



# TA Corporation Ltd

Corporate Presentation

December 2017





# Disclaimer

---

The information contained in this presentation has not been independently verified. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. The information contained in this document should be considered in the context of the circumstances prevailing at the time and has not been, and will not be, updated to reflect material developments which may occur after the date of the presentation. Neither the Company nor any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation.

Certain statements in this presentation may constitute “forward-looking statements”, including forward-looking financial information. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. Because these statements and financial information reflect the Company’s current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement or financial information contained in this presentation to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

This presentation includes market and industry data and forecast that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While the Company has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Company has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.



# Agenda

---

- **Our Group's Revenue Streams**
- **Construction**
- **Real Estate Development**
- **Real Estate Investment**
- **Distribution**
- **Financial Performance**
- **Strategy**



*Auralis, Singapore*

## Group Revenue Streams

# Project Revenue: Real Estate Development and Construction

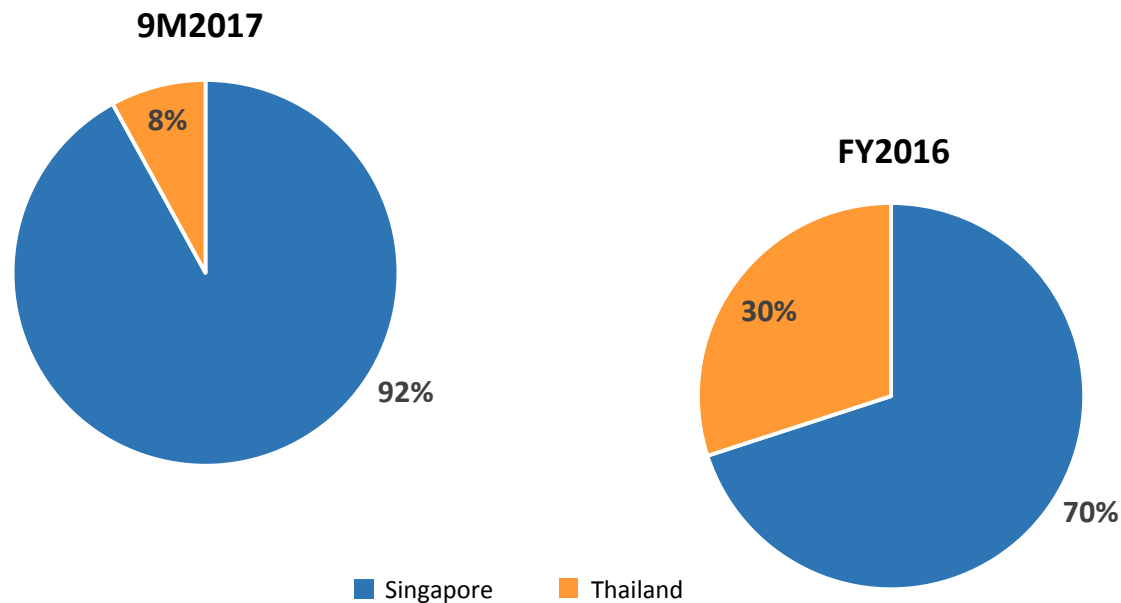


- **Construction**

- 99% from Singapore currently, but with growing revenue from Cambodia and Malaysia

- **Real Estate Development**

- Revenue of S\$27.3 million for 9M2017 and S\$34.6 million for FY2016
- Overseas projects from Thailand contributed 8% for 9M2017 and 30% for FY2016



