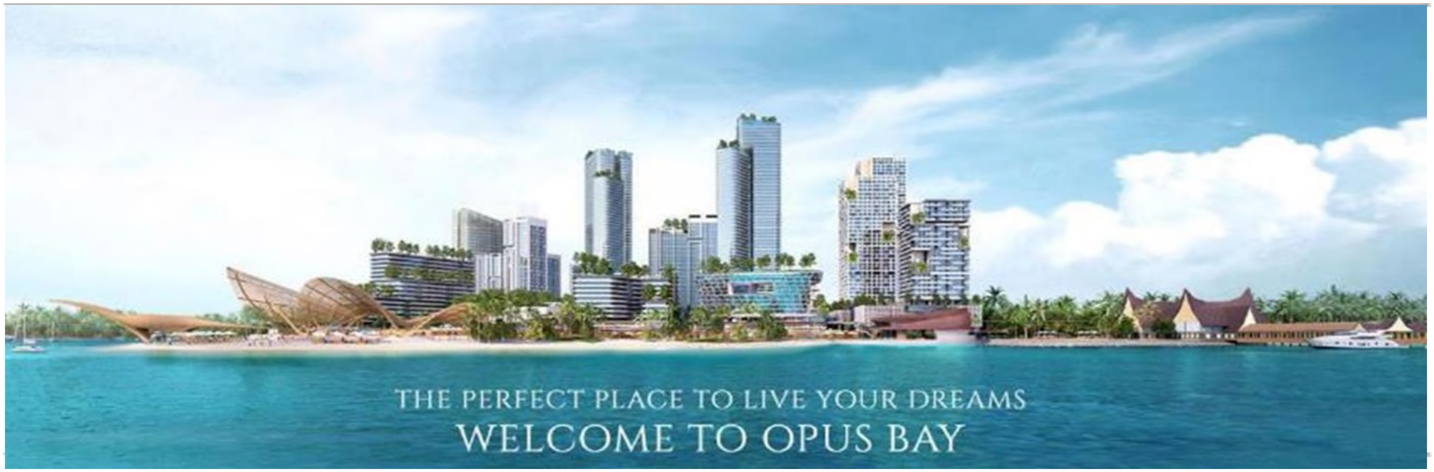
TUAN SING HOLDINGS LIMITED

Creating A Clear Distinction



2H2022 AND FY2022 UNAUDITED RESULTS ANNOUNCEMENT

24 February 2023

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Group Financial Performance

($'m)	2H2022	2H2021	Chg	FY2022	FY2021	Chg
Revenue	111.3	103.1	8%	225.3	248.7	(9%)
Gross profit	40.8	25.9	57%	86.9	70.1	24%
Profit/(Loss) before tax & fair value adjustments	(12.0)	(13.4)	11%	0.4	87.5	(100%)
Profit/(Loss) before tax	(10.2)	(16.8)	39%	0.7	84.1	(99%)
Profit/(Loss) after tax	(6.0)	(18.1)	67%	2.8	81.8	(97%)
Net profit/(loss) attributable to shareholders	(5.1)	(17.1)	70%	4.6	83.7	(95%)
Net profit/(loss) attributable to shareholders (excluding gain on disposal of a subsidiary)	(5.1)	(17.1)	70%	4.6	(5.3)	nm
EPS (cents)	(0.4)	(1.4)	71%	0.4	7.0	(94%)

nm: not meaningful

Overview

- **Revenue increased by 8% to $111.3 million in 2H2021.** The increase was due mainly to higher revenue from Hospitality and Real Estate Investment, partially offset by lower revenue from Industrial Services.
- **Revenue decreased by 9% to $225.3 million in FY2021.** The decrease was due to lower revenue from Industrial Services. Excluding Industrial Services, revenue increased by 14%, driven by higher revenue from Hospitality but partially offset by lower revenue from Real Estate Development.

