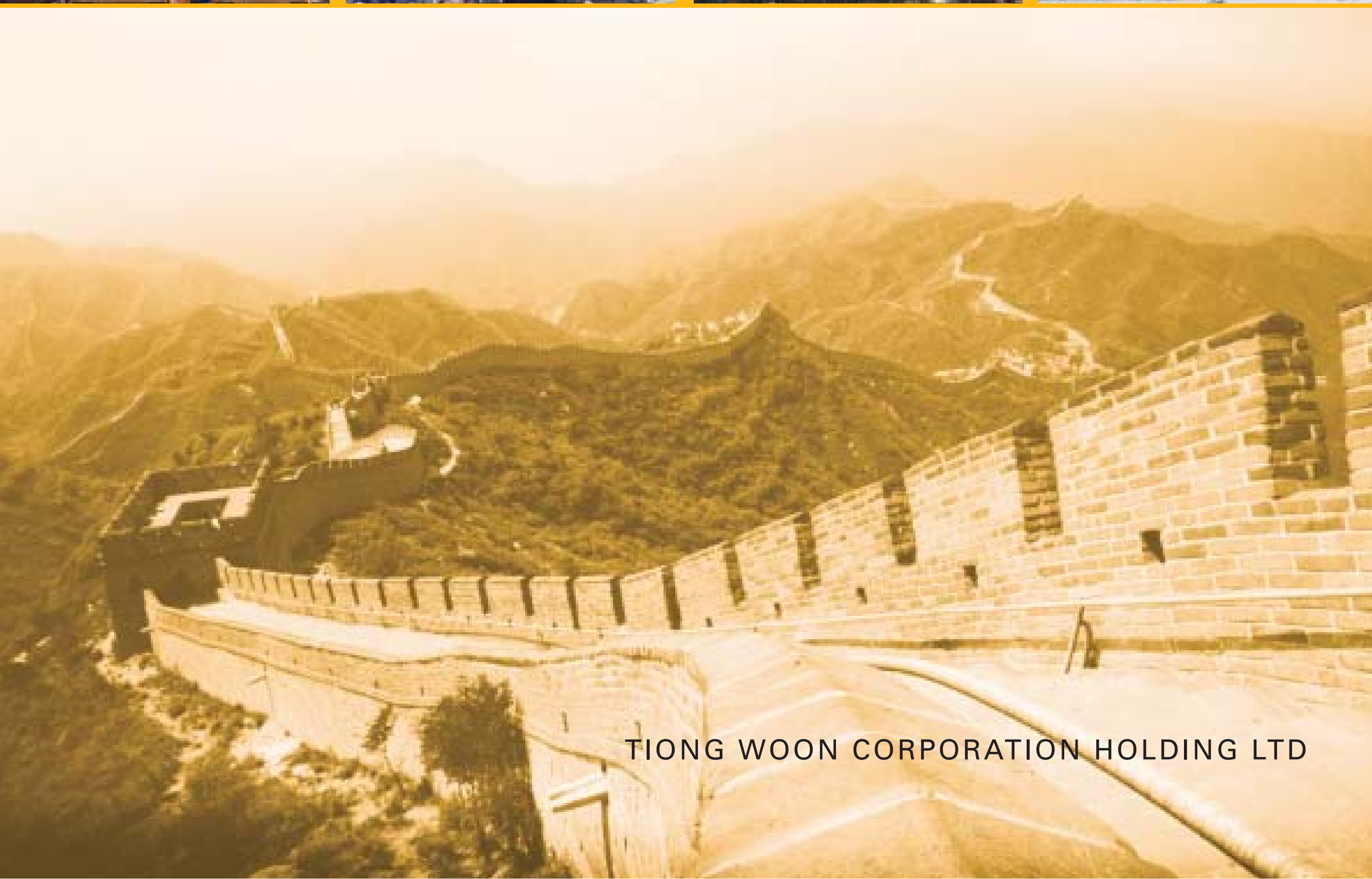
長運

ANNUAL REPORT 2004

高瞻远瞩，放眼世界

Vision for Growth



TIONG WOON CORPORATION HOLDING LTD

Contents

500-ton and 300-ton heavy cranes executing a tandem lift at Marine Offloading Facility of Nanhai Petrochemicals Project in China.

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Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I take great pride to present the Group's result for the financial year ended 30 June 2004 ("FY2004").

Performance for the year under review

The local construction industry remained weak for the year under review. For the year 2003, the construction sector contracted by 11% as compared with the previous year. In the first quarter of 2004, the sector grew by a marginal 1% increase year on year and subsequently, it contracted by 5.1% in the second quarter. Nevertheless, the Group was successful in its regional expansion in the overseas markets, which is reflected in its record performance in turnover and earning for the year under review.

In FY2004, the Group achieved a higher turnover of S$51 million representing an increase of 30% compared to the previous year. Turnover from our Heavy Lift and Haulage segment rose by 29% to S$41.1 million from S$31.9 million recorded in the previous year. The significant improvement in the Heavy Lift and Haulage segment was mainly attributed to the increase in business activities of its operations in Thailand. On a geographical basis, turnover derived from overseas operation rose to S$26 million in FY2004 from S$15.2 million in FY2003 representing an increase of 71% year on year. The contribution of turnover derived from overseas operation represents 51% of the total turnover in the year under review. In the longer term, the Group expects to achieve higher turnover contribution from the overseas markets as the Group pursues its expansion drive in providing its core heavy lift, equipment installation and project management services to multinational companies overseas. Turnover from local operation rose modestly to S$ 24.9 million in FY2004 from S$ 23.9 million in FY2003.

The Group's net profit was significantly higher at S$9.6 million in FY2004 representing a staggering increase of 218% over the previous financial year. On a fully diluted basis, earnings per share rose to 4.26 Singapore cents in FY2004 from 1.34 Singapore cents in FY2003. Net asset value per ordinary share rose to 22.96 Singapore cents in FY2004 from 17.38 Singapore cents in FY2003.

The three-fold increase in the Group's net profit was mainly attributed to a combination of the following factors:

- Higher turnover from its Heavy Lift and Haulage services;
- Effective implementation of cost control measures;
- Gain on disposal of plant & equipment; and
- Change in the estimated useful life of its machineries

Going forward, the Group shall continue to devote its efforts in the implementation of its five pronged business strategies to achieve superior returns for our shareholders:

- Seeking actively for business opportunities in the emerging markets for the Group's heavy lift and haulage segment;
- Investing in higher capacity and specialized lifting equipment;
- Forging strategic alliances and co-operation with international and industry players to jointly participate in the bidding for projects in the overseas markets;
- Maintaining active and tight management control of the Group's respective business divisions; and
- Exercising prudent financial management for the Group.

The Group shall continue to strengthen its market position as a leading integrated heavy lift, equipment installation, project management, heavy haulage and marine transportation specialist for infrastructure projects in the region.

Dividends

FY2004 has been a profitable and remarkable year and the Group is pleased to share its success by declaring a final 1-tier tax-exempt dividend of 3% per ordinary share.

The dividend payout was decided after taking into consideration the Group's further investment in higher capacity and specialized lifting equipment for future projects in the overseas markets. Through our regional expansion, the Group hopes to achieve superior return of equity for our shareholders.

Business Prospects

The Group is positive on the prospects of the overseas markets for the next financial year. As such, it shall continue to actively pursue business opportunities in the Oil & Gas, Petrochemicals, Power Plants and other infrastructure related projects in key regional markets such as the People's Republic of China, Thailand, Malaysia, Indonesia, Vietnam and the Middle East countries.

During the year under review, the Group made its first foray in China by sending its 1000-ton lifting capacity crane for the Nanjing Petrochemicals Project. Subsequently, the Group was awarded two projects by a leading Chinese and International Oil and Gas production company, CNOOC and Shell Petrochemicals Company Limited (collectively referred as "CSPC") for the prestigious Nanhai Petrochemicals Project. As China is currently facing shortage of energy sources in tandem with its rapid economic developments, the Group is well positioned to pursue more Oil & Gas, Petrochemicals, Power Plants and other infrastructure related projects in the world's most populous nation.

