



TA Corporation Ltd

Corporate Presentation

April 2018





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Agenda

- **Overview**

- **Our Business:**
 - Construction
 - Real Estate Development
 - Real Estate Investment
 - Distribution

- **Financial Performance**

- **Growth Strategy**

- **Appendix**



About TA Corporation

An Established Regional Quality Property and Construction Group with a Growing Distribution Business



Construction

- More than 45 years track record in building residential, commercial and institutional projects
- Comprehensive in-house capabilities including productive construction technologies
- 67.8% of FY2017 revenue



Real Estate Development

- Over 20 years of experience in Singapore property development with growing exposure to Southeast Asia
- Focus on delivering quality well-located residential developments catered for the middle to upper-middle markets
- 13.1% of FY2017 revenue



Real Estate Investment

- Owns more than 61,000 sq m of investment property space
- More than 10,000 dormitory beds for foreign workers in Singapore including Tuas South Dormitory
- 7.3% of FY2017 revenue

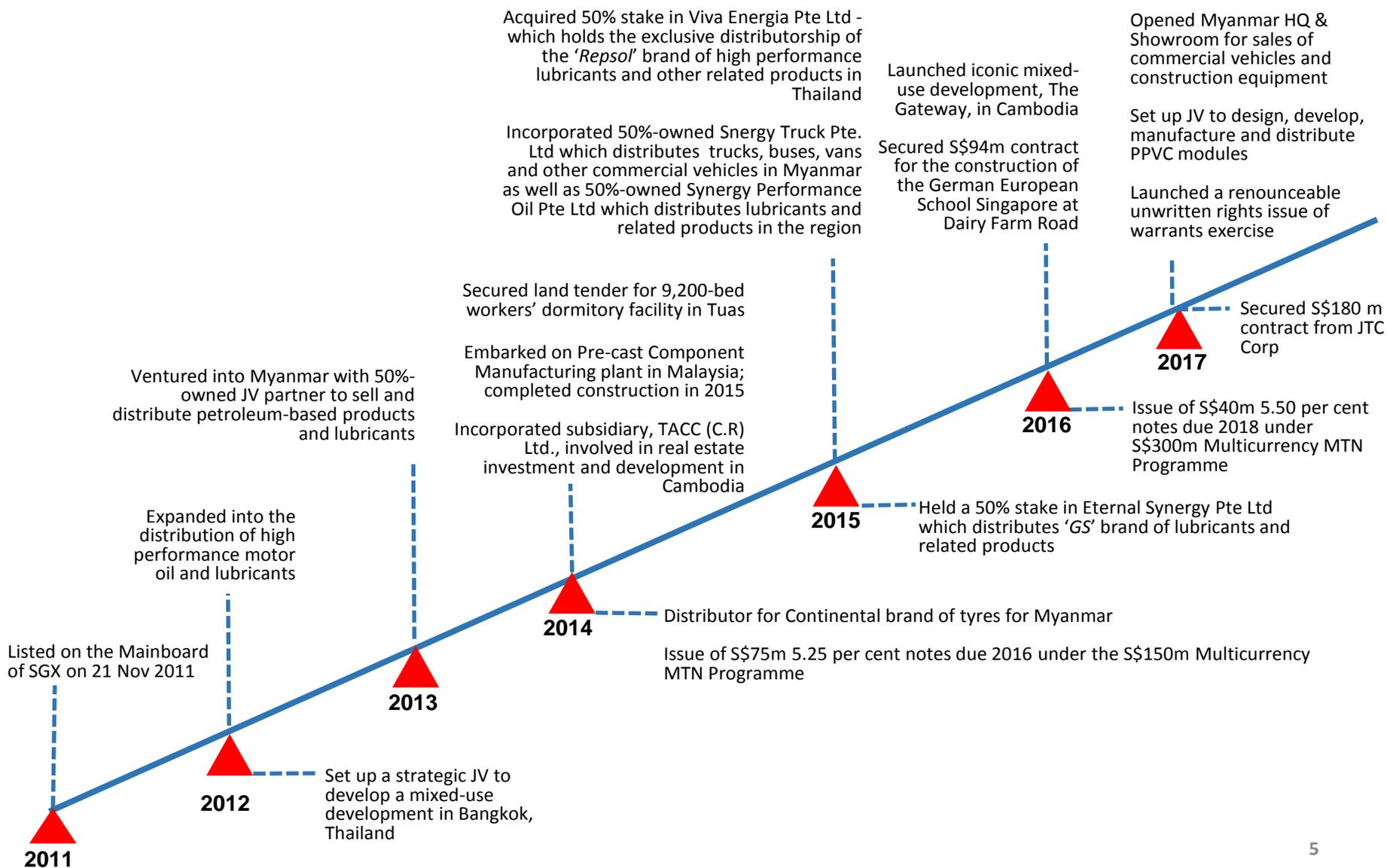


Distribution

- Fast growing distribution business in Myanmar and regionally
- Distribution of high performance motor oil and lubricants, industrial and marine lubricants, passenger and light vehicle tyres as well as heavy commercial vehicles, trucks, buses, construction equipment and automotive spare parts
- 11.8% of FY2017 revenue



Key Milestones





Coralis, Singapore

Construction

Established & Leading Building Contractor with Comprehensive Capabilities



- Construction business is undertaken through our wholly-owned subsidiary, Tiong Aik Construction Pte Ltd
- Reliable builder contractor with established track record of more than 45 years
 - Possess ability to undertake a wide spectrum of public and private sector projects
 - BCA-approved workers' training and testing centres
- Air-Conditioning & Mechanical Ventilation (ACMV): Provision of air-conditioning mechanical ventilation systems
- Supported by a suite of complementary competencies
 - Fabrication of metal frameworks, erection of building structural steels
 - Management of Group's construction machinery

- Clientele: Government bodies and established real estate developers



Established & Leading Building Contractor with Comprehensive Capabilities



Strategic Focus on Productive Construction Technologies

- **Pre-cast concrete components manufacturing plant in Johor, Malaysia**
