TA CORPORATION LTD.
(Incorporated in the Republic of Singapore)
Company Registration No.: 201105512R

ENTRY INTO DEBT RESTRUCTURING AGREEMENTS WITH TIONG AIK CONSTRUCTION PTE LTD (IN LIQUIDATION) AND BANKS IN RELATION TO DEBT RESTRUCTURING PLAN

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1. INTRODUCTION

1.1 The board of directors of TA Corporation Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has, on 27 March 2025, entered into definitive agreements to implement its debt restructuring plan ("**Debt Restructuring Plan**").

1.2 For the purposes of the Debt Restructuring Plan, the Company's subsidiaries which are placed under liquidation such as Tiong Aik Construction Pte Ltd (in liquidation) ("**TAC**") and Tiong Aik Resources (S) Pte Ltd (in liquidation) ("**TAR**") are not considered part of the Group.

2. RATIONALE FOR DEBT RESTRUCTURING PLAN

2.1 On 17 June 2023, the Company voluntarily suspended the trading of its securities when its wholly-owned subsidiary, TAC, was placed under provisional liquidation (now under liquidation). The board of directors of the Company considered that it was prudent to put in place the voluntary suspension having regard to:

(a) the Group's plans to engage in a broader and more holistic manner with its lenders, holders ("**Noteholders**") of its S$27,000,000 6% Series 003 medium-term notes (ISIN: SGXF74214317) ("**Notes**"), business partners, suppliers and customers in relation to TAC's liquidation and its consequent implications on the Group; and

(b) the Company's financial exposure arising from parent guarantees and other forms of financial support for TAC and projects undertaken by it in its ordinary course of business, and the possibility of cross-defaults being triggered by TAC's liquidation for loan facilities taken by other members of the Group.

2.2 Since then, the Company has been working rigorously on managing and stabilising the Group's financial position. This includes entering into a settlement agreement with TAR to settle the net amount of S$5,220,698.90 owed by Sino Holdings (S'pore) Pte Ltd ("**Sino Holdings**") to TAR ("**Settlement**") by (a) making a cash payment of S$300,000 and (b) issuing mandatory convertible notes of a principal amount of S$330,000 ("**TAR Notes**") to certain persons at the direction of the liquidators of TAR which were issued on 17 March 2025. It has also been working closely with its professional advisers on identifying the key financial exposures arising from the liquidation of TAC and a plan to address these issues with a view to a resumption of trading of the Company's securities.

2.3 Following an extensive review of the financial position and commitments of the Group, the Company, with the support of its professional advisers, has assessed that the key areas of concern on financial exposure arises from:

(a) approximately S$64.6 million owed to TAC ("**Group Outstandings**") (which, if set-off against approximately S$13.7 million owed by TAC to the Group ("**TAC Outstandings**"), results in the net amount of approximately S$50.9 million owed by the Group to TAC ("**TAC Liabilities**"));

(b) approximately S$39.9 million owed to bank lenders, namely United Overseas Bank Limited ("**UOB**") and Oversea-Chinese Banking Corporation Limited ("**OCBC**", and together with UOB, the "**Bank Lenders**"), arising from corporate guarantees given by the Company for the benefit of TAC's ordinary course of business ("**Bank Guarantee Liabilities**"); and

(c) approximately S$26.9 million owed under the Notes to the Noteholders thereof ("**Notes Liabilities**").

2.4 The Debt Restructuring Plan formulated by the Company seeks to restructure the payment terms and timeline for, and/or otherwise settle, the aforesaid amounts (aggregating approximately S$117.7 million). Broadly, this envisages that:

(a) TAC Liabilities would be eliminated by way of a debt restructuring agreement ("**TAC Debt Restructuring Agreement**") which proposes that, amongst others:

(i) there be a mutual release and discharge of liabilities, where TAC releases the TA Group Entities (as defined below) from the Group Outstandings, and the TA Group Entities release TAC from the TAC Outstandings;

(ii) S$13 million be paid to TAC (whether cash, in-kind or other forms of agreed consideration such as mandatory convertible notes to be issued by the Company); and

(iii) the Group ringfences TAC from Bank Lenders liabilities of up to approximately S$39.9 million by confirming and promising to assume the same.

(b) Bank Guarantee Liabilities would be restructured to be repaid over five (5) years, pursuant to a separate debt restructuring agreement with the Bank Lenders ("**Banks Debt Restructuring Agreement**"); and

(c) Notes Liabilities would likewise be restructured, pursuant to a consent solicitation exercise which is envisaged to take place and complete within 2025.

