

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your ordinary shares of 1 pence each in the capital of Coral Products plc ("Ordinary Shares"), please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Ordinary Shares are admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Financial Conduct Authority ("Official List"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange plc has not itself examined or approved the contents of this document. Prospective investors should read this document in its entirety.

This document contains no offer of transferable securities to the public within the meaning of section 102B of the FSMA, the Act or otherwise. Accordingly, this document does not constitute a prospectus within the meaning of section 85 of the FSMA and has not been drawn up in accordance with the Prospectus Rules or approved by the FCA or any other competent authority. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List.

Coral Products plc

(Incorporated in England and Wales with registered no. 02429784)

Proposed disposal of Coral Products (Mouldings) Ltd and Interpack Ltd and Notice of General Meeting

This document should be read as a whole. However, your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this document and which contains, amongst other things, the Directors' unanimous recommendation that you vote in favour of the Resolution to be proposed at the General Meeting.

Cairn Financial Advisers LLP ("Cairn"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser to the Company in connection with the matters set out in this document and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Cairn or for advising any other person in respect of the matters set out in this document or any transaction, matter or arrangement referred to in this document. Cairn's responsibilities as the Company's nominated adviser and broker are owed solely to the London Stock Exchange plc and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Cairn by the FSMA or the regulatory regime established thereunder, Cairn does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it or them, or on its or their behalf, in connection with the Company or the matters set out in this document. Cairn accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

Notice of the General Meeting of Coral Products plc, to be held at Coral Products plc, North Florida Road, Haydock Industrial Estate, Haydock, Merseyside, WA11 9TP at 12.00 noon on 11 February 2021, is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, by not later than 12.00 noon on 9 February 2021 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

Shareholders who hold their Ordinary Shares in uncertificated form in CREST may alternatively use the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual as explained in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by Share Registrars Limited (ID 7RA36) by no later than 12.00 noon on 9 February 2021 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

Due to the COVID-19 pandemic, Shareholders are requested not to attend the General Meeting. Information regarding the arrangements for the General Meeting due to the COVID-19 pandemic and what Shareholders should do in order to vote at the General Meeting are set out in paragraph 12 of the Chairman's letter contained in Part 1 of this document.

A copy of this document will be made available from the Company's website, www.coralproducts.com. Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website are incorporated in, or form part of, this document.

IMPORTANT NOTICE

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ current intentions, beliefs or expectations concerning, among other things, the Existing Group’s and the Continuing Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the Existing Group’s and the Continuing Group’s markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Existing Group’s and the Continuing Group’s operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

Notice to overseas persons

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Presentation of financial information

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent. In this document, references to “pounds sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom.

Interpretation

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading “Definitions”.

All times referred to in this document and the Form of Proxy are, unless otherwise stated, references to London time.

All references to legislation in this document and the Form of Proxy are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2021

Publication of this document	18 January
Latest time and date for receipt of Forms of Proxy and CREST voting instructions	12.00 noon on 9 February
General Meeting	12.00 noon on 11 February
Expected completion date of the Disposal	26 February

Note:

Each of the above times and/or dates is subject to change at the absolute discretion of the Company. If any of the above times and/or dates should change, the revised times and/or dates will be announced through a Regulatory Information Service.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Joseph Grimmond, <i>Non-executive Chairman</i> David Low, <i>Non-executive Director</i> Michael (Mick) Wood, <i>Chief Executive Officer</i> Sharon Tinsley, <i>Finance Director</i> Paul Freud, <i>Corporate Development Director</i>
Company Secretary	Sharon Tinsley
Nominated Adviser and Broker	Cairn Financial Advisers LLP Cheyne House Crown Court 62-63 Cheapside London EC2V 6AX
Legal Adviser to the Company	Legal Clarity Lawyers Limited Charles House 148-149 Great Charles Street Birmingham B3 3HT
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“Act”	the Companies Act 2006 (as amended);
“AIM Rules”	the AIM Rules for Companies and guidance notes published by the London Stock Exchange from time to time;
“AIM”	the AIM market operated by the London Stock Exchange;
“Business Day”	a day on which dealings in domestic securities may take place on the London Stock Exchange;
“Cairn”	Cairn Financial Advisers LLP, the Company’s nominated adviser and broker;
“Certificated form” or “in Certificated form”	an Ordinary Share recorded on a company’s share register as being held in certificated form (namely, not in CREST);
“Company” or “Coral Products”	Coral Products plc, a company incorporated and registered in England and Wales with registered number 02429784;
“Completion”	completion of the sale of the whole of the issued share capital of Coral Products (Mouldings) Limited and Interpack Limited in accordance with the Share Purchase Agreement;
“Conditions”	the conditions to the Disposal referred to in paragraph 2 of Part 2 of this document;
“Continuing Group”	the Company and its subsidiary undertakings following Completion;
“Coral Mouldings”	Coral Products (Mouldings) Limited, a company incorporated and registered in England and Wales with registered number 07964239;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755) (as amended);
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations);
“Directors” or “Board”	the directors of the Company whose names are set out on page 5 of this document, or any duly authorised committee thereof;
“Disposal”	the proposed disposal by the Company of the Sale Companies pursuant to the Share Purchase Agreement;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“Existing Group”	the Company and its subsidiary undertakings as at the date of this document (including, without limitation, the Sale Companies);
“Existing Ordinary Shares”	the 82,614,865 Ordinary Shares in issue at the date of this document;
“FCA”	the Financial Conduct Authority;

