



**TIONG WOON CORPORATION HOLDING LTD**

(Company Registration No. 199705837C)

Incorporated in Singapore

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**RESPONSES TO QUESTIONS RECEIVED FROM SHAREHOLDERS FOR ANNUAL GENERAL MEETING TO BE HELD ON 26 OCTOBER 2021**

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The Board of Directors (the “Board”) of Tiong Woon Corporation Holding Ltd (the “Company” or together with its subsidiaries, the “Group”) refers to the announcement dated on 8 October 2021 on the LIVE Webcast of Annual General Meeting on 26 October 2021 (the “Announcement”).

Further to the Announcement, the Board and Management had received questions from shareholders. The Company has responded substantially to all the questions from shareholders except for issues which are commercially sensitive or which have already been covered elsewhere in this announcement or in the Annual Report 2021 (the “Annual Report”).

The Company wishes to provide the below responses to questions that are substantial and relevant as follows:

**QUESTIONS FROM SHAREHOLDERS**

1. What initiatives can the Company take to narrow the discount between the price of the stock and the book value of the Company?

**Company’s Response:**

The Company is committed to delivering sustainable, long term shareholder value. While stock prices and market valuations are determined by a myriad of factors, including but not limited to market forces that are beyond the Company’s control, the collective focus of the Board and Management of the Company remains in securing the longer-term success and sustainability of the Group. We do so by developing and executing long-term strategies that sharpen our competitive advantage, manage our risks and strengthen our core competencies. We aim to grow our business profitably by continuing to serve our customers exceptionally well, by delivering best-in-class standards in innovation, operational excellence, safety, reliability and responsiveness, so as to register satisfactory long-term returns on capital employed while maintaining a prudent, efficient capital structure. The Company believes in transparent, open and timely communication to the public and the market of its business and prospects to enable the market to value the Company’s business appropriately.

2. With good earnings why dividend is so small amount?

**Company's Response:**

The Company's dividend policy seeks to balance return to shareholders with the need for long-term sustainable growth whilst aiming for an efficient capital structure. The form, frequency and amounts of dividends declared will take into consideration the Group's financial performance, cash position, cash flow generated from operations, projected capital requirements for business growth, general economic conditions and other factors that the Board considers are important to the long-term prospects of the Company.

The Company is of the view that conserving cash and ensuring a healthy balance sheet is especially important in the current climate, given the unprecedented level of uncertainty. In seeking to balance the afore-mentioned with the need to reward shareholders for their continued trust and support, a special dividend of 0.1 Singapore cent per share has been proposed by the Board for the financial year ended 30 June 2021 ("FY2021"), over and above the final tax-exempt dividend of 0.3 Singapore cent per share, that was maintained at the same level as prior year. Taken together, it represents a significant year-on-year increase in total dividend payout from prior year, if approved by shareholders at the Annual General Meeting on 26 October 2021.

3. Why you need two new executive directors with higher director fees?

**Company's Response:**

As part of the Board renewal process, 3 new directors were appointed to the Board on 1 January 2021, namely Mr Poon Guokun, Nicholas, as an Independent Director, and Mr Teo Yew Boon, and Mr Ang Boon Chang as Executive Directors. The profiles and responsibilities of Mr Teo and Mr Ang have been disclosed in page 14 of the Company's Annual Report. As disclosed in page 38 of the Company's Annual Report, our executive directors do not receive directors' fees.

Annual review of the remuneration are carried out by the Remuneration Committee (the "RC") to ensure that the remuneration of the Executive Directors are commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. In structuring the remuneration framework, the RC also takes into account the risk policies of the Group, the need for remuneration to be symmetric with the risk outcomes and the time horizon of risks.

The Company has a staff remuneration policy which comprises a fixed component and a variable component. The fixed and variable components are in the form of a base salary which takes into consideration the remuneration and employment conditions within the same industry and in comparable companies and variable bonus that is linked to the performance of the Group as a whole and their individual performance.

The remuneration of the Company's Executive Directors has been formulated to attract, retain and motivate individuals the Group relies on to achieve its business strategy and create long-term value for its stakeholders. This is designed to align remuneration with the interests of shareholders and other stakeholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group. The RC believes that fair performance-related pay should motivate good performance and that rewards should be closely linked to and commensurate with it.

