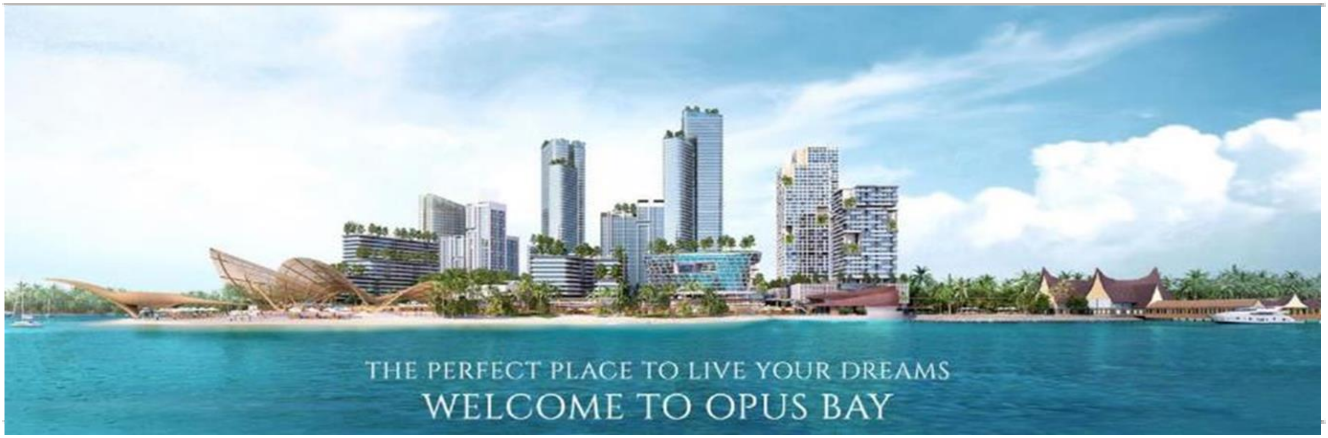
TUAN SING HOLDINGS LIMITED

Creating A Clear Distinction



1H2022 UNAUDITED RESULTS ANNOUNCEMENT

12 August 2022

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Group Financial Performance

($'m)	1H2022	1H2021	Chg
Revenue	113.9	143.9	(21%)
Gross profit	46.0	44.2	4%
Profit before tax & fair value adjustments	12.4	101.0	(88%)
Profit before tax	10.9	100.9	(89%)
Profit after tax	8.8	99.9	(91%)
Net profit attributable to shareholders	9.7	100.7	(90%)
Net profit attributable to shareholders (excluding gain on disposal of a subsidiary)	9.7	11.7	(18%)
EPS (cents)	0.8	8.5	(91%)

Overview

- **Revenue decreased by $30.0 million or 21% to $113.9 million for 1H2022** largely due to a $30.6 million decline in revenue from Industrial Services, attributed by the absence of coal delivery. Excluding Industrial Services, revenue for 1H2022 was comparable to 1H2021.

- **Net profit attributable to shareholders for 1H2022 was $9.7 million, a decrease of $91.0 million** mainly due to the absence of a gain on disposal of Robinson Point of $89.0 million.
- **Excluding the gain on disposal of Robinson Point in 1H2021, net profit attributable to shareholders for 1H2022 was 18% lower as compared to 1H2021.** Whilst performance from Hospitality improved reflecting the recovery of hotel operations in Australia in 1H2022, contributions from Real Estate Development and Real Estate Investment were lower. Lower contribution from Real Estate Development was due mainly to the absence of contribution from Kandis Residence which obtained TOP and was fully sold in 1H2021 as well as higher construction costs arising from construction delays. Lower contribution from Real Estate Investment was due mainly to the absence of contribution from Robinson Point, partially offset by higher contribution from other properties in Singapore and Australia.

- **Earnings per share for 1H2022 was 0.8 cents** as compared to 8.5 cents for 1H2021.

Revenue by Segment

($'m)	1H2022	1H2021	Chg
Real Estate Investment	**27.5**	28.3	(3%)
Real Estate Development	46.3	55.9	(17%)
Hospitality	37.4	25.8	45%
Industrial Services	5.0	35.6	(86%)
Other Investments^	-	-	-
Corporate@	**(2.3)**	(1.7)	(33%)
Group Total Revenue	**113.9**	**143.9**	**(21%)**

Lower revenue was due mainly to Industrial Services. Excluding Industrial Services, revenue for 1H2022 was comparable to 1H2021. Higher revenue from Hospitality was partially offset by lower revenue from Real Estate Investment and Real Estate Development.

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

Adjusted EBIT by Segment

($'m)	1H2022	1H2021	Chg
Real Estate Investment	15.0	18.2	(18%)
Real Estate Development	(0.1)	1.0	nm
Hospitality	8.3	2.7	204%
Industrial Services	(0.6)	-	nm
Other Investments	17.5	16.9	3%
Corporate*	(7.3)	(4.6)	(56%)
Group Total Adjusted EBIT**	32.8	34.2	(4%)

- Higher Adjusted EBIT due mainly from Hospitality, partially offset by lower Adjusted EBIT from Real Estate Investment and Real Estate Development.
- Whilst performance from Hospitality improved due to the recovery of hotel operations in Australia, Real Estate Development was affected by the absence of contribution from Kandis Residence and higher construction costs and Real Estate Investment was affected by the absence of contribution from Robinson Point.

