
Issuer & Securities**FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS****Issuer / Manager**

TA CORPORATION LTD.

Securities

TA CORPORATION LTD W220520 - SG5ED4000009 - CGOW

TACORP S\$27M6%N230726 - SGXF74214317 - MCLB

TA CORPORATION LTD - SG2D87975520 - PA3

Stapled Security

No

Announcement Details**Announcement Title**

Financial Statements and Related Announcement

Date & Time of Broadcast

26-Mar-2021 18:48:38

Status

New

Announcement Sub Title

Full Yearly Results

Announcement Reference

SG210326OTHRULGZ

Submitted By (Co./ Ind. Name)

Yap Ming Choo / Foo Soon Soo

Designation

Chief Financial Officer / Company Secretary

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please refer to the attached.

Additional Details**For Financial Period Ended**

31/12/2020

Attachments[TACorp 4Q2020 Results.pdf](#)

[TACorp-NR-26032021.pdf](#)

Total size = 1262K MB



TA CORPORATION LTD
(Company Registration No. 201105512R)

Full Year Financial Statements and Dividend Announcement for the Year Ended 31.12.2020

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

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

	Notes	GROUP					
		2H2020 S\$'000	2H2019 S\$'000	Change %	FY2020 S\$'000	FY2019 S\$'000	Change %
Revenue		85,318	119,848	(28.8)	161,984	198,221	(18.3)
Cost of sales		(70,168)	(100,297)	(30.0)	(153,843)	(162,947)	(5.6)
Gross profit		15,150	19,551	(22.5)	8,141	35,274	(76.9)
Other income	1	2,363	4,000	(40.9)	6,689	5,583	19.8
Selling and distribution costs		(519)	(2,482)	(79.1)	(1,085)	(3,000)	(63.8)
General and administrative expenses		(10,133)	(10,749)	(5.7)	(21,012)	(21,483)	(0.2)
Other operating expenses		(29,582)	(6,439)	359.4	(33,639)	(10,777)	212.1
Impairment loss on financial assets		(2,917)	(337)	765.6	(2,968)	(396)	649.5
Share of (loss) profit, net of tax of associates and joint ventures		(154)	341	(145.2)	1,026	678	51.3
Finance costs		(4,892)	(8,023)	(39.0)	(12,253)	(15,540)	(21.2)
Loss before income tax	2	(30,684)	(4,138)	641.5	(55,101)	(9,661)	470.3
Income tax expense	3	(1,361)	(539)	152.5	(2,566)	(1,120)	129.1
Loss after income tax		(32,045)	(4,677)	585.2	(57,667)	(10,781)	434.9
Other comprehensive income (loss):							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation of foreign operations		(1,135)	324	(450.3)	146	938	(84.4)
Share of other comprehensive income (loss) of associates and joint ventures		3	137	(97.8)	491	(1)	(492.0)
Total comprehensive loss for the year		(33,177)	(4,216)	686.9	(57,030)	(9,844)	479.3
Profit (Loss) attributable to :							
Owners of the Company		(27,885)	(3,460)	705.9	(55,804)	(11,057)	404.7
Non-controlling interests		(4,160)	(1,217)	241.8	(1,863)	276	(775.0)
		(32,045)	(4,677)	585.2	(57,667)	(10,781)	434.9
Total comprehensive (loss) income attributable to:							
Owners of the Company		(28,347)	(2,984)	850.0	(55,362)	(10,099)	448.2
Non-controlling interests		(4,830)	(1,232)	292.0	(1,668)	255	(754.1)
		(33,177)	(4,216)	686.9	(57,030)	(9,844)	479.3

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

1. Other income

	Group			
	2H2020 S\$'000	2H2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000
Rental income	825	2,428	1,886	2,701
Management fee	118	250	456	526
Interest income	620	997	1,961	1,638
Grant from government	381	23	1,422	45
Gain on disposal of property, plant and equipment	4	26	12	29
Reversal of impairment loss on other non-current assets	16	-	10	-
Others	399	276	942	644
	2,363	4,000	6,689	5,583

2. Loss before income tax

Loss before income tax for the period is stated after charging/ (crediting) the following:

	Group			
	2H2020 S\$'000	2H2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000
Depreciation expenses	4,858	3,878	8,831	7,365
Impairment loss on financial assets	2,917	337	2,968	396
Loss in fair value of investment properties	18,818	723	19,069	932
Loss on disposal of investment properties	580	-	580	-
Foreign exchange loss	1,966	16	1,255	16
Impairment loss on property, plant and equipment	284	-	284	-
Property, plant and equipment written off	69	263	69	263
(Reversal of impairment loss) Impairment loss on other non-current assets	(16)	10	(10)	14
Interest income	(620)	(997)	(1,961)	(1,638)
Gain on disposal of property, plant and equipment, net	(4)	(26)	(12)	(29)