 - Current capacity of 36,000 cubic meters per annum with capability to scale-up to 42,000 cubic meters per annum
 - Supplies products to major infrastructure, commercial and residential projects in Singapore and Malaysia

- **Prefabricated Prefinished Volumetric Construction (PPVC) modules Joint Venture**
 - 80%-owned TK Modular Pte. Ltd (TKM) designs, develops, manufactures and distributes PPVC modules to Singapore developers
 - 24 November 2017: TKM received in-principle acceptance for the use of its Steel PPVC system – ADD Modular (2016) for building projects in Singapore from BCA and relevant government agencies

- **Enhances productivity for property development and construction projects**



On-going Projects

- **Order book of S\$241 million as at 31 December 2017**
 - To be progressively delivered over the next three years



Highline Residences

- Private residential development
- Contract Value: ~S\$174m
- Estimated Completion Date: Dec 2017
- Developer: Harvestland Development Pte Ltd (*subsidiary of Keppel Land Limited*)



German European School Singapore

- Institution with six-storey educational block and two-storey sports block
- Contract Value: ~S\$94m
- Estimated Completion Date: 2Q2018
- Developer: German European School Singapore



Building development project JTC Cleantech Three @ Cleantech Park

- Contract Value: ~S\$180m
- Estimated Completion Date: Apr 2020
- Developer: JTC Corporation



2016 & 2017 Awards & Accreditations

| Year | Award / Accreditation | Awarded To Tiong Aik/Project |
|---|--|------------------------------|
| Building Construction Authority of Singapore | | |
| 2017 | BCA Quality Excellence Award - Quality Champion (Platinum) | Tiong Aik |
| 2016 | BCA Quality Mark (QM) For Good Workmanship Excellent Rating | The Sorrento |
| 2016 | BCA Building Information Modelling (BIM) Award (Projects) Gold | Marine Blue |
| 2016 | BCA BIM Awards (Organisation) Gold Plus | n.a. |
| 2016 | BCA Construction Excellence Award (Merit) | Nouvel 18 |
| Workplace Safety and Health (WSH) Council and the Ministry of Manpower | | |
| 2016 | Workplace Safety & Health Performance Awards 2016 - Sharp Awards | Highline Residence |



Real Estate Development



Growing Exposure to Southeast Asia

- **More than 20 years of experience in real estate development**
- **Reputation for delivering quality well-located residential developments, targeting the middle to upper-middle markets**
- **Through JVs, expanded into Cambodia, Thailand and China; looking to expand into neighbouring countries including Myanmar**



