



**TUAN SING HOLDINGS LIMITED**

Creating A Clear Distinction



## **46th ANNUAL GENERAL MEETING**

**29 April 2016**



TUAN SING HOLDINGS LIMITED

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# Our Performance in 2015

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## Scorecard

- The Group reported improved underlying profitability despite headwinds in the market as the Singapore Government imposed restrictions to cool the property market
- Profit before tax and fair value adjustments amounted to \$88.7m, surpassing \$69.5m in 2014 by 28%; Full year net profit attributable to shareholders increased 13% to \$68.8m
- Shareholders' funds grew 9% to \$876.8m from \$802.9m a year ago
- Property remains key performance driver, and Hotels Investment starts to contribute meaningfully in both the top and bottom lines following the acquisition of GHG in December 2014
- Earnings per share was 5.8 cents; Net asset value backing further strengthened to 74.4 cents per share



# Improved Underlying Profitability

“Our underlying profitability improved amidst challenging landscape. Gearing reduced; higher dividend”

## Revenue

**\$677.1** M

Almost doubled attributable to property operations and full year consolidation of wholly-owned GHG

## Profit Before Tax and Fair Value Adjustments

**\$88.7** M

Surged 28% boosted by higher contribution from Property

## Profit After Tax

**\$69.1** M

Up 12% despite a net fair value loss as opposed to a net fair value gain last year

## Total Assets

**\$2,162.5** M

Decreased 6% due to lower cash and bank balances and lower carrying amount of development properties

## Shareholders' Funds

**\$876.8** M

Increased 9% on account of net profit and assets revaluation gain

## Net Asset Value Per Share

**74.4** CENTS

Up from 68.3 cents a year ago

## Total Borrowings

**\$1,106.3** M

Decreased 18% attributable to repayment of development project loans

## Cash and Bank Balances

**\$141.7** M

Decreased 44% reflected mainly repayment of development project loans

## Governance & Transparency Index

**10<sup>TH</sup>**

Amongst 639 listed companies in Singapore and the only mid-cap company to have made it to the top 10<sup>th</sup> position



## Proposed Dividend

- The Directors are proposing a first & final dividend of 0.6 cent / share for FY2015
  - An increase from Last Year's 0.5 cent / share
  - Total payout: approx. \$7.1m (LY: \$5.9m)
  - Dividend payout ratio: 9.5% based on normalised net profit, before fair value adjustments of \$74.2m
  - Dividend yield: 1.7% based on the average share price for the year of 36.1 cents (LY: 1.4%)
- Once approved at AGM, it shall be paid on 24 June 2016
- Scrip Dividend Scheme applies to enable shareholders to grow with the Company

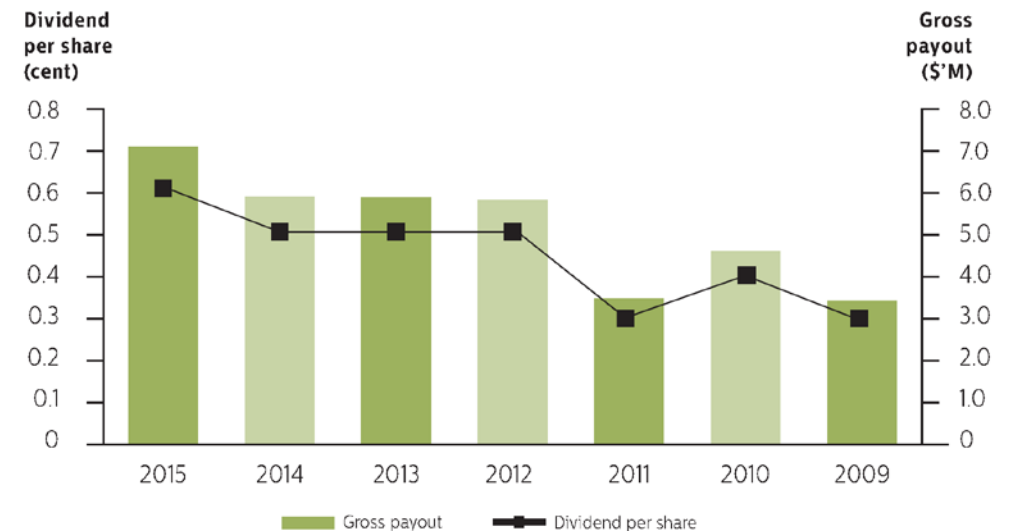


# Dividend Policy

- We are aware of the shareholders' wish for more dividends, however, we have to balance shareholders' desire to have a high dividend vs. sustainable annual returns and prudence to preserve cash and maintain sufficient working capital to support growth
- The Group has been declaring dividends every year since 2009. Total gross payout amount to \$36.1m, including \$7.1m proposed for FY2015