4. Why with latest annual report you have excluded the remuneration for each top type of key management personnel who are related to Directors? Why you need to do it and can you explain in detail to all shareholders?

**Company's Response:**

The remuneration bands and components in percentage terms of the top five (5) key management personnel (who are not Directors or the Chief Executive Officer (the "CEO")) for FY2021 have been set out in page 38 of the Company's Annual Report.

As explained in page 38 of the Company's Annual Report, the Board is of the view and explains that, given the highly competitive industry conditions coupled with the sensitivity and confidentiality of remuneration matters, the disclosure of the remuneration packages of the key management personnel and the disclosure of remuneration of key management personnel on a named basis, as required by Provisions 8.1 and 8.2 of the Code of Corporate Governance (the "Code"), would be prejudicial to the Company's interests.

As required under Provision 8.2 of the Code, the names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, have been duly set out in page 39 of the Company's Annual Report.

5. Describe Tiong Woon Corporation (TWC)'s financial performance over the past few years. What strategies have you put in place to maintain or accelerate the growth trajectory?

**Company's Response:**

A summary of the financial performance of the Group over the past 5 years has been set out on pages 17 and 18 of the Annual Report. Amid the unprecedented levels of uncertainty in the current business environment, the Group will continue to monitor market conditions closely and carefully, seek to overcome and/or ameliorate challenges, and evaluate/explore opportunities for growth as and when they may arise. For example, the Group saw growth opportunities in the Prefabricated, Prefinished Volumetric Construction (PPVC) segment within the Construction industry in Singapore and have upgraded our fleet of heavy lift equipment to cater for the demand as we expect the trend toward PPVC to continue. We will also persevere to strengthen our heavy lift and haulage capabilities to focus on integrated projects that enhance our "*one-stop solution*" value proposition to customers.

6. What are the factors that are critical to TWC's success against competition? What differentiates TWC from competition?

**Company's Response:**

An important source of the Group's competitive advantage lies in our "*AnyLoad, AnyWhere*" value proposition to customers. This is achieved through our unique positioning as a Singapore-headquartered, one-stop integrated heavy lift specialist and service provider, with a strong regional presence across Bangladesh, Brunei, China, India, Indonesia, Malaysia, Myanmar, Philippines, Saudi Arabia, Sri Lanka, Thailand and Vietnam. Ranked 23rd in the IC50 2021 survey, we are one of the largest fleet-owners in Southeast Asia. Our heavy lift solutions are operationally and strategically complemented by our in-house fleet of inland and marine heavy transportation and haulage solutions, as well as our warehousing & logistic solutions including in-house jetty, that allow the Group to deliver best-in-class standards in innovation, operational excellence, safety, reliability, responsiveness and

rapid deployment to our customers across multi-industries in Singapore or wherever they may be, backed by our solid track record of more than 40 years, as well as our highly experienced, customer-centric and dedicated team.

7. What notable developments can shareholders expect from TWC in the coming years?

**Company's Response:**

Leveraging on our strong capabilities and solid track record, the Group continues to upgrade the capacity of its fleets to meet the heavy lifting and job requirements of its customers. Notwithstanding the challenging and uncertain business climate, the Board and Management will remain focused on securing the longer-term success and sustainability of the Group. For example, with our focus on the PPVC segment, we are looking at improving our storage and handling capabilities to better serve our customers' needs. We will also seek to strengthen our crane fleet in growth markets outside of Singapore.

8. What are some of the Environmental, Social and Governance factors that are material to TWC?

**Company's Response:**

Please refer to our Sustainability Report that was released via SGXNet on 30 November 2020.

9. What is TWC's value proposition to its shareholders and potential investors? What do you think investors may have overlooked about TWC's business?

**Company's Response:**

Our unique positioning as a SGX Mainboard-listed, Singapore-headquartered, one-stop integrated heavy lift & haulage solutions provider operating one of the largest crane fleets in Southeast Asia, with a strong regional presence across 12 countries, allows the Group to serve customers in a broad range of industries, including but not limited to the oil & gas, petrochemical, infrastructure and construction sectors. With the diversity in sector exposure and geographical markets, coupled with a healthy balance sheet, TWC is well-positioned to deliver long-term shareholder value, amid volatile and challenging market conditions.

By Order of the Board  
**TIONG WOON CORPORATION HOLDING LTD**

Ang Kah Hong  
Executive Chairman

25 October 2021