

GENERAL ANNOUNCEMENT::ENTRY INTO SETTLEMENT AGREEMENT

Issuer & Securities

Issuer/ Manager

TA CORPORATION LTD.

Securities

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ENTRY INTO SETTLEMENT AGREEMENT

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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

[20241108 TA Attachm Entry into Settlement Agreement.pdf](#)

Total size = 122K MB



TA CORPORATION LTD.

(Incorporated in the Republic of Singapore)

Company Registration No.: 201105512R

ENTRY INTO SETTLEMENT AGREEMENT WITH TIONG AIK RESOURCES (S) PTE LTD (IN CREDITORS' VOLUNTARY LIQUIDATION)

1. INTRODUCTION

- 1.1 The board of directors (the "**Board**") of TA Corporation Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 8 November 2024 entered into a settlement agreement (the "**Settlement Agreement**") with Sino Holdings (S'pore) Pte Ltd ("**Sino**") and Tiong Aik Resources (S) Pte Ltd (in creditors' voluntary liquidation) ("**TAR**", and collectively with the Company and Sino, the "**Parties**").
- 1.2 The Settlement Agreement seeks to effect a mutual release and discharge of debts and/or liabilities, claims or demands and duties or obligations owed by and between Sino and TAR. While both are subsidiaries of the Company, the latter had since September 2023 been placed under liquidation. As at the date hereof, the net amount owed by Sino to TAR is S\$5,220,698.90 (the "**Outstanding Amount**") and the Settlement Agreement provides for this amount to be fully settled, on the Issuance Date (defined below), by (i) a cash payment of S\$300,000 from Sino to TAR on the Effective Date (defined below) and (ii) the issuance of interest-bearing unsecured mandatory convertible notes (the "**Notes**") of a principal amount of S\$330,000 (the "**Proposed Issuance**") to the certain persons at the direction of the liquidator of TAR (as elaborated in Paragraph 3.1 of this Announcement). Unless earlier redeemed by the Company, the Notes will be mandatorily converted, on the Resumption Date (defined below), into ordinary shares of the Company ("**Conversion Shares**"), which are issued at the Conversion Price (defined below), and of which further details are stated below.
- 1.3 The issuance of the Conversion Shares (upon the conversion of the Notes) requires the approval of shareholders of the Company. The Company would in due course be seeking such approval from shareholders, and would in conjunction thereto be making an additional listing application to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of and quotation for the Conversion Shares on the Mainboard of the SGX-ST.
- 1.4 To the best knowledge of the Company, the Conversion Shares (i) will not, when issued, result in a transfer of a controlling interest in the Company; and (ii) will not be issued to any of the restricted persons set out under Rule 812(1) of the Listing Manual of the SGX-ST (the "**Listing Rules**").

2. INFORMATION ON SINO AND TAR

- 2.1 Sino is a wholly-owned subsidiary of the Company and is an investment holding Company.
- 2.2 TAR is a majority-owned subsidiary of the Company, with the Company holding 57% equity interest thereto. TAR is presently in voluntary liquidation under the care of Mr. Tam Chee Chong of Kairos Corporate Advisory Pte. Ltd., the liquidator of TAR.
- 2.3 As at the date of the Settlement Agreement, Sino owes TAR a sum of S\$5,231,944.94, and TAR owes Sino a sum of S\$11,246.04. When netted, Sino would owe TAR the Outstanding Amount.

3. NOTEHOLDERS TO BE DETERMINED BY THE LIQUIDATOR OF TAR

- 3.1 The mutual settlement between Sino and TAR envisages the issuance of Notes by the Company to the creditor(s) and professional service provider(s) of TAR, at the direction of the liquidator of TAR (hereinafter referred to as the “**Noteholders**”).
- 3.2 As of the date of this Announcement, the liquidator of TAR is still in the process of adjudicating the proofs of debts from the relevant creditors of TAR, and the finalised list of Noteholders, as well as the allocation of the Notes, will be made known to the Company and announced by the Company in due course. The issuance date of the Notes will be determined in accordance with the terms of the Notes as described in Paragraph 5.2 of this Announcement.
- 3.3 Based on the current discussions with the liquidator of TAR and to the knowledge of the Company, each Noteholder will be an existing creditor of TAR or a professional service provider to TAR, and none of these Noteholders:
 - (a) hold any shares in the Company;
 - (b) is an investment company or a fund;
 - (c) will hold the Notes (or Conversion Shares) in trust or as a nominee;
 - (d) fall under the restricted categories under Rule 812(1) of the Listing Rules; and
 - (e) is related in any way with any director and/or substantial shareholder of the Company.
- 3.4 As stated in Paragraph 1.3 of this Announcement, the Company would in due course be seeking approval from shareholders for the issuance of the Conversion Shares. The Company will also seek specific shareholders’ approval in accordance with Listing Rule 812(2) if so required.

4. RATIONALE

- 4.1 The Settlement Agreement is entered into as part of the Company’s ongoing efforts to reduce and/or settle its outstanding liabilities (including those due to a subsidiary under liquidation), thereby strengthening its financial position with a view to resuming trading of its securities.
- 4.2 The Notes have accordingly been proposed and negotiated to afford the Company flexibility in cash and working capital management.