The Gateway, Cambodia



On-going Projects

Singapore



12 on Shan

Freehold serviced apartment
Located in the Balestier area;
close proximity to Novena Medical Hub
Estimated TOP: April 2018

Cambodia – Phnom Penh



The Gateway

An iconic twin tower development
(36-storey office tower (299 office units) and 39-storey
residential tower (572 residential units); 2-storey retail
and 7-story carpark podium)
Strategically located in the CBD of Phnom Penh
Estimated TOP: Dec 2019

Thailand - Bangkok



De Iyara Grande

72 units of 3.5-storey townhouses
Over 70% sold



De Iyara Grande (Serviced Apartments)

138 units of freehold serviced apartments
Approx. planned GFA: 5,686 sq m
Targeted completion: 2Q 2018



Overview of the Group's Land Bank

Land Bank:

| Properties | Type | Approx. Site Area (sq m) | Tenure |
|--|--|--------------------------|----------|
| Thailand | | | |
| Klong Luang District Pathum Thani | 2 plots of land for multi-phased mixed development | 89,580 | Freehold |
| Cambodia (Held under associate) | | | |
| Phum Preychisak, Sangkat Chom Chao, Khan Dongkor, Phnom Penh | Mixed-use residential and commercial development | 20,515 | Freehold |



Tuas South Dormitory

Real Estate Investment



Building Recurrent Revenue Stream

- **Owns more than 61,000 sq m of investment property space**
 - Includes 4,235 sq m of commercial units held as investment properties at New World Centre, 1 Jalan Berseh, Singapore
- **Manages more than 10,000 dormitory beds for foreign workers in Singapore**
 - Includes the 9,180-bedded **Tuas South Dormitory** which commenced business operations in 2016
 - One of the largest purpose-built dormitories in Singapore; caters to the marine, process, manufacturing and construction industries
 - Further development in the Tuas area due to the construction of port facilities, improved connectivity upon the opening of Tuas Viaduct and Tuas West MRT extension to further drive healthy growth
- **Total carrying value of investment properties: S\$236.4 million (as at 31 December 2017)**



Tuas South Dormitory



Overview of the Group's Investment Properties

| Properties | Description | Title | Gross Area (sq m) |
|---|-------------|---|-------------------|
| Singapore | | | |
| <i>New World Centre</i> 1 Jalan Berseh | Commercial | Leasehold (99 years from March 31, 1994) | 5,460* |
| 83 Sungei Kadut Drive | Industrial | Leasehold (29 years from October 16, 1991) | 4,701 |
| <i>Tuas South Dormitory</i> | Dormitory | Leasehold (20 years from July 7, 2014) | 52,038 |
| <i>Leonie Hill Residences</i> - #28-01 | Residential | Freehold | 260 |
| 586 Balestier Road - #02-04 & #03-04 | Residential | Freehold | 260 |

**Includes Investment Properties and Property, Plant and Equipment*



Wheel Loader



Quarry & Construction Vehicle

Distribution



Fast Growing Distribution Business: Myanmar

- **Distribution of passenger and light truck tyres as well as heavy commercial vehicles, trucks, buses and automotive spare parts**
 - *51%-owned Que Holdings: Exclusive distributor for the 'Continental' brand of passenger & light truck tyres*
 - *50%-owned Myanmar Synergy: Exclusive distributor of trucks, buses, vans and other commercial vehicles under the 'Iveco', 'Astra' and 'Zhong Tong' brands as well as 'CASE' construction equipment as well as automotive spare parts*
 - 2017: Opened S\$5.6 million HQ cum commercial vehicles and construction equipment showroom in Yangon; reinforced market position as one of Myanmar's leading commercial vehicles and construction equipment distributors
 - Reported revenue of S\$13.5 million for FY2017 and S\$18.0 million for FY2016





Fast Growing Distribution Business: Myanmar

- **Distribution of high performance motor oil and lubricants, as well as industrial and marine lubricants**
 - *51%-owned Que Holdings*: Sole distributor for 'Shell' high-performance automotive and industrial lubricant products to the B2B and B2C sectors
 - *50%-owned Eternal Synergy*: Distributes 'GS' brand of lubricants and related products
 - Recorded revenue of S\$16.1 million for FY2017 and S\$16.4 million for FY2016





