



TA CORPORATION LTD
(Company Registration No. 201105512R)

Unaudited First Quarter Financial Statements and Dividend Announcement for the Period Ended 31.03.2016

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) A Statement of Comprehensive Income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Notes	Group		
		3 months ended		
		31.03.2016 S\$'000	31.03.2015 S\$'000	Change %
Revenue		35,847	67,739	(47.1)
Cost of sales		(29,411)	(56,315)	(47.8)
Gross profit		6,436	11,424	(43.7)
Other income	1	5,788	1,629	255.3
Selling and distribution costs		(231)	(234)	(1.3)
General and administrative expenses		(4,554)	(3,646)	24.9
Other operating expenses	2	(2,789)	(6,146)	(54.6)
Share of profit, net of tax of associates and joint ventures	3	50	357	(86.0)
Finance costs		(2,425)	(1,373)	76.6
Profit before income tax	4	2,275	2,011	13.1
Income tax expense		(315)	(1,210)	(74.0)
Profit after income tax		1,960	801	144.7
Other comprehensive income (loss):				
Item that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		(1,290)	1,257	NM
Gain in fair value on available-for-sale investments		-	50	(100.0)
Total comprehensive income for the period		670	2,108	(68.2)
Profit attributable to :				
Owners of the Company		2,398	559	329.0
Non-controlling interests		(438)	242	NM
		1,960	801	144.7
Total comprehensive income attributable to:				
Owners of the Company		1,316	1,697	(22.5)
Non-controlling interests		(646)	411	NM
		670	2,108	(68.2)
NM = Not meaningful				

1(a)(ii) Notes to Statement of Comprehensive Income

1. Other income

	Group	
	3 months ended	
	31.03.2016	31.03.2015
	S\$'000	S\$'000
Rental income	187	576
Dormitory fee	120	144
Interest income	390	419
Grant from government	344	37
Gain on foreign exchange, net	-	366
Gain on disposal of property, plant and equipment	-	11
Reversal of allowance for doubtful receivables, net	1,641	-
Reversal of impairment loss on development property	3,000	-
Others	106	76

2. Other operating expenses

Other operating expenses decreased by S\$3.4 million to S\$2.8 million for first quarter ended 31 March 2016 ("1Q2016") mainly due to the absence of impairment loss on investment in associate compared to 1Q2015.

3. Share of profit, net of tax of associates and joint ventures

The share of profit, net of tax of associates and joint ventures for 1Q2016 comprises mainly the share of profit from Eternal Synergy Pte Ltd and its subsidiary which are partially off-set by share of losses from other associates and joint ventures.

4. Profit before income tax

	Group	
	3 months ended	
	31.03.2016	31.03.2015
	S\$'000	S\$'000
Profit before income tax for the period is stated after charging/ (crediting) the following:		
Depreciation expense	1,244	1,225
Fair value change in derivative financial instrument	541	-
Impairment loss on investment in an associate	-	4,811
Reversal of allowance for doubtful receivables, net	(1,641)	-
Reversal of impairment loss on development properties	(3,000)	-
Gain on disposal of property, plant and equipment	-	(11)
Interest income	(390)	(419)
Under (Over) provision of tax in prior years	97	(34)

1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
	SS'000	SS'000	SS'000	SS'000
ASSETS				
Current assets				
Cash and bank balances	115,027	78,886	40,243	666
Trade and other receivables	99,883	137,012	9,729	9,732
Deposits and prepayments	4,240	4,059	25	20
Inventories	5,633	5,763	-	-
Development properties	170,693	165,034	-	-
Total current assets	395,476	390,754	49,997	10,418
Non-current assets				
Property, plant and equipment	41,692	40,185	-	-
Investment properties	271,524	269,275	-	-
Subsidiaries	-	-	116,965	116,965
Goodwill	2,595	2,595	-	-
Associates and joint ventures	9,995	9,719	-	-
Trade and other receivables	71,677	67,261	97,167	95,903
Other non-current assets	336	318	-	-
Derivative financial instrument	242	783	-	-
Total non-current assets	398,061	390,136	214,132	212,868
Total assets	793,537	780,890	264,129	223,286
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	61,128	82,014	-	-
Term notes	74,714	74,588	74,714	74,588
Trade and other payables	110,399	128,617	2,044	973
Current portion of finance leases	251	295	-	-
Income tax payable	8,645	8,523	-	-
Total current liabilities	255,137	294,037	76,758	75,561
Non-current liabilities:				
Borrowings	237,244	229,230	-	-
Finance leases	398	431	-	-
Term notes	39,645	-	39,645	-
Trade and other payables	35,105	32,035	-	-
Deferred tax liabilities	397	300	-	-
Total non-current liabilities	312,789	261,996	39,645	-
Capital, reserves and non-controlling interests				
Share capital	142,185	142,185	142,185	142,185
Capital reserve	644	644	-	-
Translation and other reserves	113	1,195	-	-
Retained earnings	74,693	72,295	5,541	5,540
Equity attributable to owners of the Company	217,635	216,319	147,726	147,725
Non-controlling interests	7,976	8,538	-	-
Total equity	225,611	224,857	147,726	147,725
Total liabilities and equity	793,537	780,890	264,129	223,286

