



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

**First Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 2017**

**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**

	<b>Group</b>		
	<b>1QFY2018</b>	<b>1QFY2017</b>	<b>Increase/ (Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Revenue	23,485	34,389	(32)
Cost of sales	<u>(18,235)</u>	<u>(26,899)</u>	(32)
Gross profit	5,250	7,490	(30)
Other income	144	227	(37)
Other gains - net	21	2,163	(99)
Expenses			
- Administrative	(316)	(416)	(24)
- Other operating	(5,663)	(6,246)	(9)
- Finance	(802)	(1,006)	(20)
Share of profit/(loss) of associated companies	7	(114)	NM
Share of loss of a joint venture	<u>(5)</u>	<u>(14)</u>	(64)
<b>(Loss)/Profit before income tax</b>	<b>(1,364)</b>	2,084	NM
Income tax expense	<u>(215)</u>	<u>(668)</u>	(68)
<b>Total (loss)/profit</b>	<b><u>(1,579)</u></b>	1,416	NM
<b>Other comprehensive income/(loss):</b>			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences arising from consolidation			
- Gains/(Losses)	532	(94)	NM
Fair value gains/(losses) on cash flow hedges	8	(16)	NM
	<u>540</u>	<u>(110)</u>	NM
<b>Total comprehensive (loss)/income</b>	<b><u>(1,039)</u></b>	1,306	NM
<b>(Loss)/Profit attributable to:</b>			
Equity holders of the Company	(1,437)	1,504	NM
Non-controlling interest	<u>(142)</u>	<u>(88)</u>	61
	<b><u>(1,579)</u></b>	1,416	NM
<b>Total comprehensive (loss)/income attributable to:</b>			
Equity holders of the Company	(917)	1,408	NM
Non-controlling interest	<u>(122)</u>	<u>(102)</u>	20
	<b><u>(1,039)</u></b>	1,306	NM

**1(a)(ii) Note to the Statement of Comprehensive Income**

	<b>Group</b>		Increase/ (Decrease)
	<b>1QFY2018</b>	1QFY2017	
	<b>S\$'000</b>	S\$'000	%
<b>(Loss)/Profit after income tax was stated after (charging)/crediting:</b>			
Depreciation of property, plant and equipment	<b>(7,723)</b>	(7,812)	(1)
Currency exchange (loss)/gain - net	<b>(426)</b>	499	NM
Gain on disposal of property, plant and equipment	<b>395</b>	1,281	(69)
Gain on disposal of a subsidiary	<b>-</b>	322	(100)
Fair value gain on financial assets at fair value through profit or loss	<b>57</b>	23	148
Impairment loss on trade receivables	<b>-</b>	(18)	(100)
Write-back of impairment loss on trade receivables	<b>43</b>	136	(68)
Interest income	<b>5</b>	11	(55)
Interest expense	<b>(807)</b>	(967)	(17)
Over provision in prior years' deferred tax	<b>4</b>	14	(71)

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**

	Group		Company	
	As at 30/09/2017 S\$'000	As at 30/06/2017 S\$'000	As at 30/09/2017 S\$'000	As at 30/06/2017 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	9,872	10,879	42	213
Financial assets at fair value through profit or loss	519	462	-	-
Trade and other receivables	43,681	42,835	-	-
Tax recoverable	56	53	-	-
Inventories	3,074	1,510	-	-
Other current assets	2,235	1,843	20	9
	<b>59,437</b>	<b>57,582</b>	<b>62</b>	<b>222</b>
<b>Non-current assets</b>				
Other receivables	-	-	47,945	47,820
Investment in associated companies	3,111	3,121	1,020	1,020
Investment in a joint venture	2,052	2,074	2,074	2,074
Investment in subsidiaries	-	-	41,720	41,720
Property, plant and equipment	375,163	380,236	-	-
Deferred income tax assets	478	491	-	-
	<b>380,804</b>	<b>385,922</b>	<b>92,759</b>	<b>92,634</b>
<b>Total assets</b>	<b>440,241</b>	<b>443,504</b>	<b>92,821</b>	<b>92,856</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	41,282	42,370	1,869	1,831
Current income tax liabilities	1,686	1,708	-	-
Borrowings	29,201	29,871	-	-
Derivative financial instruments	6	12	-	-
	<b>72,175</b>	<b>73,961</b>	<b>1,869</b>	<b>1,831</b>
<b>Non-current liabilities</b>				
Borrowings	94,871	95,305	-	-
Derivative financial instruments	2	4	-	-
Deferred income tax liabilities	26,644	26,646	-	-
	<b>121,517</b>	<b>121,955</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>193,692</b>	<b>195,916</b>	<b>1,869</b>	<b>1,831</b>
<b>NET ASSETS</b>	<b>246,549</b>	<b>247,588</b>	<b>90,952</b>	<b>91,025</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	87,340	87,340	87,340	87,340
Other reserves	(3,680)	(4,200)	-	-
Retained earnings	162,137	163,574	3,612	3,685
	<b>245,797</b>	<b>246,714</b>	<b>90,952</b>	<b>91,025</b>
<b>Non-controlling interest</b>	<b>752</b>	<b>874</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>246,549</b>	<b>247,588</b>	<b>90,952</b>	<b>91,025</b>

