

Financial Statements and Related Announcement::Third Quarter Results



Issuer & Securities

Issuer/ Manager	TA CORPORATION LTD.
Securities	TA CORPORATION LTD - SG2D87975520 - PA3 TACORP S\$27M6%N210726 - SGXF74214317 - MCLB TA CORPORATION LTD W220520 - SG5ED4000009 - CGOW
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Additional Details

For Financial Period Ended	30/09/2018
Attachments	<p> TACorp_3Q2018_Results.pdf</p> <p> TACorp_3Q2018_NewsRelease.pdf</p> <p>Total size =348K</p>

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TA CORPORATION LTD
(Company Registration No. 201105512R)

Unaudited Third Quarter and 9 months Financial Statements and Dividend Announcement for the Period Ended 30.09.2018

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			9 months ended		
		30.09.2018 S\$'000	30.09.2017 S\$'000	Change %	30.09.2018 S\$'000	30.09.2017 S\$'000	Change %
Revenue		27,646	51,139	(45.9)	92,411	158,958	(41.9)
Cost of sales		(19,881)	(41,833)	(52.5)	(69,506)	(129,205)	(46.2)
Gross profit		7,765	9,306	(16.6)	22,905	29,753	(23.0)
Other income	1	655	1,119	(41.5)	2,454	2,946	(16.7)
Selling and distribution costs		(388)	(364)	6.6	(1,106)	(1,655)	(33.2)
General and administrative expenses		(5,174)	(4,660)	11.0	(14,929)	(13,803)	8.2
Other operating expenses		(5,267)	(8,190)	(35.7)	(10,306)	(30,199)	(65.9)
Share of loss, net of tax of associates and joint ventures		(170)	(66)	157.6	(71)	(184)	(61.4)
Finance costs		(3,534)	(2,696)	31.1	(9,298)	(7,652)	21.5
Loss before income tax	2	(6,113)	(5,551)	10.1	(10,351)	(20,794)	(50.2)
Income tax expense	3	(87)	(311)	(72.0)	(190)	(725)	(73.8)
Loss after income tax		(6,200)	(5,862)	5.8	(10,541)	(21,519)	(51.0)
Other comprehensive loss:							
Exchange differences on translation of foreign operations		330	(376)	N/M	776	(1,884)	N/M
Share of comprehensive loss of associates and joint ventures	4	(58)	(264)	(78.0)	(28)	(427)	(93.4)
Total comprehensive loss for the period		(5,928)	(6,502)	(8.8)	(9,793)	(23,830)	(58.9)
Loss attributable to :							
Owners of the Company		(5,817)	(4,234)	37.4	(10,582)	(15,160)	(30.2)
Non-controlling interests		(383)	(1,628)	(76.5)	41	(6,359)	N/M
		(6,200)	(5,862)	5.77	(10,541)	(21,519)	(51.0)
Total comprehensive loss attributable to:							
Owners of the Company		(5,650)	(4,748)	19.0	(9,998)	(16,868)	(40.7)
Non-controlling interests		(278)	(1,754)	(84.2)	205	(6,962)	N/M
		(5,928)	(6,502)	(8.8)	(9,793)	(23,830)	(58.9)

N/M – not meaningful

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

1. Other income

	Group			
	3 months ended		9 months ended	
	30.09.2018 S\$'000	30.09.2017 S\$'000	30.09.2018 S\$'000	30.09.2017 S\$'000
Rental income	79	255	196	671
Management fee	138	139	415	385
Interest income	323	272	839	728
Grant from government	26	251	269	391
(Loss) Gain on disposal of property, plant and equipment	(10)	2	25	24
Others	99	200	710	747
	655	1,119	2,454	2,946

