



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

First Half Financial Statements and Dividend Announcement for the Period Ended 31 December 2020

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) %
	1HFY2021	1HFY2020	
	S\$'000	S\$'000	
Revenue	52,459	76,199	(31)
Cost of sales	(33,521)	(47,393)	(29)
Gross profit	18,938	28,806	(34)
Other income	2,652	809	228
Impairment loss on financial assets - net	(508)	(1,080)	(53)
Other losses - net	(2,159)	(103)	1,996
Expenses			
- Administrative	(526)	(612)	(14)
- Other operating	(12,028)	(13,411)	(10)
- Finance	(1,651)	(1,832)	(10)
Share of profit/(loss) of associated companies	80	(6)	NM
Share of profit of a joint venture	34	4	750
Profit before income tax	4,832	12,575	(62)
Income tax expense	(1,343)	(3,521)	(62)
Total profit	3,489	9,054	(61)
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences arising from consolidation - gain	1,534	438	250
Total comprehensive income	5,023	9,492	(47)
Profit attributable to:			
Equity holders of the Company	3,514	9,083	(61)
Non-controlling interest	(25)	(29)	(14)
	3,489	9,054	(61)
Total comprehensive income attributable to:			
Equity holders of the Company	5,052	9,524	(47)
Non-controlling interest	(29)	(32)	(9)
	5,023	9,492	(47)

Denotes: NM - not meaningful

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

	Group		Increase/ (Decrease) %
	1HFY2021	1HFY2020	
	S\$'000	S\$'000	
Profit after income tax was stated after crediting/(charging):			
Depreciation of property, plant and equipment	(15,516)	(15,664)	(1)
Depreciation of right-of-use assets	(581)	(581)	0
Currency exchange loss - net	(2,251)	(440)	412
Gain on disposal of property, plant and equipment	101	332	(70)
Fair value loss on financial assets at fair value through profit or loss	(19)	(27)	(30)
Bad debts written off	(7)	-	NM
Impairment loss on trade receivables	(730)	(1,102)	(34)
Impairment loss on trade receivables written back	208	22	845
Impairment loss on other receivables written back	14	-	NM
Interest income	77	99	(22)
Interest expense	(1,641)	(1,800)	(9)
Under provision in prior years' current income tax	(10)	-	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.

	Group		Company	
	As at 31/12/2020	As at 30/06/2020	As at 31/12/2020	As at 30/06/2020
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	38,984	39,384	548	135
Financial assets, at fair value through profit or loss	304	324	-	-
Trade and other receivables	46,352	39,524	-	-
Tax recoverable	76	55	-	-
Inventories	2,043	2,141	-	-
Other assets	2,744	1,153	5	9
	<u>90,503</u>	<u>82,581</u>	<u>553</u>	<u>144</u>
Assets held-for-sale	-	250	-	-
	<u>90,503</u>	<u>82,831</u>	<u>553</u>	<u>144</u>
Non-current assets				
Other receivables	-	-	46,885	47,185
Investment in associated companies	2,852	2,894	1,020	1,020
Investment in a joint venture	2,019	2,095	2,074	2,074
Investment in subsidiaries	-	-	41,108	41,108
Property, plant and equipment	354,816	360,785	-	-
Right-of-use assets	11,732	12,313	-	-
Deferred income tax assets	502	515	-	-
	<u>371,921</u>	<u>378,602</u>	<u>91,087</u>	<u>91,387</u>
Total assets	<u>462,424</u>	<u>461,433</u>	<u>91,640</u>	<u>91,531</u>
LIABILITIES				
Current liabilities				
Trade and other payables	37,149	37,668	1,868	1,860
Current income tax liabilities	3,455	3,677	-	-
Borrowings	18,645	18,669	-	-
	<u>59,249</u>	<u>60,014</u>	<u>1,868</u>	<u>1,860</u>
Non-current liabilities				
Trade and other payables	6,115	8,729	-	-
Borrowings	105,970	105,932	-	-
Deferred income tax liabilities	27,466	27,460	-	-
	<u>139,551</u>	<u>142,121</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>198,800</u>	<u>202,135</u>	<u>1,868</u>	<u>1,860</u>
NET ASSETS	<u>263,624</u>	<u>259,298</u>	<u>89,772</u>	<u>89,671</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	87,340	87,340	87,340	87,340
Other reserves	(1,426)	(2,964)	-	-
Retained earnings	177,645	174,828	2,432	2,331
	<u>263,559</u>	<u>259,204</u>	<u>89,772</u>	<u>89,671</u>
Non-controlling interest	65	94	-	-
Total equity	<u>263,624</u>	<u>259,298</u>	<u>89,772</u>	<u>89,671</u>

