



TA CORPORATION LTD.

(Incorporated in the Republic of Singapore) Company
Registration No.: 201105512R

ANNOUNCEMENT

PROPOSED DISPOSAL OF UNITS IN ASCENT@456 – GRANT OF OPTION TO PURCHASE

1. INTRODUCTION

- 1.1. The Board of Directors (the “**Board**”) of TA Corporation Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 31 March 2024 (the “**LOI Announcement**”) in relation to the receipt of a letter of intent (the “**LOI**”) from BA Shoppes Pte. Ltd., a third-party (the “**Purchaser**”) indicating its interest to purchase various units of Ascent@456 situated at 456 Balestier Road, Singapore 329832 as set out paragraph 3.1 of this announcement (collectively, the “**Ascent@456 Properties**”), for a purchase consideration (the “**Purchase Consideration**”) of S\$18,000,000 (the “**Proposed Ascent@456 Disposal**”).

Unless otherwise stated, all capitalised terms used herein shall have the meaning as ascribed to them in the LOI Announcement.

- 1.2. As set out in the LOI Announcement, the Company has submitted an application to the SGX RegCo to seek a waiver from compliance with Rule 1019(1) of the Mainboard Rules (the “**Waiver**”) for the grant of option to purchase the Ascent@456 Properties (the “**OTP**”) prior to obtaining approval from the Company’s shareholders (the “**Shareholders**”). The Board wishes to update that the Company has on 22 April 2024 received the outcome of the Waiver, further details of which are set out in paragraph 10 of this announcement.
- 1.3. The Board wishes to announce that the OTP has been granted to the Purchaser on 23 April 2024.

2. INFORMATION ON THE PURCHASER

Shareholders should note that information relating to the Purchaser in this paragraph and elsewhere in this announcement was provided by the Introducer. The Company and the Board have not independently verified the accuracy and correctness of such information herein.

- 2.1. The Purchaser, BA Shoppes Pte. Ltd., is a company registered in Singapore whose principal business activity is real estate investment. The Purchaser is introduced to the Company by Delasa (S) Pte. Ltd. (the “**Introducer**”) which is a real estate agency registered with the Council for Estate Agencies. The commission payable to the Introducer, being 6% of the Purchase Consideration is S\$1.08 million (“**Commission Payable**”).
- 2.2. To the best of the Company’s knowledge, the Company confirms that the Purchaser and the Introducer are not related to the Group, the Company’s directors, controlling shareholders and their respective associates.

3. INFORMATION ON THE ASCENT@456 PROPERTIES

- 3.1. The Ascent@456 Properties comprise the following units at 456 Balestier Road Singapore

329832 which are held by Quest Homes Pte. Ltd., a wholly owned subsidiary of Cornerstone Builders Pte. Ltd. which is a wholly owned subsidiary of the Company (the “Vendor”):

Name of subsidiary	Units
Quest Homes Pte Ltd	#01-01, #01-03, #01-04, #01-05, #02-01, #02-02, #02-03, #02-04, #02-05, #02-06, #02-07, #02-08, #02-09, #02-10, #02-11 and #02-12

4. SALIENT TERMS OF THE OTP

4.1. Purchase Consideration

The Purchase Consideration of S\$18.00 million (excluding goods and services tax) was arrived at on a willing buyer and willing seller basis, after taking into account, *inter alia*, prevailing market conditions, the Group’s financial position, the latest available valuation of the Ascent@456 Properties as at 31 December 2023, the Purchaser’s offer was the sole written offer received for the Ascent@456 Properties since July 2023, and the collective disposal of the Ascent@456 Properties on an as-is where-is basis. Further details of the valuation of the Ascent@456 Properties are set out in paragraph 5 of this announcement.

4.2. Payment terms

Under the OTP, the Purchase Consideration shall be payable by the Purchaser to the Vendor as follows:

- (a) 1% of the Purchase Consideration placed with the LOI as demonstration of the Purchaser’s interest (“**Good Faith Deposit**”);
- (b) 9% of the Purchase Consideration upon exercise of the OTP, being 4 weeks from the grant of the OTP; and
- (c) 90% of the Purchase Consideration upon completion of the Proposed Ascent@456 Disposal, i.e. within 14 weeks from date of exercise of the OTP (“**Completion Date**”).

The Good Faith Deposit was received on 28 March 2024.

4.3. Conditions precedent

The Proposed Ascent@456 Disposal is subject to the Shareholders’ approval to be obtained at a general meeting (“**General Meeting**”) by the Completion Date.