2. Loss before income tax

	Group			
	3 months ended		9 months ended	
	30.09.2018 S\$'000	30.09.2017 S\$'000	30.09.2018 S\$'000	30.09.2017 S\$'000
Loss before income tax for the period is stated after charging/ (crediting) the following:				
Allowance for doubtful receivables, net	168	591	1,153	2,770
Depreciation expense	2,221	1,246	4,679	3,425
Fair value change in derivative financial instrument	-	(2)	4	85
(Gain) Loss in fair value of investment properties	(100)	5,217	100	20,387
Loss (Gain) on disposal of property, plant and equipment, net	10	(2)	(25)	(24)
Interest income	(323)	(272)	(839)	(728)
Impairment loss (Reversal of impairment loss) on other non-current assets	13	(27)	3	(117)
Impairment loss on development properties	566	-	566	-

3. Included in income tax expense is the following under/ (over) provisions of tax:

	Group			
	3 months ended		9 months ended	
	30.09.2018 S\$'000	30.09.2017 S\$'000	30.09.2018 S\$'000	30.09.2017 S\$'000
Under (Over) provision of income tax in prior years	3	-	5	(46)

4. Share of comprehensive income of associates and joint ventures

There was a decrease of 78.0% in the share of comprehensive loss of associates and joint ventures which arose from exchange translation, due mainly to less volatile exchange rate movement between Singapore dollars and United State dollars for 3Q2018 compared to 3Q2017.

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	
	30.09.2018 S\$'000	31.12.2017 S\$'000	30.09.2018 S\$'000	31.12.2017 S\$'000
ASSETS				
Current assets				
Cash and bank balances	48,096	84,660	10,384	7,600
Trade and other receivables	70,004	95,071	1,022	26,579
Deposits and prepayments	3,145	2,630	26	7
Inventories	7,021	5,576	-	-
Development properties	219,288	185,057	-	-
Total current assets	347,554	372,994	11,432	34,186
Non-current assets				
Property, plant and equipment	55,612	55,678	-	-
Investment properties	236,275	236,375	-	-
Subsidiaries	-	-	91,965	91,965
Goodwill	2,595	2,595	-	-
Associates and joint ventures	16,080	16,199	-	-
Trade and other receivables	46,214	28,357	122,030	102,504
Other non-current assets	398	401	-	-
Derivative financial instrument	-	4	-	-
Total non-current assets	357,174	339,609	213,995	194,469
Total assets	704,728	712,603	225,427	228,655
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	98,709	161,224	5,000	5,000
Trade and other payables	122,329	120,754	19,347	5,757
Current portion of finance leases	368	405	-	-
Term notes	-	39,957	-	39,957
Income tax payable	1,377	1,476	-	-
Total current liabilities	222,783	323,816	24,347	50,714
Non-current liabilities				
Borrowings	246,722	171,289	17,500	20,000
Trade and other payables	39,235	37,174	-	-
Finance leases	326	523	-	-
Term notes	26,873	-	26,873	-
Deferred tax liabilities	249	266	-	-
Total non-current liabilities	313,405	209,252	44,373	20,000
Capital, reserves and non-controlling interests				
Share capital	154,189	150,391	154,189	150,391
Reserves	675	675	31	31
Translation and other reserves	1,051	467	-	-
Retained earnings	21,195	36,777	2,487	7,519
Equity attributable to owners of the Company	177,110	188,310	156,707	157,941
Non-controlling interests	(8,570)	(8,775)	-	-
Total equity	168,540	179,535	156,707	157,941
Total liabilities and equity	704,728	712,603	225,427	228,655

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

	As at 30.09.2018		As at 31.12.2017	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	89,470	9,607	154,502	47,084
Amount repayable after one year	246,643	27,278	171,272	540
Total	336,113	36,885	325,774	47,624

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 and legal assignment of sales proceeds from the development properties. Certain bank facilities are also secured by corporate guarantees from the Company and 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.

