



PRESS RELEASE

Tuan Sing accelerates regional growth with stake in RMB5 billion, 2.6 million sqft Mega Integrated Development in Sanya

- *The mega project on Hainan Island, which will have total saleable and leasable area of about 2.6 million square feet, comprising commercial, residential, hotel and retail components*
- *The investment represents a broader transformation strategy for the Group as it expands into large scale integrated developments in key Asian cities*
- *It follows closely on the recently-announced Batam Marina City project, an integrated township on Batam Island*

SINGAPORE - 24 September 2018 - SGX Mainboard-listed Tuan Sing Holdings Limited (“**Tuan Sing**” or the “**Group**”), a fast-growing, diversified regional real estate company focused on property development and investment, hotel investment and industrial services, is pushing ahead with its transformation into a regional property developer with its latest investment in a multi-billion renminbi mixed-use development project in the booming island of Hainan in China.

The Group announced today it has acquired an initial 7.8% stake in Sanya Summer Real Estate Co Ltd (“**SSRE**”), a Hainan-based property development company, for RMB75 million. The incumbent shareholder of SSRE is Hainan Summer Property Development Ltd, an established developer and operator of two retail malls in Hainan.

The Group will have the opportunity to increase its stake in the project through its subsidiary, SP Corporation Limited (“**SP Corp**”), should SP Corp’s shareholders approve the repayment of a S\$20 million loan via the issuance of new shares of SSRE.

SSRE has obtained the necessary requisite approvals to develop its block of land of approximately 57,839 sqm at Yuxiu Road, adjacent to the Sanya High-Speed Railway Station in Hainan.



The development plans for the land plot involve an iconic landmark project which comprises commercial, residential, hotel and retail components and is connected to the Sanya High-Speed Railway Station. On completion, the project will have a total saleable and leasable area of about 2.6 million square feet, or 240,000 sqm. Development of the project, which will have a development cost of RMB 1.6 billion and gross development value of RMB 5.0 billion, is expected to be completed by the end of 2021.

For Tuan Sing, the SSRE investment fits into its broader transformation strategy as a regional property developer as it seeks to leverage on its strengths and track record in property development and investment across the residential, commercial, industrial and hospitality segments.

“We are very excited to participate in this large-scale project, which will be an iconic landmark in the heart of Sanya once it is completed. We are confident that the project will benefit from the Group’s collective knowledge and expertise, given our experience and track record in the property sector. This investment, together with the recently-announced Batam Marina City project, marks an important step in our journey to transform the Group from 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,” said Mr William Liem, CEO of Tuan Sing Holdings Limited.

“This is just the beginning of our transformation. We will continue to identify suitable opportunities to grow our portfolio of strategically located assets, and explore meaningful partnerships and collaborations so as to enhance and diversify our revenue streams to create the best returns for our valued shareholders,” added Mr Liem.

Tuan Sing’s investment in this Sanya project fits this vision in terms of its size and scale. The complex will be well connected with a retail podium accessible through an interior shopping street/village and via a continuous canopy system linking the other elements comprising a hotel, hotel apartments, an event hall, a cinema, a children’s playground and a sky garden. The proposed complex will also have an integrated long-distance bus interchange hub and basement carparking.

The design for the proposed complex is inspired by forms of the Chinese Dragon and Phoenix. It is conceptualised by Aedas, one of the world’s leading architecture and design practices, which is behind several signature projects such as The Star and The



Sandcrawler in Singapore, Starlight Place and Sincere Financial Center in Chongqing and Evergrande Plaza in Chengdu.

Moreover, the development will offer unrivalled transport connectivity, serving as a transportation node for the Sanya High-Speed Railway Station and the proposed bus interchange that will serve major routes around Hainan Island. The site of the proposed complex will also be within 20 minutes' drive from Sanya Phoenix International Airport.

The investment in Hainan is timely. The island is one of the fastest-growing provinces in China, with annual economic growth rates of between 7.0% and 9.9% over the past five years. It has consistently outperformed growth at the national level, which hovered between 6.6% and 7.7% in the same period. For 2018, Hainan is forecasting growth of 7.0%, higher than the national forecast of 6.6%.¹ In April 2018, Chinese President Xi Jinping announced the government's intention to establish the Hainan Free Trade Zone by 2020, a move that will bring about increased foreign investment and boost growth prospects in the province.

In addition, Hainan Island is also a major tourism destination in China, with record tourist arrivals and tourist receipts of 67.5 million and RMB 81.2 billion respectively in 2017², both of which are expected to register strong growth in 2018 on the back of more favourable governmental initiatives.

“Given the huge potential of this project, we believe that it is in the long-term interest of the Group to increase our stake in due course. For years, we have had a presence in China but this investment will serve to give us a foothold to tap on the rapid pace of growth in Hainan, as well as the growing affluence within Sanya. As one of the first foreign developers to embark on such large-scale projects in Hainan, we are well-placed to benefit from the tourism boom and the government's favourable development initiatives for the province,” said Mr Liem.

¹ Hainan Provincial Bureau of Statistics, National Bureau of Statistics, XinHuaNet

² Hainan Tourism Development Commission



The landmark project will comprise commercial, residential, hotel and retail elements, and will have a total saleable and leasable area of about 2.6 million square feet, or 240,000 sqm.



The integrated development will serve as a transportation node, with connections to the Sanya High-Speed Railway Station and the proposed bus interchange that will serve major routes around Hainan Island.



About Tuan Sing Holdings Limited

Tuan Sing Holdings Limited is a fast-growing, diversified regional investment holding company with interests mainly in property development, property investment and hotel ownership. 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.

In addition, the Group has an 80.2% stake in SGX-ST listed subsidiary, SP Corporation Limited (“SP Corp”) and a 97.9% stake in Hypak Sdn Berhad (“Hypak”). SP Corp is primarily engaged in commodities trading, while Hypak is in the business of manufacturing and marketing polypropylene packaging bags in Malaysia.

The Group also holds a 44.5% interest in Gul Technologies Singapore Pte. Ltd., a printed circuit board manufacturer and a 49% stake in Pan-West (Private) Limited, a retailer of golf-related products.

As the Group approaches its Golden Jubilee in 2019, it 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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All statements other than statements of historical facts included in this news release are or may be forward-looking statements. Forward-looking statements involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of changes of these assumptions, risks, and uncertainties. Examples of these factors include, but not limited to, general industry and economic conditions, interest rate movements, cost of capital and availability of capital, competition from other companies and venues for sale/ manufacture/ distribution of goods and services, shift in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of the Company on future events. The Company undertakes no obligation to update publicly or revise any forward-looking statements.

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