



TUAN SING HOLDINGS LIMITED
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**FINANCIAL STATEMENTS ANNOUNCEMENT
UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2019**

Singapore, 24 July 2019 - The Directors of Tuan Sing Holdings Limited (“the Company”) announce the following unaudited results of the Group for the second quarter and half year ended 30 June 2019.

This announcement and the accompanying PowerPoint presentation slides are also available at the Company’s website: <http://www.tuansing.com>.

If you require any clarification on this announcement, please contact Mr Leong Kok Ho, Chief Financial Officer, at e-mail address: leong_kokho@tuansing.com.

Important Notes on Forward-Looking Statements:

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 these 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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TUAN SING HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2019

1. (A) Consolidated Income Statement and Statement of Comprehensive Income

	Group			Group			
	Second Quarter		+(-) %	First Half		+(-) %	
Note	30.06.19 \$'000	30.06.18 \$'000		30.06.19 \$'000	30.06.18 \$'000		
Revenue	73,917	81,663	(9)	151,380	158,133	(4)	
Cost of sales	(60,152)	(66,174)	(9)	(121,098)	(126,055)	(4)	
Gross profit	13,765	15,489	(11)	30,282	32,078	(6)	
Other operating income	1,250	515	143	1,638	5,479	(70)	
Distribution costs	(867)	(790)	10	(1,990)	(1,347)	48	
Administrative expenses	(4,395)	(6,659)	(34)	(9,250)	(12,861)	(28)	
Other operating expenses	(179)	(190)	(6)	(491)	(508)	(3)	
Share of results of equity accounted investments	6,747	4,949	36	10,256	9,121	12	
Interest income	1,346	1,321	2	2,615	2,464	6	
Finance costs	(13,479)	(10,326)	31	(26,935)	(20,453)	32	
Profit before tax and fair value adjustments	4,188	4,309	(3)	6,125	13,973	(56)	
Fair value adjustments	(254)	(131)	94	(173)	(198)	(13)	
Profit before tax	3,934	4,178	(6)	5,952	13,775	(57)	
Income tax expenses	(2,345)	(1,096)	114	(4,175)	(2,519)	66	
Profit for the period	1,589	3,082	(48)	1,777	11,256	(84)	
OTHER COMPREHENSIVE INCOME							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation of foreign operations	(a)	(7,431)	289	nm	(10,423)	(3,431)	204
Share of exchange differences on translation of equity accounted investments	(a)	417	3,622	(88)	(1,119)	1,344	nm
Cash flow hedges		-	-	nm	-	86	nm
Income tax relating to components of other comprehensive (loss) / income that may be reclassified subsequently		-	(8)	nm	-	14	nm
Other comprehensive (loss) / income, net of tax		(7,014)	3,903	nm	(11,542)	(1,987)	481
Total comprehensive (loss) / income for the period		(5,425)	6,985	nm	(9,765)	9,269	nm
<i>Profit attributable to:</i>							
Owners of the Company		1,483	2,985	(50)	1,640	11,144	(85)
Non-controlling interests		106	97	9	137	112	22
		1,589	3,082	(48)	1,777	11,256	(84)
<i>Total comprehensive (loss) / income attributable to:</i>							
Owners of the Company		(5,544)	6,607	nm	(9,860)	9,057	nm
Non-controlling interests		119	378	(69)	95	212	(55)
		(5,425)	6,985	nm	(9,765)	9,269	nm
Basic and diluted earnings per share (in cents)							
Excluding fair value adjustments		0.1	0.3		0.2	1.0	
Including fair value adjustments		0.1	0.3		0.1	0.9	
Return on shareholders' funds ^							
					0.3%	2.3%	

nm: not meaningful

^ Return on shareholders' funds = net profit attributable to shareholders / average shareholders' funds over the year

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Profit has been arrived at after crediting / (charging) the following:

	Note	Group Second Quarter			Group First Half		
		30.06.19	30.06.18	+(-)	30.06.19	30.06.18	+(-)
		\$'000	\$'000	%	\$'000	\$'000	%
Depreciation of property, plant and equipment [included in cost of sales, distribution costs, administrative expenses]		(2,034)	(2,130)	(5)	(4,030)	(4,334)	(7)
Loss on disposal of property, plant and equipment, net [included in other operating expenses]		-	(4)	nm	-	(4)	nm
Net gain on disposal of a subsidiary [included in other operating income]	(b)	-	-	nm	-	3,893	nm
Allowance for doubtful trade and other receivables, net [included in other operating expenses]	(c)	(6)	(168)	(96)	(98)	(469)	(79)
Net loss on disposal of an investment property [included in other operating expenses]	(d)	-	-	nm	(48)	-	nm
Foreign exchange (loss) / gain, net [included in other operating (expenses) / income]	(e)	(214)	163	nm	(40)	506	nm
Write-back of recognised corporate guarantee no longer required [included in other operating income]	(f)	346	-	nm	346	-	nm
Discount on acquisition of a subsidiary [included in other operating income]	(g)	397	-	nm	397	-	nm
Write-back of allowance for diminution in value for development properties, net [included in cost of sales, other operating expenses, other operating income]		403	528	(24)	403	847	(52)

Explanatory notes

(a) Exchange differences on translation of foreign operations recorded a loss in 2Q2019, 1H2019 and 1H2018. The translation losses for these periods were mainly due to the depreciation of the Australian Dollar (“AUD”) against the Singapore Dollar (“SGD”). Exchange differences on translation of foreign operations recorded a profit in 2Q2018 mainly due to a slight appreciation of AUD against the SGD during this period.

