



TUAN SING HOLDINGS LIMITED

Creating A Clear Distinction



1Q2015 RESULTS ANNOUNCEMENT

30 April 2015



Overview

- 1Q2015 reported Group's revenue of \$155.3m and net profit attributable to shareholders of \$15.9m, as compared to \$61.3m and \$7.7m respectively in the same quarter last year
- The better performance was attributed to higher contribution from Property and Hotels Investment
- Total comprehensive income of \$23.0m, inclusive of \$7.0m foreign currency translation gain
- Earnings per share came in at 1.4 cents, up from 0.7 cent a year earlier
- Net asset value per share rose to 70.2 cents at 31 March 2015



Group Financial Performance

(\$'m)	1Q2015	1Q2014	Chg
Revenue	155.3	61.3	+153%
Gross profit	32.3	10.3	+214%
Profit before tax & fair value adj	20.1	10.1	+99%
Profit before tax	20.3	9.5	+115%
Profit after tax	15.9	7.8	+105%
Net profit attributable to shareholders	15.9	7.7	+107%
EPS (cents)	1.4	0.7	+106%



Review of Financial Performance

- Group revenue increased by 153% to \$155.3m attributable to higher contribution from Property and the consolidation of GHG's revenue
- With higher revenue and relatively higher margin from GHG, gross profit more than doubled to \$32.3m
- Distribution costs decreased because of lower number of property sales
- Administrative expenses increased due to higher legal costs and consolidation of GHG
- Share of results of equity accounted investees decreased as a result of lower contribution from GulTech and GHG results having been consolidated instead of being equity-accounted for
- Fair value gain of \$0.2m recorded in current quarter
- Overall, Group's profit after tax of \$15.9m was 105% higher than that of the same quarter last year



Group Financial Position

(\$'m)	31.03.15	31.12.14	Chg
Total assets	2,282.0	2,306.3	-1%
Total liabilities	1,446.0	1,493.3	-3%
Total borrowings	1,282.1	1,344.9	-5%
Cash and bank balances	213.7	252.3	-15%
Shareholders' funds	825.7	802.9	+3%
NAV per share (cents)	70.2	68.3	+3%
Gross gearing [^]	1.53X	1.65X	-7%
Net gearing ^{^^}	1.28X	1.34X	-4%

[^] Gross gearing = total borrowings / total equity

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



Review of Financial Position

- Group total assets decreased 1% to \$2.3b due to cash used to repay part of the project loans, offset by increase in trade and other receivables, investment and development properties, and higher carrying amount of GulTech
- Total liabilities of \$1.4b represented a 3% decrease attributable to lower level of borrowings following partial repayment of project loans
- Gross gearing & net gearing improved to 1.53 times and 1.28 times respectively
- Shareholders' funds grew 3% or \$22.8m to \$825.7m on the back of profit earned during the period and foreign currency translation gain



Group Cash Flow

(\$'m)	1Q2015	1Q2014
Operating cash flow	32.8	(3.2)
Investing cash flow	(2.4)	4.2
Financing cash flow	(71.8)	(4.5)
Foreign currency translation adjustments	0.3	(0.6)
Cash & cash equivalent at period-end[^]	146.3	208.5
Free cash inflow^{^^}	30.4	1.0

[^] Net of encumbered bank balances

^{^^} Free cash flow = operating cash flow + investing cash flow



Review of Cash Flow

- Net cash from operating activities was \$32.8m, attributable largely to higher operating cash flows and favourable working capital movements, offset partially by higher income tax paid
- Net cash used in investing activities was \$2.4m, mainly \$0.5m for fixed assets and \$1.9m for Robinson Tower redevelopment
- Financing activities saw a net outflow of \$71.8m reflecting a net loan repayment of \$63.9m and interest payment of \$7.6m
- Free cash of \$30.4m was generated in 1Q2015
- Overall, cash and cash equivalents stood at \$146.3m at 31 March 2015, down from \$187.4m at 31 December 2014



