



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

**First Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 2018**

**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>		Increase/ (Decrease)
	<b>1QFY2019</b>	1QFY2018	%
	<b>S\$'000</b>	S\$'000	
Revenue	<b>28,455</b>	23,485	21
Cost of sales	<b>(19,336)</b>	(18,235)	6
Gross profit	<b>9,119</b>	5,250	74
Other income	<b>114</b>	144	(21)
Other (losses)/gains - net	<b>(1,241)</b>	21	NM
Expenses			
- Administrative	<b>(342)</b>	(316)	8
- Other operating	<b>(5,587)</b>	(5,663)	(1)
- Finance	<b>(792)</b>	(802)	(1)
Share of profit of associated companies	<b>207</b>	7	NM
Share of loss of a joint venture	<b>(2)</b>	(5)	(60)
<b>Profit/(Loss) before income tax</b>	<b>1,476</b>	(1,364)	NM
Income tax expense	<b>(310)</b>	(215)	44
<b>Total profit/(loss)</b>	<b>1,166</b>	(1,579)	NM
<b>Other comprehensive (loss)/income:</b>			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences arising from consolidation			
- (Losses)/Gains	<b>(162)</b>	532	NM
Fair value (losses)/gains on cash flow hedges	<b>(1)</b>	8	NM
	<b>(163)</b>	540	NM
<b>Total comprehensive income/(loss)</b>	<b>1,003</b>	(1,039)	NM
<b>Profit/(Loss) attributable to:</b>			
Equity holders of the Company	<b>1,176</b>	(1,437)	NM
Non-controlling interest	<b>(10)</b>	(142)	(93)
	<b>1,166</b>	(1,579)	NM
<b>Total comprehensive income/(loss) attributable to:</b>			
Equity holders of the Company	<b>1,024</b>	(917)	NM
Non-controlling interest	<b>(21)</b>	(122)	(83)
	<b>1,003</b>	(1,039)	NM

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

	<b>Group</b>		<b>Increase/ (Decrease)</b>
	<b>1QFY2019</b>	<b>1QFY2018</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Profit/(Loss) after income tax was stated after crediting/(charging):</b>			
Depreciation of property, plant and equipment	<b>(7,465)</b>	(7,723)	(3)
Currency exchange loss - net	<b>(1,268)</b>	(426)	198
Gain on disposal of property, plant and equipment	<b>107</b>	395	(73)
Fair value (loss)/gain on financial assets at fair value through profit or loss	<b>(77)</b>	57	NM
Impairment written back on trade receivables	<b>47</b>	43	9
Interest income	<b>8</b>	5	60
Interest expense	<b>(795)</b>	(807)	(1)
Over provision in prior years' deferred tax	<b>-</b>	4	(100)

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 30/09/2018 S\$'000	As at 30/06/2018 S\$'000	As at 30/09/2018 S\$'000	As at 30/06/2018 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	9,158	8,502	204	252
Financial assets at fair value through profit or loss	410	488	-	-
Trade and other receivables	49,537	42,937	386	384
Tax recoverable	57	67	-	-
Inventories	1,358	1,347	-	-
Other current assets	2,300	1,199	20	9
Derivative financial instruments	1	2	-	-
	<b>62,821</b>	<b>54,542</b>	<b>610</b>	<b>645</b>
<b>Non-current assets</b>				
Other receivables	-	-	47,044	47,044
Investment in associated companies	2,885	2,676	1,020	1,020
Investment in a joint venture	2,064	2,060	2,074	2,074
Investment in subsidiaries	-	-	40,939	40,939
Property, plant and equipment	353,785	353,239	-	-
Deferred income tax assets	536	578	-	-
	<b>359,270</b>	<b>358,553</b>	<b>91,077</b>	<b>91,077</b>
<b>Total assets</b>	<b>422,091</b>	<b>413,095</b>	<b>91,687</b>	<b>91,722</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	31,738	29,030	1,879	1,831
Current income tax liabilities	1,050	1,075	-	-
Borrowings	30,632	21,456	-	-
	<b>63,420</b>	<b>51,561</b>	<b>1,879</b>	<b>1,831</b>
<b>Non-current liabilities</b>				
Borrowings	81,225	85,263	-	-
Deferred income tax liabilities	26,710	26,538	-	-
	<b>107,935</b>	<b>111,801</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>171,355</b>	<b>163,362</b>	<b>1,879</b>	<b>1,831</b>
<b>NET ASSETS</b>	<b>250,736</b>	<b>249,733</b>	<b>89,808</b>	<b>89,891</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	(2,726)	(2,574)	-	-
Retained earnings	165,945	164,769	2,468	2,551
	<b>250,559</b>	<b>249,535</b>	<b>89,808</b>	<b>89,891</b>
<b>Non-controlling interest</b>	<b>177</b>	<b>198</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>250,736</b>	<b>249,733</b>	<b>89,808</b>	<b>89,891</b>

