



TA CORPORATION LTD

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

NEWS RELEASE

TA CORPORATION POSTS INTERIM NET PROFIT OF S\$10.6 MILLION

- ***1H2014 revenue down 9.3% to S\$136.0 million as lower revenue from the real estate development segment more than offset the sales increase from the construction and distribution segments***
- ***Healthy cash balance of S\$133.6 million and low gearing of 1.1 times***
- ***Construction orders of approximately S\$254 million as at 30 June 2014 scheduled for delivery over the next 24 months***

Singapore, August 7, 2014 – 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 a net profit after tax of S\$10.6 million on revenue of S\$136.0 million for the six months ended June 30, 2014 (“1H2014”).

Overall revenue fell 9.3% due mainly to a dip in revenue recognition from the Group’s real estate development business, which was partially offset by higher revenue from the construction and distribution business segments.

Revenue contribution from the construction business rose 9.2% to S\$106.6 million in 1H2014, up from S\$97.6 million in 1H2013. Key contributors for 1H2014 included higher progressive completion of construction work in its on-going projects, which include Riversails, The Skywoods, Starlight Suites and Marine Point. Meanwhile, lower revenue was recognised from Nouvel 18 and Foresque Residences, as both projects are near completion. The construction segment was also boosted by higher revenue from the Group’s air-conditioning and mechanical ventilation business as well as workers’ training and test centres operations.

The real estate development business contributed S\$22.9 million in revenue to TA Corporation in 1H2014, down 51.8% from S\$47.5 million in 1H2013. Revenue from this segment was attributed mainly to two projects that are under development – The Cristallo and Gambir Ridge. The comparative year-on-year decline was due mainly to the absence of contributions from the Group’s Auralis and Coralis developments, both of which were completed and received their temporary occupancy permit (“TOP”) in 2013.

The Group’s efforts to diversify and grow recurring revenues have continued to yield results, with the distribution business recording a 35.4% jump in revenue to S\$6.5 million in 1H2014, from S\$4.8 million in 1H2013. The increase was mainly contributed by the Group’s distribution operations in Myanmar.

Other income in 1H2014 rose to S\$4.1 million, from S\$2.2 million in 1H2013. This was due mainly to the reversal of provision made for foreseeable losses and higher interest income.

Selling and distribution costs for the review period was S\$1.2 million, compared to S\$0.2 million in 1H2013, due mainly to show flat costs incurred for the Ascent @ 456 mixed development project at Balestier Road upon its launch.

Overall, the Group reported a 45.7% decline in net profit after tax of S\$10.6 million for 1H2014, compared to S\$19.5 million for 1H2013.

Earnings per share for 1H2014 was 2.2 Singapore cents while net asset value per share as at June 30, 2014 rose to 50.1 Singapore cents, from 48.9 Singapore cents as at December 31, 2013. The Group’s cash and bank balances remained healthy at S\$133.6 million, with total borrowings as at June 30, 2014 amounting to approximately S\$269.6 million. The Group’s gearing remains low at 1.1 times.

Mr. Neo Tiam Boon (“梁添文”), Chief Executive Officer and Executive Director of TA Corporation, said, “The Group’s financial performance was affected by lower revenue contributions from our real estate development business in the first half of this year.

This was mainly due to our strategic decision to adopt a more cautious approach in the acquisition and launch of new projects in Singapore in view of the weak sentiment in the property market.

Meanwhile, we are heartened that our construction and distribution businesses have continued to achieve year-on-year growth despite an increasingly competitive business environment. Our efforts to grow recurring business and tap regional opportunities have paid off.”

Outlook

The Group launched its latest mixed-development project Ascent @ 456 located in Balestier Road in March this year and has since sold over 30% of the 45-unit project.

Mr Neo commented, “The weak sentiment for Singapore’s private residential property market is expected to persist. The Group will continue to remain focussed and cautious while on the lookout for opportunistic acquisitions to replenish our land banks.

To mitigate our exposure against the cyclical nature of the property market and to grow recurring income, we are pleased to have recently secured the land tender for a 9,200-bed accommodation facility for workers in the marine, process and manufacturing industries. This dormitory site was secured together with two strategic business partners with the Group holding 62% interest in the project, and the two partners holding 19% each respectively. We expect this new development to pave the way for further recurring income when it commences operations.

As part of our efforts to expand and complement our construction business, the Group is currently constructing a concrete pre-cast components manufacturing plant in Johor, Malaysia, which is expected to enter commercial production by the second half of 2015.

Moving forward, we expect contributions to come from our real estate development projects in Singapore and Thailand; a healthy construction order book of S\$254 million as at June 30, 2014; organic growth from our distribution businesses in Myanmar and Singapore; as well as the accommodation facility to bring about healthy growth and income for the Group.”

About TA Corporation

With a history that traced back to 1972, TA Corporation has grown to become an established property and construction group in Singapore. 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 and Coralis, and major ongoing development projects include The Cristallo and Gambir Ridge. In addition, the Group has also successfully ventured overseas through joint-ventures in the PRC, Thailand, Cambodia and Myanmar.

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 (Singapore) Ltd and Wing Tai Holdings Ltd.

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

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