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ACQUISITIONS AND DISPOSALS :: DISCLOSEABLE TRANSACTION :: CAPITAL REDUCTION AND CASH DISTRIBUTION AND DISPOSAL OF SHARES IN GATEWAY DISTRI PARKS LIMITED

** Asterisks denote mandatory information*


Name of Announcer *	THAKRAL CORPORATION LTD
Company Registration No.	199306606E
Announcement submitted on behalf of	THAKRAL CORPORATION LTD
Announcement is submitted with respect to *	THAKRAL CORPORATION LTD
Announcement is submitted by *	Anil Daryanani
Designation *	Group Financial Controller
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title *	CAPITAL REDUCTION AND CASH DISTRIBUTION AND DISPOSAL OF SHARES IN GATEWAY DISTRI PARKS LIMITED
Description	Please refer to attachment.

Attachments

 [ThakralCorp_Anmt_CapRedn_and_GDLdisposal_20100506.pdf](#)
 Total size = **25K**
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THAKRAL CORPORATION LTD

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

ANNOUNCEMENT

CAPITAL REDUCTION AND CASH DISTRIBUTION

AND

DISPOSAL OF SHARES IN GATEWAY DISTRI PARKS LIMITED

Capital Reduction and Cash Distribution

The Board of Directors (the “**Board**”) of Thakral Corporation Ltd (the “**Company**”) refers to its announcement dated 30 April 2009 (the “**Announcement**”) advising of the possible delay in the disposal of certain listed shares held as a long term investment resulting in a likely delay in completing the Capital Reduction (as defined in the Announcement) and in making the Cash Distribution (as defined in the Announcement).

The Board is pleased to announce that the Company has completed the sale of these shares and is proceeding with the Capital Reduction and Cash Distribution as quickly as possible. Details of the disposal and its impact are set out below.

The relevant application required to be made to the High Court of Singapore (the “**Court**”) in respect of the Capital Reduction and Cash Distribution will be filed as soon as practicable and, subject to obtaining the necessary orders from the Court, the Cash Distribution pursuant to the Capital Reduction will be completed as soon as possible. Further announcements will be made as to the timing for the Cash Distribution after the necessary orders are obtained from the Court.

Disposal of Shares in Gateway Distriparks Limited

The Board wishes to announce that it has completed the disposal of its entire shareholding (the “**GDL Shares**”) in Gateway Distriparks Limited (“**GDL**”) (the “**Disposal**”), a company listed on the National Stock Exchange (“**NSE**”) and Bombay Stock Exchange (“**BSE**”) in India.

GDL is an India-based logistics company engaged in container freight station and inland container depot operations, rail and road transportation operations and other operations including cold storage facilities.

Consideration

The disposal price was arrived at on an arms length basis on a willing buyer-willing seller basis through the brokers appointed by the Company who placed the Shares with several institutional investors. The Shares were traded on market on NSE and BSE through the Company’s brokers in accordance with the trading rules of NSE and BSE.

The Company will recognise a significant net gain of about S\$29.9 million in the income statement for 2010 from the Disposal. The Company states its equity investments at fair value in accordance with FRS39 whereby changes in the value of the investment have been recorded in reserves on the statement of financial position instead of through the income statement. As at 31 December 2009, the GDL Shares were carried at a book value of S\$34.6 million. The Disposal will realise net proceeds of approximately S\$31.9 million (after estimated disposal costs), leading

to a reduced NAV of about S\$2.7 million. As required by FRS39, the entire fair value reserve pertaining to the GDL Shares will be transferred to the income statement for 2010 thereby resulting in the net gain of about S\$29.9 million as mentioned above.

Rationale for the Disposal and the use of proceeds

The Disposal is in line with the Group's stated intention of monetising non-core equity investments for the purpose of generating funds for its investment activities and for the Capital Reduction and Cash Distribution approved by shareholders at the Company's extraordinary general meeting held on 4 February 2010.

Material terms and conditions of the Disposal

The GDL Shares were sold through NSE and BSE in accordance with their normal trading rules. No written agreements were entered with the buyers. Under the normal trading rules of NSE and BSE, the transactions must be settled on a T+2 basis, i.e. the buyers must effect payment in cash through the market procedures 2 days after the trade date and the seller must deliver transfer of the shares at the same time.

Financial effects of the Disposal

The proforma financial effects of the divestment on the net tangible assets (NTA) per share and the earnings per share (EPS) have been computed based on the consolidated audited financial statements of the Group for the financial year ended 31 December 2009. The proforma financial effects set out below are prepared purely for illustration purposes only and do not reflect the actual future financial position of the Group after completion of the Disposal.

(a) Net Tangible Assets ("NTA")

Assuming that the Disposal had been effected at the end of the Group's financial year ended 31 December 2009 and based on the Group's audited consolidated financial statements for the financial year ended 31 December 2009, the financial impact on the consolidated NTA of the Group would be as follows:

As at 31 December 2009	Before Disposal	After Disposal
NTA (S\$'000)	227,706	225,013
NTA per share (cents)	8.72	8.61

As the Group fair values its investments, it will result in a reduction of Group NAV of approximately S\$2.7 million from the Disposal in the current period as compared to the carrying value of the investment as at 31 December 2009.

(b) Earnings

Assuming that the Disposal had been effected at the beginning of the Group's financial year ended 31 December 2009 and based on the Group's audited consolidated financial statements for the financial year ended 31 December 2009, the financial impact on the consolidated earnings of the Group would be as follows:

For year ended 31 December 2009	(S\$'000)	Earnings Per Share
Profit after tax and minority interests before disposal	11,519	0.44 cent
Add: Net gain on sale of GDL Shares	29,907	NM
Less: Dividend income from GDL Shares during FY2009	(867)	NM
Profit after tax and minority interests after disposal	40,559	1.55 cents

NM – Not meaningful

Relative figures of the Disposal under Chapter 10 of the Listing Manual

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2009, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

(a) Rule 1006(a)

The comparison between the net asset value of the assets sold as at 31 December 2009 (being approximately S\$34.6 million) and the Group's net asset value as at 31 December 2009 (being S\$227.7 million), is approximately 15.2%.

(b) Rule 1006(b)

The comparison between the profit attributable to the assets sold (being approximately S\$0.9 million) and the Group's net profit for the financial year ended 31 December 2009 (being approximately S\$12.7 million), is approximately 6.8%.

(c) Rule 1006(c)

The comparison between the aggregate consideration payable to the Group for the assets sold (being approximately S\$31.9 million) and the Company's market capitalisation (based on the total number of issued shares) as at the close of trading on 5 May 2010 (being approximately S\$205.0 million) is approximately 15.6%. There are no treasury shares held by the Company.

(d) Rule 1006(d)

This test is not applicable as no equity securities are to be issued by the Company as consideration for the Disposal.

As the relative figures computed on the bases set out in Rule 1006 of the Listing Manual exceed 5% but do not exceed 20%, the Disposal constitutes a discloseable transaction as defined under Rule 1010 of the Listing Manual.

Directors and Controlling Shareholders' Interests

None of the directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

Documents available for inspection

There are no documents for inspection as the GDL Shares have been sold on the open market on the stock exchanges in India.

By Order of the Board

Kartar Singh Thakral
Chairman
6 May 2010
Singapore