### DIVIDEND PER SHARE AND DIVIDEND PAYOUT

	2015	2014	2013	2012	2011	2010	2009
Dividend per share (cent)	0.6	0.5	0.5	0.5	0.3	0.4	0.3
Number of shares (million)	1,179	1,176	1,173	1,161	1,154	1,146	1,138
Gross payout (\$'000)	7,073	5,881	5,864	5,806	3,463	4,586	3,412
Cumulative payout (\$'000)	36,085	29,012	23,131	17,267	11,461	7,998	3,412





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# Our Business Strategy

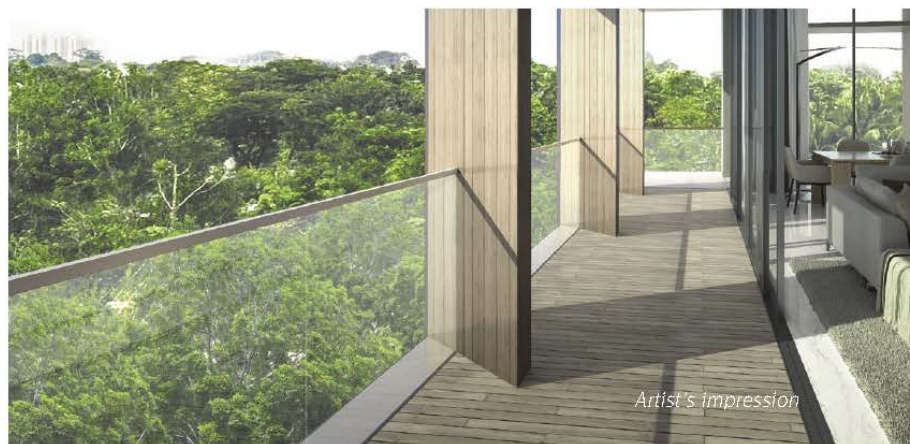
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# Delivering Our Strategy

## Meeting Challenges, Developing Solutions, Shaping The Future

“Our objective is to deliver sustainable long-term value for all our shareholders.”



Artist's impression

### Growth in Underlying Profitability

- Revenue grew 91% to \$677.1 million and profit after tax increased by 12% to \$69.1 million
- All business segments were profitable, led by Property and Hotels Investment

### Enhanced Earnings Stability

- Hotels investment businesses started to contribute meaningfully to both top line and bottom line which highlighted our right decision to acquire full ownership of Grand Hotel Group (“GHG”) in 2014
- Core assets (development portfolio, investment portfolio and hotel portfolio) constituted majority of the Group’s total asset base of \$2,162.5 million at end-December 2015
- Focused on maintaining a diversified property portfolio to achieve greater balance in revenue and profitability stream

### Delivered Shareholders Value

- Shareholders’ funds grew 9% to \$876.8 million, and net assets value per share increased in tandem to 74.4 cents
- Recommended dividend for the year 0.6 cent, up 20%; total dividend payout amounts to \$7.1 million
- Proposed share repurchase program to optimise capital structure when opportunities arise

### Strengthened Financial Position

- Managed cash flow proactively and reduced financial debt
- Improved loan maturity profile and competitively priced refinancing
- Maintained capital structure which taking cognizance of a balance between performance, leverage risk and flexibility





# Unlocking Potential to Build a Better Future

“Together we are building a Tuan Sing that is strong enough to meet the challenges of the future”

## OUR GROWTH TRACK RECORD

### 2015

- Robinson Point has been fully leased under various leases ending in years 2017/18 following the end of lease of a major tenant in 2015.
- Obtained Temporary Occupation Permit (“TOP”) for Seletar Park Residence.
- Seletar Park Residence & Sennett Residence combined had been more than 95% sold; Cluny Park Residence had been about 50% sold.
- GulTech took steps to rationalise its structure by acquiring the remaining 38.6% shareholding it did not already own in GulTech Suzhou from an interested party; completion of the transaction is in February 2016.
- Tuan Sing ranked the 10th amongst 639 listed companies in the Governance & Transparency Index 2015.