Expanding Distributorships Regionally

- **Expanding operations in the distribution of high performance motor oil and lubricants**
Thailand
 - *50%-owned Viva Energia*: Exclusive distributor of the ‘Repsol’ brand of high performance lubricants and other related products
 - Posted revenue of S\$1.7 million for FY2017 and S\$1.2 million for FY2016



Regional

- *50%-owned Synergy Performance*: Distributes in-house owned ‘Synergy’ brand of lubricants and related products

Singapore

- *100%-owned Sino Tac Resources*: Exclusive distributor of ‘BP Castrol’s high performance motor oils and lubricants since 2007



Foresque Residences, Singapore

Financial Performance



Financial Performance

| S\$'m | 4Q2017 | 4Q2016 | FY2017 | FY2016 |
|---|--------|--------|--------|--------|
| Revenue | 56.3 | 55.6 | 215.2 | 194.1 |
| Gross Profit | 9.3 | 10.1 | 39.1 | 36.0 |
| Profit / (Loss) before tax | (6.3) | 0.5 | (27.1) | (13.8) |
| Profit / (Loss) attributable to Owners of the Company | (4.3) | 3.1 | (19.4) | (6.7) |
| Gross profit margin % | 16.6 | 18.1 | 18.2 | 18.5 |
| Net cashflow from operations | 8.3 | 3.6 | 14.3 | 6.2 |

○ 4Q2017 vs 4Q2016:

- **Gross profit** declined by 7.5% due mainly to reduce margins from construction and distribution segments
- **Loss before tax** due mainly to higher impairment loss on investment properties by S\$2.9 million, higher allowance for doubtful receivables by S\$0.4 million, higher depreciation expense by S\$0.4 million and reversal of impairment loss on development properties of S\$0.2 million as compared to a reversal of S\$3.0 million in 4Q2016

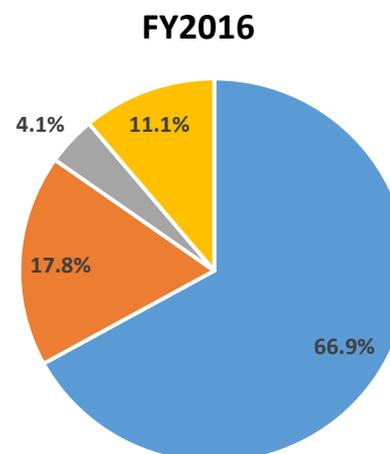
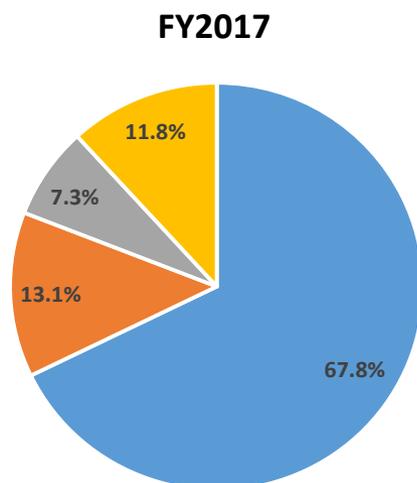
○ FY2017 vs FY2016:

- **Gross profit** increased on the back of higher revenue
- **Loss attributable to Owners of the Company** due largely to higher operating expenses arising from higher loss in fair value of investment properties, mainly on *Tuas South Dormitory* and allowance for doubtful receivables
- **Achieved positive net cashflow from operations** of S\$14.3 million in FY2017 against S\$6.2 million in FY2016



Segmental Revenue

- Construction segment remains key contributor to Group revenue
- Growing distribution business segment, driven by distribution business in Myanmar



