



TA CORPORATION LTD

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

NEWS RELEASE

TA CORPORATION REPORTS 1Q2014 NET PROFIT OF S\$4.8 MILLION

- *1Q2014 revenue falls 15.0% to S\$66.0 million, due mainly to lower revenue from the real estate development segment*
- *Revenue from distribution business up 73.7% to S\$3.3 million on additional contributions from Myanmar operations*
- *S\$290 million worth of construction orders for progressive delivery over the next 24 months*

Singapore, May 8, 2014 – 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 net profit after tax of S\$4.8 million for the three months ended March 31, 2014 (“1Q2014”), compared to S\$12.2 million for 1Q2013.

Revenue for 1Q2014 declined 15.0% to S\$66.0 million, compared to S\$77.6 million in the previous corresponding quarter (“1Q2013”). This was mainly due to lower contributions from the real estate development segment, which more than offset higher earnings recorded from the construction and distribution businesses.

The Group’s real estate development segment contributed S\$8.8 million to Group revenue in 1Q2014, compared to S\$26.4 million in 1Q2013. Two on-going residential projects The Cristallo at Telok Kurau and Gambir Ridge at Bartley saw higher contributions in 1Q2014, compared to a year ago. But Auralis at East Coast Road and Coralys at Joo Chiat Road had obtained Temporary Occupation Permits in 2013, and ceased revenue contribution in the quarter under review.

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Revenue from the construction segment rose 9.3% to S\$53.9 million in 1Q2014, compared to S\$49.3 million in 1Q2013. For 1Q2014, the Group reported higher revenue from progressive work completion for four major on-going projects – Riversails, The Skywoods, Starlight Suites and Marine Point; and lower revenue was recognised from progressive construction work completion for two other on-going projects – Nouvel 18 and Foresque Residences which are both nearing completion.

For the distribution segment, higher income arising from the expansion of its operations to Myanmar contributed to a 73.7% jump in this segment's revenue to S\$3.3 million in 1Q2014.

Mr Neo Tiam Boon (“梁添文”), the Chief Executive Officer and Executive Director of TA Corporation, said, “The completion of two residential development projects in 2013 had resulted in lower income from the real estate development segment. But our construction and distribution businesses remained healthy. In particular, our distribution business has made good progress in Myanmar, which is an exciting achievement that will position us favourably to tap opportunities in this emerging market.”

The Group's gross profit declined 39.3% to S\$11.6 million in 1Q2014. Gross profit margin remained healthy at 17.6% in the quarter under review.

Selling and distribution costs was higher at S\$1.1 million in 1Q2014, compared to S\$0.1 million in 1Q2013, largely due to show flat costs incurred for the Group's new residential project Ascent @ 456 at Balestier Road.

As result of the above, the Group reported a net profit after tax of S\$4.8 million in 1Q2014, compared to S\$12.2 million in 1Q2013.

Earnings per share for the review quarter was 1.0 Singapore cent while net asset value per share as at March 31, 2014 improved to 49.9 Singapore cents, from 48.9 Singapore cents as at December 31, 2013. Equity attributable to the owners of the Company as at March 31, 2014 improved to S\$231.9 million, from S\$227.6 million as at December 31, 2013. The Group's cash and bank balances remained healthy at S\$90.6 million.

Outlook

According to the Urban Redevelopment Authority's 1Q2014 real estate statistics¹, prices of private residential properties remain weak, falling 1.3% in 1Q2014, following a 0.9% fall in the preceding quarter ("4Q2013"). Developer sales of private residential units were also lower in 1Q2014 with only 1,744 units sold, compared to 2,568 units sold in 4Q2013.

Mr Neo said, "The Group soft launched its first real estate project Ascent @456 this year with a preview in March. Notwithstanding the weak property market sentiment, we saw encouraging responses from buyers. The 45-unit, freehold mixed-development project has since sold over 12 units, or over 25% of total units. Looking ahead, the Group will maintain a prudent approach in the launch of new projects and acquisition of new land banks both in Singapore and in the region."

"For the construction segment, our strong order book of S\$290 million will support the Group's earnings over the next 24 months. We will continue to leverage on the Group's reputation, established capabilities and business network to secure new opportunities."

In April 2014, the Group issued S\$75 million of medium term notes due 2016 with coupon of 5.25% under the S\$150 million multi-currency medium term note programme set up in 2013.

"We are encouraged that investors have continued to appreciate TA Corporation's fundamentals and strategies, as evidenced by the strong response to our inaugural S\$75 million bonds issuance. The proceeds raised will support our initiatives to broaden our earnings base and equip the Group with the financial muscle to seek strategic business opportunities both in Singapore and the region," added Mr Neo.

¹ "Release of 1st Quarter 2014 real estate statistics (<http://www.ura.gov.sg/uol/media-room/news/2014/apr/pr14-29.aspx>)

About TA Corporation

With a history that traced back to 1972, TA Corporation has grown to become an established property and construction group in Singapore. 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 and Coralis, and major ongoing development projects include The Cristallo and Gambir Ridge. In addition, the Group has also successfully ventured overseas through joint-ventures in the PRC, Thailand, Cambodia and Myanmar.

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.

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

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