### 2014

- Launched Cluny Park Residence.
- Launched the inaugural bond issue which attracted a book order of \$270 million and \$80 million, 4.50% p.a. coupon rate, 5-year tenor bonds were issued.
- Acquired the remaining 50% stake in GHG, hence GHG became wholly-owned subsidiary as from 2 December 2014.
- Tuan Sing ranked the 10th amongst 644 listed companies in the Governance & Transparency Index 2014.



2015



### 2013

- Established S\$900 million Multicurrency Medium Term Note (“MTN”) Programme.
- Launched Sennett Residence.
- Soft-launched Cluny Park Residence.
- Completed acquisition of Robinson Point.



### 2012

- Launched Seletar Park Residence.
- All the 32 units of Mont Timah project were sold out.
- Announced the redevelopment of Robinson Towers, its annex and the immediately adjacent International Factors Building as a single commercial development.



2014

2013

2012

2011

### 2011

- Awarded tender for Sennett site and completed the acquisition of Cluny Park site.
- Secured land plot in Jiaozhou, China.
- GHG completed its A\$70 million refurbishment programme for Grand Hyatt Melbourne and Hyatt Regency Perth.



# Steady Growth Path

“Financial results in the last five years epitomise the positive effect of the Group’s strategic shift to property business”

## REVENUE (\$'M)



## PROFIT AFTER TAX (\$'M)



## EARNINGS PER SHARE (CENTS)



## TOTAL ASSETS (\$'M)



## SHAREHOLDERS' FUNDS (\$'M)



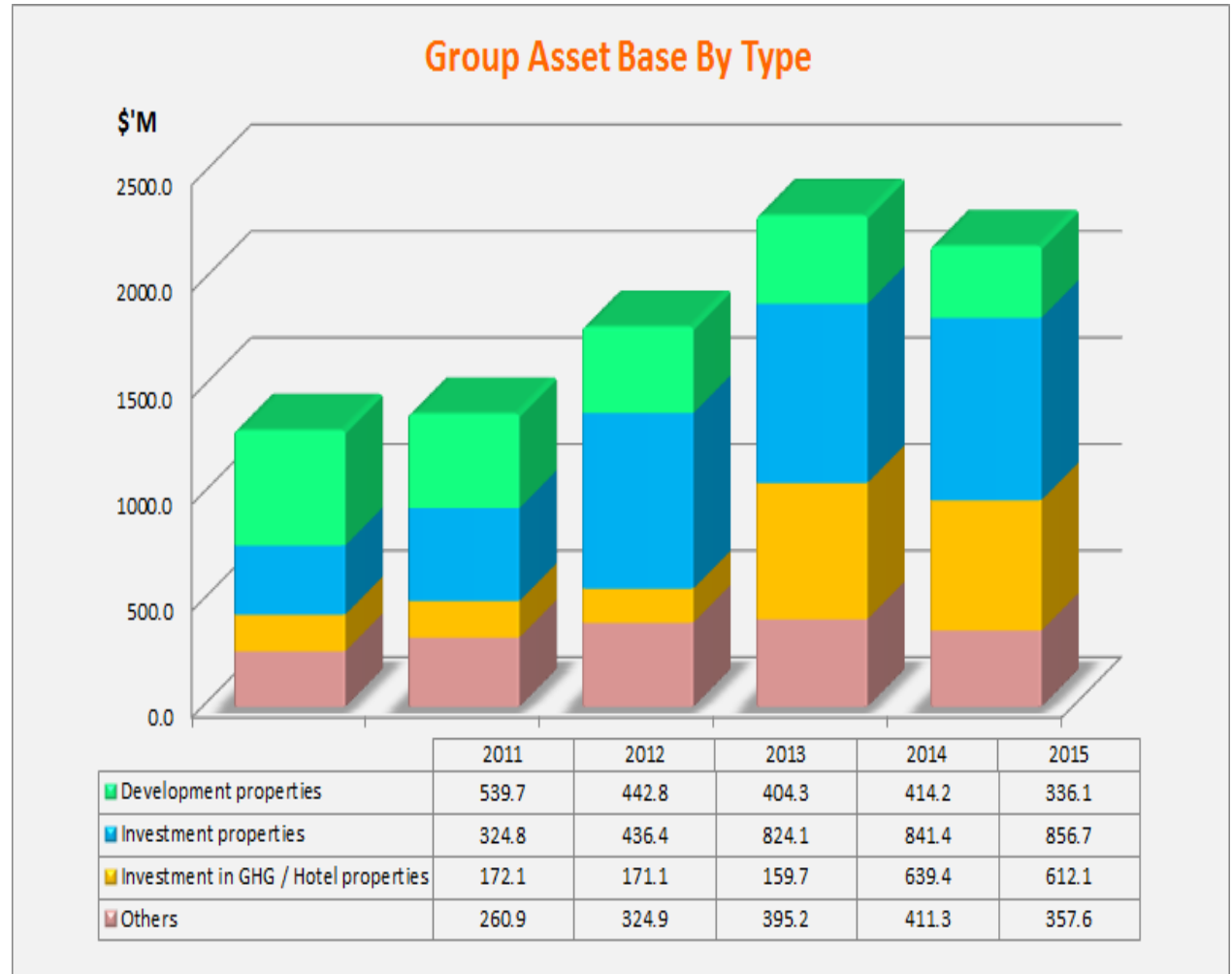
## NET ASSET VALUE PER SHARE (CENTS)





