

GENERAL ANNOUNCEMENT::BREACH OF NEGATIVE PLEDGE PROVISION AND FINANCIAL COVENANTS

Issuer & Securities

Issuer/ Manager

TA CORPORATION LTD.

Securities

TA CORPORATION LTD W220520 - SG5ED4000009 - CGOW

TACORP S\$27M6%N210726 - SGXF74214317 - MCLB

TA CORPORATION LTD - SG2D87975520 - PA3

Stapled Security

No

Announcement Details

Announcement Title

General Announcement

Date & Time of Broadcast

13-Aug-2020 18:35:10

Status

New

Announcement Sub Title

Breach of Negative Pledge Provision and Financial Covenants

Announcement Reference

SG200813OTHRNMBP

Submitted By (Co./ Ind. Name)

Yap Ming Choo

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

[TA-SGX-Ann-EOD-13082020.pdf](#)

Total size =115K MB



TA CORPORATION LTD.

(Incorporated in the Republic of Singapore)

Co. Registration No. 201105512R

ANNOUNCEMENT

Breach of negative pledge provision and financial covenants pursuant to the Trust Deed for the S\$27,000,000 6.00 Per Cent. Notes due 2021 comprised in Series 003 (ISIN: SGXF74214317) issued under the S\$300,000,000 Multicurrency Medium Term Note Programme

Reference is made to:

- (a) the S\$300,000,000 Multicurrency Medium Term Note Programme (the “**Programme**”) established by TA Corporation Ltd. (the “**Company**”) on 28 August 2013;
- (b) the S\$27,000,000 6.00 Per Cent. Notes due 2021 comprised in Series 003 (ISIN: SGXF74214317) (the “**Notes**”) issued under the Programme;
- (c) the trust deed dated 28 August 2013 entered into between (1) the Company, as issuer, and (2) DB International Trust (Singapore) Limited, as trustee (as amended and supplemented by a supplemental trust deed dated 26 June 2015 and a second supplemental trust deed dated 29 June 2018, the “**Trust Deed**”); and
- (d) the Company’s Unaudited Financial Statements for Half Year Ended 30 June 2020 released on SGXNet on 13 August 2020.

Terms defined in the Trust Deed have the same meanings when used in this announcement, unless otherwise defined herein.

The Company has breached certain clauses of the negative pledge provision and financial covenants of the Trust Deed. Specifically, the Company has not been able to maintain a Consolidated Tangible Net Worth of not less than S\$150,000,000, and a ratio of Consolidated Total Borrowings to Consolidated Tangible Net Worth not exceeding 2.75:1, as at 30 June 2020. Additionally, Sino Holdings (S’pore) Pte Ltd (“**SHSPL**”), a Principal Subsidiary (as defined in the Trust Deed), upon request by one of its lenders (the “**Lender**”), provided certain commercial property units (the “**Secured Properties**”) as security to the Lender for a S\$8,000,000 revolving short term loan facility (the “**Facility**”) granted to SHSPL for the Group’s working capital purposes. The valuation of the Secured Properties available at the point when the security was granted was S\$2,350,000. The amount of the Facility to the then current value of the Secured Properties exceeded the threshold specified in the negative pledge carve-out under Clause 7.1.7 of the Trust Deed and Condition 3(a)(vii) of the Notes, and accordingly the negative pledge provision has been breached. Each of the above breaches constitutes an Event of Default under the Notes.

In view of this, the Company will be launching a consent solicitation exercise (the “**Consent Solicitation**”) on or around 24 August 2020 to, *inter alia*, seek Noteholders’ approval by way of Extraordinary Resolution(s) to waive provisions of the Trust Deed and the Conditions and the occurrence of any Event(s) of Default or Potential Event(s) of Default as a result of the breach of the negative pledge and financial covenants. Further details on the Consent Solicitation will be made available to Noteholders upon launch.

The Company will also be engaging in discussions with Noteholders in connection with the above matters in the week of 24 August 2020.

BY ORDER OF THE BOARD

Yap Ming Choo
Company Secretary

Date: 13 August 2020