“Form of Proxy”	the form of proxy for use in connection with the General Meeting which accompanies this document;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“General Meeting”	the general meeting of the Company to be held at Coral Products plc, North Florida Road, Haydock Industrial Estate, Haydock, Merseyside, WA11 9TP at 12.00 noon. on 11 February 2021, notice of which is set out at the end of this document;
“Interpack”	Interpack Limited, a company incorporated and registered in England and Wales with registered number 04872594;
“London Stock Exchange”	London Stock Exchange plc;
“Notice of General Meeting”	the notice convening the General Meeting which is set out at the end of this document;
“Ordinary Shares”	the ordinary shares of 1 pence each in the capital of the Company;
“Proceeds”	the £ 11.2 million gross proceeds payable to the Company as a result of the Disposal;
“Prospectus Rules”	the prospectus regulation rules made by the FCA pursuant to section 73A of the FSMA, as amended from time to time;
“Purchaser” or “One51”	One51 ES Plastics (UK) Ltd, a subsidiary whose ultimate parent undertaking is IPL Plastics;
“Register”	the register of members of the Company maintained by Share Registrars Limited;
“Resolution”	the ordinary resolution set out in the Notice of General Meeting;
“Sale Companies”	Coral Products (Mouldings) Limited and Interpack Limited;
“Share Purchase Agreement”	the conditional share purchase agreement dated 23 December 2020 between the Company and the Purchaser;
“Shareholders”	holders of Ordinary Shares;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland; and
“uncertificated form” or “in uncertificated form”	an Ordinary Share recorded on a company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST.

PART 1

LETTER FROM THE CHAIRMAN OF CORAL PRODUCTS PLC

Incorporated and registered in England and Wales with registered number 02429784

Directors:

*Joseph Grimmond, Non-executive Chairman
David Low, Non-executive Director
Michael (Mick) Wood, Chief Executive Officer
Sharon Tinsley, FCMA, Finance Director & Company Secretary
Paul Freud, Corporate Development Director*

*Registered Office
North Florida Road
Haydock Industrial Estate
Haydock
Merseyside
WA11 9TP*

18 January 2021

Proposed disposals of Coral Products (Mouldings) Ltd and Interpack Ltd and Notice of General Meeting

To: Shareholders and, for information only, to the holders of options over Ordinary Shares

Dear Shareholder

1. Introduction

On 24 December 2020, the Company announced that it had entered into a share purchase agreement for the conditional sale of Coral Products (Mouldings) Limited ("CPL") and Interpack Limited ("Interpack") (together the "Sale Companies") for an estimated initial net cash consideration of £7.9 million (the "Disposal") to One51 ES Plastics (UK) Ltd (the "Purchaser").

As explained below, the Disposal constitutes a fundamental change of business of the Company under AIM Rule 15 and is therefore conditional, *inter alia*, on Shareholder approval at a general meeting of the Company. A general meeting of the Company is therefore being convened for 12.00 noon on 11 February 2021.