As for other markets such as Thailand, Malaysia, Indonesia, Vietnam and Middle East countries, the Group shall focus on the provision of heavy lift, project management, heavy haulage and marine transportation services as new infrastructure investments are expected to be injected into these economies. The Group has also plans to extend its presence in the India market.

Investor Relations

In order to establish open and transparent communications with our shareholders, it is imperative that we maintain equally and timely informed corporate information through formal avenues:-

- MASNET announcements and news releases;
- Press releases on major development;
- Annual Report prepared and issued to all shareholders;
- Company's website at www.tiongwoon.com which shareholders can access information on the Group; and
- The Group's Investors Relation's website through its membership to www.shareinvestor.com. Shareholders and potential investors can obtain email alerts on the Group's latest corporate announcements via this website.

Corporate Governance Commitment

As the Group's Chairman, I am entrusted with the responsibility of leading the Board to set the overall business strategies in growing our core businesses and create long-term, sustainable shareholders' value. It is also one of the Board's primary duties to ensure the Group observes and maintains high standards of corporate conduct and governance.

We place great emphasis on the effectiveness and participation of the Board. As such, our directors are senior executives equipped with in-depth industry, legal, financial and business experience which is pertinent to effective decision making for the Group.

Our Board committees are key to the execution of the Board's responsibilities. The independent committees execute vital functions for providing unbiased supervision of the management decisions, processes and judgements for the Group.

As such, the proactive involvement by the Board committees enable the Board to make strategic decisions and the ability to provide sound leadership and management controls to the Group as a whole. We firmly believe good corporate governance policies will create and enhance long-term, sustainable shareholders' value.

Special Mention

I would like to take this opportunity to thank my fellow directors, the management and staff for their concerted dedication, commitment and contribution towards the sterling performance of the Group for the year under review. Last but not least, I wish to extend my utmost gratitude and appreciation to our customers, bankers, suppliers, business associates and most valued shareholders for their confidence and support to the Group.

Ang Kah Hong
Chairman & Managing Director
30 September 2004

Operations Review

FY2004 was a profitable year for the Group. The Group has not only achieved a turnover of S$51 million, which amounted to an increase of 30% compared to the previous year, but also set a new high in turnover. The Group also achieved a record high profit before tax of 21% of its turnover in FY2004. Despite the 30% increase in turnover, the cost of sales has only increased by 13% in FY2004.

The main contribution to the revenue growth is attributed to the increase in the overseas sales, which saw an increase of 71% as compared to FY2003, as depicted in Exhibit 1 below. The local market contributed to the remaining turnover, which registered an increase of 4% as compared to FY2003.

For the first time in the Group's history, overseas contribution has surpassed local sales, achieving **51%** of the Group's turnover.

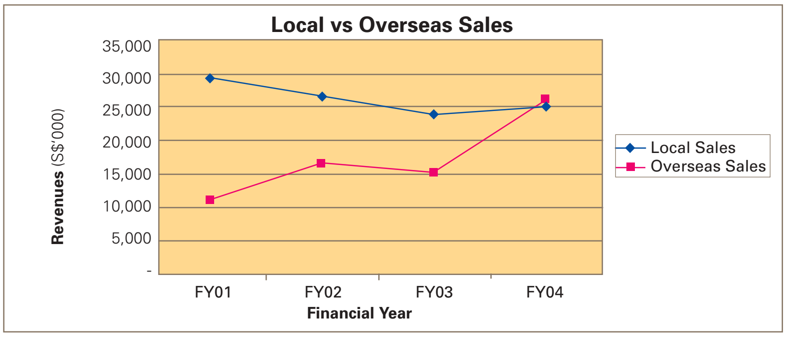


Exhibit 1 – Local and Overseas Sales from FY2001 to FY2004

For the first time in the Group's history, overseas contribution has surpassed the local sales, achieving 51% of the Group's turnover (see Exhibit 2).

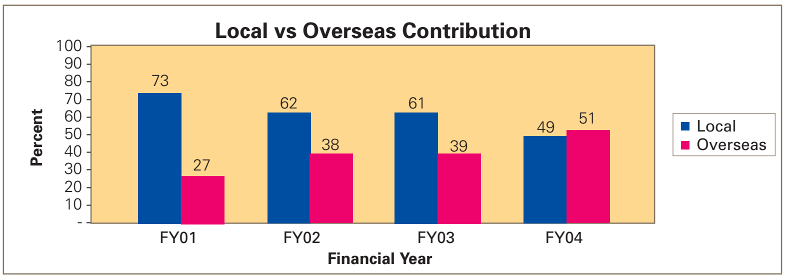


Exhibit 2 – Local and Overseas Contribution from FY2001 to FY2004

The main engine propelling the Group's growth has been its relentless focus on Heavy Lift and Haulage segment, which makes up to 80% of its turnover in the financial year under review. By prudent investments in its strategic assets and competences, coupled with its successful implementation of low-cost and customer-focus strategies, the Group has competitive advantages over its competitors in the industry. In furtherance of its mission, the Group has procured several units of heavy-duty lifting machines to embrace itself to compete in the international arena. This investment not only enables the Group to develop its competency in the provision of heavy lifting services, it also allows the Group to complement its other services in land and sea transportation to offer an unique proposition in the provision of a one-stop service in the field of heavy lift, heavy haulage and marine transportation for its multinational customers.

To enhance its core competence, the Group has, in March 2004, invested in one of the world's largest lifting machine, Demag CC8800, which is rated at 1,250-ton in lifting capacity. Ever since the procurement of this machine was made, numerous enquiries have been received from the regional markets requiring the use of such machine for heavy lifts.

In this financial year, the Group has secured the following major overseas projects in the respective countries as follows:

China

Supply of Heavy Cranes - Nanjing Petrochemicals Project – This project utilized Demag CC6400 (1000-ton lifting capacity crawler crane) for all its heavy lifts and was executed for a period of 4 months. It was the first project that the Group had secured in China.

Our 550-ton and 300-ton heavy cranes performing a tandem lift at the Marine Offloading Facility in Nanhai, China.

Supply of Heavy Cranes at Marine Offloading Facility-Nanhai Petrochemicals Project – This project involved the supply of two heavy-duty cranes, namely, Demag CC2600 and CC1400, both in SSL configuration, as well as the provision of project management for the discharging of all heavy process equipment at the jetty for one of the world's biggest petrochemical hub in Nanhai, China. The project commenced in December 2003 for a contractual duration of one year and is still ongoing.

Supply of Cranes-Nanhai Petrochemicals Project – In March 2004, the Group secured another project in Nanhai for the supply of more than 20 units of cranes with lifting capacities ranging from 50-ton to 200-ton. This project includes managing all lifting activities within the CSPC's site and also imparting the know-how of lifting operations to the locals through training. The project commenced in June 2004.

Heavy lifting of a column by our 1,000-ton heavy crane at the site of Nanjing Petrochemicals Project in China.

Thailand

Suvarnabhumi 2nd Bangkok International Airport – This project commenced in September 2002 and was completed in June 2004. It involved a supply of more than 20 units of heavy-duty cranes, ranging from 50-ton to 550-ton in lifting capacities, for the construction of the new airport. It was the major contributor to the Group's turnover for the year under review.

500-ton heavy crane working at The Second Bangkok International Airport in Thailand.

Malaysia

KL SMART Project – This project involved the lifting of the biggest Tunnel Boring Machine ("TBM") in the world, with diameter spanning more than 13 metres. Two heavy-duty cranes, namely, Demag CC2600 (configured in SSL) and IHI CCH2000, were mobilized to accomplish the installation works and lift down the completed TBM into the tunnelling shaft. It commenced in February 2004 and was successfully completed within a period of 6 months.

Plant Shutdown and Maintenance Works – Various plant shutdown and maintenance works were awarded in the second half of this financial year in the east coast of Malaysia and were successfully completed within the stipulated schedules. These projects included the CUF, PDH, GPP5/6, BASF and Optimal plants shutdown. Demag AC1600, HC810 and CC1400 were deployed to accomplish all these works.

Indonesia

Edaran Asia – This project involved receiving 2300 m^3 of cargoes including several fabricated steel modules and delivery to Batam. Demag CC6400 was supplied to assist in the discharging and assembly of the steel modules at site.