	Group			
	3 months ended		9 months ended	
	30.09.2018 S\$'000	30.09.2017 S\$'000	30.09.2018 S\$'000	30.09.2017 S\$'000
Operating activities				
Loss before income tax	(6,113)	(5,551)	(10,351)	(20,794)
Adjustments for:				
Depreciation expense	2,221	1,246	4,679	3,425
Interest income	(323)	(272)	(839)	(728)
Interest expense	3,534	2,696	9,298	7,652
Impairment loss on development properties	566	-	566	-
Fair value change in derivative financial instrument	-	(2)	4	85
Share of loss of associates and joint ventures	170	66	71	184
Gain on disposal of property, plant and equipment, net	10	(2)	(25)	(24)
Impairment (Reversal of impairment loss) on other non-current assets	13	(27)	3	(117)
(Gain) loss in fair value of investment properties	(100)	5,217	100	20,387
Allowance for doubtful receivables, net	168	591	1,153	2,770
Operating cash flows before movements in working capital	146	3,962	4,659	12,840
Trade and other receivables	2,017	(4,960)	25,552	(18,621)
Deposits and prepayments	(379)	(107)	(515)	1,100
Inventories	(141)	(20)	(1,445)	1,137
Development properties	(7,423)	(5,941)	(33,128)	11,063
Trade and other payables	(1,650)	9,428	(5,965)	9,169
Cash (used in) generated from operations	(7,430)	2,362	(10,842)	16,688
Income tax paid	(31)	(215)	(308)	(636)
Interest paid	(3,941)	(3,641)	(10,966)	(10,024)
Net cash (used in) from operating activities	(11,402)	(1,494)	(22,116)	6,028

	Group			
	3 months ended		9 months ended	
	30.09.2018 S\$'000	30.09.2017 S\$'000	30.09.2018 S\$'000	30.09.2017 S\$'000
Investing activities				
Advances to associates and joint ventures	(3,163)	(1,313)	(18,718)	(4,602)
Additional investment in associates and joint ventures	(201)	-	(201)	(2,100)
Addition to investment properties	-	-	-	(8,800)
Dividend received from associate	220	-	220	-
Interest received	323	272	839	728
Purchase of property, plant and equipment	(2,374)	(1,417)	(5,083)	(8,142)
Proceeds from disposal of property, plant and equipment	14	21	151	103
Net cash used in investing activities	(5,181)	(2,437)	(22,792)	(22,813)
Financing activities				
Advance from an associate	-	-	9,600	-
Proceeds from borrowings	24,014	10,718	77,690	36,391
Proceeds from term notes, net	27,000	-	27,000	-
Repayment of borrowings	(25,251)	(9,392)	(64,989)	(35,582)
Repayment of term notes	-	-	(40,000)	-
Repayment of obligations under finance leases	(129)	(184)	(384)	(401)
Proceeds from warrants issued, net	-	-	-	31
Pledged fixed deposits	(1,733)	10	(1,832)	(1,150)
Distribution of funds to non-controlling shareholder on voluntary liquidation of a subsidiary	-	-	-	(307)
Dividends paid to non-controlling shareholders	-	-	-	(65)
Dividends paid	-	-	(1,202)	(589)
Net cash from (used in) financing activities	23,901	1,152	5,883	(1,672)
Increase (Decrease) in cash and cash equivalents	7,318	(2,779)	(39,025)	(18,457)
Cash and cash equivalents at beginning of the period	32,757	71,605	79,092	87,110
Effect of exchange rate changes	488	73	496	246
Cash and cash equivalents at end of the period	40,563	68,899	40,563	68,899

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

Cash and bank balances	40,696	52,238	40,696	52,238
Fixed deposits	7,400	22,239	7,400	22,239
	48,096	74,477	48,096	74,477
Less: pledged cash and fixed deposits	(7,400)	(5,578)	(7,400)	(5,578)
Less: bank overdraft	(133)	-	(133)	-
Cash and cash equivalents at end of the period	40,563	68,899	40,563	68,899

