



TIONG WOON CORPORATION HOLDING LTD

(Company Registration No. 199705837C)

## **Tiong Woon posts net profit of S\$23.9m on revenue of S\$148.4m for FY2010; proposes dividend of 0.4 cent per share**

**SINGAPORE, 25 August 2010 – MAINBOARD-LISTED** Tiong Woon Corporation Holding Ltd (TWC or the Group) today announced a net profit after tax and non-controlling interest of S\$23.9 million on turnover of S\$148.4 million for the 12 months ended 30 June 2010. This compares with S\$42.3 million and S\$202.3 million in the preceding corresponding period. Earnings per share was 6.62 cents against 12.54 cents previously.

The Board has proposed a final one-tier tax-exempt dividend of 0.4 cent per ordinary share, representing a dividend payout ratio of about 6% based on FY2010 profits, payable in November 2010.

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 18<sup>th</sup> largest crane owning company worldwide by International Cranes, a reputable trade magazine, in its latest IC50 2010 survey, up three places from last year's position.

The Group's financial base remained in good shape with a market capitalisation of S\$148.6 million -- based on yesterday's closing price of 40.0 cents -- backed by total assets of S\$419.7 million and net assets of S\$229.5 million. Shareholders' equity

was S\$224.5 million, up 30% or S\$51.1 million compared to the last corresponding period. Net asset value per share of 60.43 cents was 18% or 9.07 cents higher than at 30 June 2009. The total number of shares issued was 371.6 million as at 30 June 2010.

The Group's cash and cash equivalents increased from S\$16.8 million as at 30 June 2009 to S\$38.3 million as at 30 June 2010. Working capital (or net current assets) was S\$66.8 million, up 77% or S\$29.2 million over the previous year.

Commenting on the results, Mr. Ang Kah Hong, TWC's Group Chairman and Managing Director, said: "The results reflected difficult market conditions in general and this has had a dampening effect on the overall profitability of the Group. However, we have a strong balance sheet and remain in a healthy cash position.

### **Performance by segment**

Heavy Lift and Haulage contributed the largest share to total revenue, at 71%. Turnover was S\$105.4 million compared to S\$130.6 million previously because fewer integrated projects were undertaken by the Group in Asia Pacific. Utilisation and rental rates for its lower tonnage capacity cranes were also lower. Revenue from Marine Transportation improved 28% to S\$13.9 million because of two new charter contracts totaling S\$3.0 million which required externally chartered vessels to meet customers' specifications. Fabrication & Engineering segment contributed S\$17.6 million to turnover compared to S\$47.0 million previously. The higher turnover in FY2009 was mainly due to revenue recognition from the derrick pipe-lay barge. The Trading business added S\$11.5 million to Group revenue, down 17%, as cranes sold during the period were smaller in value because they were lower in capacity compared to FY2009.

For the full year ended 30 June 2010, the Group recorded a profit before tax of S\$28.1 million against S\$50.8 million the year before. As the biggest contributor to revenue, Heavy Lift and Haulage also brought the largest share of profit before tax,

at S\$23.9 million (FY2009: S\$52.2 million). The difference was due mainly to lower turnover, and to a smaller extent, higher depreciation and maintenance costs for the Group's heavy equipment. Marine Transportation incurred a loss of S\$0.7 million compared to the previous year mainly attributable to a lower gain on sale of tugs and barges for the financial year, lower utilisation rate for the Group's own fleet as well as low profits from the two new contracts. The loss from Fabrication and Engineering segment for the 12 months ended 30 June 2010 was S\$6.7 million against a loss of S\$6.2 million previously as a result of an impairment loss on trade and other receivables. Trading segment contributed S\$1.1 million profit before tax compared to S\$2.0 million previously mainly due to lower margins from the lower tonnage capacity cranes that were sold. "Others" is made up of a S\$10.6 million gain arising from the sale of the property at No.13 Pandan Crescent in March 2010.

## **Outlook**

Mr Ang noted that the global economy is recovering gradually, although there has been some uncertainty of late over the strength and sustainability of the recovery.

"Taking a longer run perspective, our expectations for the business and the Group remain optimistic. We will continue to improve efficiency and contain costs. At the same time, we will strengthen and enhance our capabilities through regular upgrading of our fleet and through employee training programmes," said Mr Ang.

Looking ahead, Tiong Woon will continue to focus on its core business with Heavy Lift and Haulage and Fabrication and Engineering as the segments that will drive overall growth. At the same time, it will continue to be active in its key markets such as Singapore, Thailand, China, Indonesia, Vietnam, India, Malaysia and the Middle East in the Power Generation, Oil & Gas and Petrochemical sectors.

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## **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, Vietnam, China, India and Saudi Arabia.

The Group is ranked the 18<sup>th</sup> largest crane owning company worldwide by International Cranes, a reputed trade magazine, in its IC50 2010 survey.

Established in Singapore in 1978, 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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