

**Media Release – For Immediate Release**

# Teho posts 5% growth in earnings to S\$1.8 million for HY2013, declares first ever interim dividend

- Newly acquired subsidiary, mainly involved in the offshore oil and gas sector, helped to boost the Group’s revenue and profits
- Teho registered 25% growth in revenue to S\$21.8 million
- Improved gross profit margin from 32.1% to 33.5%
- Declared first ever interim dividend of 0.4 cents per share

**Singapore, 7 February 2013** – Teho International Inc Ltd (“Teho” or “the Group”), one of the leading suppliers of rigging and mooring safety equipment in the region for the marine and offshore industries, reported growth in both top line and bottom line despite the external economic and marine environment being challenging. The Group reported 24.9% increase in turnover to S\$21.8 million and 5.3% growth in earnings to S\$1.8 million for the six months ended 31 December 2012 (“HY2013”).

Financial Highlights (S\$ ‘000)	HY2013	HY2012	% Change
<b>Revenue</b>	21,838	17,485	24.9
<b>Gross profit</b>	7,321	5,611	30.5
<b>Gross profit margin</b>	33.5%	32.1%	-
<b>Other credits</b>	99	264	(62.5)
<b>Total operating expenses*</b>	4,507	3,510	28.4
<b>Net profit</b>	1,812	1,721	5.3
<b>Net profit margin</b>	8.3%	9.8%	-
<b>Earnings per share (cents)</b>	1.57	1.54	1.9

\*Includes distribution costs, administrative and other operating expenses

Teho’s newly acquired subsidiary, Teho Engineering Pte Ltd (formerly known as Finessco Systems Pte Ltd) (“Teho Engineering”), was the key contributor to the overall growth of the Group’s turnover in HY2013 since the completion of its acquisition by the Group in May 2012.

Gross profit for the Group increased by 30.5% to S\$7.3 million for HY2013 as a result of the increase in revenue as well as an improvement in the gross profit margin from 32.1% in HY2012 to 33.5% in HY2013. The margin improvement was due to the higher gross profit margin contributed by Teho Engineering.

Other credits for the Group decreased substantially from S\$264,000 in HY2012 to S\$99,000 in HY2013 as there was disposal of plant and equipment in HY2012, which did not recur in HY2013.

With higher revenue, the acquisition of Teho Engineering and overall growth in operations; the total operating expenses of the Group also increased. The total operating expenses grew by 28.4% to S\$4.5 million in HY2013.

Consequently, the net profit for Teho grew by 5.3% in HY2013 to S\$1.8 million. This translated to basic and diluted earnings per share of 1.57 cents for HY2013 (HY2012: 1.54 cents).

### **Rewarding shareholders**

Based on the half year performance, the Board has proposed an interim dividend of 0.4 cents per share. This is the first ever interim dividend declared by the Group.

### **Outlook**

With the uncertainties over the state of the European Union economy and economic recovery in the USA and major emerging markets, the Group expects the outlook to remain challenging. With this background, the Group expects the marine and oil and gas sectors to continue to grow but at a much slower pace.

Mr. Lim See Hoe, Executive Chairman and CEO of Teho, elaborated on the market outlook and the Group's future strategies,

**“The operating environment remained challenging for most of the companies operating in our space and industry, however, we managed to remain resilient and posted growth in our revenue and earnings. The acquisition of Teho Engineering was strategic to the Group and this acquisition has started to bear fruits for us already and it also places us in good stead in the higher margin offshore oil and gas segment.**

**To thank our loyal shareholders, we have proposed an interim dividend of 0.4 cents per share and we hope this will give our shareholders the confidence in our growth potential.”**

- End -

**About Teho International Inc Ltd.(Bloomberg code: TEHO SP)**

Teho International Inc Ltd. ("Teho") is a supplier of rigging and mooring equipment as well as related services to customers mainly in the marine and offshore O&G industries.

Rigging equipment comprises steel wire rope, synthetic fibre sling and chain. They are assembled with other connectors and fittings (such as clamps, shackles, masterlink, hammerlocks, hooks and turnbuckles) to form different variations of slings, depending on applications, generally for lifting purposes. Mooring equipment consists mainly of steel wire and synthetic fibre ropes and is used for docking the vessel to the dock.

Some related services comprise mainly load testing, installation and certification of rigging equipment. Load testing serves to verify the rated working capacity of the rigging and mooring equipment. All lifting equipment are required to have valid load test certificates. Good safety practice requires such equipment to be tested and re-certified annually.

With an established track record of more than two decades, Teho is headquartered in Singapore and its sales and marketing network covers mainly South East Asia (including Singapore), East Asia, Australia, Europe and North America.

With the acquisition of Teho Engineering, Teho enhanced its scope of products and services. Teho Engineering specialises in supplying, servicing and trading of the following equipment to the marine and offshore oil and gas industries:-

- (i) electric heating and associated control systems and accessories in Singapore;
- (ii) marine and offshore oil and gas fire/shut off dampers, storm louvers and galley hoods in Singapore;
- (iii) marine water heaters in Singapore, Malaysia, Indonesia, Vietnam and China.

Teho Engineering is also an exclusive distributor for certain third party brands for the supply of mechanical products and systems mainly to the offshore oil & gas industry in Singapore and the South East Asian region.

Please feel free to check out the corporate website: [www.teho.com.sg](http://www.teho.com.sg)

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Canaccord Genuity Singapore Pte. Ltd. for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Canaccord Genuity Singapore Pte. Ltd. has not independently verified the contents of this announcement.*

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*The contact person for the Sponsor is Ms. Soo Hsin Yu, Associate Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.*

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For more information and media enquiries, please contact:

**Financial PR Pte Ltd**

Investor Relations Consultants

Mr Romil Singh / Ms Kee Vern Cheng / Ms Kathy Zhang

Tel: (65) 6438 2990 / Fax: (65) 6438 0064

Email: [romil@financialpr.com.sg](mailto:romil@financialpr.com.sg) or [staff@financialpr.com.sg](mailto:staff@financialpr.com.sg)