



TIONG WOON CORPORATION HOLDING LTD

(Company Registration No. 199705837C)

Tiong Woon posts 240% increase in net profit to S\$11.0m for first quarter ended September 2008

The Group will stay focused on its core business activities and actively pursue business opportunities, here and in the region, says Chairman and Managing Director Ang Kah Hong

HIGHLIGHTS OF 1QFY2009 GROUP'S RESULTS

- Turnover: S\$ 45.4 million, up 54%
- Net profit after tax and minority interest: S\$11.0 million, up 240%
- Gross Profit Margin: 43% and Net Profit Margin (PATMI): 24%
- Earnings per share: 3.27 cents, up 241%
- Net Asset Value per share: 42.80 cents, up 9%

SINGAPORE, 12 November 2008 – MAINBOARD-LISTED **Tiong Woon Corporation Holding Ltd ("TWC")** today announced a net profit after tax and minority interest of S\$11.0 million for the three months ended 30 September 2008, an increase of 240% over the S\$3.3 million it made in the same period the previous year.

Its turnover was up 54% to S\$45.4 million from S\$29.5 million previously, and its profit before tax for the first three months saw an increase of 167% to S\$13.6 million. The increase in the Group's turnover was mainly attributed to the increase in contributions from its Heavy Lift and Haulage and Fabrication & Engineering segments. Earnings per share stood at 3.27 cents compared to 0.96 cent previously.

Mr. Ang Kah Hong, TWC's Group Chairman and Managing Director, said he was satisfied with the Group's performance. "We are still keeping busy and are currently working on a number of on-going projects," he said.

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 IC50 2008 survey.

Segmental Results

The Group's Heavy Lift and Haulage Segment contributed S\$31.4 million to overall turnover, turning in a profit before tax of S\$12.4 million, an increase of 80%. This rise in turnover of S\$9.9 million or 46% year on year is a result of more integrated projects undertaken by the Group in the Asia-Pacific region.

The second largest contributor was the Fabrication and Engineering Segment which registered S\$10.4 million in turnover, up 560% from S\$1.6 million in the previous corresponding period. The jump was due to a higher percentage of income recognition from its maiden 146 meters derrick pipelay barge at its Bintan yard.

The yard was acquired in November 2006 with a view to supporting Tiong Woon's current fleet of heavy lift equipment, tugs and barges. It landed its pipelay barge project in August last year with Norce Offshore Pte Ltd. To date, the vessel is about 55% done and the project is expected to be completed by March 2009.

Despite the significant increase in turnover from its Fabrication and Engineering segment for the first quarter ended 30 September 2008, there was a loss of S\$1.4 million due to higher costs incurred for general overheads and yard development. In addition to the pipelay barge, the Group had secured a second contract to build a crane barge. On this front, Mr Ang said they would actively seek business opportunities, here and in the region, with a focus on three areas, namely, newbuilds, ship-repair and oil-and-gas fabrication.

Although the Marine Transportation Segment experienced a 10% drop in turnover to S\$3.3 million, it still contributed positively to the Group. It turned in a profit before tax of S\$2.5 million, up 149% from the previous corresponding quarter. The drop in turnover can be attributed to a lower utilisation rate for its smaller-capacity equipment. In addition, some of the Group's marine equipment was undergoing service and repair during the period. There were also fewer integrated haulage and marine projects undertaken by the Group.

As no cranes were sold in the first quarter, the Trading Segment saw an 88% decline in turnover to S\$0.3 million from S\$2.7 million previously.

Sturdy financials

The Group's financial standing remains strong with a market capitalisation of S\$67.5 million - based on yesterday's closing price of 20.0 cents -- backed by total assets of S\$324.4 million and net tangible assets of S\$148.5 million. As at 30 September 2008, equity attributable to shareholders of the Group amounted to S\$144.5 million, 8.9% or S\$11.8 million higher than at 30 June 2008. Net asset value per share was 42.80 cents and total number of shares issued were 337.6 million as at 30 September 2008.

Positive Growth and Outlook

Mr Ang remains cautiously optimistic on outlook in the near term. He said: "In the next year or so, our orders remain strong and there are still business opportunities in the market for us. We continue to stay focused on our core business activities and actively pursue business opportunities in infrastructure, power plants, petrochemicals and Oil & Gas projects here and in the region. In addition, we will continue to practise prudent cost control and management."

The Group remains committed to extending its footprint abroad, notably in markets like Indonesia, Brunei, Malaysia, Philippines, Thailand, Vietnam and the Middle East, said Mr Ang.

Corporate developments

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 there, putting down roots in Jubail Industrial City. TWC plans to use its base there to springboard into the region. Mr Ang said Saudi Arabia will continue to be one of the Group's key markets and will form an integral part of TWC's Middle-East strategy. The Group is committed to establishing a permanent presence in the Middle East. To date, the Group has deployed about 60 cranes there.

In addition, the Group has agreements to distribute the IHI and the Jaso brand of cranes in selected markets, as well as distributorship agreements with Shenyang DKT Cranes Co. Ltd and Fushun Excavator Corporation Ltd.

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.

End

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 possesses 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 2008 survey.

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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