



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

First Quarter Financial Statement And Dividend Announcement
For The Period Ended 30 September 2014

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group		Increase/ (Decrease)
	1Q FY 2015	1Q FY 2014	%
	S\$'000	S\$'000	
Continuing operations			
Turnover	36,842	44,616	(17%)
Cost of sales	(26,536)	(29,789)	(11%)
Gross profit	10,306	14,827	(30%)
Other income	41	27	52%
Other gains/(loss) - net	567	(697)	NM
Expenses			
- Administrative	(402)	(311)	29%
- Other operating	(5,991)	(7,397)	(19%)
- Finance	(304)	(910)	(67%)
Share of profit of associated companies	204	303	(33%)
Share of profit/(loss) of a joint venture	16	(20)	NM
Profit before income tax	4,437	5,822	(24%)
Income tax expense	(1,303)	(1,650)	(21%)
Profit from continuing operations	3,134	4,172	(25%)
Discontinued Operations			
Profit from discontinued operations	-	1	(100%)
Total profit	3,134	4,173	(25%)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Gains / (losses)	1,064	(265)	NM
Fair value gain on cash flow hedges	82	41	100%
	1,146	(224)	NM
Total comprehensive income	4,280	3,949	8%
Profit attributable to:			
Equity holders of the Company	3,467	4,578	(24%)
Non-controlling interest	(333)	(405)	(18%)
	3,134	4,173	(25%)
Total comprehensive income attributable to:			
Equity holders of the Company	4,613	4,354	6%
Non-controlling interest	(333)	(405)	(18%)
	4,280	3,949	8%

1(a)(ii) Notes to the statement of comprehensive income

	The Group		Increase/ (Decrease) %
	1Q FY 2015 S\$'000	1Q FY 2014 S\$'000	
Profit after tax for continuing operations was stated after (charging)/crediting:-			
Depreciation of property, plant and equipment	(7,307)	(7,329)	(0%)
Currency exchange gain/(loss) - net	397	(2,724)	NM
Net gain on disposal of property, plant and equipment	493	1,831	(73%)
Fair value (loss) / gain on derivative financial instruments	(4)	10	NM
Fair value loss on financial assets at fair value through profit or loss	(36)	(109)	(67%)
Write-back of allowance for doubtful debts	218	13	1577%
Interest income	41	26	58%
Interest expense	(668)	(738)	(9%)
Under provision in prior years' current income tax	(42)	(180)	(77%)
Over / (under) provision in prior years' deferred tax	98	(3)	NM

Denotes: NM - not meaningful

1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	The Group		The Company	
	30/09/2014 S\$'000	30/06/2014 S\$'000	30/09/2014 S\$'000	30/06/2014 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	22,601	18,895	545	101
Financial assets, at fair value through profit or loss	832	825	-	-
Trade and other receivables	69,237	80,036	-	-
Tax recoverable	14	12	-	-
Inventories	5,510	6,480	-	-
Other current assets	5,037	3,487	21	9
	103,231	109,735	566	110
Non-current assets				
Other assets	114	114	-	-
Other receivables	-	-	47,018	47,489
Investment in associated companies	3,620	3,374	1,020	1,020
Investment in a joint venture	1,549	1,490	2,074	2,074
Investment in subsidiaries	-	-	42,021	42,021
Property, plant and equipment	334,663	327,907	-	-
Deferred income tax assets	133	137	-	-
	340,079	333,022	92,133	92,604
Total assets	443,310	442,757	92,699	92,714
LIABILITIES				
Current liabilities				
Trade and other payables	47,662	54,289	1,711	1,683
Current income tax liabilities	2,816	2,682	-	-
Borrowings	40,396	38,374	-	-
Derivative financial instruments	64	80	-	-
	90,938	95,425	1,711	1,683
Non-current liabilities				
Borrowings	59,199	59,051	-	-
Derivative financial instruments	68	130	-	-
Deferred income tax liabilities	29,840	29,166	-	-
	89,107	88,347	-	-
Total liabilities	180,045	183,772	1,711	1,683
NET ASSETS	263,265	258,985	90,988	91,031
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	87,340	87,340	87,340	87,340
Other reserves	(724)	(1,870)	-	-
Retained earnings	178,271	174,804	3,648	3,691
	264,887	260,274	90,988	91,031
Non-controlling interest	(1,622)	(1,289)	-	-
Total equity	263,265	258,985	90,988	91,031

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	As at 30/09/2014		As at 30/06/2014	
	S\$'000		S\$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	28,795	11,601	28,622	9,752

	As at 30/09/2014		As at 30/06/2014	
	S\$'000		S\$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable after one year	59,199	-	59,051	-

Details of any collateral

Secured borrowings relate to hire purchase and term loan which are collateralised against certain property, plant and equipment.