FY: Financial year ended 31 Dec 9M: Nine months ended 30 Sept

# Recurring Revenue: Real Estate Investment and Distribution

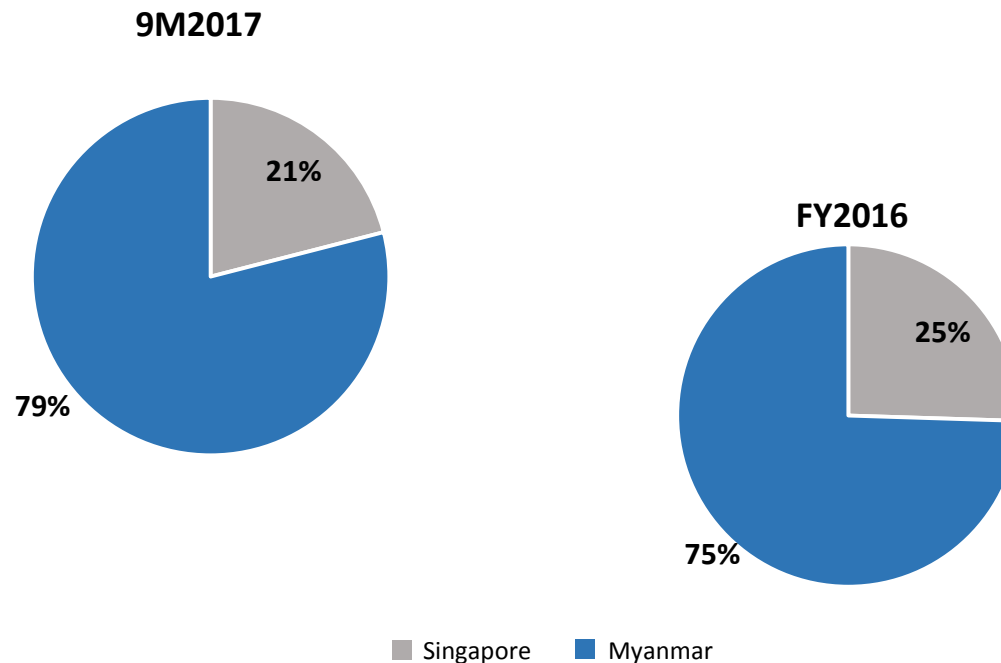


- **Real Estate Investment**

- Revenue currently all from Singapore: S\$11.6 million for 9M2017 and S\$8.0 million for FY2016

- **Distribution**

- Mainly from Myanmar market: S\$17.3 million revenue for 9M2017 and S\$21.6 million for FY2016



# 50% Distribution Joint Ventures – Myanmar and Thailand

---



## ○ Myanmar

- Eternal Synergy: Distributes 'GS' brand of lubricants and related products
  - Revenue of S\$10.4 million for 9M2017 and S\$16.4 million for FY2016
- Myanmar Synergy: Distributor of trucks, buses, vans and other commercial vehicles under the '*Iveco*', '*Astra*' and '*Zhong Tong*' and '*CASE Construction Equipment*' and automotive spare parts
  - Revenue of S\$9.7 million for 9M2017 and S\$18.0 million for FY2016

## ○ Thailand

- Viva Energia: Distributes 'Repsol' brand of lubricants and related products
  - Revenue of S\$1.3 million for 9M2017 and S\$1.2 million for FY2016



# Overview of the Group's Properties

Properties	Description	Title	Gross Area (sq m)
<b>Singapore</b>			
<i>New World Centre</i> 1 Jalan Berseh	Commercial	Leasehold (99 years from March 31, 2014)	5,460*
83 Sungei Kadut Drive	Industrial	Leasehold (29 years from October 16, 1991)	4,701
<i>Tuas South Dormitory</i>	Dormitory	Leasehold (20 years from July 7, 2014)	52,038
<i>Leonie Hill Residences</i> - #28-01	Residential	Freehold	260
586 Balestier Road - #02-04 & #03-04	Residential	Freehold	260

*\*Includes Investment Properties and Property, Plant and Equipment*





# Overview of the Group's Properties

Properties	Description	Title	Gross Area (sq m)
<b>Singapore</b>			
53 Sungei Kadut Loop	Warehouse/ dormitory	Leasehold (30 years from March 16, 1995)	4,211
67/67A Sungei Kadut Drive	Provision of engineering services/ dormitory	Leasehold (30 years from December 16, 1990)	6,168
Tuas South Street 11	Warehouse under construction	Leasehold (20 years 10 months from October 21, 2014)	10,000
<b>Chennai, India</b>			
Okkiam Thoraippakkam Industrial Estate	Vacant	Freehold	8,986
No.23 Vengadamangalam Village, Chengalpet Taluk	Test Centre	Freehold	17,685
<b>Johor, Malaysia</b>			
Lot 3712, Pontian	Factory for pre-cast concrete components	Freehold	37,480