3. Included in income tax expense is the following:

	Group			
	2H2020 S\$'000	2H2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000
Provision for taxation				
- current year	(1,226)	(697)	(2,452)	(1,234)
- (under) over provision for prior year	(176)	132	(173)	128
	(1,402)	(565)	(2,625)	(1,106)
Deferred tax	41	26	59	(14)
	(1,361)	(539)	(2,566)	(1,120)

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	
	31.12.2020 S\$'000	31.12.2019 S\$'000	31.12.2020 S\$'000	31.12.2019 S\$'000
ASSETS				
Current assets				
Cash and bank balances	54,911	32,859	32	118
Trade and other receivables	53,091	61,138	30,026	25,007
Deposits and prepayments	11,268	11,081	10	6
Inventories	6,646	8,122	-	-
Contract assets	32,697	48,980	-	-
Development properties	287,111	264,681	-	-
Total current assets	445,724	426,861	30,068	25,131
Non-current assets				
Property, plant and equipment	52,867	55,823	-	-
Investment properties	213,560	235,159	-	-
Subsidiaries	-	-	78,104	91,965
Goodwill	2,595	2,595	-	-
Associates and joint ventures	17,840	17,192	-	-
Trade and other receivables	47,607	55,216	97,497	107,597
Other non-current assets	392	382	-	-
Total non-current assets	334,861	366,367	175,601	199,562
Total assets	780,585	793,228	205,669	224,693
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	200,358	193,082	5,000	5,000
Trade and other payables	107,451	115,106	28,052	25,833
Lease liabilities	933	944	-	-
Contract liabilities	101,604	76,625	-	-
Income tax payable	3,441	1,237	-	-
Total current liabilities	413,787	386,994	33,052	30,833
Non-current liabilities				
Borrowings	180,543	165,308	7,500	7,500
Trade and other payables	58,825	56,734	-	-
Lease liabilities	2,002	1,317	-	-
Term notes	26,724	26,929	26,724	26,929
Deferred tax liabilities	236	294	-	-
Total non-current liabilities	268,330	250,582	34,224	34,429

	Group		Company	
	31.12.2020 S\$'000	31.12.2019 S\$'000	31.12.2020 S\$'000	31.12.2019 S\$'000
Capital, reserves and non-controlling interests				
Share capital	154,189	154,189	154,189	154,189
Reserves	675	675	31	31
Translation and other reserves	630	188	-	-
(Accumulated losses) Retained earnings	(48,572)	7,232	(15,827)	5,211
Equity attributable to owners of the Company	106,922	162,284	138,393	159,431
Non-controlling interests	(8,454)	(6,632)	-	-
Total equity	98,468	155,652	138,393	159,431
Total liabilities and equity	780,585	793,228	205,669	224,693

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

	As at 31.12.2020		As at 31.12.2019	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	198,089	3,202	191,191	2,835
Amount repayable after one year	176,300	32,969	166,445	27,109
Total	374,389	36,171	357,636	29,944

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, fixed deposits and legal assignment of sales proceeds from the development properties. Certain bank facilities are also secured by corporate guarantees from the Company, two of its subsidiaries and certain non-controlling 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			
	2H2020 S\$'000	2H2019 S\$'000	FY2020 S\$'000	FY2019 S\$'000
Operating activities				
Loss before income tax	(30,684)	(4,138)	(55,101)	(9,661)
Adjustments for:				
Depreciation expense	4,858	3,878	8,831	7,365
Interest income	(620)	(997)	(1,961)	(1,638)
Finance costs	4,892	8,023	12,253	15,540
Share of loss (profit) of associates and joint ventures	154	(341)	(1,026)	(678)
Gain on disposal of property, plant and equipment, net	(4)	(26)	(12)	(29)
Loss on disposal of investment properties	580	-	580	-
Property, plant and equipment written off	69	263	69	263
Impairment loss on property, plant and equipment	284	-	284	-
(Reversal of impairment loss) Impairment loss on other non-current assets	(16)	10	(10)	14
Loss in fair value of investment properties	18,818	723	19,069	932
Impairment loss on financial assets	2,917	337	2,968	396
Operating cash flows before movements in working capital	1,248	7,732	(14,056)	12,504
Trade and other receivables	(11,231)	(17,298)	15,788	(26,829)
Contract assets	(13,234)	(12,360)	16,283	(22,072)
Contract liabilities	14,715	18,992	21,538	26,673
Deposits and prepayments	3,469	(3,953)	(187)	(4,027)
Inventories	2,946	(1,195)	1,476	(1,082)
Development properties	21	(15,588)	(17,138)	(25,084)
Trade and other payables	2,571	32,003	(5,564)	41,085
Cash generated from operations	505	8,333	18,140	1,168
Income tax paid	(404)	(62)	(412)	(182)
Interest paid	(6,514)	(8,920)	(14,104)	(16,878)
Net cash (used in) from operating activities	(6,413)	(649)	3,624	(15,892)
Investing activities				
Advances to associates and joint ventures	(700)	(3,405)	(2,615)	(6,585)
Dividends received from joint ventures	530	323	530	323
Interest received	1,215	997	1,961	1,638
Purchase of property, plant and equipment	(1,868)	(2,572)	(4,047)	(5,270)
Proceeds from disposal of investment properties	1,950	-	1,950	-
Proceeds from disposal of property, plant and equipment	5	31	14	34
Net cash from (used in) investing activities	1,132	(4,626)	(2,207)	(9,860)

