



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

**First Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 2016**

**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>1QFY2017</b>	1QFY2016	%
	<b>S\$'000</b>	S\$'000	
Revenue	<b>34,389</b>	33,098	4
Cost of sales	<b>(26,899)</b>	(25,120)	7
Gross profit	<b>7,490</b>	7,978	(6)
Other income	<b>11</b>	30	(63)
Other gains/(loss) - net	<b>2,379</b>	(567)	NM
Expenses			
- Administrative	<b>(416)</b>	(438)	(5)
- Other operating	<b>(6,246)</b>	(10,872)	(43)
- Finance	<b>(1,006)</b>	(875)	15
Share of loss of associated companies	<b>(114)</b>	(7)	1529
Share of loss of a joint venture	<b>(14)</b>	(42)	(67)
<b>Profit/(Loss) before income tax</b>	<b>2,084</b>	(4,793)	NM
Income tax expense	<b>(668)</b>	(250)	167
<b>Total profit/(loss)</b>	<b>1,416</b>	(5,043)	NM
<b>Other comprehensive loss:</b>			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences arising from consolidation - losses	<b>(94)</b>	(1,202)	(92)
Fair value losses on cash flow hedges	<b>(16)</b>	(72)	(78)
	<b>(110)</b>	(1,274)	(91)
<b>Total comprehensive income/(loss)</b>	<b>1,306</b>	(6,317)	NM
<b>Profit/(Loss) attributable to:</b>			
Equity holders of the Company	<b>1,504</b>	(3,610)	NM
Non-controlling interest	<b>(88)</b>	(1,433)	(94)
	<b>1,416</b>	(5,043)	NM
<b>Total comprehensive income/(loss) attributable to:</b>			
Equity holders of the Company	<b>1,408</b>	(4,884)	NM
Non-controlling interest	<b>(102)</b>	(1,433)	(93)
	<b>1,306</b>	(6,317)	NM

Denotes: NM - not meaningful

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

	<b>Group</b>		Increase/ ( Decrease)
	<b>1QFY2017</b>	1QFY2016	
	<b>S\$'000</b>	S\$'000	%
<b>Profit/(loss) after income tax was stated after (charging)/crediting:-</b>			
Depreciation of property, plant and equipment	<b>(7,812)</b>	(7,705)	1
Currency exchange gain/(loss) - net	<b>499</b>	(807)	NM
Gain on disposal of property, plant and equipment	<b>1,281</b>	28	4475
Gain on disposal of a subsidiary	<b>322</b>	-	NM
Fair value gain/(loss) on financial assets at fair value through profit or loss	<b>23</b>	(101)	NM
Impairment loss on trade receivables	<b>(18)</b>	(4,900)	(100)
Write-back of impairment loss on trade receivables	<b>136</b>	200	(32)
Interest income	<b>11</b>	30	(63)
Interest expense	<b>(967)</b>	(673)	44
Over provision in prior years' current income tax	<b>-</b>	166	(100)
Over/(under) provision in prior years' deferred tax	<b>14</b>	(62)	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 30/09/2016 S\$'000	As at 30/06/2016 S\$'000	As at 30/09/2016 S\$'000	As at 30/06/2016 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	18,515	14,258	123	62
Financial assets at fair value through profit or loss	422	399	-	-
Trade and other receivables	55,388	53,927	-	-
Tax recoverable	113	110	-	-
Inventories	2,046	1,425	-	-
Other current assets	3,063	2,203	20	9
	<b>79,547</b>	<b>72,322</b>	<b>143</b>	<b>71</b>
Assets of disposal group classified as held for sale	-	1,265	-	-
	<b>79,547</b>	<b>73,587</b>	<b>143</b>	<b>71</b>
<b>Non-current assets</b>				
Other assets	114	114	-	-
Other receivables	-	-	47,870	47,981
Investment in associated companies	3,440	3,531	1,020	1,020
Investment in a joint venture	2,071	2,059	2,074	2,074
Investment in subsidiaries	-	-	41,720	41,720
Property, plant and equipment	389,199	393,571	-	-
Deferred income tax assets	155	134	-	-
	<b>394,979</b>	<b>399,409</b>	<b>92,684</b>	<b>92,795</b>
<b>Total assets</b>	<b>474,526</b>	<b>472,996</b>	<b>92,827</b>	<b>92,866</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	54,542	48,812	1,887	1,845
Current income tax liabilities	1,781	1,455	-	-
Borrowings	29,858	30,642	-	-
Derivative financial instruments	20	12	-	-
	<b>86,201</b>	<b>80,921</b>	<b>1,887</b>	<b>1,845</b>
Liabilities directly associated with disposal group classified as held for sale	-	5,492	-	-
	<b>86,201</b>	<b>86,413</b>	<b>1,887</b>	<b>1,845</b>
<b>Non-current liabilities</b>				
Borrowings	102,326	105,339	-	-
Derivative financial instruments	18	10	-	-
Deferred income tax liabilities	26,460	26,376	-	-
	<b>128,804</b>	<b>131,725</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>215,005</b>	<b>218,138</b>	<b>1,887</b>	<b>1,845</b>
<b>NET ASSETS</b>	<b>259,521</b>	<b>254,858</b>	<b>90,940</b>	<b>91,021</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	(3,741)	(3,645)	-	-
Retained earnings	174,881	173,377	3,600	3,681
	<b>258,480</b>	<b>257,072</b>	<b>90,940</b>	<b>91,021</b>
<b>Non-controlling interest</b>	<b>1,041</b>	<b>(2,214)</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>259,521</b>	<b>254,858</b>	<b>90,940</b>	<b>91,021</b>

