



TUAN SING HOLDINGS LIMITED
(Company Registration No. 196900130M)
(Incorporated in Singapore)

PROPOSED DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL IN 39 ROBINSON ROAD PTE. LTD. – WAIVER FROM REQUIREMENT TO COMPLY WITH RULE 1014(2) OF THE LISTING MANUAL OF THE SGX-ST

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of Tuan Sing Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 7 August 2020 (“**Option Announcement**”) and 10 November 2020 (collectively, the “**Announcements**”) in respect of the proposed disposal (the “**Proposed Disposal**”) by Robinson Point Limited (“**Vendor**”) of 100% of the issued shares (“**Target Company Shares**”) in the capital of 39 Robinson Road Pte. Ltd. (“**Target Company**”) to One South Bay Group Company Limited (“**Purchaser**”).
- 1.2 Further to the Announcements, the Board wishes to update the Company’s shareholders (“**Shareholders**”) that the Company had on 25 January 2021 applied to the Singapore Exchange Regulation Pte. Ltd. (“**SGX-ST**”) for a waiver from the requirement to comply with Rule 1014(2) of the Listing Manual of the SGX-ST (“**Listing Manual**”) which is to seek approval from the Shareholders for the Proposed Disposal (the “**Waiver**”) in an extraordinary general meeting (“**EGM**”).
- 1.3 All capitalised terms used in this announcement which are not defined shall bear the meanings given to them in the Option Announcement.

2. WAIVER FROM THE REQUIREMENT TO COMPLY WITH RULE 1014(2) OF THE LISTING MANUAL

In SGX-ST’s reply dated 24 February 2021, SGX-ST informed the Company that it has no objection to the Company’s application for Waiver, subject to the Company announcing the Waiver granted, the reasons for seeking the Waiver and the conditions as required under Rule 107 of the Listing Manual and if the Waiver Conditions have been satisfied (“**Waiver Condition**”). If the Waiver Conditions have not been met on the date of the announcement, the Company must make an update announcement when the Waiver Conditions have all been met.

3. REASONS FOR WAIVER APPLICATION

The reasons for the Company’s application for Waiver are as follows:

- (a) **No material change in risk profile.** The Board is of the view that following the Proposed Disposal, the Company would still have substantial business to operate and the Proposal Disposal will not materially change the risk profile of the Company. Based on the relative figures (set out in the Option Announcement), the Company does not expect the Proposed Disposal to have a significant adverse impact on the net profits or net asset value of the Group, and the net asset value of the Group is expected to improve. In addition, the Proposed Disposal is expected to improve the gross gearing of the Group as the net proceeds will be deployed to repay the Target Company’s borrowings;
- (b) **No material change to nature of Group’s business.** After the Proposed Disposal, the Group would continue to have sufficient assets to continue its property development, investment and management businesses. As set out in the Group’s 2019 annual report, the Group owns and has developed or will be developing, *inter*

alia, Singapore properties such as 18 Robinson Road, Link@896, The Oxley, L&Y Building, Peak Residence, Kandis Residence, Mont Botanik Residence, Sennett Residence; Australia properties such as two hotels, Grand Hyatt Melbourne and Hyatt Regency Perth, Retail, Commercial Centre and Carpark within Grand Hyatt Melbourne complex and Hyatt Perth Regency complex; Indonesia properties such as Batam Opus Bay; China properties such as Commercial properties at Chun Shen Road, Commercial and Carpark at Lakeside Ville Phase III in Shanghai and Fuzhou land, and has various other properties and developments overseas. Accordingly, the Company does not see the Proposed Disposal as a material change to the nature of the Group's business. The Company is of the view that as a recognized property developer and a property development, investment and management company, the Proposed Disposal is in the ordinary course of business;

- (c) **Not significant part of existing principal business (as defined in the Listing Manual).** The Target Company Shares are not considered to be a significant part of the Group's existing principal business as they contribute a limited amount to the Group's net profit and total assets:

Target Company Shares' contribution to the Group's net profit	13.1% ⁽¹⁾
Target Company Shares' contribution to the Group's total assets	2.6% ⁽²⁾

Notes:

(1) Figure extracted from the table at paragraph 5.1 of the Option Announcement.

(2) Based on the Group's audited consolidated financial statements for the financial year ended 31 December 2019.

- (d) **Voting undertaking/majority shareholder's support.** The Company notes that Nuri Holdings (S) Pte Ltd ("**Nuri**"), which as at the date of this announcement has a shareholding interest of approximately 52.43% in the Company, is prepared to undertake and has provided an undertaking to vote in favour of the Proposed Disposal. Accordingly, the outcome of the EGM (if an EGM is required) would be certain;
- (e) **Not prejudicial to interests of minority shareholders.** With the support of Nuri, minority Shareholders will not be prejudiced if the Company does not seek Shareholders' approval prior to the Proposed Disposal as (i) the result of the Shareholders' votes will be the same whether Shareholders' approval is sought for the Proposed Disposal and (ii) the terms of the Proposed Disposal were negotiated between the Vendor and Purchaser based on normal commercial terms and on an arm's length basis. In any event, for the reasons set out in paragraph 3(a) above and paragraphs 3(f) and (g) below, the Proposed Disposal would be in the best interests of the Shareholders;
- (f) **Opportunity to realise value.** The Board is of the view that the terms of the Proposed Disposal offer attractive returns from the Company's investment in the Target Company Shares (through the Vendor). The Company expects to realise a gain of approximately S\$128.3 million in respect of the Proposed Disposal, which is a premium of 166% over the book value of the Target Company Shares as at 31 December 2019, and an attractive return on the Company's cost of investment in the Property of S\$171.6 million in October 2013; and
- (g) **Overall financial improvement.** The Proposed Disposal is also expected to improve the overall financial position of the Group. Assuming that the Proposal Disposal had

been effected on 1 January 2019, as at 31 December 2019, earnings per share of the Group would have increased from S\$0.028 per share to S\$0.132 per share.

4. BOARD OPINION

4.1 The Board is of the opinion that that there will be no material change in the risk profile of the Company arising from the Proposed Disposal as:

- (a) following the Proposed Disposal, the Group would continue to have sufficient assets to continue its property development, investment and management businesses;
- (b) based on relative figures from Rule 1006 of the Listing Manual set out in the Option Announcement, the Company does not expect the Proposed Disposal to have a significant adverse impact on the net profits or net asset value of the Group, and the net asset value of the Group is expected to improve;
- (c) the Proposed Disposal is expected to improve the gross gearing of the Group as the net proceeds will be deployed to repay the Target Company's borrowings; and
- (d) the Proposed Disposal is expected to improve the gross gearing of the Group from 1.53x to 1.14x. The net assets of the Group is expected to improve by 11% from S\$1.1 billion to S\$1.2 billion.

5. WAIVER FROM CONVENING EGM

Pursuant to the above, the Company wishes to announce that the Waiver Condition has been satisfied. As the SGX-ST has granted the Waiver, the Company will not be convening an EGM to seek Shareholders' approval for the Proposed Disposal.

6. CAUTIONARY STATEMENT

Shareholders should note that there is no certainty or assurance that the Proposed Disposal will be completed. Accordingly, Shareholders are advised to exercise caution when trading in the shares of the Company. The Company will make the necessary announcements when there are further developments on the Proposed Disposal and other matters contemplated by this announcement. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

By Order of the Board

William Nursalim alias William Liem
Chief Executive Officer
26 February 2021