Exchange differences on translation of equity investments recorded profits in 2Q2019, 2Q2018 and 1H2018. The translation profits for these periods were mainly due to the appreciation of the United States Dollar (“USD”) against the SGD in their respective periods. Exchange differences on translation of equity investments recorded a loss in 1H2019 mainly due to the depreciation of USD against SGD.

(b) There was a net gain on disposal of a subsidiary in 1H2018 due to a one-off \$3.9 million gain from the divestment of a subsidiary in China in 1Q2018.

(c) Allowance for doubtful trade and other receivables in 2Q2019 was \$6,000 as compared to \$168,000 in 2Q2018. The decrease was mainly due to a decrease in provision made for receivables from tenants of the Group’s investment properties in Singapore. Allowance for doubtful trade and other receivables in 1H2019 was \$98,000 as compared to \$469,000 in 1H2018, decreased by \$371,000. The decrease was mainly due to a decrease in provision made for receivables from tenants of the Group’s investment properties in Singapore and Australia.

(d) Net loss on disposal of an investment property of \$48,000 in 1H2019 arose from the transaction cost incurred upon completion of the collective sale of Century Warehouse, whereas the fair value gain was already reflected in 4Q2018.

(e) Net foreign exchange loss in 2Q2019 and 1H2019 were \$0.2 million and \$40,000 respectively. The net foreign exchange losses for both periods were mainly due to the depreciation of AUD against SGD. In comparison, there was a net foreign exchange gain of \$0.2 million and \$0.5 million in 2Q2018 and 1H2018 respectively. The net foreign exchange gains for both periods were mainly due to the appreciation of Renminbi (“RMB”) and USD against SGD.

(f) There was a write-back of corporate guarantee of \$0.3 million in 2Q2019 and 1H2019. This was mainly attributable to the cancellation of bank facilities by an associate.

(g) There was a discount on acquisition of a subsidiary in Indonesia of \$0.4 million in 2Q2019 and 1H2019.

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1. (B)(I) Statements of Financial Position

	Note	Group		Company	
		30.06.19 \$'000	31.12.18 \$'000	30.06.19 \$'000	31.12.18 \$'000
ASSETS					
Current assets					
Cash and bank balances		136,947	133,007	28,623	25,165
Trade and other receivables		79,726	76,142	468	347
Amounts due from subsidiaries		-	-	398,356	400,312
Inventories		2,780	2,792	-	-
Development properties		355,317	358,530	-	-
Contract assets	(h)	21,942	13,517	-	-
Contract costs		214	757	-	-
Assets classified as held for sale	(j)	-	42,040	-	-
Total current assets		596,926	626,785	427,447	425,824
Non-current assets					
Property, plant and equipment		409,499	425,944	60	67
Right-of-use assets		15	-	-	-
Investment properties		1,737,093	1,742,662	498	498
Investments in subsidiaries		-	-	735,378	733,800
Investments in equity accounted investees		126,762	117,914	-	-
Deferred tax assets		2,063	2,135	-	-
Contract assets	(h)	-	1,934	-	-
Other non-current assets		11	12	-	-
Total non-current assets		2,275,443	2,290,601	735,936	734,365
Total assets		2,872,369	2,917,386	1,163,383	1,160,189
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	(k)	787,792	884,170	229,435	79,877
Trade and other payables	(m)	96,389	125,125	17,815	24,573
Contract liabilities	(n)	449	593	-	-
Amounts due to subsidiaries		-	-	324,062	308,288
Income tax payable	(p)	3,166	5,317	-	14
Total current liabilities		887,796	1,015,205	571,312	412,752
Non-current liabilities					
Loans and borrowings	(k)	849,650	746,271	-	149,203
Lease liabilities		16	-	-	-
Deferred tax liabilities		46,344	47,073	-	-
Other non-current liabilities		361	373	-	-
Total non-current liabilities		896,371	793,717	-	149,203
Total liabilities		1,784,167	1,808,922	571,312	561,955
Capital, reserves and non-controlling interests					
Share capital		175,234	173,945	175,234	173,945
Treasury shares	(q)	(2,643)	(1,523)	(2,643)	(1,523)
Reserves		900,497	921,030	419,480	425,812
Equity attributable to owners of the Company		1,073,088	1,093,452	592,071	598,234
Non-controlling interests		15,114	15,012	-	-
Total equity		1,088,202	1,108,464	592,071	598,234
Total liabilities and equity		2,872,369	2,917,386	1,163,383	1,160,189
Working capital #		(290,870)	(388,420)		
Total borrowings	(k)	1,637,442	1,630,441		
Gross gearing (times) ^		1.50	1.47		
Net borrowings ^^		1,500,495	1,497,434		
Net gearing (times) ^		1.38	1.35		
Net asset value per share (in cents)		90.4	92.2		

Working capital = total current assets - total current liabilities

^ Gross gearing = total borrowings / total equity; Net gearing = net borrowings / total equity

^^ Net borrowings = total borrowings - cash and bank balances

Explanatory notes

- (h) The Group's current contract assets as at 30 June 2019 were \$21.9 million as compared to \$13.5 million as at 31 December 2018, an increase of \$8.4 million. The increase was mainly attributable to an increase in unbilled receivables from buyers of residential development properties in Singapore.