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

	<b>Group</b>	
	<b>As At 30/09/2016</b>	As At 30/06/2016
	<b>S\$'000</b>	S\$'000
<b>Amount repayable in one year or less (secured)</b>		
- Bank borrowings	5,586	6,515
- Finance lease liabilities	20,291	20,154
	<b>25,877</b>	26,669
<b>Amount repayable in one year or less (unsecured)</b>		
- Bank borrowings	3,981	3,973
	<b>29,858</b>	30,642
<b>Amount repayable after one year (secured)</b>		
- Bank borrowings	65,554	65,671
- Finance lease liabilities	36,772	39,668
	<b>102,326</b>	105,339
<b>Total borrowings</b>	<b>132,184</b>	135,981

**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 plant and equipment 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	
	1QFY2017	1QFY2016
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Total profit/(loss)	1,416	(5,043)
Adjustments for:		
Income tax expense	668	250
Depreciation of property, plant and equipment	7,812	7,705
Gain on disposal of property, plant and equipment	(1,281)	(28)
Gain on disposal of a subsidiary	(322)	-
Fair value (gain)/loss on financial assets at fair value through profit of loss	(23)	101
(Write-back of impairment)/Impairment loss on trade receivables	(118)	4,700
Interest income	(11)	(30)
Interest expense	967	673
Share of loss of associated companies	114	7
Share of loss of a joint venture	14	42
Translation differences	(115)	1,311
<b>Operating cashflow before working capital changes</b>	<b>9,121</b>	<b>9,688</b>
Change in operating assets and liabilities:		
Inventories	(621)	111
Trade and other receivables	(5,503)	(2,633)
Other current assets	(859)	(115)
Trade and other payables	9,250	586
Cash generated from operations	<b>11,388</b>	<b>7,637</b>
Income tax paid	(285)	(421)
<b>Net cash provided by operating activities</b>	<b>11,103</b>	<b>7,216</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,347)	(15,560)
Additional investment in a subsidiary	-	(60)
Disposal of a subsidiary, net of cash disposed of	(71)	-
Interest received	11	30
Fixed deposit unpledged/(pledged)	115	(5)
Proceeds from disposal of property, plant and equipment	1,625	211
<b>Net cash provided by/(used in) investing activities</b>	<b>333</b>	<b>(15,384)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	1,250	13,102
Repayment of borrowings	(2,366)	(2,933)
Repayment of finance lease liabilities	(5,198)	(5,793)
Interest paid	(924)	(673)
<b>Net cash (used in)/provided by financing activities</b>	<b>(7,238)</b>	<b>3,703</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,198</b>	<b>(4,465)</b>
Cash and cash equivalents at beginning of financial period	11,153	17,428
<b>Cash and cash equivalents at end of financial period</b>	<b>15,351</b>	<b>12,963</b>
Cash and cash equivalents at end of financial period	18,515	15,368
Less: Fixed deposit pledged	(3,164)	(2,405)
<b>Cash and cash equivalents per statement of cash flows</b>	<b>15,351</b>	<b>12,963</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 2016</b>	87,340	(3,645)	173,377	257,072	(2,214)	254,858
Total comprehensive income for the period	-	(96)	1,504	1,408	(102)	1,306
Disposal of a subsidiary	-	-	-	-	3,357	3,357
<b>Balance at 30 September 2016</b>	<b>87,340</b>	<b>(3,741)</b>	<b>174,881</b>	<b>258,480</b>	<b>1,041</b>	<b>259,521</b>
<b>Balance at 1 July 2015</b>	87,340	(1,687)	184,902	270,555	(1,768)	268,787
Total comprehensive loss for the period	-	(1,274)	(3,610)	(4,884)	(1,433)	(6,317)
Additional investment in a subsidiary	-	-	-	-	(93)	(93)
<b>Balance at 30 September 2015</b>	<b>87,340</b>	<b>(2,961)</b>	<b>181,292</b>	<b>265,671</b>	<b>(3,294)</b>	<b>262,377</b>
 <u>Company</u>						
	Share Capital S\$'000	Retained Earnings S\$'000	Total Equity S\$'000			
<b>Balance at 1 July 2016</b>	87,340	3,681	91,021			
Total comprehensive loss for the period	-	(81)	(81)			
<b>Balance at 30 September 2016</b>	<b>87,340</b>	<b>3,600</b>	<b>90,940</b>			
 <b>Balance at 1 July 2015</b>	87,340	4,099	91,439			
Total comprehensive loss for the period	-	(100)	(100)			
<b>Balance at 30 September 2015</b>	<b>87,340</b>	<b>3,999</b>	<b>91,339</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 2016 and 30 September 2015.