	Group			
	2H2020	2H2019	FY2020	FY2019
	S\$'000	S\$'000	S\$'000	S\$'000
Financing activities				
Advance from an associate	-	2,430	-	5,930
Proceeds from borrowings	109,024	63,888	140,964	91,264
Proceeds from issue of shares in subsidiary to non-controlling shareholders	-	8	-	8
Repayment of borrowings	(87,269)	(52,254)	(117,940)	(79,172)
Repayment of principal portion of lease liabilities	(810)	(613)	(1,451)	(1,225)
Pledged fixed deposits	(608)	2,082	(2,166)	(98)
Dividends paid to non-controlling shareholders	(154)	(87)	(154)	(87)
Net cash from financing activities	20,183	15,454	19,253	16,620
Increase (Decrease) in cash and cash equivalents	14,902	10,179	20,670	(9,132)
Cash and cash equivalents at beginning of the period	30,245	14,447	24,611	33,781
Effect of exchange rate changes	68	(15)	(66)	(38)
Cash and cash equivalents at end of the year	45,215	24,611	45,215	24,611

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

Cash and bank balances	46,345	26,569	46,345	26,569
Fixed deposits	8,566	6,290	8,566	6,290
	54,911	32,859	54,911	32,859
Less: pledged cash and fixed deposits	(9,696)	(7,530)	(9,696)	(7,530)
Less: bank overdraft	-	(718)	-	(718)
Cash and cash equivalents at end of the year	45,215	24,611	45,215	24,611

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.

Group (S\$'000)	Equity attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Reserves	Translation and other reserves	Retained earnings	Total		
Balance at January 1, 2019	154,189	675	(770)	18,289	172,383	(6,808)	165,575
<i>Total comprehensive (loss) income for the year</i>							
Loss for the year	-	-	-	(11,057)	(11,057)	276	(10,781)
Other comprehensive income (loss) for the year	-	-	958	-	958	(21)	937
Total	-	-	958	(11,057)	(10,099)	255	(9,844)
<i>Transactions with owners, recognised directly in equity</i>							
Proceeds from issue of shares to non-controlling shareholders	-	-	-	-	-	8	8
Dividends paid to non-controlling shareholders	-	-	-	-	-	(87)	(87)
Total	-	-	-	-	-	(79)	(79)
Balance at December 31, 2019	154,189	675	188	7,232	162,284	(6,632)	155,652

Equity attributable to owners of the Company

<u>Group (S\$'000)</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Translation and other reserves</u>	<u>Retained earnings (Accumulated losses)</u>	<u>Total</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
Balance at January 1, 2020	154,189	675	188	7,232	162,284	(6,632)	155,652
<i>Total comprehensive (loss) income for the year</i>							
Loss for the year	-	-	-	(55,804)	(55,804)	(1,863)	(57,667)
Other comprehensive income for the year	-	-	442	-	442	195	637
Total	-	-	442	(55,804)	(55,362)	(1,668)	(57,030)
<i>Transactions with owners, recognised directly in equity</i>							
Dividends paid to non-controlling shareholders	-	-	-	-	-	(154)	(154)
Balance at December 31, 2020	154,189	675	630	(48,572)	106,922	(8,454)	98,468

<u>Company (S\$'000)</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Retained Earnings (Accumulated losses)</u>	<u>Total equity</u>
Balance at January 1, 2019	154,189	31	2,981	157,201
<i>Total comprehensive income for the year</i>				
Profit for the year, representing total comprehensive income for the year	-	-	2,230	2,230
<hr/>				
Balance at December 31, 2019	154,189	31	5,211	159,431
<i>Total comprehensive income for the year</i>				
Loss for the year, representing total comprehensive loss for the year	-	-	(21,038)	(21,038)
<hr/>				
Balance at December 31, 2020	154,189	31	(15,827)	138,393

- 1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, subdivision, consolidation, 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.**

There have been no changes to the total number of issued shares of the Company since 31 December 2019.

The total number of outstanding warrants as at 31 December 2020 was 120,567,589 (31 December 2019: 120,567,589).