The purpose of this document is to provide you with information about, background to and reasons for the Disposal and to explain why the Board believes the Disposal to be in the best interests of the Company and Shareholders as a whole. In addition, this document contains a notice convening the General Meeting of the Company at which Shareholder approval of the Resolution necessary to implement the Disposal will be sought.

Following receipt of the net proceeds from the Disposal of circa £7.9 million, having repaid existing bank debt of approximately £1.5 million, the Board will conduct a review to determine the most advantageous route to deliver shareholder value. On Disposal, the Company will ensure that a normal level of working capital remains within the Sale Companies at Completion. The final consideration due to the Company is subject to customary adjustments for (amongst other things) the actual working capital at Completion against an agreed target level.

The Board believes that the Disposal provides the Company with the opportunity to crystallise an attractive return on invested capital with respect to the Sale Companies, reduce net debt and also to provide additional financial flexibility to further develop and support the recent progress of the Continuing Group. Following the Disposal, the Continuing Group will consist of Coral Products plc, Tatra Rotalac Limited and Global One-Pack Limited. The Board believes there is potential to further develop the Continuing Group in terms of sales and profits.

The Disposal is of sufficient size relative to that of the Existing Group to constitute a disposal resulting in a fundamental change of business pursuant to Rule 15 of the AIM Rules and Completion is therefore conditional

upon (amongst other things) the approval of Shareholders at a General Meeting of the Company.

You will find set out at the end of this document a notice of the General Meeting which has been convened for 12.00 noon on 11 February 2021 at which the Resolution to approve the Disposal will be put to Shareholders. It is important that you complete, sign and return the Form of Proxy for use at the General Meeting enclosed with this document or, if you are a CREST member, you appoint a proxy using the CREST electronic appointment service.

Accordingly, your approval of the Disposal is being sought at the General Meeting of the Company to be held at Coral Products plc, North Florida Road, Haydock Industrial Estate, Haydock, Merseyside, WA11 9TP at 12.00 noon on 11 February 2021. A summary of the action you should take is set out in paragraph 12 of this letter and on the Form of Proxy which accompanies this document.

Further details of the Disposal and the Share Purchase Agreement are set out below and in Part 2 of this document.

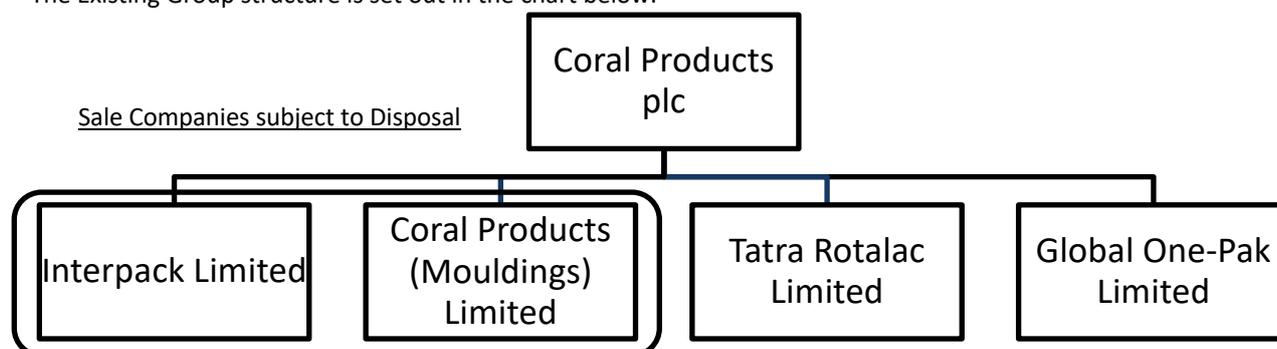
The Directors consider the Disposal to be in the best interests of the Company and its Shareholders as a whole and recommend that you vote in favour of the Resolution to be proposed at the General Meeting. The Directors have irrevocably undertaken to vote in favour of the Resolution in respect of the 8,587,716 Ordinary Shares in which they are beneficially interested, representing approximately 10.53 per cent. of the issued ordinary share capital of the Company. Additional undertakings and letters of intent have been obtained from other shareholders as set out in paragraph 9 below (“Irrevocable undertakings and letters of intent”).

2. Background to and reasons for the proposed Disposal

The Company was admitted to trading on AIM in August 2011.

