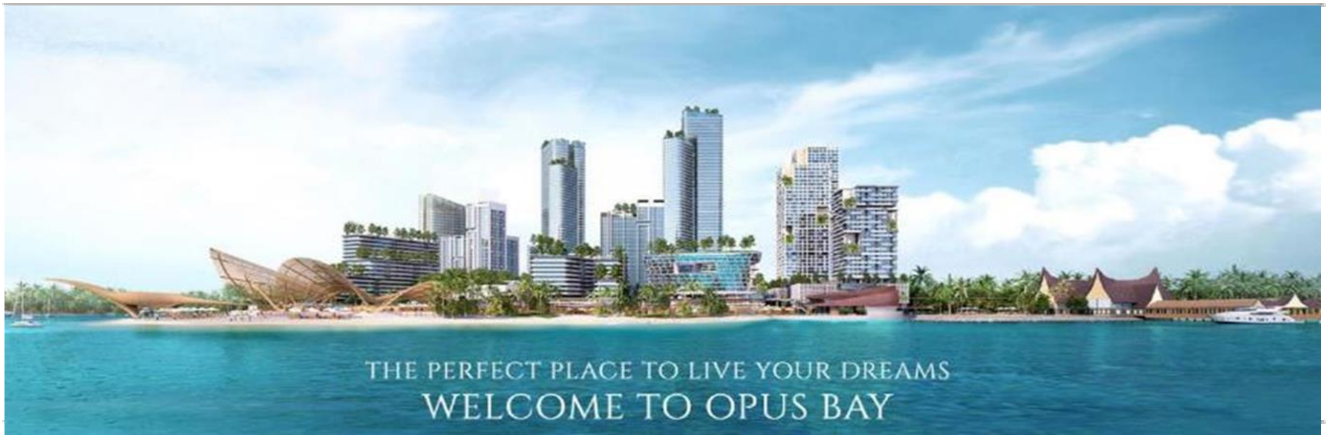
TUAN SING HOLDINGS LIMITED

Creating A Clear Distinction



2H2021 AND FY2021 UNAUDITED RESULTS ANNOUNCEMENT

25 February 2022

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Group Financial Performance

($'m)	2H2021	2H2020	Chg	FY2021	FY2020	Chg
Revenue	101.4	105.0	(3%)	245.3	196.8	25%
Gross profit	20.7	24.1	(14%)	56.8	48.6	17%
Profit/(Loss) before tax & fair value adj	(13.4)	10.9	nm	87.5	14.7	496%
Profit/(Loss) before tax	(16.8)	52.9	nm	84.1	59.9	40%
Profit/(Loss) after tax	(18.1)	52.0	nm	81.8	58.5	40%
Net profit/(loss) attributable to shareholders	(17.1)	52.4	nm	83.7	59.0	42%
EPS (cents)	(1.4)	4.4	nm	7.0	5.0	40%

nm: not meaningful

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Overview

- **Revenue decreased by 3% to $101.4 million in 2H2021.** The decrease was due mainly to lower revenue from Real Estate Development and Real Estate Investment, partially offset by higher revenue from Hospitality.
- **Revenue increased by 25% to $245.3 million in FY2021.** The increase was due to higher revenue from Real Estate Development, Hospitality and Industrial Services, partially offset by lower revenue from Real Estate Investment.

- **Net loss attributable to shareholders for 2H2021 was $17.1 million, as compared to a profit of $52.4 million in the corresponding period last year** due mainly to a net fair value loss from the revaluation of investment properties in 2H2021 vs a net fair value gain in 2H2020, construction delays and higher construction costs for residential projects in Singapore, and the absence of a reversal of accruals for development costs previously capitalised in 2H2020.
- **Net profit attributable to shareholders for FY2021 was $83.7 million, an increase of 42% as compared to the corresponding period last year** due mainly to the gain on disposal of Robinson Point in Singapore and the gradual recovery of the Group's hospitality operations, partially offset by a net fair value loss from the revaluation of investment properties vs a net fair value gain last year, the absence of a reversal of accruals for development costs previously capitalised in FY2020, and construction delays and higher construction costs for residential projects in Singapore.

- **Loss per share for 2H2021 was 1.4 cents, as compared to earnings per share of 4.4 cents for 2H2020.**
- **Earnings per share for FY2021 was 7.0 cents, as compared to 5.0 cents for FY2020.**

Revenue by Segment

($'m)	FY2021	FY2020	Chg
Real Estate Investment	52.7	54.8	(4%)
Real Estate Development	91.7	75.1	22%
Hospitality	45.1	32.8	37%
Industrial Services	59.2	37.4	58%
Other Investments^^	-	-	-
Corporate@	(3.4)	(3.3)	(3%)
Group Total	**245.3**	**196.8**	**25%**

- **Revenue increased due mainly to higher revenue from Real Estate Development, Hospitality and Industrial Services, partially offset by lower revenue from Real Estate Investment.**