The Company does not have any outstanding treasury shares and subsidiary holding as at 31 December 2020 (31 December 2019: 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 December 2020 was 518,068,220 (31 December 2019: 518,068,220). The Company has no treasury shares.

- 1(d)(iv) A statement showing all sales, transfers, 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 modifications or emphasis of a matter).**

Not applicable.

- 3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—**
(a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.
This is not required for any audit issue that is a material uncertainty relating to going concern.

None.

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 2019.

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 applicable new/revised Singapore Financial Reporting Framework (International) (SFRS(I)) that become effective for financial period beginning 1 January 2020. The adoption of these new/revised SFRS(I) does not have any material impact to the Group's financial statements.

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			
	2H2020	2H2019	FY2020	FY2019
(i) Loss per ordinary share based on weighted number of shares (in cents)	(5.4)	(0.7)	(10.8)	(2.1)
(ii) Loss per ordinary share based on a fully diluted basis (in cents)	(5.4)	(0.7)	(10.8)	(2.1)
Weighted average number of ordinary shares (in millions)	518.1	518.1	518.1	518.1

As there were no outstanding potentially dilutive ordinary shares, the diluted earnings per ordinary shares were the same as the earnings per ordinary shares based on the weighted average number of 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	
	FY2020	FY2019	FY2020	FY2019
Net asset value per ordinary share issued (in cents)	20.6	31.3	26.7	30.8
Total number of issued shares at end of the financial year (in millions)	518.1	518.1	518.1	518.1

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

- 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

2H2020 vs 2H2019

The Group's revenue for 2H2020 was S\$85.3 million, a decrease of S\$34.5 million compared to S\$119.8 million in 2H2019. The decrease in revenue was mainly due to a significant decline in contribution from construction segment. Correspondingly, gross profit decreased from S\$19.6 million to S\$15.0 million.

While construction activities gradually resumed at the slow pace from end June 2020 when the government progressively uplifted the temporary suspension of construction work imposed in early April 2020, delays in construction activities resulting from various safe management measures implemented by the government to contain further spread of COVID-19 continued to impact construction progress. Manpower shortage and supply-chain disruptions continued to affect construction progress. These resulted in lower construction progress billings for 2H2020.

Other income decreased by S\$1.6 million to S\$2.4 million in 2H2020 compared to S\$4.0 million in 2H2019. The decrease was mainly due to lower rental income from service apartments as a result of stringent travel restrictions and low demand for international travel due to the COVID-19 pandemic.

Selling and distribution costs decreased by S\$2.0 million to S\$0.5 million in 2H2020 compared to S\$2.5 million in 2H2019 due to lower marketing costs incurred for an overseas property development project.

Other operating expenses increased by S\$23.2 million to S\$29.6 million in 2H2020 compared to S\$6.4 million in 2H2019. These were mainly due to higher impairment loss on investment properties and foreign exchange loss.

Impairment loss on financial assets increased by S\$2.6 million to S\$2.9 million in 2H2020 compared to S\$0.3 million in 2H2019 mainly due to impairment loss recognised on trade receivables, associate and joint ventures.

Finance costs decreased by S\$3.1 million to S\$4.9 million in 2H2020 compared to S\$8.0 million in 2H2019 mainly due to lower interest rates on borrowings.

FY2020 vs FY2019

The Group's revenue for FY2020 was S\$162.0 million, a decrease of S\$36.2 million compared to S\$198.2 million in FY2019.

Construction segment recorded revenue of S\$117.2 million in FY2020, a decrease of S\$36.5 million compared to S\$153.7 million in FY2019. The decrease was due to lower construction activities from the temporary suspension of construction work as a result of the imposition of Circuit Breaker measures in early April 2020 by the Singapore government in response to the Covid-19 pandemic. Subsequent slow resumption of construction activities amid manpower shortage and supply-chain disruption resulting from safe management measures and other regulations also impacted construction activities resulting in lower revenue achieved.

Distribution segment generated S\$22.9 million revenue in FY2020, an increase of S\$1.5 million from S\$21.4 million in FY2019. The increase was mainly due to higher contribution from our distribution business in Myanmar.

Gross profit decreased by 77.2% from S\$35.3 million in FY2019 to S\$8.0 million in FY2020. The decrease in gross profit was mainly due to higher material, equipment and manpower costs, and higher provision for costs due to disruptions and delays in construction progress.

Other income increased by S\$1.1 million to S\$6.7 million in FY2020 compared to S\$5.6 million in FY2019. The increase was mainly due to grants from the Singapore government.

Selling and distribution costs decreased by S\$1.9 million to S\$1.1 million in FY2020 compared to S\$3.0 million in FY2019 due to lower marketing costs incurred for an overseas property development project.

