



TIONG WOON CORPORATION HOLDING LTD

(Company Registration No. 199705837C)

Tiong Woon posts revenue of S\$44.8m for 1Q2010 ended 30 September 2009

| S\$'m | 1Q2010 | 1Q2009 | Change |
|--|--------|--------|--------|
| Revenue | 44.8 | 45.4 | ▼1% |
| Gross Profit | 15.6 | 19.5 | ▼20% |
| Gross Profit Margin | 35% | 43% | ▼19% |
| Profit Before Tax | 7.9 | 13.6 | ▼42% |
| Net Profit after Tax and Non-controlling Interest | 6.1 | 11.0 | ▼44% |
| Earnings Per Share (EPS) cents | 1.82 | 3.27 | ▼44% |
| NAV per share of 53.25 cents as at 30 September 2009 | | | |

SINGAPORE, 10 November 2009 – MAINBOARD-LISTED Tiong Woon Corporation Holding Ltd (Tiong Woon or the Group) today announced a turnover of S\$44.8 million for 1Q2010 ended 30 September 2009.

It posted a net profit after tax and non-controlling interest of S\$6.1 million, compared to the S\$11.0 million it made over the same corresponding period. The difference was attributed to higher costs incurred due to depreciation charges from the increase in fixed assets investment, sub-contracting fees and expenses for scheduled maintenance. The disparity was also attributed to a gain of S\$2.6 million from the disposal of plant and equipment that the Group enjoyed in the previous corresponding period.

The slight fall of 1% in Group turnover was mainly due to the lower contributions from its Heavy Lift and Haulage, Fabrication and Engineering and Marine Transportation segments.

Overall, the Group's gross profit margin held steady at 35%, which is slightly above the gross margins recorded recently in 4Q2009 and 3Q2009 of 34% and 31% respectively.

Mr. Ang Kah Hong, Tiong Woon's Group Chairman and Managing Director said this quarter has been challenging. "Considering the global uncertainty that we faced, this is a creditable set of results. My team has worked hard, and we have managed to secure some contracts in markets where the activity level is high, protecting our margins as best as we can.

"We continue to watch our costs vigilantly. Coupled with the positive operating cash flow, the recent capital raised and the pipeline of new business opportunities, we are in a fairly strong position and are confident that we are in a good position to overcome the challenges ahead," 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 21st largest crane owning company worldwide by International Cranes, a reputable trade magazine, in its IC50 2009 survey.

Segment results

The Group's Heavy Lift and Haulage Segment contributed S\$29.2 million to total turnover, down 7% year-on-year mainly due to a fall in contribution from Thailand as several bigger projects were undertaken in the previous corresponding period. The segment turned in a profit before tax of S\$8.9 million, in line with lower turnover as well as higher depreciation and maintenance costs incurred for its heavy equipment.

The Group recorded a lower turnover of S\$2.9 million from its Marine Transportation business as a result of fewer integrated haulage and marine projects undertaken by the Group. It turned in S\$0.3 million profit before tax, down by S\$2.1 million, in line with the lower turnover. In the previous corresponding quarter, the Group had also enjoyed a gain of S\$1.6 million arising from the disposal of its smaller tug and barges.

The Group's Fabrication & Engineering segment achieved a turnover of S\$9.9 million, compared to S\$10.4 million previously. A higher revenue was recognised from its maiden derrick pipe-lay barge project at its Bintan Yard but this was offset by a larger fall in revenue from other fabrication projects.

Turnover from the Trading segment rose substantially by 780% to S\$2.8 million due to a sale of a crane in the period, turning in a profit before tax of S\$0.5 million, up 170%.

Strong financials

The Group's financial position remains in good shape with total assets of S\$387.2 million, net current assets of S\$34.8 million and net tangible assets of S\$184.0 million as at 30 September 2009. Net asset value per share was 53.25 cents, up 4% against the 51.36 cents recorded on 30 June 2009.

Net cash flows from operations was S\$7.3 million and cash and cash equivalents balance was S\$21.4 million for the period ended 30 September 2009.

In October 2009, Tiong Woon placed out 34 million shares through a private placement exercise, at an issue price of S\$0.83 per share netting proceeds of S\$27.3 million. The Group intends to use the bulk of the proceeds to expand and renew its crane fleet.

The total number of shares issued to date were 371.58 million with a market capitalisation of S\$271.3 million, based on 9 November 2009 closing price of S\$0.73.

Business outlook and strategic focus

Mr Ang said the Group remains cautiously optimistic on the outlook of the Power Generation, Oil & Gas and Petrochemical sectors. It continues to be active in its key markets such as the People's Republic of China, Thailand, Indonesia, Vietnam, Brunei, India, Malaysia and the Middle East.

"Operationally, we will continue to strengthen and enhance our capabilities and stay focused on our core business activities, actively pursuing business opportunities in our established markets," he added.

The Group will continue on its momentum to execute its existing five-pronged business strategies to sustain revenue growth and build shareholder value, 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 21st 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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