# Growing Core Asset Base

“With Robinson Point fully leased, GHG under full ownership and Robinson site redevelopment to be completed in 2018, we have broadened our asset base such that a steady income stream is ensued in the future”





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# Our Property Interests

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# Portfolio Highlights

Diversified Portfolio – Greater Balance in Revenue and Profitability

## DEVELOPMENT PORTFOLIO

**434,060** sq. ft. GFA development projects  
under construction

**Target** at upper-middle to high income segment

## INVESTMENT PORTFOLIO

**7** investment properties in Singapore and China

**461,290** sq. ft. lettable area lined-up

**Mostly** freehold

## HOTEL PORTFOLIO

**2** quality hotels in Australia

**915** hotel rooms

**284,590** sq. ft. retail & office space

**>1,600** car park bays



# Portfolio Highlights

## DEVELOPMENT PORTFOLIO

Property Value (2015: \$336.1M; 2014: \$414.2M)

Gross Floor Area – 1,171,810 Sq. ft.

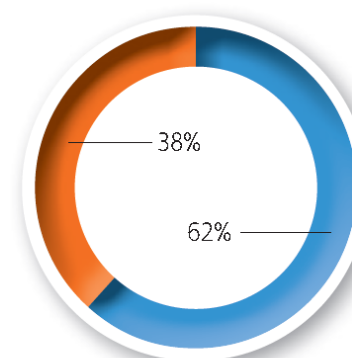
### BY COUNTRY



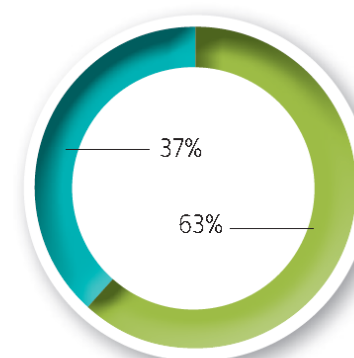
### BY STAGE



### BY COUNTRY



### BY STAGE



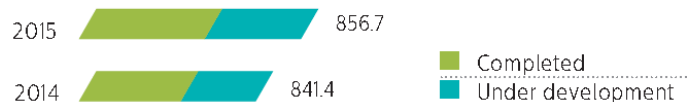


# Portfolio Highlights

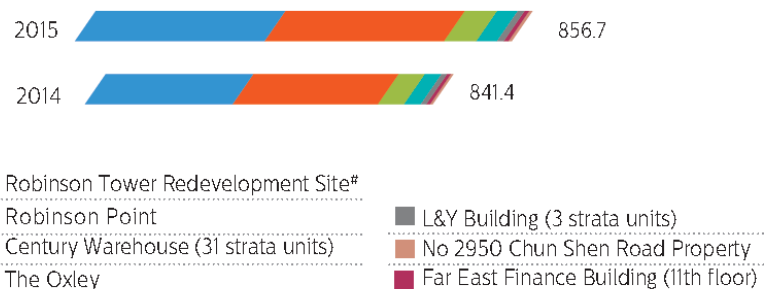
## INVESTMENT PORTFOLIO

Property Value (2015: \$856.7M; 2014: \$841.4M)