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

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Adjusted EBIT by Segment

($'m)	FY2021	FY2020	Chg
Real Estate Investment	31.8	44.1	(28%)
Real Estate Development	(8.2)	3.1	nm
Hospitality	1.4	(6.0)	nm
Industrial Services	(0.6)	(0.6)	-
Other Investments	26.4	25.0	6%
Corporate*	(10.8)	(8.4)	(30%)
Group Total	40.0	57.2	(30%)

- Lower Adjusted EBIT from Real Estate Investment and Real Estate Development, partially offset by higher Adjusted EBIT** from Hospitality and Other Investments.
- Affected by construction delay and higher construction cost for residential projects in Singapore and the absence of a reversal of accruals for development costs previously capitalised in FY2020.

* 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 our investment in joint venture/associate, and property, plant and equipment, (v) loss allowance on interest receivables and (vi) net foreign exchange gain or loss.

nm not meaningful

Real Estate Investment

- Revenue decreased by 4% to $52.7 million in FY2021 due mainly to lower contribution from Robinson Point which was disposed of in June 2021, partially offset by higher contribution from investment properties in Singapore. Overall, the Group achieved improved occupancies and average gross rental rates for its Singapore investment property portfolio.
- Adjusted EBIT decreased by 28% to $31.8 million in FY2021 due mainly to the absence of the reversal of accruals for development costs previously capitalised in FY2020.

Real Estate Development

- Revenue increased by 22% to $91.7 million in FY2021 due mainly to higher progressive recognition of units sold in Mont Botanik Residence.
- Despite the higher revenue, Adjusted EBIT in FY2021 was a loss of $8.2 million as compared to a profit of $3.1 million in FY2020. The decrease was due mainly to construction delays and higher construction costs arising from labour shortage and price hike in construction materials for residential projects in Singapore as well as higher showflat and marketing expenses related to the launch of Peak Residence in Singapore and Balmoral Tower at Opus Bay in Batam.

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Hospitality

- Revenue increased by 37% to $45.1 million in FY2021 on the back of improved hotel operations in Australia largely due to Hyatt Regency Perth's quarantine business and the impact of Grand Hyatt Melbourne's contribution for the full year. Grand Hyatt Melbourne's operations were temporarily suspended from mid-April to mid-November in FY2020.
- Correspondingly, Adjusted EBIT improved from a loss of $6.0 million in FY2020 to a profit of $1.4 million in FY2021.

Industrial Services

- Revenue increased by 58% to $59.2 million in FY2021 due mainly to higher coal prices.
- Despite the higher revenue, Adjusted EBIT remained at a loss of $0.6 million in FY2021 which was similar to FY2020. SP Corp's coal trading margin was fixed based on the quantity of coal delivered and thus did not benefit from the higher coal prices.

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Other Investments

- Other Investments comprise mainly the Group's 44.5% equity stake in GulTech. Adjusted EBIT increased by 6% to $26.4 million in FY2021 due mainly to higher revenue and an increase in scrap sales income following the rise in material prices such as copper.

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Group Financial Position

($'m)	31.12.21	31.12.20	Chg
Total assets	2,764.3	3,143.7	(12%)
Total liabilities	1,502.9	1,970.2	(24%)
Total borrowings	1,352.7	1,465.0	(8%)
Cash and cash equivalents	405.0	274.4	48%
Shareholders' equity	1,250.2	1,160.1	8%
NAV per share (cents)	104.0	97.7	6%
Gross gearing^	1.07x	1.25x	(14%)
Net gearing^^	0.75x	1.01x	(26%)

^ Gross gearing = total borrowings / total equity

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

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Review of Financial Position

- **Total assets decreased by 12% or $379.3 million to $2,764.3 million.**
  - The decrease was due mainly to the decrease in assets held for sale arising from the completion of the disposal of a subsidiary.

- **Total liabilities decreased by 24% or $467.3 million to $1,502.9 million.**
  - The decrease was due mainly to the decrease in liabilities associated with the disposal of a subsidiary and net repayment of loans and borrowings.

- **Net gearing decreased from 1.01x to 0.75x.** Gross gearing decreased from 1.25x to 1.07x.

- **Shareholders' equity increased by 8% or $90.1 million to $1,250.2 million.**

- **Net asset value per share was 104.0 cents per share as at 31 December 2021**, as compared to 97.7 cents as at 31 December 2020.

Group Cash Flow

($'m)	FY2021	FY2020
Operating cash flow	79.6	69.1
Investing cash flow	485.7	67.1
Financing cash flow	(366.5)	(30.2)
Foreign currency translation adjustments	(1.3)	3.4
Cash and cash equivalents at period-end^	395.8	198.4
Free cash flow^^	565.3	136.2

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

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Review of Cash Flow

- **The Group had cash and cash equivalents of $395.8 million as at 31 December 2021**, as compared to $198.4 million as at 31 December 2020.

