



TIONG WOON CORPORATION HOLDING LTD
(Company Registration No. 199705837C)

Condensed interim financial statements
For the six months and full year ended 30 June 2021

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	6 months ended		Group		Increase/ (Decrease) %	12 months ended		Increase/ (Decrease) %
		30 June 2021 S\$'000	30 June 2020 S\$'000	30 June 2021 S\$'000	30 June 2020 S\$'000				
Revenue	4	60,490	48,486	25	112,949	124,685	(9)		
Cost of sales		(36,989)	(34,290)	8	(70,510)	(81,683)	(14)		
Gross profit		23,501	14,196	66	42,439	43,002	(1)		
Other income		1,818	3,004	(39)	4,470	3,813	17		
Impairment loss on financial assets - net		(1,049)	(2,649)	(60)	(1,557)	(3,729)	(58)		
Other gains/(losses) - net		287	445	(36)	(1,872)	342	NM		
Expenses									
- Administrative		(523)	(505)	4	(1,049)	(1,117)	(6)		
- Other operating		(13,733)	(12,922)	6	(25,761)	(26,333)	(2)		
- Finance		(1,322)	(1,764)	(25)	(2,973)	(3,596)	(17)		
Share of profit/(loss) of associated companies		20	(130)	NM	100	(136)	NM		
Share of (loss)/profit of a joint venture		(4)	(23)	(83)	30	(19)	NM		
Profit/(loss) before income tax		8,995	(348)	NM	13,827	12,227	13		
Income tax expense	7	(2,672)	(1,175)	127	(4,015)	(4,696)	(15)		
Total profit/(loss)		6,323	(1,523)	NM	9,812	7,531	30		
Other comprehensive income/(loss):									
Items that may be subsequently reclassified to profit or loss:									
Currency translation differences arising from consolidation									
- (Losses)/gains		(355)	(669)	(47)	1,179	(231)	NM		
Total comprehensive income/(loss)		5,968	(2,192)	NM	10,991	7,300	51		
Profit/(loss) attributable to:									
Equity holders of the Company		6,359	(1,505)	NM	9,873	7,578	30		
Non-controlling interest		(36)	(18)	100	(61)	(47)	30		
		6,323	(1,523)	NM	9,812	7,531	30		
Total comprehensive income/(loss) attributable to:									
Equity holders of the Company		6,007	(2,176)	NM	11,059	7,348	51		
Non-controlling interest		(39)	(16)	144	(68)	(48)	42		
		5,968	(2,192)	NM	10,991	7,300	51		
Earnings per share for profit/(loss) for the period attributable to the owners of the Company during the year:									
Basic (SGD in cent)		2.74	(0.65)	NM	4.25	3.26	30		
Diluted (SGD in cent)		2.74	(0.65)	NM	4.25	3.26	30		

Denotes: NM - not meaningful

B. Condensed interim statements of financial position

	Note	Group		Company	
		As at 30 June 2021 S\$'000	As at 30 June 2020 S\$'000	As at 30 June 2021 S\$'000	As at 30 June 2020 S\$'000
ASSETS					
Current assets					
Cash and cash equivalents		45,512	39,384	800	135
Financial assets, at fair value through profit or loss	10	294	324	-	-
Trade and other receivables		47,081	39,524	-	-
Tax recoverable		121	55	-	-
Inventories		1,895	2,141	-	-
Other assets		1,752	1,153	9	9
		<u>96,655</u>	<u>82,581</u>	<u>809</u>	<u>144</u>
Assets held-for-sale		-	250	-	-
		<u>96,655</u>	<u>82,831</u>	<u>809</u>	<u>144</u>
Non-current assets					
Other receivables		535	-	43,131	47,185
Investment in associated companies		2,898	2,894	1,020	1,020
Investment in a joint venture		-	2,095	-	2,074
Investment in subsidiaries		-	-	44,884	41,108
Property, plant and equipment	11	346,867	360,785	-	-
Right-of-use assets		11,872	12,313	-	-
Deferred income tax assets		503	515	-	-
		<u>362,675</u>	<u>378,602</u>	<u>89,035</u>	<u>91,387</u>
Total assets		<u>459,330</u>	<u>461,433</u>	<u>89,844</u>	<u>91,531</u>
LIABILITIES					
Current liabilities					
Trade and other payables		35,378	37,668	277	1,860
Current income tax liabilities		2,998	3,677	-	-
Borrowings	12	19,053	18,669	-	-
		<u>57,429</u>	<u>60,014</u>	<u>277</u>	<u>1,860</u>
Non-current liabilities					
Trade and other payables		4,761	8,729	-	-
Borrowings	12	97,981	105,932	-	-
Deferred income tax liabilities		28,215	27,460	-	-
		<u>130,957</u>	<u>142,121</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>188,386</u>	<u>202,135</u>	<u>277</u>	<u>1,860</u>
NET ASSETS		<u>270,944</u>	<u>259,298</u>	<u>89,567</u>	<u>89,671</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	13	87,340	87,340	87,340	87,340
Other reserves		(426)	(2,964)	-	-
Retained earnings		184,004	174,828	2,227	2,331
		<u>270,918</u>	<u>259,204</u>	<u>89,567</u>	<u>89,671</u>
Non-controlling interest		26	94	-	-
Total equity		<u>270,944</u>	<u>259,298</u>	<u>89,567</u>	<u>89,671</u>