Other operating expenses increased by S\$22.8 million to S\$33.6 million in FY2020 compared to S\$10.8 million in FY2019. These were mainly due to higher impairment loss on investment properties and foreign exchange loss.

Impairment loss on financial assets increased by S\$2.6 million to S\$3.0 million in FY2020 compared to S\$0.4 million in FY2019 mainly due to impairment loss recognised on trade receivables, amount due from associate and joint ventures.

The share of profit, net of tax of associates and joint ventures of S\$1.0 million in FY2020 compared to S\$0.7 million in FY2019 was mainly due to higher share of profit from joint ventures in Myanmar.

Finance costs decreased by S\$3.2 million to S\$12.3 million in FY2020 compared to S\$15.5 million in FY2019 mainly due to lower interest rates on borrowings.

Review of working capital, assets and liabilities

The changes in assets and liabilities are as follows:

- i) decrease in current and non-current trade and other receivables by S\$15.7 million was mainly due to lower progress billings for construction projects resulting from low construction activities due to manpower shortage and supply-chain disruption resulting from safe management measures and other regulations following resumption of the temporary suspension of construction work.
- ii) decrease in inventories by S\$1.5 million was mainly due to lower inventory held for trading in distribution segment due to COVID-19 impact.
- iii) decrease in contract assets by S\$16.3 million was mainly due to decrease in accrued income arising from lower revenue recognised from construction contracts.
- iv) increase in development properties by S\$22.4 million was mainly due to development cost incurred for on-going property development projects.
- v) decrease in property, plant and equipment by S\$3.0 million was mainly due to depreciation charged for the year.
- vi) decrease in investment properties by S\$21.6 million was mainly due to loss in fair value of investment properties.
- vii) increase in associates and joint ventures by S\$0.6 million as a result of share of profit for FY2020.
- viii) increase in net borrowings by S\$22.5 million was mainly due to additional loans obtained for construction projects and property development project financing purposes.
- ix) decrease in current and non-current trade and other payables by S\$5.6 million were mainly due to payment of trade payable for construction segment.
- x) lease liabilities increased by S\$0.7 million were mainly due to recognition of lease obligations for motor vehicles.
- xi) increase in contract liabilities by S\$25.0 million was mainly due to higher progress payments billed as compared to recognition of revenue.

Cash and cash equivalents increased by S\$20.7 million in FY2020 mainly due to the following items:

- i) net cash generated from operating activities of S\$3.6 million was mainly attributable to collection from construction projects and partially offset by development cost incurred for on-going project and interest payment.
- ii) net cash generated from financing activities of S\$19.3 million was mainly due to additional financing used for construction projects and property development project.

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

The Group's unaudited results for the financial year ended 31 December 2020 are in line with the Company's profit guidance announcement on 3 August 2020.

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 construction sector shrank 28.5% year-on-year in the fourth quarter of 2020, improving from the 46.2% contraction in the third quarter¹, mainly due to the resumption of construction activities following the easing of circuit-breaker measures for the construction industry wef 2 June 2020.

The Building and Construction Authority (BCA) expects construction demand to recover progressively and forecasts that S\$23 billion to S\$28 billion worth of construction contracts will be awarded in 2021².

While the Group's construction activities have gradually resumed at a slow pace since end June 2020, the Group expects the outlook for its construction segment to continue to be very challenging due to continued shortage of manpower, higher material costs, additional costs to comply with safe management and continued delays in construction progress.

On the property development front, latest statistics from the Urban Redevelopment Authority showed that for the whole of 2020, developers launched 10,833 units for sale and sold 9,982 units, compared to 11,345 units launched and 9,912 units sold in 2019. For the whole of 2020, prices of private residential properties increased by 2.2%, compared with the 2.7% increase in 2019.³

The Group's on-going property development projects in Thailand and Cambodia are both targeted to be completed by second quarter 2021, despite disruptions caused by COVID-19 pandemic. The Group will be able to recognize revenue from these projects upon handover of sold units to buyers.

The Group's dormitory business is expected to continue to be challenging. The Singapore government impending new safe management measures for dormitories are likely to be imposed in 2021.

The Group's distribution business in Myanmar is facing severe headwind resulting from political uncertainty in Myanmar as the military of Myanmar seized power and declared a one-year state of emergency from 1 February 2021. As the situation is still evolving and outcomes are uncertain, the Group will continue to monitor the situation and impact on the operations and financial performance for its Myanmar's entities.

As at 31 December 2020, the Group's construction order book is S\$373.8 million to be delivered progressively over the next two years.

Given the very challenging outlook for the Group's core businesses, the Group continues to stay vigilant and agile to navigate these uncertain and difficult times. The Group will remain focus on conserving cash and cost control, and will exercise caution when exploring 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.

