



## THAKRAL CORPORATION LTD

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

### ANNOUNCEMENT

#### INTERESTED PERSON TRANSACTION – INCREASE OF CAPITAL IN JOINT VENTURE TJP PTE. LTD.

##### 1. INTRODUCTION

The Board of Directors of Thakral Corporation Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcements on 2 July 2019 and 26 July 2019 (the “**JV Announcements**”) in relation to the joint venture in TJP Pte. Ltd. (“**TJPP**”) together with other investors, including certain entities controlled by the Thakral Family, for investment in certain properties in Osaka, Japan.

TJPP is a direct subsidiary of the Company which acts as a joint venture investment vehicle (the “**Joint Venture**”) through which the Group and the investors have invested in the structures established in Japan (“**TMK Japan**”) for investment in properties. The business (the “**Business**”) of TMK Japan is the acquisition, ownership and management of properties in Osaka, Japan, currently comprising four office buildings and a hotel.

TJPP has on 30 December 2019 allotted and issued a total of about 5.53 million new ordinary shares (the “**TJPP Shares**”) at JPY100 per share (the “**Issue Price**”) for a total issue price of JPY552.9 million against the amounts received from the Group and other investors in proportion to their existing shareholding in TJPP, thereby increasing its share capital from JPY1.8 billion (equivalent to S\$22.2 million) to JPY2.35 billion (equivalent to S\$29.1 million). These other investors include certain entities controlled by the Thakral Family as well as some other investors – details of the allotment and relationships are provided in items 4 to 5 below. Following the TJPP Share Issue, there was no change in the respective shareholding proportions of the various investors from those previously held by each of them. The entire proceeds received from the issue of the TJPP Shares (the “**Proceeds**”) have been invested in the Business.

The Company maintained its direct shareholding of 53.06% in TJPP following the share issue.

##### 2. RATIONALE FOR THE CAPITAL INCREASE OF THE JOINT VENTURE

The share issue by the Joint Venture capitalised the funding provided by shareholders for the investments in Japan, which are in line with the Group’s overall strategy to diversify its asset and earnings base in Japan to capitalise on the country’s strong economic fundamentals and tourism boom and to ultimately enhance shareholder value.

##### 3. DETAILS OF THE JOINT VENTURE AND BUSINESS

There is no change in the terms of the Joint Venture and Business from that disclosed in the JV Announcements.

#### 4. INTERESTED PARTY TRANSACTION

One of the other investors who has subscribed part of the additional 5.53 million TJPP ordinary shares issued under the TJPP Share Issue is Prime Trade Enterprises Limited (“PTEL”) with an interest of 9% which is a controlling shareholder of the Company with a 50.2% direct interest in the Company. Mr. Kartar Singh Thakral and Mr. Inderbethal Singh Thakral (“Mr. Bethal”), both directors of the Company, are deemed to be interested persons and controlling shareholders by virtue of their directorship/ shareholding in the holding company of PTEL, Thakral Group Limited, a private trust company which administers the S S Thakral Trust, a full discretionary trust for the benefit of certain members of the extended Thakral Family. Mr. Bethal is the son of Mr. Kartar Singh Thakral and also the CEO of the Group. Mr. Bikramjit Singh Thakral is the sole director of PTEL, the grandson and nephew of Mr. Kartar Singh Thakral and Mr. Bethal respectively and an alternate director in the Company to Mr Kartar Singh Thakral. Another investor in TJPP is Thakral (Indo-China) Pte. Ltd. (“TICPL”) with an interest of 12.66% of which Mr. Rikhipal Singh Thakral (“Mr. Rikhi”) is a director and shareholder. Mr. Rikhi is (i) a controlling shareholder of the Company by virtue of his directorship and shareholding in Thakral Group Limited and (ii) the son and brother of the Company’s Directors and controlling shareholders, Mr. Kartar Singh Thakral and Mr. Bethal respectively.

PTEL and TICPL are therefore “interested persons” within the definition set out in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “Listing Manual”). TJPP, being a subsidiary of the Company, is regarded as an “entity at risk” within the definition set out in Chapter 9 of the Listing Manual. Accordingly, the Joint Venture is regarded as an interested person transaction and the requirements under Chapter 9 of the Listing Manual are applicable.

#### 5. DETAILS OF SHAREHOLDING STRUCTURE AND RELATIONSHIPS WITH CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES

(a) The breakdown of shareholders of TJPP and their shareholdings in the current allotment of shares is as follow:

Shareholder	Amount (JPY Mil.)	No. of ordinary shares of JPY100 each	% holding
The Company	293.35	2,933,518	53.06%
Thakral (Indo-China) Pte. Ltd.	70.01	700,152	12.66%
Prime Trade Enterprises Limited	49.76	497,581	9.00%
Mega Pacific Land Pte Ltd	16.79	167,851	3.04%
Anil Moolchand Daryanani	5.53	55,287	1.00%
3rd party investors	117.43	1,174,292	21.24%
	<b>552.87</b>	<b>5,528,681</b>	<b>100.00%</b>

(b) The relationships of the shareholders in TJPP with the controlling shareholders of the Company and their associates are:

Name of shareholder	Relationship with controlling shareholders and their associates
The Company	Mr. Kartar Singh Thakral, Mr. Bethal and Mr. Bikramjit Singh Thakral (“Mr. Bikram”) are

	directors/alternate director (Mr. Bikram only) and controlling shareholders of the Company. PTEL and Mr. Rikhi are controlling shareholders of the Company.
TICPL	Mr. Rikhi is a director and shareholder of TICPL. He is (i) a controlling shareholder of the Company by virtue of his directorship and shareholding in Thakral Group Limited and (ii) the son and brother of the Company's Directors and controlling shareholders, Mr. Kartar Singh Thakral and Mr. Bethal respectively.
PTEL	Controlling shareholder of the Company with a 50.2% direct interest in the Company with effect from 30 April 2019. Mr. Kartar Singh Thakral and Mr. Bethal, both directors of the Company, are deemed to be interested persons and controlling shareholders by virtue of their directorship/shareholding in the holding company of PTEL, Thakral Group Limited, a private trust company which administers the S S Thakral Trust, a full discretionary trust for the benefit of certain members of the extended Thakral Family. Mr. Bethal is the son of Mr. Kartar Singh Thakral and also the CEO of the Group. Mr. Bikram is the sole director of PTEL, the grandson and nephew of Mr. Kartar Singh Thakral and Mr. Bethal respectively and an alternate director in the Company to Mr Kartar Singh Thakral.
Mega Pacific Land Pte Ltd (" <b>Mega Pacific</b> ")	The director and controlling shareholder of Mega Pacific is Mr. Paviter Singh Bajaj. Mr. Bajaj is the son-in-law of Mr. Kartar Singh Thakral and brother-in-law of Mr. Bethal and Mr. Rikhi.
Anil Moolchand Daryanani	CFO of the Group but otherwise no relationship with the controlling shareholders of the Company and their associates.
3 <sup>rd</sup> party investors	No relationship with the controlling shareholders of the Company and their associates.

(c) The value of the issuance of additional shares to PTEL and TICPL are as below:

PTEL	JPY49,758,100 equiv. to	S\$0.62M
TICPL	JPY70,015,200 equiv. to	S\$0.88M
<b>Total</b>		<b><u>S\$1.50M</u></b>

## 6. TOTAL VALUE OF ALL INTERESTED PERSON TRANSACTIONS

The current total value of all interested person transactions, excluding transactions which are less than S\$100,000 with (i) the Thakral Family Companies<sup>(1)</sup> and their associates; and (ii) all interested persons of the Company, for the period from 1 January 2019 to the date of this Announcement and the percentage of the Group's audited net tangible assets ("**NTA**") as at 31 December 2018 represented by such values, are as

follows:

	Before the Capital Increase		Including the Capital Increase	
	Amount (\$'000)	Percentage of audited NTA of the Group (%)	Amount (\$'000)	Percentage of audited NTA of the Group (%)
<b>Total value of all transactions with the Thakral Family Companies and their associates</b>	9,619 <sup>(2)</sup>	7.3	11,116	8.4
- Value of transactions pursuant to the shareholders' general mandate for interested person transactions renewed on 30 April 2019 ("IPT Mandate")	2,191 <sup>(3)</sup>	1.7	2,191	1.7
- Value of transactions not covered under the IPT Mandate	7,428	5.6	8,925 <sup>(4)</sup>	6.7
<b>Total value of all transactions with all interested persons of the Company</b>	9,619	7.3	11,116	8.4

**Notes:-**

- (1) "Thakral Family Companies" includes any company which is deemed as an associated company of any Thakral Family Director<sup>(5)</sup> within the definition set out in the Listing Manual.
- (2) For completeness, this also includes the transaction with the Thakral Family Companies announced separately on 30 December 2019 and titled "*Interested Person Transaction – Joint Venture in Thakral Umeda Properties Pte. Ltd.*".
- (3) Comprises purchases and sales from/to the Thakral Family Companies, net of returns.
- (4) Note that the transaction amount of S\$1.5 million with the Thakral Family Companies and their associates relates to the same transaction, namely, the increase in share capital of the Joint Venture.
- (5) "Thakral Family Director" means Mr. Kartar Singh Thakral, Mr. Bethal and/or Mr. Bikram.

**7. EXCEPTIONS TO THE REQUIREMENT FOR SHAREHOLDERS' APPROVAL AND STATEMENT OF THE AUDIT COMMITTEE**

Pursuant to Rule 916(2) of the Listing Manual, shareholders' approval is not required for an investment in a joint venture with an interested person if:

- (a) the risks and rewards are in proportion to the equity of each joint venture partner;

- (b) the issuer confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders; and
- (c) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture.

The Audit Committee of the Company has reviewed the terms of the Joint Venture and is of the view that the risks and rewards of the Joint Venture are in proportion to the equity of each joint venture partner and the terms of the Joint Venture are not prejudicial to the interests of the issuer and its minority shareholders. All shareholders were allotted the additional shares in the Joint Venture in their existing shareholding proportions.

Therefore, although the value of the transaction is more than 5% of the latest audited NTA of the Group, as there has been no change in the proportionate shareholding in the entity between the Company and the interested persons, the Joint Venture continues to meet the exception under Rule 916(2) of the Listing Manual. Accordingly, the Company is exempted from the requirement of seeking shareholders' approval for the increase of share capital of the Joint Venture.

## **8. FINANCIAL EFFECTS OF THE CAPITAL INCREASE**

The subscription to the TJPP shares by the Company are not expected to have a material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the financial year ending 31 December 2019.

## **9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed herein, none of the other Directors or substantial or controlling shareholders of the Company has any interest, direct or indirect, in the Joint Venture.

On behalf of the Board

Natarajan Subramaniam  
Independent Non-Executive Chairman and Lead Independent Director

Singapore, 30 December 2019