**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 2016 was 232,235,253 (30 June 2016: 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 2016.

**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 financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 30 June 2016.

**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 2017.

- 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	
	1QFY2017	1QFY2016 Restated*
(i) Based on weighted average number of ordinary shares in issue (cents)	0.65	(1.55)
(ii) On a fully diluted basis (cents)	0.65	(1.55)

\*Number of shares stated had been adjusted to post share consolidation for comparison purpose. The Company completed the share consolidation of every two (2) ordinary shares into one (1) ordinary share in the capital of the Company on 26 February 2016.

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 2015: 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 30/09/2016	As At 30/06/2016	As at 30/09/2016	As At 30/06/2016
Net asset value per ordinary share (cents)	111.30	110.69	39.16	39.19
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

#### 3 Months ended 30 September 2016 (1QFY2017) vs 3 Months ended 30 September 2015 (1QFY2016)

<u>Revenue</u>	1QFY2017	1QFY2016	Increase/ (Decrease)
	S\$'000	S\$'000	%
Heavy Lift and Haulage	27,415	31,056	(12)
Marine Transportation	856	1,065	(20)
Engineering Services	5,646	907	522
Trading	472	70	574
	<u>34,389</u>	<u>33,098</u>	4

**Revenue** was S\$34.4 million in 1QFY2017, an increase of S\$1.3 million or 4% from S\$33.1 million in 1QFY2016. The increase was mainly attributed to the increase in contributions from Engineering Services and Trading segments.



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

Heavy Lift and Haulage segment revenue decreased by S\$3.7 million or 12% from S\$31.1 million to S\$27.4 million, mainly due to fewer projects executed in India and Thailand.

Marine Transportation segment revenue decreased by S\$0.2 million or 20% from S\$1.1 million to S\$0.9 million, mainly due to fewer chartering jobs secured as a result of the downturn in the marine and offshore industry.

Engineering Services segment revenue increased by S\$4.7 million or 522% from S\$0.9 million to S\$5.6 million, mainly due to an increase in progress from a project in the Middle East.

Trading segment revenue increased by S\$0.4 million or 574% from S\$0.1 million to S\$0.5 million, mainly due to a crane sold in 1QFY2017.

**Gross Profit** was S\$7.5 million in 1QFY2017, a decrease of S\$0.5 million or 6% from S\$8.0 million in 1QFY2016. **Gross Profit Margin** was also lower at 22% in 1QFY2017 as compared to 24% in 1QFY2016. This was mainly due to higher costs incurred for an Engineering Services project.

**Other Gains/(Loss)-net** recorded a gain of S\$2.4 million in 1QFY2017 as compared to a loss of S\$0.6 million in 1QFY2016. This was mainly attributable to gain on disposal of plant and equipment of S\$1.3 million, operational exchange gain of S\$0.5 million and gain from the disposal of a subsidiary of S\$0.3 million in 1QFY2017, as compared to operational exchange loss of S\$0.6 million which was offset by a marginal gain on disposal of plant and equipment of S\$0.03 million in 1QFY2016.

**Other Operating Expenses** were S\$6.2 million in 1QFY2017, a decrease of S\$4.7 million or 43% from S\$10.9 million in 1QFY2016. This was mainly due to a lower impairment loss on trade receivables of S\$0.02 million in 1QFY2017 as compared to S\$4.9 million in 1QFY2016.

