TUAN SING HOLDINGS LIMITED

Creating A Clear Distinction

3Q2016 & 9M2016 RESULTS ANNOUNCEMENT

27 October 2016

Overview

- 3Q2016 Group's revenue was $90.3m as compared to $184.3m in the same quarter last year
- Profit before tax and fair value adjustments stood at $8.7m in 3Q2016 (3Q2015 : $21.3m)
- Net profit attributable to shareholders was down to $6.4m in 3Q2016 (3Q2015 : $16.2m)
- Earnings per share came in at 0.5 cent for 3Q2016 (3Q2015: 1.4 cents) and 1.8 cents for 9M2016 (9M2015: 4.6 cents)
- Net asset value per share was 74.6 cents at 30 September 2016, as compared to 74.4 cents at 31 December 2015

Group Financial Performance

($'m)	9M2016	9M2015	Chg
Revenue	302.3	533.7	-43%
Gross profit	64.9	111.0	-42%
Profit before tax & fair value adj	26.3	68.4	-62%
Profit before tax	26.4	68.5	-61%
Profit after tax	21.3	54.6	-61%
Net profit attributable to shareholders	21.1	54.4	-61%
EPS (cents)	1.8	4.6	-61%

Review of Financial Performance

- Group revenue decreased to $302.3m in 9M2016 as there was lower progressive revenue recognition in Seletar Park Residence and Sennett Residence even though there was higher revenue in Cluny Park
- Distribution costs increased reflecting higher promotion and commission expenses; Administrative expenses increased due to higher legal fees relating to the termination of the previous main contractor at Seletar Park Residence
- Other operating expenses in 9M2016 comprising $1.6m allowance for diminution in value for unsold units and realization of translation loss of $1.8m on completion of liquidation of two Malaysian subsidiaries
- Share of results of its 44.5%-owned associate, GulTech was $4.4m for 3Q2016; up from $1.7m in 3Q2015
- Overall, the Group’s profit after tax (inclusive of fair value adjustments) decreased to $6.6m in 3Q2016, down from $16.3m in 3Q2015

Group Financial Position

($'m)	30.09.16	31.12.15	Chg
Total assets	2,088.6	2,162.5	-3%
Total liabilities	1,195.5	1,275.0	-6%
Total borrowings	1,034.7	1,106.3	-6%
Cash and bank balances	156.4	141.7	+10%
Shareholders' funds	882.5	876.8	+1%
NAV per share (cents)	74.6	74.4	*
Gross gearing^	1.16X	1.25X	-7%
Net gearing^^	0.98X	1.09X	-10%

^ Gross gearing = total borrowings / total equity
^^ Net gearing = net borrowings / total equity; Net borrowings = total borrowings – cash and bank balances
* Less than 1%

Review of Financial Position

- As at 30 Sep 2016, Group's total assets decreased 3% to $2,088.6m as there was largely lower carrying amount of development properties but offset partially by increase in trade and other receivables and cash and bank balances
- As at 30 Sep 2016, Group's total liabilities of $1,195.5m dropped 6% as certain project loans were repaid
- Gross gearing improved to 1.16 times from 1.25 times, and net gearing improved to 0.98 times from 1.09 times
- As at 30 Sep 2016, Shareholders' funds increased by $5.7m to $882.5m after netting of foreign currency translation and cash flow hedge losses and dividend paid for last year

Group Cash Flow

($'m)	9M2016	9M2015
Operating cash flow	145.3	102.3
Investing cash flow	(17.2)	0.5
Financing cash flow	(140.2)	(220.5)
Foreign currency translation adjustments	(2.9)	(0.1)
Cash & cash equivalent at period-end^	90.7	69.7
Free cash inflow^^	128.1	102.8

^ Net of encumbered bank balances
^^ Free cash flow = operating cash flow + investing cash flow

Review of Cash Flow

- For 9M2016, net cash from operating activities was $145.3m, as more cash was received from progress billing following the completion of the development properties
- Net cash used in investing activities was $17.2m in 9M2016 mainly for the redevelopment of Robinson Tower site and capital expenditure for the two hotels in Australia
- For 9M2016, net cash used in financing activities was $140.2m, reflecting net loan repayment of $75.8m, interest payment of $26.5m, cash dividends paid to shareholders of $5.9m coupled with an increase in bank deposit pledged of $31.9m
- Consequently, cash and cash equivalents stood at $90.7m as compared with $105.7m as at 31 December 2015

