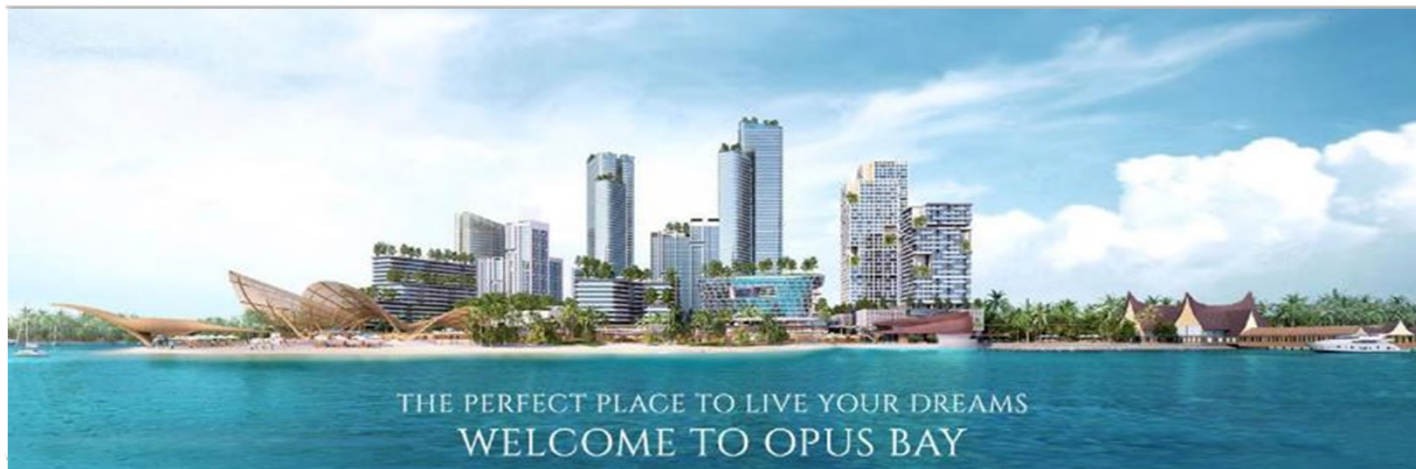




TUAN SING HOLDINGS LIMITED

Creating A Clear Distinction



1H2021 UNAUDITED RESULTS ANNOUNCEMENT

6 August 2021



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Group Financial Performance

(\$'m)	1H2021	1H2020	Chg
Revenue	143.9	91.9	57%
Gross profit	36.1	24.4	48%
Profit before tax & fair value adjustments	101.0	3.8	2,558%
Profit before tax	100.9	7.0	1,341%
Profit after tax	99.9	6.5	1,437%
Net profit attributable to shareholders	100.7	6.6	1,426%
EPS (cent)	8.5	0.6	1,317%



Overview

- **Revenue** increased by 57% to \$143.9 million in 1H2021. The increase was due to higher revenue across all business segments, led by Real Estate Development, Industrial Services and Hospitality.
- Higher revenue from Real Estate Development was mostly driven by higher progressive recognition of units sold at Mont Botanik Residence, while higher revenue from Industrial Services and Hospitality reflected the gradual recovery of the Group's operations since the outbreak of the COVID-19 pandemic last year.
- **Net profit attributable to shareholders for 1H2021 was \$100.7 million, an increase of \$94.1 million** as compared to the corresponding period last year due mainly to the gain on disposal of a subsidiary in Singapore, higher revenue, and an increase in the share of results of equity accounted investees, partially offset by the absence of revaluation gain of a property in China.
- **Earnings per share for 1H2021 was 8.5 cents** as compared to loss per share of 0.6 cent a year earlier.



Revenue by Segment

(\$'m)	1H2021	1H2020	Chg
Real Estate Investment	28.3	26.6	7%
Real Estate Development	55.9	31.4	78%
Hospitality	25.8	20.8	24%
Industrial Services	35.6	14.8	141%
Other Investments ^{^^}	-	-	-
Corporate [@]	(1.7)	(1.7)	-
Group Total	143.9	91.9	57%

- Higher revenue across all business segments, led by Real Estate Development, Industrial Services and Hospitality.

