



TIONG WOON CORPORATION HOLDING LTD

(Company Registration No. 199705837C)

## MEDIA RELEASE

# TIONG WOON ACHIEVES S\$145.7 MILLION REVENUE IN FY15

### *Highlights:-*

- **Records net profit of S\$12.0 million**
- **Proposes dividend of 0.4 cent per share**
- **Net asset value improves to 58.25 cents**
- **Business environment to remain challenging, but potential business opportunities from public sector and regional developments offer silver lining**

**SINGAPORE, 25 August 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, today announced that it has achieved revenue of S\$145.7 million for the full year ended 30 June 2015 (“**FY15**”), while net profit attributable to shareholders was S\$12.0 million, a decline of 12% and 46% respectively. Despite the challenging times, the Board is proposing a dividend of 0.4 cent per share.

Commenting on the results, Mr Ang Kah Hong (洪加豐), Tiong Woon’s Group Chairman and Managing Director, said: **“Despite the challenges faced during the year, Tiong Woon was able to remain profitable. The business environment is expected to remain tough going forward, but Tiong Woon is committed to focus on delivering our best to customers and shareholders. We remain on the lookout for strategic business opportunities that would allow us to expand our services.”**

The decline in revenue was due to an overall decline in business activities across all its business segments, against the backdrop of the challenging operating landscape, particularly in the oil and gas and petrochemicals industries. This challenging business environment had also resulted in a decline

in gross profit margin. Gross profit margin fell to 27.8% in FY15, from 34.0% in FY14. Through manpower rationalization and job re-design, Tiong Woon managed to lower its other operating expenses. Finance expenses decreased from S\$2.8 million in FY14 to S\$0.7 million in FY15, as the Group recorded a S\$2.0 million currency translation gain in FY15, compared to a currency translation loss of S\$0.1 million in the previous year. With lower revenue and gross profits, FY15 net profit attributable to shareholders dipped 46% to S\$12.0 million.

### **Segment Highlights**

Turnover from the **Heavy Lift and Haulage** segment declined by 10% to S\$128.5 million as Tiong Woon undertook fewer heavy lift and installation projects in the Asia Pacific region, given the intense competition. With lower turnover and lower gross profit margins, the profit before tax ("**PBT**") for this segment declined 28% to S\$15.6 million in FY15.

Turnover from the **Marine Transportation** segment fell 6% to S\$8.9 million in FY15, from S\$9.4 million in FY14, over fewer chartering projects. The Group's efforts in managing its costs paid off as this segment recorded a 41% increase in profit before tax to S\$0.7 million in FY15, boosted by higher gross profit margins.

The **Engineering Services** segment recorded turnover of S\$3.0 million in FY15, compared to S\$6.2 million in FY14. This was mainly due to a reduction in the number of engineering services projects executed in the year. Coupled with lower gross profit margins, the Group recorded loss before tax of S\$1.5 million from this segment in FY15.

The Group sold fewer equipment in FY15, leading to a 30% decline in turnover from the **Trading** segment to S\$5.3 million. Lower gross profit margins resulted in the segment recording a loss before tax of S\$0.1 million during the year.

### **Financial Position**

The Group has net assets of S\$270.6 million as at 30 June 2015, translating into a net asset value per share of 58.25 cents. As at 30 June 2015, cash and cash equivalents grew to S\$19.8 million, from S\$18.9 million as at 30 June 2014, supported by cash flows generated from operations during the year amounting to S\$49.6 million. The Group had net gearing of 43% as at 30 June 2015 as it had drawn down its loan facilities to finance the construction of its premises at 15 Pandan Crescent.

**Business Outlook**

The operating environment is expected to remain challenging. The lower oil and LNG prices could affect the demand for heavy lift and haulage from the oil and gas and petrochemicals industries, which in turn, could lead to greater competition amongst crane operators in the industry. Faced with these challenges, Tiong Woon aims to continue to effectively manage its costs in order to remain competitive. It will also continue to look out for strategic collaborations and leverage on its capabilities and track records to target complex and high value projects to grow the business further.

The Group remains cautiously optimistic of its prospects. Despite the headwinds ahead, there are still business opportunities that could arise from the on-going development of the Refinery and Petrochemicals Integrated Development (“RAPID”) in Pengerang, Johor, Malaysia, which is expected to be completed by 1Q 2019. Singapore’s on-going public sector infrastructure development is also expected to lend some support to the demand for heavy lift and haulage services.

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*This press release is to be read in conjunction with the Company’s announcement posted on the SGX website on 25 August 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 13th largest crane owning company worldwide by International Cranes and Specialized Transport, a reputable trade magazine, in its IC50 2015 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](http://www.tiongwoon.com)

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Issued on behalf of Tiong Woon Corporation Holding Ltd by

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