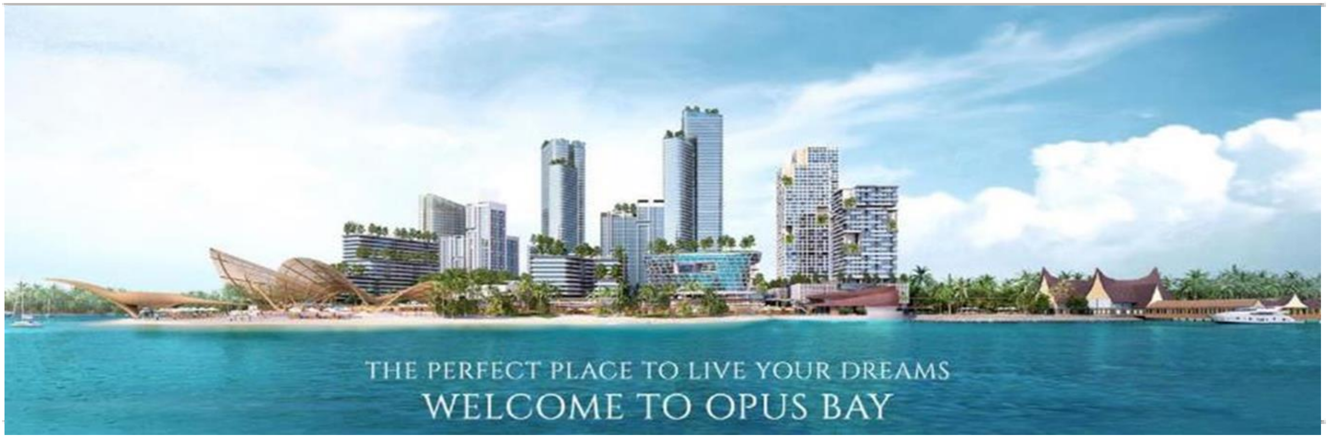
TUAN SING HOLDINGS LIMITED

Creating A Clear Distinction



1H2023 UNAUDITED RESULTS ANNOUNCEMENT

11 August 2023

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Group Financial Performance

($'m)	1H2023	1H2022	Chg
Revenue	144.7	113.9	27%
Gross profit	45.0	46.0	(2%)
Adjusted EBIT	30.0	32.8	(9%)
Profit before tax	2.3	10.9	(79%)
Profit after tax	5.7	8.8	(35%)
Net profit attributable to shareholders	6.0	9.7	(38%)
EPS (cents)	0.5	0.8	(38%)

Overview

- **Revenue increased by 27% to $144.7 million for 1H2023** largely due to a higher revenue from Real Estate Development, Hospitality and Real Estate Investment.

- **Net profit attributable to shareholders decreased by 38% to $6.0 million for 1H2023** due mainly to higher finance costs due to rising interest rates as well as weaker performance from Other Investments and Hospitality, partially offset by higher contribution from Real Estate Investment and higher fair value gains. Lower contribution from Other Investments was due mainly to weaker performance from GulTech as demand for printed circuit boards slowed down in 1H2023. Current hotel operations in Perth were adversely affected by the on-going asset enhancement works at the Hyatt Regency Perth complex and construction works within the hotel. The Group's investment properties in Singapore turned in a stronger performance with improved occupancies and average gross rental rates in 18 Robinson and Link@896.

- **Earnings per share for 1H2023 was 0.5 cents,** as compared to 0.8 cents for 1H2022.

Revenue by Segment

($'m)	1H2023	1H2022	Chg
Real Estate Investment	30.3	27.5	10%
Real Estate Development	72.9	46.3	58%
Hospitality	42.1	37.4	13%
Industrial Services#	-	5.0	(100%)
Other Investments#^	3.8	-	nm
Corporate@	(4.4)	(2.3)	(91%)
Group Total Revenue	**144.7**	**113.9**	**27%**

Higher revenue was due mainly to Real Estate Development, Hospitality and Real Estate Investment.

