properties in Hong Kong? It has been about two years since management stated the intention to dispose of the warehouses.**
- b) **Can management provide shareholders with better clarity into the assets (such as the warehouse properties) owned by the group? Shareholders would like to request for the basic information such as the location, the name of the building (if applicable), the size/floor area, the number of units and the tenure.**

Q3. A special committee of the board was formed in 2012 to set out the criteria for the basis for the evaluation of the independence of directors who have served beyond nine years from the date of their first appointment (page 31 – Corporate Governance Report). The special committee comprising Mr Kartar Singh Thakral (“Mr Kartar”) and Mr Nair and in consultation of Mr Inderbethal Singh Thakral have undertaken the review of independence of the Independent Non-Executive Chairman and Director, Mr Natarajan Subramaniam, and Independent Non-Executive Director, Mr Lee Ying Cheun.

The two independent directors, namely Mr Natarajan Subramaniam and Mr Lee Ying Cheun, were first appointed directors on 15 November 1995. The third independent director, Mr Dileep Nair, was appointed in 2015.

The Nomination Committee and the Board, after comprehensive review and taking into consideration the views of the special committee, consider Mr Natarajan Subramaniam and Mr Lee Ying Cheun, both who have served on the board for about 22 years, to be independent.

Notwithstanding that the board considers both long-tenured directors, Mr Subramaniam and Mr Lee, as independent directors, Guideline 2.4 of the Code of Corporate Governance 2012 (Code) issued by the Monetary Authority of Singapore requires the board to “also take into account the need for progressive refreshing of the Board”.

- a) **After the appointment of Mr Dileep Nair in 2015, does the company have further plans for the progressive refreshing of the board, as required by Guideline 2.4 of the Code?**
- b) **What is the search and nomination process for new board directors, especially independent directors?**