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 (\$'000)</u>	<u>Share capital</u>	<u>Reserves</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, 2017	146,157	644	2,179	61,041	210,021	611	210,632
<i>Total comprehensive loss for the year</i>							
Loss for the year	-	-	-	(19,441)	(19,441)	(8,318)	(27,759)
Other comprehensive loss for the year	-	-	(1,712)	-	(1,712)	(690)	(2,402)
Total	-	-	(1,712)	(19,441)	(21,153)	(9,008)	(30,161)
<i>Transactions with owners, recognised directly in equity</i>							
Effect of liquidation of a subsidiary to non-controlling interest	-	-	-	-	-	(307)	(307)
Issue of warrants	-	362	-	-	362	-	362
Warrants issue expenses	-	(331)	-	-	(331)	-	(331)
Issue of shares pursuant to scrip dividend scheme	4,234	-	-	-	4,234	-	4,234
Dividends paid							
- in cash	-	-	-	(589)	(589)	-	(589)
- in scrip	-	-	-	(4,234)	(4,234)	-	(4,234)
Dividends paid to non-controlling shareholders	-	-	-	-	-	(71)	(71)
Total	4,234	31	-	(4,823)	(558)	(378)	(936)
Balance at December 31, 2017	150,391	675	467	36,777	188,310	(8,775)	179,535
<i>Total comprehensive loss for the period</i>							
Loss for the period	-	-	-	(10,582)	(10,582)	41	(10,541)
Other comprehensive loss for the period	-	-	584	-	584	164	748
Total	-	-	584	(10,582)	(9,998)	205	(9,793)
<i>Transactions with owners, recognised directly in equity</i>							
Issue of shares pursuant to scrip dividend scheme	3,798	-	-	-	3,798	-	3,798
Dividends paid							
- in cash	-	-	-	(1,202)	(1,202)	-	(1,202)
- in scrip	-	-	-	(3,798)	(3,798)	-	(3,798)
Total	3,798	-	-	(5,000)	(1,202)	-	(1,202)
Balance at September 30, 2018	154,189	675	1,051	21,195	177,110	(8,570)	168,540

<u>Company (S\$'000)</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance at January 1, 2017	146,157	-	5,596	151,753
<i>Total comprehensive income for the year</i>				
Profit for the year, representing total comprehensive income for the year	-	-	6,746	6,746
<i>Transactions with owners, recognised directly in equity</i>				
Issue of warrants	-	362	-	362
Warrants issue expenses	-	(331)	-	(331)
Issue of shares pursuant to scrip dividend scheme	4,234	-	-	4,234
Dividends paid				
- in cash	-	-	(589)	(589)
- in scrip	-	-	(4,234)	(4,234)
Total	4,234	31	(4,823)	(558)
Balance at December 31, 2017	150,391	31	7,519	157,941
<i>Total comprehensive loss for the period</i>				
Loss for the period, representing total comprehensive loss for the period	-	-	(32)	(32)
<i>Transactions with owners, recognised directly in equity</i>				
Issue of shares pursuant to scrip dividend scheme	3,798	-	-	3,798
Dividends paid				
- in cash	-	-	(1,202)	(1,202)
- in scrip	-	-	(3,798)	(3,798)
Total	3,798	-	(5,000)	(1,202)
Balance at September 30, 2018	154,189	31	2,487	156,707

1(d)(ii) Details of any changes in the company's share capital arising from right 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, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

	3Q2018		3Q2017	
	No of shares	S\$'000	No of shares	S\$'000
Issue and paid up capital				
As at 1 July	518,068,220	154,189	499,983,810	150,391
Issue of shares pursuant to scrip dividend scheme	-	-	-	-
At 30 September	518,068,220	154,189	499,983,810	150,391

There are no changes in the Company's issued share capital for the three months ended 30 September 2018.

The total number of outstanding warrants as at 30 September 2018 was 120,567,589 (30 September 2017: 120,567,589).

As at the end of 30 September 2018, the Company does not have any outstanding treasury shares and subsidiary holdings of the issuer shares (30 September 2017: 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 30 September 2018 was 518,068,220 (31 December 2017: 499,983,810). 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.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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.

Except 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 2017.