**Finance Expenses** were S\$1.0 million in 1QFY2017, an increase of S\$0.1 million or 15% from S\$0.9 million in 1QFY2016. This was mainly due to higher interest expense of S\$1.0 million in 1QFY2017 as compared to S\$0.7 million in 1QFY2016. However, the increase in interest expense was offset by higher currency translation loss of S\$0.2 million relating to foreign currency denominated borrowings in 1QFY2016 as compared to S\$0.04 million in 1QFY2017.

<b><u>Profit/(Loss) before Income Tax</u></b>	<b>1QFY2017</b>	<b>1QFY2016</b>	<b>Increase/ Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Heavy Lift and Haulage	<b>3,055</b>	1,672	83
Marine Transportation	<b>(170)</b>	(2,495)	(93)
Engineering	<b>(964)</b>	(4,007)	(76)
Trading	<b>163</b>	37	341
	<b>2,084</b>	(4,793)	NM

**Profit before Income Tax** was S\$2.1 million in 1QFY2017 as compared to a loss before income tax of S\$4.8 million in 1QFY2016.

Profit before income tax from Heavy Lift and Haulage segment increased by S\$1.4 million or 83%, from S\$1.7 million in 1QFY2016 to S\$3.1 million in 1QFY2017. The increase was mainly due to operational exchange gain of S\$0.5 million in 1QFY2017 as compared to operational exchange loss of S\$0.6 million and impairment loss on trade receivables of S\$0.8 million in 1QFY2016.

Loss before income tax from Marine Transportation segment decreased by S\$2.3 million or 93%, from S\$2.5 million in 1QFY2016 to S\$0.2 million in 1QFY2017. This was mainly due to gain on disposal of plant and equipment of S\$0.9 million which was offset by a lower impairment loss on trade receivables of S\$0.02 million in 1QFY2017 as compared to impairment loss on trade receivables of S\$1.1 million in 1QFY2016.

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

Loss before income tax from Engineering Services segment decreased by S\$3.0 million or 76% from S\$4.0 million in 1QFY2016 to S\$1.0 million in 1QFY2017, due to impairment loss on trade receivable of S\$3.0 million in 1QFY2016.

Profit before income tax from Trading segment increased by S\$0.1 million or 341% from S\$0.04 million in 1QFY2016 to S\$0.2 million in 1QFY2017, mainly due to sale of a crane in 1QFY2017.

## **Review of Statements of Financial Position and Cash Flows**

**Cash and cash equivalents** per consolidated statement of cash flow increased by S\$4.2 million from S\$11.2 million as at 30 June 2016 to S\$15.4 million as at 30 September 2016 mainly due to net cash inflow from operating activities and investing activities of S\$11.1 million and S\$0.3 million respectively. This was offset by the net cash outflow from financing activities of S\$7.2 million.

As a result of the improved cash and financial position of the Group, the Group's net current liabilities position of S\$7.3 million as at 30 June 2016 was reduced to S\$6.7 million as at 30 September 2016. 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 2016.

**Inventories** increased by S\$0.6 million from S\$1.4 million as at 30 June 2016 to S\$2.0 million as at 30 September 2016 mainly due to the purchase of equipment in 1QFY2017.

**Other current assets** increased by S\$0.9 million from S\$2.2 million as at 30 June 2016 to S\$3.1 million as at 30 September 2016 mainly due to the increase in prepayments for insurance premium.

**Trade and other payables** increased by S\$5.7 million from S\$48.8 million as at 30 June 2016 to S\$54.5 million as at 30 September 2016. The increase was mainly attributable to amounts payable for the construction of workers' dormitory at No.15 Pandan Crescent; and amounts due to suppliers for Engineering Services project in the Middle East.

**Current income tax liabilities** increased by S\$0.3 million from S\$1.5 million as at 30 June 2016 to S\$1.8 million as at 30 September 2016 mainly due to provision for income tax for current period.

**Total borrowings** decreased by S\$3.8 million from S\$136.0 million as at 30 June 2016 to S\$132.2 million as at 30 September 2016 mainly due to repayments made during the current period.

## **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 support the impetus for heavy lift and haulage services.

Meanwhile, the Group will continue to effectively manage operating costs and business risks to remain competitive. It will also 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 2016 is recommended (30 September 2015: 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 under Rule 920 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 2016 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).

**By Order of the Board  
Mr Ang Kah Hong  
Executive Chairman and Managing Director  
10 November 2016**