3. TAC DEBT RESTRUCTURING AGREEMENT

3.1 The Company has entered into the TAC Debt Restructuring Agreement with TAC and certain subsidiaries (together with the Company, "**TA Group Entities**") on 27 March 2025.

3.2 Key terms of the TAC Debt Restructuring Agreement

(a) Mutual release and discharge: TAC releases the TA Group Entities from the Group Outstandings, and the TA Group Entities release TAC from the TAC Outstandings.

(b) Execution of Deed of Novation: The Company and Sino Holdings execute the Deed of Novation (as defined below) with the Bank Lenders.

(c) Cash payment: The Company procures that Sino Holdings shall by no later than 15 May 2025, make a cash payment of S$1 million to TAC ("**Cash Payment**").

(d) Issuance of mandatory convertible notes: The Company shall, by no later than 15 May 2025, issue to TAC mandatory convertible notes ("**TAC Notes**") of principal amount of S$5 million bearing simple interest of 2.8% per year. The Notes shall be held or disposed as TAC directs, on and for the account of TAC's creditors. Key terms of the TAC Notes are set out in Paragraph 3.3 below.

(e) Assignment of sales and rental proceeds: The Company procures that TACC (C.R) Ltd (a subsidiary of the Company) shall by no later than 15 May 2025, assign in favour of TAC the receivables received by TACC (C.R) Ltd attributable to certain units in "The Gateway" (a mixed development situated in Phnom Penh, Cambodia), whether arising from rental or sale of such units, through marketing agents engaged by the Company valued at S$7 million ("**Assignment of Proceeds**").

(f) Lapse of transactions: If, for any reason, any of the matters set out in Paragraphs 3.2(c), (d) and (e) are not performed by the date stated therein, the matters and/or transactions set out in Paragraphs 3.2(a) and (b) above will lapse on 16 May 2025 (or such later date as may be agreed).

(g) Moratorium: For the period up to 26 March 2026 (or such other date as may be mutually agreed), each party to the TAC Debt Restructuring Agreement agrees to observe a moratorium whereby each party shall (on behalf of itself and its related parties) not claim, accelerate, enforce against, demand from or otherwise take or continue any legal action or proceedings against each other and/or its assets, nor directly or indirectly aid or take any steps (or concur in the taking of any steps) for any of the above, in relation to the amounts owing by the other party to it, and insofar that there is any pending legal action or proceeding, such action or proceeding shall be stayed and/or discontinued.

3.3 TAC Notes

(a) Issuance Date: To be issued but no later than 15 May 2025.

(b) Issue Size: S$5 million.

(c) Subscription Price: Nil.

(d) Interest: 2.8% per annum on the principal amount of the TAC Notes, to be paid to the holders of the TAC Notes ("**TAC Noteholders**") annually in arrears commencing from the first anniversary of the Issuance Date until the earlier of the date falling on which (i) the TAC Notes are mandatorily converted into shares of the Company ("**TAC Conversion Shares**"); or (ii) all amounts outstanding under the TAC Notes are repaid by the Company.

(e) Maturity Date: The date falling on the sixth anniversary of 27 March 2025.

(f) Status and Transferability: The TAC Notes shall rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Company, and will at all times rank *pari passu* among themselves and without any preference or priority among themselves.The TAC Notes are unlisted

and shall not be capable of being transferred unless otherwise agreed between TAC Noteholders and the Company and in strict compliance with the terms of the TAC Notes and any applicable laws.

(g) Conversion Price: The conversion price ("**Conversion Price**") for each TAC Conversion Share shall be S$0.073 (which is equivalent to the last traded price of the shares on 16 July 2023, the last trading day before the Company requested for a trading halt on 17 July 2023).

(h) Mandatory Conversion: Unless redeemed earlier by the Company, the whole of the amount outstanding under the Notes (comprising outstanding principal and all accrued and unpaid interest thereon) as at the date of resumption of trading of securities of the Company on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") shall be automatically and mandatorily converted into TAC Conversion Shares at the Conversion Price.