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 a new financial reporting framework - Singapore Financial Reporting Standards (International) ("SFRS(I)"), that is identical to the International Financial Reporting Standards with effect from 1 January 2018. Changes to the Group's accounting policies have been made as required, in accordance with the respective SFRS(I) and SFRS(I) INT.

The adoption of SFRS(I) and SFRS(I) INT does not result in changes to the Group's and Company's current accounting policies and no material adjustments on the initial transition to the new framework. The adoption of new SFRS(I)s effective for annual periods beginning on or after 1 January 2018 has no material effect on the amounts reported for the current period or prior years.

- 6 Loss 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		9 months ended	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
(i) Loss per ordinary share based on weighted average number of shares (in cents)	(1.1)	(0.8)	(2.1)	(3.1)
(ii) Loss per ordinary share based on a fully diluted basis (in cents)	(1.1)	(0.8)	(2.1)	(3.1)
Weighted average number of ordinary shares (in millions)	518.1	500.0	508.0	490.1

The outstanding warrants were not included in the computation of the diluted loss per share as their effect would have been anti-dilutive.

- 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	
	30.09.2018	31.12.2017	30.09.2018	31.12.2017
Net asset value per ordinary share issued (in cents)	34.2	37.7	30.2	31.6
Total number of issued shares at end of the financial period (in millions)	518.1	500.0	518.1	500.0

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

3Q2018 vs 3Q2017

For the quarter under review, the Group's revenue has decreased by 45.9% from S\$51.1 million in 3Q2017 to S\$27.6 million in 3Q2018. The decrease in revenue was due mainly to lower revenue contributions by construction segment from S\$39.2 million to S\$17.4 million, the real estate development segment from S\$3.6 million to S\$0.01 million and partially offset by higher revenue contributed by the distribution segment from S\$4.3 million to S\$5.3 million and the real estate investment segment from S\$4.0 million to S\$4.9 million.

Gross profit decreased 16.6% from S\$9.3 million in 3Q2017 to S\$7.8 million in 3Q2018. However, gross profit margin improved from 18.2% in 3Q2017 to 28.1% in 3Q2018. The improvement in gross profit margin was mainly from real estate investment and construction segments. Improvement from real estate investment segment mainly attributable to improvement in occupancy rate in 3Q2018 as compared to 3Q2017.

General and administrative expenses have increased by 11.0% from S\$4.7 million in 3Q2017 to S\$5.2 million in 3Q2018 due mainly to higher staff costs resulting from higher head count in the construction segment and salaries increment.

Other operating expenses decreased by 35.7% from S\$8.2 million in 3Q2017 to S\$5.3 million in 3Q2018. These were due mainly to a S\$0.1 million fair value gain from investment properties in the current quarter compared to S\$5.2 million fair value loss in 3Q2017. This was partially offset by provision for impairment loss on property unit held for sale and higher depreciation charged as one of the Group's warehouses obtained TOP in December 2017.

Finance costs has increased by 31.1% from S\$2.7 million in 3Q2017 compared to S\$3.5 million in 3Q2018 due mainly to increase in interest rates on borrowings and lower interest capitalised for development properties which has achieved TOP.

The Group reported a loss before income tax of S\$6.1 million in 3Q2018, an increase of S\$0.5 million compared to S\$5.6 million in 3Q2017 mainly due to higher finance costs, allowance for impairment loss on commercial property units and higher depreciation for the period as one of the Group's warehouses obtained TOP in December 2017.

9M2018 vs 9M2017

The Group's revenue for 9M2018 was S\$92.4 million, a decrease of S\$66.6 million compared to S\$159.0 million for 9M2017.

Real estate development segment recorded S\$0.4 million revenue for 9M2018, a decrease of S\$26.9 million compared to S\$27.3 million for 9M2017. The decrease was due mainly to the absence of sales of development units in Singapore and lower contribution from projects in Thailand compared to corresponding period.