# Overview of the Group's Properties

## Properties for Sale:

Properties	Type	Completed/ Estimated date of Completion	Tenure
<b>Singapore</b>			
<i>The Cristallo</i> 70 & 72 – 76B Lorong K, Telok Kurau Road	Residential	Completed	Freehold
<i>Ascent @ 456</i> 456 Balestier Road	Mixed (residential fully sold)	Completed	Freehold
<i>12 on Shan</i> 12 Shan Road	Residential	April 2018	Freehold



# Overview of the Group's Properties

## Properties for Sale:

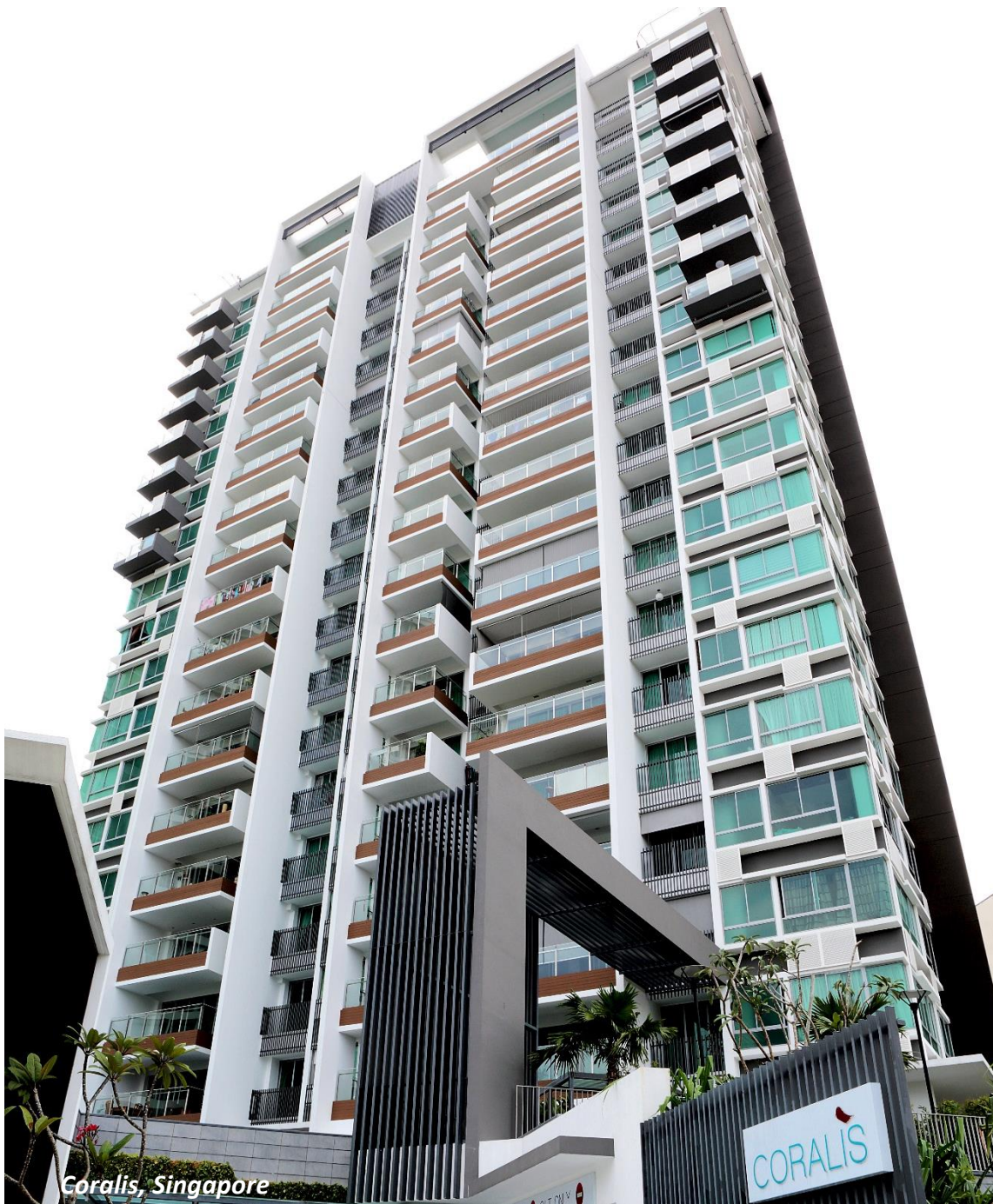
Properties	Type	Completed/ Estimated date of Completion	Tenure
<b>Thailand</b>			
<i>De lyara Grande</i> Klong Luang District, Pathum Thani	Commercial and residential	Completed	Freehold
Klong Luang District Pathum Thani	Serviced apartments	Dec 2017	Freehold
<b>Cambodia</b>			
<i>The Gateway</i>	Commercial and residential	Dec 2019	Freehold



