



TA CORPORATION LTD

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

NEWS RELEASE

TA CORPORATION REPORTS 1Q2019 FINANCIALS

- ***Revenue of S\$34.1 million for 1Q2019***
- ***Construction business underpinned by strong order book of S\$580.0 million, to be delivered progressively over four years***

Singapore, May 10, 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 its financial results for the three months ended March 31, 2019 (“1Q2019”), with revenue of S\$34.1 million and loss attributable to Owners of the Company amounting to S\$4.3 million.

The Group’s revenue declined slightly by 2.5% from S\$34.9 million in the previous corresponding period (“1Q2018”) to S\$34.1 million in 1Q2019. Due to lower revenue recognition from progressive construction work for projects, the Group’s construction segment recorded a S\$2.2 million decrease to S\$22.0 million in 1Q2019, from S\$24.2 million in 1Q2018. Meanwhile, the Group’s Tuas South dormitory continued to improve its occupancy rate, which contributed to the S\$1.0 million increase in revenue from the real estate investment segment to S\$5.4 million in 1Q2019, compared to S\$4.4 million in 1Q2018.

The Group’s distribution of lubricants and tyres business was stable in 1Q2019 as compared to the previous corresponding period.

Mr. Neo Tiam Boon (梁添文), Chief Executive Officer and Executive Director of TA Corporation said, “Despite the intense competition in the local construction industry, our construction business remains strong, underpinned by an order book of S\$580.0 million to be delivered progressively over four years – a testament to our reputation as a contractor of choice for quality residential, industrial, commercial and institutional projects. We are also encouraged by the improved occupancy rate of *Tuas South Dormitory* this quarter. We will continuously strive to sustain and improve our dormitories’ rental and occupancy rates.”

Moving forward, we will continue to focus on strengthening our market position and tap the demand and growth opportunities in this emerging market.”

BALANCE SHEET HIGHLIGHTS

As at March 31, 2019, the Group’s net asset value per share was 32.5 Singapore cents, compared to 33.3 Singapore cents as at December 31, 2018.

The Group’s cash and bank balances stood at S\$31.3 million with total borrowings of S\$376.0 million as at March 31, 2019. The Group’s gearing ratio as at March 31, 2019, remained healthy at 2.31 times.

OUTLOOK

With regards to construction demand in Singapore, the Building and Construction Authority recently projected that private residential construction demand is expected to remain steady at between S\$10.5 billion and S\$12.5 billion in 2019, supported by projects including the redevelopment of past en-bloc sale sites concluded prior to the second half of 2018, as well as new industrial developments¹ .

The Group's construction business segment is underpinned by its strong order book of S\$580.0 million as at March 31, 2019, to be delivered progressively over the next four years.

Looking ahead, Mr. Neo added, "We will continue to exercise financial prudence in managing costs while raising productivity. The Group remains committed in pursuing strategic business opportunities locally through participating in land tenders, and regionally through strategic partnerships to expand our network of distributorships and widen our product range being distributed. We aim to extend our geographical reach and at the same time, increase our earnings base and sources of recurring income."

¹ *Forecast and Actual Construction Demand (to-date) – Building and Construction Authority, February 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 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.

In May 2018, the Group's 20% owned associate acquired a 99-year lease residential site at Mattar Road under the Singapore Government Land Sales programme. The 6,230.2 square metres site has a maximum gross area of 20,560 square metres and can yield estimated 265 units.

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, 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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