



TIONG WOON CORPORATION HOLDING LTD

(Company Registration No. 199705837C)

## **Tiong Woon posts record net profit of S\$42m and revenue of S\$202m for FY2009**

**“It has been a tough year. However, with our strong business fundamentals, robust balance sheet, recurring profit and revenue streams and a market reach into many countries, we are confident of not only riding out the global economic downturn but growing even stronger as the market recovers,” said Group Chairman and Managing Director Ang Kah Hong**

GROUP FINANCIAL HIGHLIGHTS			
S\$'million	FY09	FY08	Change
Turnover	202.3	157.8	▲28%
Gross Profit	75.5	55.8	▲35%
Profit Before Tax	50.8	33.9	▲50%
Profit after Tax & Minority Interest	42.3	28.0	▲51%
Gross Profit Margin	37.3%	35.4%	▲2%
Earnings per share (EPS)	12.54cts	8.28cts	▲51%
Net Asset per share	51.36cts	39.31cts	▲31%
Proposed Dividend of 0.4 cent per share			

**SINGAPORE, 26 August 2009 – MAINBOARD-LISTED Tiong Woon Corporation Holding Ltd** (“Tiong Woon” or “TWC”) today announced a record net profit after tax and minority interest of S\$42.3 million for the full year ended 30 June 2009, an increase of 51% over the S\$28.0 million it generated in the same period last year.

To reward its shareholders, 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 3.2%, to be paid in November 2009.

The Group also turned in its highest ever turnover of S\$202.3 million, up 28% from S\$157.8 million the previous year, mostly due to higher contributions from its Heavy Lift and Haulage and Fabrication and Engineering segments.

Earnings per share was 12.54 cents compared to 8.28 cents.

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 21<sup>st</sup> largest crane owning company worldwide by International Cranes, a reputable trade magazine, in its IC50 2009 survey.

Mr. Ang Kah Hong, TWC's Group Chairman and Managing Director, was delighted with the Group's strong showing. He said: "It has not been an easy year and market conditions were fairly challenging. But our team at Tiong Woon persevered and worked hard, and it is heartening that our efforts have not been in vain.

"We delivered strong growth in earnings and cash flow from operations partly also because of our prudent financial management and internal controls. We will strive to sustain our performance through a continued cost focus and enhanced operational efficiencies," he added.

The Group's financial position remained sturdy with a market capitalisation of S\$232.9 million -- based on yesterday's closing price of 69.0 cents -- backed by total assets of S\$371.9 million and net tangible assets of S\$177.7 million. As at 30 June 2009, shareholders' equity was S\$173.4 million, 31% or S\$40.7 million higher than in FY2008. Net asset value per share of 51.36 cents was 31% or 12.05 cents higher than at 30 June 2008. The total number of shares issued was about 337.58 million as at 30 June 2009.

## **Segmental Performance**

Overall, the Group's key business segments performed well. The Heavy Lift and Haulage business contributed the lion's share of S\$130.6 million to total turnover. This works out to an increase of 32% over the previous year and was due mostly to the increase in integrated projects undertaken by the Group in the Asia Pacific region. The Group's Fabrication and Engineering segment added S\$47.0 million to total turnover, a jump of 78% compared to FY2008, due mainly to a higher percentage of revenue recognition from its maiden derrick pipe-lay barge project.

On the other hand, revenue from Marine Transportation segment went down by 13% due to a decline in the utilisation rate and fewer integrated haulage and marine projects undertaken by the Group. Turnover from the Trading segment dropped by 30% to S\$13.8 million as the Group sold fewer cranes compared to FY2008.

For the 12 months ended 30 June 2009, the Group recorded a profit before tax of S\$50.8 million, a significant rise of 50% over the S\$33.9 million in FY2008. As the largest contributor to turnover, the Group's Heavy Lift and Haulage segment also contributed the largest share of profit before tax. It recorded S\$52.2 million for FY2009, up S\$22.8 million or 78% year-on-year. Profit before tax from the Marine Transportation segment dipped by 29% against the previous year mainly due to the decrease in turnover. Despite the increase in turnover from the Fabrication and Engineering segment, there was a loss of S\$6.2 million resulting from higher costs incurred for general overheads. Profit before tax from the Trading segment for the year went down by 52% compared to the previous financial year due primarily to the decrease in sale of new cranes.

In view of the global economic downturn and to maximise investment in its 64-hectare Bintan Fabrication Yard in Indonesia, TWC will continue to provide 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 shore up its 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. The barge was 86% completed as at 30 June 2009 and is scheduled for launch next month.

## **Outlook**

Mr Ang noted that the global recession and falling oil prices have had a dampening effect on oil & gas activities worldwide. The Middle East and Asia Pacific regions have also been somewhat affected. The Group remains cautiously optimistic on the outlook of Power Generation, Oil & Gas and Petrochemical sectors in the near term. In the long term, the outlook looks bright. In portions of Asia, there are still oil & gas activities going on. The Middle East is still seeing energy-intensive projects across the region.

Mr Ang said, "It has been a tough year. However, with our strong business fundamentals, robust balance sheet, recurring profit and revenue streams and a market reach into many countries, we are confident of not only riding out the global economic downturn but growing even stronger as the market recovers."

As Tiong Woon is one of a few specialised contractors engaged in the Oil & Gas and Petrochemical sectors, Mr Ang remains hopeful about the Company's long term prospects in the market.

To drive growth, the Group will continue to focus on its core business activities. The Heavy Lift and Haulage segment will still be the Group's key driver of growth. At the same time, the company will actively pursue business opportunities in infrastructure, power plants, petrochemicals and oil & gas on the home front as well as in other key markets such as the People's Republic of China, Thailand, Indonesia, Vietnam, Brunei, India, Malaysia and the Middle East.

## **Strategic Focus**

The Group will continue on its momentum to execute its existing five pronged business strategies to sustain revenue growth, 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 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](http://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 21<sup>st</sup> largest crane owning company worldwide by International Cranes, a reputed trade magazine, in its IC50 2009 survey.

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

Issued on behalf of **Tiong Woon Corporation Holding Ltd** by: Waterbrooks Consultants Pte Ltd

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