



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

Third Quarter and Nine Months Financial Statements and Dividend Announcement for the Period Ended 31 March 2019

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.

	Group		Increase/ (Decrease) %	Group		Increase/ (Decrease) %
	3QFY2019 S\$'000	3QFY2018 S\$'000		9MFY2019 S\$'000	9MFY2018 S\$'000	
Revenue	26,653	22,807	17	83,604	74,492	12
Cost of sales	(18,944)	(16,755)	13	(58,052)	(55,323)	5
Gross profit	7,709	6,052	27	25,552	19,169	33
Other income	306	118	159	493	757	(35)
Other losses - net	(56)	(663)	(92)	(928)	(561)	65
Expenses						
- Administrative	(258)	(351)	(26)	(933)	(1,012)	(8)
- Other operating	(5,727)	(3,938)	45	(17,925)	(15,900)	13
- Finance	(760)	(782)	(3)	(2,224)	(2,371)	(6)
Share of profit/(loss) of associated companies	15	(183)	NM	327	(282)	NM
Share of profit of a joint venture	4	13	(69)	5	20	(75)
Profit/(Loss) before income tax	1,233	266	364	4,367	(180)	NM
Income tax expense	(225)	(249)	(10)	(1,178)	(954)	23
Total profit/(loss)	1,008	17	5829	3,189	(1,134)	NM
Other comprehensive income:						
Items that may be subsequently reclassified to profit or loss:						
Currency translation differences arising from consolidation - gain	493	1,271	(61)	55	2,468	(98)
Fair value gain/(loss) on cash flow hedges	-	1	(100)	(2)	15	NM
	493	1,272	(61)	53	2,483	(98)
Total comprehensive income	1,501	1,289	16	3,242	1,349	140
Profit/(Loss) attributable to:						
Equity holders of the Company	1,010	32	3056	3,212	(885)	NM
Non-controlling interest	(2)	(15)	(87)	(23)	(249)	(91)
	1,008	17	5829	3,189	(1,134)	NM
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	1,497	1,312	14	3,285	1,581	108
Non-controlling interest	4	(23)	NM	(43)	(232)	(81)
	1,501	1,289	16	3,242	1,349	140

Denotes: NM - not meaningful

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

	Group		Increase/ (Decrease)	Group		Increase/ (Decrease)
	3QFY2019	3QFY2018		9MFY2019	9MFY2018	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit/(Loss) after income tax was stated after crediting/(charging):						
Depreciation of property, plant and equipment	(7,280)	(7,537)	(3)	(22,037)	(22,858)	(4)
Currency exchange gain/(loss) - net	11	(570)	NM	(819)	(1,161)	(29)
Gain/(Loss) on disposal of property, plant and equipment	1	(13)	NM	187	1,060	(82)
Loss on disposal of a subsidiary	-	-	NM	-	(461)	(100)
Fair value (loss)/gain on financial assets at fair value through profit or loss	(16)	(70)	(77)	(133)	37	NM
Allowance for foreseeable loss on engineering contract written back	-	542	(100)	-	542	(100)
Impairment loss on trade receivables	-	-	NM	(381)	-	NM
Impairment written back on trade receivables	84	572	(85)	225	778	(71)
Interest income	17	5	240	33	19	74
Interest expense	(812)	(793)	2	(2,387)	(2,406)	(1)
Under provision in prior years' current income tax	1	-	NM	(143)	(10)	1330
Over provision in prior years' deferred tax	-	-	NM	12	4	200

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 31/03/2019	As at 30/06/2018	As at 31/03/2019	As at 30/06/2018
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	16,149	8,502	391	252
Financial assets at fair value through profit or loss	353	488	-	-
Trade and other receivables	49,101	42,937	391	384
Tax recoverable	152	67	-	-
Inventories	4,368	1,347	-	-
Other current assets	2,030	1,199	24	9
Derivative financial instruments	-	2	-	-
	72,153	54,542	806	645
Non-current assets				
Other receivables	-	-	47,347	47,044
Investment in associated companies	2,705	2,676	1,020	1,020
Investment in a joint venture	2,052	2,060	2,074	2,074
Investment in subsidiaries	-	-	40,939	40,939
Property, plant and equipment	357,026	353,239	-	-
Deferred income tax assets	561	578	-	-
	362,344	358,553	91,380	91,077
Total assets	434,497	413,095	92,186	91,722
LIABILITIES				
Current liabilities				
Trade and other payables	41,819	29,030	1,821	1,831
Current income tax liabilities	1,179	1,075	-	-
Borrowings	20,636	21,456	-	-
	63,634	51,561	1,821	1,831
Non-current liabilities				
Other payables	10,288	-	-	-
Borrowings	80,897	85,263	-	-
Deferred income tax liabilities	26,703	26,538	-	-
	117,888	111,801	-	-
Total liabilities	181,522	163,362	1,821	1,831
NET ASSETS	252,975	249,733	90,365	89,891
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	87,340	87,340	87,340	87,340
Other reserves	(2,501)	(2,574)	-	-
Retained earnings	167,981	164,769	3,025	2,551
	252,820	249,535	90,365	89,891
Non-controlling interest	155	198	-	-
Total equity	252,975	249,733	90,365	89,891

