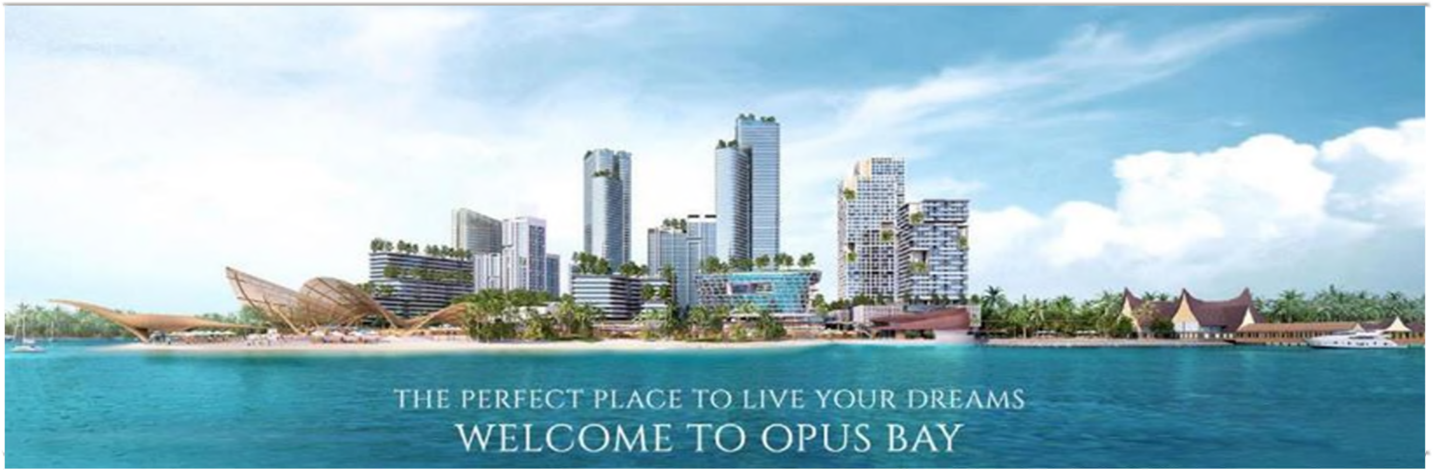
TUAN SING HOLDINGS LIMITED

Creating A Clear Distinction



2H2020 AND FY2020 UNAUDITED RESULTS ANNOUNCEMENT

26 February 2021

Notice & Disclaimer

This document has been prepared for discussion purposes and does not constitute an offer or solicitation, nor it is the basis for any contract, for the purchase or sale of any investment. The information contained in this document is strictly confidential and is made available to the recipient on the express condition that it will be held in complete confidence. It may not be copied or circulated, in whole or in part, without the prior express or written consent of Tuan Sing Holdings Limited (TSH).

Recipients should not consider the contents in this documents as legal, tax, business or investment advice. Each recipient should consult with its own counsel, accountant and/or business advisor as to legal, tax and related matters. Any investment decision must be based upon the results of each recipient's own investigations and such investigations shall be at each recipient's own risk.

The value of investments may rise as well as fall. Past performance is not necessarily indicative of future returns. Target returns are not guaranteed. Property investments can be illiquid and there is no guarantee that properties can be sold at valuation levels. Investments may be subject to gearing and should be considered higher risk than a similar ungeared investment. Investment returns may be subject to foreign currency exchange risks.

The information contained herein has been based on the information reasonably available at the time of the preparation of this document. TSH uses such information without verification by itself, and shall not be liable for the accuracy or completeness of such information. The information contained in this document is subject to change without notice. No representation or warranty, expressed or implied, is made in respect of the information in this document.

Group Financial Performance

($'m)	2H2020	2H2019	Chg	FY2020	FY2019	Chg
Revenue	105.0	159.3	-34%	196.8	310.7	-37%
Gross profit	24.1	40.4	-40%	48.6	71.5	-32%
Profit before tax & fair value adj	10.9	5.2	110%	14.7	8.8	67%
Profit before tax	52.9	38.6	37%	59.9	42.0	43%
Profit after tax	52.0	33.5	55%	58.5	32.7	79%
Net profit attributable to shareholders	52.4	33.7	55%	59.0	33.2	78%
EPS (cents)	4.4	2.8	57%	5.0	2.8	79%

Overview

- **Group's revenue for 2H2020 was $105.0 million** (vs $159.3 million, 2H2019), a decrease of 34%.
- The decrease for 2H2020 was due mainly to lower revenue from Hotels Investment by $40.2 million and Industrial Services segments by $26.7 million, partially offset by higher revenue from the Property segment by $13.4 million.
- **Revenue for FY2020 was $196.8 million** (vs $310.7 million, FY2019), a decrease of 37%.
- The decrease for FY2020 was due mainly to lower revenue from Hotels Investment by $69.0 million and Industrial Services segments by $64.0 million, partially offset by higher revenue from the Property segment by $20.9 million.

