



Overview

- The Group continues to recognise revenue and profit from development properties already sold based on percentage of completion method
- Group revenue was \$81.6m for 2Q2014; \$142.9m for 1H2014
- Profit after tax was \$11.7m for 2Q2014; \$19.5m for 1H2014
- Earnings per share was 1.0 cent for 2Q2014; 1.6 cents for 1H2014
- Net asset value per share rose to 65.1 cents at 30 June 2014, from 63.9 cents at the previous year end



Review of Financial Performance

- Group revenue decreased due to lower sales in Property and Industrial Services
- Gross profit and distribution costs reduced in tandem
- Administrative expenses remained relatively unchanged
- The Group's share of results of GHG and GulTech accounted for a profit before FV adjustments of \$9.1m
- Finance income of \$2.4m vs. finance costs of \$2.9m
- A net fair value loss of \$0.5m was reported as opposed to a net fair value gain of \$0.3m a year ago
- Overall, profit after tax decreased by 11% to \$19.5m; Net profit attributable to shareholders decreased by 8% to \$19.3m



Group Financial Performance

(\$'m)	1H2014	1H2013	Chg
Revenue	142.9	182.8	-22%
Gross profit	24.3	31.2	-22%
Profit before tax & fair value adj	23.4	25.4	-8%
Profit before tax	23.0	25.7	-11%
Profit after tax	19.5	21.8	-11%
Profit attributable to shareholders	19.3	20.9	-8%
EPS (cents)	1.6	1.8	-9%



Review of Financial Position

- Total assets of \$1,790.1m represented a marginal increase due to development costs capitalised and higher carrying amount of investments in GHG and GulTech, offset by progressive billings for development properties
- Total liabilities of \$1,014.8m represented a marginal decrease due mainly to lower level of trade and other payables
- Total borrowings edged lower by \$0.9m to \$916.8m; net borrowings reduced by \$0.2m to \$640.6m
- Gross gearing stood at 1.18 times; net gearing at 0.83 times
- Shareholders' funds grew 2% to \$765.6m reflected profit recognised, A\$ translation gain, and share of other comprehensive income of GHG. The increase was offset partially by the Company's payment of dividend to shareholders, net of new shares issued under the Scrip Dividend Scheme



Group Financial Position

(\$'m)	30.06.14	31.12.13	Chg
Total assets	1,790.1	1,783.3	@
Total liabilities	1,014.8	1,024.1	@
Total borrowings	916.8	917.7	@
Net borrowings*	640.6	640.8	@
Shareholders' funds	765.6	749.7	+2%
NAV per share (cents)	65.1	63.9	+2%
Gross gearing^	1.18X	1.21X	-2%
Net gearing^	0.83X	0.84X	-2%

* Net borrowings = total borrowings – cash and bank balances

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

@ Less than 1 %



Review of Cash Flow

- Net cash from operating activities was \$12.0m attributable to operating profit, progressive billings for development properties, receipt of interest income less payment of income tax
- Net cash from investing activities was \$3.7m mainly contributed by GHG's distribution less cash payments on Robinson Tower redevelopment
- Financing activities accounted for a net cash outflow of \$14.1m due mainly to a net loan repayment, payment of interest expense and dividend paid to shareholders
- Overall, cash and cash equivalents increased to \$213.4m at 30 June 2014, from \$212.6m at the previous year-end



Group Cash Flow

(\$'m)	1H2014	1H2013
Operating cash flow	12.0	41.9
Investing cash flow	3.7	(25.8)
Financing cash flow	(14.1)	(23.4)
Foreign currency translation adjustments	(0.9)	4.9
Cash & cash equivalent at period-end [^]	213.4	204.7
Free cash inflow [*]	15.8	16.1

[^] Net of encumbered bank balances

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



Revenue by Segment

(\$'m)	1H2014	1H2013	Chg
Property	74.2	92.1	-19%
Hotels Investment [^]	-	-	nm
Industrial Services	69.0	91.3	-24%
Other Investments [^]	-	-	nm
Corporate & Others [#]	(0.3)	(0.6)	nm
Group Total	142.9	182.8	-22%
Proforma Group including JV / Assoc	395.4	432.5	-9%

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)	1H2014	1H2013	Chg
Property	16.4	15.1	+8%
Hotels Investment	2.4	1.9	+28%
Industrial Services	0.9	1.7	-44%
Other Investments	6.1	7.2	-16%
Corporate & Others [#]	(2.4)	(0.5)	nm
Group Total	23.4	25.4	-8%

All business segments made positive contribution at profit before tax and fair value adjustments level

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



Profit After Tax by Segment

(\$'m)	1H2014	1H2013	Chg
Property	13.7	12.6	+8%
Hotels Investment	2.1	1.2	+79%
Industrial Services	0.8	1.4	-39%
Other Investments	5.3	7.2	-27%
Corporate & Others #	(2.4)	(0.6)	nm
Group Total	19.5	21.8	-11%

Property remained the largest contributor and accounted for 70% of the Group's total profit after tax

Comprise mainly group-level services and consolidation adjustments



Property

- Property revenue decreased 19% to \$74.2m, but profit after tax increased 8% to \$13.7m
- Current period revenue and profit were derived mainly from the progressive recognition based on percentage of construction completion for units sold at Seletar Park Residence and Sennett Residence, as well as the initial recognition on new bookings at Cluny Park Residence
- Revenue from investment properties grew 61% as rental income from Robinson Point kicked in
- Overall, Property contributed 52% of the Group's total revenue and 70% of the Group's total profit after tax



Hotels Investment

- GHG's net property income increased by 3% to A\$20.6m
- Higher contribution from Grand Hyatt Melbourne, but offset by lower contribution from Hyatt Regency Perth
- The combined RevPar for the two hotels was up by 1% year-on-year
- Rental income from non-hotel properties increased by 2%; interest expense dropped by 2%
- Including interest rate hedging gain, net profit posted by GHG increased to A\$5.8m; consequently share of GHG's profit (including fair value gain) increased to S\$3.3m
- After deducting finance costs and deferred tax provision at the investment holding company level, Hotels Investment profit after tax increased 79% to S\$2.1m



Industrial Services

- Industrial Services posted revenue of \$69.0m and profit after tax of \$0.8m
- By comparison, revenue of \$91.3m and profit after tax of \$1.4m were reported in the previous corresponding period
- Revenue drop was due mainly to SP Corp's lower tyre distribution and commodities trading activities
- Accordingly, SP Corp profit after tax dipped to \$1.0m



Other Investments

- GulTech posted a 5% increase in revenue to US\$134.1m
- But profit after tax decreased to US\$17.9m due mainly to non-cash fair value losses on exchange rate hedging
- Consequently, GulTech's net profit attributable to shareholders declined by 28% to US\$9.6m
- This translated into a lower share of profit (including fair value loss) of S\$5.3m for the Group



Outlook

- The Group will continue to strengthen its property portfolio and grow strong, related and resilient businesses
- In Singapore, the Group secured total order book of \$749.5m 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
- In Australia, the Group is negotiating the acquisition of the remaining 50% stake in GHG
- Barring unforeseen circumstances, the Group is optimistic of achieving better operational performance before fair value adjustments for the year 2014, as compared to 2013



THANK YOU

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