

For Immediate Release

## TEHO International delivers positive growth in revenue, gross profit and significant reduction in net loss for FY2018

- Revenue rose 11.3% to S\$64.7 million boosted by increased contribution from Mooring and Rigging Business and Property Development Segment
- Gross profit growth of 21.1% and 9.3% reduction in total operating expenses contributed to a reduction of S\$7.3 million or 74.3% in net loss to S\$2.5 million from S\$9.8 million in FY2017

Singapore, 23 August 2018 – 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, is pleased to announced that it has significantly reduced its net loss for the financial year ended 30 June 2018 (“FY2018”) by 74.3% to S\$2.5 million from S\$9.8 million in the previous corresponding year (“FY2017”).

S\$'million	FY2018	FY2017	% Change
Revenue	64.7	58.1	11.3
Gross Profit	16.2	13.4	21.1
Other Income	3.5	1.2	179.6
Total Operating Expenses**	21.1	23.3	(9.3)
Loss attributable to: Owners of the Company	(2.5)	(9.8)	(74.3)

\*\*Comprising distribution, administrative and other operating expenses

Revenue for FY2018 increased by 11.3% to S\$64.7 million, from S\$58.1 million in FY2017.

- Revenue contribution from the Marine and Offshore Segment declined by S\$0.5 million to S\$47.5 million in FY2018 and revenue contribution from the Group’s Engineering and Water Treatment Businesses declined by S\$2.9 million mainly due to the negative impact of crude oil prices on customers in the offshore oil & gas industry. However, this decline was offset by an increase of S\$2.4 million in contribution from the Group’s Mooring and Rigging Business.

- Revenue contribution from the Property Development Segment increased by S\$7.1 million or 70.9% to S\$17.2 million in FY2018. The increase was mainly due to revenue contribution from the sale of the completion of the Elite Terrace development project, which was recognised on a percentage-of-completion basis. All remaining units of the project have been sold in FY2018.

Other income increased from S\$1.2 million in FY2017 to S\$3.5 million in FY2018 mainly due in part to the global settlement in January 2018 between the Group and the two vendors of TIEC Holdings Pte. Ltd., a wholly-owned subsidiary of the Company.

The total operating expenses for the Group declined in FY2018 by 9.3% to S\$21.1 million.

Administrative expenses recorded a S\$0.3 million drop to S\$12.7 million in FY2018 due to a reduction in headcount in the Property Development segment. Other operating expenses saw a drop of S\$1.9 million or 23.1% to S\$6.4 million in FY2018 mainly due to an absence of impairment losses on goodwill and intangible assets amounting to S\$1.3 million and amortisation charges of S\$0.5 million, which were recorded in FY2017.

Based on the improvement in the Group's revenue and gross profit, higher other income and reduction in total operating expenses, the Group recorded a much lesser net loss of S\$2.5 million in FY2018 as compared to a net loss of S\$9.8 million in FY2017.

With the recognition of revenue under the property segment, the Group recorded strong cash flow of S\$11.6 million from operating activities in FY2018.

Commenting on the Group's FY2018 financial results, Mr Lim See Hoe, Executive Chairman and CEO, said, **"We have made significant progress this year despite continued weak sentiments in the industry and am confident the Group will continue to remain competitive despite challenging market conditions.**

**Our Mooring and Rigging business has proven to be invaluable in supporting the Group towards recovery and we look forward to increasing efforts in other segments to further boost the Group to greater success.**

**We are also very pleased about the successful commercialisation of a newly developed Magnaro-Twaron mooring rope, a product of extensive research and development by both Teijin Aramid, a market leader in Aramid fibres, and the Group.**

**Moving into FY2019, the Group will continue its efforts in bringing more innovative, high-performance products to a greater pool of customers and continue to strengthen our relationships, in hopes to bringing greater value to our customers, shareholders and also our stakeholders."**

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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 expanding 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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