



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

## **MEDIA RELEASE**

**For Immediate Release**

# **Net profit rises 25% to S\$22.1 million for financial year ended 30 June 2014**

### **Highlights:**

- **Improved gross profit margin from 29% to 34%**
- **Proposes dividend of 0.4 cent per share**
- **Increased net asset value and earnings per share at 56.04 cents and 4.75 cents respectively**

**SINGAPORE, 21 August 2014 – MAINBOARD-LISTED Tiong Woon Corporation Holding Ltd (長運集團)** (“Tiong Woon” or “the Group”) registered a 25% increase in net profit attributable to equity holders to S\$22.1 million for the financial year ended 30 June 2014 (FY2014), from S\$17.6 million in the year before. This was despite a 18% decrease in turnover to S\$165.3 million during the year as compared to S\$200.5 million in FY2013.

The Board of Directors is pleased to recommend a one-tier tax-exempt final dividend of 0.4 Singapore cent per share to be approved by shareholders at the forthcoming annual general meeting to be held in October 2014.

Gross profit margin for FY2014 improved by 5 percentage points as the Group was effective in lowering its cost of sales by a greater proportion, in tandem with the lower turnover. Net profit attributable to equity holders was boosted by the recognition of a S\$3.2 million gain from the disposal of subsidiaries.

**Commenting on the results, Mr Ang Kah Hong, Tiong Woon's Group Chairman and Managing Director (洪加豐) said: “FY2014 has been a challenging year. The Group took the opportunity to realign our business strategy accordingly, and has strengthened as a result of the restructuring. Looking ahead, Tiong Woon will continue to actively pursue new business opportunities in the oil and gas and petrochemical sectors across the region, while striving for improvements in operational efficiency, cost control and financial management.”**

### **Segment Highlights**

The **Heavy Lift and Haulage** segment's turnover declined from S\$154.4 million to S\$142.1 million as it executed fewer heavy lift and installation projects during FY2014. Profit before tax (“PBT”) for this segment declined to S\$21.7 million, in line with the lower turnover. However, better cost control helped lift PBT margin from 14.5% in FY2013 to 15.3% in FY2014.

Lower vessel utilization resulted in a decline in turnover from the Group's **Marine Transportation** segment to S\$9.4 million in FY2014. PBT for this segment fell to S\$0.5 million, mainly due to the lower turnover and a lower gain on disposal of tugs and barges during the year.

The **Engineering Services** segment saw fewer projects in the active stages of completion during FY2014. Two projects, the Tuas New Yard Phase 1 project and Tuaspring Desalination project, were completed during the year, resulting in a lower turnover of S\$6.2 million for FY2014. A restructuring enabled the Group to turnaround and recorded a marginal PBT of S\$1,000, compared with a loss of S\$2.0 million a year ago.

Turnover from the **Trading** segment declined to S\$7.6 million for FY2014 due to lower sales of high tonnage cranes during the year. PBT for this segment fell to S\$0.6 million due to the decrease in turnover and lower margins.

During FY2014, Tiong Woon disposed its loss-making **Fabrication** segment. With the transaction completed on 7 October 2013, the disposal resulted in a gain of S\$3.2 million for the Group.

## **Financial Position**

Tiong Woon's financial position remains healthy, with net assets of S\$260.3 million as at 30 June 2014, translating into a net asset value per share of 56.04 cents. The Group has a cash and cash equivalent of S\$18.9 million with net gearing of 30.2% as at end FY2014, down from 31.9% as at end FY2013. It generated cash flow of S\$33.4 million from operations in FY2014.

Based on the closing price of 33.0 Singapore cents per share on 20 August 2014, Tiong Woon's current market capitalisation is S\$153.3 million. The total number of shares issued as of this date is 464.5 million.

## **Business Outlook**

The demand for heavy lift and haulage from the oil and gas, and petrochemical industries remains resilient in the region. In Singapore, the highly developed petrochemical ecosystem in Jurong Island continues to attract high value investments while the ongoing development of public sector infrastructure such as the airport and the rail network is expected to generate demand for heavy lift and haulage. The development in the Iskandar region of Johor, Malaysia, also provides business development opportunities for heavy lift and haulage. In other ASEAN countries and the Middle East, the Group will also focus on new business opportunities in oil & gas and petrochemical, infrastructure development and construction sectors.

The Group will pursue opportunities to ride on the flow of business opportunities and will forge strategic alliances and cooperation with international contractors and industry players to jointly participate in the bidding for projects.

Labour and other operating costs are expected to rise. To increase productivity and operational efficiency, the Group will continue to keep a tight control over cost management and upgrade the skills of its workforce. Continuous investment in higher capacity and specialised equipment will be made, so as to broaden the range of service offerings to its clients and stay ahead of competition.

The Group will continue to leverage on its competitive strengths of being a one-stop integrated services provider in project management for heavy lift and haulage, marine transportation and engineering services, and exploit the synergies arising from its capabilities in the various businesses to target more complex and high value projects.

Redevelopment of its headquarter premises at 15 Pandan Crescent in Singapore is underway to meet the anticipated increase in its operational needs.

This press release should be read in conjunction with the full SGX announcement released by Tiong Woon dated 21 August 2014. A copy of the announcement is available on [www.sgx.com](http://www.sgx.com).

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**About Tiong Woon Corporation Holding Ltd ([www.tiongwoon.com](http://www.tiongwoon.com))**

Listed in 1999, Tiong Woon Corporation Holding Ltd (Tiong Woon) is a leading one stop integrated services specialist and provider, supporting mainly the oil & gas, petrochemical, infrastructure and construction sectors.

The Group manages turnkey projects for engineering, procurement and construction (EPC) contractors and project owners from planning and design of heavy lifting and haulage requirements to the execution stage in which the heavy equipments are transported, lifted and installed at customers' facilities. Tiong Woon also possesses its own heavy lift and haulage equipments, tugboats and barges which enable the Group to widen its integrated services offering to its clients.

Headquartered in Singapore, Tiong Woon has establishments in Malaysia, Indonesia, Thailand, Philippines, Vietnam, China, Myanmar, India, Saudi Arabia and Sri Lanka. It is ranked as the 15th largest crane owning company worldwide by International Cranes and Specialized Transport, a reputable trade magazine, in its IC50 2014 survey. In addition, it is one of the top 10 companies in the world in terms of crawler crane ownership. It also owns Terex Demag CC 8800-1 cranes which are recognized as one of the largest cranes with the capacity of 1,600-tonne lift and above.

Tiong Woon is committed to providing high quality and safe services, on time and on budget to its clients anywhere in the world.

Issued on behalf of **Tiong Woon Corporation Holding Ltd** by Waterbrooks Consultants Pte Ltd

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