



TIONG WOON CORPORATION HOLDING LTD

(Company Registration No. 199705837C)

## **Tiong Woon posts revenue of S\$54.7m for 1H2011 ended 31 December 2010**

**SINGAPORE, 14 February 2011 – MAINBOARD-LISTED Tiong Woon Corporation Holding Ltd** (Tiong Woon or the Group) today announced results for its 2011 first half with revenues of S\$54.7 million for the six months ended 31 December 2010, turning in profit after tax attributable to equity holders of S\$1.8 million.

The decrease in turnover to S\$54.7 million from S\$82.3 million mainly due to lower contributions from its Heavy Lift and Haulage, Fabrication and Engineering and Trading segments. With lower turnover and higher depreciation charges, the Group's profit after tax attributable to equity holders was also down compared to the S\$11.6 million it made in the previous corresponding period.

Mr Ang Kah Hong, Tiong Woon's Group Chairman and Managing Director said that business conditions continued to be challenging. He said that enquiries are on the rise particularly for heavy lifting services in markets such as Asia and the Middle East.

"We are experiencing a high level of enquiries and we are busy prospecting. We hope to be able to convert some of these into contracts. Meanwhile, we continue to watch our costs carefully in order to ensure that we continue to enjoy decent margins," said 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 18<sup>th</sup> 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\$45.6 million to total turnover, relative to S\$56.1 million in the corresponding period a year ago, as it undertook fewer integrated projects in the Asia Pacific region. The segment turned in a profit before tax of S\$3.5 million compared to S\$16.9 million previously, in line with lower turnover, lower gain on disposal of heavy equipment and to some extent, higher depreciation for its heavy equipment.

The Group recorded a slightly higher turnover of S\$5.2 million from its Marine Transportation business, up 3% from S\$5.0 million previously. The increase arose from a significant charter contract and profit before tax rose to S\$1.3 million from S\$0.2 million previously.

Fabrication & Engineering recorded a turnover of S\$2.8 million, compared to S\$15.4 million previously. Turnover for the first half ended 31 December 2010 was generated solely from ship repair business, while higher revenue in the previous corresponding period 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\$1.1 million vis-à-vis S\$5.8 million previously. Apart from the mainly lower tonnage capacity cranes sold in the first quarter, none were sold in the second quarter of 2011. Correspondingly, profit before tax was S\$0.04 million in relation to S\$1.1 million previously.

## **Strong balance sheet**

The Group's financial position remained healthy with total assets of S\$371.1 million and net assets of S\$227.6 million; net asset value per share was 60.02 Singapore cents as at 31 December 2010.

The Group also saw a lower net debt to equity of 23% as at 31 December 2010 compared to 44% as at 30 June 2010. Short terms loans fell by 50% or S\$34.9 million to S\$34.9 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\$79.7 million for the six months ended 31 December 2010 with cash and bank balances of S\$40.0 million and working capital of S\$36.3 million at 31 December 2010.

The total number of shares issued to date were 371.6 million with a market capitalisation of S\$148.6 million, based on 11 February 2011 closing price of 40.0 Singapore cents.

## **Business outlook and strategic focus**

Despite the Group's challenging business conditions, Mr Ang said the Group remains cautiously optimistic on the outlook for the Power Generation, Oil & Gas and Petrochemical sectors and 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.

"We will continue to 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](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. Tiong Woon is ranked the 18<sup>th</sup> 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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