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group	
	1Q FY 2015	1Q FY 2014
	S\$'000	S\$'000
Cash flows from operating activities		
Total profit	3,134	4,173
Adjustments for:		
Income tax expense	1,303	1,650
Depreciation of property, plant and equipment	7,307	7,329
Gain on disposal of property, plant and equipment	(493)	(1,831)
Fair value loss / (gain) on derivative financial instruments	4	(10)
Fair value loss on financial assets at fair value through profit or loss	36	109
Interest income	(41)	(26)
Interest expense	668	738
Share of profit of associated companies	(204)	(303)
Share of (profit) / loss of a joint venture	(16)	20
Unrealised translation losses	460	583
Operating cashflow before working capital changes	12,158	12,432
Change in operating assets and liabilities:		
Inventories	970	(1,051)
Trade and other receivables	7,735	(6,959)
Other current assets	(1,549)	(1,279)
Trade and other payables	(3,919)	(766)
Cash generated from operations	15,395	2,377
Income tax paid	(498)	(469)
Net cash generated from operating activities	14,897	1,908
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,533)	(7,916)
Purchase of financial assets at fair value through profit or loss	(44)	-
Additional investment in a subsidiary	-	(3,762)
Interest received	41	26
Dividend received from an associated company	-	388
Fixed deposit unpledged	(211)	6
Proceeds from disposal of subsidiaries	3,000	-
Proceeds from disposal of property, plant and equipment	1,582	3,293
Net cash used in investing activities	(1,165)	(7,965)
Cash flows from financing activities		
Proceeds from borrowings	-	6,949
Repayment of borrowings	(4,771)	(3,847)
Repayment of finance lease liabilities	(4,798)	(5,101)
Interest paid	(668)	(739)
Net cash used in financing activities	(10,237)	(2,738)
Net increase /(decrease) in cash and cash equivalents	3,495	(8,795)
Cash and cash equivalents at beginning of financial period	16,693	24,118
Less: Disposal group classified as held-for sale	-	(6)
Cash and cash equivalents at end of financial period	20,188	15,317
Cash and cash equivalents at end of financial period	22,601	17,527
Less: Fixed deposit pledged	(2,413)	(2,210)
Cash and cash equivalents per statement of cash flows	20,188	15,317

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

<u>The Group</u>	<u>Attributable to equity holders of the Company</u>					
	Share Capital S\$'000	Other Reserves S\$'000	Retained Earnings S\$'000	Total S\$'000	Non-controlling Interest S\$'000	Total Equity S\$'000
1Q FY 2015						
Balance at 1 July 2014	87,340	(1,870)	174,804	260,274	(1,289)	258,985
Total comprehensive income / (loss)	-	1,146	3,467	4,613	(333)	4,280
Balance at 30 September 2014	87,340	(724)	178,271	264,887	(1,622)	263,265
1Q FY 2014						
Balance at 1 July 2013	87,340	(4,008)	154,586	237,918	2,693	240,611
Total comprehensive income / (loss)	-	(224)	4,578	4,354	(405)	3,949
Additional investment in a subsidiary	-	-	-	-	(3,762)	(3,762)
Balance at 30 September 2013	87,340	(4,232)	159,164	242,272	(1,474)	240,798

The Company

	Share Capital S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
1Q FY 2015			
Balance at 1 July 2014	87,340	3,691	91,031
Total comprehensive loss	-	(43)	(43)
Balance at 30 September 2014	87,340	3,648	90,988
1Q FY 2014			
Balance at 1 July 2013	87,340	4,362	91,702
Total comprehensive income	-	333	333
Balance at 30 September 2013	87,340	4,695	92,035

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no treasury shares and outstanding convertibles as at 30 September 2014 and 30 September 2013.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30/09/2014	30/06/2014
Total number of issued ordinary shares	464,470,512	464,470,512

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures presented are not audited or reviewed.

3 Whether the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in financial statements for the first quarter ended 30 September 2014 as compared with the audited financial statements for the year ended 30 June 2014.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

On 1 July 2014, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS 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 years.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group					
	Continuing Operations		Discontinued Operations		Total	
	<u>1Q FY 2015</u>	<u>1Q FY 2014</u>	<u>1Q FY 2015</u>	<u>1Q FY 2014</u>	<u>1Q FY 2015</u>	<u>1Q FY 2014</u>
EPS based on weighted average number of ordinary shares in issue (cents)	0.75	0.99	-	NM	0.75	0.99
On a fully diluted basis (cents)	0.75	0.99	-	NM	0.75	0.99
Weighted average number of ordinary shares in issue	464,470,512	464,470,512	464,470,512	464,470,512	464,470,512	464,470,512

There were no potential dilutive ordinary shares in existence for the three months ended 30 September 2014 and 30 September 2013.