- **Net loss attributable to shareholders for 2H2022 was lower at $5.1 million, as compared to $17.1 million in the corresponding period last year** due mainly to higher contributions from Hospitality, reflecting the recovery of hotel operations in Australia following the lifting of border restrictions in early 2022, Other Investments and fair value gains, partially offset by higher finance costs.
- **Net profit attributable to shareholders for FY2022 was $4.6 million, a decrease of 95% as compared to the corresponding period last year** due mainly to the non-recurring gain of $89.0 million on disposal of a subsidiary which owned Robinson Point in Singapore in FY2021. Excluding the gain on disposal of the subsidiary from the net profit in FY2021, the net profit in FY2022 was $4.6 million as compared to a net loss of $5.3 million in FY2021 due mainly due to improved performance from Hospitality and Other Investments as well as higher fair value gains, partially offset by lower contribution from Real Estate Investment and higher finance costs. Lower contribution from Real Estate Investment was due mainly to the absence of contribution from Robinson Point, partially offset by higher contributions from other properties in Singapore and Australia.

- **Loss per share for 2H2022 was 0.4 cents, as compared to 1.4 cents for 2H2021.**
- **Earnings per share for FY2022 was 0.4 cents, as compared to 7.0 cents for FY2021.**

Revenue by Segment

($'m)	FY2022	FY2021	Chg
Real Estate Investment	56.0	56.1	-
Real Estate Development	81.7	91.7	(11%)
Hospitality	85.5	45.1	89%
Industrial Services	9.2	59.2	(84%)
Other Investments^^	-	-	-
Corporate@	(7.1)	(3.4)	(107%)
Group Total	**225.3**	**248.7**	**(9%)**

- Revenue decreased mainly due to lower revenue from Industrial Services. Excluding Industrial Services, revenue increased by 14%, driven by higher revenue from Hospitality but partially offset by lower revenue from Real Estate Development.

^^ GulTech and Pan-West were not included as their results were equity accounted for
@ Comprise mainly group-level services and consolidation adjustments

Adjusted EBIT by Segment

($'m)	FY2022	FY2021	Chg
Real Estate Investment	28.5	31.8	(10%)
Real Estate Development	(6.2)	(8.2)	24%
Hospitality	19.1	1.4	1,236%
Industrial Services	(1.9)	(0.6)	(222%)
Other Investments	30.5	26.4	16%
Corporate*	(17.3)	(10.8)	(58%)
Group Total	**52.7**	**40.0**	**32%**

- **Higher Adjusted EBIT due mainly from Hospitality and Other Investments, partially offset by lower Adjusted EBIT from Real Estate Investment.**
- **Hospitality benefited from the recovery of hotel operations in Australia. Other Investments improved due to higher share of profit from Gultech. Real Estate Investment was affected by the absence of contribution from Robinson Point.**

* Comprise mainly group-level services and consolidation adjustments

** Adjusted earnings before interest and tax, excluding the effects of (i) gain or loss on disposal of subsidiaries, joint venture/associate, investment properties, and property, plant and equipment, (ii) fair value gain or loss on investment properties and derivative financial instruments, (iii) revaluation deficit on property, plant and equipment, (iv) impairment/writeback of impairment on investments in joint venture/associate, and property, plant and equipment, (v) loss allowance on interest receivables and (vi) net foreign exchange gain or loss.

Real Estate Investment

- Revenue of $56.0 million in FY2022 was comparable to FY2021. Whilst revenue from commercial properties in Singapore and Australia was higher, this was partially offset by the absence of contribution from Robinson Point which was divested in June 2021. Overall, the Group achieved improved occupancies and average gross rental rates for its investment property portfolio in Singapore.
- Adjusted EBIT decreased by 10% to $28.5 million in FY2022 due mainly to the absence of contribution from Robinson Point.

Real Estate Development

- Revenue decreased by 11% to $81.7 million in FY2022 due mainly to the absence of revenue from Kandis Residence and Sennett Residence. Kandis Residence obtained TOP and all units were fully sold in FY2021, whereas for Sennett Residence, the remaining residential units were sold in FY2021. The decrease in revenue was partially offset by higher progressive revenue recognition of units sold in Peak Residence and Mont Botanik Residence.
- Adjusted EBIT in FY2022 was a lower loss of $6.2 million as compared to a loss of $8.2 million in FY2021. The decrease was due mainly to lower showflat and selling expenses for residential projects in Singapore, partially offset by higher construction costs arising from construction delays

Hospitality

- Revenue increased by 89% to $85.5 million in FY2022 on the back of improved hotel operations in Australia following the lifting of border restrictions in early 2022.
- Correspondingly, Adjusted EBIT improved from $1.4 million in FY2021 to $19.1 million in FY2022.

