



TUAN SING HOLDINGS LIMITED

Creating A Clear Distinction



1Q2017 RESULTS ANNOUNCEMENT

27 April 2017



Overview

- 1Q2017 Group's revenue was \$74.8 million, a drop of 29% as compared to \$105.5 million last year
- Net profit attributable to shareholders dropped 44% to \$5.4 million as compared to same quarter last year
- Earnings per share stood at 0.5 cent for 1Q2017 down from 0.8 cent a year earlier
- Lower revenue and profit were a reflection that the Group had sold most of the units of residential development projects which were completed last year
- Net asset value per share was 78.1 cents at 31 March 2017, as compared to 77.7 cents at 31 December 2016



Group Financial Performance

(\$'m)	1Q2017	1Q2016	Chg
Revenue	74.8	105.5	-29%
Gross profit	15.4	23.9	-35%
Profit before tax & fair value adj	6.4	12.0	-47%
Profit before tax	6.4	12.1	-47%
Profit after tax	5.3	9.6	-45%
Net profit attributable to shareholders	5.4	9.6	-44%
EPS (cents)	0.5	0.8	-44%



Review of Financial Performance

- Lower revenue in the quarter resulted in lower gross profit of \$15.4 million as compared to \$23.9 million in the corresponding quarter in 2016
- Distribution costs increased largely on account of higher promotion and commission expenses; Administrative expenses decreased as lower legal fees relating to the termination of the previous main contractor at Seletar Park Residence were incurred
- Other operating expenses comprised mainly \$0.4 million allowance for diminution in value for unsold units of development projects and USD exchange loss
- Share of results of 44.5%-owned GulTech was \$3.6 million, an increase of 107% over the same quarter last year of \$1.7 million
- Overall, the Group's profit after tax (inclusive fair value adjustment) was \$5.3 million, down 45% from \$9.6 million in the same quarter last year



Group Financial Position

(\$'m)	31.03.17	31.12.16	Chg
Total assets	2,116.6	2,123.1	-0.3%
Total liabilities	1,182.2	1,192.6	-0.9%
Total borrowings	1,022.8	1,020.8	+0.2%
Cash and bank balances	138.7	163.7	-15.2%
Shareholders' funds	923.6	919.4	+0.5%
NAV per share (cents)	78.1	77.7	+0.5%
Gross gearing[^]	1.09X	1.10X	-0.9%
Net gearing^{^^}	0.95X	0.92X	+3.3%

[^] Gross gearing = total borrowings / total equity

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



Review of Financial Position

- As at 31 Mar 2017, Group's total assets decreased \$6.5 million to \$2,116.6 million as there was lower cash and bank balances but higher balances in trade and other receivables, investment properties and property, plant and equipment
- Correspondingly, Group's total liabilities of \$1,182.2 million represented a marginal 0.9% decrease from the previous year-end
- As at 31 Mar 2017, shareholders' funds grew to \$923.6 million representing profit during the first quarter, offset by loss on foreign currency translation



Group Cash Flow

(\$'m)	1Q2017	1Q2016
Operating cash flow	2.3	33.3
Investing cash flow	(12.6)	(2.6)
Financing cash flow	(10.5)	(71.8)
Foreign currency translation adjustments	(0.7)	(1.2)
Cash & cash equivalent at year-end[^]	74.4	63.4
Free cash (out)/inflow^{^^}	(10.3)	30.7

[^] Net of encumbered bank balances

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



Review of Cash Flow

- Net cash from operating activities was \$2.3 million as compared to \$33.3 million in the same quarter last year; the decrease was due mainly to lower sales from the completed development properties as most of the units had been sold
- Net cash used in investing activities was \$12.6 million mainly for the redevelopment of Robinson Towers, capital expenditure for the two hotels and option fees paid for the land purchase at 1 Jalan Remaja
- Net cash used in financing activities was \$10.5 million, reflecting mainly a net loan repayment of \$6.0 million and interest payment of \$6.2 million
- Cash and cash equivalents stood at \$74.7 million, a decrease from \$95.9 million as at 31 December 2016



Revenue by Segment

(\$'m)	1Q2017	1Q2016	Chg
Property	22.7	48.9	-54%
Hotels Investment	30.0	30.2	-1%
Industrial Services	26.0	30.0	-13%
Other Investments ^{^^}	-	-	-
Corporate & Others [#]	(3.9)	(3.6)	-6%
Group Total	74.8	105.5	-29%
Proforma Group including Associates	169.7	186.4	-9%

Including rental income from investment properties, Property segment contributed 30% of the Group's total revenue in 1Q2017.