5. PRINCIPAL TERMS OF THE SETTLEMENT AGREEMENT AND THE NOTES

- 5.1 The principal terms of the Settlement Agreement are as follows:

Settlement Terms	<p>In settlement of the Outstanding Amount owed by Sino to TAR:</p> <ul style="list-style-type: none">(i) Sino shall make a cash payment of S\$300,000 (the “Cash Payment”) to TAR on the Effective Date; and(ii) the Company agrees to issue the Notes to the Noteholders on the Issuance Date (defined below). <p>As part of the mutual release and discharge contemplated between Sino and TAR, Sino will be irrevocably, unconditionally and absolutely released and discharged from the Outstanding Amount, as well as from:</p> <ul style="list-style-type: none">(a) any claims or demands that TAR has or may have against Sino; and(b) any duties or obligations that Sino has or may have with TAR, <p>and TAR will <i>vice versa</i> be irrevocably, unconditionally and absolutely released and discharged by Sino in respect of any</p>
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	indebtedness, duties or obligations owing to Sino, or any claims and demands from Sino.
Effective Date	8 November 2024, or such other date as may be agreed between the Parties.
Settlement	The mutual release and discharge between Sino and TAR shall take place on the Issuance Date.
Moratorium	From the Effective Date to the Issuance Date, neither Sino nor TAR shall claim, accelerate, enforce against or otherwise take or continue any legal action against the other party and/or its assets in relation to the outstanding amounts owed by such party to Sino or TAR (as the case may be), and insofar that there is any pending legal action or proceeding, such action or proceeding shall be stayed and/or discontinued.
Termination	Only by written agreement amongst the Parties.
Governing law	Singapore law.
Jurisdiction	Non-exclusive jurisdiction of the courts of Singapore.

5.2 The principal terms of the Notes are as follows:

Issuance Date	The date falling no less than 10 business days after the date of a written request from TAR to the Company for the Company to issue the Notes to the Noteholders, provided that such written request shall be provided to the Company on or before the 31 March 2025 (the " Long Stop Date "), unless otherwise agreed between the Company and TAR.
Issue Size	S\$330,000.
Subscription Price	Face value and as part of debt settlement.
Interest	2.8% per annum, with first interest payment to be made on the first anniversary of the Issuance Date.
Maturity Date	5 th anniversary of Issuance Date.
Status of Notes	Unlisted and shall rank <i>pari passu</i> amongst themselves, and with all other unsecured obligations of the Company.
Transferability	Non-transferable unless otherwise agreed between the Company and the Noteholder.
Conversion Price	92% of volume weighted average price ¹ (" VWAP ") of a share of the Company traded on the SGX-ST, on the date of resumption of trading of the shares of the Company on the SGX-ST (the " Resumption Date ").
Redemption	Redeemable by the Company at any time prior to maturity unless earlier converted.

¹ As derived by dividing the total value of the shares of the Company traded on the Resumption Date, by the total volume of shares traded, as displayed under the heading "Bloomberg VWAP" on the relevant page of the Bloomberg LP screen (or its equivalent successor if the relevant page is no longer available and, if no such page is available, the market value of a share determined by the Board in good faith using a volume weighted average method).

Conversion conditions	(i) Shareholders approval for the allotment and issuance of the Conversion Shares; and (ii) Approval in-principle from the SGX-ST for the listing and quotation of the Conversion Shares.
Mandatory Conversion	The outstanding amount under the Notes (i.e. principal amount and all accrued and unpaid interest thereon) shall be mandatorily converted into the Conversion Shares on the Resumption Date (after trading hours) at the Conversion Price.
Cancellation of Notes	All Notes which are converted or redeemed shall be cancelled forthwith.
Status of Conversion Shares	The Conversion Shares shall rank <i>pari passu</i> in all respects with and carry all rights similar to the other shares of the Company in issue, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls before the date on which the issuance of such Conversion Shares is completed.
Governing law	Singapore law.
Jurisdiction	Non-exclusive jurisdiction of the courts of Singapore.

5.3 As at the date of this Announcement, (a) the Company has an existing issued and paid-up share capital of 518,068,220 shares ("**Existing Share Capital**"); and (b) the Company has no treasury shares or subsidiary holdings.

5.4 As stated in Paragraph 5.2 of this Announcement, the Conversion Price shall be 92% of the VWAP of a share of the Company traded on the SGX-ST on the Resumption Date. Under Rule 811(2)(b) of the Listing Rules, in relation to an issue of convertible securities, if the conversion price is based on a formula, any discount in the price-fixing formula must not be more than 10% of the prevailing market price of the underlying shares before conversion. As the Conversion Price represents a discount of 8% (not more than 10%) of the VWAP of a share of the Company traded on the SGX-ST before conversion, being the Resumption Date, no specific approval from the shareholders of the Company would be sought in respect of the Conversion Price.