^{^^} 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)	1H2021	1H2020	Chg
Real Estate Investment	18.2	16.9	8%
Real Estate Development	1.0	1.0	-
Hospitality	2.7	(2.2)	nm
Industrial Services	-	(0.7)	nm
Other Investments	16.9	14.2	19%
Corporate*	(4.6)	(4.3)	7%
Group Total	34.2	24.9	37%

- Higher Adjusted EBIT** from Hospitality, Other Investments and Real Estate Investment.
- Increase in Adjusted EBIT from Hospitality reflected the gradual recovery of the Group's operations since the outbreak of the COVID-19 pandemic last year.

* 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. and (v) net foreign exchange gain or loss.



Real Estate Investment

- **Revenue** increased by 7% to \$28.3 million in 1H2021 due mainly to higher occupancies at 18 Robinson and Link@896 as well as higher average gross rental for Link@896, partially offset by lower contribution from Robinson Point which was disposed on 7 June 2021.
- Correspondingly, Adjusted EBIT increased by 8% to \$18.2 million in 1H2021.

Real Estate Development

- **Revenue** increased by 78% to \$55.9 million in 1H2021 due mainly to higher progressive recognition of units sold at Mont Botanik Residence.
- Despite higher revenue, Adjusted EBIT in 1H2021 remained comparable to last year due mainly to higher showflat costs and higher promotional expenses relating to the sales launch of Peak Residence in Singapore and Cluny Villas and Balmoral Tower at Opus Bay in Batam.



Hospitality

- **Revenue** was up by 24% to \$25.8 million in 1H2021 largely due to Hyatt Regency Perth's quarantine business and the fact that Grand Hyatt Melbourne temporarily suspended operations from mid April to mid November in the previous year.
- Correspondingly, Adjusted EBIT increased by \$4.9 million to \$2.7 million.

Industrial Services

- **Revenue** increased by \$20.8 million to \$35.6 million in 1H2021 due mainly to higher sales from coal. Delivery of coal had gradually recovered from the outbreak of the pandemic last year.
- Correspondingly, Adjusted EBIT increased by \$0.7 million to \$0.002 million.



Other Investments

- This is mainly the Group's 44.5% equity stake in GulTech. Adjusted EBIT increased by 19% to \$16.9 million in 1H2021 due mainly to higher revenue and an increase in scrap sales income following the rise in material prices such as copper.



Group Financial Position

(\$'m)	30.06.21		31.12.20	Chg
Total assets	2,756.9		3,143.7	-12%
Total liabilities	1,479.6		1,970.2	-25%
Total borrowings	1,345.0	(a)	1,465.0	-8%
Cash and bank balances	329.9		274.4	20%
Shareholders' funds	1,264.7		1,160.1	9%
NAV per share (cents)	105.2		97.7	8%
Gross gearing[^]	1.05X	(a)	1.25X	-16%
Net gearing^{^^}	0.79X	(a)	1.01X	-22%

Note (a): 95% of the total borrowings are asset-backed borrowings, supported by assets such as investment properties in CBD region (e.g. 18 Robinson) and are near to MRT station (e.g. Link@896 which is located beside the King Albert Park station).

[^] Gross gearing = total borrowings / total equity

^{^^} Net gearing = net borrowings / total equity; Net borrowings = total borrowings – cash and bank balances



Review of Financial Position

- **Total assets** decreased by 12% or \$386.7 million to \$2,756.9 million.
 - The decrease was due mainly to the disposal of a subsidiary and a decrease in carrying amount of development properties arising from the sale of residential units in Singapore.
 - The decrease was partially offset by an increase in cash and bank balances.
- **Total liabilities** decreased by 25% or \$490.6 million to \$1,479.6 million.
 - The decrease was due mainly to the disposal of a subsidiary, repayment of loans and borrowings and a decrease in trade and other payables.
- **Shareholders' fund** increased by 9% or \$104.7 million to \$1,264.7 million.
- **Gearing:** Net gearing decreased from 1.01x to 0.79x. Gross gearing decreased from 1.25x to 1.05x.
- **Net asset value per share was 105.2 cents per share as at 30 June 2021**, as compared to 97.7 cents as at 31 December 2020.



Group Cash Flow

(\$'m)	1H2021	1H2020
Operating cash flow	41.1	27.5
Investing cash flow	449.9	(2.8)
Financing cash flow	(440.3)	(6.8)
Foreign currency translation adjustments	0.9	1.4
Cash and cash equivalents at period-end [^]	250.0	108.3
Free cash flow ^{^^}	491.0	24.7

[^] 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 \$250.0 million** as at 30 June 2021, as compared to \$198.4 million as at 31 December 2020.
- Cash and cash equivalents movement was due mainly to:
 - Operating cash inflow: \$41.1 million, mainly from profit for the period, after changes in working capital and other adjustments.
 - Investing cash inflow: \$449.9 million, mainly due to the proceeds from the disposal of a subsidiary.
 - Financing cash outflow: \$440.3 million, mainly from net repayment of loans and borrowings of \$419.2 million and interest payments of \$21.4 million.