If Shareholders’ approval is not obtained by the Completion Date, the Vendor may rescind the sale of Ascent@456 Properties, the OTP shall lapse and be *void ab initio* and all sums paid by the Purchaser to the Vendor shall be refunded to the Purchaser.

4.4. Sold “as-is, where-is” and subject to existing tenancy(ies)

The Ascent@456 Properties are sold on an “as-is, where-is” basis and subject to existing tenancy(ies) as may be subsisting as at Completion Date and on the terms and conditions of the respective tenancy agreements.

No new tenancy agreements, or extensions or renewals of the existing tenancies for the Ascent@456 Properties shall be entered or committed into without the prior consent of the Purchaser from the date of the Vendor’s acceptance of the LOI.

In respect of existing tenancy agreements which allow the Vendor to terminate the tenancy in the event of a sale of such tenanted unit, the Vendor shall, within five business days after the

Purchaser exercises the OTP, serve a notice of termination to the tenant to require the tenant to deliver vacant possession of the tenanted unit on the expiry of three months from the date of service of such notice.

5. VALUATION OF THE ASCENT@456 PROPERTIES

- 5.1. The latest available valuation report for the Ascent@456 Properties ("**Valuation Report**") were issued by an independent valuer, Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. ("**Colliers Singapore**"). Based on the Valuation Report, the aggregate market value of the Ascent@456 Properties as at 31 December 2023 was S\$27.25 million ("**Market Value**"). Colliers Singapore had considered the comparison method approach to assess and arrive at the market value of the Ascent@456 Properties. The market value is defined in the International Valuation Standards and SISV Valuation Standards and Practice Guidelines as the "estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".
- 5.2. Based on the unaudited net book value of the Ascent@456 Properties as at 31 December 2023 of approximately S\$24.01million ("**Unaudited Net Book Value**") and the Purchase Consideration of S\$18.00 million, the Proposed Ascent@456 Disposal is expected to result in a loss of approximately S\$6.01 million and a deficit of approximately S\$6.01 million over the Unaudited Net Book Value before deducting professional fees and other related expenses.
- 5.3. The unaudited net loss attributable to the Ascent@456 Properties for the financial year ended 31 December 2023 ("**FY2023**") was approximately S\$0.93 million taking into consideration of the combined rentals of various units and its expenses.

6. USE OF PROCEEDS

The Company expects to receive net cash proceeds of approximately S\$1.70 million ("**Net Proceeds**") (after settlement of S\$15.00 million bank loans taken on the Ascent@456 Properties and deducting the Commission Payable of S\$1.08 million and estimated related expenses amounting to S\$0.22 million) from the Proposed Ascent@456 Disposal. The Company intends to utilise the Net Proceeds for payment of borrowings under which the Ascent@456 Properties is charged as security.

7. RATIONALE FOR THE PROPOSED ASCENT@456 DISPOSAL

- 7.1. The Board is of the view that the Proposed Ascent@456 Disposal is in the best interest of the Group as the Ascent@456 Properties do not generate adequate rental income and the Net Proceeds will improve the liquidity of the Group, allowing the Group to reduce its liabilities, reallocate its resources and optimise the utilisation of assets which is in line with the Group's restructuring process.
- 7.2. The Ascent@456 Properties are to be sold at a loss because:
 - (a) the Group is urgent need to improve its liquidity and under pressure to reduce its liabilities and bank borrowings; and
 - (b) the existing rental yields for the Ascent@456 Properties are currently very low at 1% to 2% per annum and hence, difficult to generate buying interest.

8. FINANCIAL EFFECTS OF PROPOSED ASCENT@456 DISPOSAL, PROPOSED NEW WORLD CENTRE DISPOSAL AND PROPOSED DISPOSALS

- 8.1. The financial effects of the Proposed Ascent@456 Disposal, the proposed disposal of the properties situated at the New World Centre as announced by the Company on 21 March 2024 ("**Proposed New World Centre Disposal**", and together with the Proposed

Ascent@456 Disposal, “**Proposed Disposals**”) and Proposed Disposals on the Group as set out below are for illustrative purposes only and do not reflect the future financial performance and position of the Group after completion of the Proposed Ascent@456 Disposal, Proposed New World Centre Disposal, and Proposed Disposals.

8.2. The financial effects of the Proposed Ascent@456 Disposal, Proposed New World Centre Disposal, and Proposed Disposals are computed based on the latest announced unaudited consolidated financial statements of the Group for the financial year ended 31 December 2023 and on the following bases and assumptions:

- (a) the financial effects on the net tangible asset (“**NTA**”) per ordinary share issued in the capital of the Company (“**Share**”) are computed based on the assumption that the Proposed Ascent@456 Disposal, Proposed New World Centre Disposal and Proposed Disposals were completed on 31 December 2023;
- (b) the financial effects on the loss per Share (“**LPS**”) are computed based on the assumption that the Proposed Ascent@456 Disposal, Proposed New World Centre Disposal and Proposed Disposals were completed on 1 January 2023.