There are no non-current contract assets as at 30 June 2019. The Group's non-current contract assets of \$1.9 million as at 31 December 2018 arose from the deferred payment scheme of a residential development property in Singapore. As this balance is expected to be collected within the next 12 months, it has been reclassified to current contract assets as at 30 June 2019.

- (j) The Group has no assets classified as held for sale as at 30 June 2019. The Group's assets classified as held for sale of \$42.0 million as at 31 December 2018 pertains to a planned sale of an investment property in Singapore. The sale was completed in March 2019.
- (k) The Group's loans and borrowings as at 30 June 2019 was \$1,637.4 million as compared to \$1,630.4 million as at 31 December 2018, increased by \$7.0 million. The increase was mainly due to higher utilisation of borrowings for 18 Robinson and trust receipts for commodities trading from the Industrial Services segment, partially offset by lower carrying value of AUD-denominated borrowing arising from the depreciation of AUD against SGD.
- (m) Trade and other payables as at 30 June 2019 was \$96.4 million as compared to \$125.1 million as at 31 December 2018, decreased by \$28.7 million. The decrease was mainly due to payments made to vendors.
- (n) The Group's contract liabilities as at 30 June 2019 were \$0.4 million as compared to \$0.6 million as at 31 December 2018. Contract liabilities relate to the amount of payments received from purchasers in excess of the amount of revenue recognised.
- (p) The Group's income tax payable as at 30 June 2019 was \$3.2 million as compared to \$5.3 million as at 31 December 2018, decreased by \$2.1 million. The decrease was mainly due to tax payments made of \$5.1 million, partially offset by current year's tax charge of \$1.6 million and under provision of prior year's income tax of \$1.2 million.
- (q) The Group's treasury shares as at 30 June 2019 was \$2.6 million as compared to \$1.5 million as at 31 December 2018, an increase of \$1.1 million. The increase was due to the re-purchase of 2,995,000 shares from the market.

Refer to Note 8(iii) for further review on the Group's financial position.

1. (B)(II) Group's Borrowings and Debt Securities

	Group		Company	
	30.06.19	31.12.18	30.06.19	31.12.18
	\$'000	\$'000	\$'000	\$'000
Secured borrowings				
Amount repayable in one year or less, or on demand	558,357	804,293	-	-
Amount repayable after one year	849,650	597,068	-	-
	1,408,007	1,401,361	-	-
Unsecured borrowings				
Amount repayable in one year or less, or on demand	229,435	79,877	229,435	79,877
Amount repayable after one year	-	149,203	-	149,203
	229,435	229,080	229,435	229,080
	1,637,442	1,630,441	229,435	229,080

The Group's borrowings are secured except for the two series of notes issued under the Medium Term Note Programme ("MTN"). Approximately 86% (31 December 2018: 86%) of the Group's borrowings are secured. The Group's secured borrowings are applied to financing of development, investment and hotel properties in Singapore and Australia respectively.

Approximately 86% (31 December 2018: 86%) of the Group's borrowings are on floating rates with various tenures, while the remaining 14% (31 December 2018: 14%) are on fixed rates.

SGD denominated borrowings represented approximately 80% (31 December 2018: 79%) of total borrowings; while the remaining were in AUD.

MTN Programme

The Company established a S\$900 million MTN Programme in February 2013 and may issue notes in series in SGD or other currencies.

Series I of S\$80 million were issued on 14 October 2014. They are of five years duration, unsecured, bear a fixed interest rate of 4.50% per annum payable semi-annually in arrear and will mature on 14 October 2019.

Series II of S\$150 million were issued on 5 June 2017. They are of three years duration, unsecured, bear a fixed interest rate of 6.00% per annum payable semi-annually in arrear and will mature on 5 June 2020.

Details of any collateral

The net book value of assets pledged or mortgaged to financial institutions was \$2,504.9 million (31 December 2018: \$2,571.8 million) as at 30 June 2019.

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1. (C) Consolidated Statement of Cash Flows