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	30/09/2014	30/06/2014	30/09/2014	30/06/2014
Net asset value per ordinary share (cents)	57.03	56.04	19.59	19.60
Ordinary shares at the end of the current financial period and immediately preceding financial year	464,470,512	464,470,512	464,470,512	464,470,512

- 8 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.

Statement of Comprehensive Income

Continuing operations

Turnover	1Q FY 2015	1Q FY 2014	Increase/ (Decrease)
	S\$'000	S\$'000	%
Heavy Lift and Haulage	32,791	36,336	(10%)
Marine Transportation	2,120	3,490	(39%)
Engineering Services	315	1,811	(83%)
Trading	1,616	2,979	(46%)
	36,842	44,616	(17%)

The Group registered a turnover of S\$36.8 million for the first quarter ended 30 September 2014, a decrease of 17% over the S\$44.6 million it recorded for the same quarter in the last financial year. The decrease in the Group's turnover was mainly attributed to the decrease in contributions across all four segments.

Turnover from Heavy Lift and Haulage segment decreased by 10% or S\$3.5 million from S\$36.3 million to S\$32.8 million, mainly due to a decrease in heavy lift and installation projects undertaken by the Group in the Asia Pacific region.

Turnover from Marine Transportation segment decreased by 39% for the first quarter ended 30 September 2014, compared to the same quarter in the last financial year. This is a result of lower utilization of the Group's vessels as well as lower chartering of third party vessels to support customers' requirements during the period under review.

Engineering Services segment registered a turnover of S\$0.3 million for the first quarter ended 30 September 2014, compared to S\$1.8 million in the period a year ago. The decrease in revenue was mainly due to a significant reduction in engineering services projects executed in the current quarter.

Turnover from Trading segment for the first quarter ended 30 September 2014 was S\$1.6 million compared to S\$3.0 million in the previous corresponding quarter as the Group sold fewer equipment in the current quarter.

Cost of sales decreased by 11% from S\$29.8 million to S\$26.5 million for the first quarter year ended 30 September 2014 in tandem with the decrease in turnover.

Gross profit for the Group decreased by 30% from S\$14.8 million to S\$10.3 million, mainly due to the decrease in turnover and lower margins from the Heavy Lift and Haulage segment.

Other gains was S\$0.6 million for the first quarter ended 30 September 2014 as compared to a loss of S\$0.7 million in the previous corresponding quarter. This was mainly attributable to a currency translation gain of S\$0.1 million and a gain on disposal of fixed assets of S\$0.5 million in the current quarter compared to a currency translation loss of S\$2.5 million that was offset by a gain on disposal of fixed assets of S\$1.8 million in the previous corresponding quarter.

Administrative expenses increased by 29% or S\$0.1 million for the first quarter ended 30 September 2014 due to higher professional fees incurred.

Other operating expenses reduced by 19% from S\$7.4 million to S\$6.0 million for the first quarter ended 30 September 2014 in tandem with the decrease in turnover.

Finance expenses decreased by 67% from S\$0.9 million to S\$0.3 million for the first quarter ended 30 September 2014. This was mainly due to a currency translation gain of S\$0.4 million relating to foreign currency denominated borrowings for the current quarter ended 30 September 2014, compared to a currency translation loss of S\$0.2 million in the previous corresponding quarter.

Share of profit of associated companies decreased by 33% or S\$0.1 million from S\$0.3 million to S\$0.2 million for the first quarter ended 30 September 2014. This was attributable to the Marine Transportation segment.

Profit/(Loss) Before Tax	1Q FY 2015	1Q FY 2014	Increase/ (Decrease)
	S\$'000	S\$'000	%
Heavy Lift and Haulage	4,730	5,445	(13%)
Marine Transportation	457	835	(45%)
Engineering Services	(665)	(599)	11%
Trading	(85)	141	NM
	4,437	5,822	(24%)

The Group registered a profit before tax of S\$4.4 million for the first quarter ended 30 September 2014, a decrease of 24% over the previous corresponding quarter.

Profit before tax from Heavy Lift and Haulage segment decreased by 13% from S\$5.4 million to S\$4.7 million for the first quarter ended 30 September 2014 in tandem with lower turnover and margins, as well as a lower gain on disposal of fixed assets.

Profit before tax from Marine Transportation segment for the first quarter ended 30 September 2014 was S\$0.5 million compared to the S\$0.8 million it turned in during the previous corresponding quarter mainly due to the lower turnover and no gain on disposal of fixed assets.