8.3. **NTA per Share**

As at 31 December 2023	Before the completion of the Proposed Disposals	After the completion of the		
		(a) Proposed New World Centre Disposal only	(b) Proposed Ascent@456 Disposal only	(c) Proposed Disposals
NTA (S\$ million)	114.39	106.23	107.08	98.91
Number of Shares	518,068,220	518,068,220	518,068,220	518,068,220
NTA per Share (Singapore cents)	22.08	20.51	20.67	19.09

8.4. **LPS**

As at 1 January 2023	Before the completion of the Proposed Disposals	After the completion of the		
		(a) Proposed New World Centre Disposal only	(b) Proposed Ascent@456 Disposal only	(c) Proposed Disposals
Loss attributable to owners of the Company (S\$ million)	7.63	8.17	7.31	23.11
Weighted average number of Shares	518,068,220	518,068,220	518,068,220	518,068,220
LPS per Share based on weighted average number of Shares (Singapore cents)	1.47	1.58	1.41	4.46

9. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE MAINBOARD RULES

- 9.1. The relative figures computed on the bases set out in Rule 1006 of the Mainboard Rules in respect of the Proposed Ascent@456 Disposal and based on the Company's latest announced unaudited consolidated financial statements for FY2023 are as follows:

Rule	Bases	Relative figure
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	20.99% (Note 1)
1006(b)	The net loss attributable to the assets disposed of, compared with the Group's net profits.	(2.56)% (Note 2)
1006(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	47.60% (Note 3)
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable as the Proposed Ascent@456 Disposal is not an acquisition.
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable as the Proposed Ascent@456 Disposal is not a disposal of mineral, oil or gas assets.

Notes:

- (1) Based on the unaudited net asset value of the Ascent@456 Properties of S\$24,012,000 (rounded to the nearest thousand) and the unaudited net asset value of the Group of S\$114,378,000 (rounded to the nearest thousand) as at 31 December 2023.
- (2) Based on the unaudited net loss attributable to the Ascent@456 Properties of S\$928,000 (rounded to the nearest thousand) and the Group's unaudited net profits of S\$36,246,000 (rounded to the nearest thousand) (including discontinued operations that have not been disposed (where applicable) and before income tax and non-controlling interests) for FY2023.
- (3) Based on the Purchase Consideration of S\$18,000,000 and the Company's market capitalisation of S\$37,818,980 which is determined by multiplying 518,068,220 Shares by the weighted average price of the Company's shares on Singapore Exchange Securities Trading Limited of S\$0.073 (being last traded price on 16 July 2023, the last trading day before the Company requested for a trading halt on 17 July 2023).

- 9.2. As the relative figures for the Proposed Ascent@456 Disposal computed on the bases set out in Rules 1006(a) and 1006 (c) of the Mainboard Rules exceed 20%, the Proposed Ascent@456 Disposal constitutes a "major transaction" as defined under Rule 1014 of the Mainboard Rules and requires the approval of the Shareholders at a General Meeting to be convened.

10. WAIVER FROM RULE 1019 OF THE MAINBOARD RULES

10.1. Application to the SGX RegCo

Under Rule 1019(1) of the Mainboard Rules, if an option to acquire or dispose of assets is not exercisable at the discretion of the issuer, shareholders' approval must be obtained at the time of grant of the option. Accordingly, the Company is required to seek shareholders' approval prior to the grant of the OTP to the Purchaser.

Following the Company's submission of the Waiver to SGX RegCo on 8 April 2024, the SGX RegCo had on 22 April 2024, informed the Company that it had no objection to the Waiver, subject to the following conditions:

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Mainboard Rule 107 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- (b) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company; and
- (c) the Proposed Ascent@456 Disposal will be subject to the requirements of Mainboard Rule 1014 and shareholders' approval prior to the completion of the Proposed Ascent@456 Disposal after the OTP has been exercised by the Purchaser.

As at the date of this announcement, save for item (c) above, all of the conditions to the Waiver have been met.

10.2. Grounds for Waiver

The grounds for the application of the Waiver are as follows:

- (a) The net cash proceeds from the Proposed Ascent@456 Disposal will allow the Group to reduce its liabilities

The Proposed Ascent@456 Disposal will realise Net Proceeds of approximately S\$1.70 million (after settlement of S\$15.00 million bank loans taken on the Ascent@456 Properties and deducting commission payable of S\$1.08 million and other related expenses amounting to S\$0.22 million).

