

For Immediate Release

TEHO International generates S\$0.9 million of operating profit for FY2019

- The core Marine & Offshore Segment saw a significant increase in revenue of 13.2% to S\$53.6 million with growth coming mainly from the mooring and rigging business
- Revenue fell 15.6% year-on-year (YoY) to S\$54.4 million due to absence of revenue contribution from the sale of the completed Elite Terrace development project in FY2018
- The significant growth in its core business resulted in a gross profit growth of up to 14.5% YoY to S\$18.8 million in FY2019 with gross profit margin improving from 25.4% to 34.5%
- Net losses for FY2019 decreased by 79.0% YoY to S\$0.5 million due to effective cost control measures
- Turnaround in 2H FY2019 with net profit of S\$122,000 (1H FY2019: net loss of S\$582,000)

Singapore, 26 August 2019 – TEHO International Inc Ltd. (the “**Company**”) and together with 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 2019 (“**FY2019**”) to S\$0.5 million, from S\$2.2 million in the previous corresponding year (“**FY2018**”).

S\$'million	FY2019	FY2018	Change (%)
Revenue	54.4	64.4	(15.6)
Gross Profit	18.8	16.4	14.5
Gross Profit Margin	34.5%	25.4%	9.1 ppt
Other Income	0.5	3.5	(84.4)
Total Operating Expenses**	18.3	21.3	(14.1)
Operating Profit	0.9	(0.9)	n.m.
Loss attributable to: Owners of the Company (net of tax)	(0.5)	(2.2)	(79.0)

S\$'million	FY2019	FY2018	Change (Times)
EBITDA	1.8	0.2	8.0x

**Comprising distribution, administrative and other operating expenses, ppt is percentage points, n.m. is not meaningful

Due to absence of revenue contribution from the sale of the completed Elite Terrace development project in FY2018, revenue contribution from the Property Development segment declined by S\$16.2 million to S\$0.8 million in FY2019. This impacted the Group's revenue and it fell 15.6% YoY to S\$54.4 million in FY2019. However, revenue contribution from the Group's core Marine and Offshore Segment increased by S\$6.2 million to S\$53.6 million in FY2019. This was mainly attributed to the growths in revenue in Group's mooring and rigging business and water treatment business.

In line with revenue growth from the core business, gross profit for FY2019 increased 14.5% YoY to S\$18.8 million with improvement in gross profit margin from 25.4% to 34.5%.

Other income decreased by S\$3.0 million to S\$0.5 million in FY2019. This was primarily due to the absence of the global settlement in January 2018 between the Group and two vendors of TIEC Holdings Pte. Ltd., a wholly owned subsidiary of the Company. Consequently, the Group's legal and professional fees expense fell by S\$0.6 million.

Employee remuneration expenses, on the other hand, went up by S\$0.2 million. Overall, administrative expenses dipped by S\$0.4 million to S\$12.3 million in FY2019.

Distribution expenses shrank by S\$0.4 million to S\$1.6 million in FY2019 as commission expenses fell by S\$0.5 million due to an absence of marketing commission expenses from the Elite Terrace development project. However, the decrease was offset by an increase of S\$0.1 million in trade exhibition and related selling expenses mainly incurred by the Marine & Offshore Segment.

Other operating expenses also decreased by S\$2.2 million to S\$4.4 million in FY2019 mainly due to the absence of impairment loss of S\$1.9 million on development properties incurred by the Property Development Segment in FY2018, reduction in total depreciation by S\$0.3 million as more property, plant and equipment have been fully depreciated, and a S\$0.1 million drop in expenses from bad debts written-off in the Property Development Segment.

As a result of massive contraction of operating expenses and improvement in gross profit margins, the Group recorded a net loss of S\$0.5 million, 79.0% lower YoY from the S\$2.2 million loss in FY2018. Looking at the most recent half yearly performance or for 2H FY2019, the Group registered a net profit of S\$122,000.

Commenting on the Group's FY2019 financial results, Mr Lim See Hoe, Executive Chairman and CEO, said, **"The Group has stayed resilient this year despite the continuing weak sentiments in the industry and will continue to expand on its mooring and rigging business.**

With our new wire rope rigging facility at Houston (Texas), we expect a boost in the Group's business in the Americas. The upcoming new subsidiary, set up through Enterprise Singapore's Market Readiness Assistance Grant, will also strengthen TEHO's global platform in Asia. We feel that with the expanded global platform that we have in place, we are in a good position to provide a value proposition to our clients and serve them better.

Our Mooring and Rigging businesses posted double-digit revenue growth, while our engineering and water treatment businesses have also shown a recovery this year.

As for our property development segment, the Farleigh Avenue project has been completed and we have started to market the property. Another freehold residential property has been acquired and is slated for construction to be completed in the first half of 2021.

Moving further into FY2020, the Group will continue to manage our costs prudently and keep up its efforts in bringing more innovative, high-performance products to a greater pool of customers and to continue to strengthen our relationships, in hopes to bringing greater value to our customers and our shareholders."

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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. 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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*This press release has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"),*

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