TUAN SING HOLDINGS LIMITED

Creating A Clear Distinction

2Q2015 & 1H2015 RESULTS ANNOUNCEMENT

30 July 2015

Overview

- The Group reported revenue of $194.1m for 2Q2015; $349.4m for 1H2015
- Net profit attributable to shareholders increased to $22.3m for 2Q2015; $38.2m for 1H2015
- Annualised return on shareholders' fund of 9.4%
- Earnings per share was up to 1.9 cents for 2Q2015; 3.3 cents for 1H2015
- Net asset value per share rose to 70.5 cents at 30 June 2015, from 68.3 cents at the previous year-end

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Group Financial Performance

($'m)	1H2015	1H2014	Chg
Revenue	349.4	142.9	+145%
Gross profit	70.8	24.3	+191%
Profit before tax & fair value adj	47.2	23.4	+101%
Profit before tax	47.4	23.0	+106%
Profit after tax	38.3	19.5	+96%
Net profit attributable to shareholders	38.2	19.3	+98%
EPS (cents)	3.3	1.6	+98%

Note: Any discrepancies in the percentages listed and the totals thereof are due to rounding.

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Review of Financial Performance

- Group revenue increased by 145% to $349.4m attributable to higher revenue recognised for Seletar Park Residence, Sennett Residence, Cluny Park Residence and the consolidation of GHG's revenue
- Gross profit grew 191% to $70.8m, further boosted by relatively higher gross margin from GHG
- Profit before tax and fair value adjustments increased 101% to $47.2m with higher gross profit reduced partly by higher distribution costs, administrative expenses, and finance costs
- Profit before tax increased to $47.4m, within which a fair value gain of $0.2m was recorded
- After accounting for taxes and non-controlling interests' share of profit, the Group reported a 98% increase in net profit attributable to shareholders of $38.2m

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Group Financial Position

($'m)	30.06.15	31.12.14	Chg
Total assets	2,231.8	2,306.3	-3%
Total liabilities	1,390.2	1,493.3	-7%
Total borrowings	1,231.1	1,344.9	-8%
Cash and bank balances	157.2	252.3	-38%
Shareholders' funds	831.3	802.9	+4%
NAV per share (cents)	70.5	68.3	+3%
Gross gearing^	1.46X	1.65X	-12%
Net gearing^^	1.28X	1.34X	-4%

Note: Any discrepancies in the percentages listed and the totals thereof are due to rounding.
^ Gross gearing = total borrowings / total equity
^^ Net gearing = net borrowings / total equity; Net borrowings = total borrowings – cash and bank balances

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Review of Financial Position

- Group total assets decreased by 3% to $2,231.8m due to lower level of cash and bank balances, offset partially by increases in receivables, development properties, and higher carrying amount of investment in GulTech
- Total liabilities decreased by 7% to $1,390.2m, as a result of using excess cash to partially repay project loans
- Accordingly, gross gearing and net gearing improved to 1.46X and 1.28X respectively
- Shareholders' funds grew 4% to $831.3m reflecting profit earned, offset by foreign currency translation losses mainly due to the depreciation of Australian Dollar and the Company's payment of dividends to shareholders

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Group Cash Flow

($'m)	1H2015	1H2014
Operating cash flow	33.5	12.0
Investing cash flow	(4.7)	3.7
Financing cash flow	(124.6)	(14.1)
Foreign currency translation adjustments	(0.5)	(0.9)
Cash & cash equivalent at period-end^	91.1	213.4
Free cash inflow^^	28.8	15.8

^ Net of encumbered bank balances
^^ Free cash flow = operating cash flow + investing cash flow

Review of Cash Flow

- Net cash from operating activities was $33.5m due to higher operating cash flows generated but offset by higher working capital requirements including payment for development expenditures
- Net cash used in investing activities was $4.7m, as the Group spent $3.7m on the Robinson Tower redevelopment and a net $1.0m on other capital expenditures
- Net cash used in financing activities was $124.6m, reflecting a net loan repayment of $102.3m, interest payment of $17.2m and cash dividends paid to shareholders of $4.9m
- Free cash of $28.8m was generated in the current period
- Overall, cash and cash equivalents stood at $91.1m at 30 June 2015, down from $187.4m at 31 December 2014

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Revenue by Segment

($'m)	1H2015	1H2014	Chg
Property	220.6	74.2	+197%
Hotels Investment^	71.0	-	nm
Industrial Services	58.1	69.0	-16%
Other Investments^^	-	-	nm
Corporate & Others#	(0.3)	(0.3)	nm
Group Total	349.4	142.9	+145%
Proforma Total (including equity accounted investees)	519.1	395.4	+31%

Revenue surged on the back of higher contribution from Property and the consolidation of GHG's revenue under Hotels Investment

Note: Any discrepancies in the percentages listed and the totals thereof are due to rounding.

