



TA CORPORATION LTD

(Incorporated in the Republic of Singapore)

Co. Registration No. 201105512R

ANNOUNCEMENT

RESPONSE TO QUERIES RAISED BY SGX REGCO IN RELATION TO THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 ("FY2020 AR")

The Board of Directors of TA Corporation Ltd. (the "Company" and together with its subsidiaries, the "Group") refers to queries raised by The Singapore Exchange Regulation ("SGXRegCo") dated 17 May 2021 in relation to the Company's FY2020 Annual Report ("FY2020 AR"). The Company sets out below its response to SGXRegCo's queries relating to the FY2020 AR.

1. SGXRegCo's Query

Listing Rule 716(1) states that an issuer may appoint different auditing firms for its subsidiaries or significant associated companies (referred to in Listing Rule 715(1)) provided that the issuer's board and audit committee are satisfied that the appointment would not compromise the standard and effectiveness of the audit of the issuer.

On pages 96 to 97 of the FY2020 Annual Report, it was disclosed that several of the Group's Singapore-incorporated significant associates and joint ventures were not audited by the Company's auditors, Deloitte & Touche LLP. In particular, we note that Meadows Bright Development Pte Ltd is audited by FIRST Assurance Public Accounting Firm, and Eternal Synergy Pte Ltd and Synergy Truck Pte Ltd are audited by Chan Leng Leng & Co, Singapore. In this regard, please disclose specific details of these auditors and elaborate on the board's and audit committee's views in relation to the Company's compliance with Listing Rule 716. Please elaborate how the Board and the Audit Committee have satisfied themselves that the appointment of these different auditors for these significant associates and joint ventures would not compromise the standard and effectiveness of the audit of the Group.

Company's Response:

a) Meadows Bright Development Pte Ltd ("MDB")

MDB, a 50% owned associate, was previously involved in property development but has been dormant since FY2017 and its level of activity is minimal. There has been no active business operations being carried out by MDB since FY2017. MDB's contribution to the Group's share of profit of associate was S\$0.16 million for FY2020. MBD's auditors upto FY2019 was Deloitte & Touche LLP ("Deloitte Singapore"). For FY2020, MBD changed its auditors from Deloitte Singapore to FIRST Assurance Public Accounting Firm ("FAPAF"). The change of auditors was made as part of the Group's measures to reduce costs in view of significant financial impact caused by the Covid-19 pandemic.

b) Eternal Synergy Pte Ltd ("ESPL") and Synergy Truck Pte Ltd ("STPL") – both 50% owned joint ventures

The auditors for both ESPL and STPL have been Chan Leng Leng & Co since FY2017. These two companies are mainly involved in the purchasing of goods including 'GS Caltex' brand of lubricant, and trucks, buses, vans and other commercial vehicles, under 'CASE', 'IVECO', 'ASTRA' and 'Zhong Tong' brands, from their principals. These goods are then sold to our 50% owned Joint Ventures companies incorporated in Myanmar which in turn sell to third party customers. The JV companies in Myanmar, namely Eternal Company Ltd and Myanmar Synergy Company Ltd, are the main operating companies carrying out the sale and other operational aspect of the business for these units. For group reporting purpose, these JV companies in Myanmar have been audited by Myanmar Vigour & Associates Limited (an overseas practice of Deloitte Touche Tohmatsu Limited) based on scope of work determined by Deloitte Singapore since FY2016.

c) Details on auditors

i) FIRST Assurance Public Accounting Firm ("FAPAF")

The engagement partner Mr Teo Boon Huat has more than 18 years of collective experience in an international accounting firm (Deloitte) and mid-tier firms. He is a registered Public Accountant with Accounting and Corporate Regulatory Authority ("ACRA") and is also a member of the Institute of Singapore Chartered Accounts ("ISCA") and ASEAN Chartered Professional Accountant.

He had been involved in audits covering a wide range of industries including construction, manufacturing, shipping, transportation, hospitality, trading and retail. He also has the experience in both local and cross border IPO projects, financial due diligence exercise and business valuation. In a different capacity, he also played a key role in conducting training in accounting standards and audit methodology.

ii) Chan Leng Leng & Co. ("CLL")

The engagement partner Ms Chan Leng Leng is a practicing Singapore Chartered Accountant with more than 30 years of audit experience; she also had experience in auditing businesses in the same industry and scale, including associates of other listed companies. Ms Chan was conferred Fellow Chartered Accountant of Singapore under the Singapore Accountancy Commission (SAC) Act on 2/7/2013.

