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

MEDIA RELEASE

TIONG WOON RECORDS REVENUE OF S$24.3 MILLION IN 3QFY2017

Highlights:-

- **Gross profit margin was 20% in 3QFY2017**
- **Net asset value per share at S$1.10**
- **Demand for heavy lift and haulage services supported by on-going public sector infrastructure development in Singapore**

SINGAPORE, 9 May 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, achieved revenue of S$24.3 million for the three months ended 31 March 2017 ("**3QFY2017**"). This was a 36% decline from the corresponding period a year ago, mainly due to lower contribution from its Heavy Lift and Haulage and Engineering Services segments. During the quarter, the Group had fewer projects executed in Singapore, India and the Middle East, and a decrease in the work done for a project that was near completion in the Middle East.

Cost of sales declined 29% in 3QFY2017, to S$19.3 million, in line with the decline in revenue. Gross margin was lower at 20% in 3QFY2017, mainly due to lower margins from the Heavy Lift and Haulage and Engineering Services segments.

Other loss amounted to S$1.0 million in 3QFY2017, compared with S$0.1 million a year ago. This was mainly due to operational exchange loss of S$1.3 million, partially offset by a marginal gain on disposal of plant and equipment. As a result, the Group recorded net loss attributable to shareholders of S$2.9 million in 3QFY2017, as compared with a net loss of S$0.2 million in 3QFY2016.

Profit attributable to shareholders for 9MFY2017 was S$0.4 million as compared to a loss of S$3.9 million for 9MFY2016.

Mr Ang Kah Hong (洪加丰), Tiong Woon's Executive Chairman and Managing Director, said: ***"The overall business environment has been challenging. Despite the difficult times, the Group remains committed to build on our core strengths and capabilities to maintain existing business relationships and seek out new opportunities."***

Segment Highlights

Revenue from the **Heavy Lift and Haulage** segment was S$22.4 million, a decline of 31% in 3QFY2017, as there were fewer projects executed in Singapore, India and the Middle East compared with 3QFY2016. Coupled with lower gross profit margin, the segment recorded a loss before tax of S$1.1 million during the quarter, compared with a profit before tax ("**PBT**") of S$3.8 million a year ago.

Revenue from the **Marine Transportation** segment decreased by 25% to S$0.7 million in 3QFY2017, mainly due to fewer chartering jobs undertaken during the quarter. With the absence of a gain on disposal of plant and equipment, loss before tax for this segment was S$1.2 million.

The **Engineering Services** segment saw revenue decrease by 75% to S$1.1 million, mainly due to a decrease in work executed for a project, which was near completion, in the Middle East. Cost savings achieved from the disposal of a subsidiary in 1QFY2017 helped the segment reduce its loss before tax to S$0.7 million.

Revenue from the **Trading** segment was 69% lower at S$0.1 million compared with 3QFY2016, as there was only the sale of spare parts in 3QFY2017. Lower exchange loss and other operating expenses recorded in 3QFY2017 resulted in a loss before tax of S$0.1 million.

Financial Position

The Group has net assets of S$256.4 million as at 31 March 2017, translating into a net asset value per share of S$1.10.

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 sector construction demand is expected to be between S$20 billion and S$24 billion in the year 2017 while demand from the private sector is expected to remain subdued.

The Group remains committed to effectively manage operating costs and business risks to stay competitive. It will 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.

~~ End ~~

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

About Tiong Woon Corporation Holding Ltd (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

---

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