\# Revenue from Other Investments is derived from the manufacturing business of polypropylene woven bags in Malaysia (previously reported under Industrial Services for the half year ended 30 June 2022)

^ GulTech and Pan-West were not included as their results were equity accounted for

@ Comprise mainly group-level services and consolidation adjustments

nm: not meaningful

Adjusted EBIT by Segment

($'m)	1H2023	1H2022	Chg
Real Estate Investment	15.3	15.0	2%
Real Estate Development	(0.5)	(0.1)	(313%)
Hospitality	6.8	8.3	(19%)
Industrial Services	-	(0.6)	100%
Other Investments	13.3	17.5	(24%)
Corporate*	(4.9)	(7.3)	33%
Group Total Adjusted EBIT**	30.0	32.8	(9%)

- Lower Adjusted EBIT was due mainly from Other Investments, Hospitality, and Real Estate Development, partially offset by higher Adjusted EBIT from Real Estate Investment.
- Lower contribution from Other Investments was mainly due to weaker performance from GulTech as demand for printed circuit boards slowed down in 1H2023. Current hotel operations in Perth were adversely affected by the on-going asset enhancement works at the Hyatt Regency Perth complex and construction works within the hotel. Contribution for Real Estate Development was lower as margins were affected by higher construction costs. The Group's investment properties in Singapore turned in a stronger performance with improved occupancies and average gross rental rates.

* 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 investments in joint venture/associate, and property, plant and equipment, (v) loss allowance on interest receivables and (vi) net foreign exchange gain or loss.

Real Estate Investment

- Revenue increased by 10% to $30.3 million in 1H2023 due mainly to the stronger performance from the Group's investment properties in Singapore, namely 18 Robinson and Link@896, with improved occupancies and average gross rental rates.
- Correspondingly, Adjusted EBIT increased by 2% to $15.3 million in 1H2023.

Real Estate Development

- Revenue increased by 58% to $72.9 million in 1H2023 due mainly to higher progressive revenue recognition of units sold in Peak Residence. The increase was partially offset by lower contribution from Mont Botanik Residence, which obtained temporary occupation permit ("TOP") in February this year.
- Despite higher revenue, Adjusted EBIT was a loss of $0.5 million in 1H2023 as compared to a loss of $0.1 million in 1H2022, as margins were affected by higher construction costs for residential projects in Singapore.

Hospitality

- Revenue increased by 13% to $42.1 million in 1H2023, reflecting the recovery of the Group's hotel operations in Melbourne following the easing of COVID-19 related restrictions last year. However, Perth's hotel operations recorded a lower revenue as the revenue from the previous corresponding period was boosted by guaranteed payments during the state requisition period, and the current operations were adversely affected by the on-going asset enhancement works at the Hyatt Regency Perth complex and construction works within the hotel.
- Despite higher revenue, Adjusted EBIT decreased by 19% to $6.8 million due mainly to the weaker performance from the hotel operations in Perth.

Other Investments

- In 1H2023, the Group reported revenue of $3.8 million from the manufacturing of polypropylene woven bags in Malaysia as compared to $5.0 million in 1H2022, a decrease of 23%, due mainly to weaker demand.
- Adjusted EBIT decreased by 24% to $13.3 million in 1H2023 due mainly to a weaker performance from GulTech. Demand for printed circuit boards, especially from the consumer and computing segments, slowed down in 1H2023. Coupled with foreign exchange losses recognised, this led to a lower Adjusted EBIT in 1H2023.

Group Financial Position

($'m)	30.06.23	31.12.22	Chg
Total assets	2,596.3	2,657.0	(2%)
Total liabilities	1,363.3	1,432.2	(5%)
Total borrowings	1,217.1	1,278.2	(5%)
Cash and cash equivalents	236.2	252.0	(6%)
Shareholders' equity	1,231.7	1,223.3	1%
NAV per share (cents)	99.5	100.4	(1%)
Gross gearing^	0.99x	1.04x	(5%)
Net gearing^^	0.80x	0.84x	(5%)

^ 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 2% to $2,596.3 million.**
  - The decrease was due mainly to the decrease in development properties and contract assets with the sales of on-going residential projects and completion of Mont Botanik Residence early this year.

- **Total liabilities decreased by 5% to $1,363.3 million.**
  - The decrease was due mainly to the repayment of bank loans.

- **Net gearing decreased from 0.84x to 0.80x.** Gross gearing decreased from 1.04x to 0.99x.

- **Shareholders' equity increased by 1% to $1,231.7 million.**

- **Net asset value per share was 99.5 cents per share as at 30 June 2023**, as compared to 100.4 cents as at 31 December 2022.

Group Cash Flow

($'m)	1H2023	1H2022
Operating cash flow	93.4	7.7
Investing cash flow	(12.7)	(5.4)
Financing cash flow	(94.9)	(31.0)
Foreign currency translation adjustments	(1.8)	(2.7)
Cash and cash equivalents at end of period^	232.0	364.4
Free cash flow^^	80.7	2.3

^ 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 $232.0 million** as at 30 June 2023, representing an outflow of $16.0 million since 31 December 2022.

