

For immediate release

## TEHO International Significantly Narrows Losses in 1HFY2017

- *Marine business contributed to overall gross profit margin improvement to 32.5% in 1HFY2017 from 31.8% previously*
- *Focus on controlling costs and optimising operations led to significantly lower expenses*
- *Proactive measures are in place to manage risks and ensure Marine & Offshore Segment stays resilient amidst market uncertainties*
- *Review of strategic plans for the Property Development Segment is underway*

### Financial Highlights

S\$ million	1HFY2017	1HFY2016	Change (%)
Revenue	26.6	27.1	(2.1)
Gross Profit	8.6	8.6	(0.1)
Gross Profit Margin (%)	32.5	31.8	0.7 (percentage point)
Loss Before Tax	(0.2)	(3.1)	(92.3)
Loss for the Period	(0.3)	(3.0)	(91.4)

**Singapore, 10 February 2017** - TEHO International (or the “Group”), a leading offshore marine and engineering equipment and service provider as well as property developer, has significantly narrowed its net loss for the six months ended 31 December 2016 (“1HFY2017”) to S\$0.3 million compared to a net loss of S\$3.0 million in the previous corresponding period (“1HFY2016”).

During the period under review, the Board and management at TEHO International focused on exercising greater cost controls and optimising its operations. These efforts resulted in a decline of the Group’s distribution, administrative and other operating expenses, by an aggregate of 14.9% to S\$10.3 million in 1HFY2017 as compared to S\$12.1 million in 1HFY2016.

Commenting on the Company’s performance in 1HFY2017, Mr Lim See Hoe, Executive Chairman and CEO of TEHO International, explains, **“We are encouraged by the**

improvement of our bottom line, thanks to the resilience of the Marine & Offshore Segment. The Property Development Segment is not out of the woods yet, but we are taking a long-term view on this business. The property industry is inevitably cyclical and we are adaptable in planning our marketing efforts.

“Looking ahead, the general outlook for the industries that we are in still remains rather tentative. However, we are entering the period on a much firmer footing, supported by our leaner and more optimal operating structure. We will continue to exercise prudence and financial discipline, to ensure that our balance sheet stays robust as we weather through the market challenges,” Mr Lim added.

### **Outlook for the Marine & Offshore Segment**

The Group expects its Marine & Offshore Segment to operate in a challenged and uncertain environment in the coming year. However, even as the industry continues to work its way out of the doldrums, the Group is proactively taking measures to ensure that its Marine & Offshore Segment remains competitive and resilient. Apart from cost control measures, the Group is also closely monitoring its exposure to credit risk and maintaining an optimal amount of inventory. The Group is continuing to seek out opportunities in new markets where it can establish a competitive advantage through its niche products and systems, value-added services and proximity to customers.

For instance, the Group has recently increased its world-wide network of strategic supply points in November 2016 with the addition of a new distribution point at Panama. This came less than six months after the opening of its stock point in Algeciras, Spain, in June 2016. TEHO International’s near market strategy, of being located at ports world-wide, is continuing to put it in a competitive lead in serving marine vessels calling at these ports.

### **Outlook for the Property Development Segment**

As for the Property Development Segment, TEHO International has obtained in January 2017 a Certificate of Statutory Completion for its *Urban Heritage* development project. The construction of *Elite Residence* is also scheduled for completion by the end of 2017.

Over in Cambodia, the residential development phase of *The Bay* project has been put on hold and under review by the Group and the joint venture partners. Further updates on the plans for this project will be made as and when there are material developments.

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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 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 and Central America.

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

**Issued on behalf of TEHO International Inc Ltd.  
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