	Note	Group Second Quarter		Group First Half	
		30.06.19 \$'000	30.06.18 \$'000	30.06.19 \$'000	30.06.18 \$'000
OPERATING ACTIVITIES					
Profit before tax		3,934	4,178	5,952	13,775
<i>Adjustments for:</i>					
Fair value loss		254	131	173	198
Share of results of equity accounted investments		(6,747)	(4,949)	(10,256)	(9,121)
Write-back of allowance for diminution in value for development		(403)	(528)	(403)	(847)
Depreciation of property, plant and equipment		2,034	2,130	4,030	4,334
Allowance for doubtful trade and other receivables, net	(c)	6	168	98	469
Write-back of recognised corporate guarantee no longer required	(f)	(346)	-	(346)	-
Net loss on disposal of property, plant and equipment		-	4	-	4
Net gain on disposal of a subsidiary	(b)	-	-	-	(3,893)
Net loss on disposal of an investment property	(d)	-	-	48	-
Discount on acquisition of a subsidiary	(g)	(397)	-	(397)	-
Interest income		(1,346)	(1,321)	(2,615)	(2,464)
Finance costs		13,479	10,326	26,935	20,453
Operating cash flows before movements in working capital		10,468	10,139	23,219	22,908
Development properties less progressive billings receivable		3,073	(22,039)	10,922	(18,014)
Inventories		(114)	333	(13)	410
Trade and other receivables		3,960	(8,821)	(4,025)	6,480
Trade and other payables		(18,260)	17,738	(29,021)	522
Contract assets		(2,282)	-	(6,491)	-
Contract costs		136	-	544	-
Contract liabilities		(427)	-	(144)	-
Cash (used in) / generated from operations		(3,446)	(2,650)	(5,009)	12,306
Interest received		672	766	4,074	984
Income tax paid		(6,420)	(8,241)	(5,715)	(9,815)
Net cash (used in) / from operating activities		(9,194)	(10,125)	(6,650)	3,475
INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(733)	(397)	(1,598)	(1,285)
Proceeds from disposal of property, plant and equipment		6	12	6	17
Proceeds from sale of an investment property		-	-	41,992	-
Additions to investment properties		(1,082)	(22,641)	(2,062)	(44,727)
Acquisition of subsidiaries		(2,228)	(11,310)	(4,677)	(11,310)
Payments for acquisition of land		-	(16,663)	-	(16,663)
Proceeds from disposal of a subsidiary		-	-	-	15,967
Net cash (used in) / from investing activities		(4,037)	(50,999)	33,661	(58,001)
FINANCING ACTIVITIES					
Proceeds from loans and borrowings		16,971	23,196	61,313	25,994
Repayment of loans and borrowings		(19,260)	(280)	(42,911)	(1,037)
Interest paid		(21,162)	(14,835)	(27,748)	(19,322)
Bank deposits (pledged) / released as securities for bank facilities		(1,095)	(481)	(2,252)	147
Dividend paid to shareholders		(9,383)	(5,431)	(9,383)	(5,431)
Purchase of treasury shares		(1,038)	-	(1,120)	-
Cancellation of shares buyback		-	(43)	-	(43)
Net cash (used in) / from financing activities		(34,967)	2,126	(22,101)	308
Net (decrease) / increase in cash and cash equivalents		(48,198)	(58,998)	4,910	(54,218)
Cash and cash equivalents:					
At the beginning of the period		116,451	155,131	66,567	151,145
Foreign currency translation adjustments		525	(90)	(2,699)	(884)
At the end of the period	(aa)	68,778	96,043	68,778	96,043

Please refer to Note 8(iv) for the review on cash flow.

Explanatory notes

(aa) Cash and cash equivalents

	Group	
	30.06.19	30.06.18
	\$'000	\$'000
Cash and bank balances	136,947	162,905
Less:		
Encumbered fixed deposits and bank balances	(68,169)	(66,862)
Cash and cash equivalents per consolidated statement of cash	68,778	96,043

The Group had cash and cash equivalents of \$68.8 million as at 30 June 2019, as compared to \$96.0 million as at 30 June 2018.

The Group had encumbered fixed deposits and bank balances of \$68.2 million as at 30 June 2019 as compared to \$66.9 million as at 30 June 2018. The encumbered fixed deposits and bank balances are held by banks as security for credit facilities and are excluded from cash and cash equivalents.

In China, the Group had cash placed with banks amounting to \$79.8 million (30 June 2018: \$94.7 million); of which, \$62.6 million (30 June 2018: \$65.1 million) was pledged as security for banking facilities in Singapore as at 30 June 2019. The repatriation of such cash into Singapore is subject to Foreign Exchange Control Regulations in China.

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1. (D)(I) Statements of Changes in Equity

The Group

	Share capital \$'000	Treasury shares \$'000	Foreign currency translation account \$'000	Asset revaluation reserve \$'000	Other capital reserves \$'000	Revenue reserve \$'000	Attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
2019									
At 1 January 2019	173,945	(1,523)	(48,596)	139,151	156,909	673,566	1,093,452	15,012	1,108,464
Effects of adopting SFRS(I) 16	-	-	-	-	-	(1)	(1)	-	(1)
At 1 January 2019 (Restated)	173,945	(1,523)	(48,596)	139,151	156,909	673,565	1,093,451	15,012	1,108,463
Total comprehensive income									
Loss for the period	-	-	-	-	-	1,640	1,640	137	1,777
Other comprehensive loss, net of tax	-	-	(11,500)	-	-	-	(11,500)	(42)	(11,542)
Total	-	-	(11,500)	-	-	1,640	(9,860)	95	(9,765)
Transaction with owners, recognised directly in equity									
Transfer from revenue reserve to other capital reserves	-	-	-	-	5,247	(5,247)	-	-	-
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	-	-	-	7	7
Issue of shares under the Scrip Dividend Scheme	1,289	-	-	-	-	-	1,289	-	1,289
Repurchase of shares	-	(1,120)	-	-	-	-	(1,120)	-	(1,120)
Dividend paid to shareholders									
- Cash	-	-	-	-	-	(9,383)	(9,383)	-	(9,383)
- Share	-	-	-	-	-	(1,289)	(1,289)	-	(1,289)
Total	1,289	(1,120)	-	-	5,247	(15,919)	(10,503)	7	(10,496)
At 30 June 2019	175,234	(2,643)	(60,096)	139,151	162,156	659,286	1,073,088	15,114	1,088,202
2018									
At 1 January 2018	172,514	-	(31,038)	133,756	150,662	563,698	989,592	10,627	1,000,219
Total comprehensive income									
Profit for the period	-	-	-	-	-	11,144	11,144	112	11,256
Other comprehensive (loss) / income, net of tax	-	-	(2,187)	-	100	-	(2,087)	100	(1,987)
Total	-	-	(2,187)	-	100	11,144	9,057	212	9,269
Transaction with owners, recognised directly in equity									
Transfer from revenue reserve to other capital reserves	-	-	-	-	6,217	(6,217)	-	-	-
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	-	-	-	3,434	3,434
Non-controlling interest arising from incorporation of a subsidiary	-	-	-	-	-	-	-	600	600
Issue of shares under the Scrip Dividend Scheme	1,690	-	-	-	-	-	1,690	-	1,690
Shares bought back and cancelled	(43)	-	-	-	-	-	(43)	-	(43)
Dividend paid to shareholders									
- Cash	-	-	-	-	-	(5,431)	(5,431)	-	(5,431)
- Share	-	-	-	-	-	(1,690)	(1,690)	-	(1,690)
Goodwill paid over acquiring additional shares in a member of associate	-	-	-	-	(11,202)	-	(11,202)	-	(11,202)
Total	1,647	-	-	-	(4,985)	(13,338)	(16,676)	4,034	(12,642)
At 30 June 2018	174,161	-	(33,225)	133,756	145,777	561,504	981,973	14,873	996,846