Revenue by Segment

(\$'m)	1Q2015	1Q2014	Chg
Property	89.7	30.4	+195%
Hotels Investment[^]	37.3	-	nm
Industrial Services	28.5	31.1	-8%
Other Investments^{^^}	-	-	nm
Corporate & Others[#]	(0.2)	(0.2)	nm
Group Total	155.3	61.3	+153%
Proforma Group including JV / Assoc	239.5	186.5	+28%

Revenue increased due to higher contribution from Property and consolidation of GHG's revenue

[^] 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)	1Q2015	1Q2014	Chg
Property	14.1	6.7	+110%
Hotels Investment	5.0	1.5	+240%
Industrial Services	(0.0)	0.3	nm
Other Investments	0.8	2.9	-74%
Corporate & Others [#]	0.2	(1.3)	nm
Group Total	20.1	10.1	+99%

Profit before tax and FV adjustments surged on the back of higher contribution from Property and Hotels Investment

[#] Comprise mainly group-level services and consolidation adjustments



Profit after tax by Segment

(\$'m)	1Q2015	1Q2014	Chg
Property	11.6	5.5	+110%
Hotels Investment	3.2	1.1	+207%
Industrial Services	(0.1)	0.3	nm
Other Investments	1.0	2.2	-57%
Corporate & Others [#]	0.2	(1.3)	nm
Group Total	15.9	7.8	+105%

Property and Hotels Investment accounted for 93% of the Group's total profit after tax in 1Q2015

[#] Comprise mainly group-level services and consolidation adjustments



Property

- Property revenue increased 195% to \$89.7m; profit before tax and fair value adjustments increased 110% to \$14.1m
- Bulk of revenue and profit were from the progressive recognition of revenue for units sold at Seletar Park Residence, Sennett Residence, and Cluny Park Residence
- Overall, profit after tax increased 110% to \$11.6m, as compared to \$5.5m a year ago
- Including rental income from investment properties, Property remained the key driver, contributing 58% of the Group's total revenue and 73% of the Group's total profit after tax



Hotels Investment

- GHG's revenue increased 5% to A\$34.9m
- Grand Hyatt Melbourne and Hyatt Regency Perth reported 9% higher combined RevPAR, year-on-year
- Net rental income from office and shopping space registered a 3% increase
- With higher margin, net property income increased 9% to A\$11.9m
- Coupled with 25% lower interest costs and 6% lower depreciation charges, GHG's net profit increased by 78% to A\$5.6m
- After deducting finance costs and deferred tax at the investment holding company level, Hotels Investment contributed profit after tax of S\$3.2m or 20% of the Group's total profit after tax



Industrial Services

- Industrial Services reported revenue of \$28.5m as compared to \$31.1m in the same period a year ago
- SP Corp's revenue fell 8% to \$26.6m due to a decline in tyre distribution revenue
- SP Corp's profit after tax dipped 79% to \$0.1m as a result of lower tyre sales and lower gross profit margin from commodities trading
- Revenue from Hypak was reduced and loss of RM0.6m was reported due to low demand for polypropylene woven bags



Other Investments

- GulTech reported a 9% decrease in revenue to US\$59.9m; 36% decline in profit after tax to US\$4.6m, weighed down mainly by a squeeze in margin and start-up costs of its new Jiangsu plant
- The decrease was mitigated partly by the appreciation of USD and a fair value gain on foreign exchange forward contracts
- GulTech's net profit attributable to shareholders declined 59% to US\$1.6m in 1Q2015
- Consequently, this translated into a lower share of profit (including fair value gain) of S\$1.0m for the Group



Outlook

- Total order book on Seletar Park Residence, Sennett Residence and Cluny Park Residence increased to \$767.5m at end-March 2015; bulk of the Group's revenue and profit in 2015 will continue to come from these projects
- Robinson Point has been fully leased out to various tenants under 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 as a result of the Group's effort in driving hotel profit and in increasing the performance of carpark, office & shopping space operations through proactive management initiatives
- Barring unforeseen circumstances, the Group is cautiously optimistic of achieving satisfactory operational performance for 2015



Thank You

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