Kaji LPG Plant Extension – This project involved marine transportation of several process equipment from Singapore to Pekan Baru, roll-off from barge using our multi-axle lines, and inland transport to the project site.

In the local market, the Group continues to play a dominant role in the supply of cranes and transport equipment for the HDB Main Upgrading Project ("MUP"), several infrastructure works such as MRT Circle Lines, Deep Tunnel Sewerage System ("DTSS"), other offshore engineering and fabrication works. It is the strategic intent of the Group to maintain the leading market share in the local market.

Business Strategies

The Group holds an optimistic view of the future, given the huge potentials in the international markets. The Heavy Lift and Haulage segment is expected to continue to generate the major portion of the Group's turnover in the near future.

The Group will continue to pursue the following strategies:

1. **Investment in Core Competence –** Remain focused in the Heavy Lift and Haulage segment by continual investments in building and enhancing the Group's competitive advantages.
2. **Customer-Oriented Services –** Create a human-oriented and customer-focused organisation.
3. **Low-Cost Strategy –** Continue to implement stringent cost control measures, eliminate wastage and initiate innovative measures so as to develop new and innovative ways of managing the Group's operations.
4. **Market Penetration** – Develop new markets and opportunities for the Group's services by embarking on an aggressive marketing campaign and capitalising on the Group's competitive advantages.

The Group strongly believes the possession of a fleet of specialised equipment, coupled with the prudent deployment of its strategic assets will open new business opportunities in the region.

Our 500-ton heavy crane lifting the TBM Cutter head weighing 282 tons for KL SMART project in Malaysia.

Corporate Structure

TIONG WOON CORPORATION HOLDING LTD

SINGAPORE

Tiong Woon Crane & Transport Pte Ltd
Tiong Woon Crane Pte Ltd
Tiong Woon Marine Pte Ltd
Tiong Woon Enterprise Pte Ltd
Tiong Woon International Pte Ltd
Tiong Woon China Consortium Pte Ltd
Offshore Technik Pte Ltd
IMC Heavy Equipment Pte Ltd

MALAYSIA

Tiong Woon Crane & Transport (M) Sdn Bhd

INDONESIA

P.T. TWC Indonesia
P.T. Tiong Woon Indonesia

PHILIPPINES

Tiong Woon Philippines, Inc

THAILAND

Tiong Woon Thai Co., Ltd

> **"We are committed to high standards of corporate governance so as to ensure greater transparency and protection of shareholders' interest."**
>
> *Ang Kah Hong,*
> *Chairman & Managing Director*

Board of Directors

Mr Ang Kah Hong is the Group Chairman and Managing Director. Mr Ang has been a Director of the Group's subsidiary, Tiong Woon Crane and Transport Pte Ltd since its inception in 1980. He joined the Board of Directors of the Company on 21 August 1997. He has more than 20 years of experience in the management of heavy lift and heavy haulage operations. He is mainly responsible for envisioning the Group as a regional integrated heavy lift, heavy haulage and marine transportation service provider. His leadership has proven to be instrumental and invaluable to the growth development of the Group's businesses in the recent years. Mr Ang's key responsibilities include identifying, formulating, developing and implementing corporate objectives and business strategies for the Group. In addition, Mr Ang is intensively involved in the corporate development activities of the Group.

Mr Ang Kha King is an Executive Director of the Company. He is one of the founding members and a Director of the Group's subsidiary, Tiong Woon Crane and Transport Pte Ltd since its inception in 1980. He joined the Board of Directors of the Company on 21 August 1997. His key responsibilities include reviewing the internal decision making processes of the Group's existing businesses, overseeing the Group's external operational functions and actively supervising its key Operations and Maintenance Division to ensure that there are adequate machines and equipment available for its heavy lift and haulage assignments.

Mr Tan Swee Khim is an Executive Director of the Company. Mr Tan has been a Director of Tiong Woon Crane and Transport Pte Ltd since 1993 and was appointed to the Board of Directors of the Company on 23 August 1999. He is also the Managing Director of Tiong Woon Crane and Transport Pte Ltd and responsible for managing and overseeing the Group's heavy lift and haulage activities in marketing, operations, maintenance and project engineering in Singapore as well as the regional markets. He is also responsible for spearheading the Group's marketing activities to promote its services to both new and existing customers and identifying business opportunities for the Group. Mr Tan is also the acting Group Managing Director in the absence of Mr Ang Kah Hong.

(Left to right) Mr Ang Kah Hong, Mr Ang Kha King, Mr Tan Swee Khim, Mr Wong King Kheng, Mr Chandra Mohan s/o Rethnam

Mr Wong King Kheng was appointed as an Independant Director of the Company on 23 August 1999. He is presently the Managing Partner of K K Wong and Associates, a public accounting firm in Singapore which he founded in 2000. Mr Wong is also the Managing Director and a substantial shareholder of Soh & Wong Management Consultants Pte Ltd, which he founded in 1988 and which provides consulting services for regional tax planning, mergers and acquisitions, strategic business plans and advices on initial public offering services including restructuring, feasibility studies, recruitment, profit forecasts and financial restructuring. He was the founder and Managing Partner of Soh, Wong & Partners, a public accounting firm, from 1989 to 2000. Prior to that, he was an audit manager in Deloitte Haskins & Sells, Singapore, an international accounting firm which gave him extensive exposure to and experience in the field of auditing, tax planning, management consulting and public listing consulting. He qualified as a member of the Institute of Chartered Accountants in England and Wales and is presently a member of the Institute of Certified Public Accountants, Singapore.

Mr Chandra Mohan s/o Rethnam was appointed as an Independent Director of the Company on 23 August 1999. He is presently an Advocate and Solicitor and a Partner of a law firm in Singapore. Prior to that, he was a lecturer with the Faculty of Law at the National University of Singapore which he had joined in 1987. He holds a Bachelor of Law (Honours) degree from the University of Singapore and a Master of Law degree from the University of Cambridge.

Corporate Information

DIRECTORS
Mr Ang Kah Hong
(Chairman & Managing Director)
Mr Ang Kha King
(Executive Director)
Mr Tan Swee Khim
(Executive Director)
Mr Wong King Kheng
(Independent Director)
Mr Chandra Mohan s/o Rethnam
(Independent Director)

COMPANY SECRETARY
Ms Foo Soon Soo, FCIS

REGISTERED OFFICE
No 13 & 15 Pandan Crescent
Singapore 128470
Tel : 6261 7888 Fax : 6777 4544

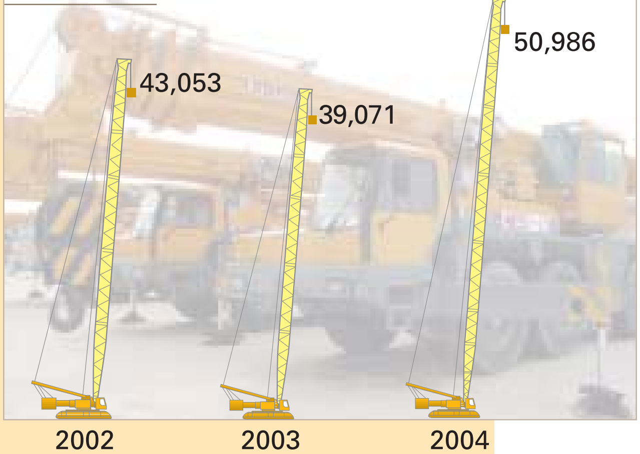
SHARE REGISTRAR
Barbinder & Co Pte Ltd
8 Cross Street
#11-00 PWC Building
Singapore 048424

AUDITORS
PricewaterhouseCoopers
Certified Public Accountants
Partner-in-charge:
Mr Tham Tuck Seng

