



TUAN SING HOLDINGS LIMITED

Creating A Clear Distinction



1Q2016 RESULTS ANNOUNCEMENT

28 April 2016



Overview

- 1Q2016 Group's revenue was \$105.5m as compared to \$155.3m in the same quarter last year
- Profit before tax and fair value adjustments stood at \$12.0m
- Net profit attributable to shareholders was \$9.6m as compared to \$15.9m in the same quarter last year
- Earnings per share came in at 0.8 cent, down from 1.4 cents a year earlier
- Net asset value per share rose to 75.1 cents at 31 March 2016, up from 74.4 cents at 31 December 2015



Group Financial Performance

(\$'m)	1Q2016	1Q2015	Chg
Revenue	105.5	155.3	-32%
Gross profit	23.9	32.3	-26%
Profit before tax & fair value adj	12.0	20.1	-40%
Profit before tax	12.1	20.3	-40%
Profit after tax	9.6	15.9	-40%
Net profit attributable to shareholders	9.6	15.9	-40%
EPS (cents)	0.8	1.4	-40%



Review of Financial Performance

- Group revenue decreased by 32% to \$105.5m due mainly to Seletar Park Residence project being completed this year
- Gross profit was lower at \$23.9m in tandem
- Distribution costs decreased on account of lower costs from the Industrial Services segment
- Higher administrative expenses reflecting higher legal fees relating to the termination of the previous main contractor at Seletar Park Residence
- Share of profit from the 44.5%-owned associate, GulTech was \$1.7m and share of fair value gain, \$0.1m
- Overall, Group's profit after tax (including fair value adjustments) decreased 40% to \$9.6m, down from \$15.9m in the same quarter last year



Group Financial Position

(\$'m)	31.03.16	31.12.15	Chg
Total assets	2,134.5	2,162.5	-1%
Total liabilities	1,238.9	1,275.0	-3%
Total borrowings	1,080.1	1,106.3	-2%
Cash and bank balances	128.5	141.7	-9%
Shareholders' funds	885.0	876.8	+1%
NAV per share (cents)	75.1	74.4	+1%
Gross gearing [^]	1.21X	1.25X	-3%
Net gearing ^{^^}	1.06X	1.09X	-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

- Group's total assets decreased slightly to \$2,134.5m due to lower cash and bank balances after repaying certain development project loans and lower trade and other receivables, offset partly by increases in property, plant and equipment, development properties and investment properties
- Total liabilities of \$1,238.9m represented a 3% decrease attributable to lower level of borrowings
- Gross gearing improved to 1.21 times, and net gearing improved to 1.06 times respectively
- Shareholders' funds grew 1% or \$8.2m to \$885.0m attributable to profit recognised but reduced by foreign currency translation losses and cash flow hedges losses



Group Cash Flow

(\$'m)	1Q2016	1Q2015
Operating cash flow	33.3	32.8
Investing cash flow	(2.6)	(2.4)
Financing cash flow	(71.8)	(71.8)
Foreign currency translation adjustments	(1.2)	0.3
Cash & cash equivalent at period-end[^]	63.4	146.3
Free cash inflow^{^^}	30.7	30.4

[^] Net of encumbered bank balances

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



Review of Cash Flow

- Net cash from operating activities was \$33.3m, attributable largely to more cash being received from progress billing following the completion of the Seletar Park Residence, coupled with higher interest receipt and lower income tax payments
- Net cash used in investing activities was \$2.6m, mainly on redevelopment of Robinson Tower and capital expenditure for the two hotels in Australia
- Net cash used in financing activities was \$71.8m, reflecting a net loan repayment of \$31.2m, interest payment of \$10.3m, coupled with an increase in bank deposit pledged of \$30.2m
- Overall, cash and cash equivalents stood at \$63.4m at 31 March 2016, down from \$105.7m at the previous year-end