^ Revenue reported under "Hotels Investment" relates to GHG's results post-acquisition since 2 December 2014. Prior to that, the Group equity accounted for its 50% interest in GHG

^^ GulTech and Pan-West were not included as their results were equity accounted for

Comprise mainly group-level services and consolidation adjustments

Profit Before Tax & FV Adj by Segment

($'m)	1H2015	1H2014	Chg
Property	36.6	16.4	+124%
Hotels Investment	7.3	2.4	+201%
Industrial Services	@	0.9	nm
Other Investments	1.9	6.1	-69%
Corporate & Others#	1.4	(2.4)	nm
Group Total	**47.2**	**23.4**	**+101%**

Profit before tax and FV adjustments more than doubled with higher operating profit from Property and Hotels Investment

Note: Any discrepancies in the percentages listed and the totals thereof are due to rounding.
Comprise mainly group-level services and consolidation adjustments
@ Less than $0.1m loss

Profit after tax by Segment

($'m)	1H2015	1H2014	Chg
Property	30.4	13.7	+122%
Hotels Investment	4.6	2.1	+122%
Industrial Services	(0.1)	0.8	nm
Other Investments	2.0	5.3	-61%
Corporate & Others#	1.4	(2.4)	nm
Group Total	38.3	19.5	+96%

Property and Hotels Investment are the key drivers and their combined contribution accounted for 91% of the Group's total profit after tax in 1H2015

Note: Any discrepancies in the percentages listed and the totals thereof are due to rounding.
Comprise mainly group-level services and consolidation adjustments

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Property

- Property revenue increased 197% to $220.6m; profit before tax and fair value adjustments increased 124% to $36.6m
- Majority of revenue and profit were from the progressive recognition of units sold at Seletar Park Residence, Sennett Residence, and Cluny Park Residence
- As at 30 June 2015, total order book stood at $771.7m, out of which, $551.4m or approximately 71% has been recognised
- Including rental income from investment properties, profit after tax increased 122% to $30.4m
- Property contributed 63% of the Group's revenue and 79% of the Group's profit after tax

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Hotels Investment

- Grand Hyatt Melbourne and Hyatt Regency Perth registered a combined 4% improvement in RevPAR
- Net income from hotel operations increased to A$12.9m, as compared to A$12.7m in 1H2014
- Net income from office, shopping space and carpark operations came in at A$8.2m, from A$7.9m a year earlier
- Coupled with 30% lower interest costs and 4% lower depreciation charges, GHG's net profit after tax increased by 56% to A$9.0m
- After deducting finance costs and deferred tax provision at the investment holding company level, Hotels Investment contributed profit after tax of S$4.6m and accounted for 12% of the Group's profit after tax

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Industrial Services

- Industrial Services contributed revenue of $58.1m as compared to $69.0m in the same period a year ago
- SP Corp posted lower revenue and earnings of $53.6m and $0.2m respectively
- Current period performance was affected by lower tyre sales and lower coal trading level as well as an overall decrease in commodity prices

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Other Investments

- GulTech reported a 10% decrease in revenue to US$121.1m and a 41% decrease in profit after tax to US$10.5m, weighed down by lower margin and start-up expenses of its new Jiangsu plant
- The decrease was mitigated partly by a fair value gain on foreign exchange forward contracts
- GulTech's net profit attributable to shareholders declined 65% to US$3.4m in 1H2015
- Consequently, this translated into a lower share of profit (including fair value gain) of S$2.0m for the Group

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Outlook

- Seletar Park Residence, Sennett Residence and Cluny Park Residence had been about 97%, 92% and 42% sold respectively; majority of the Group's revenue and profit in 2015 would continue to come from these projects
- Robinson Point has been fully leased out under various leases ending in years 2017/18
- The redevelopment of the Robinson Tower site is on-going with piling to be completed in 2H2015
- GHG is expected to perform satisfactorily in the remaining part of the year as the Group's effort in driving a better performance from GHG comes to fruition
- Barring unforeseen circumstances, the Group is optimistic of achieving a satisfactory operational performance for 2015

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Thank You

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