C. Condensed interim statements of changes in equity

<u>Group</u>	<u>Attributable to equity holders of the Company</u>				Non-controlling Interest	Total Equity
	Share Capital	Other Reserves	Retained Earnings	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2020	87,340	(2,964)	174,828	259,204	94	259,298
Total comprehensive income for the financial year	-	1,186	9,873	11,059	(68)	10,991
Asset acquisition	-	1,352	-	1,352	-	1,352
Dividend relating to 2020 paid	-	-	(697)	(697)	-	(697)
Balance at 30 June 2021	87,340	(426)	184,004	270,918	26	270,944
Balance at 1 July 2019	87,340	(2,734)	167,714	252,320	142	252,462
Total comprehensive (loss)/income for the financial year	-	(230)	7,578	7,348	(48)	7,300
Dividend relating to 2019 paid	-	-	(464)	(464)	-	(464)
Balance at 30 June 2020	87,340	(2,964)	174,828	259,204	94	259,298

Company

	Share Capital	Retained Earnings	Total Equity
	S\$'000	S\$'000	S\$'000
Balance at 1 July 2020	87,340	2,331	89,671
Total comprehensive income for the financial year	-	593	593
Dividend relating to 2020 paid	-	(697)	(697)
Balance at 30 June 2021	87,340	2,227	89,567
Balance at 1 July 2019	87,340	2,522	89,862
Total comprehensive income for the financial year	-	273	273
Dividend relating to 2019 paid	-	(464)	(464)
Balance at 30 June 2020	87,340	2,331	89,671

D. Condensed interim consolidated statement of cash flows

Note	Group	
	12 months ended	
	30 June 2021	30 June 2020
	S\$'000	S\$'000
Cash flows from operating activities		
Total profit	9,812	7,531
Adjustments for:		
Income tax expense	4,015	4,696
Depreciation of property, plant and equipment	30,831	31,409
Depreciation of right-of-use assets	1,219	1,161
Gain on disposal of property, plant and equipment	(786)	(213)
Fair value loss on financial assets at fair value through profit or loss	30	44
Bad debt written off	7	-
Written back on other receivables	(21)	(48)
Impairment loss on trade receivables-net	1,578	3,777
Impairment loss on assets held-for-sale	-	233
Interest income	(220)	(208)
Interest expense	2,975	3,536
Loss on disposal of interest in an associated company	8	-
Share of (profit)/loss of associated companies	(100)	136
Share of (profit)/loss of a joint venture	(30)	19
Translation differences	1,311	(259)
Operating cash flow before working capital changes	50,629	51,814
Change in operating assets and liabilities:		
Inventories	247	674
Trade and other receivables	(3,096)	9,819
Other assets	(599)	551
Trade and other payables	(14,144)	(5,813)
Cash generated from operations	33,037	57,045
Income tax paid	(3,978)	(2,570)
Net cash provided by operating activities	29,059	54,475
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,965)	(5,924)
Interest received	220	208
Fixed deposit pledged	201	(168)
Asset acquisition	627	-
Purchase of investment in associated company	-	(16)
Proceed from disposal of shareholding in an associated company	3	-
Proceeds from disposal of property, plant and equipment	1,821	1,098
Net cash used in investing activities	(5,093)	(4,802)
Cash flows from financing activities		
Proceeds from bank borrowings	11,383	1,370
Repayment of bank borrowings	(5,295)	(7,456)
Repayment of other secured borrowings	(18,947)	(13,493)
Interest paid	(3,005)	(3,578)
Principal repayments of lease liabilities	(1,077)	(992)
Dividends paid to equity holders of the Company	(697)	(464)
Net cash used in financing activities	(17,638)	(24,613)
Net increase in cash and cash equivalents	6,328	25,060
Cash and cash equivalents at beginning of financial year	38,509	13,449
Cash and cash equivalents at end of financial year	44,837	38,509
Cash and cash equivalents at end of financial year	45,512	39,384
Less: Bank deposits pledged	(675)	(875)
Cash and cash equivalents per statement of cash flows	44,837	38,509

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Tiong Woon Corporation Holding Ltd (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is No. 15 Pandan Crescent, Singapore 128470.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activity of the Company is that of an investment holding company. The principal activities of the Group are:

- (a) Hiring out of cranes and transport;
- (b) Selling, servicing and leasing of equipment in the petroleum, construction, shipbuilding and related industries; and
- (c) Marine or transportation logistics related business