# Overview of the Group's Land Bank

## Land Bank:

Properties	Type	Approx. Site Area (sq m)	Tenure
<b>Thailand</b>			
Klong Luang District Pathum Thani	2 plots of land for multi-phased mixed development	20,515	Freehold
<b>Cambodia (Held under associate)</b>			
Phum Preychisak, Sangkat Chom Chao, Khan Dongkor, Phnom Penh	Mixed-use residential and commercial development	89,580	Freehold



# Construction



# Construction

- **Construction business is undertaken through our wholly-owned subsidiary, Tiong Aik Construction Pte Ltd**
- **Reliable builder contractor with established track record of more than 45 years**
  - Possess ability to undertake a wide spectrum of public and private sector projects
  - BCA-approved workers' training and testing centres
- **Clientele include government bodies and established real estate developers**



- **Air-Conditioning & Mechanical Ventilation (ACMV): Provision of air-conditioning mechanical ventilation systems**
- **Supported by a suite of complementary competencies**
  - Fabrication of metal frameworks, erection of building structural steels
  - Management of Group's construction machinery



# Construction

---

## Strategic Focus on Productive Construction Technologies

- **Pre-cast concrete components manufacturing plant in Johor, Malaysia started operations in 4Q2015**
  - Current capacity of 36,000 cubic feet per annum with capability to scale-up to 42,000 cubic feet per annum
  - Supplies products to major infrastructure, commercial and residential projects in Singapore and Malaysia
  - Demand for pre-cast concrete components supported by our construction arm and a growing base of customers.
  
- **Established Prefabricated Prefinished Volumetric Construction (PPVC) modules JV**
  - Incorporated TK Modular Pte. Ltd (TKM) on 22 June 2017, an 80%-owned joint venture with Kong Hwee Iron Works & Construction Pte. Ltd
  - To design, develop, manufacture and distribute PPVC modules to Singapore developers
  - 24 November 2017: TKM received in-principle acceptance for the use of its Steel PPVC system – ADD Modular (2016) for building projects in Singapore from the Building and Construction Authority and relevant government agencies



# Construction: Ongoing projects

- **Order book of S\$96 million as at 30 September 2017**
  - To be progressively delivered over the next year



## Highline Residences

- Private residential development
- Contract Value: ~S\$174m
- Estimated Completion Date: Dec 2017
- Developer: Harvestland Development Pte Ltd (*subsidiary of Keppel Land Limited*)



## German European School Singapore

- Institution with six-storey educational block and two-storey sports block
- Contract Value: ~S\$94m
- Estimated Completion Date: Mar 2018
- Developer: German European School Singapore