The Group currently comprises four operating companies engaged in the manufacture and supply of a range of injected, blow moulded and extruded plastic products into a diverse range of sectors including food packaging, personal care, household, healthcare, on-line totes, telecoms and rail. The Group has operations in the UK with manufacturing facilities in Haydock, Merseyside, and Wythenshawe, Greater Manchester as well as a distribution facility in Hyde, Greater Manchester.

The Existing Group structure is set out in the chart below:



The table below provides an overview of the activities within each wholly owned subsidiary:

Company Name	Description / Business Activity
Coral Products (Mouldings) Limited	<p>Plastic moulding specialist, manufacturer and distributor of plastic injection, extruded and blow moulded products into a diverse range of sectors including food packaging, personal care, household and automotive.</p> <p>Over 50 dedicated machines ranging from 25 tonne to 1,150 tonne performance, operating from a circa 100,000 sq. ft covering freehold facility in Haydock equipped with modern plant suitable for the supply of a wide range of customers.</p>

Interpack Limited	Nationwide distributor of food packaging. Supplying mainly to independent food manufacturers or packers.
Tatra Rotalac Limited	A leading UK plastic extrusions manufacturer providing custom extrusions, PVC profiles and injection moulding. Tatra has a wide customer base in diverse markets ranging from building, telecoms, aerospace and rail.
Global One Pak Ltd	Based in Manchester, the company is a leading provider of own designed lotion pumps, closures and trigger sprayers. International market supplier to well-known brands.

3. Principal terms of the Disposal

The Disposal is being sold for a gross sum of up to £9.4 million, of which circa £1.5 million will be used by the Company to repay existing bank debt.

The net proceeds from the Disposal will be circa £7.9 million, having repaid existing bank debt of approximately £1.5 million. The Board will conduct a review to determine the most advantageous route to deliver shareholder value and apply the net proceeds from the Disposal.

The Company will be subject to restrictive covenants for a period of 36 months from completion of the sale during which time the Company will be restricted from competing with the Sale Companies provided only that these restrictions shall not apply to the Continuing Group's existing customer base.

4. Information on the Purchaser

One51 ES Plastics (UK) Ltd is a UK subsidiary of IPL Plastics ("IPL"). IPL's turnover is in excess of USD 700 million with operations in the United States, Canada, Europe and China. IPL operates across three divisions: consumer packaging solutions, large format packaging and environmental solutions and returnable packaging solutions. IPL has 15 plants, 9 of which are based in North America, and employs over 2,000 people.

5. Board changes arising from the Disposal

Michael Wood, CEO of the Company, will resign from the Company's Board on completion of the sale as he will be joining One51 as part of the Share Purchase Agreement.

Joseph Grimmond, currently Non-executive Chairman, will be appointed Executive Chairman of the Company.

6. Financial information relating to the Sale Companies

Set out below is key financial information on the Sale Companies for the year ended 30 April 2019:

	Sales £m	Gross Profit/(Loss) £m	Net assets £m
Coral Products (Mouldings) Ltd	11.16	3.8	0.06
Interpack Ltd	7.45	2.2	1.74

7. Financial effects of the proposed Disposal and use of Proceeds

A pro forma Group balance sheet (based on the based on the unaudited balance sheet figures of the Group's published interims for the six months ended 31 October 2020) showing the impact of the Disposal is set out below:

	Group	Adjustment disposal of CPL	Adjustment disposal of Interpack	Adjustment Goodwill	Net Consideration	Adjusted Group
	£'000	£'000	£'000	£'000	£'000	£'000
ASSETS						
Non-current assets						
Goodwill	5,145	-	-	(3,550)	-	1,595
Other intangible assets	986	-	-	-	-	986
Property, plant and equipment	2,768	(1,788)	(365)	-	-	615
Right of use assets	4,058	(3,241)	-	-	-	817
Total non-current assets	12,957	(5,029)	(365)	(3,550)	-	4,013
Current assets						
Inventories	3,395	(1,495)	(395)	-	-	1,505
Trade and other receivables	4,575	(1,635)	(1,142)	-	-	1,798
Cash and cash equivalents	1,292	(86)	(273)	-	7,900	8,833
Total current assets	9,262	(3,216)	(1,810)	-	7,900	12,136
Assets held for sale	2,520					2,520
LIABILITIES						
Current liabilities						
Term loan						-
Other borrowings	2,526	(809)	(919)	-	-	798
Lease liabilities	1,393	(86)	-	-	-	1,307
Trade and other payables	3,212	(1,387)	(1,050)	-	-	775
Total current liabilities	7,131	(2,282)	(1,969)	-	-	2,880
Liabilities on assets for sale	1,706					1,706
Net current assets/(liabilities)	2,945	(934)	159	-	7,900	10,070
Non-current liabilities						
Term loan	1,000					1,000
Other borrowings						-
Interco	-	(228)	180	48	-	-
CBIL Loan advance	-	(444)	-	-	-	(444)
Lease liabilities	1,859	(2,167)	-	-	-	(308)
Deferred tax	398	(109)	(37)	-	-	252
Total non-current liabilities	3,257	(2,948)	143	48	-	500
NET ASSETS	12,645	(3,015)	(349)	(3,598)	7,900	13,583
SHAREHOLDERS' EQUITY						
Share capital	826	(100)	-	-	-	726
Share premium	5,288	-	-	-	-	5,288
Other reserves	1,567	-	-	-	-	1,567
Retained earnings	4,964	(2,915)	(349)	(3,598)	7,900	6,002
TOTAL SHAREHOLDERS' EQUITY	12,645	(3,015)	(349)	(3,598)	7,900	13,583

	Parent Company	Adjustment disposal of CPL	Adjustment disposal of IP	EMI share scheme	Net consideration	Adjusted Parent Company
	£'000	£'000	£'000	£'000	£'000	£'000
ASSETS						
Non-current assets						
Investment in subsidiaries	10,951	-100	-4,495	-131	-	6,225
Other intangible assets	-	-	-	-	-	-
Property, plant and equipment	2,520	-	-	-	-	2,520
Total non-current assets	13,471	-100	-4,495	-131	-	8,745
Current assets						
Inventories	-	-	-	-	-	-
Trade and other receivables	39	-	-	-	-	39
Amounts owed by group undertakings	-	-	-	-	-	-
Cash and cash equivalents	12	-	-	-	7,900	7,912
Total current assets	51	-	-	-	7,900	7,951
LIABILITIES						
Current liabilities						
Term loan	188	-	-	-	-	188
Other borrowings	-	-	-	-	-	-
Amounts owed to group undertakings	-	-	-	-	-	-
Trade and other payables	677	-	-	-	-	677
Total current liabilities	865	-	-	-	-	865
Net current assets/(liabilities)	-814	-	-	-	7,900	7,086
Non-current liabilities						
Term loan	1,577	-	-	-	-	1,577
Other borrowings	-	-	-	-	-	-
Deferred tax	-	-	-	-	-	-
Total non-current liabilities	1,577	-	-	-	-	1,577
NET ASSETS	11,080	-100	-4,495	-131	7,900	14,254
SHAREHOLDERS' EQUITY						
Share capital	826	-	-	-	-	826
Share premium	5,288	-	-	-	-	5,288
Other reserves	1,567	-	-	-	-	1,567
Retained earnings	3,399	-100	-4,495	-131	7,900	6,573
TOTAL SHAREHOLDERS' EQUITY	11,080	-100	-4,495	-131	7,900	14,254

8. Strategy for the Continuing Group

Following the Disposal, the Continuing Group will comprise:

- Coral Products Plc, the Group holding company;
- Tatra Rotalac Limited which specialises in the manufacture of plastic extrusions and injection mouldings, Tatra manufacture round, square and oval tubes as well as rigid and flexible profile extrusions, co-extrusions and injection mouldings; and
- Global One-Pak Limited, a leading supplier of lotion pumps, triggers and mist sprayers.

Summarised financial information on the Continuing Group's operating companies' businesses, as extracted from the unaudited management accounts for the 8 months ended 31 December 2020, is set out below:

	Sales £m	Pre -tax profits* £m	Net assets £m
Tatra-Rotalac Ltd	£3.9	£0.4	£1.8
Global One-Pak Ltd	£2.5	£0.5	£1.0

*Pre-tax profits are stated before management charges and Covid related exceptional items

The Board believes there is a potential to further develop the Continuing Group in terms of sales and profits.

Following completion of the Disposal, the Board will conduct a review to determine the most advantageous route to deliver Shareholder value and apply the net proceeds from the Disposal.

