

For immediate release

## TEHO International Narrows Losses by 60% As Revenue Improves

- Revenue rose by S\$0.7 million to S\$58.1 million, contributed by the increase in revenue from the Property Development Segment
- Disciplined cost control measures and a leaner operating structure led to significantly lower operating expenses
- Marine & Offshore Segment remained resilient amidst increasing competition in the industry while the Group achieved commendable progress in turning around the Property Development Segment

### *Financial Highlights*

S\$ million	FY2017	FY2016	Change (%)
Revenue	58.1	57.4	1.2
Gross Profit	13.4	17.9	(25.4)
Loss Before Tax	(9.7)	(23.7)	(58.9)
Loss for the Year	(9.8)	(23.8)	(58.7)

**Singapore, 25 August 2017** - TEHO International Inc Ltd. (the “Company”) and its subsidiaries (the “Group”), a leading offshore marine and engineering equipment and service provider as well as property developer, has significantly narrowed its net loss by 58.7% for the financial year ended 30 June 2017 (“FY2017”), from S\$23.8 million the year before to S\$9.8 million in FY2017. Revenue for the year also improved to S\$58.1 million compared to S\$57.4 million in the previous corresponding year (“FY2016”).

Revenue contribution from the Marine & Offshore Segment dipped slightly to \$48.0 million in FY2017 compared to \$52.3 million in FY2016, mainly due to increasing competition in the marine industry and the negative impact of crude oil prices on customers in the offshore oil and gas industry.

Revenue from the Property Development Segment also increased by 98.0%, from \$5.1 million in FY2016 to \$10.1 million in FY2017. This was mainly due to greater revenue contribution from the sale of the remaining completed units of the Group's Urban Heritage development project and the sale of units of the Elite Terrace development project, recognised on a percentage-of-completion basis.

During the year, the Group implemented strict cost controls to deliver greater cost efficiencies and focused on maximising operational efficiency. Impairment losses also decreased significantly in FY2017 by S\$16.8 million. As a result, distribution, administrative and other operating expenses fell by an aggregate of 46.1% to S\$23.3 million in FY2017 as compared to S\$43.2 million in FY2016.

Overall, the Group recorded a loss for the year of \$9.8 million in FY2017 as compared to a loss of \$23.8 million in FY2016.

Excluding the effects of the impairment charges of S\$1.3 million and amortisation charges of \$0.5 million, the Marine & Offshore Segment would have recorded an underlying profit of \$1.7 million. Underlying loss from the Property Development Segment would have been reduced to S\$5.6 million, excluding the effects of the impairment charges on goodwill of S\$0.6 million and allowance for foreseeable losses on development properties of \$2.5 million.

Commenting on the Group's performance in FY2017, Mr Lim See Hoe, Executive Chairman and CEO, said, **"We have made commendable progress over the past year. Despite continued challenges within the industry, I am encouraged that our Marine & Offshore Segment remains competitive and resilient. In the months ahead, we will work to further strengthen our relationships with our customers and improve our value proposition to them.**

**Likewise, our Property Development Segment is on track with its turnaround efforts. Amidst tentative signs of a recovery in Singapore's property sector, we will continue to approach this business with a long-term view in mind."**

### **Outlook for the Future**

As part of efforts to provide value-added services to customers, the Group is broadening and diversifying inventory at its new stock points in Algeciras and Panama, established in the

previous financial year. In addition, the Group will also identify new locations for establishing new stock points to enhance the Group's distribution network for mooring and rigging products.

The Group will continue exploring new markets for its products and reaching out to customers in new geographical areas and industries to identify new sources of income. The Group believes that these measures will mitigate the effects of the prolonged weakness in oil prices and ongoing uncertainty in the global economy.

Although the Group expects the property landscape in Singapore to remain subdued in the short term, recent data released by the Urban Redevelopment Authority (URA) suggests that the Singapore residential property market may be showing signs of recovery.

Following the appointment of a new managing director to lead the Property Development Segment in the first half of FY2017, the Group is seeing progress in its turnaround efforts. The remaining completed units of the Urban Heritage development project have been sold during FY2017.

*Note to readers: Please read this press release in conjunction with the results announcement that is released concurrently on the SGXNet*

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### **About TEHO International Inc Ltd. ("TEHO International")**

TEHO International is a global, diversified holding company specialising in offshore marine, engineering and property development. The Company has been listed on the Singapore Stock Exchange Catalist Board since 2009. Originally established as a small local rigging and mooring company in 1986, TEHO International adopted an organic and inorganic growth approach to expand its businesses, creating synergy with the provision of related products and services. In May 2014, TEHO International diversified into property investment and development through its acquisition of two Singapore-based property companies.

At present, the Group offers products, services and solutions to customers across a wide range of economic sectors, including marine, offshore oil and gas and real estate. TEHO International's network spans across South East Asia, East Asia, Europe and North America.

For more information, please go to [www.teho.com.sg](http://www.teho.com.sg)

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