# Construction: Recently Completed Projects



## Tuas South Dormitory

Completed in Jan 2016  
Developer: Nexus Point  
Investment Pte Ltd



## Riversails

Completed in May 2016  
Developer: Allgreen  
Properties Limited



## Marine Blue

Completed in Oct 2016  
Developer: Ladyhill (Private)  
Limited (*subsidiary of  
Capitaland Residential Ltd*)



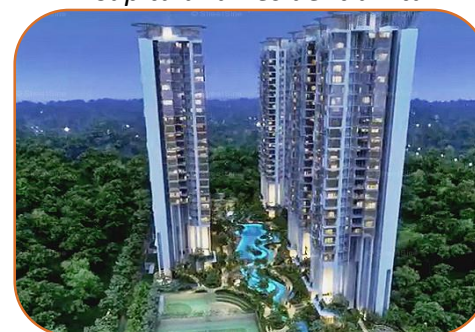
## The Skywoods

Completed in Dec 2015  
Developer: Bukit Timah  
Green Development Pte Ltd



## The Sorrento

Completed in Dec 2015  
Developer: Allgreen  
Properties Limited



## Foresque Residences

Completed in Sept 2014  
Developer: Wing Tai  
Holdings Limited

# Construction: 2016 & 2017 Awards & Accreditations



Year	Award / Accreditation	Awarded To Tiong Aik/Project
<b>Building Construction Authority of Singapore</b>		
2017	BCA Quality Excellence Award - Quality Champion (Platinum)	Tiong Aik
2016	BCA Quality Mark (QM) For Good Workmanship Excellent Rating	The Sorrento
2016	BCA Building Information Modelling (BIM) Award (Projects) Gold	Marine Blue
2016	BCA BIM Awards (Organisation) Gold Plus	n.a.
2016	BCA Construction Excellence Award (Merit)	Nouvel 18
<b>Workplace Safety and Health (WSH) Council and the Ministry of Manpower</b>		
2016	Workplace Safety & Health Performance Awards 2016 - Sharp Awards	Highline Residence



*The Gateway, Cambodia*

# Real Estate Development



# Real Estate Development

- **More than 20 years of experience in real estate development**
- **Reputation for delivering quality well-located residential developments, targeting the middle to upper-middle markets**
- **Through JVs, expanded into Cambodia, Thailand and China; looking to expand into Myanmar**
- **Overseas projects contribute about 30% in sales to the segment's FY2016 revenue**



**Estilo, Singapore**



**De Iyara Grande (Serviced Apartments), Thailand**



# Real Estate Development: On-going Projects

## Singapore



### ***12 on Shan***

- Freehold private residential development
- Located in the Balestier area; Close proximity to Novena Medical Hub
- Estimated TOP: April 2018

## Cambodia - Phnom Penh



### ***The Gateway***

- An iconic twin tower development comprising a 36-storey office tower (299 office units) and 39-storey residential tower (572 residential units); 2-storey retail and 7-story carpark podium
- Strategically located in the Central Business District of Phnom Penh
- Estimated TOP: Dec 2019
- More than 14% of residential units and 44% of office units sold and reserved as at 30 September 2017



# Real Estate Development: Recent Completed Projects

## Singapore



### ***Ascent@456***

45-unit freehold residential & commercial mixed development at Balestier Road

TOP: Jan 2017

Fully sold by Jan 2017 (*residential unit*)



### ***Terra Villas***

7 units of 3-storey strata-titled terrace houses in Kembangan

TOP: Sept 2016

Full sold by July 2017



### ***The Skywoods***

25%-owned associate's condominium with 420 units at Dairy Farm Road

TOP: Dec 2016

Fully sold by end 2016



### ***Gambir Ridge***

5-storey residential development with 77 units at Gambir Walk

TOP: Dec 2015

Fully sold by Oct 2012



### ***The Crystallo***

74-unit residential development at Lor K Telok Kurau Road

TOP: Feb 2015  
Balance of 1 unit



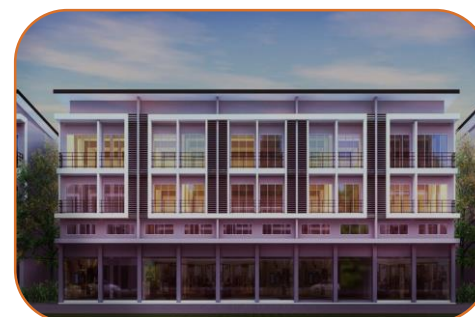
# Real Estate Development: Recent/Ongoing Projects