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

	As at 31.03.2016		As at 31.12.2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	47,128	88,965	68,490	88,407
Amount repayable after one year	237,642	39,645	229,661	-
Total	284,770	128,610	298,151	88,407

Details of any collateral

Collateral for the above secured borrowings include mortgages over the Group's investment properties, development properties, leasehold properties, certain property, plant and equipment and fixed deposits. The bank facilities are also secured by corporate guarantees from the Company and certain of these facilities are also secured by guarantees from certain minority shareholders of partially-owned subsidiaries.

1(c) A Consolidated Statement of Cash Flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 months ended	
	31.03.2016 S\$'000	31.03.2015 S\$'000
Operating activities		
Profit before income tax	2,275	2,011
Adjustments for :		
Depreciation expense	1,244	1,225
Share of profit of associates and joint ventures	(50)	(357)
Fair value change in derivative financial instrument	541	-
Gain on disposal of property, plant and equipment	-	(11)
Interest expense	2,425	1,373
Interest income	(390)	(419)
Impairment loss on investment in associate	-	4,811
Reversal of impairment loss on other non-current assets	(18)	-
Reversal of impairment loss on development property	(3,000)	-
Reversal of allowance for doubtful receivables, net	(1,641)	(5)
Operating cash flows before movements in working capital	1,386	8,628
Trade and other receivables	35,771	(1,817)
Deposits and prepayments	(181)	46
Inventories	130	558
Development properties	(1,711)	20,904
Trade and other payables	(15,148)	(3,186)
Cash generated from operations	20,247	25,133
Income tax paid	(96)	(680)
Interest paid	(3,768)	(3,063)
Net cash from operating activities	16,383	21,390

Investing activities

Advance to associates	(2,672)	(4,589)
Investment in associates and joint ventures	(261)	(7,078)
Investment properties	(1,854)	(18,980)
Interest received	390	419
Purchase of property, plant and equipment	(2,627)	(2,517)
Proceeds from disposal of property, plant and equipment	1	17

Net cash used in investing activities

(7,023) (32,728)

Financing activities

Proceeds from borrowings	23,755	17,591
Proceeds from term notes	39,645	-
Repayment of borrowings	(37,416)	(6,928)
Proceed from issue of shares in subsidiaries to non-controlling shareholders	84	205
Repayment of obligations under finance leases	(77)	(112)
Pledged fixed deposits	34	328
Dividends paid to non-controlling shareholders	-	(1,714)

Net cash from financing activities

26,025 9,370

Increase (Decrease) in cash and cash equivalents

35,385 (1,968)

Cash and cash equivalent at beginning of the period

75,796 115,711

Effect of exchange rate changes

(126) (311)

Cash and cash equivalents at end of the period

111,055 113,432

Cash and cash equivalents at end of the period comprise the following:

Cash and bank balances

94,651 81,047

Fixed deposits

20,376 33,149

115,027 114,196

Less: bank overdraft

(916) -

Less: pledged fixed deposits

(3,056) (764)