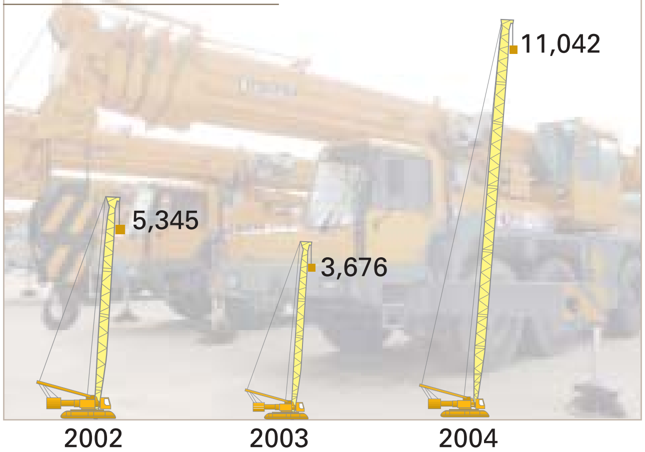
PRINCIPAL BANKERS
United Overseas Bank Limited
Calyon Corporate And Investment Bank
ABSA Bank Limited

Financial Highlights

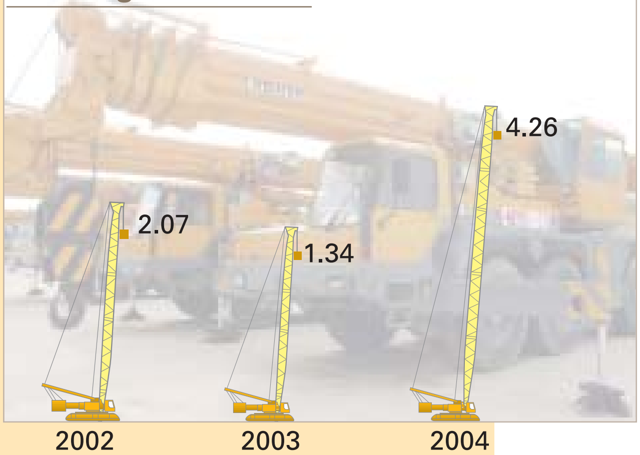
Turnover (S$'000)



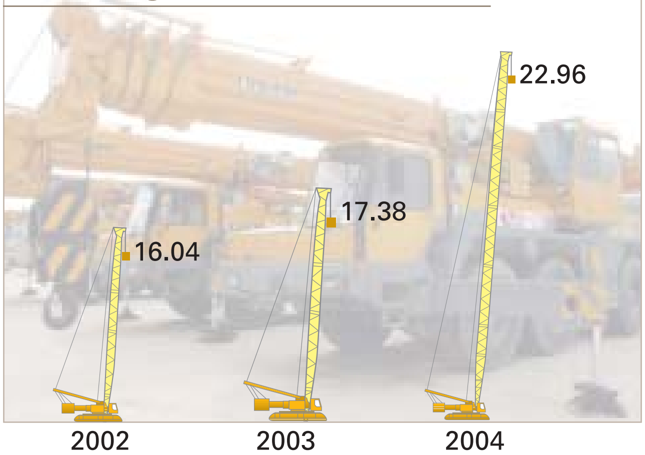
Profit before Tax (S$'000)



Earnings Per Share (Cents)



Net Tangible Assets Per Share (Cents)



	FY2002	FY2003	FY2004
Turnover (S$'000)	43,053	39,071	50,986
Profit before Tax (S$'000)	5,345	3,676	11,042
Net Profit Attributable to Shareholders (S$'000)	4,648	3,011	9,585
Share Capital & Reserves (S$'000)	36,091	39,117	51,676
Earnings Per Share (Cents)	2.07	1.34	4.26
Net Tangible Assets Per Share (Cents)	16.04	17.38	22.96

Corporate Governance

The Board of Directors of Tiong Woon Corporation Holding Limited (the "Company"), is committed to high standards of corporate governance and adopting the corporate governance practices contained in the Code of Corporate Governance ("Code") so as to ensure greater transparency and protection of shareholders' interests. This statement outlines the main corporate governance practices that were in place throughout the financial year.

(1) BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company.

The Board's primary role is to protect and enhance long-term shareholder value. It sets the overall strategy for the Group and supervises executive management. To fulfil this role, the Board is responsible for the overall corporate governance of the Group including setting its strategic direction, establishing goals for management and monitoring the achievement of these goals.

To assist in the execution of its responsibilities, the Board has established an Audit Committee, Nominating Committee, Remuneration Committee and Management Committee. These committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of each committee is also constantly reviewed by the Board.

The full Board meets on a regular basis as and when necessary, to address any specific significant matters that may arise. In the year under review, the Board met three (3) times.

During the year under review, the number of Board meetings held and attended by each member of the Board were as follows:

Name of Directors	Number of Board Meetings held	Attendance
Mr. Ang Kah Hong (Chairman)	3	3
Mr. Ang Kha King	3	2
Mr. Tan Swee Khim	3	3
Mr. Chandra Mohan s/o Rethnam	3	3
Mr. Wong King Kheng	3	2

The directors are senior and experienced executives in the legal, accounting and business professions. From time to time, the Company Secretary and the Company's auditor will advise the directors or if necessary, conduct briefings to the directors on the new accounting standards and corporate governance practices as well as update them on any changes in the Companies Act and the Listing Manual. Directors also have the opportunities to visit the Group's operation facilities in order to have a better understanding of its business operations overseas.

The Board has identified a number of areas for which the Board has direct responsibility for decision-making including but not limited to the review of Interested Persons Transactions, the Group's internal control procedures and the approval of major investments and funding decisions.

Corporate Governance

The Board also meets to consider the following corporate matters and actions:-

- Approval of half year and full year result announcements;
- Approving the nomination of board directors and appointment of key personnels;
- Approval of the Annual Reports and Accounts;
- Declaration of interim dividends and proposal of final dividends;
- Convening of Shareholders' Meetings;
- Approval of Corporate Strategies;
- Assuming responsibility for corporate governance; and
- Material acquisitions and disposal of assets.

The Executive Chairman and the Managing Director ensure that Board members are provided with complete, adequate and timely information on a regular basis to enable them to be fully cognisant of the affairs of the Group. Board papers incorporating sufficient information from management are forwarded to the Board members in advance of a Board Meeting to enable each member to be adequately prepared.

Board Composition & Independent Directors

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board comprises five directors, two of whom are independent directors. The Directors as at the date of this statement are :-

(i) Mr Ang Kah Hong (Chairman & Managing Director)
(ii) Mr Ang Kha King (Executive Director)
(iii) Mr Tan Swee Khim (Executive Director)
(iv) Mr Chandra Mohan s/o Rethnam (Independent Director)
(v) Mr Wong King Kheng (Independent Director)

The Board has two directors who are independent members representing two-fifth of the Board. The criteria for independence is determined based on the definition provided in the Code of Corporate Governance issued by the Code of Corporate Governance Committee.

The Board considers an "independent" director as one who has no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent judgement of the Group's affairs.

The Board does examine its size regularly to satisfy that it is an appropriate size for effective decision making, taking into account the nature and scope of the Company's operations.

Key information regarding the Directors is given in "Board of Directors" Information" on page 8 and 9.

Chairman and Managing Director

Principle 3: There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

Mr. Ang Kah Hong is the Executive Chairman and the Managing Director, who is mainly responsible for identifying, formulating, developing and implementing corporate objectives and business strategies for the Group. His leadership has proven to be instrumental and invaluable to the growth development of the Group's businesses. He is also actively involved in the corporate development activities overseas.

As such, it is the view of the Board that it is in the interest of the Group where the Executive Chairman and the Managing Director is the same person, so as to ensure that the Group's business strategies are properly and smoothly implemented throughout the organisation.

In order to ensure an appropriate balance of power, accountability and independence in the Board's decision making processes, all major decisions made by the Executive Chairman and the Managing Director are reviewed by the Audit Committee. His performance and appointment to the Board are being evaluated periodically by the Nominating Committee and his remuneration package is being reviewed periodically by the Remuneration Committee. Both the Nominating Committee and the Remuneration Committee comprise a majority of independent directors of the Company. As such, the Board believes that there are adequate safeguards against an uneven concentration of power and authority in a single individual.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment of new directors to the Board. As a principle of good corporate governance, all directors should be required to submit themselves for re-nomination and re-election at regular intervals.

The Nominating Committee (or "NC") comprises two independent directors (including the Chairman) and one executive director.