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

	Group	
	As At 31/03/2019	As At 30/06/2018
	S\$'000	S\$'000
Amount repayable in one year or less (secured)		
- Bank borrowings	8,596	7,203
- Finance lease liabilities	12,040	14,253
	20,636	21,456
Amount repayable after one year (secured)		
- Bank borrowings	60,240	63,434
- Finance lease liabilities	20,657	21,829
	80,897	85,263
Total borrowings	101,533	106,719

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		Group	
	3QFY2019	3QFY2018	9MFY2019	9MFY2018
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total profit/(loss)	1,008	17	3,189	(1,134)
Adjustments for:				
Income tax expense	225	249	1,178	954
Depreciation of property, plant and equipment	7,280	7,537	22,037	22,858
(Gain)/Loss on disposal of property, plant and equipment	(1)	13	(187)	(1,060)
Loss on disposal of a subsidiary	-	-	-	461
Fair value loss/(gain) on financial assets at fair value through profit or loss	16	70	133	(37)
Impairment (written back)/loss on trade receivables-net	(84)	(572)	156	(778)
Allowance for foreseeable loss on engineering contract written back	-	(542)	-	(542)
Interest income	(17)	(5)	(33)	(19)
Interest expense	812	793	2,387	2,406
Share of (profit)/loss of associated companies	(15)	183	(327)	282
Share of profit of a joint venture	(4)	(13)	(5)	(20)
Translation differences	74	129	645	359
Operating cashflow before working capital changes	9,294	7,859	29,173	23,730
Change in operating assets and liabilities:				
Inventories	(2,950)	75	(3,020)	129
Trade and other receivables	484	1,136	(6,199)	1,161
Other current assets	17	355	(831)	218
Trade and other payables	4,101	(2,846)	10,497	(7,289)
Cash generated from operations	10,946	6,579	29,620	17,949
Income tax paid	(344)	(338)	(965)	(1,074)
Net cash provided by operating activities	10,602	6,241	28,655	16,875
Cash flows from investing activities				
Purchase of property, plant and equipment	(3,367)	(200)	(14,620)	(3,935)
Disposal of subsidiary, net of cash disposed of	-	-	-	(99)
Interest received	17	5	33	19
Dividend received from associated companies	281	-	281	-
Fixed deposit unpledged/(pledged)	3	11	(702)	2,215
Proceeds from disposal of property, plant and equipment	-	1	849	2,632
Net cash (used in)/provided by investing activities	(3,066)	(183)	(14,159)	832
Cash flows from financing activities				
Proceeds from borrowings	1,831	1,300	13,050	11,247
Repayment of borrowings	(1,856)	(3,145)	(6,867)	(12,468)
Repayment of finance lease liabilities	(3,683)	(4,942)	(11,369)	(15,124)
Interest paid	(801)	(780)	(2,365)	(2,380)
Net cash used in by financing activities	(4,509)	(7,567)	(7,551)	(18,725)
Net increase/(decrease) in cash and cash equivalents	3,027	(1,509)	6,945	(1,018)
Cash and cash equivalents at beginning of financial period	12,419	8,881	8,501	8,390
Cash and cash equivalents at end of financial period	15,446	7,372	15,446	7,372
Cash and cash equivalents at end of financial period	16,149	7,647	16,149	7,647
Less: Fixed deposit pledged	(703)	(275)	(703)	(275)
Cash and cash equivalents per statement of cash flows	15,446	7,372	15,446	7,372

