

TEHO International Press Release FY2015 Results Announcement

- Industry downturn as a result of the fall in crude oil prices has not dampened revenue from its Marine, Offshore Oil & Gas segment
- Successfully launched The Bay, an iconic mixed-use residential project in Phnom Penh, amidst growing interest in the Cambodian property market
- Property Development segment achieved 18.6% revenue growth in FY2015

Singapore, 28 August 2015 – TEHO International Inc. Limited (“**TEHO International**” or “**the Group**”) a multi-faceted solutions provider for the Marine, Offshore O&G, Construction and Property industries, reported revenue of \$61.7 million for FY2015, an increase of \$1.3 million or 2.1% from FY2014.

Notwithstanding the challenges in the industry, the Marine, Offshore Oil & Gas segment reported profit before tax of \$1.7 million. The Group’s gross profit in FY2015 increased slightly by 3.5% to S\$18.7 million and its gross profit margin increased by 0.4 percentage point, mainly due to higher margin from the Property Development segment.

The Group invested substantially in growing its Property Development segment in FY2015. This was crystallised through its acquisition of ECG Property Services Pte. Ltd. (“ECG”), which contributed revenue of \$3.7 million during the 7-month period following the Group’s acquisition of ECG in November 2014. The remaining revenue of \$2.3 million was contributed by TIEC Holdings Pte. Ltd. (“TIEC”) which arose from the substantial completion of the Urban Heritage development project.

TEHO’s Property Development arm also achieved a new milestone when it successfully launched *The Bay*, a true masterpiece of modern architecture that will bring new standards of luxury living to Cambodia. However, in accordance with revenue recognition principles in the financial reporting standards, the Property Development segment has not recorded revenue arising from *The Bay* project in FY2015.

The Group’s total operating expenses (comprising distribution expenses, administrative expenses and other operating expenses) increased by 80.5% to S\$26.1 million, mainly due to the increase in expenses of \$9.0 million in the Property Development segment and increased expenses of \$2.6 million in the Marine, Offshore Oil & Gas segment. The increase in expenses in Property Development segment mainly due to (i) impairment loss on in respect of goodwill attributable to the Property Development segment’s projects in Singapore and foreseeable losses on those development properties, and (ii) marketing, advertisement expenses and travelling expenses related to overseas business expansion activities, mainly related to the development of *The Bay* in Cambodia. These marketing and promotional activities played an essential role in ensuring the success of its landmark project, “The Bay”.

Notably, the industries in which the Group’s Marine, Offshore Oil & Gas segment operates in remains challenging due to the fall in oil prices and the decline in the global economy. Nevertheless, revenue from this segment remained stable for FY2015. The Group will continue to consolidate its operations and financial strengths in this segment to meet the challenging and competitive business outlook.

Mr. Lim See Hoe, Chief Executive Officer of TEHO International said, “It has been a difficult year for the Group with the decline in crude oil prices. We have taken pro-active actions to grow our property arm. In doing so, we have incurred legal and professional fees, impairment loss on goodwill on development properties, marketing and advertising expenses relating to the development of “The Bay”. While this has negatively impacted the Group’s overall profits for the year, this strategic investment in FY2015 continues the Group’s long term strategy to expand its existing business and propel TEHO into its next wave of growth.”

This press release should be read in conjunction with Teho International Inc. Ltd. Unaudited Financial Statements released via SGXNet on 28 August 2015.

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About 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 Catalyst Index 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.

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