The members of the Nominating Committee as at the date of this report are:-

- Mr Chandra Mohan s/o Rethnam (Chairman and Independent Director)
- Mr Wong King Kheng (Independent Director)
- Mr Tan Swee Khim (Executive Director)

The primary function of the Nominating Committee is to determine the criteria for identifying candidates and reviewing nominations for the appointment of directors to the Board and also to decide how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval. Its duties and functions are outlined as follows:

a. to make recommendations to the Board on all board appointments and re-nomination having regard to the director's contribution and performance;

Corporate Governance

b. to ensure that all directors (with the exception of the Managing Director) would be required to submit themselves for re-nomination and re-election at regular intervals and at least once in every three years as prescribed in the Articles of Association of the Company;

c. to determine annually whether a director is independent, guided by the independent guidelines contained in the Code;

d. to decide whether a director is able to and has adequately carried out his duties as a director of the company in particular where the director concerned has multiple board representations; and

e. to decide how the Board's performance may be evaluated and propose objective performance criteria.

The Nominating Committee did not hold any meeting during the year but resolutions in writing were passed by the NC for the re-nomination of those directors that were due for re-election at the last Annual General Meeting after informal discussion among the members on their evaluation of the performance of the respective directors.

Board Performance

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

The Nominating Committee (or "NC") is responsible for reviewing and evaluating the Board's performance. The evaluations are based on certain objective performance criteria which are decided by the NC.

Access to Information

Principle 6: In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

The Board has separate and independent access to senior management of the Company as well as the Company Secretary at all times. Requests for information from the Board are dealt with promptly by management. The Board is informed of all material events and transactions as and when they occur. Management provides the Board with half yearly reports of the Company's performance. The management also consults with Board members regularly whenever necessary and appropriate. The Board is issued with board papers timely and prior to Board meetings.

The Company Secretary attends all board meetings. The Company Secretary administers, attends and prepares minutes of Board meetings and assists the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively and the Company's Memorandum and Articles of Association and the relevant rules and regulations applicable to the Company are complied with.

The Board in fulfilling its responsibilities, can as a group or individually, when deemed fit, direct the Company to appoint professional adviser to render professional advice.

(2) REMUNERATION MATTERS

Procedures and Development of Remuneration Policies

Principle 7: There should be a formal and transparent procedure for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The Remuneration Committee has three members, a majority of whom are directors who are independent of management and free from any business or other relationships, which may materially interfere with the exercise of their independent judgement. As at the date of this Report, the Remuneration Committee members are:

- Mr Chandra Mohan s/o Rethnam (Chairman and Independent Director)
- Mr Wong King Kheng (Independent Director)
- Mr Tan Swee Khim (Executive Director)

The Remuneration Committee's role is to review and recommend on remuneration policies and packages for the executive directors and the top key executives of the Company. The review will cover all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonus, options and benefits in kind. The Committee's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board.

The number of meetings held and attended by each member of the Committee during the financial year were as follows:-

Name of Director	Number of Meetings held	Attendance
Mr Chandra Mohan s/o Rethnam	1	1
Mr Wong King Kheng	1	1
Mr Tan Swee Khim	1	1

Level and Mix of Remuneration

Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but the companies should avoid paying more for this purpose. A portion of the remuneration, especially that of the executive directors, should be linked to performance.

The Remuneration Committee has taken into consideration, in setting the remuneration packages of the executive directors and top key executives, industry norms, the Company's relative performance as well as their individual performance.

Corporate Governance

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report.

A breakdown showing the level and mix of each individual director's and key executives (who are not directors of the Group) remuneration payable for FY2004 are as follows:

Remuneration of the Directors and Key Executives

Remuneration Bands	Salary %	Bonus %	Fringe Benefits %	Directors' Fees %
Directors				
(S$500,000 and above)				
Ang Kah Hong, Chairman & Managing Director	56	42	2	-
Tan Swee Khim, Executive Director	47	51	2	-
(Below S$500,000)				
Ang Kha King, Executive Director	42	56	2	-
Chandra Mohan s/o Rethnam, Independent Director	-	-	-	100
Wong King Kheng, Independent Director	-	-	-	100
Key Executives				
(Below S$250,000)				
Lee Kum Mun, Group General Manager	79	18	3	-
Toh Chiew Khim, Group Financial Controller	95	5	-	-

Information on Key Executives

Mr Lee Kum Mun is the son-in-law of Mr Ang Kah Hong and has been the General Manager of the Group since 1998. He began as a Project Engineer in Nippon Express (S) Pte Ltd in the heavy haulage division in 1994 and was promoted to Assistant Operations Manager in 1995. He joined the Group in 1996 as a Branch Manager for Tiong Woon Crane & Transport (M) Sdn Bhd. and was promoted to his current position in 1998. He holds a Bachelor of Engineering degree from the National University of Singapore.

Ms Toh Chiew Khim is the Group Financial Controller, who is responsible for the overall financial and accounting matters relating to the Group. Prior to joining the Group in 2003, she was the Group Financial Controller with Cityneon International Pte Ltd for more than 4 years. Ms Toh had also worked previously in Informatics Holdings Ltd for about 11 years where she held various key accounting positions. She is a fellow member of the Association of Chartered Certified Accountants and a qualified Certified Public Accountant with the Institute of Certified Public Accountants of Singapore.

Save as disclosed above, the Company does not have any employee who is an immediate family member of a Director whose remuneration in the financial year exceeded $150,000/-.

(3) ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board is accountable to the shareholders while the Management is accountable to the Board.

The Board aims to provide shareholders with a balanced and understandable assessment of the Group's performance, financial position and prospects when it announces the half and full year financial results of the Group. Periodic announcement on business and other developments of the Group via SGX-ST's MASNET or press release will keep our shareholders informed about the progress of the Group.

Management Committee

The Management Committee (or "MC") is chaired by Mr Ang Kah Hong and comprises another two executive directors and two key senior management personnel of the Group. The MC is responsible for managing the affairs of the Group's businesses and implementing measures in line with the overall strategies set by the Board. The Committee meets on a periodic basis and on such other times where necessary.

The number of meetings held and attended by each member of the Committee during the financial year were as follows:-

Name of Director/Executive	Appointment	Number of Meetings held	Attendance
Mr Ang Kah Hong	Chairman	3	3
Mr Ang Kha King	Executive Director	3	3
Mr Tan Swee Khim	Executive Director	3	3
Mr Lee Kum Mun	Group General Manager	3	1
Ms Toh Chiew Khim	Group Financial Controller	3	3

Audit Committee

Principle 11: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee (or "AC") comprises three directors, the majority of whom, including the Chairman, are independent. At the date of this report, the Audit Committee comprises the following members:

- Mr Chandra Mohan s/o Rethnam (Chairman and Independent Director)
- Mr Wong King Kheng (Independent Director)
- Mr Tan Swee Khim (Executive Director)

Corporate Governance

The independent directors of the AC believe that the AC benefits and would continue to benefit from the experience and expertise of the executive director in carrying out its function. There are corporate governance practices in place where a director will not recommend or participate in decisions of the Board or the Board Committee he sits on if he is interested or deemed to be interested in the decision. The independent directors have performed and will continue to perform their duties independent of the management. The Board is therefore confident that the corporate governance of the Company has not been and will not be compromised by the existing composition of the AC.

The functions of the Audit Committee are as follows:-

a. review with the internal and external auditors of the Company, the audit plan, evaluation of the system of internal accounting controls, audit report and ensures co-operation is given by the Company's management to the internal and external auditors;

b. review the half and full year financial statements and balance sheets and income statements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;

c. review the internal control and procedures and ensure co-ordination between the external auditors and the management, review the assistance given by management to the auditors and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of management where necessary);

d. review and discuss with the external and internal auditors on any significant finding which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;

e. review the independence of the external auditors annually and consider the appointment or re-appointment of the external auditors and non-audit service provided by the external auditors seeking to balance the maintenance of objectivity and value for money;

f. review transactions falling within the scope of Chapter 9 and 10 of the Singapore Exchange Securities Trading Limited's Listing Manual in respect of interested person transactions and acquisitions and disposal of assets of the Company;

g. undertake such other reviews and projects as may be requested by the Board and will report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee.

