



TA CORPORATION LTD

(Incorporated in the Republic of Singapore)

Co. Registration No. 201105512R

ANNOUNCEMENT

LOAN FROM ASSOCIATE OF DIRECTORS

Introduction

The Board of Directors of TA Corporation Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on May 31, 2021 entered into a loan agreement with Sinotac Group Pte Ltd (the “**Lender**”) pursuant to which the Lender has agreed to provide a loan of up to S\$10.0 million to the Company (the “**Transaction**”) subject to the terms and conditions of the loan agreement.

The Lender

The Lender is an associate of the Executive Chairman, Group Chief Executive Officer and Executive Director, and Alternate Directors of the Company (the “**Relevant Directors**”). As at the date of this announcement, the Relevant Directors collectively owned more than 90% equity interest of the Lender.

The Transaction

The principal amount of loan is S\$10.0 million to be drawn down progressively, subject to available drawn down period of 2 years from the date of the loan agreement. The maturity date of the Loan is 3 years from first drawdown date and repayment of the Loan is subordinated to bank borrowing of the Company. Subject to mutual consent of the Company and the Lender, the available drawn down period and the maturity date of the Loan can be extended for further period of up to 2 years. The Loan will bear interest at 3% per annum unless otherwise agreed and subject to mutual consent.

Use of proceeds

The Company intends to use the loan for working capital purposes.

Provision of loan as an interested person transaction (“IPT”)

The Lender is an “interested person” within the meanings defined in Chapter 9 of Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”). As such, the Transaction constitutes an interested person transaction for the purpose of Chapter 9 of the SGX-ST Listing Manual.

Pursuant to Rule 909 of the SGX-ST Listing Manual, the value of this transaction is the interest payable on the borrowing. Assuming that the maximum amount of the Transaction of S\$10.0 million is drawn down by the Company and the interest rate is at 3% per annum for 3 years, the total value of IPT is S\$0.90 million, representing 0.91% of the Group’s latest audited consolidated net tangible assets as at 31 December 2020 (“NTA 2020”).

Accordingly, the Company is not required to seek shareholders’ approval or be subject to the disclosure requirements pursuant to Chapter 9 of the SGX-ST Listing Manual. However, the Company is disclosing the Transaction pursuant to Rule 703 read with Appendix 7.1 of the SGX-ST Listing Manual. The Company will monitor the interest payable and will seek the approval from Shareholders, if required.

Total IPT entered into by the Group with Lender and its subsidiaries

The aggregate value of the IPT entered into by the Group with Lender and its subsidiaries from 1 January 2020 to 31 December 2020 amounted to S\$1.18 million, representing 1.19% of the NTA 2020.

Statement of the Audit Committee

The Audit Committee of the Company has reviewed and considered the terms and rationale of the Transaction and is of the view that the Transaction, including the applicable interest rate, are on normal commercial terms or otherwise in accordance with applicable industry norms, and are not prejudicial to the interests of the Group and the minority shareholders.

Interests of directors and substantial shareholders

Saved as disclosed herein, none of the other Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their respective shareholdings in the Company and the Lender) in the Transaction.

BY ORDER OF THE BOARD

Yap Ming Choo
Company Secretary
Date: May 31, 2021