



TA CORPORATION LTD

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

NEWS RELEASE

TA CORPORATION ANNOUNCES 9M2018 REVENUE OF S\$92.4 MILLION

- ***Narrowed loss attributable to Owners of the Company to S\$10.6 million in 9M2018***
- ***Construction order book of S\$208.0 million¹, to be delivered progressively over the next two years***

Singapore, November 8, 2018 – 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 revenue of S\$92.4 million for the nine months ended September 30, 2018 (“9M2018”) and narrowed its loss attributable to Owners of the Company from S\$15.2 million for the nine months ended September 30, 2017 (“9M2017”) to S\$10.6 million.

Performance Review

The Group reported a revenue of S\$92.4 million in 9M2018, which was mainly attributed to revenue contributions from its real estate investment, construction and distribution segments.

¹ As at September 30, 2018

For real estate development, the Group recorded a revenue of S\$0.4 million for 9M2018, a decrease of S\$26.9 million compared to the corresponding period last year. This is due mainly to the absence of sales of development units in Singapore and the lower revenue from the projects in Thailand. The Group holds a 20% share in a joint venture with two business partners which successfully secured a land plot at Mattar Road, Singapore in May 2018 for a residential development project. The Group continues to adopt a cautious approach to local real estate development business.

For the construction segment, the Group recorded a revenue of S\$60.5 million in 9M2018, as compared to S\$102.8 million in 9M2017. This was largely due to lower revenue recognised from progressive construction work for projects.

For the real estate investment segment, the Group's revenue for this segment rose by S\$2.4 million from S\$11.6 million in 9M2017 to S\$14.0 million in 9M2018, due mainly to higher occupancy rate at Tuas South Dormitory.

The distribution of lubricants and tyres also recorded an increase of S\$0.2 million to S\$17.5 million for 9M2018, mainly due to higher contribution from the distribution business in Myanmar.

Mr. Neo Tiam Boon (梁添文), Chief Executive Officer and Executive Director of TA Corporation, said, "We are encouraged by improving occupancy rates in our Tuas South Dormitory, backed by increased demand for workers' dormitories from the marine, construction, manufacturing and the steady recovery of the offshore and marine sector. We are also continuing our efforts to improve the rental and occupancy rates of our dormitories."

“Meanwhile, our distribution business has provided steady and recurring income for the Group. In line with our plans to expand the distribution business and network, we have grown our brand portfolio by entering into a joint venture in September 2018 to distribute the ‘Suzuki’ brand of automobiles and spare parts in Myanmar. This is in addition to the recent five-year licensee and distributor contract to produce our own ‘Repsol’ products in Thailand, awarded in May 2018, on top of our existing agreement to distribute lubricant products under the ‘Repsol’ brand in the country.”

BALANCE SHEET HIGHLIGHTS

The Group’s net asset value per share as at September 30, 2018, was 34.2 Singapore cents, compared to 37.7 Singapore cents as at December 31, 2017.

The Group’s cash and bank balances stood at S\$48.1 million with total borrowings of S\$373.0 million as at September 30, 2018. The Group’s gearing ratio as at September 30, 2018, remained healthy at 2.1 times.

OUTLOOK

Based on the real estate statistics released by the Urban Redevelopment Authority on October 26, 2018, prices of private residential properties in Singapore increased by 0.5% in the third quarter of 2018, compared with the 3.4% increase in the previous quarter. The local property market condition remains challenging with the latest cooling measures which took effect on July 6, 2018.

The construction sector for private residential projects remains competitive, despite the potential upturn resulting from the increased en-bloc transactions recently. Despite the current challenging conditions, the Group remains confident of its construction business performance. TA's successful win of a S\$180.0 million contract from JTC Corporation for a mixed-use building development project in end 2017 is testament to its established capability to undertake a wide spectrum of projects ranging from residential, commercial, institutional and industrial for both public and private sector clients. As at September 30, 2018, the Group has an order book of S\$208.0 million to be delivered progressively over the next two years.

Mr. Neo added, "Looking ahead, the Group will continue to assess local and overseas market situation for businesses we operate in and take appropriate steps to adjust our strategies when necessary. We shall remain motivated and guided by our resolve in pursuing strategic business opportunities in Singapore and regionally while exercising caution and financial prudence."

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, including Thailand, Cambodia, Malaysia, China, and Myanmar.

Real Estate Development

Backed by its strong competencies in the construction business since the 1970s and in-depth experience in working with established real estate developers, the Group has established a reputation as a developer of quality well-located residential developments, targeting the middle to upper middle markets since more than 15 years ago. Some of its completed residential developments in Singapore include *Leonie Hill Residences*, *The Citrine*, *Parc Seabreeze*, *Auralis*, *Coralis*, *Starlight Suites*, *Gambir Ridge*, *The Cristallo*, *The Skywoods*, *Terra Villas and Ascent@456* as well as a serviced apartment, *12 on Shan*, which obtained TOP on May 2, 2018.

The Group has also successfully ventured overseas through joint ventures in property development projects in China, Thailand, and Cambodia. Its regional portfolio include distinctive mixed-use developments such as *De Iyara*, *De Iyara Share* and *De Iyara Grande* in Thailand, and *The Gateway* – an iconic twin tower mixed-use development in Phnom Penh, Cambodia, which is currently under development and targeted to be completed by end 2019.

Construction

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 more than 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 reputable 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, Wing Tai Holdings Ltd, Ladyhill (Private) Limited, Harvestland Development Pte Ltd and German European School Singapore.

Leveraging on the property and construction business demand for pre-cast components to enhance productivity, the Group's pre-cast concrete components factory in Johor, Malaysia started operations in the fourth quarter of 2015. Our customers for concrete pre-cast components include Samsung-Koh Brothers Joint Venture, Yee Hong Pte Ltd, Lian Ho Lee Construction Pte Ltd, Chong Tong Construction Pte Ltd and Hon Industries Pte Ltd who are engaged in the construction business in the residential, commercial, industrial and infrastructure segments in Singapore and Malaysia.

In November 2017, its 80%-owned joint venture, TK Modular Pte. Ltd, received in-principle acceptance for the use of its Steel Prefabricated Prefinished Volumetric Construction (PPVC) system – ADD Modular (2016) for building projects in Singapore from the Building and Construction Authority and relevant government agencies. Coupled with the existing pre-cast concrete component manufacturing capabilities, this added PPVC competency will enable the Group to further enhance its productivity in construction – both for its own property development and construction projects as well as to fulfill the growing demand for solutions to improve labour productivity and operational efficiency in the construction industry.

The Group is also involved in the design, installation and maintenance of Air-Conditioning & Mechanical Ventilation (“ACMV”) systems in Singapore and Cambodia.

Real Estate Investment

The Group owns and operates over 10,000 dormitory beds, which cater to foreign workers working in Singapore. This dormitory business is part of the Group's strategy to grow its recurring income streams. The Group also owns warehouses and commercial space in Singapore for the use of its businesses and as sources of rental income.

Distribution

TA Corporation has expanded its distribution of high performance motor oil and lubricants beyond Singapore to include Myanmar and Thailand. The Group, through its subsidiaries and 50%-owned joint ventures, holds distributorships for well-known brands, comprising of Shell, and GS Caltex in Myanmar, BP Castrol in Singapore, and Repsol in Thailand. It also distributes passenger and light truck tyres under the Continental brand. In addition, the Group's joint ventures distribute construction equipment, heavy commercial vehicles, trucks, buses, passenger vehicles and automotive spare parts in Myanmar under the CASE, IVECO ASTRA and Suzuki brands.

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

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