

ASSET ACQUISITIONS AND DISPOSALS::ACQUISITION OF SHARES IN THAKRAL INNOVATIONS PVT LTD, INDIA

Issuer & Securities

Issuer/ Manager

THAKRAL CORPORATION LTD

Securities

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No

Announcement Details

Announcement Title

Asset Acquisitions and Disposals

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Acquisition of Shares in Thakral Innovations Pvt Ltd, India

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 Acquisition of Shares in Thakral Innovations Pvt Ltd, India.

Attachments

[ThakralCorp_TIS_Share Purchase_20231229.pdf](#)

Total size = 115K MB



THAKRAL CORPORATION LTD

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

INTERESTED PERSON TRANSACTION – ACQUISITION OF SHARES IN THAKRAL INNOVATIONS PVT LTD, INDIA (“ACQUISITION”)

1 INTRODUCTION

The board of directors (“**Board**” or “**Directors**”) of Thakral Corporation Ltd (“**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly owned subsidiaries, Thakral Lifestyle Pte. Ltd. (“**TLPL**”) and Thakral Realty (S) Pte Ltd (“**TRSPL**”) (TLPL and TRSPL collectively “**Purchaser**”), had on 27th December 2023 and 28th December 2023 respectively entered into sale and purchase agreements (“**SPA**”) with Thakral Services (India) Ltd (“**TSI**”) and Mr Gurmukh Singh Thakral (“**Mr Singh**”) (TSI and Mr Singh collectively “**Vendors**”) respectively, for the acquisition of their shares in Thakral Innovations Pvt Ltd in India (the “**Target**”).

2 Interested Person Transaction

TSI is an associate of the controlling shareholders of the Company and is therefore an “interested person” within the definition set out in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “Listing Manual”).

Mr Singh is deemed an interested party in the shares of the Company¹.

TLPL and TRSPL, being subsidiaries of the Company, are each regarded as an “entity at risk” within the definition set out in Chapter 9 of the Listing Manual.

Accordingly, the Acquisition is an interested person transaction.

Mr Kartar Singh Thakral, Mr Bikramjit Singh Thakral and Mr Inderbethal Singh Thakral, being directors in the Company and who are deemed interested persons in the Acquisition, all abstained from voting on the resolution for the Acquisition.

As the Consideration is less than 3% of the Group’s latest audited net tangible assets, no shareholders’ approval is required.

3 INFORMATION RELATING TO TSI AND THE TARGET

TSI and the Target are both incorporated in Bangalore, India. TSI is also listed on the BSE Ltd (Bombay Stock Exchange, India). It had been in the business of selling and installing electronic security products and providing maintenance services for the same primarily to the banking, financial services and insurance, retail, government and institutional sectors in India (the “Electronic Security Business”) since 2007.

In September 2023, following an internal restructuring, TSI injected its Electronic Security Business into the Target. By that transaction, the Target also acquired TSI’s team of approximately 130 employees, together with the operations across India, including seven offices in Bangalore, Hyderabad, Chennai, Kochi, Mumbai, Delhi, and Kolkata as well as field engineers based in around 76 towns.

4 RATIONALE

The Company’s wholly-owned subsidiary in Hong Kong, Thakral Corporation (HK) Ltd was appointed as the sole distributor by iFlight Technology Company Limited (“**DJI**”) for South Asia including India in

¹ Please refer to page 156 of the 2022 Annual Report of the Company.

2021. DJI is one of the largest global brands for consumer equipment for aerial photography and videography. It also designs and manufactures camera systems, gimbal stabilizers, aerial agriculture equipment and other products. This business, which serves enterprise customers active in infrastructure, mining, security, and other sectors, has been identified as a key growth area by the Group.

To develop this growth area organically within the Group, significant time and investment to build the team and the required infrastructure will have to be expended through the setting up of a new company, offices in multiple cities, and recruitment of suitable and experienced personnel and Board members.

Since the Target already has existing infrastructure in place in India that could be leveraged by the Group for this purpose as well as enable it to capitalise on other market opportunities in the country and with the Vendors wishing to dispose of the Target and also agreeable to sell their interest in the Target to the Group, the Board decided to proceed with the acquisition of the Target.

5 TERMS OF THE SPAs

5.1 The salient terms of the SPAs are as follows:

- (i) The total consideration for the Acquisition payable to both TSI and Mr Singh is 70,000,001 Indian Rupees (approximately S\$1.13 million) ("**Consideration**") comprising 70,000,000 Indian Rupees to TSI and 1 Indian Rupees to Mr Singh. The Consideration was arrived at pursuant to arm's length negotiations, on a willing-buyer, willing-seller basis and is at approximately the net asset value of the Target. Independent valuation conducted of the Target confirmed the appropriateness of the consideration. The Acquisition was funded through the Group's internal resources.
- (ii) The Vendors have provided the customary warranties and undertakings for an acquisition of shares.

5.2 The Acquisition has been completed on 28 December 2023.

6 FINANCIAL EFFECTS OF THE ACQUISITION

The Acquisition by the Purchaser of the Target is 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 2023.

7 INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed herein, none of the Directors or controlling shareholders has any interest, direct or indirect, in the Acquisition, other than through their respective shareholdings in the Company.

8 DOCUMENT FOR INSPECTION

The SPAs are available for inspection during normal business hours at the Company's registered office at 20 Upper Circular Road #03-06 The Riverwalk, Singapore 058416, for three (3) months from the date of this announcement.

By Order of the Board

Natarajan Subramaniam

Independent Non-Executive Chairman and Lead Independent Chairman

Singapore, 29 December 2023