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 30 June 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

On 1 July 2020, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the current financial period and financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial periods and financial years.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 30 June 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.2 Use of judgements and estimates (continued)

(a) Impairment of property, plant and equipment - Machinery, tug boats and barges

The machinery, tug boat and barges are tested for impairment whenever there is an objective evidence or indication that they may be impaired. An impairment loss is recognised to the extent that the carrying amount is more than its recoverable amount. The recoverable amount is determined based on the fair value less costs of disposal. In assessing the fair value less costs of disposal, the Group engaged independent valuation specialists to determine the fair value as at 30 June 2021. The independent valuers used a valuation technique based on recent sales and other comparable market data. As at 30 June 2021, the recoverable amounts have been determined based on fair value less costs of disposal.

(b) Impairment of trade receivables

Management reviews its trade receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

As at 30 June 2021, the Group's net trade receivables amounted to S\$39.1 million (2020: S\$32.0 million), arising from the Group's different revenue segments as disclosed in Note 4.1. Based on the Group's historical credit loss experience, trade receivables exhibited different loss patterns depending on the type of trade receivables that are grouped based on shared credit risk characteristics. Accordingly, management has determined expected loss rates for each of the trade receivables. Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately.

As at 30 June 2021, the impairment loss allowance for trade receivables was S\$26.3 million (2020: S\$25.8 million). The Group's trade receivables included one debtor, whose debt amounted to S\$11.6 million (2020: S\$12.0 million) which is aged more than 365 days. Allowance for impairment of S\$11.6 million (2020: S\$12.0 million) has been made for this debt.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into the following main business segments:

- Segment 1: Heavy Lift & Haulage;
- Segment 2: Marine Transportation; and
- Segment 3: Trading

These operating segments are reported in a manner consistent with internal reporting provided to Senior Management of the Group who are responsible for allocating resources and assessing performance of the operating segments. The Senior Management of the Group comprises the Executive Chairman, Executive Directors and key senior management personnel of the Group.

4.1. Reportable segments

	Heavy Lift & Haulage	Marine Transportation	Trading	Total
	S\$'000	S\$'000	S\$'000	S\$'000
1 January 2021 to 30 June 2021 (FY2021-2H)				
Turnover				
-external sales	58,194	2,294	2	60,490
-inter-segment sales	197	1,065	-	1,262
	58,391	3,359	2	61,752
Elimination				
				(1,262)
				60,490
Segment result				
	8,519	(316)	(7)	8,196
Other income				1,818
Other gains - net				287
Finance costs				(1,322)
Share of (loss)/profit of associated companies	(16)	36	-	20
Share of loss of a joint venture	(4)	-	-	(4)
Profit before income tax				8,995
Income tax expense				(2,672)
Net profit				6,323
Other segment items				
Capital expenditure				
- property, plant and equipment	11,413	236	-	11,649
Depreciation	14,611	696	8	15,315
Depreciation - ROU assets	638	-	-	638
Segment assets				
Investment in associated companies	447,758	7,754	417	455,929
Unallocated assets	72	2,826	-	2,898
				503
Consolidated total assets				459,330
Segment liabilities				
	(94,230)	(977)	(23)	(95,230)
Unallocated liabilities				(93,156)
Consolidated total liabilities				(188,386)

4.1. Reportable segments (continued)

	Heavy Lift & Haulage	Marine Transportation	Trading	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<u>1 January 2020 to 30 June 2020 (FY2020-2H)</u>				
Turnover				
-external sales	45,029	2,433	1,024	48,486
-inter-segment sales	660	1,243	-	1,903
	<u>45,689</u>	<u>3,676</u>	<u>1,024</u>	<u>50,389</u>
Elimination				<u>(1,903)</u>
				<u>48,486</u>
Segment result				
	(2,396)	322	194	(1,880)
Other income				3,004
Other gains - net				445
Finance costs				(1,764)
Share of profit/(loss) of associated companies	76	(206)	-	(130)
Share of loss of a joint venture	(23)	-	-	(23)
Profit before income tax				<u>(348)</u>
Income tax expense				<u>(1,175)</u>
Net profit				<u>(1,523)</u>
Other segment items				
Capital expenditure				
- property, plant and equipment	7,075	90	-	7,165
Depreciation	14,850	887	8	15,745
Depreciation - ROU assets	580	-	-	580
Segment assets				
Investment in associated companies	446,478	7,787	1,414	455,679
Investment in a joint venture	92	2,802	-	2,894
Unallocated assets	2,095	-	-	2,095
Consolidated total assets				<u>765</u>
				<u>461,433</u>
Segment liabilities				
Unallocated liabilities	(110,203)	(878)	(119)	(111,200)
Consolidated total liabilities				<u>(90,935)</u>
				<u>(202,135)</u>

