
Issuer & Securities

Issuer/ Manager

TA CORPORATION LTD.

ASSET ACQUISITIONS AND DISPOSALS::DISPOSAL OF SUBSIDIARY, ASTON AIR CONTROL PTE LTD

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Announcement Details

Announcement Title

Asset Acquisitions and Disposals

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Announcement Sub Title

Disposal of Subsidiary, Aston Air Control Pte Ltd

Announcement Reference

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Submitted By (Co./ Ind. Name)

Tam Siew Kheong / Foo Soon Soo

Designation

Chief Financial Officer / Company Secretary

Description (Please provide a detailed description of the event in the box below)

Please refer to the attached.

Attachments

[TA - Disposal of Subsidiary Aston Air Control Pte. Ltd..pdf](#)

Total size = 121K MB



TA CORPORATION LTD
(Incorporation in the Republic of Singapore)
Co. Registration No. 201105512R

ANNOUNCEMENT

DISPOSAL OF SUBSIDIARY

1. INTRODUCTION

The Board of Directors of TA Corporation Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that the Company, had on 18 January 2024 entered into a sale and purchase agreement (the “**SPA**”) for the disposal of 567,000 ordinary shares (the “**Sale Shares**”) of Aston Air Control Pte Ltd (“**AAC**”) held by the Company, representing 90% of the issued and paid-up share capital of AAC, on the terms and conditions of the SPA (the “**Disposal**”).

The Disposal was completed on 18 January 2024 and the Company has ceased to own any interest in AAC and AAC’s interest in Alpha Air Pte Ltd (“**AAPL**”) and Alpha Air (Cambodia) Ltd (“**AACL**”) and AAC together with AAPL and AACL have ceased to be subsidiaries of the Company.

The purchaser is Anderco Investment Pte. Ltd. (the “**Purchaser**”).

As the relative figures computed under Rule 1006(a) of the Listing Manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) exceeds 5% but does not exceed 20%, the Disposal constitutes a disclosable transaction under Rule 1010 of the Listing Manual.

2. INFORMATION ON AAC AND THE PURCHASER

2.1. Background of AAC

AAC was incorporated in Singapore on 9 September 2000.

At the date of this Announcement, the issued and paid-up share capital of AAC is S\$630,000 divided into 630,000 ordinary shares. The Company owns 567,000 ordinary shares, representing 90% of the issued and paid-up share capital of AAC. The remaining 63,000 ordinary shares, representing 10% of the issued and paid-up share capital of AAC, are owned by a minority shareholder (the “**Minority Shareholder**”).

AAC together with its subsidiaries are principally engaged in the business of contracting of air conditioning installation, maintenance and service of air conditioning and mechanical ventilation systems and export of related equipment.

Based on the unaudited consolidated financial statements of AAC for the financial period ended 30 June 2023: condensed interim financial statements of the Group for 1H2023:

- (i) the book value and net asset value of AAC was S\$4.9 million;
- (ii) the net loss attributable to AAC was S\$0.05 million; and
- (iii) the net loss on the Disposal was S\$2,147 million.

2.2. Background of the Purchaser

The Purchaser is a company incorporated in Singapore and is an independent and unrelated third party.

To the best of the Company's directors' knowledge and as confirmed by the Purchaser to the Company, the Purchaser (and its beneficial owners) are not related to any of the Company's Directors, controlling shareholders, chief executive officer or their respective associates. As at the date of this Announcement, the Purchaser does not hold shares in the Company.

3. PRINCIPAL TERMS OF THE SPA

3.1. Consideration

The consideration for the purchase of the Sale Shares is S\$400,000 (the "Consideration"), which was arrived after arms' length negotiations between the Company and the Purchaser on a willing-seller, willing-buyer basis, taking into account the financial impact of allowance for doubtful receivable due from a fellow subsidiary currently under creditors' voluntary liquidation and the rationales set out in Paragraph 4 below.

3.2. Completion

There are no conditions precedent to the Disposal, and completion of the Disposal ("**Completion**") shall take place on the date falling within three (3) business days after the date of the SPA or such a date that may be agreed by the Company and the Purchaser.

3.3. Limitation of Liability

The aggregate liability of the Company under this SPA (whether pursuant to breach of any of the warranties of the Company or otherwise) shall not in any event exceed the Consideration.

There is no other material terms or conditions attached to the Disposal.

