TIONG WOON CORPORATION HOLDING LTD
(Company Registration No. 199705837C)

Tiong Woon posts record net profit of S$28 m on all-time-high revenue of S$158 m

We will continue to be responsive to the market, expanding locally and overseas, particularly in markets such as the Middle East, says Chairman and Managing Director Ang Kah Hong

HIGHLIGHTS OF FY2008 GROUP'S RESULTS

- Turnover: S$157.8 million, up 58%
- Net profit after tax and minority interest: S$28.0 million, up 24%
- Earnings per share: 8.28 cents, up 24%
- Net asset value per share: 39.31 cents, up 23%
- Dividend per share: 0.4 cent

SINGAPORE, 26 August 2008 – MAINBOARD-LISTED Tiong Woon Corporation Holding Ltd (TWC) today announced a record net profit after tax and minority interest of S$28.0 million for the full year ended 30 June 2008, an increase of 24% over the S$22.5 million it made in the same period the previous year.

Its turnover was at a record high, up 58% to S$157.8 million from S$99.8 million. The increase in the Group's turnover was mainly attributed to the increase in contributions from its Heavy Lift and Haulage and Fabrication segments. Earnings per share stood at 8.28 cents compared to 6.67 cents.

Mr. Ang Kah Hong, TWC's Group Chairman and Managing Director, was pleased with the Group's overall performance. He said: "Despite the cost pressures from rising oil prices and price escalation of materials and wages, we have been able to remain profitable and to maintain our margins. This is the result of concerted efforts put in by my team and we will continue to work hard to ensure that we remain profitable. "

The board of directors has recommended a final one-tier dividend of 0.4 cent per ordinary share, representing a dividend payout ratio of about 4.8 %.

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 17th largest crane owning company worldwide by International Cranes, a reputed trade magazine, in its recent IC50 2008 survey.

Segmental results

All eyes continue to be on the performance of Tiong Woon's 64-hectare fabrication yard in Bintan and Mr Ang said he was confident that the yard will turn around in due course. He said: "It's a brand new venture and understandably we need to incur some start-up costs. In addition, we have to build up a track record before we can demonstrate that we have the capabilities."

The yard was acquired with a view to support Tiong Woon's current fleet of heavy lift equipment, tugs and barges. For the full year ended 30 June 2008, the Fabrication & Engineering Segment registered a revenue of S$26.4 million with a pre-tax loss of S$3.4 million. This was due mainly to start-up costs incurred for its maiden shipbuilding project and general yard development. Tiong Woon Oil and Gas landed its maiden project -- a S$64.8 million contract from NorCE Offshore Pte Ltd to build a 146.3-metre derrick pipelay barge with a gross tonnage of approximately 25,100 tonnes -- in August last year. The barge is about 40% completed and is on schedule for delivery in January 2009.

TWC continued to enjoy higher rental rates and project management fees from its integrated projects from the Asia Pacific region. The group's Heavy Lift and Haulage Segment contributed S$99.2 million to overall turnover, turning in a profit before tax of S$30.6 million, an increase of 133%.

Turnover for its Trading segment saw an increase of 13% to S$19.6 million, registering a profit before tax of S$4.2 million due to better selling prices of brand new cranes. The group currently has a distributorship agreement with IHI Construction Machinery Limited, a Japanese manufacturer of crawler cranes and parts, with distributorship rights to Singapore, Malaysia, Brunei, Thailand, Philippines, Cambodia, Laos and Myanmar.

Through its acquisition of its subsidiary Soon Douglas (Pte) Ltd, the group is the distributor of JASO tower cranes in Singapore.

Last month, the Group signed an exclusive agency agreement with Shenyang DKT Cranes Co Ltd, a China-based manufacturer of tower cranes, to sell and distribute its cranes to Singapore, Indonesia, Thailand, Philippine, Myanmar, Vietnam, Brunei, Laos and Cambodia. Earlier this year, it also signed a distributorship agreement with Fushun Excavator Corporation Ltd, a China-based manufacturer, to sell and distribute the Fuwa brand of crawler cranes in Singapore, Thailand, Philippine, Myanmar, Vietnam, Brunei, Laos and Cambodia.