Cash and cash equivalents at end of the period

111,055 90,044

1(d)(i) A Statement of Changes in Equity (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>Group (S\$'000)</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Translation and other reserves</u>	<u>Retained earnings</u>	<u>Equity attributable to owners of the Company</u>	<u>Non-controlling interests</u>	<u>Total Equity</u>
Balance at January 1, 2015	142,185	644	761	100,798	244,388	9,557	253,945
Total comprehensive income for the year	-	-	434	(23,853)	(23,419)	172	(23,247)
Proceed from issue of shares in subsidiaries to non-controlling shareholders	-	-	-	-	-	455	455
Effect of acquiring non-controlling interest in a subsidiary	-	-	-	-	-	4	4
Dividends	-	-	-	(4,650)	(4,650)	-	(4,650)
Dividends to non-controlling shareholders	-	-	-	-	-	(1,650)	(1,650)
Balance at December 31, 2015	142,185	644	1,195	72,295	216,319	8,538	224,857
Total comprehensive income for the period	-	-	(1,082)	2,398	1,316	(646)	670
Proceed from issue of shares in a subsidiary to non-controlling shareholders	-	-	-	-	-	84	84
Balance at March 31, 2016	142,185	644	113	74,693	217,635	7,976	225,611

<u>Company (S\$'000)</u>	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance at January 1, 2015	142,185	5,461	147,646
Total comprehensive income for the year	-	4,729	4,729
Dividends	-	(4,650)	(4,650)
Balance at December 31, 2015	142,185	5,540	147,725
Total comprehensive income for the period	-	1	1
Balance at March 31, 2016	142,185	5,541	147,426

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Since 31 December 2015, there has been no change to the total number of issued shares of the Company.

As at end of 31 March 2016, the Company does not have any outstanding convertibles or treasury shares (31 December 2015: Nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.

The total number of shares at 31 March 2016 was 465,000,000 (31 December 2015: 465,000,000). The Company has no treasury shares.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

As disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those used in the audited financial statements for the year ended 31 December 2015.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effects of, the change.

The Group has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2016. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current period or prior years.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	3 months ended	
	31.03.2016	31.03.2015
(i) Earnings per ordinary shares based on weighted average number of shares (in cents)	0.5	0.1
(ii) Earnings per ordinary shares based on a fully diluted basis (in cents)	0.5	0.1
Weighted average number of ordinary shares (in millions)	465.0	465.0

As there were no outstanding potentially dilutive ordinary shares, the diluted earnings per ordinary shares were the same as the earnings per ordinary shares for the respective periods.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	Group		Company	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
Net asset value per ordinary share (in cents)	46.8	46.5	31.8	31.8
Total number of issued shares at end of the financial period (in millions)	465.0	465.0	465.0	465.0

There were no treasury shares at the end of the respective financial periods.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group performance

The Group recorded S\$35.8 million in revenue for 1Q2016, a decrease of 47.1% compared to S\$67.7 million for the corresponding period in 1Q2015. The decrease was due mainly to lower revenue for the real estate development and construction segments partially offset by higher revenue from the distribution segment.

Real estate development segment recorded S\$5.3 million revenue in 1Q2016 compared to S\$20.7 million in 1Q2015, a decrease of 74.4%. The decrease was mainly due to the absence of revenue contribution in 1Q2016 from Gambir Ridge which achieved TOP in December 2015 and lower revenue contribution from on-going project, Ascent@456. Our mixed development projects in Thailand contributed revenue of S\$2.5 million in 1Q2016 upon the completion of its third development, De Iyara Grande and progressive handover of sold units to buyers.

Construction segment recorded revenue of S\$24.6 million in 1Q2016 compared to S\$43.0 million in 1Q2015, a decrease of 42.8%. While higher revenue was recognised from progressive construction work completed for Marine Point, lower revenue was recognised from progressive construction work completed for Riversails, The Skywoods and Highline Residences.

Distribution of lubricants and tyres business recorded S\$5.9 million revenue in 1Q2016 compared to S\$4.0 million in 1Q2015, an increase of 47.5%. The increase was mainly due to higher contribution from our distribution business in Myanmar.

In line with the lower revenue, gross profit decreased by 43.7% to S\$6.4 million for current period compared to S\$11.4 million in 1Q2015.

Other income increased by S\$4.2 million to S\$5.8 million for 1Q2016 mainly due to reversal of impairment loss on development property and reversal of allowance for doubtful receivables.