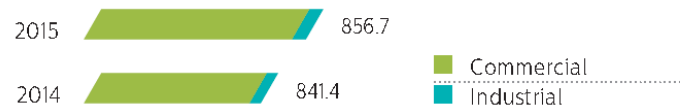
### BY STAGE



### BY BUILDING



### BY TYPE

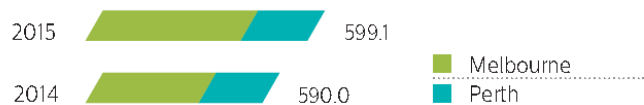


# Refer to the estimated lettable area upon the completion of the redevelopment.

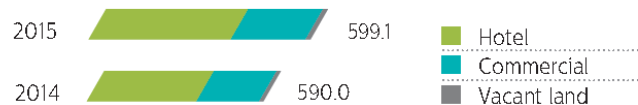
## HOTEL PORTFOLIO

Property Value (2015: A\$599.1M; 2014: A\$590.0M)

### BY LOCATION



### BY TYPE



Note: Investment properties held by GHG is excluded and presented under "Hotel Portfolio" as an integral part of hotel property





# Development Properties

“We were less affected by the Singapore Government’s cooling measures as we had already sold the bulk of our units at Seletar Park Residence, Sennett Residence, and Cluny Park Residence”



## Cluny Park Residence

- 52-unit freehold luxurious residential along Cluny Park Road
- 25 units had been sold as at end-March 2016



## Seletar Park Residence

- 276-unit condominium development, located within the established Seletar Hills private estate
- 272 units had been sold as at end-March 2016



## Sennett Residence

- 332-unit residential development, located next to the Potong Pasir MRT station & overlooks the landed Sennett estate
- 313 units had been sold as at end-March 2016





# Investment Properties



## Robinson Point

- A 21-storey freehold office building at 39 Robinson Road, in the heart of Singapore CBD
- NLA: 134,320 sq. ft. including 3 retail units on the ground floor & 57-bay car park located at Level 3-5

## Robinson Tower Redevelopment

- Proposed 28-storey commercial building comprising office tower, retail podium, sky terrace and an underground mechanised carpark
- Feature high-ceiling office space, retail podium, F&B space, urban windows revealing interior functions to the street
- Planned GFA 259,260 sq. ft. (including GM GFA); NLA 194,380 sq. ft.
- Expected TOP in 2018



Artist's Impression

# Overseas Projects/Properties



**Lakeside Ville, Shanghai, China**

- Phase I & II fully sold
- Phase III 98% sold

“We had full ownership of GHG as from December 2014, thus adding breadth to our asset base, revenue and earnings.”



*Grand Hyatt Melbourne's Russel Street Entrance*



*Premium Suite*



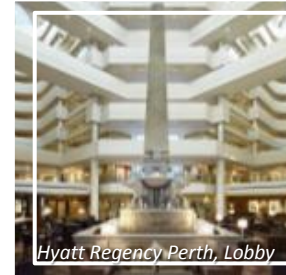
*Hyatt Melbourne*



*Grand Club Lounge*



*Premium Conference Facilities*



*Hyatt Regency Perth, Lobby*



*Collins Kitchen*





# New Project – Jalan Kandis Site, Singapore

- The Group was awarded tender of the Jalan Kandis land parcel by the URA in April 2016
- The 99-year leasehold land is located within a tranquil landed housing estate with proximity to Sembawang Park and amenities
- The site could yield up to 140 units
- The Group intends to launch it for sales in 1Q2017



Land Parcel



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# Going Forward

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# Business Philosophy as Our Guiding Principles



## Growing sustainable PROFIT

Our commitment to business excellence is underpinned by maintaining a high standard of corporate governance and strengthening risk-centric culture to support long-term value creation for our shareholders.



## Caring for PEOPLE

We are committed to nurturing and developing our employees. We instil a culture of passion, talent and commitment which are the cornerstones of our success.



## Nurturing our PLANET

We give back to communities wherever we operate through our multi-faceted approach towards corporate social responsibility. We cultivate a green mindset among our employees and encourage them to volunteer for charitable cause and to adopt a sustainable lifestyle.