(i) Redemption: Unless and until fully converted into the TAC Conversion Shares, the TAC Notes may be redeemed by the Company at any time prior to the Maturity Date by paying to the TAC Noteholders the principal amount and any accrued and unpaid interest. If resumption of trading of securities of the Company on the SGX-ST does not occur by 26 March 2026, the Company agrees to:

(A) redeem the TAC Notes in full within five (5) Business Days following such date, by paying to the TAC Noteholders the principal amount and any accrued and unpaid interest which remains outstanding; or

(B) redeem the TAC Notes in tranches by:

(1) making monthly payments of an aggregate amount of S$50,000 to the TAC Noteholders to discharge the principal amount and any accrued and unpaid interest which remains outstanding, with the first of such monthly payment to commence on 27 April 2026; and

(2) if required by the TAC Noteholders to secure the aforesaid monthly payments, the Company shall provide to the TAC Noteholders with such security over the economic benefits (i.e. rental or sale proceeds) attributable to certain units in "The Gateway" (a mixed development situated in Phnom Penh, Cambodia) of a value equivalent to the principal amount of the TAC Notes outstanding as at such time.

Unless and until fully converted into the TAC Conversion Shares or unless otherwise redeemed earlier, the TAC Notes shall be fully redeemed by the Company on the Maturity Date by paying to the TAC Noteholders the principal amount and any accrued and unpaid interest which remains outstanding.

4. BANKS DEBT RESTRUCTURING AGREEMENT

4.1 In relation to the restructuring of the Bank Guarantee Liabilities, the following documents were entered into on 27 March 2025:

(a) a deed of novation entered into by the Company, TAC, the liquidators of TAC, Sino Holdings (S'pore) Pte Ltd ("**Sino Holdings**") and the Bank Lenders ("**Deed of Novation**");

(b) the Banks Debt Restructuring Agreement entered into by the Company, Sino Holdings and the Bank Lenders;

(c) an intercreditor deed entered into by the Company, Sino Holdings, UOB (as lender and security agent) and OCBC which sets out the rights and remedies of OCBC and UOB in respect of their respective facilities and the enforcement of the New Securities ("**Intercreditor Deed**");

(d) a deed of assignment of receivables entered into by Sino Holdings and the Bank Lenders, under which Sino Holdings assigns to the Bank Lenders the loan receivables owed by Nexus Point investments Pte. Ltd. to Sino Holdings ("**Deed of Assignment of NPI Receivables**");

(e) an all monies corporate guarantee granted by the Company in favor of UOB ("**UOB Corporate Guarantee**"); and

(f) an all monies corporate guarantee granted by the Company in favor of OCBC ("**OCBC Corporate Guarantee**"),

(the security granted under (d), (e) and (f) shall collectively be referred to as the "**New Securities**").

4.2 Key terms of the Deed of Novation

(a) Novation: With effect from 27 March 2025,

(i) all of TAC's rights, title, interests, obligations and liabilities under the existing facilities granted by either of OCBC and UOB to TAC ("**Existing Debt**") were transferred by TAC to Sino Holdings (and thereafter assumed solely by Sino Holdings) by way of novation ("**Novated Debt**");

(ii) TAC's liabilities under the Existing Debt were thereby treated as settled, repaid and/or discharged insofar as assumed by Sino Holdings as the Novated Debt; and

(iii) the Novated Debt was restructured into the restructured debt ("**Restructured Debt**"), comprising the part owing to UOB on one hand, and the part owing to OCBC on the other hand, pursuant to Banks Debt Restructuring Agreement.

(b) New security: The Restructured Debt will be secured by the New Securities.

(c) Liquidators' undertaking: The liquidators of TAC undertake that any recoveries or receipts by TAC in respect of:

(i) OCBC's Deed of Charge of Receivables of Construction Contracts dated 29 September 2010 (in particular, any recovery of funds from past projects which were financed directly or indirectly wholly or partly by OCBC); and

(ii) the performance bonds issued by OCBC for Juniper Hill and Fourth Avenue projects (which have been called by Valleypoint Investments Pte Ltd and Allgreen Properties Limited),

shall be repaid to OCBC; and

(iii) the rental payment pursuant to the Assignment of Rental Proceeds dated 20 October 2014,

shall be repaid to UOB.

The recoveries or receipts received by OCBC and UOB pursuant to paragraphs 4.2(c)(i), 4.2(c)(ii) and 4.2(c)(iii) shall reduce the repayment instalments in respect of the repayments owing to OCBC and UOB under the Restructured Debt respectively, in inverse chronological order.

4.3 Key terms of the Banks Debt Restructuring Agreement

(a) Restructuring: With effect from 27 March 2025, the Novated Debt was restructured into the Restructured Debt, comprising:

(i) Restructured UOB Facility 1: approximately S$30.3 million.

(ii) Restructured UOB Facility 2: approximately S$2.1 million.

(iii) Restructured OCBC Facility: approximately S$7.5 million.

