



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

MEDIA RELEASE

For Immediate Release

Tiong Woon achieves turnover of \$36.8m for first quarter ended 30 September 2014

Highlights

- Net asset value per share at 57.03 cents; Improved net gearing at 29% as at 30 September 2014
- 15th largest crane operator in the world (per IC2014) with 463 cranes and 273 haulage assets and 19 marine vessels
- Committed to improve operational efficiency, cost control and financial management

SINGAPORE, 5 November 2014 – MAINBOARD-LISTED Tiong Woon Corporation Holding Ltd (長運集團) (Tiong Woon or the Group), a leading one-stop integrated heavy lift specialist and services provider, recorded a turnover of S\$36.8 million for the three months ended 30 September 2014 (1QFY15), a decline from S\$44.6 million in 1QFY14.

Gross profit margin was 28.0% with gross profit of S\$10.3 million. The weaker performance was mainly attributed to slower economic growth in the region, resulting in lower business activities across all four segments and lower margins from the Heavy Lift and Haulage segment.

Commenting on the results, Tiong Woon's Group Chairman and Managing Director, Mr Ang Kah Hong (洪加豐) said: *"The start to the new financial year may have been challenging. Nonetheless, we will continue to focus on our core strengths and pursue new business opportunities in the oil and gas and petrochemical sectors across the region. We remain committed to improving our operational efficiency, cost control and financial management."*

Segment Highlights

Turnover from the **Heavy Lift and Haulage** segment declined to S\$32.8 million as it executed fewer heavy lift and installation projects during 1QFY15, compared with the corresponding period last year. Profit before tax ("PBT") for this segment declined to S\$4.7 million while PBT margins were slightly lower by 0.6 ppt at 14.4%.

The **Marine Transportation** segment recorded lower turnover at S\$2.1 million in 1QFY15 compared to 1QFY14, as a result of lower utilisation of the Group's vessels and lower chartering of third party vessels. PBT for this segment fell to S\$0.5 million, mainly due to lower turnover and the lack of gain on disposal of fixed assets during the period. PBT margins were also lower at 21.6%.

The **Engineering Services** segment had significantly fewer projects being executed during 1QFY15, leading to a much lower turnover at S\$0.3 million. Despite the sharp drop in turnover, the Group was able to contain the segment's 1QFY15 loss before tax to S\$0.7 million, compared with S\$0.6 million in 1QFY14.

The **Trading** segment sold fewer equipment during 1QFY15, resulting in a decline in turnover to S\$1.6 million. Coupled with a currency translation loss arising from the revaluation of its trade payables, the segment recorded a small loss before tax of S\$0.1 million during the quarter.

Financial Position

The Group has net assets of S\$264.9 million as at 30 September 2014. This translates into a net asset value per share of 57.03 cents. As at 30 September 2014, cash and cash equivalents grew to S\$22.6 million, from S\$18.9 million as at 30 June 2014, as the Group generated cash flows of S\$14.9 million from operations during the quarter. Net gearing improved to 29% as at 30 September 2014 compared to 30 June 2014.

Based on the closing price of 29.5 Singapore cents per share on 4 November 2014, Tiong Woon has a market capitalisation of S\$137.0 million. The total number of shares issued as of this date is 464.5 million.

Business Outlook

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.

As it anticipates an increase in its operational needs, the Group is currently redeveloping its premises at 15 Pandan Crescent in Singapore.

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This press release should be read in conjunction with the full SGX announcement released by Tiong Woon dated 5 November 2014. A copy of the announcement is available on www.sgx.com.

About Tiong Woon Corporation Holding Ltd

(SGX Stock code: T06 | Bloomberg: TWC SP | Reuters: TION.SI)

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 equipment are transported, lifted and installed at customers' facilities. Tiong Woon also possesses its own heavy lift and haulage equipment, 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 recognised 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.

For more information, please visit the company website at www.tiongwoon.com

Issued on behalf of Tiong Woon Corporation Holding Limited by

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