The Company

	Share capital \$'000	Treasury shares \$'000	Other capital reserve \$'000	Revenue reserve \$'000	Total equity \$'000
2019					
At 1 January 2019	173,945	(1,523)	101,264	324,548	598,234
Profit, representing total comprehensive income for the period	-	-	-	4,340	4,340
Transactions with owners, recognised directly in equity					
Issue of shares under the Scrip Dividend Scheme	1,289	-	-	-	1,289
Dividend paid to shareholders					
- Cash	-	-	-	(9,383)	(9,383)
- Share	-	-	-	(1,289)	(1,289)
Repurchase of shares	-	(1,120)	-	-	(1,120)
Total	1,289	(1,120)	-	(10,672)	(10,503)
At 30 June 2019	175,234	(2,643)	101,264	318,216	592,071
2018					
At 1 January 2018	172,514	-	101,264	319,787	593,565
Profit, representing total comprehensive income for the period	-	-	-	9,613	9,613
Transactions with owners, recognised directly in equity					
Issue of shares under the Scrip Dividend Scheme	1,690	-	-	-	1,690
Dividend paid to shareholders					
- Cash	-	-	-	(5,431)	(5,431)
- Share	-	-	-	(1,690)	(1,690)
Shares bought back and cancelled	(43)	-	-	-	(43)
Total	1,647	-	-	(7,121)	(5,474)
At 30 June 2018	174,161	-	101,264	322,279	597,704

1. (D)(II) Share Capital

Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding conversion. If any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital

	The Company	
	No. of shares	Amount S\$'000
Balance as at 1 April 2019	1,186,204,962	173,945
Shares bought back and held as treasury shares	(2,795,000)	-
Shares issued under the Scrip Dividend Scheme	3,748,449	1,289
Balance as at 30 June 2019	1,187,158,411	175,234

Save for the above, there has been no change in the Company's share capital arising from rights issue, bonus issue, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since 31 March 2019, being the end of the preceding period reported on.

There were also no outstanding convertible securities for which shares might be issued as at 30 June 2019 and 30 June 2018.

To show the total number of issued share excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

Total number of issued shares excluding treasury shares as at 30 June 2019 was 1,187,158,411 ordinary shares (31 December 2018: 1,186,404,962 ordinary shares).

A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Treasury Shares

	The Company	
	No. of shares	Amount S\$'000
Balance as at 1 April 2019	4,583,400	1,605
Shares bought back and held as treasury shares	2,795,000	1,038
Balance as at 30 June 2019	7,378,400	2,643

There were no other transfers, disposal or cancellation of treasury shares during the financial period. As at 30 June 2019, the Company held 7,378,400 treasury shares which represent 0.6% of the total number of issued shares (excluding treasury shares). The Company did not hold any treasury shares as at 30 June 2018.

2. Audit

Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The financial statements have not been audited or reviewed by the Company's external auditors.

3. Auditor's Report

Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)

Not applicable.

4. Accounting Policies

Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in Item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those of the audited financial statements for the financial year ended 31 December 2018.

5. Changes in accounting policies

If there are any changes in the accounting policies and methods of computation including any required by an accounting standards, what has changed as well as the reasons for, and the effect of, the change

(i) *SFRS(I) 16 Leases*

The Group has applied *SFRS(I) 16 Leases* that is effective from 1 January 2019.

SFRS(I) 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance lease, and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The Group and the Company have applied the changes in accounting policies using the modified retrospective approach. The impact of adoption is adjusted against the opening balance of retained earnings on 1 January 2019, which is the date of initial application. Comparatives are not restated.

Refer to Note 1(B)(I) for the right-of-use assets and lease liabilities recognised as at 30 June 2019 as a result of the application of *SFRS(I) 16* and refer to Note 1(D)(I) for the impact on opening retained earnings.

(ii) *IAS 23 Borrowing costs – Revenue recognised over time*

On 6 March 2019, the International Financial Reporting Standards ("IFRS") Interpretation Committee has finalised the agenda decision on *IAS 23 Borrowing Costs – Revenue recognised over time*. It was concluded that borrowing costs would not be capitalised when the borrowings relate to the construction of a residential multi-unit real estate development for which revenue is recognised over time. No adjustments have been made as the Group and Company are in the process of assessing the impact of adoption.