- Cash and cash equivalents movement was due mainly to:
  - Operating cash inflow of $79.6 million: mainly from the sales of residential projects in Singapore, the refund of the trade deposit and the collection of trade receivables.
  - Investing cash inflow of $485.7 million: mainly from the proceeds from the disposal of a subsidiary and dividends received from an associate. These were partially offset by investments in Indonesia and Singapore.
  - Financing cash outflow of $366.5 million: due mainly to net repayment of loans and borrowings and interest payments, partially offset by release of bank deposits previously pledged as securities for bank facilities.

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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.

- **In Singapore,** rental income from the Group's investment properties has been minimally impacted by the pandemic. During the year, the Group completed the divestment of its indirect wholly-owned subsidiary 39 Robinson Road Pte Ltd. The Group's flagship building – 18 Robinson – as well as Link@896 continue to enjoy improving occupancies while the ongoing asset enhancement work and tenant optimisation at Link@896 is expected to improve recurring income for the Group.

- In August 2021, the Group successfully tendered for a freehold site at 870 Dunearn Road which is located next to and shares the same boundary as Link@896. The acquisition is expected to complete in May 2022. Combined together, these two properties will result in an enlarged site that will yield 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.

Outlook

- On the residential front, the Group obtained temporary occupation permit (TOP) for Kandis Residence in March 2021 amidst the tighter labour supply conditions faced by the construction sector.

- Kandis Residence is fully sold and Mont Botanik Residence has achieved sales of 98%. The Group also soft launched Peak Residence for sale in the second quarter of 2021.

- The Government recently announced further cooling measures to the property market through the tightening of the total debt servicing ratio and the increase in additional buyer's stamp duty rates. Despite the cooling measures, the Group expects buying sentiments in the residential sales market to continue to be fuelled by the ample liquidity in the market amidst dwindling stock of unsold units, although higher construction costs and the tight manpower situation may continue to impact margin and construction schedule.

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Outlook

- **In Australia,** the quarantine business of Hyatt Regency Perth is expected to continue until the first quarter of 2022. Grand Hyatt Melbourne's business was interrupted by the intermittent lockdowns in Melbourne and other parts of Australia during May-November 2021. The reopening of Melbourne's interstate borders since November 2021 has seen an encouraging demand for rooms due to pent-up demand from local and interstate travellers and the festive season in December 2021. With the Australia's borders opening to fully vaccinated international travellers from 21 February 2022, the Group expects demand to improve in 2022. Meanwhile, the renewal and extension of major tenancies at the Group's Melbourne and Perth investment properties is expected to contribute to the performance in 2022 and beyond.

- The Hotel Management Agreement for Grand Hyatt Melbourne expires in December 2022 and the Group has received expression of interest from various international luxury brand operators including that from the incumbent for evaluation and consideration. The Group is also evaluating to redevelop the Melbourne hotel and investment properties into an iconic mixed-use development comprising premium grade office space, luxury retail and dining experiences as well as upper-upscale hotel/serviced residences.

Outlook

- **In Indonesia,** the Group is actively developing Batam Opus Bay, its upcoming 125-hectare integrated mixed development township project, comprising residential living and proposed facilities such as outlet mall, food and beverages, hotel, tourist attractions, international schools, and medical facilities.

- The Group soft launched the sales for Balmoral Tower and Cluny Villas in the first quarter of 2021. Despite travel restrictions, sales have been encouraging. Given its close proximity to Singapore and strong domestic airlinks within Indonesia, Batam possesses strong development potential as a locale for high-quality lifestyle destination for residents and visitors.

- The newly enacted Omnibus Law is also expected to ease foreign ownership restrictions of residential properties and provide a boost for the property market, particularly those of the top-end residential sector.

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Outlook

- **In China,** GulTech continues to contribute a positive performance in FY2021. During the year, Gultech China Pte Ltd ("**Gultech China**"), a wholly-owned subsidiary of GulTech, divested approximately 17.5% of the total shares in the issued share capital of Gultech (Jiangsu) Electronics Co., Ltd ("**Gultech Jiangsu**") to Yonghua Capital, Wens Capital, investment arms of the local authority (Xishan Economic and Technology Development Zone), and entities set up to administer an employee share option plan.

- The onboarding of new shareholders as part of a broader restructuring of Gultech Jiangsu's shareholding capital is in line with its strategic review and positions the company for a possible listing in China.

- Meanwhile, construction for the Group's 7.8%-owned Sanya project is on track. Once completed in the first half of 2023, the development, which will comprise commercial, residential and retail components with connectivity to the Sanya High-Speed Railway Station, will have a total saleable and leasable area of 2.6 million square feet.

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Outlook

- Despite COVID-19, the Group will continue to develop its asset portfolio, explore potential partnerships and acquisitions to grow its well-located businesses in Singapore and the region. 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.

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Thank You

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