



## THAKRAL CORPORATION LTD

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

### ANNOUNCEMENT

#### INTERESTED PERSON TRANSACTION – JOINT VENTURE IN THAKRAL UMEDA PROPERTIES PTE. LTD.

##### 1. INTRODUCTION

The Board of Directors of Thakral Corporation Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) had on 3 December 2019 incorporated new subsidiaries, Thakral Umeda Properties Pte. Ltd. (“**TUP**”) and Nihon Property Investments Pte. Ltd. (“**NPI**”) in preparation for further investments in Japan together with other investors in the ordinary course of the Group’s business.

The Company and its subsidiaries, Thakral Japan Properties Pte. Ltd. and TJP Pte. Ltd. have collective direct shareholdings aggregating about 79.1% in TUP. TUP is a pooled investment joint venture (the “**Joint Venture**”) through which the Group, certain entities controlled by the Thakral Family (as detailed in items 4 to 5 below) as well as some 3<sup>rd</sup> party investors – who are not related to the Thakral Family or their associates – will invest in the structures being established in Japan (“**TMK Japan**”) for the investment in properties. The business (the “**Business**”) of TMK Japan is the acquisition, ownership and management of properties in Osaka, Japan. NPI is a wholly-owned subsidiary of TUP.

##### 2. RATIONALE FOR THE JOINT VENTURE

The Directors of the Company believe that the Joint Venture is part of its 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

The terms of the Joint Venture and Business were arrived at on normal commercial terms, taking into account the future performance of the Business.

The salient terms of the Joint Venture and Business include the following:

- (a) TMK Japan shall use the Proceeds to conduct the Business and distribute the net proceeds of the Business either in the form of profit distribution or capital to TUP arising from the Business;
- (b) the risks and rewards of all the investors in TUP shall be in proportion to their investment and no single investor or group of investors shall be preferred over others; and
- (c) save for the Business, TMK Japan shall not be involved in any other businesses.

#### 4. INTERESTED PARTY TRANSACTION

One of the investors who has subscribed part of the 1 million TUP ordinary shares is Prime Trade Enterprises Limited (“**PTEL**”) with an interest of 10% 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 and the grandson and nephew of Mr. Kartar Singh Thakral and Mr. Bethal respectively. Another investor in TUP is Thakral (Indo-China) Pte. Ltd. (“**TICPL**”) with an interest of 2.5% 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**”). TUP, 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 TUP and their shareholdings at incorporation are as follow:

Shareholder	Amount (JPY)	No. of ordinary shares of JPY100 each	Shareholding (%)
Company	32,048,900	320,489	32.0
Thakral Japan Properties Pte. Ltd. (50.6% indirect subsidiary of the Company)	37,524,600	375,246	37.5
TJP Pte. Ltd. (53.1% subsidiary of the Company)	9,559,700	95,597	9.6
Thakral (Indo-China) Pte. Ltd.	2,489,800	24,898	2.5
Prime Trade Enterprises Limited	10,000,000	100,000	10.00
3rd party investors	8,377,000	83,770	8.4
	<b>100,000,000</b>	<b>1,000,000</b>	<b>100.0</b>

Additional shares shall be issued by TUP to the above shareholders in their respective proportions above on/about the completion of the investment in the Japanese structures. Appropriate announcements shall be made at the relevant time(s).

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

Name of shareholder	Relationship with controlling shareholders and their associates
Company	Mr. Kartar Singh Thakral, Mr. Bethal and Mr. Bikramjit Singh Thakral are directors and controlling shareholders of the Company. PTEL and Mr. Rikhi are controlling shareholders of the Company.
Thakral Japan Properties Pte. Ltd.	<p>Thakral Japan Properties Pte. Ltd. is a 50.6% subsidiary of the Company.</p> <p>Mr. Bethal, Mr. Bikramjit Singh Thakral and Mr. Rikhi, controlling shareholders of the Company, are directors of Thakral Japan Properties Pte. Ltd.</p> <p>Mr. Rikhi has shareholding of 16.72% in Thakral Japan Properties Pte. Ltd.</p> <p>PTEL, a controlling shareholder of the Company with 50.2% direct interest in the Company, has shareholding of 3.83% in Thakral Japan Properties Pte. Ltd.</p>
TJP Pte. Ltd.	<p>TJP Pte. Ltd. is a 53.1% subsidiary of the Company.</p> <p>Mr. Kartar Singh Thakral, Mr. Bethal, Mr. Bikramjit Singh Thakral and Mr. Rikhi, controlling shareholders of the Company, are directors of TJP Pte. Ltd.</p> <p>Mr. Rikhi, a director and shareholder of TC IPL, has deemed interest in 12.66% of shares in TJP Pte. Ltd held through TICPL.</p> <p>PTEL, a controlling shareholder of the Company with 50.2% direct interest in the Company, has shareholding of 9% in TJP Pte. Ltd.</p>
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. 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

Name of shareholder	Relationship with controlling shareholders and their associates
	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 and the grandson and nephew of Mr. Kartar Singh Thakral and Mr. Bethal respectively.
3rd party investors	No relationship with the controlling shareholders of the Company and their associates.

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

PTEL	JPY10,000,000 equiv. to	S\$0.125M
TICPL	JPY2,489,800 equiv. to	S\$0.031M
<b>Total</b>		<b><u>S\$0.156M</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 NTA as at 31 December 2018 represented by such values, are as follows:

	Before the Joint Venture		Including the Joint Venture	
	Amount (S\$'000)	Percentage of audited NTA of the Group (%)	Amount (S\$'000)	Percentage of audited NTA of the Group (%)
<b>Total value of all transactions with the Thakral Family Companies and their associates</b>	7,073	5.4	7,229	5.5
- Value of transactions pursuant to the shareholders' general mandate for interested person transactions renewed on 30 April 2019 ("IPT Mandate")	2,191 <sup>(2)</sup>	1.7	2,191	1.7
- Value of transactions not covered under the IPT Mandate	4,882	3.7	5,038 <sup>(3)</sup>	3.8
<b>Total value of all transactions with all interested persons of the Company</b>	7,073	5.4	7,229 <sup>(4)</sup>	5.5

**Notes:-**

- (1) “Thakral Family Companies” includes any company which is deemed as an associated company of any Thakral Family Director<sup>(4)</sup> within the definition set out in the Listing Manual.
- (2) Comprises purchases and sales from/to the Thakral Family Companies, net of returns.
- (3) Note that the transaction amount of S\$0.156 million with the Thakral Family Companies and their associates relates to the same transaction, namely, the Joint Venture.
- (4) “Thakral Family Director” means Mr. Kartar Singh Thakral, Mr. Inderbethal Singh Thakral and/or Mr. Bikramjit Singh Thakral.

**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. None of PTEL, TICPL and the directors or shareholders of PTEL and TICPL had an existing equity interest in TUP prior to the Group entering into the Joint Venture.

Therefore, although the value of the Joint Venture to the Company upon further issue of shares on/about the completion of the investment will be more than 5% of the latest audited NTA of the Group, the Joint Venture meets the exception under Rule 916(2) of the Listing Manual. Accordingly, the Company is exempted from the requirement of seeking shareholders’ approval for the Joint Venture.

**8. FINANCIAL EFFECTS OF THE JOINT VENTURE**

The incorporation of the Joint Venture and subscription to the TUP shares by the Company and its subsidiaries 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, 4 December 2019