Real estate investment segment recorded S\$14.0 million revenue for 9M2018, an increase of S\$2.4 million compared to S\$11.6 million for 9M2017 due mainly to higher occupancy rate from Tuas South Dormitory for 9M2018 compared to 9M2017.

Construction segment recorded revenue of S\$60.5 million for 9M2018, a decrease of S\$42.3 million compared to S\$102.8 million for 9M2017 due to lower revenue recognised from progressive construction work for projects.

Distribution of lubricants and tyres generated S\$17.5 million revenue for 9M2018, an increase of S\$0.2 million from S\$17.3 million in 9M2017. The increase was mainly due to higher contribution from our distribution business in Myanmar.

Due to lower revenue recorded for the period, gross profit decreased by 23.0% to S\$22.9 million for 9M2018 compared to S\$29.8 million for 9M2017. The improvement in gross profit margin was mainly from real estate investment and construction segments. Improvement from real estate investment segment mainly attributable to improvement in occupancy rate in 9M2018 as compared to 9M2017.

Selling and distribution costs decreased by S\$0.6 million to S\$1.1 million for 9M2018 compared to S\$1.7 million for 9M2017 due mainly to the absence of show-flat costs in 9M2018.

General and administrative expenses increased by S\$1.1 million to S\$14.9 million for 9M2018 compared to S\$13.8 million for 9M2017 due mainly to higher staff costs resulting from higher head count in the construction segment and salaries increment.

Other operating expenses decreased by S\$19.9 million to S\$10.3 million for 9M2018 compared to S\$30.2 million for 9M2017. These were mainly due to absence of loss in fair value of investment property, Tuas South dormitory and lower allowance for doubtful receivables in 9M2018 as compared to 9M2017. This was partially offset by provision for impairment loss on property unit held for sale and higher depreciation charged as one of the Group's warehouses obtained TOP in December 2017.

Finance costs increased by S\$1.6 million to S\$9.3 million for 9M2018 compared to S\$7.7 million in 9M2017 due mainly to hike in interest rates on borrowings and lower interest capitalized for development properties which have achieved TOP.

As a result of the above, the Group recorded a loss before income tax of S\$10.4 million in 9M2018 (3Q2017: S\$20.8 million).

Review of working capital, assets and liabilities

The changes in assets and liabilities are as follows:

- i) decrease in current trade and other receivables by S\$25.1 million was mainly due to collection from customers on property development and construction contract customers.
- ii) increase in inventories by S\$1.4 million was mainly due to higher inventory level held for lubricants business and raw materials for pre-cast production.
- iii) increase in development properties by S\$34.2 million was due mainly to development cost incurred for on-going projects.
- iv) increase in non-current trade and other receivables by S\$17.9 million was due mainly to advances provided to a joint venture for purchase of land at Mattar road for future development.
- v) decrease in current borrowings by S\$62.5 million was due mainly to reclassification of loans to non-current borrowings upon restructuring of the loans.
- vi) decrease in current term notes by S\$40.0 million was due to repayment on due date.
- vii) increase in non-current borrowings by S\$75.4 million was due to new loans with repayment due after 12 months.
- viii) increase in non-current term notes by S\$26.9 million arose from issuance of principal amount of S\$27.0 million Series 3 term notes due in July 2021 with coupon rate of 6.0% under the S\$300 million multi-currency medium term notes programme.

Cash and cash equivalents decreased by S\$39.0 million in 9M2018 mainly due to the following items:

- i) net cash used in operating activities of S\$22.1 million mainly attributable to interest payment of S\$11.0 million, development cost incurred for on-going projects of S\$33.1 million, partially offset by collection from trade and other receivables of S\$25.6 million.
- ii) net cash used in investing activities of investing activities of \$22.8 million was mainly due to advances provided to associates and joint ventures ("JV") for purchase of land at Mattar Road for future development and for the JV's working capital amounting to S\$15.6 million.
- iii) net cash inflow from financing activities of S\$5.9 million mainly due to proceeds from borrowings.