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

	Group	
	As At 31/12/2020	As At 30/06/2020
	S\$'000	S\$'000
Amount repayable in one year or less (secured)		
- Bank borrowings	5,215	4,790
- Other secured borrowings	12,810	12,937
	18,025	17,727
Amount repayable in one year or less (unsecured)		
- Lease liabilities	620	942
	18,645	18,669
Amount repayable after one year (secured)		
- Bank borrowings	59,179	55,007
- Other secured borrowings	35,433	39,384
	94,612	94,391
Amount repayable after one year (unsecured)		
- Lease liabilities	11,358	11,541
	105,970	105,932
Total borrowings	124,615	124,601

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) Other secured borrowings of the Group are secured over the leased machinery.

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	
	1HFY2021	1HFY2020
	S\$'000	S\$'000
Cash flows from operating activities		
Total profit	3,489	9,054
Adjustments for:		
Income tax expense	1,343	3,521
Bad debts written off	7	-
Depreciation of property, plant and equipment	15,516	15,664
Depreciation of right-of-use assets	581	581
Gain on disposal of property, plant and equipment	(101)	(332)
Fair value loss on financial assets at fair value through profit or loss	19	27
Impairment loss on trade receivables - net	522	1,080
Impairment loss on other receivables written back	(14)	-
Interest income	(77)	(99)
Interest expense	1,641	1,800
Share of (profit)/loss of associated companies	(80)	6
Share of profit of a joint venture	(34)	(4)
Translation differences	887	304
Operating cashflow before working capital changes	23,699	31,602
Change in operating assets and liabilities:		
Inventories	98	1,246
Trade and other receivables	(6,313)	(2,367)
Other assets	(1,591)	(697)
Trade and other payables	(3,390)	5,055
Cash generated from operations	12,503	34,839
Income tax paid	(1,578)	(1,121)
Net cash provided by operating activities	10,925	33,718
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,909)	(3,346)
Investment in an associated company	-	(16)
Interest received	77	99
Deposits unpledged/(pledged)	201	(164)
Proceeds from disposal of property, plant and equipment	450	405
Net cash used in investing activities	(3,181)	(3,022)
Cash flows from financing activities		
Proceeds from bank borrowings	9,923	1,370
Repayment of bank borrowings	(2,688)	(5,101)
Repayment of other secured borrowings	(12,307)	(6,914)
Principal repayments of lease liabilities	(505)	(496)
Interest paid	(1,668)	(1,795)
Dividends paid to equity holders of the Company	(697)	(464)
Net cash used in financing activities	(7,942)	(13,400)
Net (decrease)/increase in cash and cash equivalents	(198)	17,296
Cash and cash equivalents at beginning of financial period	38,509	13,449
Cash and cash equivalents at end of financial period	38,311	30,745
Cash and cash equivalents at end of financial period	38,984	31,616
Less: Deposits pledged	(673)	(871)
Cash and cash equivalents per statement of cash flows	38,311	30,745

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 2020	87,340	(2,964)	174,828	259,204	94	259,298
Total comprehensive income/(loss)	-	1,538	3,514	5,052	(29)	5,023
Dividend relating to 2020 paid	-	-	(697)	(697)	-	(697)
Balance at 31 December 2020	87,340	(1,426)	177,645	263,559	65	263,624
Balance at 1 July 2019	87,340	(2,734)	167,714	252,320	142	252,462
Total comprehensive income/(loss)	-	441	9,083	9,524	(32)	9,492
Dividend relating to 2019 paid	-	-	(464)	(464)	-	(464)
Balance at 31 December 2019	87,340	(2,293)	176,333	261,380	110	261,490