- Cash and cash equivalents movement was mainly due to:
    - Operating cash inflow of $93.4 million: mainly from the operating profits, sales of residential properties in Singapore and collection of progress billings upon completion of Mont Botanik Residence.
    - Investing cash outflow of $12.7 million: due mainly to asset enhancement works incurred at the Hyatt Regency Perth complex.
    - Financing cash outflow of $94.9 million: due mainly to the net repayment of bank loans of $59.1 million and interest payments of $33.0 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 slower global economic outlook, the Group is adopting a cautiously optimistic outlook for the real estate market. The global growth projection for 2023 is projected to be 2.8%, down slightly from 2.9% at the beginning of the year due to the tightening of monetary policy to curb continued inflationary pressure[1].

- **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. Despite a more cautious office leasing environment, limited Grade A office supply has continued to sustain rental growth amidst a flight to quality. For the retail sector, more F&B outlets were opened but higher inflation, manpower shortages and recession concerns continue to weigh on the retail market despite signs of recovery.

[1] https://www.reuters.com/business/finance/imf-warns-deeper-financial-turmoil-would-slam-global-growth-2023-04-11/#:~:text=The%20IMF%20is%20now%20forecasting,due%20to%20tighter%20monetary%20policy.

Outlook

- Link@896 has also begun planning for an asset enhancement initiative which is expected to elevate its retail experience by improving the layout and tenant mix along with the addition of new amenities for shoppers.
- On the residential front, Mont Botanik Residence obtained TOP in February 2023 and all units were handed over to the owners. Peak Residence was successfully sold out in June 2023 and is on schedule to complete construction in 2024.
- The Group is closely monitoring the residential market, with cautious outlook over the higher interest rate and inflation environment.

Outlook

- **In Australia**, Grand Hyatt Melbourne continues to benefit from strong domestic and corporate demand. The Group expects this positive trend to continue for the rest of 2023. Demand from international visitors is showing signs of improvement, but is still lagging behind the 2019 level. The Group expects further growth with the continued recovery of air travel from Asia.

- Hyatt Regency Perth's operations have been affected by ongoing asset enhancement works as well as construction works within the hotel. The conversion of 42 rooms to serviced apartments commenced in the second quarter of 2023 and is scheduled to complete by the end of the year. The serviced apartments will complement the existing business model by targeting the mid- and long-term stay segments. Upon completion, the Group expects occupancy to improve with the additional revenue channel.

- 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 2023 and beyond. Asset enhancement works at Hyatt Regency Perth complex will result in an increase in leasable area that has attracted interest from key tenants.

Outlook

- **In Indonesia,** the Group opened the marketing gallery of Batam Opus Bay in May 2023, which was officiated by the Chief of BP Batam and Mayor of Batam. The 125-hectare integrated township will be developed in phases, with the construction of Balmoral Tower and Cluny Villas progressing on schedule.

- The Group is also developing an international luxury outlet mall known as The Grand Outlet – East Jakarta at Karawang, Greater Jakarta. This project is a joint venture with a subsidiary of Mitsubishi Estate Asia. The mall is developed in two phases and Phase 1 of the outlet mall is expected to be completed and opened for business in the fourth quarter of 2023. About 60% of the outlet mall has been leased to numerous brand-name tenants with PT Mitra Adiperkasa Tbk ("MAP") as the anchor tenant, bringing in more than twenty well-known brands, including Starbucks and Skechers.

Outlook

- **In China**, the performance of GulTech, an associated company of the Company, has been impacted by weaker demand for printed circuit boards amidst a cautious global economic outlook.
- The Group has been informed that Gultech (Jiangsu) Electronics Co., Ltd ("Gultech Jiangsu"), an indirect wholly-owned subsidiary of GulTech (through Gultech China Pte Ltd ("Gultech China")), has recently decided that the potential listing plans of Gultech Jiangsu should be halted, in light of and taking into consideration the current geopolitical and economic conditions, and Gultech China and/or Gultech Jiangsu intends to buy back approximately 17.5% of the total shares in the issued share capital of Gultech Jiangsu from the external investors (Yonghua Capital, Wens Capital, investment arms of the local authority (Xishan Economic and Technology Development Zone)), and entities set up to administer an employee share option plan.

Outlook

- Meanwhile, construction for the Group's 7.8%-owned Sanya project is on track for completion in the second 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.

- 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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