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>					
	Share Capital S\$'000	Other Reserves S\$'000	Retained Earnings S\$'000	Total S\$'000	Non- controlling Interest S\$'000	Total Equity S\$'000
Balance at 1 July 2018	87,340	(2,574)	164,769	249,535	198	249,733
Total comprehensive income/(loss)	-	(414)	2,202	1,788	(47)	1,741
Balance at 31 December 2018	87,340	(2,988)	166,971	251,323	151	251,474
Total comprehensive income	-	487	1,010	1,497	4	1,501
Balance at 31 March 2019	87,340	(2,501)	167,981	252,820	155	252,975
Balance at 1 July 2017	87,340	(4,200)	163,574	246,714	874	247,588
Total comprehensive income/(loss)	-	1,186	(917)	269	(209)	60
Disposal of a subsidiary	-	-	-	-	(443)	(443)
Balance at 31 December 2017	87,340	(3,014)	162,657	246,983	222	247,205
Total comprehensive income	-	1,280	32	1,312	(23)	1,289
Balance at 31 March 2018	87,340	(1,734)	162,689	248,295	199	248,494
<u>Company</u>						
	Share Capital S\$'000	Retained Earnings S\$'000	Total Equity S\$'000			
Balance at 1 July 2018	87,340	2,551	89,891			
Total comprehensive income	-	280	280			
Balance at 31 December 2018	87,340	2,831	90,171			
Total comprehensive income	-	194	194			
Balance at 31 March 2019	87,340	3,025	90,365			
Balance at 1 July 2017	87,340	3,685	91,025			
Total comprehensive loss	-	(1,000)	(1,000)			
Balance at 31 December 2017	87,340	2,685	90,025			
Total comprehensive loss	-	(100)	(100)			
Balance at 31 March 2018	87,340	2,585	89,925			

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 31 March 2019 and 31 March 2018.

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 31 March 2019 was 232,235,253 (30 June 2018: 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 nine months ended 31 March 2019.

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.

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those used in the most recently audited annual financial statements.

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.

Except for the adoption of the new financial reporting framework as discussed in the paragraph below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current period compared to the Group's most recently audited financial statements for the year ended 30 June 2018.

On 1 July 2018, the Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s) and has prepared its financial information under SFRS(I)s with effect from the first quarter ended 30 September 2018. In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group's opening balance sheet under SFRS(I)s has been prepared as at 1 July 2017, which is the Group's date of transition to SFRS(I)s. The Group has also concurrently applied new major accounting standards (1) SFRS(I) 9 Financial Instruments and (2) SFRS(I) 15 Revenue from Contracts with Customers. The adoption of the new financial reporting framework has no material impact to the Group's accounting policies and financial statements.

- 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.

<u>Earnings/(Loss) per Share</u>	Group			
	3QFY2019	3QFY2018	9MFY2019	9MFY2018
(i) Based on weighted average number of ordinary shares in issue (cents)	0.43	0.01	1.38	(0.38)
(ii) On a fully diluted basis (cents)	0.43	0.01	1.38	(0.38)

Earnings/(Loss) 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 (31 March 2018: 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.

	Group		Company	
	As At	As At	As at	As At
	31/03/2019	30/06/2018	31/03/2019	30/06/2018
Net asset value per ordinary share (cents)	108.86	107.45	38.91	38.71
Number of shares in issue	232,235,253	232,235,253	232,235,253	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 31 March 2019 (3QFY2019) vs 3 Months ended 31 March 2018 (3QFY2018)

Revenue

	3QFY2019	3QFY2018	Increase/ (Decrease)	9MFY2019	9MFY2018	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Heavy Lift and Haulage	25,267	21,620	17	80,077	69,424	15
Marine Transportation	1,357	1,111	22	3,356	2,079	61
Engineering Services	-	-	NM	-	921	(100)
Trading	29	76	(62)	171	2,068	(92)
	26,653	22,807	17	83,604	74,492	12

Revenue was S\$26.7 million in 3QFY2019, an increase of S\$3.9 million or 17% from S\$22.8 million in 3QFY2018. The increase was mainly attributed to the increase in contributions from the Heavy Lift and Haulage segment.

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

Heavy Lift and Haulage segment revenue increased by S\$3.7 million or 17% from S\$21.6 million in 3QFY2018 to S\$25.3 million in 3QFY2019, mainly due to more projects executed in Singapore and Brunei.

Marine Transportation segment revenue increased by S\$0.3 million or 22% from S\$1.1 million in 3QFY2018 to S\$1.4 million in 3QFY2019, mainly due to more chartering jobs.

Trading segment revenue remained low at S\$0.1 million for both 3QFY2019 and 3QFY2018 as there was no equipment sold and only sale of trading parts during these quarters.

Gross Profit was S\$7.7 million in 3QFY2019, an increase of S\$1.6 million or 27% from S\$6.1 million in 3QFY2018, mainly due to higher turnover from the Heavy Lift and Haulage segment. **Gross Profit Margin** was higher at 29% in 3QFY2019 as compared to 27% in 3QFY2018, mainly due to improved performance from the Marine Transportation segment.

