



TIONG WOON CORPORATION HOLDING LTD

(Company Registration No. 199705837C)

Tiong Woon posts revenue of S\$28.8m for 1Q2011 ended 30 September 2010

SINGAPORE, 12 November 2010 – MAINBOARD-LISTED Tiong Woon Corporation Holding Ltd (Tiong Woon or the Group) today announced results for its 2011 first quarter with revenues of S\$28.8 million for the three months ended 30 September 2010, turning in profit after tax attributable to equity holders of S\$1.3 million.

The Group reported a lower turnover of S\$28.8 million from S\$44.8m mainly due to lower revenue contributions from its Heavy Lift and Haulage, Fabrication and Engineering, Marine Transportation and Trading segments. With lower turnover, higher depreciation charges and expenses for scheduled maintenance, the Group's profit after tax attributable to equity holders declined compared to the S\$6.1 million it made in the previous corresponding period.

Overall, the Group's gross profit margin was lower at 25.6% compared to 1Q2010, due to higher depreciation costs from the addition of new equipment and lower turnover contribution for this first quarter. Over the three preceding quarters (2Q2010 to 4Q2010), gross profit margin has remained relatively stable between 26.5% and 27.5%.

Mr Ang Kah Hong, Tiong Woon's Group Chairman and Managing Director said difficult business conditions were partly the reason for the lacklustre performance.

Nonetheless, he said, Tiong Woon is seeing a rise in project inquiries for heavy lifting services. “We are now busy with bid preparations and my team will continue to work hard to secure more contract wins in the markets where we operate,” he added.

“We continue to watch our costs vigilantly. We are confident that we are well-positioned to capitalise on the pipeline of new business opportunities,” continued Mr Ang.

TWC is an integrated services provider for the Oil & Gas and Petrochemicals industries and specialises in heavy lift and installation of process equipment. The Company is ranked the 18th largest crane owning company worldwide by International Cranes, a reputable trade magazine, in its IC50 2010 survey.

Segment results

The Group’s Heavy Lift and Haulage Segment contributed S\$23.1 million to total turnover, compared to S\$29.2 million in the corresponding period a year ago, as it undertook fewer integrated projects. The segment turned in a profit before tax of S\$2.5 million compared to S\$8.9 million previously, in line with lower turnover as well as higher depreciation and maintenance costs incurred for its heavy equipment.

The Group recorded a slightly lower turnover of S\$2.7 million from its Marine Transportation business from S\$2.9 million previously as a result of fewer integrated haulage and marine projects undertaken. Profit before tax remained comparatively stable at S\$0.3 million.

Fabrication & Engineering segment recorded a turnover of S\$2.0 million, compared to S\$9.9 million previously. Turnover for the current quarter was generated solely from ship repair business, while higher revenue in the previous corresponding quarter arose from its maiden derrick pipe-lay barge project at its Bintan Yard. The Bintan Fabrication Yard was acquired in November 2006 to shore up its fleet of

heavy lift equipment, tugs and barges, as well as to generate a fresh revenue stream.

Turnover from the Trading segment was S\$1.0 million vis-a-vis S\$2.8 million a year before as it sold mainly lower tonnage capacity cranes during the quarter. Correspondingly, profit before tax was S\$0.1 million compared to S\$0.5 million previously.

Strong balance sheet

The Group's financial position remained healthy with total assets of S\$391.6 million and net assets of S\$229.4 million as at 30 September 2010. Net asset value per share was 60.47 Singapore cents, slightly up against the 60.43 cents recorded on 30 June 2010.

The Group also saw a lower net debt to equity of 18% as at 30 September 2010 compared to 43% as at 30 June 2010. Borrowings payable for one year fell by 44% or S\$31.0 million to S\$38.8 million mainly due to the settlement of the revolving credits drawn for financing the derrick pipe-lay barge.

Net cash flows from operations was S\$75.4 million, cash and cash equivalents was S\$66.6 million and working capital (or net current assets) was S\$56.8 million for the period ended 30 September 2010.

The total number of shares issued to date were 371.6 million with a market capitalisation of S\$163.5 million, based on 11 November 2010 closing price of 44.0 Singapore cents.

Business outlook and strategic focus

Mr Ang said the Group remains cautiously optimistic on the outlook for 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, and exercising nimbleness and flexibility where opportunities arise,” 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 pursue 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, Vietnam, China, India and Saudi Arabia. Tiong Woon is ranked the 18th largest crane owning company worldwide by International Cranes, a reputed trade magazine, in its IC50 2010 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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