Industrial Services

- Revenue decreased by 84% to $9.2 million in FY2022 due mainly to the absence of coal delivery.
- Adjusted EBIT was a loss of $1.9 million in FY2022 as compared to a loss of $0.6 million in FY2021. The higher loss was partly due to the absence of contribution from coal delivery as well as expenses related to the privatisation of SP Corporation Limited in FY2022.

Other Investments

- Other Investments comprise mainly the Group's 44.5% equity stake in GulTech. Adjusted EBIT increased by 16% to $30.5 million in FY2022 due mainly to higher net profit contribution as well as the appreciation of United States dollar against Singapore dollar as GulTech's reporting currency is in United States dollar.

Group Financial Position

($'m)	31.12.22	31.12.21	Chg
Total assets	2,657.0	2,764.3	(4%)
Total liabilities	1,432.2	1,499.9	(5%)
Total borrowings	1,278.2	1,352.7	(6%)
Cash and cash equivalents	252.0	405.0	(38%)
Shareholders' equity	1,223.3	1,250.2	(2%)
NAV per share (cents)	100.4	104.0	(3%)
Gross gearing^	1.04x	1.07x	(3%)
Net gearing^^	0.84x	0.75x	12%

^ Gross gearing = total borrowings / total equity

^^ Net gearing = net borrowings / total equity; Net borrowings = total borrowings – cash and cash equivalents

Review of Financial Position

- **Total assets decreased by 4% to $2,657.0 million.**
  - The decrease was due mainly to the decrease in cash and cash equivalents arising mainly from the repayment of borrowings and interest payments as well as the decrease in development properties arising from the sale of residential units. The decrease in total assets was partially offset by the increase in contract assets representing the unbilled consideration for construction works completed in respect of the sold residential units.

- **Total liabilities decreased by 5% to $1,432.2 million.**
  - The decrease was due mainly to the decrease in loans and borrowings arising from the net repayment of bank loans and borrowings and translation loss resulting from the weakening of the Australia dollar against the Singapore dollar.

- **Net gearing increased from 0.75x to 0.84x.** Gross gearing increased from 1.07x to 1.04x.

- **Shareholders' equity decreased by 2% to $1,223.3 million.**

- **Net asset value per share was 100.4 cents per share as at 31 December 2022**, as compared to 104.0 cents as at 31 December 2021.

Group Cash Flow

($'m)	FY2022	FY2021
Operating cash flow	54.9	75.1
Investing cash flow	(78.2)	485.7
Financing cash flow	(111.9)	(366.5)
Foreign currency translation adjustments	(12.5)	3.2
Cash and cash equivalents at period-end^	248.1	395.8
Free cash flow^^	(23.3)	560.8

^ Net of encumbered fixed deposit and bank balances
^^ Free cash flow = operating cash flow + investing cash flow

Review of Cash Flow

- **The Group had cash and cash equivalents of $248.1 million as at 31 December 2022**, as compared to $395.8 million as at 31 December 2021.

- Cash and cash equivalents movement was due mainly to:
  - Operating cash inflow of $54.9 million: mainly from the operating profits, sales of residential properties in Singapore and the collection of trade and other receivables.
  - Investing cash outflow of $78.2 million: mainly to an acquisition of a freehold land at 870 Dunearn Road, deposit paid for the acquisition of commercial properties in China and a loan of $8.0 million to a joint venture. These were partially offset by the repayment of a loan of $5.8 million by a related party.
  - Financing cash outflow of $111.9 million: due mainly to the net repayment of bank loans and borrowings of $52.1 million, interest payments of $48.1 million and acquisition of non-controlling interests in subsidiaries.

Outlook

- The Group is focused primarily on real estate development, real estate investment and hospitality businesses. The Group's well-diversified assets portfolio allowed it to stay resilient amidst the COVID-19 pandemic.

- With rising interest rates and higher construction costs putting pressure on profit margins, the Group is adopting a cautiously optimistic outlook for the real estate market. The global growth projection for 2023 is projected to be 2.9%, which is 0.5% lower than 3.4% growth in 2022[1]. The slowdown is due mainly to continued inflationary pressure and higher interest rates which have sparked fear of a recession.

