



TA CORPORATION LTD

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

NEWS RELEASE

TA CORPORATION REPORTS 87.4% JUMP IN 3Q2019 REVENUE TO S\$57.7 MILLION

- ***Narrowed loss attributable to owners of the Company to S\$3.7 million***
- ***Maintained resilient order book of S\$518.7 million as at September 30, 2019, to be progressively recognised over the next three years***

Singapore, November 12, 2019 – 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 an 87.4% increase in revenue to S\$57.7 million for the three months ended September 30, 2019 (“3Q2019”), from S\$30.8 million a year ago (“3Q2018”). The Group correspondingly narrowed its loss attributable to Owners of the Company from S\$6.8 million in 3Q2018 to S\$3.7 million this quarter.

Mr. Neo Tiam Boon (梁添文), Chief Executive Officer and Executive Director of TA Corporation said, “We are heartened by our resilient performance this quarter, led mainly by our construction business which more than doubled its revenue contribution from S\$20.5 million a year ago to S\$47.2 million in 3Q2019. Supported by the redevelopment of en-bloc residential sites and the recovery of Singapore’s construction sector¹, notwithstanding the overall challenges in the global and domestic economy, we shall remain focused on executing our strong construction order book of S\$518.7 million, to be delivered progressively over the next three years.”

For the nine months ended September 30, 2019 (“9M2019”), the Group’s revenue recorded a 27.8% increase to S\$136.0 million from S\$106.4 million in the previous

¹ *Recent Economic Developments in Singapore – Monetary Authority of Singapore, September 6, 2019*

corresponding period (“9M2018”). This was mainly attributable to an increase in revenue in the construction and real estate segments.

Construction segment increased by 36.7% or S\$27.4 million to S\$102.0 million for 9M2019 due to higher revenue recognised from progressive construction work for projects. Real estate investment segment recorded a 17.9% or S\$2.5 million growth to S\$16.5 million due mainly to improvement in bed and occupancy rates from Tuas South Dormitory.

Distribution segment generated S\$15.5 million in 9M2019 compared to S\$17.5 million a year ago, mainly due to lower contribution from the Group’s distribution business in Myanmar.

As a result of higher Group revenue recorded for the period, gross profit increased by 11.9% to S\$25.8 million in 9M2019.

BALANCE SHEET HIGHLIGHTS

As at September 30, 2019, the Group’s net asset value per share was 31.3 Singapore cents, compared to 33.3 Singapore cents as at December 31, 2018.

The Group’s cash and bank balances stood at S\$24.2 million with total borrowings of S\$381.3 million as at September 30, 2019. The Group’s gearing ratio as at September 30, 2019, remained healthy at 2.43 times.

OUTLOOK

According to the advance estimates from the Ministry of Trade and Industry, the Singapore economy grew by 0.1% year-on-year (“y-o-y”) in the third quarter of 2019, maintaining the same pace of growth in the previous quarter. The construction sector grew by 2.7% y-o-y, extending the 2.8% expansion in the previous quarter, supported by a pickup in both public and private sector construction².

The Building and Construction Authority (“BCA”) projected that the total value of construction contracts to be awarded in 2019 to reach between S\$27.0 billion and S\$32.0 billion. Private construction demand is expected to remain steady at between S\$11.0 billion and S\$13.0 billion in 2019³.

Latest real estate statistics from the Urban Redevelopment Authority (“URA”) showed a 1.3% increase in private residential property index in the third quarter of 2019, compared to the 1.5% increase in the previous quarter⁴. Notwithstanding the consecutive quarter-on-quarter improvements reported in the URA report, with the various property cooling measures still in place, the Group expects the residential property market in Singapore to remain challenging in the near term.

The Group’s 20%-owned associate FSKH Development Pte. Ltd., has launched its 265-unit 99-year leasehold residential development – *The Antares* on Mattar Road, in September 2019.

Mr. Neo added, “The Group remains cautiously optimistic on its real estate development business in Singapore and overseas, including Cambodia and Thailand, as we look to continuously push sales for our latest development properties. At the same time, we will remain financially prudent while assessing the market situation, to pursue strategic business opportunities both domestically and in favorable markets overseas.”

² Singapore’s GDP Grew by 0.1 Per Cent in the Third Quarter of 2019 – Ministry of Trade and Industry Singapore, October 14, 2019

³ Forecast and Actual Construction Demand (To Date) – Building and Construction Authority, October 10, 2019

⁴ Release of 3rd Quarter 2019 real estate statistics – Urban Redevelopment Authority, October 25, 2019

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, 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 includes 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 early 2020.

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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, German European School Singapore as well as Florence Development Pte. Limited (A unit of Logan Property 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, LC & T Builder (1971) Pte Ltd, Wee Hur Construction Pte Ltd, Hin Lee Contractor Trading Pte Ltd, Lian Beng Construction (1988) Pte Ltd, 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.

ISSUED ON BEHALF OF : TA Corporation Ltd
BY : Citigate Dewe Rogerson Singapore Pte Ltd
105 Cecil Street
#09-01 The Octagon
SINGAPORE 069534
CONTACT : Ms Chia Hui Kheng / Ms Samantha Koh
at telephone
DURING OFFICE HOURS : 6534-5122
EMAIL : [huikheng.chia@citigatedewerogerson.com/](mailto:huikheng.chia@citigatedewerogerson.com)
samantha.koh@citigatedewerogerson.com

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