TUAN SING HOLDINGS LIMITED
(Registration No. 196900130M)

PRESS RELEASE

Tuan Sing posts net profit of $9.7 million in 1H2022

Summary of unaudited financial results for the six-month period ended 30 June 2022

	1H2022 $' million	1H2021 $' million	Variance %
Revenue	113.9	143.9	(21)
Net profit attributable to shareholders	9.7	100.7	(90)
Earnings per share (cents)	0.8	8.5	(91)

SINGAPORE – 12 August 2022 - Tuan Sing Holdings Limited ("**Tuan Sing**" or the "**Group**"), a regional real estate company focused on real estate development, real estate investment, and hospitality, has reported net profit attributable to shareholders of $9.7 million for the six months ended 30 June 2022 ("**1H2022**"). This compares to $100.7 million in the previous corresponding period ("**1H2021**"), which included a one-off gain of $89.0 million on disposal of a subsidiary. Excluding the latter, net profit attributable to shareholders in 1H2022 would have been 18% lower compared to $11.7 million in 1H2021.

The Group's revenue decreased 21% to $113.9 million in 1H2022, from $143.9 million in 1H2021. This came largely on the back of a $30.6 million decline in contribution from Industrial Services arising from the absence of coal delivery. Excluding Industrial Services' contribution, revenue was flat compared to last year.

Real Estate Investment also recorded lower revenue contribution of $27.5 million due mainly to the absence of contribution from 39 Robinson Road, which was divested in June 2021. This was partially offset by higher contribution from other properties in Singapore and Australia. Overall, the Group achieved higher occupancies and average gross rental rates for its investment property portfolio in Singapore.

Meanwhile, Real Estate Development recorded lower revenue contribution of $46.3 million in 1H2022 due mainly to the absence of revenue from Kandis Residence. This residential project obtained temporary occupation permit ("**TOP**") and all units were fully sold in 1H2021. The decline in contribution was partially offset by higher progressive revenue recognition of units sold in Mont Botanik Residence.

Hospitality benefitted from the lifting of border restrictions in early 2022 and registered higher revenue contribution of $37.4 million in 1H2022 as a result of improved hotel operations in Australia.

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 2022 has been adjusted downward significantly to 3% from 4.5% previously.[1] The slowdown is due mainly to elevated inflation across the board, lower consumption as well as continued disruptions in the global supply chain.

Mr William Liem, Chief Executive Officer of Tuan Sing, commented, "Notwithstanding the challenges of an uneven recovery post Covid-19 pandemic, the Group has continued to perform consistently in the first half of this year. Our well-diversified assets and business portfolio is a testament to our resilient business model that will continue to serve us well in the long-term.

"Tuan Sing will continue with its business transformation efforts to reposition the Group from a niche developer to a strong regional real estate player. We are confident that our strong foundation, coupled with our effective management and strong execution capabilities, will enable us to thrive ahead."

Property development and investment updates

In Singapore, Tuan Sing's commercial properties, 18 Robinson and Link@896, continue to enjoy improving occupancies and contribute to the recurring income for the Group. The Singapore office market performed well in the first half of 2022, with expansions and new set-ups outpacing workplace downsizing.

The acquisition of the freehold site adjacent to Link@896 (870 Dunearn Road) is expected to complete in August 2022. The adjacency of both properties will result in an enlarged site and 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.

[1] https://www.reuters.com/markets/europe/oecd-slashes-growth-outlook-sees-limited-stagflation-risk-2022-06-08/

On the residential front, the Group expects to obtain the Certificate of Statutory Completion ("**CSC**") for Kandis Residence in the third quarter of 2022. Units at Mont Botanik Residence are almost fully sold off and the Group expects to obtain TOP by the end of 2022. Sales of Peak Residence have picked up momentum going into the second quarter of 2022, despite the cooling measures announced in December 2021. The buying sentiments in the residential sales market are supported by ample liquidity from both locals and foreigners amidst the dwindling stock of unsold units and limited supply pipelines, although higher construction costs and tight manpower situation are expected to continue impacting margins and construction schedule.

In Australia, Hyatt Regency Perth was released from state quarantine requisition on 11 July 2022 and will resume full operations on 22 August 2022. The Perth market has shown strong recovery in the domestic corporate travel and the Group expects this positive outlook to continue post de-requisition.

Grand Hyatt Melbourne's business continues to benefit from pent-up demand from local and interstate travellers since the reopening of Australia's international borders. The Group expects strong domestic and corporate demand to continue for the rest of 2022. Contributions from international business are expected to be gradual until further easing of border restrictions internationally. The Hotel Management Agreement for Grand Hyatt Melbourne expires in December 2022. The Group is in discussion with various international luxury brand operators including the incumbent.

Meanwhile, the stable and improving occupancies at the Group's Melbourne and Perth investment properties are expected to continue to contribute to the performance in 2022 and beyond. Asset enhancement work at Hyatt Regency Perth complex has commenced, which will result in an increase in leasable area that has attracted interest from key tenants.

In Indonesia, Tuan Sing is actively developing Batam Opus Bay, an upcoming 125-hectare integrated mixed-development township project. Construction for the apartments in Balmoral Tower and villas in Cluny Villas has commenced. With the opening of borders in early 2022, the Group is ramping up its marketing efforts to promote sales at these two projects. 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 in the fourth quarter of 2023.

In China, the Group's 44.5% associate, GulTech, continues to deliver a positive performance in 1H2022. Its indirect wholly owned China subsidiary, Gultech (Jiangsu) Electronics Co., Ltd, is undergoing a strategic review of its business, including the possibility of a potential listing in China.

At the same time, construction of the Group's 7.8%-owned Sanya project is on track for completion in the first 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 approximately 200,000 square metres for sale or lease.

The Group will continue to develop its asset portfolio and explore potential strategic partnerships and acquisitions to expand its footprint in Singapore and in key cities in China, Indonesia and Australia. The Group is also open 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 aim of maximising value.

About Tuan Sing Holdings Limited

Tuan Sing Holdings Limited is a regional investment holding company with interests mainly in real estate development, real estate investment and hospitality. Over the years, the Group has developed a portfolio of strategically located real estate assets in Singapore and across the region and established a reputation for the delivery of good quality and iconic developments.

The Group also holds a 44.48% interest in Gul Technologies Singapore Pte. Ltd., a printed circuit board manufacturer with manufacturing plants in China.

Since marking its Golden Jubilee in 2019, Tuan Sing has embarked on a business transformation to reposition itself from a niche developer to a major regional player with a presence in commercial, residential and hospitality properties in various key Asian cities across Singapore, China, Indonesia and Australia. Leveraging on its strengths and track record in property development and investment across a diverse range of property segments, the Group intends to participate in large-scale integrated developments and townships as it enters the next phase of growth.

For more information on Tuan Sing Holdings Limited, please visit http://www.tuansing.com.

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