¹ "Singapore's GDP Contracted by 3.8 Per Cent in the Fourth Quarter of 2020", Ministry of Trade and Industry, 4 January 2021

² "2021 construction demand forecast to recover", The Business Times, 19 January 2021

³ Release of 4th Quarter 2020 real estate statistics – Urban Redevelopment Authority, January 22, 2021

(d) Books closure date

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended to conserve cash.

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 year, the following interested person transactions were entered into by the Group:

Name of Interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year 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)	
		2H 2020 S\$'000	FY2020 S\$'000	2H2020 S\$'000	FY2020 S\$'000
<u>Prestige Resources Pte Ltd</u> Management service from Interested Person	Associate of directors - Liong Kiam Teck ("LKT"), Neo Tiam Boon ("NTB"), Neo Tiam Poon @ Neo Thiam Poon ("NTP"), and Neo Thiam An ("NTA")	241	421	N.A.	N.A.
<u>TAC Alliance Pte. Ltd.</u> Management service from Interested Person	Associate of directors - LKT, NTB, NTP and NTA	114	229	N.A.	N.A.
<u>Sinotac Group Pte. Ltd</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Associate of directors - LKT, NTB, NTP and NTA	264	527	N.A.	N.A.
<u>Neo Tiam Boon</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director and his spouse	84	165	N.A.	N.A.
<u>Liong Kiam Teck</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director	60	120	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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group's segment information is as follows:

	Construction S\$'000	Real estate investment S\$'000	Real estate development S\$'000	Distribution S\$'000	Others S\$'000	Elimination S\$'000	Total S\$'000
2020							
REVENUE							
External revenue	117,177	21,850	41	22,916	-	-	161,984
Inter-segment revenue	25,322	1,271	704	8,433	-	(35,730)	-
	142,499	23,121	745	31,349	-	(35,730)	161,984
RESULT							
Segment result	(38,819)	(4,141)	(4,411)	3,369	(807)	-	(44,809)
Interest income	619	1,277	8	57	-	-	1,961
Finance costs	(1,546)	(5,266)	(2,865)	(399)	(2,177)	-	(12,253)
(Loss) Profit before income tax	(39,746)	(8,130)	(7,268)	3,027	(2,984)	-	(55,101)
Income tax expense	53	(2,168)	40	(491)	-	-	(2,566)
(Loss) Profit for the year	(39,693)	(10,298)	(7,228)	2,536	(2,984)	-	(57,667)
STATEMENT OF FINANCIAL POSITION							
Segment assets	128,849	321,540	308,195	20,732	877	-	780,193
Unallocated corporate assets	392	-	-	-	-	-	392
Total assets	129,241	321,540	308,195	20,732	877	-	780,585
Segment liabilities	175,891	200,576	244,515	9,537	51,598	-	682,117
OTHER INFORMATION							
Addition to non-current assets	4,674	140	123	1,236	-	-	6,173
Associates and joint ventures	-	6,658	-	11,182	-	-	17,840
Depreciation expenses	6,318	457	1,255	801	-	-	8,831
Loss in fair value of investment properties	429	18,640	-	-	-	-	19,069
Impairment loss on financial assets	439	2,319	12	198	-	-	2,968
Reversal impairment loss on other non-current assets	(10)	-	-	-	-	-	(10)

2019**REVENUE**

	Construction S\$'000	Real estate investment S\$'000	Real estate development S\$'000	Distribution S\$'000	Others S\$'000	Elimination S\$'000	Total S\$'000
External revenue	153,685	22,459	643	21,434	-	-	198,221
Inter-segment revenue	20,022	361	300	7,136	-	(27,819)	-
	173,707	22,820	943	28,570	-	(27,819)	198,221

RESULT

Segment result	(6,239)	13,300	(4,328)	2,056	(548)	-	4,241
Interest income	307	1,290	6	35	-	-	1,638
Finance costs	(1,873)	(7,273)	(3,546)	(366)	(2,482)	-	(15,540)
(Loss) Profit before income tax	(7,805)	7,317	(7,868)	1,725	(3,030)	-	(9,661)
Income tax expense	(24)	(1,049)	(35)	(12)	-	-	(1,120)
(Loss) Profit for the year	(7,829)	6,268	(7,903)	1,713	(3,030)	-	(10,781)

**STATEMENT OF
FINANCIAL POSITION**

Segment assets	149,475	334,510	290,519	17,368	974	-	792,846
Unallocated corporate assets	382	-	-	-	-	-	382
Total assets	149,857	334,510	290,519	17,368	974	-	793,228
Segment liabilities	152,652	205,661	218,785	8,936	51,542	-	637,576

OTHER INFORMATION

Addition to non-current assets	4,248	83	1,102	176	-	-	5,609
Associates and joint ventures	-	6,496	-	10,696	-	-	17,192
Depreciation expenses	5,156	474	1,329	406	-	-	7,365
Loss in fair value of investment properties	502	430	-	-	-	-	932
Impairment loss on financial assets	204	67	-	125	-	-	396
Impairment loss on other non-current assets	14	-	-	-	-	-	14