<u>Company</u>	Share Capital S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
	Balance at 1 July 2020	87,340	2,331
Total comprehensive income	-	798	798
Dividend relating to 2020 paid	-	(697)	(697)
Balance at 31 December 2020	87,340	2,432	89,772
Balance at 1 July 2019	87,340	2,522	89,862
Total comprehensive income	-	364	364
Dividend relating to 2019 paid	-	(464)	(464)
Balance at 31 December 2019	87,340	2,422	89,762

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 December 2020 and 31 December 2019.

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 December 2020 was 232,235,253 (30 June 2020: 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 six months ended 31 December 2020.

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 preparation of the financial statements for the current reporting period as compared to the most recent audited annual financial statements for the financial year ended 30 June 2020.

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 2021.

- 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 per Share (Group)</u>	1HFY2021	1HFY2020
(i) Based on weighted average number of ordinary shares in issue (cents)	1.51	3.91
(ii) On a fully diluted basis (cents)	1.51	3.91

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 (31 December 2019: 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 31/12/2020	As At 30/06/2020	As At 31/12/2020	As At 30/06/2020
Net asset value per ordinary share (cents)	113.49	111.61	38.66	38.61
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

6 Months ended 31 December 2020 (1HFY2021) vs 6 Months ended 31 December 2019 (1HFY2020)

Revenue

	1HFY2021	1HFY2020	Increase/ (Decrease)
	S\$'000	S\$'000	%
Heavy Lift and Haulage	50,718	66,006	(23)
Marine Transportation	1,349	3,779	(64)
Trading	392	6,414	(94)
	52,459	76,199	(31)

Revenue was S\$52.5 million in 1HFY2021, a decrease of S\$23.7 million or 31% from S\$76.2 million in 1HFY2020. The decrease was attributable to the Covid-19 pandemic resulting in the decrease in contributions from all segments.

Heavy Lift and Haulage segment revenue decreased by S\$15.3 million or 23% from S\$66.0 million in 1HFY2020 to S\$50.7 million in 1HFY2021, mainly due to fewer projects executed in Singapore, Brunei and Middle East. The Group's business in Singapore and many other countries is still recovering from the impact of Covid-19.

Marine Transportation segment revenue decreased by S\$2.5 million or 64% from S\$3.8 million in 1HFY2020 to S\$1.3 million in 1HFY2021, mainly due to fewer chartering jobs.

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

Trading segment revenue decreased by S\$6.0 million or 94% from S\$6.4 million in 1HFY2020 to S\$0.4 million in 1HFY2021, mainly due to fewer equipment sold in 1HFY2021.

Gross Profit was S\$18.9 million in 1HFY2021, a decrease of S\$9.9 million or 34% from S\$28.8 million in 1HFY2020, mainly due to lower turnover from all segments. **Gross Profit Margin** was lower at 36% in 1HFY2021 as compared to 38% in 1HFY2020, mainly due to lower utilisation of equipment in Marine Transportation segment.

Other Income was S\$2.7 million in 1HFY2021, an increase of S\$1.9 million or 228% from S\$0.8 million in 1HFY2020, mainly due to government grant income such as the Jobs Support Scheme of S\$1.5 million and foreign worker levy rebates of S\$0.5 million.

Impairment Loss on Financial Assets - net was S\$0.5 million in 1HFY2021, a decrease of S\$0.6 million or 53% from S\$1.1 million in 1HFY2020. This was mainly attributable to a decrease of S\$0.4 million in impairment loss on trade receivables from S\$1.1 million in 1HFY2020 to S\$0.7 million in 1HFY2021. There was also an impairment loss on trade receivables written back of S\$0.2 million in 1HFY2021 as compared to S\$0.02 million in 1HFY2020.

Other Losses - net was S\$2.2 million in 1HFY2021, an increase of S\$2.1 million or 1996% from S\$0.1 million in 1HFY2020. This was mainly attributable to operational exchange loss of S\$2.2 million which was offset by gain on disposal of property, plant and equipment of S\$0.1 million in 1HFY2021 as compared to operational exchange loss of S\$0.4 million which was offset by gain on disposal of property, plant and equipment of S\$0.3 million in 1HFY2020.

