



TIONG WOON CORPORATION HOLDING LTD

(Company Registration No. 199705837C)

**Half Year Financial Statement And Dividend Announcement
For the Period Ended 31 December 2009**

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group		
	1H FY 2010	1H FY 2009	Increase/ (Decrease)
	S\$'000	S\$'000	%
Turnover	82,281	95,512	-14%
Cost of sales	(56,713)	(54,458)	4%
Gross profit	25,568	41,054	-38%
Other income (net)	3,674	4,905	-25%
Expenses			
- Administrative	(926)	(882)	5%
- Other operating	(12,535)	(15,021)	-17%
- Finance	(1,059)	(1,666)	-36%
Profit before income tax	14,722	28,390	-48%
Income tax expense	(3,164)	(5,289)	-40%
Total profit	11,558	23,101	-50%
Other comprehensive income:			
Currency translation differences	529	(816)	-165%
Total comprehensive income	12,087	22,285	-46%
Total profit attributable to:			
Equity holders of the Company	11,563	23,068	-50%
Non-controlling interest	(5)	33	-115%
	11,558	23,101	-50%
Total comprehensive income attributable to:			
Equity holders of the Company	12,197	22,252	-45%
Non-controlling interest	(110)	33	-433%
	12,087	22,285	-46%

1(a)(ii) Notes to the statement of comprehensive income

	The Group		
	1H FY 2010	1H FY 2009	Increase/ (Decrease)
	S\$'000	S\$'000	%
Profit after tax was stated after (charging)/crediting:-			
Depreciation of property, plant and equipment	(11,465)	(10,549)	9%
Currency exchange (loss) / gain - net	(709)	694	-202%
Net gain on disposal of plant and equipment	3,974	3,833	4%
Net gain on disposal of a subsidiary	-	80	-100%
Fair value gain / (loss) on financial assets at fair value through profit or loss	19	(390)	-105%
Impairment loss on trade receivables	(56)	(11)	409%
Write-back of allowance for doubtful debts	279	175	59%
Interest income	46	40	15%
Interest expense	(1,423)	(1,666)	-15%
Under provision in prior years' current income tax	(82)	-	NM

Denotes:NM - not meaningful

1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	The Group		The Company	
	31/12/2009	30/06/2009	31/12/2009	30/06/2009
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	35,737	16,802	155	31
Financial assets, at fair value through profit or loss	926	907	-	-
Trade and other receivables	133,199	118,407	-	-
Tax recoverable	4	-	-	1,416
Inventories	2,251	1,282	-	-
Construction contract work-in-progress	1,650	2,431	-	-
Other current assets	4,483	5,404	3	10
	178,250	145,233	158	1,457
Non-current assets				
Other assets	107	107	-	-
Other receivables	-	-	75,275	49,932
Investment in subsidiaries	-	-	34,164	33,673
Property, plant and equipment	227,889	226,430	-	-
Deferred income tax assets	166	164	-	-
	228,162	226,701	109,439	83,605
Total assets	406,412	371,934	109,597	85,062
LIABILITIES				
Current liabilities				
Trade and other payables	27,857	28,855	177	213
Current income tax liabilities	5,444	3,597	-	-
Borrowings	70,005	75,151	10,400	10,400
	103,306	107,603	10,577	10,613
Non-current liabilities				
Borrowings	64,713	65,322	16,200	17,400
Deferred income tax liabilities	22,861	21,332	-	-
	87,574	86,654	16,200	17,400
Total liabilities	190,880	194,257	26,777	28,013
NET ASSETS	215,532	177,677	82,820	57,049
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	77,302	50,048	77,302	50,048
Other reserves	(1,914)	(2,548)	-	-
Retained earnings	135,950	125,873	5,518	7,001
	211,338	173,373	82,820	57,049
Non-controlling interest	4,194	4,304	-	-
Total equity	215,532	177,677	82,820	57,049

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	As at 31/12/2009		As at 30/06/2009	
	S\$'000		S\$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	66,536	3,469	67,816	7,335

	As at 31/12/2009		As at 30/06/2009	
	S\$'000		S\$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable after one year	61,738	2,975	62,347	2,975

Details of any collateral

Secured borrowings relate to hire purchase and term loan which are collateralised against equipment.