Geographical segments

	Singapore S\$'000	Myanmar S\$'000	Cambodia S\$'000	Malaysia S\$'000	Thailand S\$'000	India S\$'000	Total S\$'000
<u>2020</u>							
Revenue	148,108	11,625	2,109	99	-	43	161,984
Non-current assets	317,144	3,340	199	10,496	978	2,704	334,861
<u>2019</u>							
Revenue	184,046	11,181	1,784	413	591	206	198,221
Non-current assets	347,466	3,234	1,087	10,526	1,131	2,923	366,367

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Refer to paragraph 8 above.

17 A breakdown of sales.

	Group		
	2020 S\$'000	2019 S\$'000	Increase / (Decrease) %
Sales reported for first half year	76,666	78,373	(2.2)
Operating loss after tax before deducting non-controlling interests reported for first half year	(25,622)	(6,104)	319.8
Sales reported for second half year	85,318	119,848	(28.8)
Operating loss after tax before deducting non-controlling interests reported for second half year	(32,045)	(4,677)	581.2

18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Neo Tiam Chuan, Nelson	72	Sibling to Liong Kiam Teck, Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An	General Manager in charge of the daily operation of Credence Engineering Pte Ltd since December 2010.	N.A.
Neo Kian Lee	60	Sibling to Liong Kiam Teck, Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An	Site Manager in charge of the properties operation of Sino Holdings (S'pore) Pte Ltd since January 1983.	N.A.
Liong Chai Yin, Fiona	41	Daughter of Liong Kiam Teck and niece of Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An	Manager (Marketing/ Business development (Overseas)), in charge of the marketing and project-related aspects of our real estate development division and the sourcing for real estate development and construction opportunities since year 2002.	N.A.
Liong Cailin, Wendy	38	Daughter of Liong Kiam Teck and niece of Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An	General Manager (Business development), in charge of sourcing and assessing the viability of potential development in Singapore and assisting the Board in assessing the viability of business opportunities.	N.A.

BY ORDER OF THE BOARD

Foo Soon Soo/ Yap Ming Choo
 Company Secretaries
 26 March 2021



TA CORPORATION LTD

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

NEWS RELEASE

TA CORPORATION REPORTS FY2020 FINANCIALS

- ***Financial performance affected by slow construction progress arising from COVID-19 pandemic and higher impairment loss on investment properties***
- ***Focused on execution of construction order book of S\$373.8 million as at December 31, 2020, to be delivered progressively over the next two years***

Singapore, March 26, 2021 – 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, today reported its financial results for the 12 months ended December 31, 2020 (“FY2020”).

The Group recorded a revenue of S\$162.0 million in FY2020, a decrease of S\$36.2 million compared to S\$198.2 million in the previous corresponding year (“FY2019”), primarily due to lower revenue recorded for the construction segment, the Group’s main revenue driver for FY2020.

Revenue for the construction segment stood at S\$117.2 million in FY2020, a decrease of S\$36.5 million compared to S\$153.7 million in FY2019, due to the imposition of Circuit Breaker measures on April 7, 2020 by the Singapore government in response to the COVID-19 pandemic. Subsequent manpower disruption and the implementation of stringent safe management measures have affected construction progress and, consequently, lower revenue recognised.

The Group’s distribution segment generated a revenue of S\$22.9 million in FY2020, an increase of S\$1.5 million from S\$21.4 million in FY2019. This was mainly attributable to higher contribution from the Group’s distribution business in Myanmar.

Correspondingly, the Group recorded a lower gross profit of S\$8.1 million in FY2020, compared to S\$35.3 million in FY2019. The Group's businesses have been impacted by the COVID-19 Circuit Breaker measures and movement control measures implemented in countries where the Group operates.

Other income increased by S\$1.1 million to S\$6.7 million in FY2020 compared to S\$5.6 million in FY2019, mainly due to grants from the Singapore government.

The Group's other operating expenses increased by S\$22.8 million to S\$33.6 million in FY2020 compared to S\$10.8 million in FY2019 principally due to higher impairment loss on investment properties.

BALANCE SHEET HIGHLIGHTS

As at December 31, 2020, the Group's net asset value per share was 20.6 Singapore cents, compared to 31.3 Singapore cents as at December 31, 2019.

The Group's cash and bank balances stood at S\$54.9 million as at December 31, 2020. The Group's gearing ratio as at December 31, 2020, stood at 4.2 times.