Other Operating Expenses were S\$12.0 million in 1HFY2021, a decrease of S\$1.4 million or 10% from S\$13.4 million in 1HFY2020, mainly due to a decrease in manpower and travelling costs.

Finance Expenses were S\$1.7 million in 1HFY2021, a decrease of S\$0.1 million or 10% from S\$1.8 million in 1HFY2020, mainly due to lower interest rates on certain bank borrowings.

Income Tax Expense was S\$1.3 million in 1HFY2021, a decrease of S\$2.2 million or 62% from S\$3.5 million in 1HFY2020, mainly due to lower profit earned in current financial period.

Profit before Income Tax

	1HFY2021	1HFY2020	Increase/ (Decrease)
	S\$'000	S\$'000	%
Heavy Lift and Haulage	5,508	9,613	(43)
Marine Transportation	(601)	1,330	NM
Trading	(75)	1,632	NM
	<u>4,832</u>	<u>12,575</u>	<u>(62)</u>

Profit before Income Tax was S\$4.8 million in 1HFY2021, a decrease of S\$7.8 million or 62%, from S\$12.6 million in 1HFY2020.

Heavy Lift and Haulage segment reported a profit before income tax of S\$5.5 million in 1HFY2021, a decrease of S\$4.1 million or 43%, from S\$9.6 million in 1HFY2020. This was mainly due to reduction in revenue and higher exchange loss in 1HFY2021.

Marine Transportation segment recorded a loss before income tax of S\$0.6 million in 1HFY2021 as compared to a profit before income tax of S\$1.3 million in 1HFY2020, mainly due to lower utilisation of equipment in 1HFY2021.

Trading segment recorded a loss before income tax of S\$0.1 million in 1HFY2021 as compared to a profit before income tax of S\$1.6 million in 1HFY2020. This was mainly attributable to the lower gain on sale of equipment which was insufficient to cover the exchange loss of S\$0.2 million in 1HFY2021.

Review of Statements of Financial Position and Cash Flows

Cash and cash equivalents per consolidated statement of cash flow decreased by S\$0.2 million from S\$38.5 million as at 30 June 2020 to S\$38.3 million as at 31 December 2020 mainly due to net cash outflows from financing activities and investing activities of S\$7.9 million and S\$3.2 million respectively. This was offset by the net cash inflow from operating activities of S\$10.9 million. Net cash outflow from financing activities of S\$7.9 million resulted mainly from repayment of bank borrowings and other secured borrowings of S\$15.0 million and payment of dividend to shareholders S\$0.7 million offset by proceeds from bank borrowings of S\$9.9 million.

Trade and other receivables increased by S\$6.9 million from S\$39.5 million as at 30 June 2020 to S\$46.4 million as at 31 December 2020. The increase was mainly attributable to higher revenue generated during 2QFY2021 as compared to 4QFY2020 when the circuit breaker measures were implemented in Singapore.

Other assets increased by S\$1.5 million from S\$1.2 million as at 30 June 2020 to S\$2.7 million as at 31 December 2020, mainly due to the increase in prepayments for insurance premium.

Assets held-for-sale decreased by S\$0.3 million from S\$0.3 million as at 30 June 2020 to S\$Nil as at 31 December 2020 as these assets were sold in 1QFY2021.

Total Trade and other payables decreased by S\$3.1 million from S\$46.4 million as at 30 June 2020 to S\$43.3 million as at 31 December 2020, mainly due to payment for purchases of equipment in 1HFY2021.

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 uncertain despite the gradual easing of the circuit breaker measures, movement control or lockdown in Singapore and other countries which the Group operates in. The Group's priority is to ensure that it has adequate liquidity to sustain its business to ride through this Covid-19 pandemic while managing its cashflow, operating costs and business risks.

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

No interim dividend for the six months ended 31 December 2020 is recommended (31 December 2019: 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 Half Year ended 31 December 2020 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
10 February 2021**