(b) Repayment terms: The Restructured Debt shall be repaid by Sino Holdings over a repayment period commencing on 27 March 2025 and ending on 26 December 2029, on the repayment terms as set out in the Banks Debt Restructuring Agreement.

(c) Interest: Simple interest shall accrue on the outstanding amount of the Restructured Debt as follows:

(i) for the period from 27 March 2025 to 26 December 2025: 3.30% per annum;

(ii) for the period from 27 December 2025 to 26 December 2026: 3.35% per annum;

(iii) for the period from 27 December 2026 to 26 December 2027: 3.40% per annum;

(iv) for the period from 27 December 2027 to 26 December 2028: 3.45% per annum; and

(v) for the period from 27 December 2028 to 26 December 2029: 3.50% per annum.

5. ILLUSTRATIVE FINANCIAL EFFECTS

5.1 The pro forma financial effects as set out below are prepared purely for illustrative purpose only and do not reflect the actual financial position of the Company after the completion of (i) the issuance of shares converted from the TAR Notes ("**TAR Conversion Shares**"); (ii) the Debt Restructuring Plan (which includes the elimination of the TAC Liabilities and the restructuring of the Bank Guarantee Liabilities but excluding the restructuring of the Notes) and (iii) the issuance of the TAC Shares (collectively, the "**Transactions**"). These pro forma financial effects have been prepared based on the unaudited financial statements of the Company for the financial year ended 31 December 2024 ("**FY2024**") and the following bases:

(a) the financial effects on the consolidated net tangible assets ("**NTA**") per share for FY2024 are computed based on the assumption that the Transactions were completed on 31 December 2024;

(b) the financial effects on the consolidated earnings per share for FY2024 are computed based on the assumption that the Transactions were completed on 1 January 2024 (being the beginning of the most recently completed financial year ended 31 December 2024);

(c) the TAR Notes have been fully converted into TAR Conversion Shares, resulting in the issuance of 4,925,373 TAR Conversion Shares at the end of FY2024. The number of TAR Conversion Shares issued stated herein is for illustrative purpose;

(d) the TAC Notes have been fully converted into TAC Conversion Shares at the Conversion Price, resulting in the issuance of 68,493,151 TAC Conversion Shares at the end of FY2024. The number of TAR Conversion Shares issued stated herein is for illustrative purpose; and

(e) the expenses in connection with the Transactions, including but not limited to the professional fees, have been disregarded for the purposes of calculating the financial effects.

5.2 Effects on Share Capital

FY2024

	Before the Transactions	**After the issuance of TAR Conversion Shares (1)**	**After the completion of (1) and Debt Restructuring Plan (2)**	**After the completion of (1), (2) and the issuance of TAC Conversion Shares**
Issued and paid-up share capital (S$)	154,188,832	154,518,832	154,518,832	159,518,832
Total number of issued shares (excluding treasury shares)	518,068,220	522,993,593	522,993,593	591,486,744

5.3 Effects on NTA per share

FY2024

	Before the Transactions	After the issuance of TAR Conversion Shares (1)	After the completion of (1) and Debt Restructuring Plan (2)	After the completion of (1), (2) and the issuance of TAC Conversion Shares
NTA (S$'000)	129,013	129,013	149,540	149,540
NTA per share (S$' cents)	24.9	24.7	28.6	25.3

5.4 Effects on earnings per share

FY2024

	Before the Transactions	After the issuance of TAR Conversion Shares (1)	After the completion of (1) and Debt Restructuring Plan (2)	After the completion of (1), (2) and the issuance of TAC Conversion Shares
Profit attributable to Owners of the Company (S$'000)	14,410	14,410	34,937	34,937
Weighted average number of shares	518,068,220	522,993,593	522,993,593	591,486,744
Profit per share (S$' cents)	2.78	2.76	6.68	5.91

6. APPROVALS RELATING TO THE ISSUANCE OF TAC NOTES AND TAC CONVERSION SHARES

6.1 Private Placement

The TAC Notes, including the allotment and issuance of any TAC Conversion Shares, will be issued pursuant to the exemptions under Section 272B of the Securities and Futures Act 2001 of Singapore ("**SFA**") and in compliance with all the conditions of the exemptions in the SFA therein. As such, no prospectus or offer document or other information statement will be issued by the Company and lodged with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore in connection with the allotment and issuance of TAC Conversion Shares.