5.5 For illustration purposes only:

(a) The Conversion Price would be derived to be S\$0.06808 per Conversion Share if benchmarked against the VWAP of a share of the Company traded on the SGX-ST on 14 July 2023 (being the last trading day prior to the suspension of the trading of shares of the Company on 17 July 2023) of S\$0.074 and applying the aforesaid discount of 8%.

(b) Assuming that:

(i) the Proposed Issuance takes place on the Long Stop Date (i.e. 31 March 2025) and the Notes are issued to the Noteholders on such Long Stop Date;

(ii) full conversion of the Notes at the Conversion Price described in sub-paragraph (a) above takes place on 31 July 2025; and

(iii) there is no further issuance and allotment of new shares of the Company,

upon conversion of the principal amount of the Notes and the accrued interest as at 31 July 2025 (which would amount to S\$3,088), the Company's issued and paid-up share capital will increase to 522,960,823 Shares ("**Enlarged Share Capital**"). The aggregate

number of Conversion Shares will accordingly represent approximately 0.9444% of the Existing Share Capital, and approximately 0.9356% of the Enlarged Share Capital.

- 5.6 Shareholders should note that as at the date of this Announcement, the Conversion Price, and accordingly, the number of Conversion Shares to be allotted and issued are not ascertainable as they are dependent on the future market prices of the shares of the Company during the relevant conversion period (i.e. on the Resumption Date). Moreover, the Company has the discretion to redeem the Notes prior to the Maturity Date. Therefore, it is not possible at the date of this Announcement to conclusively determine the actual number of Conversion Shares which may be allotted and issued by the Company in relation to the Proposed Issuance. Shareholders should also note that the risks and implications of the potential dilution to shareholders arising from the conversion of the Notes are not fully ascertained at this point in time.
- 5.7 For the avoidance of doubt, nothing in this Announcement may be treated as a representation by the Company as to the trading price of the shares on the Resumption Date or for any other period of time.
- 5.8 The Notes, including the allotment and issuance of any Conversion Shares, will be made pursuant to the exemptions under Section 272B of the Securities and Futures Act 2001 of Singapore (“SFA”) and in compliance with all the conditions of the exemptions in the SFA therein. As such, no prospectus or offer document or other information statement will be issued by the Company and lodged with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore in connection with the Proposed Issuance.

6. ILLUSTRATIVE FINANCIAL EFFECTS

- 6.1 The pro forma financial effects as set out below are prepared purely for illustrative purposes only and do not reflect the actual financial position of the Company after the completion of the Cash Payment, Proposed Issuance and the conversion of the Notes (collectively, the “Settlement”). These pro forma financial effects have been prepared based on the latest consolidated audited financial statements of the Company for financial year ended 31 December 2023 (“FY2023”) and on the following bases:
- (a) the Notes of a principal amount of S\$330,000 have been issued as at the end of FY2023;
 - (b) such Notes (i.e. principal amount and all accrued and unpaid interest thereon) have been converted at the end of FY2023 at the Conversion Price described in Paragraph 5.5 of this Announcement, resulting in the issuance of 4,892,603 Conversion Shares at the end of FY2023;
 - (c) the Cash Payment has been paid by Sino to TAR at the end of FY2023;
 - (d) no other convertible instruments issued by the Company have been converted into shares of the Company; and
 - (e) expenses relating to the Settlement Agreement and/or Notes have been disregarded.

6.2 Share Capital

	Before Settlement	After Settlement
Issued and paid-up share capital (S\$)	154,188,833	154,521,921
Total number of issued shares (excluding treasury shares)	518,068,220	522,960,823

6.3 NTA per Share

	Before Settlement	After Settlement
NTA (S\$)	104,911,000	104,606,000
NTA per share (S\$' cents)	0.2025	0.2000

6.4 LPS per Share

	Before Settlement	After Settlement
Loss attributable to shareholders (S\$)	(16,279,000)	(16,584,000)
LPS (S\$)	(0.0314)	(0.0317)

7. **APPROVALS**

7.1 As stated in Paragraph 1.3 of this Announcement, prior to the issuance of the Conversion Shares, the Company will be *inter alia*:

- (a) seeking the approval from its shareholders for the allotment and issuance of the Conversion Shares (whether pursuant to a general share issue mandate granted by the Company's shareholders at an annual general meeting of the Company or a specific approval of shareholders to be obtained at a general meeting to be convened); and
- (b) making an additional listing application to the SGX-ST for the listing of and quotation for the Conversion Shares on the Mainboard of the SGX-ST.

7.2 The Company will make the necessary announcements in respect of the Conversion Shares once the relevant approvals have been obtained.

8. **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the directors of the Company (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 Proposed Issuance.

9. **DOCUMENTS FOR INSPECTION**

A copy of the Settlement Agreement will be made available for inspection during normal business hours at the Company's registered office at 8 Kaki Bukit Avenue 1, #04-08, Singapore 417941, for a period of three (3) months from the date of this Announcement.

10. **FURTHER ANNOUNCEMENTS**

Further announcements on the above will be made in due course as and when there are material developments.

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

8 November 2024