The AC has unrestricted access to the management and staff of the Company and had, as at the date of this report, met the internal auditors and the external auditors without the presence of the management.

The number of meetings held and attended by each member of the Committee during the financial year were as follows:-

Name of Director	Number of Meetings held	Attendance
Mr Chandra Mohan s/o Rethnam	3	3
Mr Wong King Kheng	3	2
Mr Tan Swee Khim	3	3

The Board is of the view that the members of the AC are appropriately qualified to discharge their responsibilities and they have the accounting or related financial management expertise or experience, as the Board interprets such qualifications with its business judgement.

Internal Controls

Principle 12: The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investment and the company's assets.

It is the opinion of the Board that, in the absence of evidence to the contrary, the system of internal controls maintained by the Company's management and that was in place throughout the financial year and up to the date of this report provides reasonable, but not absolute, assurance against material financial misstatements or losses and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, the identification and containment of financial, operational and compliance risks. The Board notes that all internal control systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error losses, fraud or other irregularities.

The Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the AC and Board. The risk issues are outlined in Note 29 to the Financial Statements.

Internal Audit

Principle 13: The company should establish an internal audit function that is independent of its activities it audits.

The Company outsources its internal audit function to an external professional firm, TeoFoongWongLCLoong, who reports directly to the Chairman of AC and administratively to the Chairman of the Company. The objective of the internal audit function is to determine whether the Group's risk management, control and governance processes, as designed by the Company, is adequate and functioning in the required manner. The internal auditors have identified the Group's main business processes and developed an audit plan that covers the main business process over a 2-3 year audit cycle.

The AC will review the adequacy of the internal audit function annually and ensures that the internal audit function is adequately resourced and has appropriate standing within the Group.

Corporate Governance

(4) COMMUNICATION WITH SHAREHOLDERS

Principle 14: Companies should engage in regular, effective and fair communication with shareholders.

Principle 15: Companies should encourage greater shareholder participation at AGMs and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company does not practise selective disclosure. In line with continuous obligations of the Company pursuant to the Singapore Exchange's Listing Rules, the Board's policy is that all shareholders should be equally and timely informed of all major developments impacting the Group.

Information is disseminated to our shareholders through:

- MASNET announcements and news releases
- Press releases on major development.
- Annual Report prepared and issued to all shareholders
- Company's website at www.tiongwoon.com which shareholders can access information on the Group.

All shareholders of the Company receive the annual report and notice of AGM. At AGMs, shareholders are given the opportunity to voice their views and ask directors or management questions regarding the Company. The Chairman of the Audit, Remuneration and Nominating Committees will normally be present at the AGMs to answer any questions relating to the work of these committees.

In addition to the Group's website, the membership to www.shareinvestor.com facilitates shareholders' communication with the Group and vice-versa by providing, inter alia, corporate announcements, press releases, annual reports and corporate profile of the Group.

(5) DEALING IN SECURITIES & COMPLIANCE WITH BEST PRACTICES GUIDE

In line with the Best Practices Guide issued by the SGX-ST, the Company has in place a policy prohibiting share dealings by Directors and employees of the Company for the period of one month prior to the announcement of the Company's half and full year results as the case may be and ending on the date of the announcement of the relevant results. Directors and employees are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading periods.

(6) MATERIAL CONTRACTS

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the Directors and controlling shareholder.

(7) INTERESTED PERSON TRANSACTIONS

The Company has established procedures whereby transactions with interested persons are reported in a timely manner to the AC so as to ensure compliance with the rules and regulations under Chapter 9 of the Singapore Exchange's Listing Manual.

The following interested person transactions took place between the Group and interested persons during the financial year at terms agreed by the parties concerned:-

	The Group	
	2004	2003
	$	$
Payment to companies in which certain directors have substantial interests:		
Rental of cranes	433,984	167,718
Purchase of crane	40,000	0
Received from companies in which certain directors have substantial interests:		
Rental of cranes	43,364	106,679

Financial Statements

For the financial year ended 30 June 2004

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Directors' Report

For the financial year ended 30 June 2004

The directors present their report to the members together with the audited financial statements of the Company and of the Group for the financial year ended 30 June 2004.

Directors

The directors of the Company in office at the date of this report are:

Ang Kah Hong
Ang Kha King
Tan Swee Khim
Wong King Kheng
Chandra Mohan s/o Rethnam

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of an acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

The interests of the directors holding office at the end of the financial year in the share capital of the Company and related companies, as recorded in the register of directors' shareholdings, were as follows:

	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
	At 30.6.2004	At 30.6.2003	At 30.6.2004	At 30.6.2003
The Company				
(Ordinary shares of $0.10 each)				
Ang Kah Hong	2,165,000	8,565,000	95,976,940	117,976,940
Ang Kha King	1,965,000	7,765,000	96,123,940	118,123,940
Tan Swee Khim	1,734,000	3,234,000	-	-
Wong King Kheng	30,000	30,000	-	-
Chandra Mohan s/o Rethnam	30,000	30,000	-	-

At the balance sheet date, Ang Kah Hong and Ang Kha King held 5,990,298 and 2,995,149 ordinary shares of $1 each respectively in a substantial shareholder of the Company, Ang Choo Kim & Sons (Pte) Limited. Their deemed interests in the Company through Ang Choo Kim & Sons (Pte) Limited are shown above.

Directors' Report

For the financial year ended 30 June 2004

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the consolidated financial statements and in this report.

Remuneration

The remuneration paid to the executive directors and employees who are related to the controlling shareholders, amounting to S$1,326,242, did not exceed 15% of the profit before tax of the Group for the financial year ended 30 June 2004.

Under service agreements between the executive directors and the Company, the executive directors are entitled to share in the profit before tax of the Group. For the year ended 30 June 2004, total payable under the profit sharing scheme to the executive directors amounted to $778,976 (2003: $132,543).

Audit Committee

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act, including review of audit plans and scope of external auditors, discussions of external auditors' findings and a review of the financial statements of the Company and of the Group for the financial year and the auditors' report thereon.

The Audit Committee has nominated PricewaterhouseCoopers for re-appointment as auditors of the Company at the forthcoming Annual General Meeting.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares in the Company or its subsidiaries under option at the end of the financial year.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to accept re-appointment.

On behalf of the directors

ANG KAH HONG
Director

ANG KHA KING
Director

30 September 2004

Statement By Directors

In the opinion of the directors,

(a) the financial statements set out on pages 27 to 61 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group at 30 June 2004 and of the results of the business, changes in equity of the Company and of the Group and the cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors

ANG KAH HONG
Director

ANG KHA KING
Director

30 September 2004

Auditors' Report

To The Members of Tiong Woon Corporation Holding Ltd

We have audited the financial statements of Tiong Woon Corporation Holding Ltd and the consolidated financial statements of the Group for the financial year ended 30 June 2004 set out on pages 27 to 61. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

(a) the income statement, balance sheet and statement of changes in equity of the Company and consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Companies Act ("Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2004 and the results, changes in equity of the Company and the Group, and the cash flows of the Group for the financial year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers
Certified Public Accountants

Singapore
30 September 2004

Income Statements

For the financial year ended 30 June 2004

	Notes	The Group 2004 $	The Group 2003 $	The Company 2004 $	The Company 2003 $
Sales	3	**50,985,758**	39,071,163	**-**	-
Cost of sales		**(30,746,184)**	(27,102,372)	**-**	-
Gross profit		**20,239,574**	11,968,791	**-**	-
Other operating income	3	**3,463,673**	1,695,136	**1,046,676**	3,000,000
Administrative expenses		**(1,256,161)**	(762,885)	**(196,081)**	(213,277)
Other operating expenses		**(9,867,800)**	(7,861,827)	**375,886**	86,253
Profit from operations	4	**12,579,286**	5,039,215	**1,226,481**	2,872,976
Finance income	5	**20,004**	9,424	**567,107**	441,552
Finance costs	5	**(1,548,808)**	(1,383,439)	**(567,107)**	(441,552)
Profit before tax and before share of results of joint venture		**11,050,482**	3,665,200	**1,226,481**	2,872,976
Share of results of joint venture	16	**(8,447)**	10,950	**-**	-
Profit before tax		**11,042,035**	3,676,150	**1,226,481**	2,872,976
Income tax expense	8	**(1,675,034)**	(664,874)	**(170,328)**	(601,257)
Profit from ordinary activities after tax		**9,367,001**	3,011,276	**1,056,153**	2,271,719
Minority interests		**218,493**	-	**-**	-
Net profit		**9,585,494**	3,011,276	**1,056,153**	2,271,719
Earnings per share - basic and diluted	9	**4.26 cents**	1.34 cents		

