



TA CORPORATION LTD

(Incorporated in the Republic of Singapore on 7 March 2011)
(Company Registration No. 201105512R)

NEWS RELEASE

TA CORPORATION REPORTS 3Q2017 AND 9M2017 FINANCIALS

- ***3Q2017 Loss attributable to Owners of the Company narrowed to S\$4.2 million on the back of a 2.0% increase in revenue to S\$51.1 million in 3Q2017***
- ***Set up a 80%-owned joint venture to design, develop, manufacture and distribute PPVC in Singapore and Malaysia***
- ***Continues to pursue business opportunities locally and overseas***

Singapore, November 9, 2017 – TA Corporation Ltd (“TA Corporation”, and together with its subsidiaries, the “Group”) (长益集团有限公司), an established property and construction group, reported a loss attributable to Owners of the Company of S\$4.2 million in the three months ended September 30, 2017 (“3Q2017”), a decrease of S\$5.8 million compared to S\$10.0 million a year ago, mainly due to lower impairment loss on investment properties. Revenue rose 2.0% to S\$51.1 million over the same period.

For the nine months ended September 30, 2017 (“9M2017”), revenue increased by 14.8% to S\$159.0 million in 9M2017, led by higher revenue contributions from all the Group’s business segments. In line with revenue growth, gross profit also increased by 14.9% to S\$29.8 million. However, other operating expenses increased from S\$23.6 million in 9M2016 to S\$30.2 million in 9M2017, as the Group recorded higher loss in fair value of its investment properties, mainly on *Tuas South Dormitory*, as well as allowance for doubtful receivables.

PERFORMANCE REVIEW

Revenue (S\$' million)	9M2017	9M2016	Change (+ / < - >) (%)
Real Estate Development	27.3	24.4	11.9
Real Estate Investment	11.6	4.8	141.7
Construction	102.8	96.5	6.5
Distribution	17.3	12.8	35.2
Total	159.0	138.5	14.8

The real estate development segment reported revenue of S\$27.3 million for 9M2017, an increase of S\$2.9 million from S\$24.4 million recorded in 9M2016. The higher sales was due mainly to revenue contribution from units sold in *Terra Villas*, *Ascent@456* and *The Cristallo* in Singapore, partially offset by lower revenue from projects in Thailand.

The real estate investment segment saw its revenue more than double to S\$11.6 million in 9M2017, compared to S\$4.8 million in the previous corresponding period. This was mainly attributed to a higher occupancy rate from *Tuas South Dormitory* in 9M2017 compared to 9M2016 as the dormitory only obtained TOP for its second phase development in May 2016.

With higher progressive revenue recognition from the Group's ongoing construction projects in Singapore, the construction segment's revenue increased by S\$6.3 million to S\$102.8 million in 9M2017, compared to S\$96.5 million in 9M2016.

Revenue from the Group's lubricants and tyres distribution business grew by S\$4.5 million year-on-year to S\$17.3 million in 9M2017. This was due mainly to higher contribution from the Group's distribution business in Myanmar.

Mr. Neo Tiam Boon, Chief Executive Officer and Executive Director of TA Corporation, said, “We are encouraged by the continued stable and growing recurrent income stream from our regional distribution business, which recorded a growth of 35.2% in 9M2017, mainly from Myanmar. This is testament to our Group’s strategy to expand our revenue streams and leverage on our strong network of partners in key emerging markets in Southeast Asia, especially Myanmar.”

“While the Group saw higher revenue contribution from real estate investment segment, boosted by the higher occupancy rate of our *Tuas South Dormitory* compared to a year ago, rental rates continued to be undermined by the weak business environment. Moving forward, we will continue to tap our experience in management of workers’ dormitories to raise occupancy and rental rates despite the difficult market conditions”, added Mr Neo.

BALANCE SHEET HIGHLIGHTS

The Group’s net asset value per share as at September 30, 2017 was 38.5 Singapore cents, compared to 43.5 Singapore cents as at December 31, 2016.

As at September 30, 2017, the Group’s cash and bank balances stood at S\$74.5 million with total borrowings of S\$366.4 million. The Group’s gearing ratio as at September 30, 2017, remained healthy at 2.0 times.