4.1. Reportable segments (continued)

	Heavy Lift & Haulage S\$'000	Marine Transportation S\$'000	Trading S\$'000	Total S\$'000
1 July 2020 to 30 June 2021 (FY2021)				
Turnover				
-external sales	108,912	3,643	394	112,949
-inter-segment sales	619	1,635	-	2,254
	109,531	5,278	394	115,203
Elimination				
				(2,254)
				112,949
Segment result				
	14,953	(962)	81	14,072
Other income				4,470
Other losses - net				(1,872)
Finance costs				(2,973)
Share of (loss)/profit of associated companies	(10)	110	-	100
Share of profit of a joint venture	30	-	-	30
Profit before income tax				13,827
Income tax expense				(4,015)
Net profit				9,812
Other segment items				
Capital expenditure				
- property, plant and equipment	20,968	918	-	21,886
Depreciation	29,266	1,550	15	30,831
Depreciation - ROU assets	1,219	-	-	1,219
Segment assets	447,758	7,754	417	455,929
Investment in associated companies	72	2,826	-	2,898
Unallocated assets				503
Consolidated total assets				459,330
Segment liabilities				
	(94,230)	(977)	(23)	(95,230)
Unallocated liabilities				(93,156)
Consolidated total liabilities				(188,386)
1 July 2019 to 30 June 2020 (FY2020)				
Turnover				
-external sales	111,035	6,212	7,438	124,685
-inter-segment sales	1,554	4,063	-	5,617
	112,589	10,275	7,438	130,302
Elimination				
				(5,617)
				124,685
Segment result				
	8,283	1,685	1,855	11,823
Other income				3,813
Other losses - net				342
Finance costs				(3,596)
Share of profit/(loss) of associated companies	76	(212)	-	(136)
Share of loss of a joint venture	(19)	-	-	(19)
Profit before income tax				12,227
Income tax expense				(4,696)
Net profit				7,531
Other segment items				
Capital expenditure				
- property, plant and equipment	22,416	122	-	22,538
Depreciation	29,479	1,915	15	31,409
Depreciation - ROU assets	1,161	-	-	1,161
Segment assets	446,478	7,787	1,414	455,679
Investment in associated companies	92	2,802	-	2,894
Investment in a joint venture	2,095	-	-	2,095
Unallocated assets				765
Consolidated total assets				461,433
Segment liabilities				
	(110,203)	(878)	(119)	(111,200)
Unallocated liabilities				(90,935)
Consolidated total liabilities				(202,135)

4.2. Disaggregation of revenue

	Heavy Lift & Haulage S\$'000	Marine Transportation S\$'000	Trading S\$'000	Total S\$'000
1 January 2021 to 30 June 2021 (FY2021-2H)				
Types of goods or service:				
Rendering of services	9,785	231	-	10,016
Trading sales of equipment and spare parts	-	-	2	2
Total revenue from contracts with customers	9,785	231	2	10,018
Rental income	48,409	2,063	-	50,472
Total revenue	58,194	2,294	2	60,490
Timing of revenue recognition:				
At a point in time	-	-	2	2
Over time	9,785	231	-	10,016
Total revenue from contracts with customers	9,785	231	2	10,018
Geographical information:				
Singapore	44,922	363	2	45,287
Brunei	3,106	1	-	3,107
Middle East	1,142	-	-	1,142
India	1,444	-	-	1,444
Malaysia	634	255	-	889
Thailand	505	365	-	870
Indonesia	4,546	34	-	4,580
China	907	-	-	907
Other countries	988	1,276	-	2,264
Total revenue	58,194	2,294	2	60,490
1 January 2020 to 30 June 2020 (FY2020-2H)				
Types of goods or service:				
Rendering of services	7,378	55	-	7,433
Trading sales of equipment and spare parts	-	-	1,024	1,024
Total revenue from contracts with customers	7,378	55	1,024	8,457
Rental income	37,651	2,378	-	40,029
Total revenue	45,029	2,433	1,024	48,486
Timing of revenue recognition:				
At a point in time	-	-	1,024	1,024
Over time	7,378	55	-	7,433
Total revenue from contracts with customers	7,378	55	1,024	8,457
Geographical information:				
Singapore	34,082	-	914	34,996
Brunei	3,614	180	-	3,794
Middle East	1,663	508	-	2,171
India	2,022	-	-	2,022
Malaysia	1,271	386	-	1,657
Thailand	1,014	-	-	1,014
Indonesia	-	913	110	1,023
China	659	-	-	659
Other countries	704	446	-	1,150
Total revenue	45,029	2,433	1,024	48,486