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

	<b>Group</b>	
	<b>As At 30/09/2017</b>	<b>As At 30/06/2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Amount repayable in one year or less (secured)</b>		
- Bank borrowings	<b>8,409</b>	9,161
- Finance lease liabilities	<b>18,107</b>	19,215
	<b>26,516</b>	28,376
<b>Amount repayable in one year or less (unsecured)</b>		
- Bank borrowings	<b>2,685</b>	1,495
	<b>29,201</b>	29,871
<b>Amount repayable after one year (secured)</b>		
- Bank borrowings	<b>65,327</b>	63,079
- Finance lease liabilities	<b>29,544</b>	32,226
	<b>94,871</b>	95,305
<b>Total borrowings</b>	<b>124,072</b>	125,176

**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) Finance lease liabilities of the Group are secured over the leased plant and equipment and motor vehicles.

**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**

	Group	
	1QFY2018	1QFY2017
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Total (loss)/profit	(1,579)	1,416
Adjustments for:		
Income tax expense	215	668
Depreciation of property, plant and equipment	7,723	7,812
Gain on disposal of property, plant and equipment	(395)	(1,281)
Gain on disposal of a subsidiary	-	(322)
Fair value gain on financial assets at fair value through profit of loss	(57)	(23)
Write-back of impairment on trade receivables	(43)	(118)
Interest income	(5)	(11)
Interest expense	807	967
Share of (profit)/loss of associated companies	(7)	114
Share of loss of a joint venture	5	14
Translation differences	244	(115)
<b>Operating cashflow before working capital changes</b>	<b>6,908</b>	<b>9,121</b>
Change in operating assets and liabilities:		
Inventories	(1,564)	(621)
Trade and other receivables	(626)	(5,503)
Other current assets	(392)	(859)
Trade and other payables	349	9,250
Cash generated from operations	4,675	11,388
Income tax paid	(223)	(285)
<b>Net cash provided by operating activities</b>	<b>4,452</b>	<b>11,103</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,670)	(1,347)
Disposal of a subsidiary, net of cash disposed of	-	(71)
Interest received	5	11
Fixed deposit unpledged	2,204	115
Proceeds from disposal of property, plant and equipment	555	1,625
<b>Net cash provided by investing activities</b>	<b>94</b>	<b>333</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	8,147	1,250
Repayment of borrowings	(5,462)	(2,366)
Repayment of finance lease liabilities	(5,230)	(5,198)
Interest paid	(805)	(924)
<b>Net cash used in financing activities</b>	<b>(3,350)</b>	<b>(7,238)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,196</b>	<b>4,198</b>
Cash and cash equivalents at beginning of financial period	8,390	11,153
<b>Cash and cash equivalents at end of financial period</b>	<b>9,586</b>	<b>15,351</b>
Cash and cash equivalents at end of financial period	9,872	18,515
Less: Fixed deposit pledged	(286)	(3,164)
<b>Cash and cash equivalents per statement of cash flows</b>	<b>9,586</b>	<b>15,351</b>

**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>Group</u>	<u>Attributable to Equity Holders of the Company</u>					Total Equity S\$'000
	Share Capital S\$'000	Other Reserves S\$'000	Retained Earnings S\$'000	Total S\$'000	Non- controlling Interest S\$'000	
<b>Balance at 1 July 2017</b>	87,340	(4,200)	163,574	246,714	874	247,588
Total comprehensive (loss)/income for the period	-	520	(1,437)	(917)	(122)	(1,039)
<b>Balance at 30 September 2017</b>	<b>87,340</b>	<b>(3,680)</b>	<b>162,137</b>	<b>245,797</b>	<b>752</b>	<b>246,549</b>

<b>Balance at 1 July 2016</b>	87,340	(3,645)	173,377	257,072	(2,214)	254,858
Total comprehensive income/(loss) for the period	-	(96)	1,504	1,408	(102)	1,306
Disposal of a subsidiary	-	-	-	-	3,357	3,357
<b>Balance at 30 September 2016</b>	<b>87,340</b>	<b>(3,741)</b>	<b>174,881</b>	<b>258,480</b>	<b>1,041</b>	<b>259,521</b>

<u>Company</u>	Share Capital S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
	<b>Balance at 1 July 2017</b>	87,340	3,685
Total comprehensive loss for the period	-	(73)	(73)
<b>Balance at 30 September 2017</b>	<b>87,340</b>	<b>3,612</b>	<b>90,952</b>
<b>Balance at 1 July 2016</b>	87,340	3,681	91,021
Total comprehensive loss for the period	-	(81)	(81)
<b>Balance at 30 September 2016</b>	<b>87,340</b>	<b>3,600</b>	<b>90,940</b>

**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 2017 and 30 September 2016.

**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.**

The total number of issued shares as at 30 September 2017 was 232,235,253 (30 June 2017: 232,235,253).