6. Earnings Per Ordinary Share (“EPS”)

	Group Second Quarter		Group First Half	
	30.06.19	30.06.18	30.06.19	30.06.18
(a) Earnings per ordinary share based on the weighted average number of ordinary shares in issue (in cents):				
Excluding fair value adjustments	0.1	0.3	0.2	1.0
Including fair value adjustments	0.1	0.3	0.1	0.9
Weighted average number of ordinary shares in issue (in millions)	<u>1,185.0</u>	1,187.1	<u>1,185.7</u>	1,187.1
(b) Earnings per ordinary share based on fully diluted basis (in cents)				
Excluding fair value adjustments	0.1	0.3	0.2	1.0
Including fair value adjustments	0.1	0.3	0.1	0.9
Adjusted weighted average number of ordinary shares (in millions)	<u>1,185.0</u>	1,187.1	<u>1,185.7</u>	1,187.1

Earnings per ordinary share = Profit attributable to owners of the Company / Weighted average number of shares

There was no outstanding dilutive potential ordinary share. Hence diluted earnings per ordinary share were the same as the earnings per ordinary share for the respective periods.

7. Net Asset Value Per Ordinary Share (“NAV”)

	Group		Company	
	30.06.19	31.12.18	30.06.19	31.12.18
Net asset value per ordinary share (in cents)	<u>90.4</u>	92.2	<u>49.9</u>	50.4
Total number of issued shares (in millions)	<u>1,187.2</u>	1,186.4	<u>1,187.2</u>	1,186.4

Net asset value per ordinary share = Equity attributable to owners of the Company / Total number of issued shares

8. Review of Group Performance

The Group operates four business segments, namely Property, Hotel Investments, Industrial Services and Other Investments.

The Group's flagship building, 18 Robinson obtained Temporary Occupation Permit ("TOP") upon the completion of the previously known Robinson Towers' redevelopment in January 2019. It is expected to generate recurring rental income when the tenancies commence following fitting out periods in 2H2019.

The Group has commenced Additions & Alterations ("A&A") works at 896 Dunearn Road in 1Q2019 which will reposition the property to introduce more lifestyle retail and food & beverage tenancies in the building. This is expected to generate recurring rental income upon completion of the works and commencement of the new tenancies in 2H2019.

The Group completed the acquisition of P.T. Titian Damai Mandiri ("TDM"), an Indonesia company which holds a land allocation letter from Batam Authorities granting TDM the rights to acquire 40 hectares of land in Marina City, Batam in early April 2019.

(i) Financial Performance

2Q2019

The Group's revenue was \$73.9 million as compared to \$81.7 million in 2Q2018, a decrease of \$7.8 million. The decrease was mainly due to lower revenue from Industrial Services segment, partially offset by higher revenue from Property segment.

Gross profit was \$13.8 million. The decrease of \$1.7 million was in line with the lower revenue.

Other operating income was \$1.3 million as compared to \$0.5 million in 2Q2018, an increase of \$0.8 million. The increase was mainly due to a write-back of corporate guarantee previously recognised of \$0.3 million arising from the cancellation of bank facilities by an associate and a discount on acquisition of a subsidiary in Indonesia of \$0.4 million.

Distribution costs of \$0.9 million were comparable to \$0.8 million in 2Q2018.

Administrative expenses were \$4.4 million as compared to \$6.7 million in 2Q2018, a decrease of \$2.3 million. The decrease was mainly due to a write-back on provision of legal costs relating to a development project, partially offset by higher manpower costs and professional fees.

Other operating expenses of \$0.2 million were comparable to \$0.2 million in 2Q2018.

Share of results of equity accounted investments was \$6.7 million as compared to \$4.9 million in 2Q2018, an increase of \$1.8 million. The increase was the result of higher net profit attributable to shareholders of US\$11.3 million from GulTech, as compared to US\$8.2 million in the previous corresponding quarter. The increase in net profit attributable to shareholders was mainly due to an increase in share of profits from Wuxi plant as well as increased its stake in GulTech Wuxi on 30 June 2018.

Interest income of \$1.3 million was comparable to \$1.3 million in 2Q2018.

Finance costs were \$13.5 million as compared to \$10.3 million in 2Q2018, an increase of \$3.2 million. The increase was due mainly to higher interest expense for 18 Robinson. Prior to obtaining TOP for 18 Robinson, the interest in respect of the borrowing was capitalised. In addition, interest rates on borrowings for other investment properties had increased in the course of the period.

Income tax expense was \$2.3 million as compared to \$1.1 million in 2Q2018, an increase of \$1.2 million. In 2Q2019, the higher tax expense was mainly due to an under provision of tax arising from a distribution in Australia and higher deferred tax expense arising from the sale of residential projects that are under development.

As a result of the above, the profit attributable to the owners of the Company was \$1.5 million as compared to \$3.0 million in the same period last year, a decrease of \$1.5 million.

1H2019

The Group's revenue was \$151.4 million as compared to \$158.1 million in 1H2018, a decrease of \$6.7 million. The decrease was mainly due to lower revenue from Hotels Investment and Industrial Services segments, partially offset by higher revenue from Property segment.

