



TIONG WOON CORPORATION HOLDING LTD

(Company Registration No. 199705837C)

MEDIA RELEASE

TIONG WOON RECORDS TURNOVER OF S\$34.5 MILLION IN 3QFY15

Highlights:-

- **Net asset value per share improves to 58.05 cents**
- **Business activities across some segments improved during the quarter**
- **Potential business opportunities from public sector and regional developments could help mitigate the challenging operating environment in heavy lift and haulage**

SINGAPORE, 7 May 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, achieved a turnover of S\$34.5 million for the three months ended 31 March 2015 (“**3QFY15**”), a 6% decline from the corresponding period a year ago. This was mainly due to fewer heavy lift and installation projects undertaken by the Heavy Lift and Haulage segment, which was partially offset by improved business activities across the Group’s other segments. For the nine months period ending 31 March 2015 (“**9MFY15**”), Tiong Woon’s turnover was 12% lower at S\$111.0 million.

The current challenging landscape for the Heavy Lift and Haulage segment in the oil and gas and petrochemicals industries also contributed to a decline in gross profit margins. Tiong Woon achieved gross profit margin of 22.7% in 3QFY15, as compared to 29.6% in 3QFY14. Consequently, the Group achieved net profit attributable to shareholders of S\$2.3 million in 3QFY15, a 41% decline from the S\$3.9 million achieved in 3QFY14.

Mr Ang Kah Hong (洪加豐), Tiong Woon's Group Chairman and Managing Director, said: ***"The business environment continues to be challenging, amidst the backdrop of relatively lower oil prices. While we remain cautious about the prospects, the Group remains focused on delivering our best to our customers. This commitment, along with our expertise and competencies, would support Tiong Woon as we continue to strengthen our business relationships during these times."***

Segment Highlights

Turnover from the **Heavy Lift and Haulage** segment declined by 13% to S\$30.0 million as Tiong Woon undertook fewer heavy lift and installation projects, amid keen competition during 3QFY15. With lower turnover and lower gross profit margins, the profit before tax ("**PBT**") for this segment declined to S\$3.5 million in 3QFY15, from S\$5.5 million in 3QFY14. The segment achieved PBT margins of 11.6%.

Turnover from the **Marine Transportation** segment improved slightly by 2% to S\$1.7 million in 3QFY15 compared with 3QFY14. The Group's cost reduction efforts paid off as it managed to narrow the segment's loss before tax by 50% to S\$0.2 million in 3QFY15, helped by an increase in share of profit from associates.

With more projects executed during 3QFY15, the **Engineering Services** segment registered a turnover of S\$1.2 million, compared with S\$0.4 million in 3QFY14. These projects yielded higher gross profit margins, which enabled the Group to reduce the loss before tax for this segment by 89% to S\$0.1 million in 3QFY15.

The Group sold more equipment in 3QFY15, leading to an increase in turnover from the **Trading** segment to S\$1.5 million. However, lower gross profit margins resulted in the segment recording a lower PBT of S\$0.04 million during the quarter.

Financial Position

The Group has net assets of S\$269.6 million as at 31 March 2015, translating into a net asset value per share of 58.05 cents. As at 31 March 2015, cash and cash equivalents dipped slightly to S\$16.3 million, from S\$18.9 million as at 30 June 2014, as the Group generated cash flows of S\$15.3 million from operations during the period. Net gearing was 41% as at 31 March 2015 as compared with 30% as at 30 June 2014. The increase in borrowings was mainly due to the drawdown of the Group's loan facilities to finance the construction of its new premises.

Based on the closing price of 20.0 Singapore cents per share on 6 May 2015, Tiong Woon has a market capitalisation of S\$92.9 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 is likely to remain relatively soft, as oil prices remain low compared with a year ago. Despite that, there are still potential business opportunities for heavy lift and haulage from the upcoming Refinery and Petrochemicals Integrated Development (RAPID) in Pengerang, Johor, Malaysia. Demand for heavy lift and haulage is also supported by the Singapore government's on-going public sector infrastructure development.

The Group will continue to effectively manage its costs to remain competitive. At the same time, the Group remains open to strategic collaborations and will continue to leverage on its capabilities as a one-stop integrated services provider in project management to target complex and high value projects to grow the business further.

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This press release is to be read in conjunction with the Company's announcement posted on the SGX website on 7 May 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

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