Balance Sheets

As at 30 June 2004

	Notes	The Group 2004 $	The Group 2003 $	The Company 2004 $	The Company 2003 $
ASSETS					
Current assets					
Cash and cash equivalents	10	**4,843,538**	4,387,498	**14,711**	7,420
Trade and other receivables	11	**14,480,810**	11,789,170	**-**	-
Other investments	15	**386,552**	517,945	**-**	-
Inventories	12	**425,585**	416,539	**-**	-
Other current assets	13	**1,937,482**	1,920,663	**527,408**	795,030
		22,073,967	19,031,815	**542,119**	802,450
Non-current assets					
Other receivable	14	**-**	-	**16,786,010**	27,441,006
Other investments	15	**70,000**	70,000	**-**	-
Investments in subsidiaries	17	**-**	-	**22,088,932**	14,256,332
Investment in a joint venture	16	**502,503**	510,950	**-**	-
Property, plant and equipment	18	**81,484,697**	60,674,089	**-**	-
Deferred tax assets	22	**54,332**	70,181	**6,358**	69,943
		82,111,532	61,325,220	**38,881,300**	41,767,281
Total assets		**104,185,499**	80,357,035	**39,423,419**	42,569,731
LIABILITIES					
Current liabilities					
Trade and other payables	19	**6,124,033**	4,635,868	**149,930**	191,938
Current tax liabilities	8	**466,308**	99,103	**-**	-
Borrowings	20	**16,356,123**	15,139,795	**3,461,905**	3,461,905
		22,946,464	19,874,766	**3,611,835**	3,653,843
Non-current liabilities					
Borrowings	20	**24,130,297**	16,864,352	**5,192,857**	8,654,762
Deferred tax liabilities	22	**5,432,873**	4,501,299	**-**	-
		29,563,170	21,365,651	**5,192,857**	8,654,762
Total liabilities		**52,509,634**	41,240,417	**8,804,692**	12,308,605
Net assets		**51,675,865**	39,116,618	**30,618,727**	30,261,126
SHAREHOLDERS' EQUITY					
Share capital and reserves					
Share capital	23	**22,505,094**	22,505,094	**22,505,094**	22,505,094
Share premium		**4,629,787**	4,629,787	**4,629,787**	4,629,787
Foreign currency translation and other reserves	24	**(503,426)**	(356,137)	**-**	-
Retained earnings		**21,213,672**	12,337,874	**3,483,846**	3,126,245
Total shareholders' equity		**47,845,127**	39,116,618	**30,618,727**	30,261,126
Minority interests	25	**3,830,738**	-	**-**	-
		51,675,865	39,116,618	**30,618,727**	30,261,126

Consolidated Statement of Changes In Equity

For the financial year ended 30 June 2004

	Notes	Share capital $	Share premium $	Foreign currency translation and other reserves $	Retained earnings $	Total $
Balance at 1 July 2003		22,505,094	4,629,787	(356,137)	12,337,874	39,116,618
Net gain not recognised in income statement - Currency translation differences	24	-	-	(158,433)	-	(158,433)
Net profit for the year		-	-	-	9,585,494	9,585,494
Total recognised gains for the financial year		-	-	(158,433)	9,585,494	9,427,061
Transfer from retained earnings to foreign currency translation and other reserves	24	-	-	11,144	(11,144)	-
Dividends	26	-	-	-	(698,552)	(698,552)
Balance at 30 June 2004		**22,505,094**	**4,629,787**	**(503,426)**	**21,213,672**	**47,845,127**
Balance at 1 July 2002		22,505,094	4,629,787	(370,055)	9,326,598	36,091,424
Net gain not recognised in income statement - Currency translation differences	24	-	-	13,918	-	13,918
Net profit for the year		-	-	-	3,011,276	3,011,276
Total recognised gains for the financial year		-	-	13,918	3,011,276	3,025,194
Balance at 30 June 2003		22,505,094	4,629,787	(356,137)	12,337,874	39,116,618

Statement of Changes In Equity - Company

For the financial year ended 30 June 2004

	Note	Share capital $	Share premium $	Retained earnings $	Total $
Balance at 1 July 2003		22,505,094	4,629,787	3,126,245	30,261,126
Total recognised gain for the financial year - Net profit		-	-	1,056,153	1,056,153
Dividends	26	-	-	(698,552)	(698,552)
Balance at 30 June 2004		**22,505,094**	**4,629,787**	**3,483,846**	**30,618,727**
Balance at 1 July 2002		22,505,094	4,629,787	854,526	27,989,407
Total recognised gain for the financial year - Net profit		-	-	2,271,719	2,271,719
Balance at 30 June 2003		22,505,094	4,629,787	3,126,245	30,261,126

Consolidated Cash Flow Statement

For the financial year ended 30 June 2004

	Note	**2004**	2003
		$	$
Cash flows from operating activities			
Profit before tax and before share of results of joint venture		**11,050,482**	3,665,200
Adjustments for:			
Depreciation of property, plant and equipment		**7,487,299**	9,241,566
Amortisation of loan arrangement fee		**327,135**	279,219
Interest income		**(20,004)**	(9,424)
Interest expense		**1,096,673**	1,104,220
Facility fee		**125,000**	-
Gain on disposal of plant and equipment		**(3,119,751)**	(1,404,655)
Loss on disposal of other investments		**23,150**	79,525
Allowance for diminution in value of other investments		**72,677**	404,015
Exchange differences		**(201,771)**	(27,691)
Operating cash flow before working capital change		**16,840,890**	13,331,975
Changes in operating assets and liabilities			
Receivables		**(2,886,067)**	(216,881)
Inventories		**(9,046)**	550,473
Other assets		**(343,953)**	(1,321,104)
Payables		**1,455,271**	1,677,935
Cash generated from operations		**15,057,095**	14,022,398
Income tax paid		**(360,975)**	(598,575)
Net cash inflow from operating activities		**14,696,120**	13,423,823
Cash flows from investing activities			
Purchase of plant and equipment		**(30,027,894)**	(11,561,423)
Purchase of other investments		**(182,200)**	-
Purchase of investment in a joint venture		**-**	(500,000)
Interest received		**20,004**	9,424
Proceeds from disposals of other investments		**435,360**	85,525
Proceeds from disposals of plant and equipment		**12,209,635**	2,026,096
Net cash outflow from investing activities		**(17,545,095)**	(9,940,378)
Cash flows from financing activities			
Proceeds from borrowings		**16,179,000**	12,079,000
Proceeds from finance lease liabilities		**5,360,719**	490,240
Proceeds from minority interests		**4,049,231**	-
Repayments of borrowings		**(16,065,303)**	(6,486,781)
Repayments of finance lease liabilities		**(4,643,300)**	(5,042,471)
Interest paid		**(1,188,780)**	(1,057,105)
Dividends paid to group shareholders		**(698,552)**	-
Net cash inflow/(outflow) from financing activities		**2,993,015**	(17,117)
Net increase in cash and cash equivalents held		**144,040**	3,466,328
Cash and cash equivalents at the beginning of the financial year		**4,387,498**	921,170
Cash and cash equivalents at the end of the financial year	10	**4,531,538**	4,387,498

Notes to the Financial Statements

For the financial year ended 30 June 2004

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

The Company is incorporated and domiciled in Singapore and is listed on the Singapore Exchange. The address of the Company's registered office is No. 13 &15 Pandan Crescent, Singapore 128470.

The principal activity of the Company is that of an investment holding company. The principal activities of the Group consist of sales and hiring out of cranes and transport, provision of wharfing and stevedoring services, construction and sales of barges, and provision of training and consultancy services.

