



TUAN SING HOLDINGS LIMITED

Creating A Clear Distinction



FY2014 RESULTS ANNOUNCEMENT

29 January 2015



Overview

- Purchase of the remaining 50% interest in GHG was completed; Other operating income included gain of \$26.9m as fair value of the net assets acquired was excess of the purchase consideration; Other operating expenses included acquisition expenses of \$17.8m
- FY2014 revenue: \$354.8m; net profit: \$61.2m
- Profit before tax and fair value gain was \$69.5m (2013: \$35.5m)
- Earnings per share increased to 5.2 cents, up from 4.5 cents a year ago
- Net asset value per share rose to 68.3 cents at 31 December 2014, from 63.9 cents at the previous year-end
- The directors propose a tax exempt one-tier first and final dividend of 0.5 cent per share for FY2014, same as last year



Group Financial Performance

(\$'m)	FY2014	FY2013	Chg
Revenue	354.8	302.3	+17%
Gross profit	68.6	51.3	+34%
Profit before tax & fair value adj	69.5	35.5	+96%
Profit before tax	76.0	62.8	+21%
Profit after tax	61.6	53.1	+16%
Profit attributable to shareholders	61.2	52.0	+18%
EPS (cents)	5.2	4.5	+16%



Review of Financial Performance

- Full year revenue increased 17% attributable to higher revenue from Property and the consolidation of GHG as from December 2014
- Gross profit was up 34% to \$68.6m backed by higher revenue and margin
- Profit before tax and fair value gain was up 96% to \$69.5m due also to increased contribution from associate and joint venture
- A net fair value gain of \$6.5m was recognised as compared to \$27.2m a year ago for the Group
- Overall, profit after tax increased 16% to \$61.6m; net profit attributable to shareholders increased 18% to \$61.2m



Group Financial Position

(\$'m)	31.12.14	31.12.13	Chg
Total assets	2,306.3	1,783.3	+29%
Total liabilities	1,493.3	1,024.1	+46%
Total borrowings	1,344.9	917.7	+47%
Cash and bank balances	252.3	276.9	-9%
Shareholders' funds	802.9	749.7	+7%
NAV per share (cents)	68.3	63.9	+7%
Gross gearing [^]	1.65X	1.21X	+36%
Net gearing ^{^^}	1.34X	0.84X	+60%

[^] Gross gearing = total borrowings / total equity

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



Review of Financial Position

- Total assets of \$2.3b represented a 29% increase reflecting consolidation of GHG's assets, redevelopment of Robinson Tower and higher carrying amount in GulTech
- Total liabilities of \$1.5b represented a 46% increase reflecting debt-financing for GHG acquisition, consolidation of GHG's liabilities and an increase in deferred tax provision on GHG
- Total borrowings increased to \$1.3b from \$917.7m; cash and bank balance decreased to \$252.3m from \$276.9m
- Gross gearing closed at 1.65 times; net gearing closed at 1.34 times
- Shareholders' funds grew 7% or \$53.2m to \$802.9m



Group Cash Flow

(\$'m)	FY2014	FY2013
Operating cash flow	13.7	73.2
Investing cash flow	(105.5)	(177.2)
Financing cash flow	66.0	104.5
Foreign currency translation adjustments	0.7	5.1
Cash & cash equivalent at year-end[^]	187.4	212.6
Free cash inflow^{^^}	(91.9)	(104.0)

[^] Net of encumbered bank balances

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



Review of Cash Flow

- Net cash from operating activities was \$13.7m. Higher operating cash flows was offset by cash outflow for working capital requirements and others
- Net cash used in investing activities was \$105.5m, mainly for the acquisition of GHG, redevelopment of Robinson Tower
- Financing activities accounted for a net cash inflow of \$66.0m reflecting a net loan drawdown, offset by interest payment and cash dividend to shareholders
- Overall, cash and cash equivalents stood at \$187.4m at 31 December 2014



