



TIONG WOON CORPORATION HOLDING LTD

(Company Registration No. 199705837C)

MEDIA RELEASE

TIONG WOON RECORDS S\$39.7 MILLION TURNOVER IN 2QFY15

Highlights:-

- **Net asset value per share at 57.43 cents**
- **Business opportunities exist from public sector projects as well as refinery and petrochemical development in the region**
- **Capabilities as a one-stop integrated services provider could help it secure new contracts**

SINGAPORE, 12 February 2015 – Mainboard-listed **Tiong Woon Corporation Holding Ltd** (長運集團) and together with its subsidiaries (“**Tiong Woon**” or the “**Group**”), a leading one-stop integrated heavy lift specialist and services provider, recorded a turnover of S\$39.7 million for the three months ended 31 December 2014 (“**2QFY15**”), an 11% decline from the corresponding period a year ago. This was mainly attributed to lower business activities across its key business segments. Cost of sales was largely unchanged in 2QFY15, compared with 2QFY14. As a result, gross profit margin was lower at 32% with gross profit of S\$12.7 million.

In 2QFY14, Tiong Woon recorded a gain on the disposal of its subsidiaries. The absence of such one-off items, on top of the lower gross profits in 2QFY15, resulted in a 57% decline in Tiong Woon’s net profit attributable to shareholders to S\$3.8 million.

For the six months ended 31 December 2014 (“**1HFY15**”), turnover was 14% lower at S\$76.5 million as the Group experienced muted business activity overall. Gross profit was S\$23.0 million as gross profit margin declined to 30% in 1HFY15.

Mr Ang Kah Hong (洪加豐), Tiong Woon's Group Chairman and Managing Director, said: ***"The business environment faced some headwinds as oil prices declined, and it is expected to remain challenging. Despite that, new business opportunities exist in the oil and gas and petrochemical sectors across the region. We will continue to focus on our core competencies and expertise to forge new business relationships while strengthening the existing ones."***

Segment Highlights

Turnover from the **Heavy Lift and Haulage** segment declined by 9% to S\$35.2 million as Tiong Woon undertook fewer heavy lift and installation projects during 2QFY15 compared with 2QFY14. As some projects yielded lower gross profit margins, profit before tax ("**PBT**") for this segment declined to S\$5.1 million, with PBT margins of 14.4%.

Turnover from the **Marine Transportation** segment was lower at S\$2.5 million in 2QFY15 compared with 2QFY14, as there were fewer chartering projects. PBT for this segment declined to S\$0.4 million along with lower turnover, and the Group did not record any gain on disposal of fixed assets. As a result, PBT margins were also lower at 15.5%.

The **Engineering Services** segment had executed significantly fewer projects during 2QFY15 compared with 2QFY14. This resulted in a sharp drop in turnover to S\$0.5 million. Coupled with lower gross profit margins from the projects executed, the segment recorded a loss before tax of S\$0.6 million in 2QFY15.

The Group sold more equipment in 2QFY15, leading to an increase in turnover from the **Trading** segment. Despite the improved turnover, lower gross profit margins resulted in the segment recording a small loss before tax of S\$0.1 million during the quarter.

Financial Position

The Group has net assets of S\$265.2 million as at 31 December 2014, translating into a net asset value per share of 57.43 cents. As at 31 December 2014, cash and cash equivalents grew to S\$19.1 million, from S\$18.9 million as at 30 June 2014, as the Group generated cash flows of S\$19.8 million from operations during the period. Net gearing rose to 40% as at 31 December 2014 due to financing for equipment purchase and construction of its new premises.

Based on the closing price of 23.0 Singapore cents per share on 11 February 2015, Tiong Woon has a market capitalisation of S\$106.8 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 petrochemicals industries has softened, as oil prices tumbled. The construction of oil and gas or petrochemical facilities could be delayed. However, demand for heavy lift and haulage could still be supported by on-going government plans. The pipeline of public sector infrastructure development could also support the demand for heavy lift and haulage. In the region, the development of the Refinery and Petrochemicals Integrated Development (“RAPID”) in Pengerang, Johor, Malaysia, may open up business development opportunities for heavy lift and haulage.

Mr Ang added: ***“Tiong Woon will continue to leverage on its capabilities as a one-stop integrated services provider to pursue new business opportunities. We will also continue to forge strategic alliances and collaborations with international contractors and industry players, to jointly participate in the tender for projects.”***

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This press release is to be read in conjunction with the Company’s announcement posted on the SGX website on 12 February 2015.

About Tiong Woon Corporation Holding Ltd (SGX Stock code: T06)

Listed in 1999, Tiong Woon Corporation Holding Ltd (長運集團) and together with its subsidiaries (“**Tiong Woon**” or the “**Group**”) 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 Ltd by

WATERBROOKS CONSULTANTS PTE LTD

Tel: (+65) 6100 2228

Ms Lynette Tan (M): +65 9687 2023 lynette@waterbrooks.com.sg

Mr Wayne Koo (M): +65 9338 8166 wayne.koo@waterbrooks.com.sg