■ Construction ■ Real Estate Development ■ Real Estate Investment ■ Distribution

FY: Financial year ended 31 Dec

Project Revenue Stream: Real Estate Development and Construction

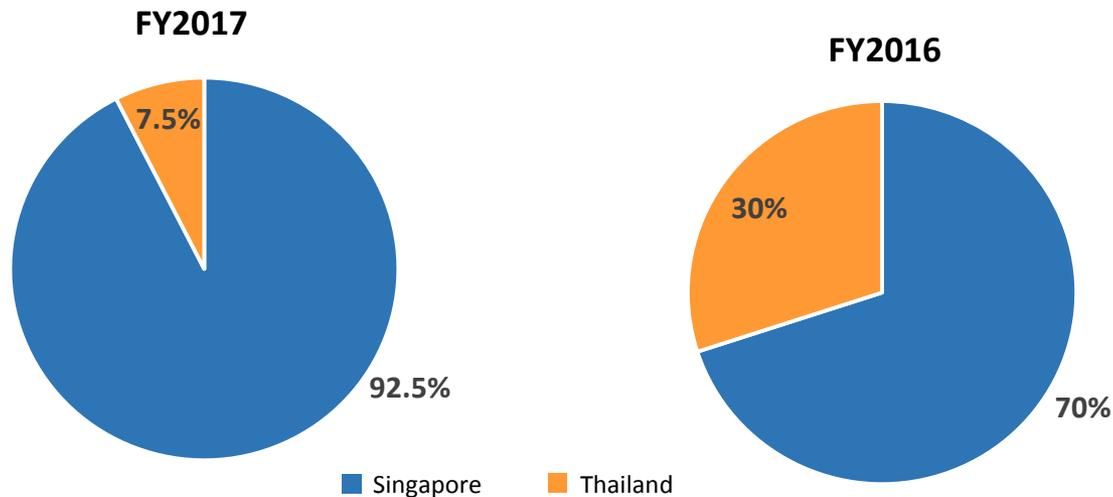


- **Construction**

- 99% of segment's revenue from Singapore currently, but with growing revenue from Cambodia and Malaysia

- **Real Estate Development**

- Revenue of S\$28.1 million for FY2017 and S\$34.6 million for FY2016
- Overseas projects from Thailand contributed 7.5% for FY2017 and 30% for FY2016



FY: Financial year ended 31 Dec

Recurring Revenue Stream: Real Estate Investment and Distribution

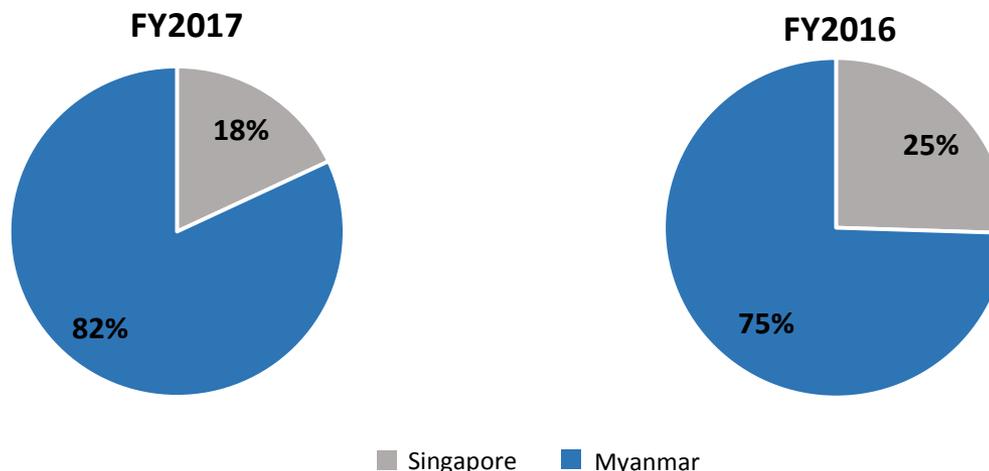


○ Real Estate Investment

- Revenue nearly doubled year-on year to **S\$15.7 million**, from **S\$8.0 million** in FY2016; due mainly to higher occupancy rate from *Tuas South Dormitory* in FY2017 compared to FY2016 as the dormitory only obtained TOP for its second phase development in May 2016

○ Distribution

- Mainly from Myanmar market: S\$25.4 million revenue for FY2017 and S\$21.6 million for FY2016