Gross profit was \$30.3 million. The decrease of \$1.8 million was in line with the lower revenue.

Other operating income was \$1.6 million as compared to \$5.5 million in 1H2018, a decrease of \$3.9 million. The decrease was due mainly to the absence of \$3.9 million gain from a divestment of a China subsidiary in 2018.

Distribution costs were \$2.0 million as compared to \$1.3 million in 1H2018, an increase of \$0.7 million. The increase was mainly attributable to higher commission expenses and marketing and promotion expenses relating to residential projects.

Administrative expenses were \$9.3 million as compared to \$12.9 million in 1H2018, a decrease of \$3.6 million. The decrease was mainly due to a write-back on provision of legal costs relating to a development project, partially offset by higher manpower costs.

Other operating expenses of \$0.5 million were comparable to \$0.5 million in 1H2018.

Share of results of equity accounted investments was \$10.3 million as compared to \$9.1 million in 1H2018, an increase of \$1.2 million. The increase was because of a higher net profit attributable to shareholders of US\$16.8 million from GulTech, as compared to US\$15.4 million in the corresponding period last year. The increase in net profit attributable to shareholders was mainly attributable to an increase in share of profit from Wuxi plant as GulTech increased its stake in GulTech Wuxi on 30 June 2018.

Interest income of \$2.6 million was comparable to \$2.5 million in 1H2018.

Finance costs were \$26.9 million as compared to \$20.5 million in 1H2018, an increase of \$6.4 million. The increase was due mainly to interest expenses for 18 Robinson. Prior to obtaining TOP for 18 Robinson, the interest of the borrowing was capitalised. In addition, interest rates on borrowings for other investment properties had increased during the period.

Income tax expense was \$4.2 million as compared to \$2.5 million in 1H2018, an increase of \$1.7 million. In 1H2019, the higher tax expense was mainly due to an under provision of tax arising from a distribution in Australia and higher deferred tax expense arising from the sale of residential projects that are under development.

As a result of the above, the profit attributable to the owners of the Company was \$1.6 million as compared to a profit of \$11.1 million in the same period last year, a decrease of \$9.5 million.

(ii) Business Segment

Property segment

Property segment revenue for 1H2019 was \$50.5 million as compared to \$35.4 million in 1H2018, an increase of \$15.1 million. The increase was mainly driven by an increase in sales and percentage of completion of development properties. This was partially offset by the decrease in revenue from investment properties mainly due to the on-going refurbishment works to reposition 896 Dunearn Road.

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Profit for 1H2019 was \$1.5 million as compared to \$10.8 million in 1H2018, a decrease of \$9.3 million. The decrease in profit was due mainly to the absence of \$3.9 million gain arising from the divestment of a China subsidiary, and an increase in finance cost of \$6.3 million, which was mainly due to interest for 18 Robinson being expensed after obtaining TOP in January 2019.

Hotels Investment segment

Hotels Investment segment revenue for 1H2019 was \$49.5 million (or A\$51.5 million) as compared to \$54.5 million (or A\$53.2 million) in 1H2018, a decrease of \$5.0 million (or A\$1.7 million). Despite a slight decrease in occupancy rate, the Melbourne hotel performed better with an increase in RevPAR. However, it was offset by the weaker performance of the Perth hotel.

Correspondingly, profit for 1H2019 was \$0.1 million as compared to \$1.3 million in 1H2018, a decrease of \$1.2 million. The decrease was mainly due to weaker performance of the Perth hotel as well as the under provision of tax arising from a distribution to its shareholder.

Industrial Services segment

Industrial Services segment revenue for 1H2019 was \$52.1 million as compared to \$68.8 million in 1H2018, a decrease of \$16.7 million. The decrease was mainly due to lower contribution from the Commodities Trading unit.

The profit of \$0.2 million for 1H2019 was comparable to 1H2018 of \$0.4 million. While revenue decreased, profitability was comparable as income is based on the quantity of delivery.

Other Investments segment

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 in Other Investments segment for 1H2019 was \$10.5 million as compared to \$8.9 million in 1H2018. The increase was mainly attributable to an increase in share of profits from Wuxi plant as Gultech increased its stake in Gultech Wuxi on 30 June 2018.

2Q2019 versus 2Q2018

	Property \$'000	Hotels Investment \$'000	Industrial Services \$'000	Other Investments ¹ \$'000	Corporate and Others ² \$'000	Inter- Segment Eliminations \$'000	Total Consolidated \$'000
2Q2019							
Revenue	23,930	23,405	26,940	-	2,735	(3,093)	73,917
Profit for the period	1,038	(882)	186	7,178	(5,424)	(507)	1,589
2Q2018							
Revenue	18,243	25,342	38,405	-	2,310	(2,637)	81,663
Profit for the period	3,444	(869)	445	4,818	(4,006)	(750)	3,082

1H2019 versus 1H2018

	Property \$'000	Hotels Investment \$'000	Industrial Services \$'000	Other Investments ¹ \$'000	Corporate and Others ² \$'000	Inter- Segment Eliminations \$'000	Total Consolidated \$'000
1H2019							
Revenue	50,498	49,494	52,110	-	15,550	(16,272)	151,380
Profit for the period	1,509	122	223	10,498	310	(10,885)	1,777
1H2018							
Revenue	35,421	54,548	68,827	-	19,624	(20,287)	158,133
Profit for the period	10,803	1,324	400	8,923	6,277	(16,471)	11,256

Note:

1. No revenue is reported under "Other Investments" as the Group equity accounts for its investments in GulTech and Pan-West.
2. "Corporate and Others" refers to the aggregation of provision of corporate-level services by the Company to the various subsidiaries and charged as such. They are eliminated at group-level upon consolidation.