Mr Ang said: “Although trading currently constitutes only 12% of our overall revenue, it is a logical extension of our business. We have an intimate knowledge of cranes and are in a good position to advise our clients who are looking to purchase these equipment .”

Despite a dip in the turnover of the Marine Transportation segment by 19% to S$12.6 million, it contributed positively to the group, turning in a profit before tax of S$3.8 million, up 11% from the previous year. The reason for the dip in turnover was because a number of its tugboats were under going maintenance during the last few months.

In terms of geography, Singapore remained the biggest contributor in FY2008 with a turnover of S$100.4 million or 64% of the total revenue; compared to S$43.8 million or 44% of FY2007 revenue. The second and third largest revenue contributors were Thailand and the Middle

East, with the former contributing S$17.3 million, or 11%, of total revenue and the latter, S$10.9 million or 7% of total revenue.

The Group's financial standing remained strong with a market capitalisation of S$118.2 million -- based on yesterday's closing price of 35 cents -- backed by total assets of S$300.2 million and net tangible assets of S$136.7 million. As at 30 June 2008, equity attributable to shareholders of the Group amounted to S$132.7 million, 23% or S$24.7 million higher than at 30 June 2007. Net asset value per share of 39.31 cents was 23% or 7.31 cents higher than at 30 June 2007. The total number of shares issued was about 337.58 million as at 30 June 2008.

Growth and Outlook

Mr Ang said he was cautiously optimistic in the outlook for the Oil and Gas and Petrochemical sectors in the light of the slowdown in the world economy. "All signs seem to indicate that these sectors should remain fairly strong. We will continue to be responsive to the market, expanding locally and overseas, particularly in markets such as the Middle East," he added.

The construction sector in Singapore still looks positive, said Mr Ang, with the government continuing with a number of big public-sector projects. The construction activities on Jurong Island, and the growth in the oil and gas and petrochemical industries continue to be important elements in Singapore's economy. "We are in a good position to ride on this growth as we are one of the few specialised contractors that support these industries," he said.

Going forward, in addition to the robust Singapore home market, the Group plans to actively pursue business opportunities in infrastructure, power plants, petrochemicals and oil and gas projects in key markets such as China, Thailand, Malaysia, Indonesia, Vietnam and the Middle East.

Since its success in securing an investment licence to run a 100% foreign-owned business entity in the Kingdom of Saudi Arabia, the Group has set up a company in Jubail Industrial City. This move underlines its commitment to establish a permanent presence in the Middle

East as it seeks to replicate its business model in that region. TWC plans to use its base there to springboard into the region.

The licence allows TWC to engage in the services of installation, lifting, maintenance services of equipment for oil, gas, petrochemicals and electrical power-related projects and marine transportation services in Saudi Arabia. To date, the company has deployed about 64 cranes there and it plans to increase the fleet size to 150 units in the Middle East over the next three years.

Five-pronged business strategy

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

- To actively seek business opportunities in the emerging markets for the Group's core heavy lift and haulage segment;
- To develop its fabrication and engineering competency for marine, oil & gas projects;
- To invest in higher capacity and specialised equipment;
- To forge strategic alliances and co-operation with international and industry players to jointly participate in the bidding for projects; and
- To maintain active and tight management control of the Group's respective business activities.

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

Listed in 1999, Tiong Woon is a leading one-stop, integrated services specialist and provider of infrastructure businesses, supporting mainly the Oil & Gas, as well as Petrochemical, Power and Construction sectors.

The Group manages turnkey projects for EPC Contractors and project owners from planning and design of heavy lifting and haulage requirements to the execution stage in which the heavy equipments are transported, lifted and installed at customers' facilities. Tiong Woon posses its own heavy lift and haulage equipment, tugboats, barges and fabrication yards which will enable them to widen its services offering in an integrated approach to its customers.

Tiong Woon is headquartered in Singapore and has establishments in Malaysia, Indonesia, Thailand, the Philippines, China and Saudi Arabia. Tiong Woon is ranked the 17th largest crane owning company worldwide by International Cranes, a reputed trade magazine, in its IC50 for the 2008survey.

Tiong Woon is committed in delivering high quality, reliable facilities and services on time, on delivery, on budget and with world class safety.

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