



53RD ANNUAL GENERAL MEETING TO BE HELD ON 26 APRIL 2023
RESPONSES TO QUESTIONS RECEIVED FROM
THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

The Board of Directors (“**Board**”) of Tuan Sing Holdings Limited (the “**Company**”) would like to thank the Securities Investors Association (Singapore) (“**SIAS**”) for submitting their questions ahead of the Company’s 53rd Annual General Meeting (“**AGM**”) to be held on 26 April 2023 at 2.00 pm via electronic means. The Company provides herewith its responses to the questions raised by SIAS.

- Q1(i). **Profitability: Has the board set a range/target for the group’s profitability? Is the board satisfied with the recent performance with regard to the group’s 5-year average return on assets of 2.1% per annum? For shareholders’ benefit, what are the nominating committee’s findings when it benchmarked the group’s performance against other mid-sized real estate development and holding companies (page 78)?**

Company’s Response

The Board sets the Group’s performance targets on an annual basis and benchmarks these against other mid-sized real estate development and holding companies. The most recent benchmarking exercise in 2022 concluded that the Group’s five-year return on assets, return on equity and total shareholder returns surpassed the industry benchmarks. This demonstrates our commitment to delivering strong performance and value for our shareholders.

- Q1(ii). **Link@896 and 870 Dunearn Road: What is management’s view on the real estate market in Singapore? Does management perceive a real risk of the government introducing additional cooling measures? When would management be ready to finalise the plans?**

Company’s Response

With the challenges of rising interest rates and higher construction costs putting pressure on profit margins, and the possibility of additional cooling measures, the Group is adopting a cautiously optimistic outlook for the real estate market.

The Singapore office and retail markets experienced a slowdown in the second half of 2022, with demand softening on the back of economic headwinds. We anticipate the commercial sector to cool further, but there may be an uplift with the opening of China borders in January 2023.

Despite a more challenging economic environment, the Singapore residential market has shown resilience, with robust take-up of new project launches and continued 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. Despite cooling measures, 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 will continue to impact margins and construction schedule.

We completed the acquisition of 870 Dunearn Road, adjacent to Link@896, in August 2022. With the adjacency of both properties, the combined enlarged site gives a regular-shaped land parcel which is ideal for more efficient planning with wider and improved visibility along Dunearn and Bukit Timah Roads. Evaluation for the potential use of these two sites is ongoing and we will provide further updates in due course.



TUAN SING HOLDINGS LIMITED
(Company Registration No. 196900130M)

Q1(iii). Peak Residence: What is the sale progress of the project?

Company's Response

Sales at the exclusive 90-unit Peak Residence are progressing within expectation (90% sold/booked). This project is enroute for completion in the first half of 2024.

Q1(iv). Batam Opus Bay: Can management help shareholders better understand how it is going to market Batam Opus Bay to potential buyers? Who is the target audience?

Company's Response

Opus Bay is a 125-hectare site located in western Batam, Sekupang District. The site, which was acquired in phases by the Group in 2018 and 2019, has undergone master planning for an integrated mixed development township with a dedicated ferry terminal. It will comprise residential living, retail with food and beverage, outlet mall, hotels with MICE facilities, offices, tourist attractions, international schools and medical facilities.

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 Indonesians, Singaporeans and other nationals from the region. 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.

The Group has soft-launched Balmoral Tower and Cluny Villas in Singapore. Show flats and show villas in Batam were completed recently on 31 March 2023 and the Grand Launch is planned for 6 May 2023. The 37-storey Balmoral Tower has 559 residential units, offering choice options from studio apartments to three-bedroom units, ideal for investors and holiday home owners, while the limited-edition Cluny Villas present a resort feel with private pool in exclusive setting.

Q2(i). What is management's view on the interest rate trends?

Company's Response

Management's view is that interest rates have either peaked or are peaking and are likely to trend downwards over the next two years.

Q2(ii). Can management confirm that it has not hedged its floating rate borrowings?

Company's Response

The Group actively monitors the interest rates environment and enters into swap agreements as and when the market situation is favourable. The Group took advantage of the recent decline in interest rates to lock in some fixed rates. As of the date of this announcement, interest rates of approximately 40% of the Group's borrowings are fixed.



- Q2(iii). **What guidance has the board provided to management for a more robust approach to manage the group's interest rate risks? Would the board, especially the audit and risk committee (ARC), work with management to ensure proper management of the interest rate risks?**

Company's Response

The Board, including the ARC, is supportive of Management's approach of actively keeping abreast of trends in interest rate movements and seeking refinancing or hedging opportunities to lower the cost of borrowing where possible.

- Q2(iv). **What is the level of natural hedging achieved by the group?**

Company's Response

The Group borrows in the same foreign currency of its underlying investments in overseas properties to match the future revenue streams to be generated from its assets where possible. These measures are in line with the Group's adoption of a natural hedge policy.

- Q2(v). **Has the ARC reviewed the group's foreign currency risk and approved the current approach of not managing this risk?**

Company's Response

As explained in Q2(iv), the Group has adopted a natural hedge policy to manage the foreign currency risk. The ARC reviews the Group's risk management framework, key risk categories and the implementation of risk mitigation plans, which include the management of foreign currency risk, on an annual basis to ensure that the activities of the business remain within the Group's risk appetite. The same is then recommended by the ARC to the Board for approval.

- Q3(i). **What factors are being considered for Gultech Jiangsu's IPO, and when will a decision be made?**
Q3(ii). **Does the recent IPO reform in China impact the proposed IPO of Gultech Jiangsu?**
Q3(iii). **With various options available, such as Shanghai Stock Exchange's STAR Market, Shenzhen Stock Exchange's ChiNext, the main boards of Shanghai and Shenzhen Stock Exchanges, which exchange would be the most appropriate for Gultech Jiangsu?**

Company's Response

The IPO is currently being assessed by Gultech China Pte Ltd's management team, taking into account factors such as the broader macroeconomic environment, geopolitical situation, and optimal valuation. The Board will provide further updates in due course.

BY ORDER OF THE BOARD

Leow May Cin
Company Secretary
20 April 2023