(iii) Financial Position and Working Capital

Total assets as at 30 June 2019 was \$2,872.4 million as compared to \$2,917.4 million as at 31 December 2018, a decrease of \$45.0 million. The decrease was mainly due to a disposal of investment property in March 2019.

Total liabilities as at 30 June 2019 was \$1,784.2 million as compared to \$1,808.9 million as at 31 December 2018, a decrease of \$24.7 million. The decrease was mainly due to a decrease in trade and other payables.

As at 30 June 2019, shareholders' fund was \$1,073.1 million as compared to \$1,093.5 million as at 31 December 2018, a decrease of \$20.4 million.

The Group's negative working capital of \$290.9 million as at 30 June 2019, was mainly attributed to current borrowings of \$787.8 million, comprising secured borrowings of \$558.4 million and MTN (Series I and II) of \$229.4 million. The Group is in on-going discussions with bankers to refinance these loans and borrowings.

(iv) Cash Flows

During 1H2019, net cash used in operating activities of \$6.7 million arose from profit for the period, after changes in working capital and other adjustments.

Net cash generated from investing activities of \$33.7 million was mainly attributable to the sale proceeds of an investment property in Singapore for \$42.0 million. This was offset by payments for the acquisition of a subsidiary in Indonesia, progress payments for investment properties and purchase of property, plant and equipment.

Net cash used in financing activities of \$22.1 million was mainly due to the interest payments of \$27.7 million, dividends paid to shareholders of \$9.4 million, partially offset by the net proceeds from loans and borrowings of \$18.4 million.

As a result, cash and cash equivalents were \$68.8 million as at 30 June 2019, representing an inflow of \$4.9 million since 31 December 2018.

9. Variance from prospect statement

Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. Outlook

A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

As the Group marks its Golden Jubilee in 2019, the Group has embarked on a strategic business transformation to reposition itself from a niche developer to a regional player with value-added opportunities in commercial, residential and hospitality properties in various gateway cities in the Asia-Pacific, with a particular emphasis in Singapore, China, Indonesia and Australia.

In Singapore, the office market continues to be favourable. The Group expects 18 Robinson and 896 Dunearn Road to generate healthy stream of recurring rental income in the second half of the year. The Group will continue to market their residential projects actively, namely Kandis Residence and Mont Botanik Residence. Kandis Residence is expected to obtain TOP by year end. This would be a choice development for upgraders in the serene Sembawang Park vicinity.

In Australia, the Group's Hotel segment will continue to bring in healthy income. Grand Hyatt Melbourne continues to perform well whilst Hyatt Regency Perth operates in a softer market. On 10 May 2019, the City of Perth Council approved the redevelopment plan for the Perth commercial centre. The Group will commence Asset Enhancement Initiative and it is expected to be completed by 1H2021.

In China, the Group's investment in the Sanya project has commenced construction work. Upon completion, it will be an iconic landmark project which comprises commercial, residential and retail components and is connected to the Sanya High-Speed Railway Station. It will have a total saleable and leasable area of 2.6 million square feet.

In Batam, Indonesia, the government announced that they will build a bridge to connect Batam and Bintan, as part of the efforts to develop industry and tourism in the area. This will bring more tourism opportunities to Batam which will benefit the Group's development in Batam. The Group intends to develop the site into an integrated mixed-development township, comprising hotels with MICE facilities, condotels, retail outlets, food & beverage, entertainment spaces, tourist facilities and attractions as well as residential properties.

In the region, the Group will continue to seek opportunities, explore potential partnerships and collaborations to grow its portfolio of well-located assets and tourism market.

11. Dividend

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend has been recommended or declared for 2Q2019 and 1H2019.

- (b) Interim or final dividend per share

Not applicable.

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable.

- (d) Date the dividend is payable

Not applicable.

- (e) Book Closure Date

Not applicable.

If no dividend has been declared (recommended), a statement to that effect

There was no interim dividend declared for 2Q2019 and 1H2019.

12. Interested Person Transactions (“IPTs”)

If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, statement to that effect

The Group has obtained the IPTs mandate from the shareholders at the Extraordinary General Meeting held on 24 April 2019.

Interested Person Transactions	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than \$100,000) for the period 24 April 2019 to 30 June 2019 \$’000
Rendering of corporate support to Interested Persons - Nuri Properties Pte Ltd and its associates	42
Rendering of corporate support from Interested Persons - Nuri Holdings (S) Pte Ltd and its associates	33

13. Confirmation pursuant to Rule 720(1) of the SGX Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual of SGX-ST.

14. Negative Assurance Confirmation Pursuant to Rule 705(5) of the SGX Listing Manual

We, Ong Beng Kheong and William Nursalim alias William Liem, being two directors of Tuan Sing Holdings Limited (the “Company”), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results of the second quarter and half year ended 30 June 2019 to be false or misleading in any material aspect.

Ong Beng Kheong
Chairman

William Nursalim alias William Liem
Chief Executive Officer

BY ORDER OF THE BOARD

Julie Koh Ngin Joo
Group Company Secretary
24 July 2019