OUTLOOK

Based on Urban Redevelopment Authority’s 3Q2017 real estate estimates released on October 27, 2017, prices of private residential properties increased by 0.7% in the quarter as compared to the 0.1% decline in 2Q2017.

The construction sector for the private residential property segment continues to be challenging. However, the Group remains confident of its construction segment’s performance, which is underpinned by an order book of S\$96 million as at September 30, 2017, to be progressively delivered over next year.

On 22 June 2017, the Group set up a 80%-owned joint venture, TK Modular Pte. Ltd. (“**TK Modular**”), which will spearhead the Group’s expansion in design, development, manufacturing and distribution of Prefabricated, Prefinished Volumetric Construction (PPVC) modules in Singapore and Malaysia.

Mr. Neo said, “Given the push to improve productivity in the construction industry, we are well-positioned to expand into the PPVC business in Singapore and Malaysia to fulfil the growing demand for productive and operationally efficient solutions. We will also stay focused and cautious while seeking business opportunities locally and overseas to grow our revenue streams.”

ABOUT TA CORPORATION

With a history that can be traced back to 1972, TA Corporation is an established property and construction group, with a growing suite of businesses in distribution as well as the provision of workers training and accommodation in Singapore and across the region.

Backed by its competencies in the construction business and experience in working with established real estate developers, the Group has a reputation as a developer of quality well-located residential developments, targeting the middle to upper middle markets. Some of its completed developments include *Leonie Hill Residences*, *The Citrine*, *Parc Seabreeze*, *Auralis*, *Coralis*, *Starlight Suites*, *Gambir Ridge*, *The Cristallo*, *The Skywoods*, *Terra Villas*, and *Ascent@456* as well as ongoing development project *12 on Shan*. The Group has also successfully ventured overseas through joint-ventures in property development projects in the PRC, Thailand, and Cambodia. Its regional portfolio includes distinctive mixed-use developments such as *De Iyara*, *De Iyara Share* and *De Iyara Grande* in Thailand, and *The Gateway* – an iconic twin tower mixed-use development in Phnom Penh, Cambodia.

TA Corporation's main construction business is principally undertaken through its wholly-owned subsidiary, Tiong Aik Construction Pte Ltd, which has a track record of over 40 years in Singapore. Over the years, the Group has built a solid reputation as a reliable building contractor with the ability to undertake a wide spectrum of projects for both public and private sector clients. Most of its past and existing customers are established names, including government bodies such as the URA, HDB and JTC and established real estate developers such as Allgreen Properties Ltd, CapitaLand Residential Ltd, CapitaLand Commercial Ltd, The Ascott Group, Keppel Land Realty Pte Ltd, Wheelock Properties (S'pore) Ltd and Wing Tai Holdings Ltd.

Leveraging on the property and construction business demand for pre-cast components to enhance productivity, the Group's pre-cast concrete components factory in Johor, Malaysia started operations in the fourth quarter of 2015.

The Group has completed construction of the 9,180-bed *Tuas South Dormitory* in Singapore, which commenced business operations in 2016.

TA Corporation is also engaged in the distribution of high performance motor oil and lubricants in Singapore, Myanmar and Thailand. It also distributes automotive, industrial and aviation lubricants, passenger and light truck tyres and heavy commercial vehicles, trucks, buses and automotive spare parts in Myanmar.

TA Corporation, through its subsidiaries, is also engaged in the design, installation and maintenance of air conditioning and mechanical ventilation systems ("ACMV") in Singapore and Cambodia.

TA Corporation was listed on the SGX Mainboard on November 21, 2011.

ISSUED ON BEHALF OF : TA Corporation Ltd
BY : Citigate Dewe Rogerson Singapore Pte Ltd
55 Market Street
#02-01
SINGAPORE 048941
CONTACT : Ms Chia Hui Kheng / Ms Carol Chong
at telephone
DURING OFFICE HOURS : 6534-5122
EMAIL : huikheng.chia@citigatedewerogerson.com /
carol.chong@citigatedewerogerson.com

November 9, 2017