General and administrative expenses increased by S\$0.9 million to S\$4.6 million mainly due to cost incurred for operating the Tuas South dormitory in 1Q2016, higher personnel cost for real estate and air-conditioning and mechanical ventilation system business in Cambodia; and travelling cost for business development. The dormitory was under construction in 1Q2015.

Other operating expenses decreased by S\$3.4 million to S\$2.8 million for 1Q2016 compared to 1Q2015 mainly due to the absence of impairment loss on investment in an associate in 2016.

Finance cost increased by S\$1.1 million to S\$2.4 million for 1Q2016 compared to 1Q2015 mainly due to interest incurred on higher borrowings and lower interest being capitalised upon TOP of the development projects.

The Group achieved profit before income tax of S\$2.3 million in 1Q2016 compared to S\$2.0 million in 1Q2015. The Group's profit after income tax was S\$2.0 million for 1Q2016 compared to S\$0.8 million for 1Q2015.

Review of cash flow, working capital, assets and liabilities

The changes in assets and liabilities are as follow:

- i) decrease in trade and other receivables by S\$32.7 million was mainly due to collection from customers.
- ii) increase in net borrowings by S\$12.9 million mainly to finance the construction of the Tuas South dormitory.
- iii) increase in term notes by S\$39.6 million arose from issue of principal amount of S\$40.0 million Series 2 fixed rate medium term notes due March 2018 with coupon of 5.50% under the S\$300 million multi-currency medium term notes programme net of issue costs.

Cash and cash equivalents increased by S\$35.4 million in 1Q2016 mainly from the following items: cash flow from operating activities was S\$16.4 million deriving from profit made for the quarter and collection of progress billings on properties sold. S\$7.0 million was spent on investing activities mainly on investment in the construction of the Tuas South dormitory project, purchase of property, plant and equipment and advance to associates. The net proceeds from the Series 2 term notes were S\$39.6 million while repayment on borrowings net of additional bank loans was S\$13.7 million.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Company has not made any forecast or prospect statement for the period ended 31 March 2016 previously.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Prices of private residential properties and number of new private residential units sold in Singapore continue to decline in 1Q2016 on a quarter-on-quarter basis as indicated in the Urban Redevelopment Authority's press release on 22 April 2016. The Group expects Singapore's private residential property market to continue to be challenging over the near term.

Private residential construction demand in Singapore is expected to moderate to between S\$8.5 billion and S\$12.5 billion in 2016 compared to S\$13.2 billion in 2015 according to the Building and Construction Authority news release on 15 January 2016. Despite the challenging outlook for private residential construction demand, the Group remains confident of its construction business performance with a recent contract award for an education institution, underpinned by an order book of S\$256 million as at 31 March 2016, to be delivered progressively over the next three years.

The Group will continue to adopt a cautious approach while on the lookout for strategic business opportunities locally and overseas.

11 Dividend

(a) Current Financial Period Reported On

(i) Any dividend declared for the current financial period reported on? No.

(ii) Any dividend recommended for the current financial period reported on? No.

(b) Corresponding period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared / recommended, a statement to that effect.

No dividend has been declared or recommended in the current financial period.

13 If the group has obtained general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate for interested person transactions. There are no interested person transactions above S\$100,000 for the period ended 31 March 2016.

Note 1:

On 22 January 2014, a subsidiary entered into a cost-plus contract with Mr Liong Kiam Teck, the Executive Chairman of the Company, for the erection of three 3-storey strata bungalows. Under the contract, estimated cost of S\$4 million plus a 5% mark up on cost incurred shall be billed progressively according to work done. For the three months ended 31 March 2016, no billing was rendered. As at 31 March 2016, cumulative billing of S\$3,968,053 has been rendered based on certified work done. The project achieved TOP in the 4th quarter 2015.

14 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual

We confirm that the Company has procured undertakings from all its directors and the executive officer based on the latest revised format set out in Appendix 7.7.

15 Confirmation pursuant to Rule 705(5) of the Listing Manual

We confirm on behalf of the Board of Directors, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited first quarter financial results of the Group and the Company for the period ended 31 March 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Liong Kiam Teck
Executive Chairman

Neo Tiam Boon
Chief Executive Officer and Director

BY ORDER OF THE BOARD

Foo Soon Soo/ Yap Ming Choo
Company Secretaries

10 May 2016