TUAN SING HOLDINGS LIMITED

Creating A Clear Distinction

3Q2014 & 9M2014 RESULTS ANNOUNCEMENT

30 October 2014

Overview

- The Group continued to recognise its revenue and profit from development properties already sold based on percentage of completion method
- Group revenue was $99.8m for 3Q2014, up 84%; $242.7m for 9M2014, up 2%
- Net profit attributable for shareholders was $17.5m for 3Q2014, up 204%; $36.8m for 9M2014, up 38 %
- Earnings per share was 1.5 cents for 3Q2014; 3.1 cents for 9M2014
- Net asset value per share rose to 66.4 cents at 30 September 2014, from 63.9 cents at the previous year end

Review of Financial Performance (9M2014)

- Group revenue increased 2% attributable to higher revenue reported by Property
- Gross profit increased 13%
- Distribution costs reduced though legal fee increased in connection with Gilstead Court collective sale and GHG settlement
- The Group's share of results of GHG and GulTech accounted for a profit before FV adjustments of $13.9m
- Finance income of $3.5m vs. finance costs of $4.4m
- A net fair value gain of $0.2m was recognised as compared to $0.5m last year, both on financial derivative instruments
- Overall, profit after tax increased 34% to $37.1m; Net profit attributable to shareholders increased 38% to $36.8m

Group Financial Performance

($'m)	9M2014	9M2013	Chg
Revenue	242.7	237.0	+2%
Gross profit	44.7	39.7	+13%
Profit before tax & fair value adj	43.0	32.0	+34%
Profit before tax	43.2	32.5	+33%
Profit after tax	37.1	27.7	+34%
Profit attributable to shareholders	36.8	26.7	+38%
EPS (cents)	3.1	2.3	+36%

Review of Financial Position (As at 30 Sep 2014)

- Total assets of $1.8b represented a marginal increase due mainly to development costs capitalised offset by progress billings for development properties
- Total liabilities of $1.0b represented a 2% decrease due mainly to lower level of payables and reduced total borrowings
- Total borrowings decreased by $6.8m to $910.8m; cash and bank balances increased by $0.7m to $277.6m
- Gross gearing reduced to 1.15 times; net gearing reduced to 0.80 times
- Shareholders’ funds grew 4% or $31.8m to $781.5m

Group Financial Position

($'m)	30.09.14	31.12.13	Chg
Total assets	1,796.0	1,783.3	+1%
Total liabilities	1,004.7	1,024.1	-2%
Total borrowings	910.8	917.7	-1%
Cash and bank balances	277.6	276.9	<1%
Shareholders' funds	781.5	749.7	+4%
NAV per share (cents)	66.4	63.9	+4%
Gross gearing^	1.15X	1.21X	-5%
Net gearing^	0.80X	0.84X	-5%

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

Review of Cash Flow (9M2014)

- Net cash from operating activities was $23.9m attributable to operating profit, progress billings for development properties, receipt of interest income less income tax
- Net cash from investing activities was $0.7m, mainly contributed by distribution from GHG less Robinson Tower redevelopment and other capital projects
- Financing activities accounted for a net cash outflow of $22.7m due mainly to a net loan repayment, interest expense and dividend to shareholders
- Overall, cash and cash equivalents increased to $214.2m at 30 September 2014, from $212.6m at the previous year-end

Group Cash Flow

($'m)	9M2014	9M2013
Operating cash flow	23.9	60.8
Investing cash flow	0.7	(26.8)
Financing cash flow	(22.7)	33.2
Foreign currency translation adjustments	(0.4)	3.3
Cash & cash equivalent at period-end^	214.2	277.6
Free cash inflow*	24.6	34.0

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

Revenue by Segment

($'m)	9M2014	9M2013	Chg
Property	137.1	110.2	+24%
Hotels Investment ^	-	-	nm
Industrial Services	106.0	127.5	-17%
Other Investments ^	-	-	nm
Corporate & Others #	(0.4)	(0.7)	+31%
Group Total	242.7	237.0	+2%
Proforma Group including JV / Assoc	627.7	619.4	+1%

Property overtook Industrial Services as the biggest contributor to the Group's total revenue

^ Revenue from 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)	9M2014	9M2013	Chg
Property	32.9	17.4	+89%
Hotels Investment	3.4	2.7	+24%
Industrial Services	1.3	2.4	-47%
Other Investments	8.7	11.1	-21%
Corporate & Others #	(3.3)	(1.6)	-109%
Group Total	43.0	32.0	+34%

All business segments are profitable

Comprise mainly group-level services and consolidation adjustments

Profit after tax by Segment

($'m)	9M2014	9M2013	Chg
Property	28.1	14.4	+95%
Hotels Investment	2.9	1.7	+71%
Industrial Services	1.0	2.1	-51%
Other Investments	8.3	11.1	-25%
Corporate & Others #	(3.2)	(1.6)	-110%
Group Total	37.1	27.7	+34%

Property remained the largest contributor and accounted for 76% of the Group's total profit after tax

Comprise mainly group-level services and consolidation adjustments

Property

- Property revenue increased 24% to $137.1m and profit after tax increased 95% to $28.1m
- Bulk of revenue and profit were from the progressive recognition based on percentage of construction for units sold at Seletar Park Residence and Sennett Residence, as well as the initial recognition on new bookings at Cluny Park Residence
- Rental income from investment properties grew 107% on account of new contribution from Robinson Point, acquired in October 13
- Overall, Property contributed 57% of the Group's total revenue and 76% of the Group's total profit after tax

Hotels Investment

- GHG’s net property income increased 3% to A$31.5m
- This was attributable to higher contribution from Grand Hyatt Melbourne
- Combined RevPar for the two hotels remain unchanged with higher average rate offset by lower occupancy rate
- Rental income from non-hotel properties increased 7%
- Including interest rate hedging gain, net profit of GHG increased to A$9.8m; consequently share of GHG’s profit increased to S$5.6m
- After deducting finance costs and deferred tax provision at the investment holding company level, Hotels Investment contributed profit after tax of S$2.9m

Industrial Services

- Industrial Services posted revenue of $106.0m and profit after tax of $1.0m
- By comparison, revenue of $127.5m and profit after tax of $2.1m were reported in the previous corresponding period
- Revenue drop was due mainly to SP Corp's lower tyre distribution and commodities trading activities
- As a result, SP Corp's profit after tax dipped to $1.3m

Other Investments

- GulTech posted a 5% increase in revenue to US$205.9m
- But profit after tax decreased 19% to US$28.9m due mainly to higher manufacturing costs and non-cash fair value loss on exchange rate hedging
- Consequently, GulTech's net profit attributable to shareholders declined to US$15.4m
- This translated into a lower share of profit (including fair value loss) of S$8.4m for the Group

Outlook

- The Group will continue to strengthen its property portfolio
- In Australia, the Group is scheduled to complete the acquisition of the remaining 50% interest in GHG in December 2014
- In Singapore, the Group secured total order book of $750.3m on Seletar Park Residence, Sennett Residence and Cluny Park Residence; bulk of revenue and profit will be recognised in 2014 & 2015
- In China, the Group tendered successfully the 3rd plot of development land in Jiaozhou, Qingdao; total area acquired: approx. 179,460 sq.m
- Barring unforeseen circumstances, the Group is optimistic of achieving better operational performance for the year 2014, as compared to 2013

Thank You

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