# Creating Sustainable Value for All Stakeholders

## To Our Investors:

To generate sustainable and long-term returns

### ➤ How do we create value?

- Maintain profitability with reduced volatility
- Strategic use of capital to enhance shareholders' return
- Ensure good corporate governance and sound risk management

## To Our Employees:

To engage and inspire each to achieve their fullest potential and to take care of their well-being and work-family balance

### ➤ How do we create value?

- Safe work environment
- Career growth and development opportunities
- Competitive compensation

## To Our Customers:

To enlighten them through delivering quality products and services closest to their needs and requirements

### ➤ How do we create value?

- Innovative and quality products with competitive pricing
- Product responsibility and focus on the development of green buildings
- Quality customer service, including reliability and sales persons' knowledge

## To Our Business Partners:

To treat them fairly and as equal partners so to grow together with them

### ➤ How do we create value?

- Uphold the principles of ethical marketing and fair competition
- Proactive engagement of contractors and suppliers on quality of works
- Strong relationships with business partners and clients

## To Our Community:

To act responsibly and to contribute to the needs of the communities where we operate

### ➤ How do we create value?

- Strike a balance between economic objectives and environmental sustainability
- Continual improvement on environmental, health and safety practices
- Economic and social contributions, including jobs, local procurement, taxes and community engagement



## Our Strategic Focus

- Continue to expand property-related businesses to spearhead future growth
- Focus on developing residential and other properties
- Enhance diversified property portfolio to achieve a balanced revenue profile
- Seek good sites for residential, commercial and mixed development in Singapore and overseas
- Expand into property businesses in the region other than in Singapore
- Rationalise non-property businesses to provide long-term value
- Not averse to exit when opportunities arise





# Latest Results Update – 1Q2016

## Revenue

**\$105.5 m**

Decreased 32% was due to lower progressive revenue recognition for development properties as the projects has been substantially completed

## Total assets

**\$2,134.5 m**

Decreased 1% due to lower cash and bank balances, lower trade and other receivables, offset partly by increase in hotel properties, development properties and investment properties

## Total borrowings

**\$1,080.1 m**

Decreased 2% following repayment of development project loans

## Profit before tax and fair value adjustments

**\$12.0 m**

Decreased 40% due to lower revenue. All business segments were profitable led by Property and Hotels Investment

## Shareholders' funds

**\$885.0 m**

Increased 1% or \$8.2m as a result of profit recognised but reduced by foreign currency translation losses and cash flow hedge losses

## Cash and bank balances

**\$128.5 m**

Decreased 9% reflected mainly repayment of development project loans

## Profit after tax

**\$9.6 m**

Decreased 40% in tandem. Property and Hotels Investment accounted for 66% and 17% respectively to the Group's total profit after tax

## Earnings per share

**0.8 cent**

Down from 1.4 cents a year earlier

## Net asset value per share

**75.1 cents**

Rose from 74.4 cents at 31 December 2015





# Remain on Track to Deliver Our Target

- 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



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# Future Plans & Investment Strategies

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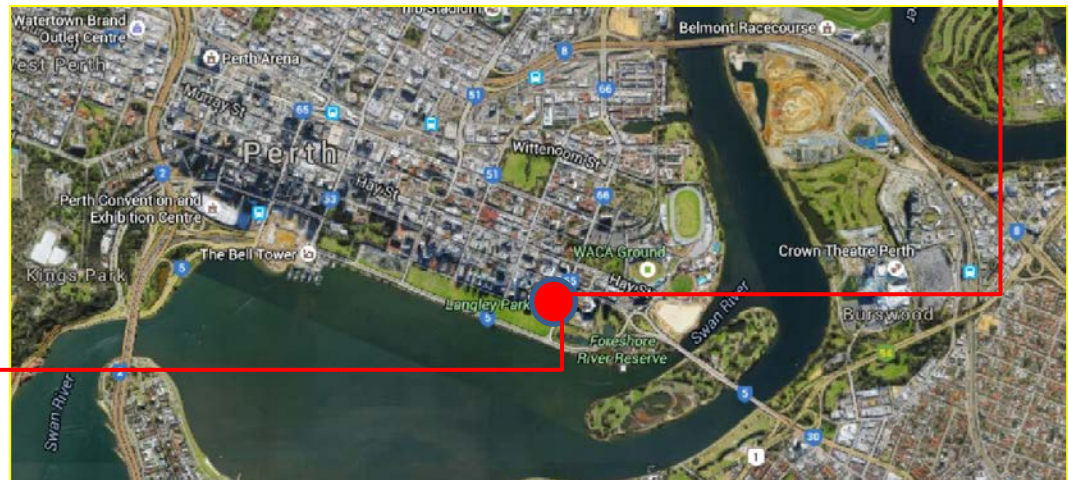
# Future Development Plan – Perth Portfolio