## Thailand - Bangkok



***De lyara***

65 units of 3.5-storey townhouses  
Fully sold within two weeks after  
launch in 2013



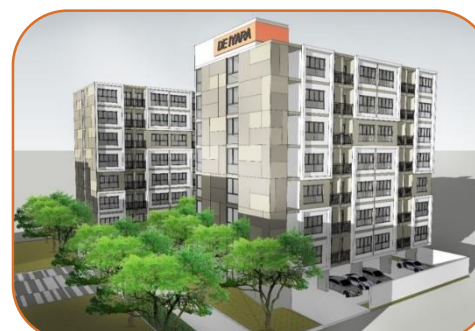
***De lyara Share***

42 units of 3.5 storey townhouses  
Fully sold within two weeks after  
launch in 2013



***De lyara Grande***

72 units of 3.5-storey townhouses  
Over 70% sold



***De lyara Grande (Serviced Apartments)***

138 units of freehold serviced apartments  
Approx. Planned GFA: 5,686 sq m  
Targeted completion: End 2017



*Tuas South Dormitory*

## Real Estate Investment





# Real Estate Investment: Building a Recurrent Income Stream

- **Owns more than 61,000 sq m of investment property space**
  - Includes 4,235 sq m of commercial units held as investment properties at New World Centre, 1 Jalan Berseh, Singapore
- **Manages more than 10,000 dormitory beds for foreign workers in Singapore**
  - Includes the 9,180-bedded **Tuas South Dormitory** which commenced business operations in 2016
    - One of the largest purpose-built dormitories in Singapore
    - Caters to foreign workers in the marine, process, manufacturing and construction industries
    - Further development in the Tuas area due to the construction of port facilities, improved connectivity upon the opening of Tuas Viaduct and Tuas West MRT extension to further drive healthy growth



*Tuas South Dormitory*



*New World Centre*



*Wheel Loader*



*Quarry & Construction Vehicle*

# Distribution



# Fast Growing Distribution Business: Myanmar

- **Distribution of high performance motor oil and lubricants, as well as industrial and aviation lubricants**
  - *51%-owned Que Holdings:* Holds sole distributorship for 'Shell Eastern Petroleum's high-performance automotive and industrial lubricant products to the B2B and B2C sectors, and aviation lubricant products
  - *50%-owned Eternal Synergy:* Distributes 'GS' brand of lubricants and related products
- **Distribution of passenger and light truck tyres as well as heavy commercial vehicles, trucks, buses and automotive spare parts**
  - *51%-owned Que Holdings:* Exclusive distributor for the 'Continental' brand of passenger & light truck tyres
  - *50%-owned Myanmar Synergy:* Exclusive distributor of trucks, buses, vans and other commercial vehicles under the 'Iveco', 'Astra' and 'Zhong Tong' brands as well as 'CASE Construction Equipment' as well as automotive spare parts
    - May 2017: Opened S\$5.6 million headquarters cum commercial vehicles and construction equipment showroom in Yangon; reinforced market position as one of Myanmar's leading commercial vehicles and construction equipment distributors





# Expanding Distributorships

- **Expanding operations in the distribution of high performance motor oil and lubricants**  
Singapore
  - *100%-owned Sino Tac Resources*: Exclusive distributor of 'BP Castrol's high performance motor oils and lubricants since 2007

## Thailand

- *50%-owned Viva Energia*: Exclusive distributor of the 'Repsol' brand of high performance lubricants and other related products