Coral Products plc continues to hold the freehold for the Haydock site and intends to enter into a 10-year lease with the purchaser at an annual rent of £300,000 per annum with a 5-year break clause and rent review after 5 years.

9. Irrevocable undertakings and letters of intent

The Company has received irrevocable undertakings from certain Shareholders to vote in favour of the Resolution at the General Meeting in respect of, in aggregate, 26,103,312 Existing Ordinary Shares representing approximately 31.59 per cent. of the Ordinary Shares held by Shareholders entitled to vote on the Resolution.

10. General Meeting

The General Meeting of the Company, notice of which is set out at the end of this Document, is to be held at 12.00 noon on 11 February 2021. The General Meeting is being held for the purpose of considering and, if thought fit, passing the Resolution.

A summary of the Resolution is set out below. Please note that this is not the full text of the Resolution and you should read this section in conjunction with the Resolution contained in the Notice of General Meeting at the end of this document.

Resolution 1

That the Disposal in accordance with the terms of the Share Purchase Agreement be approved.

The Disposal is conditional upon, amongst other things, the approval of Shareholders and will not proceed without such approval.

11. Arrangements for the General Meeting

The Board strongly urges Shareholders to comply with Government public health instructions in respect of the COVID-19 pandemic and its advice in relation to social contact, public gatherings and non-essential travel. Please note that the Company currently intends to refuse entry to Shareholders who do attempt to attend the General Meeting in order to comply with those public health instructions. The health of the Shareholders, as well as its officers and employees, is of paramount importance. It is expected that the attendance by certain of the Directors in person at the General Meeting will be limited to satisfy the requirements of a quorum. The General Meeting will end immediately following the formal business required and there will be no corporate presentations, Q&A or refreshments. Social distancing measures will be in place and strict hygiene arrangements in force. Shareholders are therefore instructed to participate in the General Meeting by proxy rather than attend the General Meeting in person. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy enclosed with this Notice of General Meeting.

The results of the General Meeting will be available on the Company's website shortly after the General Meeting has closed. The Board continues to follow advice issued by the Government with respect to the COVID-19 pandemic and will issue further guidance if necessary.

In light of this request to not attend the General Meeting, the Board shall accept any questions relating to the business being dealt with at the General Meeting submitted by Shareholders in advance to the Company and the Company shall, where considered appropriate, publish the question and the response on the Company website in advance of the General Meeting. Any such questions should be sent to the following email address CHAIRMAN@CORALPRODUCTS.COM so as to be received by no later than 12.00 noon on 9 February 2021.

12. Action to be taken

Please check that you have received a Form of Proxy for use in relation to the General Meeting.

Given that no Shareholder attendance at the General Meeting will be permitted, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon so as to be received by post or, during normal business hours only, by hand, as soon as possible but in any event so as to arrive by not later than 12.00 noon on 9 February 2021 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting.

13. Documents available for inspection

Copies of this document will be available to the public, free of charge, at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until the date of the General Meeting.

This document is also available on the Company's website, www.coralproducts.com. Except to the extent expressly stated in this document, information on that website, any website mentioned in this document or any website directly or indirectly linked to those websites has not been verified and does not form part of this document and Shareholders should not rely on it.

14. Recommendation

The Directors consider the Disposal to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that Shareholders vote in favour of the Resolution to be proposed at the General Meeting as they intend to do so in respect of their own beneficial holdings amounting, in aggregate, to 8,698,716 Existing Ordinary Shares, representing approximately 10.53 per cent. of the Existing Ordinary Shares.

Yours faithfully,

Joseph Grimmond
Chairman
Coral Products plc

PART 2

SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE PURCHASE AGREEMENT

1. General

The Share Purchase Agreement was entered into on 23 December 2020 between the Company and the Purchaser.

Pursuant to the terms of the Share Purchase Agreement, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire issued share capital of the Sale Companies, comprising Coral Products (Mouldings) Limited and Interpack Limited.

2. Conditions

Completion is conditional on (amongst other things) the Resolution being passed by the requisite majority at the General Meeting (or any adjournment thereof).

If any of the Conditions are not satisfied by 30 April 2021, then the Purchaser may terminate the Share Purchase Agreement.