- **Net profit attributable to shareholders for 2H2020 was $52.4 million, an increase of $18.7 million or 55%** as compared to the corresponding period last year due mainly to reversal of accruals for development costs previously capitalised of $8.7 million and higher fair value gain on investment properties of $8.6 million.
- **Net profit attributable to shareholders for FY2020 was $59.0 million, an increase of $25.8 million or 78%** as compared to the corresponding period last year due mainly to reversal of accruals for development costs previously capitalised of $8.7 million, higher fair value gain on investment properties of $12.0 million and lower finance costs of $10.5 million, partially offset by losses from the Hotels Investment.

- **Earnings per share for 2H2020 was 4.4 cents and earnings per share for FY2020 was 5.0 cents** as compared to earnings per share of 2.8 cents and 2.8 cents, respectively, a year earlier.

Revenue by Segment

($'m)	FY2020	FY2019	Chg
Property	129.9	109.0	19%
Hotels Investment	32.8	101.8	-68%
Industrial Services	37.4	101.4	-63%
Other Investments^^	-	-	-
Corporate & Others@	(3.3)	(1.5)	120%
Group Total	**196.8**	**310.7**	**-37%**

- FY2020 revenue decreased due mainly to lower contribution from the Hotels Investment and Industrial Services segments, partially offset by higher contribution from the Property segment.

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

Profit after tax by Segment

($'m)	FY2020	FY2019	Chg
Property	66.0	26.7	147%
Hotels Investment	(18.8)	3.4	nm
Industrial Services	1.4	2.5	-44%
Other Investments	24.8	21.7	14%
Corporate & Others**	(14.9)	(21.6)	-31%
Group Total	**58.5**	**32.7**	**79%**

- Group's higher profit after tax was due mainly to the Property segment offset by the losses in Hotels Investment as the business was affected by COVID-19.
- Increase in profit after tax of the Property segment was due mainly to reversal of accruals for development costs previously capitalised, higher fair value gain on investment properties and lower finance costs.

** Comprise mainly group-level services and consolidation adjustments

Property

- **Property segment revenue for FY2020 was $129.9 million** as compared to $109.0 million for the same period last year, an increase of $20.9 million.
- The increase in revenue was attributable mainly to an increase in contribution from investment properties and development properties in Singapore. The increase in revenue from investment properties was due mainly to increase in occupancy of 18 Robinson as occupancy continued to improve post completion. The increase in revenue from development properties was due mainly to sales of apartments at Mont Botanik Residence.

- **Profit for FY2020 was $66.0 million** as compared to a profit of $26.7 million for the same period last year, an increase of $39.3 million.
- The increase in profit after tax was attributable mainly to higher rental income from 18 Robinson, higher fair value gain on revaluation of investment properties and lower finance costs.

Hotels Investment

- **Hotels Investment segment revenue for FY2020 was $32.8 million** as compared to $101.8 million for the same period last year, a decrease of $69.0 million.

- The decrease was due mainly to lower occupancy rate for both Melbourne and Perth hotels which were impacted by the COVID-19 pandemic. Melbourne hotel was suspended from service during mid-April 2020 to mid-November 2020.

- **Loss for FY2020 was $18.8 million** as compared to a profit of $3.4 million for FY2019, a decrease of $22.2 million. The decrease was due mainly to lower revenue for both Melbourne and Perth hotels.

Industrial Services

- **Industrial Services segment revenue for FY2020 was $37.4 million** as compared to $101.4 million for the same period last year, a decrease of $64.0 million.
- The decrease was due mainly to lower sales volume from coal and rubber, which was affected by the COVID-19 pandemic, as well as the drop in coal price.
- **Profit for FY2020 was $1.4 million** as compared to $2.5 million for FY2019. The performance was adversely affected by the COVID-19 pandemic.

Other Investments

- **Other Investments segment is mainly the Group's 44.48% equity stake in GulTech**, a manufacturer and vendor of printed circuit boards.
- **The Group's share of profit for FY2020 was $24.8 million** as compared to $21.7 million for the same period last year, an increase of 14%. GulTech received new customers orders as some competitors and peers struggled to operate amid China's containment measures during the COVID-19 pandemic, which helped improve its performance.

Group Financial Position

($'m)	31.12.20		31.12.19		Chg
Total assets	3,143.7		2,997.3		5%
Total liabilities	1,970.2		1,878.3		5%
Total borrowings	1,465.0	(a)	1,711.3	(a)	-14%
Cash and bank balances	274.4		172.3		59%
Shareholders' funds	1,160.1		1,105.0		5%
NAV per share (cents)	97.7		93.1		5%
Gross gearing^	1.25X	(a)	1.53X	(a)	-18%
Net gearing^^	1.01X	(a)	1.38X	(a)	-27%