Outlook

- The Group is focused primarily on real estate development, real estate investment and hospitality business. The Group's well-diversified assets portfolio, coupled with its disciplined approach and cost containment measures, allowed it to stay resilient amidst the COVID-19 pandemic.
- **In Singapore**, on the residential front, the Group obtained temporary occupation permit (TOP) for Kandis Residence in March 2021 amidst the tighter labour supply conditions faced by the construction sector. With the sale of all the Kandis Residence units and sale of units in Mont Botanik Residence performing well with a healthy uptick, the Group recently soft launched Peak Residence for sale. The Group expects buying sentiments in the residential sales market to continue to be fuelled by the low interest rate environment and ample liquidity in the market, although higher construction costs and the tight manpower situation may continue to impact margin and construction schedule.
- Rental income from the Group's investment properties have been minimally impacted by the pandemic. During the period, the Group completed the divestment of its indirect wholly owned subsidiary 39 Robinson Road Pte Ltd. The Group's flagship building - 18 Robinson - continues to enjoy improved occupancy while the ongoing asset enhancement work and tenant optimisation at Link@896 is expected to improve recurring income for the Group.



Outlook

- **In Australia**, Hyatt Regency Perth currently operates as a quarantine hotel which is expected to continue until the later part of 2021. Grand Hyatt Melbourne was fully booked for the Australian Open in January 2021. Despite a lockdown in February, pent-up demand from local and inter-state travellers provided a boost to occupancy at the hotel from March to May before the business was interrupted again by intermittent lockdowns in Melbourne and other parts of Australia since late May. The Group expects demand to improve towards the later part of 2021, with broader vaccine rollout, gradual normalisation of inter-state travel and potential resumption of the travel bubble with New Zealand. The Hotel Management Agreement for Grand Hyatt Melbourne expires in December 2022 and the Group has received expression of interest from various international luxury brand operators including that from the incumbent for evaluation and consideration.
- Meanwhile, the renewal and extension of major tenancies at the Group's Melbourne and Perth investment properties is expected to contribute to the performance in 2021 and beyond.



Outlook

- **In Indonesia**, the Group is actively developing Batam Opus Bay, its upcoming 125-hectare integrated mixed development township project, comprising residential living and proposed facilities such as outlet mall, food and beverages, hotel, tourist attractions, international schools, and medical facilities. The Group recently soft launched the sales for Balmoral Tower and Cluny Villas. Despite travel restrictions, sales have been encouraging. Given its close proximity to Singapore and strong domestic airlinks within Indonesia, Batam possesses strong development potential as a locale for high-quality lifestyle destination for residents and visitors. The recently enacted Omnibus Law is also expected to ease foreign ownership restrictions of residential properties and provide a boost for the property market, particularly those of the top-end residential sector.



Outlook

- **In China**, GulTech continues to contribute a positive performance in FY2021. Gultech China Pte Ltd (“**Gultech China**”), a subsidiary of Gultech, has, further to the execution of sale and purchase agreements to divest approximately 13% of the total shares in the issued share capital of Gultech (Jiangsu) Electronics Co., Ltd (“**Gultech Jiangsu**”) to Yonghua Capital and Wens Capital, entered into sale and purchase agreements to divest 2.5% shares in Gultech Jiangsu to the investment arm of the local authority: Xishan Economic and Technology Development Zone for RMB 83.75 million recently. The onboarding of new shareholders as part of a broader restructuring of Gultech Jiangsu’s shareholding capital is in line with its strategic review and positions the company for a possible listing in China. The aggregate consideration from these transactions is held in escrow pending payment of withholding tax in China and completion. The divestment will allow the Group to monetise part of its longstanding investment in Gultech and is in line with the Group’s plan to strengthen its balance sheet and focus on its core real estate business in the region. Gultech China and Gultech Jiangsu will remain as associated companies of the Group upon completion of the proposed transactions.



Outlook

- Despite COVID-19, the Group will continue to develop its asset portfolio, explore potential partnerships and collaborations to grow its well-located assets in Singapore and the region. The Group is also not adverse to considering options and opportunities to divest, develop, streamline, restructure and/or reorganise its non-real estate investment and business when opportunities arise with the view to potential value maximisation.



Thank You

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