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 30 September 2018 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.

The Urban Redevelopment Authority ("URA") reported in its 3rd Quarter 2018 real estate statistics dated 26 October 2018 that prices of private residential properties increased by 0.5% in 3rd Quarter 2018, compared with the 3.4% price increase in the previous quarter.

The local private residential property market condition remains challenging with the latest cooling measures implemented by the Government in July 2018. The Group will continue to assess the Singapore market situation and take appropriate steps to adjust its strategies where appropriate.

One of the properties in the Group's real estate investment segment which started operation in 2016 continues to face challenging market conditions. While the occupancy rates of the property have improved, rental rates are still sluggish. The Group will continue its efforts to improve the contribution from this segment.

While the construction sector for private residential projects despite potential upturn resulting from the recent increased enbloc transactions, continues to be competitive, the Group's established capability to undertake a wide spectrum of projects for both public and private sector clients and ranging from residential, commercial, institutional and industrial, is proven when it successfully clinched a S\$180 million contract from JTC Corporation for a mixed-use building development project in end 2017.

Despite the current challenging conditions, the Group remains confident of its construction segment's performance underpinned by our order book of S\$208 million as at 30 September 2018, to be delivered progressively over the next two years.

The Group continues to remain focused and cautious while exploring new business opportunities both 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. During the period, the following interested person transactions were entered into by the Group:

Name of Interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Listing Manual Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Listing Manual Rule 920 (excluding transactions less than S\$100,000)	
	3 months ended 30 September 2018	9 months ended 30 September 2018	3 months ended 30 September 2018	9 months ended 30 September 2018
	S\$'000	S\$'000	S\$'000	S\$'000
Prestige Resources Pte Ltd	80	240	N.A.	N.A.
TAC Alliance Pte. Ltd.	58	175	N.A.	N.A.
Matsushita Greatwall Corporation Private Limited	75	122	N.A.	N.A.
Sinotac Group Pte Ltd	-	3,380	N.A.	N.A.

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 third quarter financial results of the Group and the Company for the period ended 30 September 2018 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

8 November 2018

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This ensures transparency and allows for easy verification of the data.

Furthermore, it is noted that regular audits are essential to identify any discrepancies or errors early on. This proactive approach helps in maintaining the integrity of the financial statements and prevents any potential issues from escalating.

Date	Description	Amount	Balance
2023-01-01	Opening Balance	1000.00	1000.00
2023-01-15	Revenue from Sales	500.00	1500.00
2023-01-20	Expenses for Rent	(200.00)	1300.00
2023-02-01	Revenue from Services	300.00	1600.00
2023-02-10	Expenses for Utilities	(100.00)	1500.00
2023-02-28	Revenue from Interest	100.00	1600.00



TA CORPORATION LTD

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

NEWS RELEASE

TA CORPORATION ANNOUNCES 9M2018 REVENUE OF S\$92.4 MILLION

- ***Narrowed loss attributable to Owners of the Company to S\$10.6 million in 9M2018***
- ***Construction order book of S\$208.0 million¹, to be delivered progressively over the next two years***

Singapore, November 8, 2018 – 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 revenue of S\$92.4 million for the nine months ended September 30, 2018 (“9M2018”) and narrowed its loss attributable to Owners of the Company from S\$15.2 million for the nine months ended September 30, 2017 (“9M2017”) to S\$10.6 million.

Performance Review

The Group reported a revenue of S\$92.4 million in 9M2018, which was mainly attributed to revenue contributions from its real estate investment, construction and distribution segments.

¹ As at September 30, 2018

For real estate development, the Group recorded a revenue of S\$0.4 million for 9M2018, a decrease of S\$26.9 million compared to the corresponding period last year. This is due mainly to the absence of sales of development units in Singapore and the lower revenue from the projects in Thailand. The Group holds a 20% share in a joint venture with two business partners which successfully secured a land plot at Mattar Road, Singapore in May 2018 for a residential development project. The Group continues to adopt a cautious approach to local real estate development business.