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group	
	1H FY 2010	1H FY 2009
	S\$'000	S\$'000
Cash flows from operating activities		
Total profit	11,558	23,101
Adjustments for:		
Income tax expense	3,164	5,289
Depreciation of property, plant and equipment	11,465	10,549
Interest income	(46)	(40)
Interest expense	1,423	1,666
Net gain on disposal of plant and equipment	(3,974)	(3,833)
Net gain on disposal of a subsidiary	-	(80)
Fair value (gain)/loss on financial assets at fair value through profit or loss	(19)	390
Exchange differences	231	(236)
Operating cashflow before working capital changes	23,802	36,806
Change in operating assets and liabilities:		
Inventories	(969)	(84)
Construction contract work-in-progress	781	(2,161)
Trade and other receivables	(14,930)	(28,843)
Other current assets	921	2,232
Trade and other payables	(945)	1,773
Cash generated from operations	8,660	9,723
Income tax refund / (paid)	367	(122)
Net cash generated from operating activities	9,027	9,601
Cash flows from investing activities		
Proceeds from disposal of a subsidiary, net of cash	-	226
Purchase of property, plant and equipment	(4,790)	(19,294)
Interest received	46	40
Proceeds from disposal of plant and equipment	6,699	4,451
Net cash provided by / (used in) investing activities	1,955	(14,577)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	27,254	-
Proceeds from borrowings	5,658	32,952
Repayment of borrowings	(20,018)	(24,104)
Repayment of finance lease liabilities	(1,979)	(2,144)
Interest paid	(1,476)	(1,611)
Dividends paid to equity holders of the Company	(1,486)	(1,350)
Net cash provided by financing activities	7,953	3,743
Net increase / (decrease) in cash and cash equivalents	18,935	(1,233)
Cash and cash equivalents at beginning of financial period	16,802	16,579
Cash and cash equivalents at end of financial period	35,737	15,346

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

<u>The Group</u>	<u>Attributable to equity holders of the Company</u>				<u>Non-controlling Interest</u>	<u>Total Equity</u>
	<u>Share Capital</u>	<u>Other Reserves</u>	<u>Retained Earnings</u>	<u>Total</u>		
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Balance at 1 July 2009	50,048	(2,548)	125,873	173,373	4,304	177,677
Total comprehensive income / (loss)	-	634	11,563	12,197	(110)	12,087
Issue of shares	28,220	-	-	28,220	-	28,220
Share issue expenses	(966)	-	-	(966)	-	(966)
Dividend relating to 2009 paid	-	-	(1,486)	(1,486)	-	(1,486)
Balance at 31 December 2009	77,302	(1,914)	135,950	211,338	4,194	215,532
Balance at 1 July 2008	50,048	(2,252)	84,897	132,693	4,000	136,693
Total comprehensive income / (loss)	-	(816)	23,068	22,252	33	22,285
Dividend relating to 2008 paid	-	-	(1,350)	(1,350)	-	(1,350)
Balance at 31 December 2008	50,048	(3,068)	106,615	153,595	4,033	157,628

The Company

	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Balance at 1 July 2009	50,048	7,001	57,049
Total comprehensive income	-	3	3
Issue of shares	28,220	-	28,220
Share issue expenses	(966)	-	(966)
Dividend relating to 2009 paid	-	(1,486)	(1,486)
Balance at 31 December 2009	77,302	5,518	82,820
Balance at 1 July 2008	50,048	9,617	59,665
Total comprehensive loss	-	(145)	(145)
Dividend relating to 2008 paid	-	(1,350)	(1,350)
Balance at 31 December 2008	50,048	8,122	58,170

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company issued 34,000,000 new ordinary shares (share placement) at \$0.83 each on 15 October 2009 with net placement proceeds of \$27,253,597.

As at 31 December 2009, \$12.5 million had been utilised for general working capital.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31/12/2009	30/06/2009
Total number of issued ordinary shares	371,576,410	337,576,410

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures presented are not audited nor reviewed.

3 Whether the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group had applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements, except for those as disclosed under paragraph 5.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 July 2009. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in respective FRS and INT FRS. The adoption of new/revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies nor any significant impact on the Group's financial statements, except for the disclosure of a statement of comprehensive income in accordance with the FRS 1 (Revised) Presentation of Financial Statements.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group	
	1H FY 2010	1H FY 2009
EPS based on weighted average number of ordinary shares in issue (cents)	3.29	6.83
On a fully diluted basis (cents)	3.29	6.83
Weighted average number of ordinary shares in issue	351,989,453	337,576,410

There were no potential dilutive ordinary shares in existence for the half year ended 31 December 2009 and 31 December 2008.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	31/12/2009	30/06/2009	31/12/2009	30/06/2009
Net asset value per ordinary share (cents)	56.88	51.36	22.29	16.90
Ordinary shares at the end of the current financial period and immediately preceding financial year	371,576,410	337,576,410	371,576,410	337,576,410

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Turnover	1H FY 2010	1H FY 2009	Increase/ (Decrease)
	S\$'000	S\$'000	%
Heavy Lift and Haulage	56,051	64,423	-13%
Marine Transportation	5,039	6,882	-27%
Fabrication & Engineering	15,391	15,175	1%
Trading	5,800	9,032	-36%
	82,281	95,512	-14%

The Group registered a turnover of S\$82.3 million for the half year ended 31 December 2009, representing a decline of 14% over the S\$95.5 million recorded for the same period in the previous year.

Turnover from Heavy Lift and Haulage segment dropped by 13% year-on-year mainly due to the decrease in contribution from Thailand, Indonesia and China. The Group also experienced a drop in the utilisation rate for its lower-tonnage cranes.