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

	<b>Group</b>	
	<b>As At 30/09/2018</b>	As At 30/06/2018
	<b>S\$'000</b>	S\$'000
<b>Amount repayable in one year or less (secured)</b>		
- Bank borrowings	8,484	7,203
- Finance lease liabilities	13,133	14,253
	<b>21,617</b>	21,456
<b>Amount repayable in one year or less (unsecured)</b>		
- Bank borrowings	9,015	-
	<b>9,015</b>	-
	<b>30,632</b>	21,456
<b>Amount repayable after one year (secured)</b>		
- Bank borrowings	62,324	63,434
- Finance lease liabilities	18,901	21,829
	<b>81,225</b>	85,263
<b>Total borrowings</b>	<b>111,857</b>	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 machinery 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	
	1QFY2019	1QFY2018
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Total profit/(loss)	1,166	(1,579)
Adjustments for:		
Income tax expense	310	215
Depreciation of property, plant and equipment	7,465	7,723
Gain on disposal of property, plant and equipment	(107)	(395)
Fair value loss/(gain) on financial assets at fair value through profit of loss	77	(57)
Impairment written back on trade receivables	(47)	(43)
Interest income	(8)	(5)
Interest expense	795	807
Share of profit of associated companies	(207)	(7)
Share of loss of a joint venture	2	5
Translation differences	866	244
<b>Operating cashflow before working capital changes</b>	<b>10,312</b>	<b>6,908</b>
Change in operating assets and liabilities:		
Inventories	(11)	(1,564)
Trade and other receivables	(6,548)	(626)
Other current assets	(1,101)	(392)
Trade and other payables	2,703	349
Cash generated from operations	<b>5,355</b>	<b>4,675</b>
Income tax paid	(102)	(223)
<b>Net cash provided by operating activities</b>	<b>5,253</b>	<b>4,452</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(9,658)	(2,670)
Interest received	8	5
Fixed deposit unpledged	-	2,204
Proceeds from disposal of property, plant and equipment	705	555
<b>Net cash (used in)/provided by investing activities</b>	<b>(8,945)</b>	<b>94</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	11,219	8,147
Repayment of borrowings	(2,032)	(5,462)
Repayment of finance lease liabilities	(4,048)	(5,230)
Interest paid	(791)	(805)
<b>Net cash provided by/(used in) financing activities</b>	<b>4,348</b>	<b>(3,350)</b>
<b>Net increase in cash and cash equivalents</b>	<b>656</b>	<b>1,196</b>
Cash and cash equivalents at beginning of financial period	<b>8,501</b>	<b>8,390</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>9,157</b>	<b>9,586</b>
Cash and cash equivalents at end of financial period	<b>9,158</b>	<b>9,872</b>
Less: Fixed deposit pledged	(1)	(286)
<b>Cash and cash equivalents per statement of cash flows</b>	<b>9,157</b>	<b>9,586</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 2018</b>	87,340	(2,574)	164,769	249,535	
Total comprehensive income/(loss) for the period	-	(152)	1,176	1,024	(21)	1,003
<b>Balance at 30 September 2018</b>	<b>87,340</b>	<b>(2,726)</b>	<b>165,945</b>	<b>250,559</b>	<b>177</b>	<b>250,736</b>

<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>

<u>Company</u>	Share Capital S\$'000	Retained Earnings S\$'000	Total Equity S\$'000	
	<b>Balance at 1 July 2018</b>	87,340	2,551	89,891
	Total comprehensive loss for the period	-	(83)	(83)
<b>Balance at 30 September 2018</b>	<b>87,340</b>	<b>2,468</b>	<b>89,808</b>	

<b>Balance at 1 July 2017</b>	87,340	3,685	91,025
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>

**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 2018 and 30 September 2017.

**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 2018 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 three months ended 30 September 2018.

**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 for 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	
	1QFY2019	1QFY2018
(i) Based on weighted average number of ordinary shares in issue (cents)	<b>0.51</b>	(0.62)
(ii) On a fully diluted basis (cents)	<b>0.51</b>	(0.62)

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 (30 September 2017: 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 30/09/2018	As At 30/06/2018	As at 30/09/2018	As At 30/06/2018
Net asset value per ordinary share (cents)	<b>107.89</b>	107.45	<b>38.67</b>	38.71
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 2018 (1QFY2019) vs 3 Months ended 30 September 2017 (1QFY2018)**

<u>Revenue</u>	1QFY2019	1QFY2018	Increase/ (Decrease)
	S\$'000	S\$'000	%
Heavy Lift and Haulage	<b>27,442</b>	22,794	20
Marine Transportation	<b>1,002</b>	375	167
Engineering Services	-	239	(100)
Trading	<b>11</b>	77	(86)
	<b>28,455</b>	23,485	21

**Revenue** was S\$28.5 million in 1QFY2019, an increase of S\$5.0 million or 21% from S\$23.5 million in 1QFY2018. The increase was mainly attributable to the increase in contribution from Heavy Lift and Haulage segment.