4.2. Disaggregation of revenue (continued)

	Heavy Lift & Haulage S\$'000	Marine Transportation S\$'000	Trading S\$'000	Total S\$'000
FY2021				
Types of goods or service:				
Rendering of services	18,614	293	-	18,907
Trading sales of equipment and spare parts	-	-	394	394
Total revenue from contracts with customers	18,614	293	394	19,301
Rental income	90,298	3,350	-	93,648
Total revenue	108,912	3,643	394	112,949
Timing of revenue recognition:				
At a point in time	-	-	394	394
Over time	18,614	293	-	18,907
Total revenue from contracts with customers	18,614	293	394	19,301
Geographical information:				
Singapore	87,604	445	394	88,443
Brunei	3,706	14	-	3,720
Middle East	1,891	-	-	1,891
India	3,922	-	-	3,922
Malaysia	1,694	1,098	-	2,792
Thailand	1,244	365	-	1,609
Indonesia	4,721	288	-	5,009
China	1,913	-	-	1,913
Other countries	2,217	1,433	-	3,650
Total revenue	108,912	3,643	394	112,949
FY2020				
Types of goods or service:				
Rendering of services	19,547	99	-	19,646
Trading sales of equipment and spare parts	-	-	7,438	7,438
Total revenue from contracts with customers	19,547	99	7,438	27,084
Rental income	91,488	6,113	-	97,601
Total revenue	111,035	6,212	7,438	124,685
Timing of revenue recognition:				
At a point in time	-	-	7,438	7,438
Over time	19,547	99	-	19,646
Total revenue from contracts with customers	19,547	99	7,438	27,084
Geographical information:				
Singapore	83,470	236	7,312	91,018
Brunei	9,359	180	-	9,539
Middle East	6,738	1,545	-	8,283
India	3,820	-	-	3,820
Malaysia	2,625	1,110	1	3,736
Thailand	2,106	-	-	2,106
Indonesia	-	1,667	125	1,792
China	1,463	-	-	1,463
Other countries	1,454	1,474	-	2,928
Total revenue	111,035	6,212	7,438	124,685

With the exception of Singapore, no other individual country or region contributed more than 10% of the Group's revenue.

4.2. Disaggregation of revenue (continued)

A breakdown of sales:

	Group		Increase/ (Decrease)
	FY2021	FY2020	
	S\$'000	S\$'000	%
Sales reported for first half year	52,459	76,199	(31%)
Profit after tax reported for first half year	3,489	9,054	(61%)
Sales reported for second half year	60,490	48,486	25%
Profit/(Loss) after tax reported for second half year	6,323	(1,523)	NM

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 30 June 2020:

	Group		Company	
	FY2021	FY2020	FY2021	FY2020
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
Cash and bank balances and trade and other receivables (Amortised cost)	91,979	77,186	800	135
Financial assets, at fair value through profit or loss	294	324	-	-
	92,273	77,510	800	135
Financial Liabilities				
Trade and other payables and borrowings (Amortised cost)	150,717	165,553	277	1,860

6. Profit before taxation

6.1 Significant items

	Group			
	6 months ended		12 months ended	
	30 June 2021 S\$'000	30 June 2020 S\$'000	30 June 2021 S\$'000	30 June 2020 S\$'000
Income				
Interest Income	143	109	220	208
Insurance claims received	108	2	208	609
Government grant	1,541	2,785	3,963	2,847
Miscellaneous gains	17	108	70	149
Expenses				
Depreciation of property, plant and equipment	(15,315)	(15,745)	(30,831)	(31,409)
Depreciation of right-of-use assets	(638)	(580)	(1,219)	(1,161)
Currency exchange (loss)/gain - net	(368)	554	(2,619)	114
Gain/(loss) on disposal of property, plant and equipment	685	(119)	786	213
Loss on disposal of interest in an associated company	(8)	-	(8)	-
Fair value loss on financial assets at fair value through profit or loss	(11)	(17)	(30)	(44)
Bad debt written off	-	-	(7)	-
Impairment loss on trade receivables	(1,240)	(2,789)	(1,970)	(3,891)
Impairment loss on trade receivables written back	184	92	392	114
Impairment loss on other receivables written back	7	48	21	48
Impairment loss on assets held-for-sale	-	(233)	-	(233)
Interest expense	(1,334)	(1,736)	(2,975)	(3,536)
Under provision in prior years' current income tax	(129)	(133)	(139)	(133)
Under provision in prior years' deferred tax	(177)	(354)	(177)	(354)

6.2 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	12 months ended	
	2021 S\$'000	2020 S\$'000
Sales to corporations in which certain directors or their close family members have control or significant influence over:		
- Sales and rental of equipment and rendering of services	476	978
Purchases from corporations in which certain directors or their close family members have control or significant influence over:		
- Rental of equipment	71	309

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	12 months ended	
	2021 S\$'000	2020 S\$'000
Salaries and other short-term employee benefits	4,347	3,845
Employer's contribution to defined contribution plans, including Central Provident Fund	182	211
	4,529	4,056

Included in the above is total compensation paid to the directors of the Company of \$2,908,000 (2020: \$1,908,000), of which compensation to the executive directors amounted to \$2,778,000 (2020: \$1,813,000).

