



TIONG WOON CORPORATION HOLDING LTD

(Company Registration No. 199705837C)

Tiong Woon posts S\$9.6m in Net Profit for the third quarter ended 31 March 2010

SINGAPORE, 11 May 2010 – MAINBOARD-LISTED Tiong Woon Corporation Holding Ltd (TWC) today announced a net profit after tax and non-controlling interest of S\$9.6 million for the third quarter ended 31 March 2010, an increase of 35% over the S\$7.1 million it achieved in the previous corresponding period.

The Group generated a significant gain of S\$10.6 million of other income from the disposal of the property at No. 13 Pandan Crescent, which made up the bulk of profit before tax of S\$11.6 million. Group turnover was S\$28.4 million compared to S\$52.8 million in the previous corresponding period. Earnings per share for the third quarter ended 31 March 2010 was 2.58 cents compared to 2.11 cents previously, a visible jump of 22%.

Commenting on the results, Mr. Ang Kah Hong, Group Chairman and Managing Director, said he is satisfied with the Group's overall performance considering that the third quarter is a seasonally slower quarter compared to the rest of the year. He said: "It has been a challenging quarter for us with lots of ups and downs. To some extent, our results reflect the lagged effect of a down cycle in the market."

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.

Segmental performance

For the third quarter ended 31 March 2010, turnover from Heavy Lift and Haulage segment was S\$22.4 million compared to S\$29.4 million previously. The difference was due largely to lower contributions from Thailand, Indonesia, China and Singapore and a drop in the utilisation rate for its lower tonnage capacity cranes. Profit before tax was S\$2.8 million compared to S\$10.7 million previously, as a result of lower turnover and to a smaller extent, higher depreciation and maintenance costs for the Group's heavy equipment.

Higher turnover from Marine Transportation segment, which grew 121% to S\$4.3 million, was due to two new charter contracts of significant value. One of these was for a charter period of one year and the other, which required cross charter from third party, ended in March 2010. This increase in turnover has reduced the loss in this segment from S\$1.1 million to S\$0.9 million. The loss arose because of low utilisation rate for the Group's own fleet due to different specification requirements in the market as well as the profits from one of the new contracts was marginal as the vessel was externally chartered to meet the customer's specification.

Fabrication & Engineering segment added S\$0.9 million to turnover for the third quarter ended 31 March 2010 compared to S\$16.8 million previously. The much higher turnover previously was largely due to revenue recognition from the derrick pipe-lay barge. This segment registered a loss of S\$0.7 million compared to S\$0.8 million in the same quarter previously mainly due to favourable exchange gains arising from the appreciation of Indonesian Rupiah.

Turnover from Trading segment was S\$0.7 million compared to S\$4.7 million as the Group sold fewer cranes this quarter. This segment incurred a loss of S\$0.1 million for the third quarter ended 31 March 2010 due to lower turnover.

Strong financials

On the whole, the Group's financials remained in very good shape. Market capitalisation was S\$187.7 million, based on 10 May 2010 closing price of 50.5 cents. Total assets were S\$427.4 million and net assets stood at S\$225.4 million. Equity attributable to shareholders totaled S\$221.2 million as at 31 March 2010, 28% or S\$47.8 million higher than at 30 June 2009. Net asset value per share of 59.5 cents was 16% or 8.2 cents higher than at 30 June 2009. The total number of shares issued was 371.6 million as at 31 March 2010.

Outlook

The recovery of the global economy remains uncertain. Nevertheless, the rapid rise in oil prices over the past few months are positive signs.

Looking beyond the short range horizon, the Group retains a cautious optimism about its longer term prospects, considering the fact that TWC is one of a few specialised contractors in the region that supports the oil & gas, power generation and petrochemicals industries. Mr Ang said: "Tender activities have continued to keep us busy over the past few months. We have been participating in tenders for numerous overseas projects, in particular in China, India, Vietnam, Thailand, Indonesia and the Middle East, where we have witnessed a spike in activity levels in recent months following the gradual recovery in global market conditions."

Mr Ang added that the Group's strategic focus will continue to be maintaining its momentum to execute its existing five-pronged business strategies to grow revenue and build long-term shareholder value, as follows:

- To actively seek business opportunities in emerging markets for core Heavy Lift and Haulage segment;
- To develop Fabrication and Engineering competency for Marine and Oil & Gas projects;
- To invest in higher capacity and specialised equipment;
- To forge strategic alliances and cooperation with international and industry players to jointly participate in bids 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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