Revenue by Segment

(\$'m)	FY2014	FY2013	Chg
Property	203.0	141.1	+44%
Hotels Investment [^]	12.0	-	nm
Industrial Services	140.3	162.0	-13%
Other Investments ^{^^}	-	-	nm
Corporate & Others [#]	(0.5)	(0.8)	nm
Group Total	354.8	302.3	+17%
Proforma Group including JV / Assoc	863.3	818.2	+6%

Property overtook Industrial Services as the biggest revenue contributor

[^] Revenue reported under “Hotels Investment” relates to GHG’s results post-acquisition. 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)	FY2014	FY2013	Chg
Property	41.1	23.0	+79%
Hotels Investment	15.8	5.1	+210%
Industrial Services	1.9	2.6	-24%
Other Investments	12.0	7.6	+58%
Corporate & Others [#]	(1.3)	(2.8)	nm
Group Total	69.5	35.5	+96%

All business segments were profitable, led by Property and Hotels Investment

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



Profit after tax by Segment

(\$'m)	FY2014	FY2013	Chg
Property	36.6	36.6	-
Hotels Investment	13.0	9.1	+42%
Industrial Services	1.8	2.4	-23%
Other Investments	11.5	7.8	+48%
Corporate & Others [#]	(1.3)	(2.8)	nm
Group Total	61.6	53.1	+16%

Property and Hotels Investment accounted for 59% and 21% of the Group's total profit after tax in 2014

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



Property

- Property revenue increased 44% to \$203.0m; profit before tax and fair value adjustments increased 79% to \$41.1m
- Bulk of revenue and profit were from the progressive recognition 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 63% on account of full year contribution from Robinson Point acquired in October 2013
- Net fair value gain was \$3.3m as compared to \$17.9m a year ago
- Overall, Property posted a profit after tax of \$36.6m, same level as last year



Hotels Investment

- GHG's net property income increased 2% to A\$44.1m
- Grand Hyatt Melbourne had higher room rates while Hyatt Regency Perth saw lower rates and occupancy
- Rental income from non-hotel properties was up 5%
- Net profit of GHG decreased to A\$22.0m due to lower fair value gain of A\$6.4m as compared to A\$14.9m last year
- GHG became fully-owned as from 2 December 2014, a one-time acquisition gain of S\$9.1m was recognised in 2014
- After deducting finance costs and deferred tax provision at the investment holding company level, Hotels Investment contributed profit after tax of S\$13.0m



Industrial Services

- Industrial Services posted revenue of \$140.3m and profit after tax of \$1.8m
- By comparison, revenue of \$162.0m and profit after tax of \$2.4m were reported last year
- Revenue declined due mainly to SP Corp's lower tyre distribution and commodities trading activities
- As a result, SP Corp's profit after tax dipped to \$2.1m, as compared to \$2.4m a year earlier



Other Investments

- GulTech posted a 5% increase in revenue to US\$275.2m
- But profit after tax decreased 15% to US\$38.9m affected mainly by a squeeze in margin and a non-cash fair value net loss on exchange rate hedging as opposed to a net gain last year
- Consequently, GulTech's net profit attributable to shareholders declined to US\$20.7m
- This translated into a lower share of profit (including fair value loss) of S\$11.5m for the Group



Outlook

- In Singapore, the Group's total order book on Seletar Park Residence, Sennett Residence and Cluny Park Residence increased to \$763.2m at end-December 2014
- Bulk of the Group's revenue and profit in 2015 will continue to come from these projects
- The redevelopment of Robinson Tower site is on-going. Upon its completion, the new Robinson Tower is expected to contribute a steady recurring income to the Group, in addition to those from Robinson Point
- In Australia, GHG has on 2 December 2014 become 100%-owned by the Group. Henceforth, it would add to the Group's assets base, revenues and earnings
- Barring unforeseen circumstances, the Group is cautiously optimistic of achieving satisfactory operational performance for 2015



Thank You

For further information, please contact:

Chong Chou Yuen
Group CFO
chong_chouyuen@tuansing.com

Mary Goh Swon Ping
Group Company Secretary
mary_goh@tuansing.com