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

MEDIA RELEASE

TIONG WOON RECORDS S$31.3 MILLION REVENUE IN 2QFY2017

Highlights:-

- **Gross profit margin improved to 28% in 2QFY2017**
- **Net asset value per share at S$1.12**
- **On-going public sector infrastructure development in Singapore provides support for more business opportunities**

SINGAPORE, 9 February 2017– Mainboard-listed **Tiong Woon Corporation Holding Ltd** (長運集团) "**Tiong Woon**" or together with its subsidiaries, the "**Group**"), a leading one-stop integrated heavy lift specialist and service provider, recorded revenue of S$31.3 million for the three months ended 31 December 2016 ("**2QFY2017**"), representing a 12% decline from the corresponding period a year ago. This was mainly due to lower contribution from its Heavy Lift and Haulage segment, as there were fewer projects executed in Singapore, India and the Middle East.

With active cost management, cost of sales declined 17% in 2QFY2017, to S$22.5 million. Coupled with higher margins generated from certain engineering services projects in Singapore and Vietnam during the quarter, the Group achieved gross profit of S$8.8 million. Gross profit margin improved to 28% in 2QFY2017, from 23% in 2QFY2016.

During the quarter, Tiong Woon recorded higher currency exchange gain, as well as a gain on disposal of property, plant and equipment. It also recorded a higher write-back of impairment loss on trade receivables in 2QFY2017. As a result, the Group's net profit attributable to shareholders in 2QFY2017 was S$1.8 million, a reversal from the net loss of S$0.1 million in 2QFY2016.

Mr Ang Kah Hong (洪加丰), Tiong Woon's Executive Chairman and Managing Director, said: ***"The business environment remained challenging during the quarter and market conditions are not expected to improve much. We will continue our efforts to manage costs and focus on our core strengths to build on existing business relationships while seeking out new opportunities."***

Segment Highlights

Revenue from the **Heavy Lift and Haulage** segment was 19% lower at S$25.5 million in 2QFY2017, as there were fewer projects executed in Singapore, India and the Middle East compared with 2QFY2016. Despite the lower revenue, profit before tax ("**PBT**") for this segment improved to S$3.4 million, with PBT margin of 13.4%. This was mainly due to reduction in expenses as a result of active cost management and higher operational exchange gain for the period.

Revenue from the **Marine Transportation** segment increased by 11% to S$1.1 million in 2QFY2017, mainly due to more chartering jobs undertaken during the quarter. However, due to the loss from associated companies, the segment recorded a loss before tax of S$0.9 million in 2QFY2017.

The **Engineering Services** segment saw an increase in the progress of a project in the Middle East and also completed certain projects in Singapore and Vietnam during 2QFY2017. As a result, revenue was S$3.4 million, up from S$2.1 million in 2QFY2016. The completion of those projects yielded higher margins, and the segment achieved PBT of S$0.4 million and PBT margin of 11.0%.

In 2QFY2017, revenue from the **Trading** segment was 64% higher at S$1.2 million compared with 2QFY2016, mainly due to the sale of a higher capacity crane. Along with an operational exchange gain recorded in 2QFY2017, the segment achieved PBT of S$0.1 million and PBT margin of 7.8%.

Financial Position

The Group has net assets of S$259.6 million as at 31 December 2016, translating into a net asset value per share of S$1.12.

Business Outlook

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. According to the Building and Construction Authority, public infrastructure construction demand is expected to be between S$11.3 billion and S$14.6 billion in the year 2017.

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.

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This press release is to be read in conjunction with the Company's announcement posted on the SGX website on 9 February 2017.

<u>About Tiong Woon Corporation Holding Ltd</u> (SGX Stock code: BQM)

Listed in 1999, Tiong Woon Corporation Holding Ltd (長運集团) ("**Tiong Woon**" or together with its subsidiaries, "**the Group**") is a leading one-stop integrated heavy lift specialist and service provider, supporting mainly the oil and 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 14th largest crane-owning company worldwide by International Cranes and Specialized Transport, a reputable trade magazine, in its IC50 2016 survey.

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

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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
