



TUAN SING HOLDINGS LIMITED

Creating A Clear Distinction



EGM – The Proposed Share Purchase Mandate

29 April 2016



Purpose

- To seek Share Purchase Mandate – up to 10%
- Rationale for the Mandate
 - Mitigate short-term market volatility, support the fundamental value of the issued shares
 - 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
 - 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. $1,178,824,988 \times 10\% = 117,882,498$ shares)
Duration of Authority	From the date of EGM (i.e. 29 April 16), up to the below dates whichever is the earliest: <ul style="list-style-type: none">❖ next AGM❖ the Share Purchase is carried out to the full extent mandated❖ the Share Purchase Mandate is revoked or varied by the shareholders in a general meeting
Manner of Purchase & Max. Price to be Paid	<ul style="list-style-type: none">❖ Market Purchase: 105% of Average Closing Price❖ 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 (con't)

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	<ul style="list-style-type: none">❖ Share Purchase may be made as long as the Company is solvent❖ No Share Purchase during price sensitive period❖ Listing status of the Company would not be adversely affected❖ No material adverse effect to the financial position of the Company or the Group as a whole



Reporting Requirements

- The Company will make announcement for all Share Purchases, 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: \$0.312 per share
- No. of shares to be purchased: 10% of total shares issued (i.e. 117,882,498 shares)

	Max. price of purchase	Max. amount of funds
Market Purchase	\$0.3276 per share (i.e. 105%* \$0.312 per share)	\$38,618,000
Off-Market Purchase	\$0.3432 per share (i.e. 110%* \$0.312 per share)	\$40,457,000



Financial Effects – Illustration Only

Pro-forma Financial Effects for Tuan Sing Group

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

	Before (as per audited FY2015 a/c)	After			
		<u>Market Purchase</u>		<u>Off-Market Purchase</u>	
		Internal resources	External borrowings	Internal resources	External borrowings
Profit attributable to shareholders [#]	\$68.8M	\$68.8M	\$66.9M	\$68.8M	\$66.8M
NTA attributable to shareholders	\$876.8M	\$838.2M	\$836.3M	\$836.3M	\$834.3M
EPS (cents) [#]	5.8	6.5	6.3	6.5	6.3
NTA per share (cents)	74.4	79.0	78.8	78.8	78.6
ROE	8.2%	8.4%	8.2%	8.4%	8.2%
Gross gearing	1.25X	1.30X	1.35X	1.31X	1.36X

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 Mandate will only be activated when it would benefit the Company and its shareholders, taking into account factors such as the prevailing market conditions and the availability of adequate funds



Thank You

For further information, please contact:

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