

## RESPONSE TO SGX QUERIES::

### Issuer & Securities

#### Issuer/ Manager

TA CORPORATION LTD.

#### Securities

TACORP S\$27M6%N260726 - SGXF74214317 - MCLB  
TA CORPORATION LTD - SG2D87975520 - PA3

#### Stapled Security

No

### Announcement Details

#### Announcement Title

Response to SGX Queries

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#### Supplementary Title

On Annual Reports

#### Announcement Reference

SG240725OTHRLT6Y

#### 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 change in the box below)

Please refer to attachment.

### Attachments

[20240725 TA Ann Resp to SGX queries AR2023 Att.pdf](#)

Total size = 126K MB



## **TA CORPORATION LTD**

(Incorporated in the Republic of Singapore)

Co. Registration No. 201105512R

### **ANNOUNCEMENT**

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#### **RESPONSE TO QUERY RAISED BY SGX REGCO IN RELATION TO THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 ("FY2023 AR")**

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The Board of Directors (the "Board") of TA Corporation Ltd. (the "Company" and together with its subsidiaries, the "Group") refers to query raised by The Singapore Exchange Regulation ("SGXRegCo") dated 23 July 2024 in relation to the Company's FY2023 Annual Report ("FY2023 AR"). The Company sets out below its response to SGXRegCo's query relating to the FY2023 AR.

##### 1) SGXRegCo's Query

Listing Rule 707(2) requires an issuer to issue its annual report to shareholders and the Exchange at least 14 days before the date of its annual general meeting. We note that the Company issued its annual report on 12 July 2024 which is less than 14 days before its AGM date of 25 July 2024. Please explain how the Company has complied with listing rule requirements or otherwise.

##### Company's Response:

To meet the Listing Rule 707 (2), the Company is required to issue the annual report on 11 July 2024. However, a typographical error in the dating of the annual general meeting as set out in the Notice of AGM contained in the Annual Report, was discovered after printing of the Annual Report. Due to rectification of the date of the AGM, there was a delay in issuing the Annual Report to 12 July 2024. The Company apologises for the delay and will take steps to ensure compliance with Rule 707(2) going forward.

##### 2) SGXRegCo's Query

Following the retirement of Mr. Liong as Executive Chairman, the appointment of Mr. Neo Tiam Boon as Executive Chairman and the redesignation of Mr. Mervyn Goh Bin Guan as non-independent non-executive director, the Company will have 4 members on its Board, of which 2 are independent. Provision 2.2 of the Code of Corporate Governance 2018 ("Code") requires independent directors to make up a majority of the Board where the Chairman is not independent. Please disclose whether the Company has plans to appoint another independent director or otherwise how the Company's practice would be consistent with the intent of Principle 2 of the Code which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

### Company's Response:

The Company has no plan to appoint another independent director in the immediate period.

Following the retirement of Mr Liong as Executive Chairman and appointment of Mr Neo Tiam Boon as Executive Chairman and redesignation of Mr Mervyn Goh Bin Guan as non-independent and non-executive director, the Company will have 2 independent directors and 3 non-executive directors which satisfy the requirement of Rule 210 (5)(c) that one third of the Board must comprise independent directors and the Board must have at least 2 independent directors.

The non-executive directors (including the independent directors) make up a majority of the Board in compliance with provisions 2.3 of the Code.

While the composition of the Board would not comply with Provision 2.2 of the Code, the Board believes that given the current structure on the Board with a Lead Independent Director, and with all the Board Committees chaired by an independent director and comprising majority of independent directors, there is adequate level of independence in the Board.

The Company's Audit Committee would have 3 non-executive directors with an independent director as AC Chairman. We have 2 AC members, namely Mr Fong Heng Boo and Mr Pang Teng Tuan who possess accounting qualifications and all the AC members have recent and relevant accounting or related financial management expertise or experience to discharge the AC's functions. The Company complies with Provision 10.2 of the Code that at least two members have recent and relevant accounting or financial management expertise or experience.

The Company has in place a Board Diversity Policy, which endorses the principle that the Board should have a balance of skill, knowledge, experience and diversity of perspectives to ensure effective decision making and governance of the Company and its businesses. The current Board comprises persons whose diverse skills, experience and attributes meet the Board's skill diversity target and provide for effective direction for the Group.