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	6 months ended		12 months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax expense	1,910	2,961	3,253	4,688
Deferred income tax expense relating to origination and reversal of temporary differences	762	(1,786)	762	8
	2,672	1,175	4,015	4,696

8. Dividends

	Group	
	FY2021	FY2020
	S\$'000	S\$'000
*Ordinary dividends paid:		
Final dividend paid in respect of the previous financial year	697	464
Dividend per share (net of tax)	0.3 cents	0.2 cents

* Based on total number of ordinary shares of 232,235,253 (30 June 2020: 232,235,253)

9. Net Asset Value

	Group		Company	
	As At	As At	As at	As At
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Net asset value per ordinary share (cents)	116.66	111.61	38.57	38.61
Number of shares in issue	232,235,253	232,235,253	232,235,253	232,235,253

10. Financial assets, at fair value through profit or loss

Financial assets, at fair value through profit or loss comprise the following:

	Group	
	FY2021	FY2020
	S\$'000	S\$'000
Listed securities		
- Equity securities - Singapore	288	318
- Equity securities - Sri Lanka	6	6
	294	324

10.1 Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3)

The following table presented the assets measured at fair value:

	<u>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	<u>Total</u> S\$'000
Group				
As at 30 June 2021				
<i>Asset</i>				
Financial assets at fair value through profit or loss	294	-	-	294
As at 30 June 2020				
<i>Asset</i>				
Financial assets at fair value through profit or loss	324	-	-	324

11. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to \$11,649,000 (30 June 2020: \$7,165,000) and disposed of assets amounting to \$3,677,000 (30 June 2020: \$676,000).

12. Borrowings

	Group	
	As At 30 June 2021	As At 30 June 2020
	S\$'000	S\$'000
Amount repayable in one year or less (secured)		
- Bank borrowings	5,555	4,790
- Other secured borrowings	12,489	12,937
	18,044	17,727
Amount repayable in one year or less (unsecured)		
- Lease liabilities	1,009	942
	19,053	18,669
Amount repayable after one year (secured)		
- Bank borrowings	56,388	55,007
- Other secured borrowings	30,418	39,384
	86,806	94,391
Amount repayable after one year (unsecured)		
- Lease liabilities	11,175	11,541
	97,981	105,932
Total borrowings	117,034	124,601

12. Borrowings (continued)

Details of any collateral:

- (a) Bank borrowings of the Group are secured by a first legal charge over certain of the Group's property, plant and equipment.
- (b) Other secured borrowings of the Group are secured over the leased machinery and motor vehicles.

13. Share capital

The Group's share capital comprises fully paid up 232,235,253 (2020: 232,235,253) ordinary shares (excluding treasury shares) with no par value, amounting to a total of \$87,340,000 (2020: \$87,340,000). There were no treasury shares and outstanding convertibles as at 30 June 2021 and 30 June 2020. There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the financial year ended 30 June 2021.

14. Asset acquisition

On 18 May 2021, the Group acquired the remaining 60% equity interest in Tiong Woon Teck Aik Pte Ltd ("TWTA"), a company incorporated in Singapore. The principal activity of TWTA is that of a dormant entity. As TWTA did not meet the definition of a "business" in accordance with the amendments to SFRS(I) 3 *Business Combination*, the acquisition is accounted for under the asset acquisition method.

The carrying value of net assets of TWTA amounted to S\$5,071,000 at acquisition.

Under the Asset Acquisition method of accounting, the total cost allocated to assets acquired amounted to S\$3,719,000. This comprises the carrying value of previously held 40% interest of S\$2,019,000 and the purchase consideration of S\$1,700,000 for 60% interest in TWTA. The total amount of S\$3,719,000 was allocated to TWTA's qualifying assets on a relative fair value basis.

The difference between the carrying value of S\$5,071,000 and the total allocated cost of assets of S\$3,719,000 which amounted to S\$1,352,000 is recognised under "other reserves".

The effects of the acquisition are as follows:

(i)	<i>Purchase consideration</i>	S\$'000
	Cash consideration	1,700
	Total purchase consideration	<u>1,700</u>
(ii)	<i>Effect on cash flows of the Group</i>	S\$'000
	Cash consideration (as above)	(1,700)
	Less: Cash and cash equivalents acquired	627
	Less: Net settlement of disposal of property, plant and equipment *	1,700
	Cash inflow on acquisition	<u>627</u>

14. Asset acquisition (continued)

		At Cost Allocated
		S\$'000
(iii)	<i>Identifiable assets acquired and liabilities assumed</i>	
	Trade and other receivables	3,132
	Cash and cash equivalents	627
	Total assets	<u>3,759</u>
	Trade and other payables	<u>(40)</u>
	Total identifiable net assets	3,719
	Less: Previously held interest – 40% equity interest	<u>(2,019)</u>
	Purchase consideration	<u>1,700</u>

* The purchase consideration was settled on a net basis with the proceeds from the disposal of a crane from a subsidiary to a related party of the previous joint venture partner.

15. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Other Information Required by Listing Rule Appendix 7.2

F. Other Information

1. Review

The condensed consolidated statement of financial position of Tiong Woon Corporation Holding Ltd and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review on Group's Financial Results

Full Year ended 30 June 2021 (FY2021) vs Full Year ended 30 June 2020 (FY2020)

Revenue

	FY2021	FY2020	Decrease
	S\$'000	S\$'000	%
Heavy Lift and Haulage	108,912	111,035	(2)
Marine Transportation	3,643	6,212	(41)
Trading	394	7,438	(95)
	<u>112,949</u>	<u>124,685</u>	<u>(9)</u>

Revenue was S\$112.9 million in FY2021, a decrease of S\$11.8 million or 9% from S\$124.7 million in FY2020. The decrease was attributable to challenging market conditions amid the ongoing Covid-19 pandemic resulting in a decrease in contributions across all segments.

Heavy Lift and Haulage segment revenue decreased by S\$2.1 million or 2% from S\$111.0 million in FY2020 to S\$108.9 million in FY2021, mainly due to fewer projects executed in Brunei and Middle East offset by new projects executed in Indonesia.

Marine Transportation segment revenue decreased by S\$2.6 million or 41% from S\$6.2 million in FY2020 to S\$3.6 million in FY2021, mainly due to fewer chartering jobs.

Trading segment revenue decreased by S\$7.0 million or 95% from S\$7.4 million in FY2020 to S\$0.4 million in FY2021, mainly due to fewer equipment sold in FY2021.

Gross Profit was S\$42.4 million in FY2021, a decrease of S\$0.6 million or 1% from S\$43.0 million in FY2020, mainly due to lower contributions from Marine Transportation and Trading segments offset by higher contributions from Heavy Lift and Haulage segment. **Gross Profit Margin** was higher at 37.6% in FY2021 as compared to 34.5% in FY2020 mainly due to better performance achieved by Heavy Lift and Haulage segment.

Other Income was S\$4.5 million in FY2021, an increase of S\$0.7 million or 17% from S\$3.8 million in FY2020, mainly due to higher government grant income such as the Jobs Support Scheme, foreign worker levy rebates and rental relief recognised in FY2021.

Impairment loss on financial assets - net were S\$1.6 million in FY2021, a decrease of S\$2.1 million or 58% from S\$3.7 million in FY2020. In FY2020, there was a further impairment loss of S\$1.8 million on a long outstanding trade receivable in Saudi Arabia in view of the uncertainty of recoverability.

Other (Losses)/Gains - net recorded a loss of S\$1.9 million in FY2021, as compared to a gain of S\$0.3 million in FY2020. This was mainly attributable to operational exchange loss of S\$2.6 million offset by gain on disposal of plant and equipment of S\$0.8 million in FY2021, as compared to operational exchange gain of S\$0.2 million and gain on disposal of plant and equipment of S\$0.2 million in FY2020.

Other Operating Expenses were S\$25.8 million in FY2021, a decrease of S\$0.5 million or 2% from S\$26.3 million in FY2020, mainly due to lower depreciation, impairment loss on assets held-for-sale and travel costs.

Finance Expenses were S\$3.0 million in FY2021, a decrease of S\$0.6 million or 17% from S\$3.6 million in FY2020, mainly due to lower interest rates on certain bank borrowings and lower borrowings during the year.

Income Tax Expenses were S\$4.0 million in FY2021, a decrease of S\$0.7 million or 15% from S\$4.7 million in FY2020. This was mainly due to higher income not subject to tax during the current financial year.

Profit/(Loss) before Income Tax

	FY2021	FY2020	Increase
	S\$'000	S\$'000	%
Heavy Lift and Haulage	14,749	8,795	68
Marine Transportation	(914)	1,488	NM
Trading	(8)	1,944	NM
	13,827	12,227	13

Profit before Income Tax was S\$13.8 million in FY2021, an increase of S\$1.6 million or 13% from S\$12.2 million in FY2020.

Heavy Lift and Haulage segment reported a profit before income tax of S\$14.7 million in FY2021, an increase of S\$5.9 million or 68% from S\$8.8 million in FY2020. This was mainly due to improved performance, higher government grant income, lower impairment loss on financial assets-net, lower other operating expenses and lower finance expenses in FY2021.

Marine Transportation segment recorded a loss of S\$0.9 million in FY2021, as compared to a profit before income tax of S\$1.5 million in FY2020, mainly due to lower utilisation of equipment in FY2021.

Trading segment recorded a loss of S\$0.01 million in FY2021, as compared to a profit before income tax of S\$1.9 million in FY2020, mainly due to fewer equipment sold in FY2021.

