

Date: 31 October 2006

DBS TRUSTEE LIMITED
6 Shenton Way #36-02
DBS Building Tower One
Singapore 068809

Attention: Ms Jane Lim

SINGAPORE EXCHANGE SECURITIES TRADING LIMITED
2 Shenton Way #19-00
SGX Centre 1
Singapore 068804

Attention: Ms Lorraine Chay / Ms Ruth Tan
Issuer Regulation

Dear Sirs,

REPORT PURSUANT TO CLAUSE 10.6 OF THE TRUST DEED DATED 19 JANUARY 2006 BETWEEN THAKRAL CORPORATION LTD (THE "COMPANY") AND DBS TRUSTEE LIMITED (THE "TRUST DEED") IN RELATION TO THE RIGHTS ISSUE OF CONVERTIBLE BONDS (THE "BONDS") FOR THE PERIOD FROM 1 JULY 2006 TO 30 SEPTEMBER 2006

With reference to the captioned issue, and on behalf of the Company, we hereby report that:-

- (i) the limitations on the liabilities and borrowings as provided in the Trust Deed have not been exceeded;
- (ii) the Company has observed and performed all the covenants and obligations binding on it by or pursuant to the Trust Deed or the Bonds;
- (iii) no Event of Default has occurred;
- (iv) no material trading or capital loss has been sustained by the Group;
- (v) no circumstances materially affecting the Group have occurred which adversely affect the Bonds;
- (vi) the Group has not incurred any contingent liabilities and no contingent liabilities have matured or are likely to mature within the succeeding 12 months which will materially affect the Company in its ability to repay the Bonds;
- (vii) there has been no change in any accounting method or methods of valuation of assets or liabilities of the Group;
- (viii) no circumstances have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; and



THAKRAL
CORPORATION LTD
(Incorporated in Singapore with Limited Liability)

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Co. Reg. No. 199306606E

- (ix) no substantial change has taken place in the nature of business of the Company and/or the Group since the date of the Trust Deed.

Terms defined in the Trust Deed shall bear the same meanings when used in this report.

Yours faithfully
THAKRAL CORPORATION LTD

Kartar Singh Thakral
Director

Neo Teck Pheng
Director