



TA CORPORATION LTD

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

NEWS RELEASE

TA CORPORATION 3Q2014 NET PROFIT UP 113.6% TO S\$7.0 MILLION

- ***3Q2014 performance boosted by maiden contributions from the handover of shophouse units at the Group' project in Thailand***
- ***Healthy cash balance of S\$120.2 million and healthy gearing of 1.4 times***
- ***Construction orders of approximately S\$391 million as at September, 30 2014 scheduled for delivery over the next 36 months***

Singapore, November 6, 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 113.6% jump in net profit after tax to S\$7.0 million for the three months ended September 30, 2014 (“3Q2014”).

The higher net profit was backed by a 17.3% increase in revenue to S\$78.8 million in 3Q2014, due mainly to the recognition of revenue from the handover of shophouse units at the Group’s project in Thailand, as well as higher contributions from the Group’s distribution business in Myanmar.

Mr. Neo Tiam Boon (“梁添文”), Chief Executive Officer and Executive Director of TA Corporation, said, “Notwithstanding a tepid Singapore property and construction market, first time contributions from our real estate project in Thailand as well as higher income from our growing distribution business contributed to a healthy showing in 3Q2014. Our improved third quarter performance bears testimony to the success of our overseas expansion strategy. The Group’s construction division, which maintained a relatively stable performance in 3Q2014, had also secured a sizeable contract worth S\$177.4 million in August, boosting our order book as at the end of September to S\$391 million.”

REVIEW OF 9M2014 FINANCIAL PERFORMANCE

For the nine months ended September 30, 2014 (“9M2014”), overall revenue decreased 1.1% to S\$214.8 million, due mainly to lower revenue contributions from the real estate development business, which was partially offset by higher income from the distribution segment.

The real estate development business reported revenue of S\$52.3 million for 9M2014, a decrease of 10.3% from S\$58.3 million for 9M2013. This year-on-year decline was due mainly to the absence of contributions from two real estate projects that were completed in 2013 – Auralis and Coralis. Key contributors for the review period included two on-going projects – The Cristallo and Gambir Ridge – as well as maiden contributions from De Iyara, the Group’s first real estate project in Thailand.

The construction business contributed revenue of S\$151.4 million for 9M2014, a marginal decrease from S\$151.7 million for 9M2013. Backed by higher contributions from its Myanmar operations, the distribution business achieved a 56.3% jump in topline contributions to S\$11.1 million for 9M2014.

Other income in 9M2014 rose to S\$5.8 million for 9M2014, from S\$4.4 million for 9M2013, due mainly to the reversal of provision made for foreseeable losses and higher interest income.

Selling and distribution costs for the review period rose to S\$1.6 million for 9M2014, due mainly to show flat costs incurred for the Ascent @ 456 mixed development project in Singapore and marketing expenses for the Group’s real estate projects in Thailand.

Finance costs rose to S\$2.8 million for 9M2014, from S\$0.9 million in the corresponding financial period, due mainly to accrued interest on the S\$75 million fixed rate term notes issued in April 2014.

As a result, the Group reported a lower net profit after tax of S\$17.6 million for 9M2014, compared to S\$23.0 million for 9M2013.

Earnings per share for 9M2014 was 3.5 Singapore cents while net asset value per share as at September 30, 2014 rose to 51.5 Singapore cents, from 48.9 Singapore cents as at December 31, 2013.

The Group maintained healthy cash and bank balances of S\$120.2 million as at September 30, 2014, improving from S\$96.3 million as at December 31, 2013. Total borrowings as at September 30, 2014 were S\$348.4 million, giving a gearing ratio of 1.4 times.

OUTLOOK

On the real estate front, the Group's latest project in Singapore – the 45-unit mixed-use Ascent @ 456 located in Balestier Road is over 37% sold since its launch in March 2014. In view of the near-term property market weaknesses in Singapore, the Group will continue to maintain a focused and prudent approach in sourcing for new development opportunities, both in Singapore and the region.

The development of the Group's 9,200-bed workers dormitory facility, which will cater to foreign workers in the marine, process and manufacturing industries, is also well underway. A joint development between TA Corporation and two partners, the dormitory is expected to be one of the larger purpose-built workers' accommodation facilities in Singapore when completed. The Group's interest in this project is 62%, while the two partners will hold the remaining 38%.

Commenting on the outlook, Mr. Neo said, "Looking beyond the short-term challenges in the local property and construction sectors, we are confident of enhancing shareholder returns over the longer-term via the execution of our growth strategies: to further expand and diversify our core businesses beyond the Group's stronghold in Singapore; to build up stable recurring income streams over the long-term through our distribution and dormitory businesses, and pursuing selective real-estate investment holding opportunities. The Group also remains on the lookout for opportunistic strategic mergers and acquisition opportunities in Singapore and the region."

As at the end of September 2014, the Group has a construction order book worth approximately S\$391.0 million, which will be progressively delivered over the next 36 months.

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.

As part of the Group's strategy to diversify and grow recurring income streams, TA Corporation has also expanded in the distribution of high performance motor & aviation lubricants; as well as passenger and light truck tyres. The Group's wholly-owned subsidiary, Sino Tac Resources Pte Ltd ("Sino Tac"), is the exclusive distributor of BP's high performance motor oils and lubricants in Singapore. Que Holdings Pte. Ltd. ("Que Holdings"), a 51:49 joint venture with Myanmar's Synergy Resources, is the distributor of Shell's automotive, aviation and industrial lubricants to the business-to-business and business-to-consumer sectors in Myanmar. Que Holdings is also the distributor for passenger and light truck tyres of the 'Continental' brand in Myanmar.

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

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