

Main contributor to Group's profit came from core business of heavy lift and haulage.

Main Board-listed Tiong Woon Corporation Holding Ltd ("Tiong Woon" or the "Company"), a leading heavy lift, haulage and marine transportation company, has achieved a 583% jump in Group's profit after tax to S\$4.6 million for the financial year ended 30 June 2002 ("FY2002").

The Company, which released its full year unaudited financial results today, posted a 7% increase in Group's turnover to S\$43.1 million compared with S\$40.4 million in the previous financial year. Tiong Woon's profit before tax in FY2002 was up sharply by 571% to S\$5.3 million against S\$797,000 in the financial year ended 30 June 2001 ("FY2001").

Tiong Woon's Chairman and Managing Director, Mr. Ang Kah Hong, said: " We have been able to maintain the momentum of our turnaround which saw our profit after tax hitting S\$2.0 million in the first half of FY2002 and improving to S\$4.6 million for the full financial year. This is the result of our strategy of focusing on the business development and management of our core heavy lift and haulage division. Going forward, we will continue to put in our best efforts to seek business opportunities in the emerging markets to achieve growth and profitability for the Group. In addition, we are committed to investing in higher capacity and specialised equipment to participate in infrastructure projects with higher architectural requirements. On a global perspective, we intend to forge strategic alliances with international players to jointly pursue project opportunities anywhere in the world."

Tiong Woon's heavy lift and haulage business accounted for S\$4.3 million or 81% of the Group's profit. During the year under review, the Group's profit from its heavy lift and haulage businesses increased by S\$3.7 million or 552% compared with the corresponding period in FY2001.

It attributed this to the following factors:

- Achieving higher rental income from the leasing of higher capacity and specialised lifting equipments to niche markets;
- Deriving gain from the disposal of older and lower capacity equipment; and
- Achieving higher efficiency from rationalising its operations and implementation of stringent cost control measures.

This is reflected in the Group's cost of sales, which fell 9% to S\$28.8 million in FY2001 from S\$31.5 million in the previous year despite the higher turnover in FY2002.

The Group's other divisions, except for engineering (which has ceased operations), also posted higher profitability.

The marine transportation division posted a profit increase of S\$0.4 million or 158% year on year, while the trading division achieved a profit increase of S\$0.3 million, or 75% over the previous financial year.

As the local construction industry continues to remain weak, the Company has a matter of prudence, increased its provision for doubtful debts by S\$1.7 million for the year ended 30 June 2002. The Company also benefited by S\$0.4 million as a result of a change in the corporate tax rate.

According to the management, the increase in Group's turnover came largely from the improved performance of its heavy lift and haulage division, which recorded an increase of S\$4.6 million or 19% to S\$28.9 million, from S\$24.3 million in previous financial year. This was due to the higher rental rates enjoyed by the Group's newly acquired higher capacity equipment and the higher demand for its heavy lift and haulage services.

Over the recent years, Tiong Woon has successfully reduced its reliance on the local construction industry and focused on regional transportation, shipyard and petrochemical industries and they are now bearing fruit for the Group as these sectors are enjoying resilient recoveries, both locally and regionally.

Over the longer term, Tiong Woon expects its overseas operations to grow bigger and contribute more significantly than its local operations to the Group's turnover.

The Group's marine transportation division also reported an increase of S\$0.2 million in turnover to S\$4.1 million for FY2002 due to an increase in long term chartering business in the Indonesian islands.

Group earnings per share rose by 590% to 2.07 Singapore cents in FY2002 from 0.30 Singapore cents in FY2001 while net tangible asset per share increased to 16.04 Singapore cents from 14.20 Singapore cents in the previous financial year.

The Group has performed well for the financial year 2002 and barring any unforeseen circumstances, the Group hopes to maintain its present performance for the following financial year. Tiong Woon said that as the local construction industry continues to be sluggish and it is not expected to recover any time sooner, the Group will be actively seeking more business opportunities in overseas markets. The Group will continue to pursue projects in the petrochemical, refinery and power plant sectors, both locally and regionally.

Tiong Woon will focus on strengthening its market position and core competencies as a regional integrated heavy lift, haulage and marine transportation specialist. The management will also continue with its stringent credit evaluation policy for new and existing customers to reduce bad debts, increase operating cash flow and improve profitability of the Group.