


General Announcement::News Release\_Memorandum of Understanding to set up JV for PPVC manufacture and supply

Issuer & Securities

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<b>Submitted By (Co./ Ind. Name)</b>	Yap Ming Choo
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<b>Attachments</b>	 <a href="#">News Release MOU PPVC JV.pdf</a> Total size =169K



## TA CORPORATION LTD

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

### NEWS RELEASE

#### TA CORPORATION SIGNS MOU TO SET UP JOINT VENTURE FOR THE MANUFACTURE AND SUPPLY OF PREFABRICATED PREFINISHED VOLUMETRIC CONSTRUCTION (PPVC) MODULES

- ***Poised to be a key player in the manufacture and supply of PPVC modules and tap market potential of this game-changing technology in Singapore***

**Singapore, June 2, 2017** – 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, today announced that the Group has signed a memorandum of understanding with Kong Hwee Iron Works & Construction Pte Ltd (“Kong Hwee”) to set up a joint venture company in the design, development, manufacturing and distribution of Prefabricated Prefinished Volumetric Construction (“PPVC”) modules (“Joint Venture Business”). The shareholdings of the Group and Kong Hwee in the proposed Joint Venture Business are 80% and 20% respectively.

Kong Hwee, established since the 1960s, is recognised as a leading steel fabricator in Singapore, with the capacity to undertake major steel fabrication projects from diverse fields.

PPVC is a game-changing technology that can significantly speed up construction works and greatly increase productivity. Room-sized units complete with internal finishes, fixtures and fittings are prefabricated in factories and then transported to construction sites for installation and assembly to form modular apartments. With the bulk of the installation activities and manpower moved off-site to a factory controlled environment, the quality of the finished products and site safety will improve.

Furthermore, dust and noise pollution can be minimised as more activities are done off-site.

PPVC technologies fit within the Design for Manufacturing and Assembly, or DfMA approach - which is the practice of manufacturing as many building parts as possible in a factory. The concept of DfMA is encouraged by the Building Construction Authority of Singapore ("BCA") to raise construction productivity and fundamentally change the design and construction processes. The use of PPVC is mandatory for selected non-landed residential Government Land Sale (GLS) sites since 1 Nov 2014.

Under the terms of the MOU, the proposed Joint Venture Business will manufacture PPVC modules in Johor, Malaysia.

Mr. Neo Tiam Boon ("梁添文"), Chief Executive Officer and Executive Director of TA Corporation, said, "TA Corporation is delighted to partner Kong Hwee as we look to embrace PPVC technology – a cutting-edge prefabrication technology in construction that is promoted by the Singapore government to enhance productivity in a traditionally manpower-intensive industry. With more projects using PPVC in future, developers and contractors will be able to benefit from economies of scale and savings in labour costs."

"Coupled with our existing pre-cast concrete manufacturing plant in Johor, Malaysia, our proposed Joint Venture Business will enable the Group to further enhance productivity in construction – both for our own property development and construction projects as well as to fulfil the growing demand for solutions to improve labour productivity and operational efficiency in the construction industry."

The abovementioned transaction will not have any material impact on the net tangible assets and earnings per share of TA Corporation for the financial year ending 31 December 2017.

## 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.

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*, *Coralis*, *Starlight Suites*, *Gambir Ridge*, *The Cristallo*, *The Skywoods*, *Terra Villas*, and *Ascent@456* as well as ongoing development project *12 on Shan*. The Group has also successfully ventured overseas through joint-ventures in property development projects in the PRC, 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.

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 (S'pore) Ltd and Wing Tai Holdings Ltd.

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.

The Group has completed construction of the 9,180-bed *Tuas South Dormitory* in Singapore, which commenced business operations in 2016.

TA Corporation is also engaged in the distribution of high performance motor oil and lubricants in Singapore, Myanmar and Thailand. It also distributes automotive, industrial and aviation lubricants, passenger and light truck tyres and heavy commercial vehicles, trucks, buses and automotive spare parts in Myanmar.

TA Corporation, through its subsidiaries, is also engaged in the design, installation and maintenance of air conditioning and mechanical ventilation systems ("ACMV") in Singapore and Cambodia.

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

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