3. Pre-Completion obligations

At all times during the period from (and including) the date of the Share Purchase Agreement up to (and including) the date of Completion or, if earlier, the termination of the Share Purchase Agreement in accordance with its terms, the Company has agreed (amongst other things):

- (a) to procure that the Sale Companies carry on business in the ordinary course and in particular giving customary undertakings to the Purchaser in respect of entry into of contracts, capital expenditure, borrowing and the like; and
- (b) to procure the release, conditional on Completion, of all guarantees and securities over the Sale Companies assets (including shares held by the Company in the Sale Companies) from the Group's bankers.

4. Consideration

Pursuant to the terms of the Share Purchase Agreement, the Company has conditionally agreed to sell the entire issued share capital of each of the Sale Companies to the Purchaser for a maximum aggregate consideration of up to £9.4 million (subject to adjustment as described below). The consideration is payable in cash in part on Completion and in part following the finalisation of the completion accounts (as described below). The Purchaser will be assuming certain existing net working capital creditors within the Sale Companies amounting to approximately £1.6 million. The Company will ensure that a normal level of working capital remains within the Sale Companies at Completion. The final consideration due to Coral Products Plc is subject to other customary adjustments at Completion, such as the actual working capital at Completion against an agreed target level and adjustments for cash or debt items following preparation of completion accounts. At Completion, consideration of £9.4 million will be paid by the Purchaser to the Company.

5. Termination

The Share Purchase Agreement may be terminated:

- i. automatically if the Conditions have not been satisfied or (where applicable) waived by 30 April 2021 (or such other date as the parties may agree); and
by the Purchaser:
- ii. on the occurrence of an insolvency event on the part of any of the Sale Companies or the Company;
- iii. in the event of a material breach of warranty or other material breach of the Share Purchase Agreement; and
- iv. if circumstances arise which are likely to, or do result in, a material adverse change in the context of the Sale Companies as a whole.

6. Warranties and indemnities

The Share Purchase Agreement contains warranties and tax covenants by the Company to the Purchaser which are customary for a transaction of this nature. Such warranties are given on the date of the Share Purchase Agreement and repeated on Completion.

The Company has also provided certain indemnities to the Purchaser which are customary for a transaction of this nature.

7. Restrictive Covenants

The Share Purchase Agreement contains certain customary restrictions on the ability of the Continuing Group to compete in the territories covered by the Sale Companies (Restricted Territories) in respect of I ("Restricted Services"). The restrictions are for a period of 3 years from Completion and do not restrict the Continuing Group's operations or potential operations outside the Restricted Territories or, within the Restricted Territories, where they do not involve Restricted Services.

8. Governing law

The Share Purchase Agreement is governed by English law.

NOTICE OF GENERAL MEETING

CORAL PRODUCTS PLC

Incorporated and registered in England and Wales with registered number 02429784

NOTICE IS HEREBY GIVEN that a General Meeting of Coral Products plc (the **Company**) will be held at 12.00 noon at Coral Products plc, North Florida Road, Haydock Industrial Estate, Haydock, Merseyside, WA11 9TP on 11 February 2021 for the purpose of considering and, if thought fit, passing the following Resolution, which will be proposed as an ordinary resolution.

For the purposes of this Resolution capitalised terms shall (unless the context requires otherwise) have the meaning ascribed to them in a circular from the Company to its shareholders dated 18 January 2021 (the **Circular**).

ORDINARY RESOLUTION

THAT, for the purposes of Rule 15 of the AIM Rules for Companies published by the London Stock Exchange plc, the Disposal (as defined in the Circular of which this notice convening the General Meeting forms part), on the terms and subject to the conditions of the Share Purchase Agreement (as defined in the Circular), be and is hereby approved and that the board of directors of the Company (or a duly constituted committee of the board) be and is hereby authorised to take such steps as they, in their absolute discretion, consider necessary or desirable to effect the same and agree such variations and amendments to the Share Purchase Agreement (as defined in the Circular) as the board of directors (or a duly constituted committee of the board) may in their absolute discretion consider necessary or desirable provided that such variations or amendments are not material and the board of directors (or a duly constituted committee of the board) be and they are hereby authorised to do all things which they, in their absolute discretion, consider to be necessary or desirable to implement and give effect to or otherwise in connection with the Disposal (as defined in the Circular) and any matter incidental to the Disposal.