4. RATIONALE

The Board believes that the Disposal will be beneficial to, and is in the best interests of, the Company and the Group for the following reasons:

- (i) AAC has been identified as a non-core asset / business of the Group and the Disposal would allow the Group to realise the value of AAC, which will allow the Group to reallocate its resources to improve and optimize the utilisation of asset.
- (ii) The business operations of AAC are labour intensive and requires a degree of specialized skillset. The Disposal is expected to reduce the Group's headcount by approximately 24% which is in line with the Group's plan to reduce its reliance on intensive labour and resulting in a leaner cost structure.
- (iii) The management of the Group expects AAC to continue incurring operational losses moving forward, which would consequently have an adverse effect on the financial performance and position of the Group. The Disposal is in line with the Group's ongoing plans to review current businesses and operations and to divest its non-performing assets.

The Board has considered and resolved that the Disposal will be in the commercial interests and benefit to the Group as the Disposal will improve the liquidity of the Group.

5. USE OF PROCEEDS

The Company expects to receive net proceeds of approximately S\$280,000 (after deducting estimated expenses of approximately S\$120,000) from the Disposal. The Company intends to utilise the net proceeds towards general working capital requirements of the Group.

6. RELATIVE FIGURES FOR THE DISPOSAL UNDER RULE 1006

The relative figures of the Disposal as computed on the bases set out in Rule 1006 of the Listing Manual have been computed based on the latest announced unaudited condensed interim financial statements of the Group for 1H2023:

Rule 1006	Bases	Relative Figures (%) ⁽¹⁾
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	6.97% ⁽³⁾
(b)	The net profit ⁽²⁾ attributable to the assets to be acquired or disposed of, compared with the Group's net losses.	(0.39)% ⁽⁴⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	1.06% ⁽⁵⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽⁶⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable ⁽⁷⁾

Notes:

- (1) The relative figures are rounded to the nearest one (1) decimal place.
- (2) "Net profit/loss" means profit/loss including discontinued operations that have not been disposed (where applicable) and before income tax and non-controlling interests.
- (3) Rule 1006(a) is calculated based on the net asset value of the Group of S\$70.9 million and the net asset value of unaudited consolidated financial position of AAC of S\$4.9 million for 1H2023.
- (4) Rule 1006(b) is calculated based on the net loss before tax recorded by unaudited consolidated result of AAC of S\$0.05 million and the net loss before tax of the Group of S\$12.3 million for 1H2023.
- (5) Rule 1006(c) is calculated based on the consideration of S\$400,000 and the market capitalisation of the Company of S\$37.8 million based on the weighted average price of the Company's shares on the SGX-ST of S\$0.073 (being the last traded price on 16 July 2023, the last trading day before the Company requested for a trading halt on 17 July 2023).
- (6) Not applicable as the Disposal is not an acquisition.

(7) Not applicable as the Company is not a mineral, oil and gas company.

As the relative figures computed under Rule 1006(a) of the Listing Manual exceeds 5% but does not exceed 20%, the Disposal is a "disclosable transaction" as defined in Rule 1010 of the Listing Manual.

7. FINANCIAL IMPACT OF THE DISPOSAL

The financial effects of the Disposal on the Group as set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Disposal.

The following financial effects of the Disposal are computed based on the Group's audited consolidated financial statements for the financial year ended 31 December 2022 ("FY2022") and the following bases and assumptions:

- (i) the financial effects of the Disposal on the earning per share ("EPS") of the Company are computed based on the assumption that the Disposal was completed on 1 January 2022; and
- (ii) the financial effects of the Disposal on the NTA of the Company are computed based on the assumption that the Disposal was completed on 31 December 2022.

NTA Per Share

As at 31 December 2022	Before the Completion of the Disposal	After the Completion of the Disposal
NTA (S\$ million)	83.48	81.33
Number of shares	518,068,220	518,068,220
NTA per share (Singapore cents)	16.1	15.7

EPS

FY2022	Before the Completion of the Disposal	After the Completion of the Disposal
Profit attributable to owners of the Company (S\$ million)	12.1	10.0
Number of shares	518,068,220	518,068,220
Profit per share (Singapore cents)	2.34	1.92

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors (so far as they are aware), the controlling shareholders of the Company or their respective associates, has any interest, direct or indirect (other than through their respective directorships and shareholdings in the Company), in the Disposal.

9. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Disposal.

10. DOCUMENTS FOR INSPECTION

A copy of the SPA will be made available for inspection during normal business hours at the Company's registered office at 1 Jalan Berseh #03-03 New World Centre Singapore 209037, for a period of three (3) months from the date of this Announcement.

By the Order of the Board
TA Corporation Ltd

Foo Soon Soo / Tam Siew Kheong
Company Secretaries

Date: 22 January 2024