For the construction segment, the Group recorded a revenue of S\$60.5 million in 9M2018, as compared to S\$102.8 million in 9M2017. This was largely due to lower revenue recognised from progressive construction work for projects.

For the real estate investment segment, the Group's revenue for this segment rose by S\$2.4 million from S\$11.6 million in 9M2017 to S\$14.0 million in 9M2018, due mainly to higher occupancy rate at Tuas South Dormitory.

The distribution of lubricants and tyres also recorded an increase of S\$0.2 million to S\$17.5 million for 9M2018, mainly due to higher contribution from the distribution business in Myanmar.

Mr. Neo Tiam Boon (梁添文), Chief Executive Officer and Executive Director of TA Corporation, said, "We are encouraged by improving occupancy rates in our Tuas South Dormitory, backed by increased demand for workers' dormitories from the marine, construction, manufacturing and the steady recovery of the offshore and marine sector. We are also continuing our efforts to improve the rental and occupancy rates of our dormitories."

“Meanwhile, our distribution business has provided steady and recurring income for the Group. In line with our plans to expand the distribution business and network, we have grown our brand portfolio by entering into a joint venture in September 2018 to distribute the ‘Suzuki’ brand of automobiles and spare parts in Myanmar. This is in addition to the recent five-year licensee and distributor contract to produce our own ‘Repsol’ products in Thailand, awarded in May 2018, on top of our existing agreement to distribute lubricant products under the ‘Repsol’ brand in the country.”

BALANCE SHEET HIGHLIGHTS

The Group’s net asset value per share as at September 30, 2018, was 34.2 Singapore cents, compared to 37.7 Singapore cents as at December 31, 2017.

The Group’s cash and bank balances stood at S\$48.1 million with total borrowings of S\$373.0 million as at September 30, 2018. The Group’s gearing ratio as at September 30, 2018, remained healthy at 2.1 times.

OUTLOOK

Based on the real estate statistics released by the Urban Redevelopment Authority on October 26, 2018, prices of private residential properties in Singapore increased by 0.5% in the third quarter of 2018, compared with the 3.4% increase in the previous quarter. The local property market condition remains challenging with the latest cooling measures which took effect on July 6, 2018.

The construction sector for private residential projects remains competitive, despite the potential upturn resulting from the increased en-bloc transactions recently. Despite the current challenging conditions, the Group remains confident of its construction business performance. TA's successful win of a S\$180.0 million contract from JTC Corporation for a mixed-use building development project in end 2017 is testament to its established capability to undertake a wide spectrum of projects ranging from residential, commercial, institutional and industrial for both public and private sector clients. As at September 30, 2018, the Group has an order book of S\$208.0 million to be delivered progressively over the next two years.

Mr. Neo added, "Looking ahead, the Group will continue to assess local and overseas market situation for businesses we operate in and take appropriate steps to adjust our strategies when necessary. We shall remain motivated and guided by our resolve in pursuing strategic business opportunities in Singapore and regionally while exercising caution and financial prudence."

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, *12 on Shan*, 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.

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 and German European School 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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November 8, 2018

1. The first part of the document is a letter from the author to the editor, dated 10/10/1950. The letter discusses the author's interest in the subject of the journal and the author's hope that the editor will accept the author's manuscript for consideration. The author also mentions that the manuscript is enclosed and that the author is available for further discussion if needed.

2. The second part of the document is a letter from the editor to the author, dated 10/15/1950. The editor thanks the author for the letter and the manuscript and informs the author that the manuscript has been accepted for consideration. The editor also mentions that the author's name will be included in the journal and that the author will receive a proof of the article. The editor also mentions that the author's name will be included in the journal and that the author will receive a proof of the article.

3. The third part of the document is a letter from the author to the editor, dated 10/20/1950. The author thanks the editor for the letter and the acceptance of the manuscript. The author also mentions that the author is available for further discussion if needed. The author also mentions that the author is available for further discussion if needed.