- d) The Board and Audit committee ("AC") were satisfied that the appointment of these auditors, other than Deloitte Singapore, which is the auditors for the Company, are in compliance with Listing Rule 716 as follows: -
- (i) The Board and the AC reviewed and were satisfied with the experience, profile and independence of the engagement partners of FAPAF and CLL;
 - (ii) The Board and the AC consulted with the Company's auditors, Deloitte Singapore and were satisfied that the appointment of other auditors for these associate and joint ventures will not compromise the standard and effectiveness of the audit of the Company and the Group;
 - (iii) Deloitte Singapore has also confirmed to the Company that it is not aware of any professional reason why FAPAF should not accept the appointment as auditor of MBD;
 - (iv) The Company's Management has confirmed to the Board and the AC that: -
 - (a) That there were no disagreements between the Company and Deloitte Singapore on accounting treatments within the last 12 months;
 - (b) It is not aware of any circumstances connected with the change of auditors that should be brought to the attention of the Board and the AC; and
 - (c) The Company is in compliance with Rules 715 and 716 of the Listing Rules.

2. SGXRegCo's Query

Please provide details of EisnerAmper Pac, including its track record and experience. Please also provide details of the internal audit team undertaking the internal audit, the experience that the team and the head of the team has, as well as whether they are adequately resourced.

Company's Response:

a) Details of EisnerAmper PAC (Formerly known as Saw Meng Tee & Partner PAC)

Saw Meng Tee & Partner PAC (now known as EisnerAmper PAC) had been appointed as the Company's internal auditor since FY2011.

Saw Meng Tee & Partner PAC (now known as EisnerAmper PAC) was set up in Singapore in 1999. The firm is led by 2 Partners and 3 directors with a total of 37 persons. The firm joined EisnerAmper Global in 2017. The Global network has offices in New York, New Jersey, Cayman, Ireland, London, Tel Aviv, Mumbai and Singapore. The Singapore firm focusses on assurance, tax, and insolvency engagements.

Their experience in terms of Internal audit engagements over the years include:

1. China New Energy (a company listed on the LSE) - ethanol energy design and installation company
2. Qianhu Corporation Ltd (SGX Listed company) – fish farming, trading, and distribution company
3. TA Corporation Ltd (SGX Listed company) – Real Estate Developer, Main contractor, trading businesses
4. Watiga Trust (Trust Company) - Trust company
5. Licensed Fund Management Company with AUM of US\$2.5 billion

b) Engagement Team Members

1) Engagement Partner – Mr Saw Meng Tee

Founded Saw Meng Tee & Co. in 1999 and led the expanding firm to join EisnerAmper Global. He is a director on the EisnerAmper Global Board.

Other than assurance engagements, he has been involved with:

- Insolvency and Restructuring – Appointed liquidator for voluntary liquidations and creditors liquidation appointments over many companies across industries.
- Merger and Acquisitions transactions – advising and helping investors to structure, invest and integrate local and international companies, and representing sellers across multiple industries to negotiate and close transactions.
- Internal audit engagements – engagement partner on China New Energy, Qianhu Corporation Ltd, TA Corporation Ltd and Watiga Trust.
- Independent Director of Food Empire Ltd (listed on the SGX) – Chairman of the Audit Committee and Member of the Remuneration and Nomination Committee. Food Empire is a multinational food and beverage manufacturer and brand owner, with multiple manufacturing locations, in Malaysia, India, Russia, Ukraine, Sri Lanka and Vietnam, among others.

He has the qualification and professional affiliations as follows: -

- Fellow Chartered Accountant Singapore
- Chartered Accountant (ICAEW)
- Approved Insolvency Practitioner
- Fellow of Insolvency Practitioners Association of Singapore
- ACRA – Member of Complaints and Disciplinary Panel (From March 2013 to March 2019)
- ISCA – Member of Investigation and Disciplinary Panel (From March 2013 to March 2019)

2) Project Manager – Mr Grady Poon

Mr Grady Poon is the Head of Financial Services in EisnerAmper PAC, providing assurance and non-assurance services for asset management clients. He has more than 15 years of extensive experience in international accounting firms in Singapore and Hong Kong. His area of focus includes auditing of asset management companies, regulated funds, alternative investments, hedge funds and investment-linked funds, in accordance with internationally recognised accounting and auditing standards, and the local regulatory requirements. He is a member of Certified Practising Accountant, Australia.

He has also spent almost 3 years in one of the local banks in Singapore, providing internal audit and compliance function to the asset management businesses. His roles included reviewing the control environment for investment and operation cycles and providing regulatory updates to the businesses.

The Board and the AC are both satisfied that EisnerAmper PAC is adequately resourced to performed internal audit function for the Company.

BY ORDER OF THE BOARD

Yap Ming Choo
Company Secretary

Date: 19 May 2021