



TA CORPORATION LTD

(Incorporation in the Republic of Singapore)

Co. Registration No. 201105512R

ANNOUNCEMENT

PROPOSED DISPOSAL OF VACANT LAND IN CHENNAI INDIA

1. INTRODUCTION

- 1.1** The Board of Directors of TA Corporation Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that TAC Resources (India) Pvt Ltd (“**TAC India**”), a 57% indirect subsidiary of the Company, has on the date of this announcement (“**Announcement**”) entered into a sale deed (“**SD**”) with 2 unrelated parties, Ocean Lifespaces India Private Limited (“**Purchaser 1**”) and R. Sundarrajan (“**Purchaser 2**”) at proportion of 75% and 25% respectively to dispose of vacant land located at Okkiam Thoraipakkam Village, Saidapet Taluk, Chengalpattu District (“**Proposed Disposal**”).
- 1.2** As the relative figure computed under Rule 1006(c) of the Listing Manual (“Listing Manual”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) exceeds 5% but does not exceed 20%, the Proposed Disposal constitutes a disclosable transaction under Rule 1010 of the Listing Manual.

2. INFORMATION ON THE PROPERTY AND THE PURCHASER

2.1 Background of the Property

The Property is a freehold vacant land located at Okkiam Thoraipakkam Village, Saidapet Taluk, Chengalpattu District (“**Property**”). The Property was previously used as a site for Overseas Training Centre of the Group located at Okkiam Thoraipakkam Village before relocated to a new operation site. TAC India does not conduct any operations on the land, therefore no income and profits generated from the Property.

2.2 Value of the Property

Based on the Group's latest announced audited financial statements for the year ended 31 December 2022 ("FY2022"):

- (i) the carrying amount of the Property as at 31 December 2022 was approximately S\$0.12 million;
- (ii) the profit from the Proposed Disposal is approximately S\$5.06 million⁽¹⁾; and
- (iii) the net profit from the Proposed Disposal is expected to be approximately S\$3.67 million⁽²⁾.

Notes:

- (1) The profit from the Proposed Disposal was computed on the difference between the Purchase Price and the net book value as at 31 December 2022.
- (2) The net profit from the proposed disposal is computed on the difference between the net sale proceeds less expected taxation and expected selling cost approximately of S\$1.51 million and the book value as at 31 December 2022.

2.3 Information on the Purchaser

The Purchaser 1 is a Company incorporated in India and its principal activities are in real estate property development.

The Purchaser 2 is an independent individual and unrelated third party.

Both Purchasers are not related to the Group, its directors and controlling shareholders and the Company, and their respective associates.

3. RATIONALE

The Board of Directors is of the view that the disposal is in the best interests of the Group as it allows the Group to unlock the value of the land.

The Board has also considered and resolved that the disposal will be in the commercial interests and benefit to the Group as the disposal will allow the Group to reallocate its resources to improve and optimise the utilisation of assets.

4. USE OF PROCEEDS

The disposal will realise net cash proceeds of approximately S\$3.79 million, after estimated expenses and taxes relating to the Proposed Disposal. The Group intends to deploy the net proceeds from the disposal for use as general working capital.

5. SALIENT TERMS OF THE PROPOSED DISPOSAL

5.1 Consideration

The Consideration is Rs.317.6 million (equivalent to approximately S\$5.18 million based on the exchange rate of Rs1: S\$0.0163) ("**Purchase Price**"). The Consideration for the land was arrived at arm's length negotiations and on a willing-buyer and willing-seller, "as-is, where-is" basis, after taking into account the prevailing market conditions.

6. RELATIVE FIGURES FOR THE PROPOSED DISPOSAL UNDER RULE 1006

The relative figures of the Proposed Disposal are computed based on the Group latest announced audited financial statements for FY2022.

Rule 1006 of the Listing Manual	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	0.1
(b)	The net profit attributable to the assets to be acquired or disposed of, compared with the Group's net losses.	Not applicable ⁽¹⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	11.4 ⁽²⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable

Notes:

- (1) Rule 1006(b) is not applicable as the Property is vacant and the Group did not derive any income and expenses from the Property.
- (2) Rule 1006(c) is calculated based on the Company's market capitalisation of approximately S\$45.59 million as calculated by multiplying 518,068,220 ordinary shares in issue by the volume-weighted average price per share of S\$0.088 as at 25 April 2023 (being the last full market day preceding the date of this announcement). The consideration for the Proposed Disposal is approximately S\$5.18 million.

As the relative figures computed under Rule 1006 (a) and (c) of the Listing Manual exceed 5% but do not exceed 20%, the Proposed Disposal is considered a "disclosable transaction" as defined in Rule 1010 of the Listing Manual.

7. FINANCIAL IMPACT OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal on the Group as set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Proposed Disposal.

The following financial effects of the Proposed Disposal are computed based on the Group's audited consolidated financial statements for the financial year ended 31 December 2022 ("FY2022") and the following bases and assumptions:

- (a) the financial effects of the Proposed Disposal on the earning per share ("EPS") of the Company are computed based on the assumption that the Proposed Disposal is completed on 31 December 2022; and
- (b) the financial effects of the Proposed Disposal on the Net Tangible Assets ("NTA") of the Company are computed based on the assumption that the Proposed Disposal is completed on 31 December 2022.

7.1 NTA Per Share

As at 31 December 2022	Before the Completion of the Proposed Disposal	After the Completion of the Proposed Disposal
NTA (S\$ million)	83.48	87.15
Number of shares	518,068,220	518,068,220
NTA per share (Singapore cents)	16.11	16.82

7.2 EPS

FY2022	Before the Completion of the Proposed Disposal	After the Completion of the Proposed Disposal
Profit attributable to owners of the Company (S\$ million)	12.14	14.24
Number of shares	518,068,220	518,068,220
Profit per share (Singapore cents)	2.34	2.75

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors (so far as they are aware), the controlling shareholders of the Company or their respective associates, has any interest, direct or indirect (other than through their respective directorships and shareholdings in the Company), in the Proposed Disposal.

9. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Proposed Disposal.

10. DOCUMENTS FOR INSPECTION

Copy of the SD will be made available for inspection during normal business hours at the Company's registered office at 1 Jalan Berseh #03-03 New World Centre Singapore 209037, for a period of three (3) months from the date of this Announcement.

Please write in to tacorpegmfy2023@tiongaik.com.sg prior to making any visits to arrange for a suitable time slot for the inspection.

By the Order of the Board
TA Corporation Ltd

Tam Siew Kheong / Foo Soon Soo
Company Secretaries
Date: April 26, 2023