



TIONG WOON CORPORATION HOLDING LTD

Tiong Woon's net profit more than doubles to \$7.1m in first half FY2007

Positive growth and outlook for oil and gas, petrochemical sectors – locally and overseas, says Chairman and MD

SINGAPORE, 8 February 2007 – MAINBOARD-LISTED Tiong Woon Corporation Holding Ltd ("TWC") has posted a net profit after tax and minority interest of S\$7.1 million in its first half ended 31 December 2006, an increase of 129% over the S\$3.1 million it made in the same period the previous year.

Its turnover for the first six months of FY 2007 stands at S\$44.1 million, up 52% from S\$28.9 million it recorded in the previous corresponding period. The Group said its good showing was due to contributions from all its three business segments – Heavy Lift and Haulage, Marine Transportation and Trading – all of which recorded good growth. Earnings per share increased by 152% to 2.09 cents from 0.83 cent.

TWC is an integrated services provider for the oil and gas industry, and is a specialist in heavy lift, and installation of process equipments. The company is currently ranked 11th largest crane owning company worldwide by International Cranes, a reputed trade magazine, in its IC50 2006 survey.

Mr. Ang Kah Hong, TWC's Group Chairman and Managing Director, was pleased with his company's latest results. "It is an excellent set of results, and for us, it is a record since our listing. But we cannot rest on our laurels. We must continue to work hard to ensure that we continue to sustain our growth," he said.

Mr Ang added that going forward, TWC would be looking to grow in a new business area as an oil and gas service provider. In November last year, TWC bought a 65-hectare fabrication yard in Bintan, Indonesia, with a view to supporting its current fleet of heavy lift equipment, tugs and barges, and in due course, growing a new income stream from fabrication and engineering projects.

Segmental Results

Contributing the lion's share of the Group's turnover in the first half of FY2007 is the Heavy Lift and Haulage business segment, which saw its segmental turnover grow by 19% to S\$29.1 million from S\$24.4 million in the previous corresponding period. The growth came mainly from business activities in the Indonesia, Vietnam and the Middle East countries.

The Group's Marine Transportation business segment recorded an increase to S\$8.6 million in the first half of FY2007 from S\$3.9 million previously, an increase of 121%.

Its Trading business segment recorded the most staggering growth; it saw a whopping 946% increase to S\$6.4 million from S\$0.6 million in the previous corresponding period, due largely to higher sales of cranes.

Of the Group's profit before tax of S\$8.8 million for the first half of FY2007, contribution from Heavy Lift and Haulage stood at S\$6.1 million while Marine Transportation and Trading contributed S\$2.4 million and S\$0.3 million respectively.

Positive Growth and Outlook

TWC's Mr Ang is optimistic about the business outlook. "There are many opportunities in the oil and gas sector, both locally and overseas, and we will certainly do our best to convert these into contracts in order that we can grow our business and increase our profitability," he said.

The Group plans to actively pursue business opportunities in Infrastructure, Power Plants, Petrochemicals and Oil and Gas projects in markets such as China, Thailand, Malaysia, Indonesia, Vietnam and the Middle East. Mr. Ang added that Saudi Arabia, with its projected activity in oil and gas, will be one of the company's key markets going forward and will form an integral part of TWC's Middle-East strategy.

TWC is looking to forge a permanent presence in the Middle East, and recently became the first Singapore company to be awarded investment licence to operate 100% foreign-owned entity in Saudi Arabia by Saudi Arabian General Investment Authority (SAGIA) Singapore. TWC plans to replicate what they have in Singapore to Jubail Industrial City in Saudi Arabia, said Mr Ang, so that it can easily springboard into the region from that base. Over the longer term, TWC had said it hoped to progressively build a fleet size of 50 to 100 units of heavy lift equipment to cater to the Middle East market.

Five-pronged business strategy

Going forward, Mr Ang said the Group will continue to implement its existing five-pronged business strategy, namely:

- To remain focused on its core competency of heavy lift and haulage;
- To actively seek business opportunities in the emerging and growth markets;
- To invest in higher capacity and specialized equipment;
- To forge alliances and co-operation with strategic and industry players; and
- To adopt a more stringent credit evaluation policies to improve its cash flow and minimize bad debts.

End

About Tiong Woon Corporation Holding Ltd (www.tiongwoon.com)

Listed in 1999, Tiong Woon Corporation Holding Ltd is a specialist and total integrated services provider in heavy lift, heavy haulage and marine transportation mainly serving the Oil & Gas, Petrochemical and Power industries. The Company manages turnkey projects for International Builders and Contractors from planning and design of heavy lifting and haulage requirements to the execution stage in which the heavy equipment is transported, lifted and installed at customers' facilities. The company is the 11th largest crane-owning company in the world.

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