Turnover from Marine Transportation segment decreased by 27% as a result of a fall in the utilisation rate and there were also fewer integrated haulage and marine projects undertaken by the Group.

Fabrication & Engineering segment registered a turnover of S\$15.4 million for the half year ended 31 December 2009, representing a slight increase of 1% as compared to the S\$15.2 million registered in the previous corresponding period. Revenue from its maiden derrick pipe-lay barge project was fully recognised during the half year ended 31 December 2009.

Turnover from Trading segment decreased by 36% to S\$5.8 million as the Group sold less cranes compared to the last corresponding period.

Profit/(loss) before tax	1H FY 2010	1H FY 2009	Increase/ (Decrease)
	S\$'000	S\$'000	%
Heavy Lift and Haulage	16,926	26,167	-35%
Marine Transportation	150	3,202	-95%
Fabrication & Engineering	(3,425)	(2,606)	31%
Trading	1,071	1,627	-34%
	14,722	28,390	-48%

The Group registered a profit before tax of S\$14.7 million for the half year ended 31 December 2009, representing a decrease of 48% over the S\$28.4 million recorded for the same period in the last financial year.

Profit before tax from Heavy Lift and Haulage segment for the half year ended 31 December 2009 declined by S\$9.2 million or 35% compared to the previous corresponding period. This was primarily driven by lower turnover and to a smaller extent, higher depreciation and maintenance costs for the Group's heavy equipment.

Profit before tax from Marine Transportation segment for the half year ended 31 December 2009 decreased by S\$3.1 million or 95% as compared to the same period in the last financial year mainly due to the decrease in turnover and higher depreciation costs for its tugs and barges. In the previous corresponding period, the Group had enjoyed a gain of S\$1.6 million arising from the disposal of its smaller tug and barges as compared to a gain of S\$0.6 million for the half year ended 31 December 2009.

Despite the slight increase in turnover from its Fabrication and Engineering segment for the half year ended 31 December 2009, there was a loss of S\$3.4 million due to higher subcontractor and incidental costs incurred towards the completion of our maiden derrick pipe-lay barge as well as an increase in general overheads.

Profit before tax from Trading segment for the half year ended 31 December 2009 decreased by 34% in line with the decrease in turnover.

Statement of Comprehensive Income

The increase in the cost of sales by 4% from S\$54.5 million in 1H FY 2009 to S\$56.7 million in 1H FY 2010 was due mainly to an increase in sub-contractors' cost, depreciation and maintenance costs of plant and equipment. Coupled with the effects of lower turnover, gross profit for the Group declined by 38% from S\$41.1 million in 1H FY 2009 to S\$25.6 million in 1H FY 2010.

Other income was lower largely due to currency exchange losses in 1H FY 2010 as compared to currency exchange gains in 1H FY 2009.

The drop in the other operating expenses was mainly due to a lower provision for directors' bonuses in line with the decrease in the Group's profit for the current period.

Finance costs were lower mainly as a result of repayment of borrowings and lower interest rates.

Statement of Financial Position

Trade and other receivables increased from S\$118.4 million to S\$133.2 million as at 31 December 2009. Included in the S\$133.2 million was an accrued revenue of S\$73.5 million (30 June 2009: S\$59.7 million) for our maiden shipbuilding project. Excluding accrued revenue, trade and other receivables would have increased by 2%.

Inventories increased by 76% from S\$1.3 million to S\$2.3 million as at 31 December 2009 mainly due to an increase in material and spare parts purchased for repairs and maintenance.

Other current assets decreased by 17% from S\$5.4 million to S\$4.5 million as at 31 December 2009 mainly due to the decrease in both advance payment to suppliers and prepayments made for insurance premium.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There was no forecast, or any prospect statement previously disclosed to shareholders.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The global economic situation remains uncertain, with some economies recovering while others remain weak. In view of this, the Group remains cautiously optimistic in its outlook for the Power Generation, Oil & Gas and Petrochemical sectors. It continues to be active in its identified key markets such as People's Republic of China, Thailand, Indonesia, Vietnam, Brunei, India, Malaysia and the Middle East. Operationally, the Group will continue to strengthen and enhance its capabilities and stay focused on its core business activities.

Going forward, the Group shall continue to implement its existing five pronged business strategies as follows:

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

11 Dividend

(a) Current Financial Period Reported On Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

12 If no dividend has been declared / recommended, a statement to that effect

The Group did not declare any dividend during the six months ended 31 December 2009 and 31 December 2008.

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

14 In the review of performance, the factors leading to any material changes in turnover and earnings by the business or geographical segments

Not applicable.

15 A breakdown of sales:-

Not applicable.

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Not applicable.

17 Negative assurance confirmation on the interim financial results pursuant to Clause 705(4) of the Listing Manual of SGX-ST

The board confirms that to the best of its knowledge, nothing has come to its attention which may render the interim financial results to be false or misleading in any material respect. A statement signed by two directors is on record.

BY ORDER OF THE BOARD

Tiong Woon Corporation Holding Ltd
10 February 2010