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

Heavy Lift and Haulage segment revenue increased by S\$4.6 million or 20% from S\$22.8 million in 1QFY2018 to S\$27.4 million in 1QFY2019, mainly due to more projects executed in Singapore and Brunei.

Marine Transportation segment revenue increased by S\$0.6 million or 167% from S\$0.4 million in 1QFY2018 to S\$1.0 million in 1QFY2019, mainly due to more chartering jobs secured in Malaysia.

Engineering Services segment revenue decreased by S\$0.2 million or 100% from S\$0.2 million in 1QFY2018 to S\$Nil in 1QFY2019, due to the completion of the engineering project in the Middle East and the disposal of an engineering services subsidiary in FY2018.

Trading segment revenue remained low at below S\$0.1 million for both 1QFY2019 and 1QFY2018 as there was no equipment sold during these quarters.

**Gross Profit** was S\$9.1 million in 1QFY2019, an increase of S\$3.8 million or 74% from S\$5.3 million in 1QFY2018. **Gross Profit Margin** was higher at 32% in 1QFY2019 as compared to 22% in 1QFY2018. The increase in gross profit was mainly due to higher turnover from the Heavy Lift and Haulage segment and improved performance from the Marine Transportation segment.

**Other (Losses)/Gains - net** recorded a loss of S\$1.2 million in 1QFY2019 as compared to a gain of S\$0.02 million in 1QFY2018. This was mainly attributable to operational exchange loss of S\$1.3 million which was offset by gain on disposal of property, plant and equipment of S\$0.1 million in 1QFY2019, as compared to gain on disposal of property, plant and equipment of S\$0.4 million which was offset by operational exchange loss of S\$0.4 million in 1QFY2018.

**Share of Profit of Associated Companies** was S\$0.2 million in 1QFY2019 as compared to S\$0.01 million in 1QFY2018, mainly due to improved performance by the associated companies in 1QFY2019.

<b>Profit/(Loss) before Income Tax</b>	<b>1QFY2019</b>	1QFY2018	Increase/ (Decrease)
	<b>S\$'000</b>	S\$'000	%
Heavy Lift and Haulage	<b>1,797</b>	(455)	NM
Marine Transportation	<b>(310)</b>	(475)	(35)
Engineering Services	-	(459)	(100)
Trading	<b>(11)</b>	25	NM
	<b>1,476</b>	(1,364)	NM

**Profit before Income Tax** was S\$1.5 million in 1QFY2019 as compared to a loss before income tax of S\$1.4 million in 1QFY2018.

Heavy Lift and Haulage segment recorded a profit before income tax of S\$1.8 million in 1QFY2019 as compared to a loss before income tax of S\$0.5 million in 1QFY2018, mainly due to higher turnover in 1QFY2019.

Marine Transportation segment incurred a loss before income tax of S\$0.3 million in 1QFY2019. The loss was reduced by S\$0.2 million or 35%, from S\$0.5 million in 1QFY2018, mainly due to higher turnover in 1QFY2019.

Engineering Services segment reported a loss before income tax of S\$0.5 million in 1QFY2018 as compared to S\$Nil in 1QFY2019, due to the completion of the engineering project in the Middle East and the disposal of an engineering services subsidiary in FY2018.

Trading segment registered a loss before income tax of S\$0.01 million in 1QFY2019 as compared to a profit before income tax of S\$0.02 million in 1QFY2018, mainly due to lower sales in 1QFY2019.

## Review of Statements of Financial Position and Cash Flows

**Cash and cash equivalents** per consolidated statement of cash flow increased by S\$0.7 million from S\$8.5 million as at 30 June 2018 to S\$9.2 million as at 30 September 2018 mainly due to net cash inflows from operating activities and financing activities of S\$5.3 million and S\$4.3 million respectively. This was offset by the net cash outflow from investing activities of S\$8.9 million. Net cash outflow from investing activities of S\$8.9 million resulted mainly from the purchase of property, plant and equipment of S\$9.6 million offset by proceeds from disposal of property, plant and equipment of S\$0.7 million. Net cash inflow from financing activities of S\$4.3 million resulted mainly from the proceeds from borrowings of S\$11.2 million offset by the repayment of borrowings of S\$6.1 million.

As at 30 September 2018, the Group was in a net current liabilities position of S\$0.6 million, mainly due to bills payables to bank for the purchase of major equipment amounted to S\$9.0 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 2018.

**Trade and other receivables** increased by S\$6.6 million from S\$42.9 million as at 30 June 2018 to S\$49.5 million as at 30 September 2018. This was mainly attributable to the higher turnover recorded in this quarter.

**Other current assets** increased by S\$1.1 million from S\$1.2 million as at 30 June 2018 to S\$2.3 million as at 30 September 2018, 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 managing 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 2018 is recommended (30 September 2017: 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 2018 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  
7 November 2018**