TIONG WOON CORPORATION HOLDING LTD

(Company Registration No. 199705837C)

Tiong Woon posts first-half net profit of S$11.6m on turnover of S$82.3m for fiscal 2010

"We are starting to see signs and indicators that our markets are beginning to pick up. Coupled with strong fundamentals and positive growth drivers in the Oil & Gas and Petrochemicals industries, we remain optimistic about the long-term prospects of our business," says Chairman and Managing Director Ang Kah Hong

SINGAPORE, 10 February 2010 – MAINBOARD-LISTED **Tiong Woon Corporation Holding Ltd** (Tiong Woon or the Group) today announced a net profit after tax and non-controlling interest of S$11.6 million for fiscal 2010 first half ended 31 December 2009, compared to S$23.1 million it made in the previous corresponding period, reflecting difficult market conditions.

Group turnover stood at S$82.3 million, 14% lower than the previous S$95.5 million it achieved during the first half of fiscal 2009. It turned in a profit before tax of S$14.7 million, compared to S$28.4 million it made in the previous corresponding period.

It managed a gross profit margin of 31% against 43% it achieved in the previous corresponding period mainly due to the lower revenue. Earnings per share stood at 3.29 cents compared to 6.83 cents in the previous corresponding period.

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.

Mr. Ang Kah Hong, TWC's Group Chairman and Managing Director, said: "Our results reflect a general weakness in our activities and depressed demand during the first half as a result of the weak economic environment. Our response is to remain focused on operational efficiency and cost containment."

Mr Ang added: "At the same time, we continue to work hard to secure new contracts both in Singapore and overseas. We remain nimble and flexible, responding quickly to market demand and changing customer needs. Our intention is to continue to grow the business, and we are confident that with our solid business model and robust fundamentals, we are well-positioned to tap on market opportunities, going forward."

Segmental and geographic performance

The Heavy Lift and Haulage segment recorded S$56.1 million in turnover compared to S$64.4 million previously. The decline is mainly due to a decrease in contribution from Thailand, Indonesia and China, as well as a drop in the utilisation rate for its lower-tonnage cranes. Profit before tax contributed by this business segment for the six months ended 31 December 2009 stood at S$16.9 million compared to S$26.2 million it recorded over the half year ended 31 December 2008. This was largely driven by lower turnover and to a smaller extent, higher depreciation and maintenance costs for the Group's heavy equipment.

The next highest contributor to total revenue was its Fabrication and Engineering segment with S$15.4 million against S$15.2 million it made previously, up marginally over the preceding corresponding period. Revenue from its maiden derrick pipe-lay barge project was fully recognised during the half year ended 31 December 2009.

However, despite the slight increase in turnover for the period, there was a loss of S$3.4 million due to higher subcontractor and incidental costs incurred towards the completion of this barge project as well as an increase in general overheads.

Marine Transportation generated S$5.0 million in turnover, falling 27% from S$6.9 million over the same corresponding period. The segment turned in a profit before tax of S$0.2 million, down 95% from the previous corresponding period, largely attributed to a fall in revenue 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 compared to a gain of S$0.6 million for half year ended 31 December 2009.

Trading activities brought in S$5.8 million, down 36%, from S$9.0 million in the previous corresponding period ending 31 December 2008. Profit before tax from this segment decreased by 34% to S$1.1 million as the Group sold fewer cranes during the period.

Strong financial position

In spite of the weaker performance, the Group's financial position remains healthy. Market capitalisation stood at S$189.5 million -- based on yesterday's closing price of 51.0 cents -- on total assets of S$406.4 million and net tangible assets of S$215.5 million.

The Group also registered a lower net debt to equity of 47% compared to 71% previously. Total shareholders' equity was S$211.3 million, 22% or S$38.0 million higher than at 30 June 2009. Net asset value per share of 56.88 cents was 11% higher than at 30 June 2009. The total number of shares issued was 371.6 million as at 31 December 2009. Its positive net working capital of S$74.9 million is a significant improvement of 99% over 30 June 2009 balance. For the period under review, the Group continued to maintain a healthy liquidity position with cash and cash equivalents balance of S$35.7 million and generated net cash flow from operations of S$9.0 million for the six months ended 31 December 2009.

In terms of geographic area performance, activities at home continued to lead revenue growth accounting for 66% of Group turnover. India contributed 8%, and Indonesia and the Middle East contributed 6% each to the Group's overall turnover. The rest came from the Group's operations in Asia.

Going forward

Mr Ang said: "We are starting to see signs and indicators that our markets are beginning to pick up. Coupled with strong fundamentals and positive growth drivers in the Oil & Gas and Petrochemicals industries, we remain optimistic about the long-term prospects of our business."

The Group's focus for growth in the near term will continue to be its key markets in Asia and the Middle East. Going forward, the Group will continue to build on its strengths. Heavy Lift and Haulage will be its primary driver of growth and it will also actively expand its geographical footprint.

Mr Ang added that the Group intends to continue on its momentum to execute its existing five-pronged business strategies to grow revenue and build long-term 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.

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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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