**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.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the three months ended 30 September 2017.

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

The figures have not been audited or reviewed by the Company's auditors.

**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 the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 30 June 2017.

**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.**

The adoption of the new and revised Financial Reporting Standards which took effect from the current reporting period is assessed to have no material impact to the results of the Group and of the Company for the financial year ending 30 June 2018.

- 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.**

<b><u>(Loss)/Earnings per Share</u></b>	<b>Group</b>	
	<b>1QFY2018</b>	<b>1QFY2017</b>
(i) Based on weighted average number of ordinary shares in issue (cents)	<b>(0.62)</b>	0.65
(ii) On a fully diluted basis (cents)	<b>(0.62)</b>	0.65

(Loss)/Earnings per ordinary share on existing issued share capital are computed based on the weighted average number of ordinary shares in issue during the period of 232,235,253 (30 September 2016: 232,235,253).

There is no difference between the basic and diluted earnings per share.

- 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.**

	<b>Group</b>		<b>Company</b>	
	<b>As At 30/09/2017</b>	<b>As At 30/06/2017</b>	<b>As at 30/09/2017</b>	<b>As At 30/06/2017</b>
Net asset value per ordinary share (cents)	<b>105.84</b>	106.23	<b>39.16</b>	39.20
Number of shares in issue	<b>232,235,253</b>	232,235,253	<b>232,235,253</b>	232,235,253

- 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.**

#### **Review on Group's Financial Results**

#### **3 Months ended 30 September 2017 (1QFY2018) vs 3 Months ended 30 September 2016 (1QFY2017)**

<b><u>Revenue</u></b>	<b>1QFY2018</b>	<b>1QFY2017</b>	<b>Increase/ (Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Heavy Lift and Haulage	<b>22,794</b>	27,415	(17)
Marine Transportation	<b>375</b>	856	(56)
Engineering Services	<b>239</b>	5,646	(96)
Trading	<b>77</b>	472	(84)
	<b>23,485</b>	34,389	(32)

**Revenue** was S\$23.5 million in 1QFY2018, a decrease of S\$10.9 million or 32% from S\$34.4 million in 1QFY2017. The decrease was mainly attributable to the decrease in contributions from Heavy Lift and Haulage and Engineering Services segments.



## Review on Group's Financial Results (Cont'd)

Heavy Lift and Haulage segment revenue decreased by S\$4.6 million or 17% from S\$27.4 million in 1QFY2017 to S\$22.8 million in 1QFY2018, mainly due to fewer projects executed in Singapore and the Middle East.

Marine Transportation segment revenue decreased by S\$0.5 million or 56% from S\$0.9 million in 1QFY2017 to S\$0.4 million in 1QFY2018, mainly due to fewer chartering jobs secured as a result of the downturn in the offshore and marine industry.

Engineering Services segment revenue decreased by S\$5.4 million or 96% from S\$5.6 million in 1QFY2017 to S\$0.2 million in 1QFY2018, mainly due to the substantial completion of a project in the Middle East.

Trading segment revenue decreased by S\$0.4 million or 84% from S\$0.5 million in 1QFY2017 to S\$0.1 million in 1QFY2018, mainly due to no trading sale of equipment in 1QFY2018.

**Gross Profit** was S\$5.3 million in 1QFY2018, a decrease of S\$2.2 million or 30% from S\$7.5 million in 1QFY2017. **Gross Profit Margin** was consistent at 22% for both 1QFY2018 and 1QFY2017.

**Other income** was S\$0.1 million in 1QFY2018, a decrease of S\$0.1 million or 37% from S\$0.2 million in 1QFY2017. This was mainly due to lower insurance claim received.

**Other Gains - net** recorded a gain of S\$0.02 million in 1QFY2018 as compared to a gain of S\$2.2 million in 1QFY2017. This was mainly attributable to gain on disposal of plant and equipment of S\$0.4 million which was offset by operational exchange loss of S\$0.4 million in 1QFY2018, as compared to gain on disposal of plant and equipment of S\$1.3 million, operational exchange gain of S\$0.5 million and gain from the disposal of a subsidiary of S\$0.3 million in 1QFY2017.