* 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 3% to $27.5 million in 1H2022 due mainly to the absence of contribution from Robinson Point which was disposed of in June 2021, partially offset by higher contribution from other properties in Australia and Singapore. Overall, the Group achieved improved occupancies and average gross rental rates for its investment property portfolio in Singapore.
- Adjusted EBIT decreased by 18% to $15.0 million in 1H2022 due mainly to the decrease in revenue.

Real Estate Development

- Revenue decreased by 17% to $46.3 million in 1H2022 due mainly to the absence of revenue from Kandis Residence. The residential project obtained TOP and all units were fully sold in 1H2021. The decrease was partially offset by higher progressive revenue recognition of units sold in Mont Botanik Residence.
- Adjusted EBIT in 1H2022 was a loss of $0.1 million as compared to a profit of $1.0 million in 1H2021. The decrease was due mainly to higher construction costs arising from construction delays, partially offset by lower showflat and selling expenses for residential projects in Singapore.

Hospitality

- Revenue increased by 45% to $37.4 million in 1H2022 on the back of improved hotel operations in Australia following the lifting of border restrictions early this year.
- Correspondingly, Adjusted EBIT improved by 204% to $8.3 million in 1H2022.

Industrial Services

- Revenue decreased by 86% to $5.0 million in 1H2022 due mainly to the absence of coal delivery.
- Correspondingly, Adjusted EBIT was a loss of $0.6 million in 1H2022 as compared to a profit of $0.002 million in 1H2021.

Other Investments

- Other investments comprised mainly the Group's 44.5% equity stake in GulTech. Adjusted EBIT increased by 3% to $17.5 million in 1H2022 due mainly to the appreciation of United States dollar against Singapore dollar as GulTech's reporting currency is in United States dollar.

Group Financial Position

($'m)	30.06.22	31.12.21	Chg
Total assets	2,742.6	2,764.3	(1%)
Total liabilities	1,478.4	1,499.9	(1%)
Total borrowings	1,334.8	1,352.7	(1%)
Cash and cash equivalents	372.0	405.0	(8%)
Shareholders' equity	1,248.3	1,250.2	-
NAV per share (cents)	102.5	104.0	(1%)
Gross gearing^	1.06X	1.07X	(1%)
Net gearing^^	0.76X	0.75X	1%

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

Review of Financial Position

- **Total assets decreased by 1% or $21.7 million to $2,742.6 million.**
  - The decrease was due mainly to the decrease in cash and cash equivalents arising from repayment of bank loans and interest payments as well as decrease in development properties arising from the sale of residential units.
  - The decrease was partially offset by an increase in contract assets representing the unbilled consideration for construction works completed in respect of the sold residential units.

- **Total liabilities decreased by 1% or $21.6 million to $1,478.4 million.**
  - The decrease was due mainly to the decrease in loans and borrowings arising from the repayment of bank loans and translation loss resulting from the weakening of the Australia dollar against Singapore dollar.

- **Net gearing increased from 0.75x to 0.76x.** Gross gearing decreased from 1.07x to 1.06x.

- **Shareholders' equity decreased by 0.2% or $1.9 million to $1,248.3 million.**

- **Net asset value per share was 102.5 cents per share as at 30 June 2022**, as compared to 104.0 cents as at 31 December 2021.

Group Cash Flow

($'m)	1H2022	1H2021
Operating cash flow	7.7	43.2
Investing cash flow	(5.4)	449.9
Financing cash flow	(31.0)	(440.3)
Foreign currency translation adjustments	(2.7)	(1.2)
Cash and cash equivalents at end of period^	364.4	250.0
Free cash flow^^	2.2	493.1

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

Review of Cash Flow

- **The Group had cash and cash equivalents of $364.4 million** as at 30 June 2022, representing an outflow of $31.4 million since 31 December 2021.

- Cash and cash equivalents movement was due mainly to:
  - Operating cash inflow of $7.7 million: mainly from the operating profits, partially offset by a net outflow arising from construction payments in respect of the residential properties.
  - Investing cash outflow of $5.4 million: mainly due to the loan of $4.0 million to a joint venture and asset enhancement works of $1.1 million on investment properties.
  - Financing cash outflow of $31.0 million: mainly due to the repayment of bank loans of $10.9 million, interest payments of $19.1 million, and ordinary dividend of $2.5 million paid to shareholders. These were partially offset by the release of bank deposits previously pledged as securities for bank facilities of $1.7 million.

Outlook

- The Group is focused primarily on real estate development, real estate investment and hospitality businesses. The Group has embarked on a business transformation to reposition itself from a niche developer to a strong regional real estate player.

- 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% at the beginning of the year.[1] The slowdown is due mainly to elevated inflation across the board, lower consumption as well as continued disruptions in the global supply chain.

- **In Singapore**, the Group'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.

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

Outlook

- 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.

- 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 to impact margins and construction schedule.

Outlook

- **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.

Outlook

- **In Indonesia,** the Group is actively developing Batam Opus Bay, its 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 in 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**, 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.]

- Meanwhile, construction for 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 close to approximately 200,000 square metres for sale or lease.

Outlook

- The Group will continue to develop its asset portfolio, explore potential strategic partnerships and acquisitions to expand its footprints to seize growth opportunities in Singapore and in key cities in China, Indonesia and Australia where the Group has already a significant presence. 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.

Thank You

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