Engineering Services segment turned in a loss of S\$0.7 million for the first quarter ended 30 September 2014 compared to a loss of S\$0.6 million in the same quarter last year due to the lower turnover.

Trading segment recorded a small loss of S\$0.1 million for the current quarter ended 30 September 2014 due to the decrease in turnover and currency translation loss arising from the revaluation of foreign currency denominated trade payables.

Discontinued operations

Fabrication	1Q FY 2015	1Q FY 2014	Increase/ (Decrease)
	S\$'000	S\$'000	%
Turnover	-	159	(100%)
Profit before tax	-	1	(100%)
Tax	-	-	NM
Profit after tax	<u>-</u>	<u>1</u>	<u>(100%)</u>

The sale of the Company's entire interest in its wholly-owned subsidiary, Tiong Woon Oil & Gas Services Pte Ltd ("TWOG") and sub-subsidiary P.T. TWC Bintan (together, the "TWOG Group") to Metech Energy Corp Pte Ltd was completed on 7 October 2013.

In accordance with FRS 105, Non-current Assets Held for Sale and Discontinued Operations, the results of the TWOG Group classified under Fabrication segment has been presented separately on the Statement of Comprehensive Income as Discontinued Operations for the quarter ended 30 September 2013.

Statement of Financial Position

Cash and cash equivalents increased from S\$18.9 million as at 30 June 2014 to S\$22.6 million as at 30 September 2014 mainly due to cash flows of S\$14.9 million generated from operations, partially offset by repayment of borrowings and finance lease liabilities.

Trade and other receivables decreased by 13% from S\$80.0 million to S\$69.2 million as at 30 September 2014 in tandem with the decrease in turnover.

Inventories decreased by 15% from S\$6.5 million to S\$5.5 million as at 30 September 2014, mainly due to the sale of cranes and equipment during the quarter.

Other current assets increased by 44% from S\$3.5 million to S\$5.0 million as at 30 September 2014 mainly due to the increase in prepayments made for insurance premium.

Trade and other payables decreased by 12% from S\$54.3 million to S\$47.7 million as at 30 September 2014 mainly due to settlement of cranes purchased in the previous financial year.

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

There was no forecast, or any prospect statement previously disclosed to shareholders.

10 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 reporting period and the next 12 months.

Demand for heavy lift and haulage from the oil and gas, and petrochemical industries in Singapore and the region has softened. In Singapore, Jurong Island continues to attract high value investments given its developed petrochemical ecosystem, thereby would lend some support to the future demand for heavy lift and haulage. Ongoing public sector infrastructure development continues to support the demand for heavy lift and haulage. In Malaysia, the development of the petrochemical business in Pengerang region of Johor may provide future business development opportunities for heavy lift and haulage. Across the other ASEAN countries and in the Middle East, the

Group will continue to focus on new business opportunities in the oil & gas, petrochemical, infrastructure development and construction sectors.

Apart from pursuing business opportunities to ride on the flow of contracts, the Group will continually forge strategic alliances and collaborations with international contractors and industry players to jointly participate in the bidding for projects.

Labour and other operating costs are expected to continue to rise. Being committed to increasing productivity and operational efficiency, the Group will continue to manage its costs effectively and upgrade the skills of its workforce.

Leveraging on its competitive strength as a one-stop integrated services provider in project management for heavy lift and haulage, marine transportation and engineering services, the Group is able to exploit the synergies arising from its capabilities in the various businesses to target more complex and high value projects.

It will continue to invest in higher capacity and specialised equipment, so as to broaden the range of service offerings to its clients and stay ahead of competition.

In anticipation of an increase in the Group's operational needs, it is currently redeveloping its premises at 15 Pandan Crescent in Singapore.

11 Dividend

(a) Current Financial Period Reported On Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

12 If no dividend has been declared / recommended, a statement to that effect

The Group did not declare any dividend during the three months ended 30 September 2014 and 30 September 2013.

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

14 In the review of performance, the factors leading to any material changes in turnover and earnings by the business or geographical segments

Not applicable.

15 A breakdown of sales and profit after taxation (before deduction non-controlling interests) for the continuing operations are as follows:-

Not applicable.

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Not applicable.

17 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have any shareholder's mandate for interested person transactions pursuant to Rule 920(1)(a)(ii) of the listing manual.

18. Negative confirmation pursuant to Rule 705(5).

The board confirms that, to the best of its knowledge, nothing has come to its attention which may render the interim financial results to be false or misleading in any material aspect. A statement signed by two directors is on record.

By Order of the Board

Mr Ang Kah Hong
Chairman and Managing Director

5 November 2014
Singapore