Review of Statements of Financial Position and Cash Flows

Cash and cash equivalents per consolidated statement of cash flow increased by S\$6.3 million from S\$38.5 million as at 30 June 2020 to S\$44.8 million as at 30 June 2021 mainly due to net cash inflow from operating activities of S\$29.1 million. This was offset by net cash outflows from investing activities and financing activities of S\$5.1 million and S\$17.6 million respectively. The proceed from disposal of shareholding in an associated company under investing activities pertains to the disposal of the Group's 10% interest in PDT Ascend Sdn Bhd. Net cash outflow from financing activities of S\$17.6 million resulted mainly from repayment of bank borrowings and other secured borrowings of S\$24.2 million, payment of interest \$3.0 million and payment of dividend to shareholders S\$0.7 million offset by proceeds from bank borrowings of S\$11.3 million.

Total trade and other receivables (current and non-current) increased by S\$8.1 million from S\$39.5 million as at 30 June 2020 to S\$47.6 million as at 30 June 2021. The increase was mainly attributable to higher revenue generated during 4QFY2021 as compared to 4QFY2020 when the circuit breaker measures were implemented in Singapore. Other receivables of S\$1.0 million as at 30 June 2021 relate to finance lease receivable recognised.

Inventories decreased by S\$0.2 million from S\$2.1 million as at 30 June 2020 to S\$1.9 million as at 30 June 2021, mainly due to the sale of trading equipment in FY2021.

Other current assets increased by S\$0.6 million from S\$1.2 million as at 30 June 2020 to S\$1.8 million as at 30 June 2021, mainly due to the increase in advances and deposits paid to suppliers.

Assets held-for-sale decreased by S\$0.3 million from S\$0.3 million as at 30 June 2020 to S\$Nil as at 30 June 2021 as these assets were sold in FY2021.

Total trade and other payables decreased by S\$6.3 million from S\$46.4 million as at 30 June 2020 to S\$40.1 million as at 30 June 2021, mainly due to payment for purchases of equipment in FY2021.

Current income tax liabilities decreased by S\$0.7 million from S\$3.7 million as at 30 June 2020 to S\$3.0 million as at 30 June 2021, mainly due to higher income tax paid offset by increase in provision of income tax made during the current year.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

The operating environment continues to be challenging and uncertain despite the gradual ease of the circuit breaker measures, movement control or lockdown in Singapore and other countries which the Group operates in. The Group's priority is to ensure that it has adequate liquidity to sustain its business to ride through this Covid-19 pandemic while managing its cashflow, operating costs and business risks.

5. Dividend Information

5(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Final	Special
Dividend Type	Exempt (1-tier) dividend	Exempt (1-tier) dividend
Dividend Rate	0.3 cent per ordinary share	0.1 cent per ordinary share
Tax Rate	Nil	Nil

To be advised at a later date.

5(b) Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
Yes

Name of Dividend	Final
Dividend Type	Exempt (1-tier) dividend
Dividend Rate	0.3 cent per ordinary share
Tax Rate	Nil

5(c) Date Payable

To be advised at a later date.

5(d) Books Closure Date

To be advised at a later date.

6. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

The following interested person transactions took place between the Group and the interested persons during the financial year under review:

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	FY2021	FY2020	FY2021	FY2020
	S\$'000	S\$'000	S\$'000	S\$'000
Sales				
Pollisum Engineering Pte Ltd	420	886	-	-
Xin Woon Transport Pte Ltd	56	78	-	-
Purchases				
Pollisum Engineering Pte Ltd	1	122	-	-
Xin Woon Transport Pte Ltd	70	187	-	-

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its Directors and Executive Officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

8. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format as shown. If there is no such person, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Ang Siew Chien	45	Daughter of Mr Ang Kah Hong; Niece of Mr Ang Kha King; Sister of Mr Ang Guan Hwa; Cousin of Mr Ang Boon Chang	Group Human Resource and Administration Manager since 15 July 2016	No Change
Ang Hwee Chien	38	Daughter of Mr Ang Kah Hong; Niece of Mr Ang Kha King; Sister of Mr Ang Guan Hwa; Cousin of Mr Ang Boon Chang	Finance Manager since 3 August 2020	No Change
Lee Kum Mun	56	Son in law of Mr Ang Kah Hong; Husband of Ms Ang Siew Chien; Brother in law of Mr Ang Guan Hwa	Managing Director of Tiong Woon Project & Contracting Pte Ltd since 1 June 2021	Promoted from Business Development Manager (since 19 January 2015) to Managing Director of Tiong Woon Project & Contracting Pte Ltd with effect from 1 June 2021
Ang Li Fern	44	Daughter of Mr Ang Kha King; Niece of Mr Ang Kah Hong; Cousin of Mr Ang Guan Hwa; Sister of Mr Ang Boon Chang	Logistic Manager of Tiong Woon Logistics Pte. Ltd. since 1 June 2016	No Change

By Order of the Board
Mr Ang Kah Hong
Executive Chairman

26 August 2021