- Asset enhancement works at the Fortescue Centre to increase retail floor area and convention hall (Phase 1 @ existing building)
- Proposed high-rise service apartments
- Proposed high-end hotel
- Proposed high-rise office tower



(Source: Google Map)



(Source: Google Map)



# Future Development Plan – Perth Portfolio

## Asset Enhancement Initiative – Phase 1



Proposed event court at atrium



Artist's Impression



Artist's Impression

Proposed retail arcade



Artist's Impression

Proposed outdoor court  
alfresco dining



# Overseas Opportunity – Australia



Melbourne (Source: Google)



Perth (Source: Google)

## Favourable Macro-Economic Conditions

- **Transparent** country for property investment
- **Forecasted up to 4% GDP growth in 2016** (2.8% in 2015)
- **Cash Rate** maintained historically low at **2%** and decline in borrowing cost
- **Favourable exchange rate** (SGD 1 : AUD 1)
- Improving **inflation rate** at **1.7%** and **unemployment rate** at **5.8%** imply stable economic recovery

## Foreign Property Investment demand remain strong in Australia

- Close to **50%** of Foreign Investment Review Board (**FIRB**) approvals in 2015 were related to **commercial and residential investment**
- In 2015, **Chinese** remained as the **biggest investor group** in Australia (A\$47 billion)
- Federal government **streamlined visa applications** for PRC Chinese and foreign investors

## Melbourne

- Retained its title as the **most liveable city** in 2015 by Economist Intelligence Unit (EIU)
- Recognized as one of the **best city on hosting sports events**.
- **Healthy hotel occupancy rate** supported by business travellers and event participants
- **New metro line** connecting North Melbourne via CBD to St Kilda target to commence construction in 2018
- Adoption of New China Strategy to **attract Chinese investments, tourists and students**

## Perth

- **One of the top 10 liveable cities** in 2015 by EIU
- **One of the preferred destinations for education** among Asians
- Hotel occupancy rate well supported by **interstate business travellers**
- **Major infrastructural projects** such as Perth Stadium, Elizabeth Quay and new highway to airport are on the way
- State Premier's new focus on **promoting Perth to tourists in Asian markets**





# Overseas Opportunity – Indonesia



## Sustained Economy Growth Despite Global Economic Uncertainty

- **Forecasted 5.2% GDP growth in 2016** (4.8% GDP in 2015)
- **11% hike in Jakarta Composite Index** (best performing Asian market)
- Indonesian rupiah as **6<sup>th</sup> best performing currency** against USD
- Historically **low inflation rate at 4%** – ample headroom for interest rates cut & large scale fiscal stimulus package

## Strong Demographics Fundamentals

- 4<sup>th</sup> most populous country (estimated **260 million population** – 3.5% of total world population)
- Young population with **median age at 28.6 years**
- Current **population growth rate at 1.28%**
- **Rapid urbanization** – 67.5% population residing in urban areas by 2025

## Increased Infrastructural Spending

- Due to open in **3Q 2016**, **Terminal 3 of Soekarno-Hatta International Airport**, Jakarta can handle **additional 12 million passengers**
- Constructed by Shimz, **MRT North-South Corridor Phase 1** in Central Jakarta target to be operational in **2018/2019**
- **High-speed rail** from Jakarta to Bandung slated for completion in **1H 2019**

## Conducive Foreign Direct Investment (FDI) Environment

- **Deregulation** – streamlined licensing procedures for land acquisition & spatial planning
- **Foreign residents** allowed to purchase **30 years 'right-to-use' property titles**
- Criteria on **opening of local bank accounts by foreigners relaxed** – reduces exchange rate risk
- Income tax reduction facility **attracts pioneering industries** – creates **demand for real estate**



# Thank You

For further information, please contact:

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