- **In Singapore,** the Group's commercial properties, 18 Robinson and Link@896, continue to enjoy improving occupancies and contribute to the recurring income for the Group. However, the Singapore office and retail markets slowed down in the second half of 2022, with demand softening on the back of economic headwinds. The commercial sector is expected to cool further, but there may be an uplift with the opening of China borders in January 2023.

[1] https://www.reuters.com/markets/imf-lifts-2023-growth-forecast-china-reopening-strength-us-europe-2023-01-31/

Outlook

- The acquisition of 870 Dunearn Road, the freehold site adjacent to Link@896, was completed in August 2022. With the adjacency of both properties, the combined enlarged site gives a regular-shaped land parcel, ideal for more efficiency planning with wider frontage and improved visibility along Dunearn Road and Bukit Timah Road. Evaluation for the potential redevelopment of these two properties is ongoing.

- On the residential front, Kandis Residence obtained the Certificate of Statutory Completion ("CSC") in August 2022 and the fully sold Mont Botanik Residence obtained the TOP in early 2023. Sales in Peak Residence have also been encouraging, despite the cooling measures announced in September 2022.

- The Singapore residential market rebounded with robust take-up of new project launches with further upward price movement in the second half of 2022. It continues to be resilient in the face of a darkening economic outlook, higher inflation and rising borrowing costs. Market fundamentals remain intact with pent-up local and foreign demand, dwindling stock of unsold units and limited supply pipelines. However, higher construction costs and tight manpower situation have impacted margins and construction schedule.

Outlook

- **In Australia,** the operating term of the Hotel Management Agreement for Grand Hyatt Melbourne has been further extended for five years to 31 December 2027. Grand Hyatt Melbourne continues to benefit from strong domestic and corporate demand, and the Group expects this positive trend to continue for the rest of 2023. With China reopening its borders in January 2023, the Group expects a resurgence of Chinese travellers to Australia and an increase in contributions from international business.

- Hyatt Regency Perth has resumed full operations post state quarantine de-requisition in August 2022. The Perth market has shown strong recovery in the domestic corporate and leisure travels. With the return of international sporting events and conferences, the Group expects higher international visitation to Perth.

- Meanwhile, the stable and improving occupancies at the Group's Melbourne and Perth investment properties are expected to continue to contribute to the performance of the Group in 2023 and beyond. Asset enhancement work at Hyatt Regency Perth complex has commenced and will result in an increase in leasable area that has attracted interest from key tenants.

Outlook

- **In Indonesia,** the Group has commenced construction for the apartments in Balmoral Tower and the villas in Cluny Villas at Batam Opus Bay, a 125-hectare integrated mixed-development township project. Marketing efforts to promote sales are underway with the expected completion of the showvilla in Batam in the first quarter of 2023.

- The Group is also developing an international luxury outlet mall, The Grand Outlet – East Jakarta, in a joint venture with a subsidiary of Mitsubishi Estate Asia. Phase 1 of the outlet mall is expected to be completed and opened for business in the fourth quarter of 2023. About 60% of the outlet mall has been leased to PT Mitra Adiperkasa Tbk ("MAP") as the anchor tenant, bringing in more than twenty well-known brands, including Starbucks and Skechers.

Outlook

- In **China**, GulTech continues to contribute a positive performance in FY2022. The strategic review of the business of its indirect wholly owned China subsidiary, Gultech (Jiangsu) Electronics Co., Ltd, is on-going.

- Meanwhile, construction for the Group's 7.8%-owned Sanya project is expected to be completed in the second half of 2023. With its connectivity as a transportation hub to the Sanya High-Speed Railway Station, light monorail system and inter-city bus interchange, the development, comprising commercial, residential, retail and car parking components, is expected to yield a gross floor area of close to approximately 200,000 square metres for sale or lease. The Group has also entered into sale and purchase agreements to acquire nineteen commercial units in the Sanya project. Completion is expected in the second half of 2023.

Outlook

- The Group will continue to develop its asset portfolio, explore potential strategic partnerships and acquisitions to expand its footprints to seize growth opportunities in Singapore and in key cities in China, Indonesia and Australia where the Group has already a significant presence. The Group is also not averse to consider options and opportunities to divest, develop, streamline, restructure and/or reorganise its non-real estate investments and business when opportunities arise with the view to potential value maximisation.

Thank You

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