## Regional

- *50%-owned Synergy Performance*: Distributes in-house owned 'Synergy' brand of lubricants and related products





*Foresque Residences, Singapore*

## Financial Performance



# Financial Performance

S\$'m	3Q2017	3Q2016	9M2017	9M2016	FY2016	FY2015
Revenue	51.1	50.1	159.0	138.5	194.1	276.7
Gross Profit	9.3	9.2	29.8	25.9	36.0	40.4
Loss before tax	(5.6)	(14.8)	(20.8)	(14.3)	(13.8)	(16.0)
Loss after tax	(5.9)	(15.6)	(21.5)	(15.9)	(14.6)	(24.0)
Gross profit margin %	18.2	18.4	18.7	18.7	18.5	14.6

## 3Q2017 vs 3Q2016:

- **Revenue** increased by 2.0% to S\$51.1 million
- **Loss after tax** narrowed mainly due to lower impairment loss on investment properties

## 9M2017 vs 9M2016:

- **Revenue** increased due higher revenue contribution from all 4 business segments
- **Loss after tax** incurred due mainly to higher fair value loss of the Group's investment properties, *Tuas South Dormitory* as well as allowance for doubtful receivables

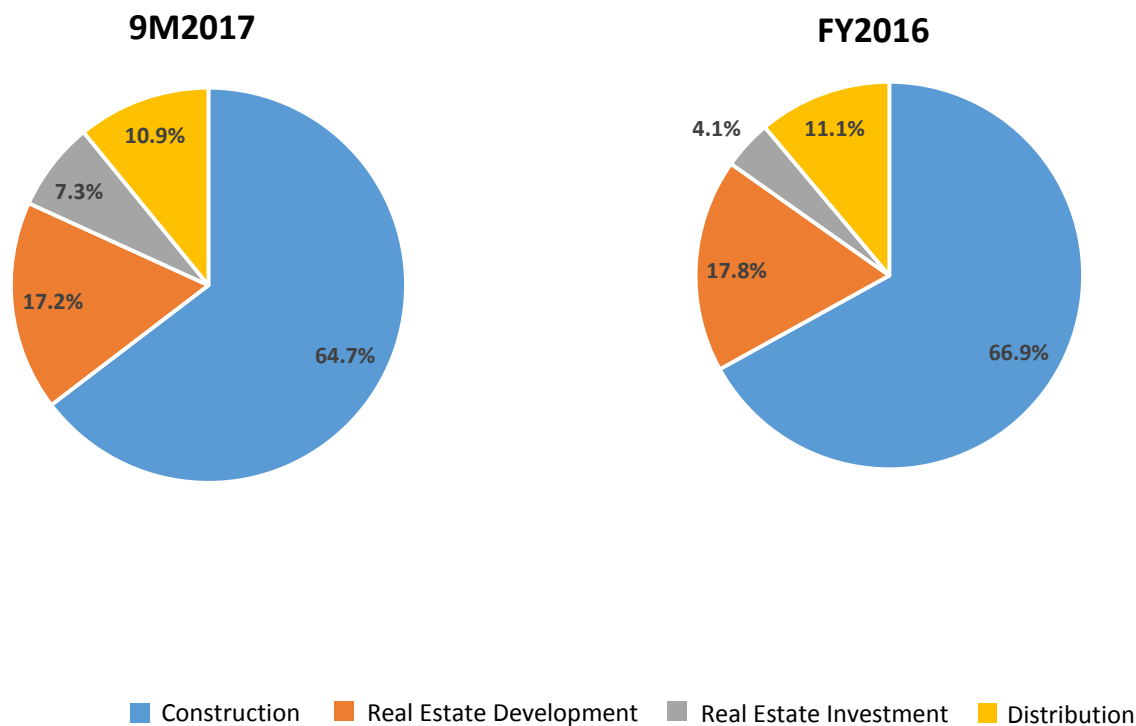
## FY2016 vs FY2015:

- **Loss after tax** narrowed; due to lower Group revenue arising from lower revenue contribution from construction as well as real estate development & investment segments, partially offset by higher revenue from distribution segment
- **Gross profit margin** increased by about 4 percentage points due to higher contribution from investment properties which generate higher margin compared to other segments



# Segmental Revenue

- **Construction segment remains key contributor to Group revenue**
- **Growing distribution business segment, driven by distribution business in Myanmar**



FY: Financial year ended 31 Dec 9M: Nine months ended 30 Sept



## Balance Sheet & Key Financial Ratios

S\$'m	As at 30 Sept 2017	As at 31 Dec 2016
<b>Current Assets</b>	367.3	379.4
- Cash & bank balances	74.5	91.5
<b>Non-current Assets</b>	342.5	345.0
<b>Current Liabilities</b>	287.3	240.7
<b>Non-current liabilities</b>	236.7	273.1
<b>Equity attributable to owners of the Company</b>	192.6	210.0
<b>Gearing Ratio (times)</b>	2.0	1.7
<b>NAV Per Share (SGD cents)</b>	38.5	43.5





## Rewarding Shareholders

<b>Dividend Per Share (SGD cents)</b>	<b>FY2016</b>	<b>FY2015</b>	<b>FY2014</b>	<b>FY2013</b>	<b>FY2012</b>
<b>Total Dividend per share</b>	1.0	1.0	1.0	1.0	1.3
<b>(Loss)/Earnings per share</b>	(1.4)	(5.1)	4.4	6.3	8.5
<b>Dividend payout ratio</b>	n.a.	n.a.	23%	16%	15%

**Group maintained total dividend per share of 1.0 SGD cents, in which shareholders are given the option in FY2015 and FY2016, to receive their dividends in either scrip or cash**



# Renounceable Underwritten Rights Issue For Warrants

---

- **120,567,589 warrants listed on Mainboard SGX-ST on 25 May 2017, following the proposed renounceable underwritten rights issue exercise announced on 30 March 2017**
  - With every four existing ordinary shares in the capital of TA Corporation, shareholders subscribed to one Warrant at an issue price of S\$0.003
  - Each Warrant holder entitled to subscribe for one new ordinary share in the capital of the Group at an exercise price of S\$0.28 for each New Share, subject to the terms and conditions of the Warrants
  
- **Usage of proceeds from fund raising exercise**
  - Expand and strengthen Group's capital base
  - Provide additional resources for business expansion and diversification within Southeast Asia
  - Additional financial flexibility to respond proactively to strategic business opportunities and working capital requirements

# Warrants Update



TA Corporation LTD W220520	
<b>Listing Date</b>	25 May 2017
<b>Expiry Date</b>	20 May 2022
<b>Price as at 5 Dec 2017</b>	S\$0.019
<b>Exercise Price</b>	S\$0.28
<b>Underlying Stock Price as 5 Dec 2017</b>	S\$0.215
<b>Conversion ratio</b>	1 warrant : 1 share

Source: [SGX](#)



*The Cristallo, Singapore*

# Strategy



# Growth Strategy

## Focus on core business and markets while growing presence overseas

- Established real estate business in neighbouring countries with projects in Cambodia and Thailand; plan to expand into Myanmar
- Leverage on Group's precast and PPVC capabilities to bid for contracts in Singapore and Malaysia

## Grow distribution business in South-East Asia

- Secure distributorships for new markets
- Clinch additional distributorships of related products from principals

## Acquisition of new development sites in Southeast Asia to replenish land bank

- Has undeveloped land bank of about 1 million sq feet in Panthum Thani, Thailand and 200,000 sq ft in Phnom Penh, Cambodia; planned for mixed-use developments
- Owned a freehold 8,986 sq metres site in Chennai, India
- Plan to enter into joint ventures with land owners in Myanmar

## Expand complementary businesses

- ACMV business expanded into Cambodia; plan to expand into neighbouring countries



*The Sorrento, Singapore*

# Q&A