The Net Proceeds are intended to be utilised for payment of borrowings under which the Ascent@456 Properties is charged as security. The Proposed Ascent@456 Disposal would therefore allow the Group to reduce its liabilities, reallocate its resources to improve and optimise the utilisation of assets which is in line with the Group's restructuring process.

- (b) The Proposed Ascent@456 Disposal remains subject to approval from the Shareholders

Option is a customary document in the context of commercial property sale and purchase transactions, which are provided to a prospective purchaser prior to consummation of the actual transaction. This is to ensure that the seller's interests in proceeding with the sale of the property will be safeguarded by way of receipt of an option fee or deposit from the purchaser.

In the event that the Purchaser exercises the OTP, **the Company will still be required to obtain its Shareholders' approval in respect of the Proposed Ascent@456 Disposal pursuant to Rule 1014 of the Mainboard Rules.** The OTP provides that if the Shareholders' approval cannot be obtained by the Completion Date, the Vendor may, at its absolute discretion, rescind the Proposed Ascent@456 Disposal by notice in writing to the Purchaser. Upon rescission, the contract for the Proposed Ascent@456 Disposal shall be *void ab initio* and all sums paid by the Purchaser to the Vendor shall be refunded to the Purchaser without interest or compensation and neither party shall have any claim or demand against the other whatsoever.

On the above basis, the Waiver will not be prejudicial to the interests of the Shareholders. The Shareholders will still be provided with an opportunity to vote on the

Proposed Ascent@456 Disposal prior to completion of the Proposed Ascent@456 Disposal.

(c) Time is of the essence

Having to first convene a General Meeting to obtain the Shareholders' approval prior to or at the time of grant of the OTP would likely result in considerable delay to the grant of the OTP to the Purchaser, and likely to materially and adversely jeopardise the Proposed Ascent@456 Disposal. This will in turn affect the Company's ongoing reorganisation efforts to streamline its operations and work towards a turn-around for the Group.

The offer made by the Purchaser is the only offer which the Company has received to date since private marketing efforts commenced in the July 2023, and has the support of key bank lenders with security over the subject-matter properties. It is in the interests of the Company for the Vendor to grant the OTP as expeditiously as possible to secure the price and the Purchaser's commitment to purchase the Ascent@456 Properties and to safeguard the Company's interests in proceeding with the Proposed Ascent@456 Disposal.

As both the Company and the Purchaser are keen to pursue the Proposed Ascent@456 Disposal without delay, the Waiver sought will help to expedite both parties' commercial intentions.

(d) The Proposed Ascent@456 Disposal does not result in a material change in the business activities and operations of the Group

The Ascent@456 Properties are classified as development properties which are the Group's non-core assets, and they are currently leased to unrelated third party tenants. They are not critical to the Group's principal business activities.

Accordingly, while the Proposed Ascent@456 Disposal is classified as a "major transaction" as defined in Rule 1014 of the Mainboard Rules, the Proposed Ascent@456 Disposal will not affect nor result in a material change in the business activities or operations of the Group.

11. SERVICE CONTRACT

No person will be appointed to the Board, and no service agreements will be entered into by the Group, in connection with the Proposed Ascent@456 Disposal.

12. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company and their respective associates has any interest, director or indirect, in the Proposed Ascent@456 Disposal, other than through their respective shareholdings (if any) in the Company.

13. CIRCULAR AND DOCUMENT FOR INSPECTION

13.1. If the Purchaser exercises the OTP by 21 May 2024, the Company will in due course despatch a circular to Shareholders containing, *inter alia*, further information on the Proposed Ascent@456 Disposal and enclosing the notice of the General Meeting.

13.2. A copy of the OTP and the Valuation Report are available for inspection at the Company's registered office at No. 1 Jalan Berseh, #03-03 New World Centre, Singapore 209037, during normal business hours for a period of three months from the date of this announcement.

Trading of the Company's securities on the Singapore Exchange Trading Limited had been voluntarily suspended by the Company on 17 July 2023.

Shareholders and other stakeholders are advised to read this announcement and any further announcements by the Company carefully, and to exercise caution when dealing in the shares or other securities of the Company. Shareholders and other stakeholders should consult their stockbrokers, bank managers, solicitors, accountants, or other professional advisors if they have any doubt about the actions they should take.

The Company shall make further announcements to update the Shareholders on any material developments in relation to the Proposed Ascent@456 Disposal, including the exercise of the OTP by the Purchaser.

BY ORDER OF THE BOARD

Foo Soon Soo/Tam Siew Kheong
Company Secretaries
24 April 2024