



EGM – The Proposed Share Purchase Mandate

25 APRIL 2014



TUAN SING HOLDINGS LIMITED



Purpose

- To seek Share Purchase Mandate – up to 10%
- Rationale for the Mandate
 - Increase shareholders' value by improving financial ratios (i.e. return on equity (ROE), EPS and NTA per share)
 - Facilitate flexibility in managing funds to maximise returns to shareholders
 - Mitigate short-term market volatility, offset the effects of short-term speculation, support the fundamental value of the issued shares to bolster market confidence
 - Result in a lower number of issued shares in computing EPS and NTA per share
 - Opportunity to realise potential gain if the purchased shares kept as treasury shares are subsequently sold at a higher price



Proposed Share Purchase Mandate

| | |
|--|--|
| Max. Number of Shares | 10% of the total issued shares as at the date of EGM (i.e. 1,172,739,606*10% = 117,273,960 shares) |
| Duration of Authority | From the date of EGM (i.e. 25 April 14), up to the below dates whichever is the earliest: a) Of next AGM b) On which Share Purchase is carried out to the full extent mandated c) On which the Share Purchase Mandate is revoked or varied by the shareholders in a general meeting |
| Manner of Purchase & Max. Price to be Paid | a) Market Purchase – 105% of Average Closing Price b) Off-Market Purchase (Equal Access Scheme) – 110% of Average Closing Price Average Closing Price = average of last dealt prices for the five consecutive Market Days on which the shares are transacted on SGX-ST |



Proposed Share Purchase Mandate

| | |
|----------------------------|---|
| Source of Funds | Either internal or external source of funds, or a combination of both |
| Status of Purchased Shares | Deemed cancelled immediately on purchase unless held as treasury shares |
| Other Considerations | a) Share Purchase may be made as long as the Company is solvent b) No Share Purchase during price sensitive period c) Listing status of the Company would not be adversely affected d) No material adverse effect to the financial position of the Company or the Group as a whole |



Reporting Requirements

- The Company will make appropriate notification to SGX-ST for all Share Purchase, not later than 9:00am
 - Market Purchase: on the next market day
 - Off-Market Purchase: in the 2nd market day after the close of acceptance of the offer



Financial Effects - Illustration Only

- Key assumptions:
 - Average Closing Price: \$0.318 per share
 - No. of shares to be purchased: 10% of total shares issued (i.e. 117,273,960 shares)

| | Max. price of purchase | Max. amount of funds |
|---------------------|---|----------------------|
| Market Purchase | \$0.3339 per share (i.e. 105% * \$0.318 per share) | \$39,158,000 |
| Off-Market Purchase | \$0.3498 per share (i.e. 110% * \$0.318 per share) | \$41,022,000 |



Financial Effects - Illustration Only

Purchased Shares are held as Treasury Shares or Purchased Shares are cancelled

Pro-forma Financial Effects for Tuan Sing Group

| (\$'m) | Before Share Purchase (as per audited FY2013 a/c) | After Share Purchase (Pro Forma) | | | |
|--|---|----------------------------------|---------------------|---------------------|---------------------|
| | | Market Purchase | | Off-Market Purchase | |
| | | Internal resources | External borrowings | Internal resources | External borrowings |
| Profit attributable to shareholders [#] | 52.0 | 52.0 | 50.0 | 52.0 | 49.9 |
| NTA attributable to shareholders | 749.7 | 710.5 | 708.6 | 708.7 | 706.6 |
| EPS (cents) [#] | 4.5 | 5.0 | 4.8 | 5.0 | 4.8 |
| NTA per share (cents) | 63.9 | 67.3 | 67.1 | 67.1 | 66.9 |
| ROE (%) | 7.1 | 7.3 | 7.1 | 7.3 | 7.1 |
| Gross gearing (times) | 1.21X | 1.27X | 1.33X | 1.28X | 1.34X |

All other things remain the same, the Share Purchase would result in an increase in EPS, NTA per share and ROE. However, gearing ratio would be adversely affected

[#] Profit attributable to shareholders and EPS after the Share Purchase using external borrowings have been adjusted for estimated interest expense to be charged



Directors' Recommendation

- Directors recommend that shareholders vote in favour of the Share Purchase Mandate
- The Directors will only exercise the Mandate when they believe it would benefit the Company and its shareholders, taking into account factors such as prevailing market condition and the availability of surplus funds



THANK YOU

For further information, please contact:

Chong Chou Yuen

Group CFO

chong_chouyuen@tuansing.com



TUAN SING HOLDINGS LIMITED