Other Income was S\$0.3 million in 3QFY2019, an increase of S\$0.2 million or 159% from S\$0.1 million in 3QFY2018, mainly due to higher insurance claims received in 3QFY2019.

Other Losses - net was S\$0.1 million in 3QFY2019, a decrease of S\$0.6 million or 92% from S\$0.7 million in 3QFY2018. This was mainly attributable to lower operational exchange loss of S\$0.1 million in 3QFY2019 as compared to S\$0.6 million in 3QFY2018.

Other Operating Expenses were S\$5.7 million in 3QFY2019, an increase of S\$1.8 million or 45% from S\$3.9 million in 3QFY2018, mainly due to an increase in manpower costs and other operating expenses. In addition, write-back of impairment loss on trade receivables was lower at S\$0.1 million in 3QFY2019 as compared to S\$0.6 million in 3QFY2018.

Share of Profit of Associated Companies was S\$0.02 million in 3QFY2019 as compared to share of loss of associated companies of S\$0.2 million in 3QFY2018, mainly due to improved performance by the associated companies in 3QFY2019.

Profit/(Loss) before Income Tax

	3QFY2019	3QFY2018	Increase/ (Decrease)	9MFY2019	9MFY2018	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Heavy Lift and Haulage	1,163	231	403	5,102	1,508	238
Marine Transportation	64	(456)	NM	(713)	(1,419)	(50)
Engineering	-	554	(100)	-	(302)	(100)
Trading	6	(63)	NM	(22)	33	NM
	1,233	266	364	4,367	(180)	NM

Profit before Income Tax was S\$1.2 million in 3QFY2019, an increase of S\$0.9 million or 364% from S\$0.3 million in 3QFY2018.

Heavy Lift and Haulage segment recorded a profit before income tax of S\$1.2 million in 3QFY2019 as compared to S\$0.2 million in 3QFY2018, mainly due to higher turnover in 3QFY2019.

Marine Transportation segment recorded a profit before income tax of S\$0.1 million in 3QFY2019 as compared to a loss of S\$0.5 million in 3QFY2018, mainly due to higher turnover in 3QFY2019.

Engineering Services segment reported a profit before income tax of S\$0.6 million in 3QFY2018 as compared to S\$Nil in 3QFY2019, due to the completion of the engineering project in the Middle East and the disposal of an engineering services subsidiary in FY2018. The profit before income tax of S\$0.6 million in 3QFY2018 was mainly due to write-back of allowance for foreseeable loss of S\$0.5 million for a completed project.

Trading segment registered a profit before income tax of S\$0.006 million in 3QFY2019 as compared to a loss before income tax of S\$0.07 million in 3QFY2018, mainly due to costs reduction in 3QFY2019 as a result of streamlining of operations.

Review of Statements of Financial Position and Cash Flows

Cash and cash equivalents per consolidated statement of cash flow increased by S\$6.9 million from S\$8.5 million as at 30 June 2018 to S\$15.4 million as at 31 March 2019, mainly due to net cash inflow from operating activities of S\$28.7 million. This was offset by the net cash outflows from investing activities and financing activities of S\$14.2 million and S\$7.6 million respectively. Net cash outflow from financing activities of S\$7.6 million resulted mainly from the repayment of borrowings of S\$18.2 million offset by proceeds from borrowings of S\$13.1 million.

Trade and other receivables increased by S\$6.2 million from S\$42.9 million as at 30 June 2018 to S\$49.1 million as at 31 March 2019, mainly due to the higher turnover recorded in the current period.

Inventories increased by S\$3.1 million from S\$1.3 million as at 30 June 2018 to S\$4.4 million as at 31 March 2019, mainly due to the purchase of trading equipment in 3QFY2019.

Total other current assets increased by S\$0.8 million from S\$1.2 million as at 30 June 2018 to S\$2.0 million as at 31 March 2019, mainly due to the increase in prepayments for insurance premium and advances paid to suppliers.

Total trade and other payables increased by S\$23.1 million from S\$29.0 million as at 30 June 2018 to S\$52.1 million as at 31 March 2019, mainly due to the increase in purchases of equipment and services with longer credit terms and advances received from customers.

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.

Despite continued challenging and competitive operating environment, 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 nine months ended 31 March 2019 is recommended (31 March 2018: 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 Third Quarter and Nine Months ended 31 March 2019 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 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**

8 May 2019