Revenue by Segment

(\$'m)	1Q2016	1Q2015	Chg
Property	41.3	89.7	-54%
Hotels Investment	34.3	37.3	-8%
Industrial Services	30.0	28.5	+5%
Other Investments ^{^^}	-	-	nm
Corporate & Others [#]	(0.1)	(0.2)	-18%
Group Total	105.5	155.3	-32%
Proforma Group including Associates	186.4	239.5	-22%

Revenue decreased due mainly to lower contribution from Property, but mitigated partly by higher contribution from Industrial Services

^{^^} 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)	1Q2016	1Q2015	Chg
Property	7.6	14.1	-46%
Hotels Investment	2.8	5.0	-45%
Industrial Services	0.3	(0.0)	nm
Other Investments	1.8	0.8	132%
Corporate & Others [#]	(0.5)	0.2	nm
Group Total	12.0	20.1	-40%

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

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



Profit after tax by Segment

(\$'m)	1Q2016	1Q2015	Chg
Property	6.4	11.6	-45%
Hotels Investment	1.6	3.2	-51%
Industrial Services	0.3	(0.1)	nm
Other Investments	1.9	1.0	+97%
Corporate & Others [#]	(0.6)	0.2	nm
Group Total	9.6	15.9	-40%

Property and Hotels Investment accounted for 66% and 17% respectively to the Group's total profit after tax in 1Q2016

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



Property

- Property revenue dropped to \$41.3m from \$89.7m in the same period last year; profit after tax was \$6.4m as compared to \$11.6m a year ago
- Bulk of revenue and profit were from the new sales and progressive recognition of revenue for units sold at Seletar Park Residence, Sennett Residence, and Cluny Park Residence
- Seletar Park Residence project was completed this year
- Including rental income from investment properties, Property remained the key driver, contributing 39% of the Group's total revenue and 66% of the Group's total profit after tax



Hotels Investment

- GHG reported revenue of A\$33.9m and profit after tax of A\$3.7m
- Net income from hotel operations was down 17% to A\$6.4m as Grand Hyatt Melbourne and Hyatt Regency Perth registered a combined 3% drop in RevPAR despite higher occupancy rate
- Net income from non-hotel operations (office, retail and carpark) fell to A\$3.5m due mainly to weak performance by the Perth office and carpark operations
- The impact was cushioned by a 14% decrease in interest expense
- After deducting finance costs and deferred tax provision at the investment holding company level, Hotels Investment contributed profit after tax of S\$1.6m



Industrial Services

- Industrial Services reported revenue of \$30.0m as compared to \$28.5m in the same period a year ago
- SP Corp's revenue rose 5% to \$27.9m attributable to higher revenue from commodities trading
- Earnings increased to \$0.3m, notwithstanding the loss incurred by its Tyre Distribution Unit



Other Investments

- GulTech reported revenue of US\$55.5m and profit after tax of US\$4.6m
- Revenue was lower but profit after tax was similar to the first quarter last year helped by higher gross profit and lower loss incurred by its new plant
- In addition, GulTech's net profit attributable to shareholders increased to US\$2.9m from last year's US\$1.6m following the completion of the acquisition of the remaining 38.6% interest in GulTech Suzhou in early February 2016
- This translated into a higher share of net profit of S\$1.8m for the Group



Outlook

- The Group's revenue and profit in 2016 would continue to come from on-going development projects (e.g. Seletar Park Residence, Sennett Residence, Cluny Park Residence)
- The Group secured a 99-year leasehold residential land at Jalan Kandis in early April; the launch for sale is expected by 1Q2017
- Robinson Point has been fully leased under various leases terms until years 2017/18; Robinson Tower redevelopment is progressing with expected completion before the end of 2018
- Hotels Investment is expected to contribute positively and provide the Group with strong recurring cash flow
- The Group is expected to acquire a site in Indonesia and explore more sites for development in Singapore and overseas markets
- Barring unforeseen circumstances, the Group is optimistic of achieving a satisfactory operational performance for the year 2016



Thank You

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