Based on the foregoing, the Board is of the view that there is an adequate level of independence and diversity within the Board which are consistent with the intent of Principle 2 of the Code.

### 3) SGXRegCo's Query

The Company states in its remuneration policy that "Executive directors do not receive directors' fees" but it is noted that Mr. Neo Tiam Boon and Neo Tiam Poon has received 27.6% and 17.3% of their respective remunerations in the form of fees. Please disclose the nature of such fees.

### Company's Response:

In FY 2023, Mr Neo Tiam Boon and Mr Neo Tiam Poon both received fees from subsidiaries of the Company as the subsidiaries had deliver a satisfactorily result, however, this form part of the total remuneration of both Mr Neo Tiam Boon and Mr Neo Taim Poon and in line with the Company's remuneration policy and structure, the performance conditions are set out to link rewards to overall strategic and financial goals of the Company. An appropriate proportion of the remuneration of the Executive Directors and key management personnel are linked to the overall performance of the Group, contribution of the operating units to the Group performance and assessment of their individual performance to the contribution of the operating units that they are employed in.

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#### 4) SGXRegCo's Query

Under the section setting out "the remuneration paid to or accrued to top five key management personnel (who are not Directors nor the CEO)", the Company disclosed that the "Second Executive" who is not a director as disclosed in the sub-header, received 10.8% of its remuneration in the form of director fees. Please explain why this executive has received director fees even though he/she is not a director and even if he/she is a director, the Company's remuneration policy stated that "executive directors do not receive directors' fees".

#### Company's Response:

The Second Executive who is not a director of the Company is a director in the subsidiaries. One of the subsidiaries under her directorship declare directors fees to the Board of 6 directors as the subsidiary delivered a satisfactorily result for FY2023 in line with the Company's remuneration policy and structure, the performance conditions are set out to link rewards to overall strategic and financial goals of the Company. An appropriate proportion of the remuneration of the Executive Directors and key management personnel are linked to the overall performance of the Group, contribution of the operating units to the Group performance and assessment of their individual performance to the contribution of the operating units that they are employed in.

#### 5) SGXRegCo's Query

We note that the statutory auditors of the Company had indicated that there is a material uncertainty with respect to the Company's ability to operate as a going concern, in particular highlighting that the Company's net current assets include S\$30.35M of corporate guarantees provided by the Company. The Company has also stated that "management believes that the use of going concern assumption" is still appropriate due to certain key assumptions, including the "successful implementation and completion of consensual restructuring the Group's outstanding debts and businesses".

#### 5a. SGXRegCo's Query

Please disclose the nature of the corporate guarantees amounting to S\$30.35M provided by the Company and the identity of the debtor(s).

#### Company's Response:

The corporate guarantee amounting to S\$30.35m provided by the Company relates to recognition of S\$30.35 million contingent liabilities arising from calls on performance bonds by project owners of Tiong Aik Construction Pte Ltd ("TAC"), for which TA Corporation Ltd is the corporate guarantor.

The debtors of these corporate guarantees are local banks that issued the performance bonds.

## 5b. SGXReqCo's Query

With respect to the Company's current liabilities, it is stated at Note 21 of the Company's financial statements that there is a significant increase in other payables to third parties from S\$11.7M (2022) to S\$71.7M (2023). Please explain the significant increase in other payables to third parties and disclose the respective amounts that are current and non-current, the aging and nature of these other payables to third parties and the identity of the counterparties.

### Company's Response:

The significant increase in other payables to third parties is due to accounting treatment of previously intercompany balances owed by the TA Corporation Ltd group of companies to TAC. These balances were previously eliminated as they were treated as intercompany balances.

However, with the deconsolidation of TAC due its liquidation, the Group lost control of TAC. Consequently, the amounts owed to TAC by the Group are now treated as other payables owed to third parties.

The significant amounts owed to TAC by the Group are as below:

	S\$'million
TA Corporation Ltd	10
Sino Holdings (S'pore) Pte Ltd	51.1
Cornerstone Builders Pte Ltd	3
	<hr/>
	64.1
	<hr/>

The amount owing to TAC is classified under current liabilities as the Group expects to formulate a consensual restructuring plan with TAC as explained in 5(c).

