



TA CORPORATION LTD

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

NEWS RELEASE

TA CORPORATION ANNOUNCES 9M2016 RESULTS

- ***Construction order book of S\$195 million for fulfilment over the next 24 months***
- ***Focused on enhancing productivity and cost management amid challenging operating landscape***
- ***Actively exploring regional business opportunities***

Singapore, November 9, 2016 – 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, announced today its financial results for the nine months ended September 30, 2016 (“9M2016”), with loss attributable to owners of the Company reduced to S\$9.8 million, from S\$26.5 million a year ago (“9M2015”).

Group revenue for the period under review decreased by 35.5% from S\$214.8 million in 9M2015 to S\$138.5 million, due mainly to overall lower contributions from the Group’s core business divisions. Gross profit was correspondingly lower at S\$25.9 million in 9M2016 compared to S\$30.0 million in 9M2015.

Mr. Neo Tiam Boon (“梁添文”), Chief Executive Officer and Executive Director of TA Corporation, said, “The year-to-date was characterised by sustained weaknesses in regional economic growth, which had continued to negatively impact the property and construction sectors. The sluggish offshore and marine sector also affected our efforts to increase occupancy at our new purpose-built workers dormitory facility.”

“A bright spot in this otherwise difficult year was the successful launch of our large-scale commercial cum residential mixed-use development ‘*The Gateway*’ in Phnom Penh, Cambodia. Response to this iconic development has been encouraging, with approximately 33% of residential units and 45% of office units sold and reserved to-date. Our progress in Cambodia is reflective of our ability to seek growth amidst an unfavourable operating landscape.”

REVIEW OF FINANCIAL PERFORMANCE

Revenue (S\$' million)	9M2016	9M2015	Change (%)
Real Estate Development	29.2	58.0	(49.7)
Construction	96.5	143.8	(32.9)
Distribution	12.8	13.0	(1.5)
Total	138.5	214.8	(35.5)

The real estate development segment contributed revenue of S\$29.2 million in the period under review compared to S\$58.0 million for 9M2015, representing a 49.7% year-on-year decrease, which was due mainly to the absence of revenue contributions from a private residential development which achieved TOP in December 2015 and an overall decrease in contributions from on-going projects. Overseas developments contributed S\$10.2 million, or 34.9% of revenue from this segment.

The construction segment contributed S\$96.5 million of revenue in 9M2016, a 32.9% decrease year-on-year from S\$143.8 million in 9M2015, due to lower progressive construction work completion for the Group’s on-going projects. Revenue contributions from the lubricants and tyres distribution segment¹ was S\$12.8 million in 9M2016, 1.5% lower compared to S\$13.0 million in 9M2015.

¹ Comprises the Group’s 100%-owned operating subsidiary in Singapore – Sino Tac Resources Pte Ltd – and a 51%-owned subsidiary – Que Holdings Pte. Ltd

Showflat costs for a development project in Singapore contributed to the 40.7% increase in selling and distribution cost to S\$0.8 million in 9M2016, from S\$0.5 million a year ago.

General and administrative expenses rose 18.3% to S\$14.1 million in 9M2016, from S\$11.9 million in 9M2015. This was due mainly to operational cost for the new Tuas South Dormitory, higher personnel cost for real estate and air-conditioning and mechanical ventilation system businesses in Cambodia, as well as higher travelling costs for business development.

Other operating expenses decreased by 42.1% to S\$23.6 million in 9M2016, from S\$40.8 million a year ago, due to the absence of impairment losses and lower impairment of receivables in relation to an associated company, as well as lower impairment loss on development properties that was recorded in 9M2015, which was partially offset by a loss in fair value of investment properties mainly from Tuas South Dormitory.

Loss per share on a fully diluted basis was 2.1 Singapore cents, from 5.7 Singapore cents a year ago. Net asset value per share as at September 30, 2016 was 42.6 Singapore cents, compared to 46.5 Singapore cents as at December 31, 2015. Cash and bank balances increased to S\$124.1 million as at September 30, 2016, from S\$78.9 million as at December 31, 2015. Total borrowings as at September 30, 2016 was S\$395.5 million, with a gearing ratio of 1.9 times.

OUTLOOK

The challenging outlook for Singapore's private residential property market is expected to persist. The 3rd Quarter 2016 real estate statistics from the Urban Redevelopment Authority (URA)² revealed that prices of private residential properties saw further decline of 1.5%, continuing from a 0.4% decline in the preceding quarter.

Commenting on the outlook, Mr. Neo said, "Against this challenging backdrop, we will continue to maintain strong cost discipline while keeping an open eye on pockets of opportunity available in Singapore and the region. We will also continue to work towards increasing the occupancy rate of our Tuas South Dormitory.

By leveraging our expertise in real estate development, TA Corporation's reputation as an established Tier-1 building contractor and an order book of S\$195 million for delivery over the next 24 months, we are optimistic that the Group is well placed to meet the challenges ahead and to attain our long-term growth objectives."

² <https://www.ura.gov.sg/uol/media-room/news/2016/oct/pr16-66>

ABOUT TA CORPORATION

With a history that can be traced back to 1972, TA Corporation is an established property and construction group, with a growing suite of businesses in distribution as well as the provision of workers training and accommodation in Singapore and across the region.

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, Coralis, Starlight Suites, Gambir Ridge, The Cristallo and Terra Villas, and major ongoing development projects include 12 on Shan Road and Ascent@456. The Group has also successfully ventured overseas through joint-ventures in property development projects in the PRC, Thailand, and Cambodia.

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.

Leveraging on the property and construction business demand for precast components to enhance productivity, the Group set up a concrete pre-cast components factory in Johore, Malaysia, which has been in operation ahead of schedule since the fourth quarter of 2015. As part of TA Corporation's strategy to further expand its recurring income base, the Group had in May 2016 completed the development of a new 9,200 bed dormitory at its new Tuas South Dormitory facility in Singapore.

TA Corporation is also engaged in the distribution of high performance motor oil and lubricants in Singapore, Myanmar, Thailand and across the region. It also distributes automotive, industrial and aviation lubricants, passenger and light truck tyres and heavy commercial vehicles, truck, buses and automotive spare parts in Myanmar.

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

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