BY ORDER OF THE BOARD

Sharon Tinsley
Company Secretary
18 January 2021

Registered office:
North Florida Road
Haydock Industrial Estate
Haydock
Merseyside
WA11 9TP

Notes:

1. A member entitled to attend and vote at the General Meeting convened by the above Notice of General Meeting is entitled to appoint a proxy or proxies to exercise all or any of the rights of the member to attend and speak and vote on his behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy enclosed with this Notice of General Meeting.
2. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. If a voting indication is given, your proxy will be legally obliged to vote in accordance with that indication. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.

3. To appoint a proxy or proxies you may:

3.1 use the Form of Proxy enclosed with this Notice of General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of the same, must be received by post or (during normal business hours only) by hand at Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, in each case no later than 12.00 noon on 9 February 2021 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting); or

3.2 submit your proxy electronically at www.sharegateway.co.uk by completing the authentication requirements on the website so as to be received by 12.00 noon on 9 February 2021 (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting, excluding any part of a day which is not a business day). Holders of ordinary shares will need to use their personal proxy registration code, which is printed on the Form of Proxy, to validate the submission of their proxy online. Should the Form of Proxy be completed electronically and a hard copy then posted, the Form of Proxy that arrives last will be counted to the exclusion of instructions received earlier, whether electronically or posted; or

3.3 if you hold your Ordinary Shares in uncertificated form, use the CREST electronic proxy appointment service as described in note 9 below.

4. A Form of Proxy which may be used to make such an appointment and give proxy instructions accompanies this Notice of Meeting. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Share Registrars Limited on +44 (0) 1252 821390 (lines are open 9.00 a.m. to 5.30 p.m. (UK time) Monday to Friday). Should you wish to appoint more than one proxy, please photocopy the form indicating on each copy the name of the Chairman as proxy you wish to appoint, the number of Ordinary Shares in respect of which the proxy is appointed and the way in which you wish them to vote on the resolutions that are proposed. You should send all pages to Share Registrars Limited, The Courtyard, 17 West Street, Farnham Surrey, GU9 7DR.

5. If you submit more than one valid proxy appointment in respect of the same share or shares, the appointment received last before the latest time for the receipt of proxies will take precedence.

6. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “**Nominated Person**”) you may, under an agreement between you and the member of the Company who has nominated you, have a right to be appointed (or have someone else appointed) as a proxy for the Meeting. If you do not have such a proxy appointment right, or you do but do not wish to exercise it, you may have a right to give instructions to the member who has appointed you as to the exercise of voting rights. Nominated Persons are advised to contact the member who nominated them for further information on this.

7. If you are a Nominated Person, the statements of the rights of members in relation to the appointment of proxies in notes 1 to 6 above do not apply. The rights described in these notes can only be exercised by registered members of the Company.

8. CREST members who wish to appoint a proxy or proxies by using the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual (available at www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

9. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the issuer’s agent (ID 7RA36), by 12.00 noon on 9 February 2021 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

12. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

13. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

14. Any member or his proxy attending the General Meeting has the right to ask any question at the General Meeting relating to the business of the General Meeting. The Company must cause to be answered any such question relating to the business dealt with at the General Meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.

15. Pursuant to section 360B of the Companies Act 2006 and Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only shareholders registered in the register of members of the Company as at 12 noon on 9 February 2021 shall be entitled to attend and vote at the General Meeting in respect of the number of shares registered in their name at such time. If the General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned General Meeting is 12 noon on the day falling two days prior to the date fixed for the adjourned General Meeting (excluding any part of a day that is not a business day). Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.

16. In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

17. As at close of business on 15 January 2021 (being the last business day prior to the publication of this Notice of General Meeting) the Company's issued share capital consists of 82,614,865 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 15 January 2021 are 82,614,865. The Company does not currently hold any Ordinary Shares as treasury shares.

18. A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found at www.coralproducts.com.

19. You may not use any electronic address provided in this Notice or in any related documents (including the Chairman's letter and Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

20. Your personal data includes all data provided by you, or on your behalf, which relates to you as a Shareholder, including your name and contact details, the votes you cast and your Shareholder Reference Number (attributed to you by the Company). The Company determines the purposes for which and the manner in which your personal data is to be processed. The Company and any third party to which it discloses the data (including the Company's

registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the Shareholder rights you exercise