



TIONG WOON CORPORATION HOLDING LTD

(Company Registration No. 199705837C)

Tiong Woon posts 92% increase in net profit to S\$30.2 m for the nine months to 31 March 2009, affirms profitability on track

“...with this strong third quarter showing, we remain on track to achieve higher profitability for FY2009,” said Group Chairman and Managing Director Ang Kah Hong

HIGHLIGHTS OF 9M2009 RESULTS

- Turnover: S\$148.3 million, up 37%
- Net profit after tax and minority interest: S\$30.2 million, up 92%
- Earnings per share: 8.94 cents, up 92%
- Net Asset Value per share: 47.86 cents, up 22%

SINGAPORE, 12 May 2009 – MAINBOARD-LISTED Tiong Woon Corporation Holding Ltd (TWC) today announced a net profit after tax and minority interest of S\$30.2 million for the nine months ended 31 March 2009, a whopping 92% jump over the S\$15.7 million it made in the same period last year.

For the period under review, the Group once again achieved strong performance with turnover climbing to S\$148.3 million from S\$107.9 million in the previous corresponding period, an increase of 37%. The growth in Group turnover was mostly due to the increase in revenue from its Heavy Lift and Haulage and Fabrication and Engineering segments, which registered revenue growth of 38% and 100% respectively. Quarter-on-quarter, Group turnover went up by 26% to S\$52.8 million from S\$42.1 million in the previous corresponding period. Turnover from the Heavy Lift and Haulage Segment increased by S\$5.7 million or 24% quarter-on-quarter principally due to higher contributions from projects in the Asia Pacific region.

Earnings per share stood at 8.94 cents compared to 4.65 cents previously, a substantial jump of 92% for the nine months ended 31 March 2009.

Profit before tax for the first nine months increased by 95% to S\$37.5 million. Quarter-on-quarter, the Group also reported an increase in pre-tax profit of 42% to S\$9.1 million, attributed mainly to the Heavy Lift and Haulage, which registered an increase of 80%. As a result, the Group's net profit after tax and minority interest for the third quarter ended 31 March 2009 was also up by 38% to S\$7.1 million.

Commenting on the performance, Mr. Ang Kah Hong, Group Chairman and Managing Director, said: "I am delighted with our excellent results, which reflect continued strong operating performance across our core business activities, and with this strong third quarter showing, we remain on track to achieve higher profitability for FY2009."

"All of us have worked very hard and we are encouraged by our results. Given the current challenging economic climate, however, we are aware that we need to stay vigilant and not lose our focus," added Mr Ang.

TWC is an integrated services provider for the oil & gas and petrochemicals industries and specialises in heavy lift and installation of process equipments. The Company is ranked the 17th largest crane owning company worldwide by International Cranes, a reputed trade magazine, in its IC50 2008 survey.

The Group's financial standing remained strong. Market capitalisation was S\$113.09 million, based on 11 May 2009 closing price of 33.5 cents, backed by total assets of S\$367.8 million and net tangible assets of S\$166.1 million. Equity attributable to shareholders amounted to S\$161.6 million as at 31 March 2009, 22% or S\$28.9 million higher than at 30 June 2008. Net asset value per share of 47.86 cents was 22% or 8.55 cents higher than at 30 June 2008. The total number of shares issued was 337.58 million as at 31 March 2009.

Performance by Segments

The Group's key business segments performed well. The Heavy Lift and Haulage Segment added S\$93.8 million to total turnover, contributing a profit before tax of S\$36.8 million, a large jump of 113% compared to the same period last year. On a quarterly basis, the increase was 80% due to a higher turnover along with effective cost control measures in its projects.

The Fabrication & Engineering Segment registered a revenue of S\$32.0 million for the nine months to 31 March 2009, and in the third quarter, it generated S\$16.8 million in revenue. Despite this increase, it registered a loss of S\$3.4 million for the nine months under review due mainly to higher general overhead costs. Given the global economic downturn and to maximise investment in its 64-hectare Bintan Fabrication Yard in Indonesia, TWC will place greater emphasis on providing ship repair services due to their shorter duration, lower working capital outlay requirement and better profit margins.

The Bintan Fabrication Yard was acquired in November 2006 to strengthen TWC's fleet of heavy lift equipment, tugs and barges. The S\$64.8 million maiden shipbuilding contract to build a 146.3-metre derrick pipe lay barge with a gross tonnage of approximately 25,100 tonnes was signed with Norce Offshore Pte Ltd in September 2007 and the barge will be launched by mid-2009.

Turnover for the Trading Segment saw a slight decrease of 3% to S\$13.7 million, registering a profit before tax of S\$2.0 million. For the third quarter ended 31 March 2009, profit before tax went down by 51% due primarily to lower crane sales. The Marine Transportation Segment also saw a dip of 11% in turnover to S\$8.8 million, turning in a lower profit before tax of S\$2.1 million, down 36% from the previous corresponding nine-month period largely as a result of a drop in the utilisation rate and fewer integrated haulage and marine projects undertaken.

Looking Ahead

Mr Ang noted that the current financial and economic climate has, to some extent, affected the oil & gas and petrochemicals sectors in Singapore and key markets in China, Thailand, Indonesia, Vietnam, Brunei, India and the Middle East. Looking beyond the near-term and considering that TWC is one of a few specialised contractors that support the oil & gas and petrochemicals industries, the Group is still optimistic about its prospects.

“Going forward, we will stay focused on our core business activities. Our Heavy Lift and Haulage Segment will continue to be the Group’s main driver of growth. At the same time, we will continue to improve our operations and actively pursue business opportunities in infrastructure, power plants, petrochemicals and oil & gas in our key markets,” added Mr Ang.

Strategic Focus

Mr Ang said the Group plans to continue on its momentum to execute its existing five pronged business strategies to sustain revenue growth, namely:

- To actively seek business opportunities in emerging markets for the Group’s core Heavy Lift and Haulage segment;
- To develop its Fabrication and Engineering competency for marine and 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 and Gas, as well as Petrochemicals, 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 enable them to widen its integrated services offering 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 2008 survey.

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

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