



Tiong Woon Corporation Holding Ltd started as a partnership in 1978 to provide crane and transport services to the construction industry in Singapore. The Group has since come a long way and today, it is a leading integrated specialist in heavy lift, heavy haulage and marine transportation with a total fleet of more than 300 units of heavy lift and haulage equipment, 10 tug boats and 17 barges. ■ The Group currently operates under four subsidiaries in Singapore: Tiong Woon Crane & Transport Pte Ltd, Tiong Woon Marine Pte Ltd, Tiong Woon Engineering Pte Ltd and Tiong Woon Enterprise Pte Ltd. In the region, the Group has one subsidiary each in Malaysia (Tiong Woon Crane & Transport (M) Sdn Bhd), Indonesia (PT. Tiong Woon Indonesia) and the Philippines (Tiong Woon Philippines, Inc).

BOARD OF DIRECTORS	: Ang Kah Hong (Chairman & Managing Director) Ang Kah Leong (Executive Director) Ang Kha King (Executive Director) Tan Swee Khim (Executive Director) Yeo Wee Tiong Mark (Director) Ong Kai Seong (Director) Wong King Kheng (Director) Chandra Mohan s/o Rethnam (Director) Chua Gah Hok (alternate to Ong Kai Seong)
COMPANY SECRETARY	: Ms Choong Mee Fong, ACIS Ms Foo Soon Soo, FCIS
REGISTERED OFFICE	: No 13 & 15 Pandan Crescent Singapore 128470
SHARE REGISTRAR AND SHARE TRANSFER OFFICE	: Barbinder & Co Pte Ltd 9 Penang Road #10-20 Park Mall Singapore 238459
AUDITORS	: PricewaterhouseCoopers Certified Public Accountants 6 Battery Road #32-00 Singapore 049909 Partner in-charge : Yeoh Oon Jin
PRINCIPAL BANKER	: Oversea-Chinese Banking Corporation Limited 65 Chulia Street #26-02/04 OCBC Centre Singapore 049513



From left to right: Yeo Wee Tiong Mark, Chua Gah Hok, Ang Kah Leong, Ang Kah Hong, Tan Swee Khim, Ang Kha King, Wong King Kheng, Chandra Mohan s/o Rethnam



CHAIRMAN'S STATEMENT

It gives me great pleasure to present my first Chairman's statement to shareholders in this maiden annual report of Tiong Woon Corporation Holding Ltd.

This annual report represents a significant milestone in the corporate history of Tiong Woon Corporation Holding Ltd as it marks the last year in which the Group operated as a private company. Tiong Woon was listed and started trading its shares on the main board of the Stock Exchange of Singapore (SES) in September 1999.

We are very proud of the fact that our initial public offer (IPO) was overwhelmingly subscribed by 216.4 times, making it one of the highest IPO subscriptions on the SES main board achieved in 1999.

I believe the listing has placed Tiong Woon in a strong position to achieve growth by leveraging on the recovery of the local and regional economies. As a listed company, we will now be able to undertake new business opportunities that were previously closed to us. At the same time, we will be able to attract more talented professional managers to join our ranks.

STRATEGIES FOR THE FUTURE

Tiong Woon intends to grow by leveraging on its core business of providing integrated services in heavy lift and haulage, as well as land and marine transportation.

Some of these specific growth strategies include:

- expanding further into the overseas markets of the Asia region;
- increasing the Group's fleet size and range of cranes;
- purchasing larger tug boats and barges that offer ocean-going capabilities; and
- strengthening the marketing team by employing expatriates familiar with overseas markets.

PROSPECTS

Looking ahead, we are optimistic the economic recovery that has started in the region will bring about improved prospects for the Group, not only in the local market but regionally as well.

In Singapore, we intend to leverage on the numerous construction projects such as the link-up of the light and medium rail transport system with the MRT system, and the Deep Tunnel Sewerage system to achieve further growth.

For the overseas markets, we are aggressively pursuing sales activities in the fast growing markets of the Philippines and Indonesia. The political situation in Indonesia has improved with the election of a new President and this should be positive for business prospects there.

With our current set-up of overseas subsidiaries, we are well positioned to source for emerging opportunities to extend our presence in the Asia region.

ACKNOWLEDGEMENT

In conclusion, I would like to thank my fellow board members and everyone who has helped to make FY1999 such a memorable year in the corporate history of Tiong Woon. Our achievements would not have been possible without the generous support of our customers, business associates, bankers and our dedicated staff. We look forward to their continued support.



Ang Kah Hong
Chairman and Managing Director
1 December 1999



FINANCIAL OVERVIEW

Tiong Woon's Group turnover for the financial year ended 30 June 1999 was \$32.2 million while profit after tax was \$3.7 million. This was in line with the figures provided in its prospectus.

The most significant financial development for the Group in 1999 was the listing and trading of its shares on the Stock Exchange of Singapore in September.

Tiong Woon's IPO involved 56.6 million shares which were priced at \$0.20 each. This represented about 25 per cent of the Company's enlarged share capital of 225.1 million shares of \$0.10 par value each.

The net proceeds from the issue of new shares of approximately \$6.1 million (after deducting IPO expenses) will be used to repay the term loan incurred in the construction of the Group's leasehold buildings (\$3.6 million) and the balance for general working capital (\$2.5 million).

BUSINESS OVERVIEW

The year under review has been one of the most challenging periods in the corporate history of Tiong Woon as the whole region was experiencing a severe economic downturn. In addition, the political upheavals in the neighbouring countries have further eroded market confidence in the region and thrown business sentiment into an abyss.

Despite these extremely adverse economic conditions, Tiong Woon continued steadfastly in the pursuit of its corporate mission, which is to excel in the quality of its service as a one-stop integrated service provider of heavy lift, heavy haulage and marine transportation. This has enabled the Group to remain profitable and continue the growth of its business.

During the year, Tiong Woon managed to clinch several major projects such as the HDB upgrading projects, provision of integrated heavy lift, heavy haulage and marine transportation services for the various Exxon projects in Jurong Island such as the Singapore Olefins Plant and Singapore Polyethylene Plant projects, Debottlenecking project in Brunei, and the Peciko Field Development project in Senipah, Indonesia.

The Group was also kept busy with work on the following ongoing projects: the provision of crane services to the LRT C810 at Sengkang East, the MRT C503 for Changi Airport Line, and the MRT C702 involving the Sengkang and Buangkok MRT stations; heavy lift, haulage and launching of prestressed T-beams for Koh Brothers on the Changi Business Park; and marine transportation of heavy and oversized equipment for a paper pulp mill at Pekan Baru, Indonesia.

YEAR 2000 (Y2K) COMPLIANCE

The Group understands "Year 2000 Compliance" to mean that the performance and functionality of its critical equipment or systems will not be affected by data relating to dates prior to, during and after the year 2000.

Tiong Woon's systems are not linked to any external systems of its suppliers and customers. In addition, the crane and transport equipment purchased by the Group is not date or time sensitive.

Therefore, the Group does not anticipate the Y2K issue to have any significant impact on the Group's business, costs and revenues.

However the Group will continue to review and monitor all its computer equipment, software applications, inventory systems as well as equipment purchased from suppliers.