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 was $3,143.7 million** as compared to $2,997.3 million as at 31 December 2019.
- **Total liabilities was $1,970.2 million** as compared to $1,878.3 million as at 31 December 2019.
  - **Gearing**: Net gearing decreased from 1.38 times to 1.01 times. Gross gearing decreased from 1.53 times to 1.25 times.
  - **Borrowing profile:** Approximately 95% (31 December 2019: 91%) of the Group's borrowing are secured by properties. The remaining 5% mostly relates to the unsecured MTN Series III notes.
- **Shareholders' fund was $1,160.1 million** as compared to $1,105.0 million as at 31 December 2019.
  - **Company's share capital was $176.2 million** as compared to $175.2 million as at 31 December 2019. The increase was due to the issuance of shares under the Scrip Dividend Scheme.
  - **Under the Share Purchase Mandate**: 3,471,700 ordinary shares were purchased during the year and held as treasury shares.
- **Net asset value per share was 97.7 cents as at 31 December 2020**, as compared to 93.1 cents as at 31 December 2019.

Group Cash Flow

($'m)	FY2020	FY2019
Operating cash flow	69.1	20.5
Investing cash flow	67.1	(7.1)
Financing cash flow	(30.2)	9.8
Foreign currency translation adjustments	3.4	(0.9)
Cash and cash equivalents at period-end^	198.4	89.0
Free cash flow^^	136.2	13.4

^ 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 $198.4 million** as at 31 December 2020, as compared to $89.0 million as at 31 December 2019.

- Cash and cash equivalents movement was due mainly to:
  - Operating cash inflow: $69.1 million, mainly from profit for the period, after changes in working capital and other adjustments.
  - Investing cash inflow: $67.1 million, mainly from deposits of $50.0 million collected from the upcoming divestment of Robinson Point building, repayment of loan by a related party of $21.5 million and dividend received from an associate of $9.4 million. This is partially offset by payments for the purchase of property, plant and equipment of $5.6 million and payments for investment properties of $8.3 million.
  - Financing cash outflow: $30.2 million, mainly from interest payments of $49.0 million and dividends paid to shareholders of $6.1 million, partially offset by net proceeds from loans and borrowings of $20.1 million and release of bank deposits pledged as securities for bank facilities of $5.9 million.

Outlook

- The Group has a diversified portfolio, namely the property, hotels investment, industrial services and other investments segments. These diversified segments, operating in Singapore and the region, allow the Group to remain resilient in the current challenging environment amid the COVID-19 pandemic.

- **In Singapore**, on the residential front, the sales of Kandis Residence and Mont Botanik Residence performed well despite the pandemic while the Group's investment properties, which are mainly in the office sector in the central business district, have been minimally impacted by the pandemic.
- During the year, the Group commenced the sale of Robinson Point for $500 million, in what was one of Singapore's most significant commercial real estate transactions of 2020. The divestment is expected to complete in June 2021.
- Meanwhile, the Group's flagship building - 18 Robinson - continues to enjoy improved occupancy while asset enhancement work and tenant optimisation at Link@896 will strengthen cash flow and improve recurring income.
- The Group will continue to market its development properties while seeking other investment opportunities.

Outlook

- **In Australia**, the Hyatt Regency Perth has been utilised as a quarantine hotel since March 2020 while the Grand Hyatt Melbourne has resumed business since mid-November 2020 following the temporary suspension of its service from mid-April 2020. To enhance the hotels' competitiveness in a post-COVID environment, the Group is working with the hotel operator to further streamline the hotels' organisation structure and reviewing hotel operations to improve profitability. These hotels continue to enjoy support from the domestic market, which will positively impact performance in 2021 and beyond. Meanwhile, the renewal 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 owns a 125-hectare land bank in Batam, and is actively developing Batam Opus Bay, the Group's upcoming integrated mixed development township project. Sales of its villas and apartments will commence in the first half of 2021, with construction of the residential component to begin initially followed by other integrated facilities, such as outlet mall, attractions, food and beverage, entertainment space and hotel with meeting facilities. Given its close proximity to Singapore and strong domestic airlinks within Indonesia, Batam possesses strong development potential as a locale for high-quality lifestyle for residents and visitors. In addition, the Group is also the lead development partner in an upcoming 500-hectare integrated development project in Bali.
- The International Monetary Fund projects Indonesia's real GDP to expand by 4.8% in 2021 and 6% in 2022, while the newly enacted Omnibus Law will ease foreign ownership restrictions and provide a boost for the property market, particularly those of the top-end residential sector.

Outlook

- **In China**, GulTech posted an exceptionally strong performance in FY2020. The Group is confident that it will contribute positively to the performance in FY2021. The construction works have fully resumed for the Group's 7.8%-owned Sanya project after being temporarily affected by the pandemic during the second quarter of the year. Once completed, the development, which will comprise commercial, residential and retail components with connectivity to the Sanya High-Speed Railway Station, will have a total saleable and leasable area of 2.6 million square feet.

- The Group remains vigilant and committed in exercising cost discipline. Despite the impact of 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.

Thank You

For further information, please contact:

Leong Kok Ho
Chief Financial Officer
leong_kokho@tuansing.com