6.2 Specific Shareholder Approval

6.2.1 Under the TAC Debt Restructuring Agreement, unless redeemed earlier by the Company, the whole of the amount outstanding under the TAC Notes (comprising outstanding principal and all accrued and unpaid interest thereon) as at the date of resumption of trading of securities of the Company on the SGX-ST shall be automatically and mandatorily converted into TAC Conversion Shares at the Conversion Price.

6.2.2 Section 161 of the Companies Act 1967 and Rule 805(1) of the Listing Manual Section A: Rules of Mainboard of SGX-ST ("**Mainboard Rules**") provide, *inter alia*, that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer unless the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer is made pursuant to a general mandate previously obtained from shareholders of the issuer at a general meeting as provided in Rule 806 of the Mainboard Rules.

6.2.3 Prior to the issuance of the TAC Conversion Shares, the Company will:

(a) seek the approval from its shareholders for the allotment and issuance of the TAC Conversion Shares (whether pursuant to a general share issue mandate granted by the Company's shareholders at an annual general meeting of the Company or a specific approval of shareholders to be obtained at a general meeting to be convened); and

(b) make an additional listing application to the SGX-ST for the listing of and quotation for the TAC Conversion Shares on the Mainboard of the SGX-ST.

6.3 Placement to Restricted Persons

6.3.1 Rules 804 of the Mainboard Rules provides, *inter alia*, that except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Mainboard Rules, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment.

6.3.2 Rules 812(1) and (2) of the Mainboard Rules further provide that an issue must not be placed to, *inter alia*, the issuer's directors, substantial shareholders and the immediate family members of the directors and substantial shareholders, unless specific shareholders' approval is obtained for such placement.

6.3.3 To the best knowledge of the Company: (a) none of the restricted person set out under Rule 804 of the Mainboard Rules will participate, directly or indirectly, in the issuance of the TAC Notes or the allotment and issuance of the TAC Conversion Shares; and (b) the TAC Conversion Shares will not be issued to any of the restricted persons set out under Rule 812(1) of the Mainboard Rules.

6.4 **Transfer of Controlling Interest**

Rule 803 of the Mainboard Rules provides that an issuer must not issue securities to transfer a controlling interest without prior approval of its shareholders in general meeting. To the best knowledge of the Company, the issuance of TAC Conversion Shares will not result in a transfer of controlling interest under Rule 803 of the Mainboard Rules.

7. NON-APPLICABILITY OF CHAPTER 10 OF THE MAINBOARD RULES

7.1 Given that TAC is under liquidation and not within the control of the Company, the Company has consulted SGX-ST whether the ringfencing of TAC from Bank Lenders liabilities of up to approximately S$39.9 million by confirming and promising to assume the same through the entry of the Deed of Novation would be considered to be "assuming the (debt) obligations of another" and hence giving "financial assistance" to TAC as a third party under Chapter 10 of the Mainboard Rules.

7.2 The Company has on 26 August 2024 received the confirmation from SGX-ST that as the ringfencing of the Bank Lenders liabilities should be undertaken together as part of the Group's Debt Restructuring Plan, it is agreeable to the view that Chapter 10 of the Mainboard Rules is not applicable to the ringfencing of TAC from Bank Lenders liabilities.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their interests (if any) arising by way of their shareholdings and/or directorships, as the case may be, in the Company, none of the directors or substantial shareholders of the Company or their respective associates has any interest, whether direct or indirect, in the Debt Restructuring Plan or any of the legally-binding definitive agreements entered into in relation thereto.

9. FURTHER ANNOUNCEMENTS

Further announcements on the Debt Restructuring Plan will be made in due course as and when appropriate, including if there is any adjustment or amendment to the terms of the proposed issuance of TAC Notes.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at 8 Kaki Bukit Avenue 1, #04-08, Singapore 417941, for a period of three (3) months commencing from the date of this announcement:

(a) TAC Debt Restructuring Agreement;
(b) Deed of Novation;
(c) Banks Debt Restructuring Agreement;
(d) Intercreditor Deed;
(e) Deed of Assignment of NPI Receivables;
(f) UOB Corporate Guarantee; and

(g) OCBC Corporate Guarantee.

Trading of the Company's securities on the SGX-ST had been voluntarily suspended by the Company on 17 July 2023.

Shareholders of the Company and other stakeholders are advised to read this announcement and any further announcements by the Company carefully, and to exercise caution when dealing in the shares or other securities of the Company. Shareholders of the Company and other stakeholders should consult their stockbrokers, bank managers, solicitors, accountants, or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Foo Soon Soo/Chiang Yi Shin
Company Secretaries
Date: 1 April 2025