## 5c. SGXReqCo's Query

Please disclose details with respect to the "consensual restructuring the Group's outstanding debts and businesses". Noting that the Company incurred negative operating cashflow in FY2023, please disclose the Board's assessment with regard to how the Company intends to fulfill its significant payment obligations in the next 12 months and details of any debt repayment plans.

### Company's Response:

The Company is presently in confidential discussions with certain key creditors including Tiong Aik Construction (in liquidation) on the Company's proposal for a debt restructuring plan and working towards seeking an in-principle alignment on key terms. No firm agreement has been executed at this juncture. The Company intends to release further updates as and when there are material developments.

With regard to the Company's plan to fulfill its significant payment obligations in the next 12 months, the Management is working on the aforesaid debt restructuring plan-and has taken necessary steps

to divest its non-core assets namely units in New World Centres and Ascent @ 456 and its loss making operations to pare down borrowings and improve cashflow of the Group. These actions are assessed by the Board to better position the Group in reducing and/or managing its current liabilities, reallocating and optimising the utilisation of its resources and assets, so as to ease the short term current payments, managing interest payments and improve the cashflow of the Group.

#### 6) SGXRegCo's Query

We note that the Company's foreign incorporated subsidiary Sireerin Signature Co., Ltd. was audited by Sasikrig Audit & Legal Consulting. Please provide details of the basis of the audit committee and board's confirmation on the suitability of the auditors under Listing Rule 715(2). Please substantiate the audit committee's confirmation with specific information on the auditor's track record, resource adequacy, as well as any other information required under Listing Rule 712, and whether they are members of the International Forum of Independent Audit Regulators and whether they have audited public companies listed in their own jurisdiction of operation.

#### Company's Response:

SGX Rule 715 states that:

1. Subject to Rule 716, an issuer must engage the same auditing firm based in Singapore to audit its accounts, and its Singapore-incorporated subsidiaries and significant associated companies.
2. An issuer must engage a suitable auditing firm for its significant foreign-incorporated subsidiaries and associated companies

The Company's 70% owned Thailand incorporated subsidiary Sireerin Signature Co., Ltd. was audited by Sasikrig Audit & Legal Consulting.

Although Sasikrig Audit & Legal Consulting Group is not a member of International Forum of Independent Audit Regulators, the Company's Board and Audit Committee had assessed the standard and effectiveness of the audit of the subsidiaries audited by Sasikrig Audit & Legal Consulting Group, the firm is registered under Thailand Federation of Accounting Professions (TFAC) and additionally the Group auditor has also performed top up audit procedures to obtain sufficient appropriate audit evidence that the work of the component auditor is adequate for the Group auditor's purposes, in the context of the specific assignment under the Singapore Standards of Auditing 600 (Including the work of component auditors).

In addition, the Audit Committee and the Board had also taken into account various factors, including the following:

- a) the adequacy of the resources and experience of CLA Global TS and the audit engagement partner assigned to the audit;
- b) other audit engagements of CLA Global TS;
- c) the Group's audit requirements, the size and complexity of the Group; and
- d) the number and experience of supervisory and professional staff to be assigned to the audit.

## 7) SGXRegCo's Query

Listing Rule 704(6) states that if an issuer has previously announced its preliminary full-year results, it has to immediately announce any material adjustments to its preliminary full-year results made subsequently by auditors. Please disclose and explain the material variances between the audited and unaudited financial statements and explain why the Company had not announced the material adjustments as required under Listing Rule 704(6).

### Company's Response:

The variances in the financial statements are mainly due to effects and adjustments of disposal of non-core assets subsequent to financial year end. The Company has made an announcement of the material differences on 24 July 2024. The Company sincerely regrets its oversight for the late notification.

Trading of the Company's securities on the SGX-ST had been voluntarily suspended by the Company on 17 July 2023.

**Shareholders of the Company and other stakeholders are advised to read this announcement and any further announcements by the Company carefully, and to exercise caution when dealing in the shares or other securities of the Company. Shareholders of the Company and other stakeholders should consult their stockbrokers, bank managers, solicitors, accountants, or other professional advisors if they have any doubt about the actions they should take.**

### **BY ORDER OF THE BOARD**

Foo Soon Soo/Tam Siew Kheong  
Company Secretaries  
Date: 25 July 2024