Revenue by Segment

($'m)	9M2016	9M2015	Chg
Property	113.7	337.4	-66%
Hotels Investment	101.0	106.0	-5%
Industrial Services	88.2	90.9	-3%
Other Investments^^	-	-	-
Corporate & Others#	(0.6)	(0.6)	0%
Group Total	302.3	533.7	-43%
Proforma Group including Associates	549.1	791.6	-31%

Revenue decreased due mainly to lower contribution from Property Segment.

^^ 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)	9M2016	9M2015	Chg
Property	3.6	49.5	-93%
Hotels Investment	6.6	10.3	-36%
Industrial Services	1.2	0.5	+140%
Other Investments	6.8	3.6	+89%
Corporate & Others#	8.1	4.5	+80%
Group Total	26.3	68.4	-62%

All business segments were profitable at operating level.

Comprise mainly group-level services and consolidation adjustments

Profit after tax by Segment

($'m)	9M2016	9M2015	Chg
Property	1.1	39.7	-97%
Hotels Investment	4.3	6.3	-32%
Industrial Services	0.9	0.4	+125%
Other Investments	6.9	3.7	+86%
Corporate & Others#	8.1	4.5	+80%
Group Total	**21.3**	**54.6**	**-61%**

Hotels Investment and Other Investments contributed 53% of the Group's total profit after tax in 9M2016.

Comprise mainly group-level services and consolidation adjustments

Property

- For 9M2016, Property revenue decreased 66% to $113.7m; profit after tax was $1.1m, down from $39.7m a year ago
- Bulk of revenue were from the new sales and progressive recognition of revenue for units sold at the three residence projects
- Seletar Park Residence obtained Certificate of Statutory Completion in January this year; and Sennett Residence and Cluny Park Residence obtained Temporary Occupancy Permits in June and July this year respectively

Hotels Investment

- For 9M2016, GHG reported revenue of A$99.4m and profit after tax of A$9.4m as compared to A$101.6m and A$13.2m respectively a year ago
- Net income from hotel operations reduced by 7% to A$17.8m in 9M2016 as Grand Hyatt Melbourne and Hyatt Regency Perth registered a combined 1% drop in RevPAR despite higher occupancy rate
- Net income from non-hotel operations (office, retail and carpark) fell 11% to A$10.6m in 9M2016 due mainly to weak performance in the Perth office and carpark operations
- After deducting finance costs and deferred tax provision at the investment holding company level, Hotels Investment contributed profit after tax of S$4.3m in 9M2016 as compared to S$6.3m last year same period

Industrial Services

- Industrial Services reported revenue of $88.2m as compared to $90.9m in 9M2016
- SP Corp's revenue fell slightly due mainly to lower activity from its loss incurring Tyre Distribution Unit
- SP Corp reported net profit of $1.0m, up from $0.7m in 9M2015

Other Investments

- In 9M2016, GulTech reported revenue of US$174.5m weighed down by lower activities from its Suzhou Plant
- Notwithstanding lower revenue, GulTech reported net profit attributable to shareholders of US$14.3m for 9M2016 as compared to US$6.0m in 9M2015. The higher profit was attributable to its 100% equity stake in the Suzhou Plant as compared to 38.6% before February 2016
- The Group's share of its net profit accordingly increased to S$8.7m for 9M2016 as compared to S$3.7m previously

Outlook

- The Group's revenue in 2016 would continue to be from the three residential projects that had been completed
- Robinson Point has been fully leased under various leases until years 2017/18; Robinson Tower re-development is expected to complete by end of 2018
- Hotels Investment in Australia is expected to perform satisfactorily and contribute recurring cash flow to the Group
- The Group plans to launch "Kandis Residence" by mid-2017. Development comprises 130 units with 1 to 3 bed rooms of three and seven-storey buildings with full condominium facilities
- Under the current economic conditions, the Group's operations will remain challenging. Barring unforeseen circumstances, the Group will be profitable for the current year

Thank You

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