
Issuer & Securities

INTERESTED PERSON TRANSACTION::INTERESTED PERSON TRANSACTION - JOINT VENTURE IN THAKRAL UMEDA PROPERTIES PTE. LTD.

Securities

THAKRAL CORPORATION LTD - SG1AJ2000005 - AWI

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No

Announcement Details

Announcement Title

Interested Person Transaction

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Interested Person Transaction - Joint Venture in Thakral Umeda Properties Pte. Ltd.

Announcement Reference

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Submitted By (Co./ Ind. Name)

Anil Daryanani

Designation

Chief Financial Officer

Description (Please provide a detailed description of the event in the box below)

Please refer to attached announcement on Interested Person Transaction - Joint Venture in Thakral Umeda Properties Pte. Ltd..

Additional Details

Interested Person Details

1. Prime Trade Enterprises Limited
 2. Thakral (Indo-China) Pte. Ltd.
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Attachments

[ThakralCorp Anmnt IPT CapIncr TUP Final 20191230.pdf](#)

Total size = 75K MB



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**”) refers to the announcement titled “Interested Person Transaction – Joint Venture in Thakral Umeda Properties Pte. Ltd.” on 4 December 2019 whereby the Group had announced the setting up of a joint venture, Thakral Umeda Properties Pte. Ltd. (“**TUP**” or “**Joint Venture**”) in preparation for further investments in the structures being established in Japan (the “**JV Announcement**”).

As separately announced on 30 December 2019, TUP invested in the Umeda Pacific Building in Osaka, Japan. Following this investment, TUP has increased its share capital from JPY100 million (equivalent to S\$1.2 million) to JPY1.6 billion (equivalent to S\$20.2 million) through the issue and allotment of additional 15,360,000 ordinary shares at JPY100 per share (“**Issue Price**”) for a total issue price of JPY1.54 billion against the amounts received from the Group and the other investors in proportion to their existing shareholding in TUP (the “**TUP Share Issue**”). These other investors include certain entities controlled by the Thakral Family (as detailed in items 4 to 5 below) as well as some 3rd party investors – who are not related to the Thakral Family or their associates. Details of the allotment are provided in item 5 below. Following the TUP Share Issue, there was no change in the respective shareholding proportions of the various investors from that disclosed in the JV Announcement. The entire proceeds received from the TUP Share Issue has been used for the investment in the Umeda Pacific Building.

The Company and its subsidiaries, Thakral Japan Properties Pte. Ltd. and TJP Pte. Ltd. maintained their collective direct shareholdings aggregating about 79.1% in TUP following the TUP Share Issue.

2. RATIONALE FOR THE CAPITAL INCREASE OF THE JOINT VENTURE

The capital of the Joint Venture was increased to provide the funding for the investment in the Umeda Pacific Building, which is 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 Announcement.

4. INTERESTED PARTY TRANSACTION

One of the other investors who has subscribed part of the additional 15.36 million TUP ordinary shares issued under the TUP Share Issue 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, the grandson and nephew of Mr. Kartar Singh Thakral and Mr. Bethal respectively as well as an alternate director in the Company to Mr Kartar Singh Thakral. 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 in the current allotment of shares is as follow:

Shareholder	No. of ordinary shares of JPY100 each	Amount (JPY Mil.)	Shareholding (%)
The Company	4,922,712	492.27	32.0
Thakral Japan Properties Pte. Ltd. (50.6% indirect subsidiary of the Company)	5,763,778	576.38	37.5
TJP Pte. Ltd. (53.1% subsidiary of the Company)	1,468,368	146.84	9.6
Thakral (Indo-China) Pte. Ltd.	382,430	38.24	2.5
Prime Trade Enterprises Limited	1,536,000	153.60	10.0
3rd party investors	1,286,712	128.67	8.4
	15,360,000	1,536.00	100.0

Additional shares shall be issued at a later stage by TUP to the above shareholders in their respective proportions above upon finalisation 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
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.
Thakral Japan Properties Pte. Ltd.	<p>Thakral Japan Properties Pte. Ltd. is a 50.6% subsidiary of the Company.</p> <p>Mr. Bethal, Mr. Bikram 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. Bikram and Mr. Rikhi, controlling shareholders of the Company, are directors of TJP Pte. Ltd.</p> <p>Mr. Rikhi, a director and shareholder of TICPL, 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 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

Name of shareholder	Relationship with controlling shareholders and their associates
	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.
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	JPY153,600,000 equiv. to	S\$1.92M
TICPL	JPY38,243,800 equiv. to	S\$0.48M
Total		<u>S\$2.40M</u>

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⁽¹⁾ 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 (S\$'000)	Percentage of audited NTA of the Group (%)	Amount (S\$'000)	Percentage of audited NTA of the Group (%)
Total value of all transactions with the Thakral Family Companies and their associates	8,718 ⁽²⁾	6.6	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 ⁽³⁾	1.7	2,191	1.7
- Value of transactions not covered under the IPT Mandate	6,527	4.9	8,925 ⁽⁴⁾	6.7
Total value of all transactions with all interested persons of the Company	8,718	6.6	11,116	8.4

Notes:-

- (1) “Thakral Family Companies” includes any company which is deemed as an associated company of any Thakral Family Director⁽⁵⁾ 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 – Increase Of Capital In Joint Venture TJP Pte. Ltd.”.
- (3) Comprises purchases and sales from/to the Thakral Family Companies, net of returns.
- (4) Note that the transaction amount of S\$2.4 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 JOINT VENTURE

The 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, 30 December 2019