**Administrative Expenses** were S\$0.3 million in 1QFY2018, a decrease of S\$0.1 million or 24% from S\$0.4 million in 1QFY2017, mainly due to lower professional fees incurred.

**Finance Expenses** were S\$0.8 million in 1QFY2018, a decrease of S\$0.2 million or 20% from S\$1.0 million in 1QFY2017, mainly due to the lower bank borrowings.

<b><u>(Loss)/Profit before Income Tax</u></b>	<b>1QFY2018</b>	1QFY2017	Increase/ (Decrease)
	<b>S\$'000</b>	S\$'000	%
Heavy Lift and Haulage	<b>(455)</b>	3,055	NM
Marine Transportation	<b>(475)</b>	(170)	179
Engineering	<b>(459)</b>	(964)	(52)
Trading	<b>25</b>	163	(85)
	<b><u>(1,364)</u></b>	<u>2,084</u>	<u>NM</u>

**Loss before Income Tax** was S\$1.4 million in 1QFY2018 as compared to a profit before income tax of S\$2.1 million in 1QFY2017.

Heavy Lift and Haulage segment registered a loss before income tax of S\$0.5 million in 1QFY2018 as compared to a profit before income tax of S\$3.1 million in 1QFY2017, mainly due to lower turnover and gross profit in 1QFY2018. There was also operational exchange loss of S\$0.4 million in 1QFY2018 as compared to operational exchange gain of S\$0.5 million in 1QFY2017.

Marine Transportation segment incurred a loss before income tax of S\$0.5 million in 1QFY2018, an increase by S\$0.3 million or 179%, from S\$0.2 million in 1QFY2017, mainly due to lower turnover and gain on disposal of plant and equipment of S\$0.2 million in 1QFY2018 as compared to S\$0.9 million in 1QFY2017.

## **Review on Group's Financial Results (Cont'd)**

Engineering Services segment recorded loss before income tax of S\$0.5 million in 1QFY2018, a decrease by S\$0.5 million or 52% from S\$1.0 million in 1QFY2017, mainly due to a loss-making project in the Middle East which was substantially completed in 1QFY2018.

Trading segment reported profit before income tax of S\$0.02 million in 1QFY2018, a decrease by S\$0.2 million or 85% from S\$0.2 million in 1QFY2017, mainly due to no trading sale of equipment in 1QFY2018.

## **Review of Statements of Financial Position and Cash Flows**

**Cash and cash equivalents** per consolidated statement of cash flow increased by S\$1.2 million from S\$8.4 million as at 30 June 2017 to S\$9.6 million as at 30 September 2017 mainly due to net cash inflows from operating activities and investing activities of S\$4.5 million and S\$0.1 million respectively. This was offset by the net cash outflow from financing activities of S\$3.4 million. Net cash outflow from financing activities of S\$3.4 million resulted mainly from the repayment of borrowings of S\$10.7 million offset by proceeds from borrowings of S\$8.1 million.

As at 30 September 2017, the Group was in a net current liabilities position of S\$12.7 million. The Group had sufficient undrawn financing facilities committed from large reputable financial institutions to meet its commitments as well as to repay debts as and when they fall due for the next twelve months from 30 September 2017.

**Inventories** increased by S\$1.6 million from S\$1.5 million as at 30 June 2017 to S\$3.1 million as at 30 September 2017, mainly due to the purchase of trading equipment in 1QFY2018.

**Other current assets** increased by S\$0.4 million from S\$1.8 million as at 30 June 2017 to S\$2.2 million as at 30 September 2017, mainly due to the increase in prepayments for insurance premium.

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

Not applicable.

**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.**

The operating environment continues to be challenging and competitive amid the slowdown in demand in the key markets we operate in. The Group expects that the on-going public sector infrastructure development in Singapore will provide support for more business opportunities.

The Group remains committed to effectively manage operating costs and business risks to stay competitive. It will continue to explore strategic collaborations and leverage on its capabilities and track record as a one-stop integrated heavy lift specialist and service provider to target complex and high value projects to grow the business.

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

No interim dividend for the three months ended 30 September 2017 is recommended (30 September 2016: Nil).

**12 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 a shareholder's mandate for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

**13 Negative Confirmation of Interim Financial Results Pursuant to Rule 705(5) of the SGX-ST Listing Manual**

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and the Group for the First Quarter ended 30 September 2017 to be false or misleading, in any material aspect.

**14 Undertakings from Directors and Executive Officers Pursuant to Rule 720(1) of the SGX-ST Listing Manual**

The Company confirms that it had procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing Manual.

**By Order of the Board  
Mr Ang Kah Hong  
Executive Chairman and Managing Director  
9 November 2017**