^{^^} 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)	1Q2017	1Q2016	Chg
Property	2.0	8.4	-76%
Hotels Investment	1.7	2.0	-13%
Industrial Services	(0.3)	0.3	nm
Other Investments	3.6	1.8	+102%
Corporate & Others [#]	(0.6)	(0.5)	+32%
Group Total	6.4	12.0	-47%

All business segments except for Industrial Services were profitable at operating level.

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



Profit after tax by Segment

(\$'m)	1Q2017	1Q2016	Chg
Property	2.0	7.1	-72%
Hotels Investment	0.7	0.8	-21%
Industrial Services	(0.3)	0.3	nm
Other Investments	3.6	1.9	+93%
Corporate & Others [#]	(0.7)	(0.5)	+33%
Group Total	5.3	9.6	-45%

Other Investments followed by Property were the key drivers for the Group's total profit after tax in 1Q2017.

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



Property

- For the first quarter, property revenue decreased to \$22.7 million from \$48.9 million in the same period last year
- Profit after tax was \$2.0 million, down from \$7.1 million a year ago
- New sales and progressive recognition of revenue for units sold at the Cluny Park Residence formed the bulk of the revenue in the current quarter
- Including rental income from investment properties, Property segment contributed 30% of the Group's total revenue in the first quarter of 2017



Hotels Investment

- For the first quarter, Hotels Investment segment recorded A\$28.0 million of revenue as compared to A\$29.8 million in the same quarter last year
- There was a marginal 2% drop in Revenue Per Available Room from the two hotels and lower intake from the food and beverage business as compared to the same quarter a year ago
- Consequently and after deducting finance costs and deferred tax provision at the investment holding company level, Hotels Investment segment contributed a lower profit after tax of \$0.7 million as compared to \$0.8 million last year



Industrial Services

- For the first quarter, Industrial Services segment recorded lower revenue of \$26.0 million as compared to \$30.0 million the same quarter a year ago
- Accordingly, Industrial Services segment reported loss after tax of \$0.3 million as opposed to profit after tax of \$0.3 million same quarter last year



Other Investments

- For the first quarter, GulTech reported revenue of US\$65.2 million and profit after tax of US\$7.6 million, an increase 17% and 66% respectively from the previous corresponding period
- The increase was mainly attributable to improved performance from all its three plants
- Consequently, GulTech's net profit attributable to shareholders improved 95% to US\$5.7 million from US\$2.9 million in the same period last year
- This translated into a higher share of profit (including fair value gain) of \$3.6 million for the Group



Outlook

- The Group planned to dispose off the remaining units of its three completed residential developments in the coming months
- “Kandis Residence” will be launched in the third quarter of 2017
- In early Apr 2017, the Group entered into an agreement to purchase Sime Darby Centre; completion of the transaction is expected in Jun 2017
- In Apr 2017, the Group exercised an option to purchase vacant land at 1 Jalan Remaja for \$47.8 million. The Group plans to develop it into approx. 100 exclusive condo apartments and target to launch it before 2Q2018
- The Company plans to issue a second tranche of notes under the MTN Programme of about S\$140 million in May 2017 to finance the acquisition of Sime Darby Centre and to meet an increase in working capital for residential development projects
- Construction for new building at the Robinson Towers site has been progressing well; completion by end of 2018
- Barring unforeseen circumstances, the Group is optimistic of achieving a profit for the year 2017.



Thank You

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