Mr. Neo Tiam Boon (梁添文), Chief Executive Officer and Executive Director of TA Corporation said, "It was a very difficult FY2020 for TA Corporation and we are cognisant of the impending challenges ahead. With the resumption of construction activities, we will continue to focus on the execution of our construction order book of S\$373.8 million as at December 31, 2020, to be delivered progressively over the next two years. We will also actively look to strengthen our order book given the progressive recovery in construction demand in Singapore."

OUTLOOK

According to statistics from the Ministry of Trade and Industry (“MTI”), Singapore’s economy contracted by 5.4% in 2020, a reversal from the 1.3% growth recorded in 2019. In terms of GDP growth forecast, the MTI maintained its GDP growth forecast at 4.0% to 6.0% for 2021.

Singapore’s construction sector contracted by 35.9% in 2020, a sharp retraction from the 1.6% growth posted in 2019 weighed down by weaknesses in both public sector and private sector construction works¹.

The Building and Construction Authority (“BCA”) expects construction demand to recover progressively, and forecast S\$23 billion to S\$28 billion worth of construction contracts to be awarded in 2021. Of which, the public sector is expected to drive demand with projected contributions of between S\$15 billion and S\$18 billion. Private sector construction demand is projected to be between S\$8 billion and S\$10 billion in 2021². In the near term however, demand is not expected to return to pre-COVID-19 levels as investors are likely to remain cautious.

On the local property development front, latest statistics from the Urban Redevelopment Authority showed that for the whole of 2020, developers launched 10,833 units for sale and sold 9,982 units, compared to 11,345 units launched and 9,912 units sold in 2019. For the whole of 2020, prices of private residential properties increased by 2.2%, compared with the 2.7% increase in 2019³. Moving forward, the Group will focus on pushing sales for its 265-unit 99-year leasehold residential development – *The Antares* on Mattar Road, launched by the Group’s 20%-owned associate FSKH Development Pte. Ltd. in September 2019.

¹ *MTI Maintains 2021 GDP Growth Forecast at “4.0 to 6.0 Per Cent” – Ministry of Trade and Industry Singapore, February 15, 2021*

² *Public Sector Construction Demand to Support the Sector’s Recovery – Building and Construction Authority, January 18, 2021*

³ *Release of 4th Quarter 2020 real estate statistics – Urban Redevelopment Authority, January 22, 2021*

The Group's ongoing overseas property development projects in Thailand and Cambodia are both targeted to be completed by second quarter of 2021, despite disruptions caused by the COVID-19 pandemic. The Group will be able to recognise revenue from these projects upon the handover of sold units to buyers.

The Group's dormitory business is expected to remain challenging. The Singapore government's impending new safe management measures for dormitories are likely to be imposed in 2021.

In Myanmar, a one-year state of emergency was declared on February 1, 2021 following the military coup, and the political situation continues to evolve and remains unclear at this point in time. Business disruptions and economic slowdown are expected, compounding the challenges brought about by the COVID-19 pandemic. As the situation evolves, the Group is keeping a close eye on the developments and its impact on its distribution business in Myanmar and at the same time, ensure the utmost safety of our staff in Myanmar.

Given the very challenging outlook for the Group's core businesses, the Group will continue to stay vigilant and agile to navigate these uncertain and difficult times. Moving forward, the Group will remain focused on cash conservation and cost control, and exercise caution when exploring business opportunities locally and overseas.

- End -

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. 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*.

The Group has also successfully ventured overseas through joint ventures in property development projects in China, Thailand, and Cambodia. Its regional portfolio includes 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. The development is substantially completed, and full completion is expected in 2Q2021, barring further escalations of the COVID-19 situation.

In September 2019, the Group's 20%-owned associate FSKH Development Pte. Ltd., launched its 265-unit 99-year leasehold residential development – *The Antares* on Mattar Road.

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, German European School Singapore as well as Florence Development Pte. Limited (A unit of Logan Property 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 C & T Corporation, Samsung-Koh Brothers Joint Venture, LC & T Builder (1971) Pte Ltd, Chuan Lim Construction Pte Ltd, Woh Hup (Private) Ltd, China Communications Construction Company, Wee Hur Construction Pte Ltd, Lian Beng Construction (1988) Pte Ltd, Yee Hong Pte Ltd and Kim Seng Heng Engineering Construction (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 Singapore and 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, and automotive spare parts in Myanmar under the *CASE*, *IVECO* and *ASTRA* brands.

TA Corporation was listed on the SGX Mainboard on November 21, 2011.

ISSUED ON BEHALF OF : TA Corporation Ltd
BY : Citigate Dewe Rogerson Singapore Pte Ltd
105 Cecil Street
#09-01 The Octagon
SINGAPORE 069534
CONTACT : Ms Chia Hui Kheng / Ms Valencia Wong
DURING OFFICE HOURS : +65 6589 2361 / +65 6589 2382
EMAIL : huikheng.chia@citigatedewerogerson.com/
valencia.wong@citigatedewerogerson.com