FY: Financial year ended 31 Dec



Balance Sheet & Key Financial Ratios

| S\$'m | As at 31 Dec 2017 | As at 31 Dec 2016 |
|---|-------------------|-------------------|
| Current Assets | 373.0 | 379.4 |
| - Cash & bank balances | 84.7 | 91.5 |
| Non-current Assets | 339.6 | 345.0 |
| Current Liabilities | 323.8 | 240.7 |
| Non-current liabilities | 209.3 | 273.1 |
| Equity attributable to owners of the Company | 188.3 | 210.0 |
| Gearing Ratio (times) | 2.1 | 1.7 |
| NAV Per Share (SGD cents) | 37.7 | 43.5 |



Rewarding Shareholders

| Dividend Per Share (SGD cents) | FY2017 | FY2016 | FY2015 | FY2014 | FY2013 | FY2012 | FY2011 |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Total Dividend per share | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.3 | 1.2 |
| (Loss)/Earnings per share | (3.9) | (1.4) | (5.1) | 4.4 | 6.3 | 8.5 | 7.7 |
| Dividend payout ratio | n.a. | n.a. | n.a. | 23% | 16% | 15% | 20% |

- **Consistently rewarding shareholders since listing in FY2011**
- **Maintained total dividend per share of 1.0 SGD cent since FY2013**
 - In FY2015 and FY2016, shareholders were given the option to receive their dividends in either scrip or cash
- **To reward shareholders for their continued support, the Board of Directors has proposed a first and final dividend of 1.0 SGD cent per share for FY2017**
 - Shareholders are given the option to receive their dividends in either scrip or cash
 - Subject to shareholders' approval at 2018 AGM

Renounceable Underwritten Rights Issue For Warrants



- **120,567,589 warrants listed on Mainboard SGX-ST on 25 May 2017, following the proposed renounceable underwritten rights issue exercise announced on 30 March 2017**
 - With every four existing ordinary shares in the capital of TA Corporation, shareholders subscribed to one Warrant at an issue price of S\$0.003
 - Each Warrant holder entitled to subscribe for one new ordinary share in the capital of the Group at an exercise price of S\$0.28 for each New Share, subject to the terms and conditions of the Warrants

- **Usage of proceeds from fund raising exercise**
 - Expand and strengthen Group's capital base
 - Provide additional resources for business expansion and diversification within Southeast Asia
 - Additional financial flexibility to respond proactively to strategic business opportunities and working capital requirements



The Cristallo, Singapore

Growth Strategy



Growth Strategy

Focus on core business and markets while growing presence overseas

- Established real estate business in neighbouring countries with projects in Cambodia and Thailand; plan to expand into Myanmar
- Acquisition of new development sites in Southeast Asia to replenish land bank
- Leverage on Group's precast and PPVC capabilities to bid for contracts in Singapore and Malaysia

Grow distribution business in South-East Asia

- Secure distributorships for new markets
- Clinch additional distributorships of related products from principals

Expand complementary businesses

- ACMV business expanded into Cambodia; plan to expand into neighbouring countries
- Explore business opportunities in related businesses



The Sorrento, Singapore

Q&A



Auralis, Singapore

Appendix

Construction: Recently Completed Projects



Tuas South Dormitory

Completed in Jan 2016
Developer: Nexus Point
Investment Pte Ltd



Riversails

Completed in May 2016
Developer: Allgreen
Properties Limited



Marine Blue

Completed in Oct 2016
Developer: Ladyhill (Private)
Limited (*subsidiary of
Capitaland Residential Ltd*)



The Skywoods

Completed in Dec 2015
Developer: Bukit Timah
Green Development Pte Ltd



The Sorrento

Completed in Dec 2015
Developer: Allgreen
Properties Limited



Foresque Residences

Completed in Sept 2014
Developer: Wing Tai
Holdings Limited

Real Estate Development: Recently Completed Projects



Singapore



Ascent@456

45-unit freehold residential & commercial mixed development at Balestier Road

TOP: Jan 2017

Fully sold by Jan 2017 (*residential unit*)



Terra Villas

7 units of 3-storey strata-titled terrace houses in Kembangan

TOP: Sept 2016

Full sold by July 2017



The Skywoods

25%-owned associate's condominium with 420 units at Dairy Farm Road

TOP: Dec 2016

Fully sold by end 2016

Thailand



De Iyara

65 units of 3.5-storey townhouses

Fully sold within two weeks after launch in 2013



De Iyara Share

42 units of 3.5 storey townhouses

Fully sold within two weeks after launch in 2013