2. Significant accounting policies

(a) Effect of changes in Singapore Companies Legislation

Pursuant to the Singapore Companies (Amendment) Act 2002, with effect from financial year commencing on or after 1 January 2003, Singapore-incorporated companies are required to prepare and present their statutory financial statements in accordance with the Singapore Financial Reporting Standards ("FRS"). Hence, these financial statements, including the comparative figures, have been prepared in accordance with FRS.

Previously, the Company and the Group prepared their statutory financial statements in accordance with Singapore Statements of Accounting Standard. The adoption of FRS did not have a material impact on the accounting policies and figures presented in the statutory financial statements for financial year ended 30 June 2003.

(b) Basis of preparation

These financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with Singapore Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

(c) Revenue recognition

Revenue comprises the invoiced value for the sale of goods and services net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering of services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Revenue arising from rental is recognised on an accrual basis in accordance with the substance of the relevant agreements. Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period of maturity, when it is determined such income will accrue to the Group. Dividends are recognised when the right to receive payment is established.

Notes to the Financial Statements

For the financial year ended 30 June 2004

2. Significant accounting policies (continued)

(d) Group accounting

(1) Subsidiaries

Subsidiaries are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill.

Intercompany transactions, balances, unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(2) Joint ventures

A joint venture company is an entity which operates under a contractual arrangement between the Company and other parties, where the contractual arrangement establishes that the Company and one or more of the other parties share joint control over the economic activity of the entity. The Group's interest in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting.

Equity accounting involves recognising the Group's share of the results of the joint venture company in the consolidated income statement and the Group's share of post-acquisition movements in reserves in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the cost of investment. Unrealised gains on transactions between the Group and its joint venture company are eliminated to the extent of the Group's interest in the joint venture company; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group's investments in joint venture company is stated in the balance sheet at an amount that reflects its share of the net assets of the joint venture company.

(e) Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

An element of the cost of tug boats and barges is attributed upon purchase of their service potential charges reflecting their maintenance condition. This cost is depreciated over the period to the next estimated dry docking and special survey expenditure date. Costs incurred on subsequent drydocking and special survey expenditure are capitalised and depreciated over the period to the next dry docking or survey, which is estimated to be over a period of one to five years. When significant drydocking costs recur prior to the expiration of the depreciation period, the remaining costs of the previous drydocking are written-off in the month of the subsequent drydocking.

2. Significant accounting policies (continued)

(e) Property, plant and equipment (continued)

Depreciation is calculated on a straight line basis to write off the cost of property, plant and equipment over their expected useful lives. The estimated rates of depreciation are as follows:

Leasehold land and buildings	5% or remaining life of lease, whichever is shorter
Machinery	
- Cranes	4% - 5%
- Other machinery	10% - 20%
Tug boats and barges	10%
Office equipment	10% - 20%
Furniture and fixtures	10%
Office renovation	20%
Motor vehicles	10% - 20%

With effect from 1 July 2003, the Group revised the estimated useful lives of machinery to better reflect their economic useful lives. In the preceding financial year, the estimated rates of depreciation of machinery is as follows:

Machinery	
- less than 5 years old (when acquired)	5% - 10%
- 5 years to 10 years old (when acquired)	5% - 14%
- more than 10 years old (when acquired)	5% - 20%

The effect of the revision in the useful lives was a reduction of depreciation charge for the current financial year by approximately $3.2 million.

Repairs and maintenance are taken to the income statement during the financial period in which they are incurred.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operations.

(f) Impairment of long lived assets

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset’s net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

Notes to the Financial Statements

For the financial year ended 30 June 2004

2. Significant accounting policies (continued)

(g) Investments

Investments in subsidiaries and joint ventures are stated at cost less impairment losses in the Company's balance sheet. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Investments in other non-current investments, are stated at cost and an allowance for diminution is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

Marketable securities (within current assets) are stated at the lower of cost and market value, determined on an aggregate portfolio basis by category of investment. Cost is derived using the weighted average basis. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. Increases/decreases in the carrying amount of marketable securities are taken to the income statement.

On disposal of an investment, including subsidiaries and joint ventures, the difference between net disposal proceeds and its carrying amount is taken to the income statement.

(h) Trade receivables

Trade receivables are stated at original invoice amount less allowance made for doubtful receivables based on a review of all outstanding amounts at the year end. An allowance for doubtful receivables is made when there is objective evidence that the Group will not be able to collect all amounts due according to original terms of the receivables. Bad debts are written off when identified.

(i) Borrowings

Interest-bearing loans and other borrowings are stated at cost, and borrowings costs are recognised as an expense in the financial period in which they are incurred.

(j) Leases

When a group company is the lessee :

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is taken to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2. Significant accounting policies (continued)

(j) Leases (continued)

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

Allowance for obsolete, slow-moving and defective inventories is made where necessary.

(l) Income taxes

No provision for taxation is made on qualifying shipping income derived from the Group's tug boats and barges which are exempted from taxation under Section 13A of the Singapore Income Tax Act.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(m) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(n) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Notes to the Financial Statements

For the financial year ended 30 June 2004

2. Significant accounting policies (continued)

(o) Foreign currency translation

(1) Measurement currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the measurement currency"). The consolidated financial statements of the Group and the income statement, balance sheet and statement of changes in equity of the Company are presented in Singapore Dollars, which is the measurement currency of the Company.

(2) Transactions and balances

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange prevailing at the balance sheet date. Exchange differences arising are taken to the income statement.

(3) Group companies

In respect of joint ventures and foreign subsidiaries whose operations are not an integral part of the Company's operations, the balance sheets are translated into Singapore dollars at the exchange rates prevailing at the balance sheet date, and the results are translated using the average monthly exchange rates for the financial year. The exchange differences arising on translation of foreign subsidiaries, are taken directly to the foreign currency translation reserve. On disposal, accumulated translation differences are recognised in the consolidated income statement as part of the gain or loss on sale.

(p) Segment reporting

Business segments provide products and services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

(q) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash at bank and on hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are included under borrowings in current liabilities on the balance sheet.

Notes to the Financial Statements

For the financial year ended 30 June 2004

2. Significant accounting policies (continued)

(r) Dividends

Dividends are recorded in the Group's financial statements in the period in which they are approved by the Group's shareholders.

(s) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current financial year.

3. Revenue

	The Group		The Company	
	2004	2003	**2004**	2003
	$	$	**$**	$
Services rendered	**45,760,249**	34,758,188	**-**	-
Trading sales of cranes and equipment	**4,741,789**	3,469,350	**-**	-
Storage income	**458,708**	704,279	**-**	-
Miscellaneous sales	**25,012**	139,346	**-**	-
Total sales	**50,985,758**	39,071,163	**-**	-
Other operating income:				
- gain on disposal of plant and equipment (net)	**3,119,751**	1,404,655	**-**	-
- insurance claims received	**215,530**	289,189	**-**	-
- dividend income from investments in subsidiaries	**-**	-	**1,046,676**	3,000,000
- other operating income	**128,392**	1,292	**-**	-
Total other operating income	**3,463,673**	1,695,136	**1,046,676**	3,000,000
Interest income (note 5)	**20,004**	9,424	**567,107**	441,552
	54,469,435	40,775,723	**1,613,783**	3,441,552

Notes to the Financial Statements

For the financial year ended 30 June 2004

4. Profit from operations

The following items have been included in arriving at profit from operations:

	The Group		The Company	
	2004	2003	**2004**	2003
	$	$	**$**	$
Charging/(crediting):				
Auditors' remuneration paid/payable to:				
- auditors of the Company	**86,900**	75,300	**33,000**	31,400
- other auditors	**12,836**	10,864	**-**	-
Depreciation of property, plant and equipment				
- Leasehold buildings	**234,124**	234,194	**-**	-
- Leasehold land	**15,833**	15,833	**-**	-
- Machinery	**5,824,165**	7,797,226	**-**	-
- Tug boats and barges	**1,081,972**	907,012	**-**	-
- Office equipment	**167,337**	147,603	**-**	-
- Furniture and fixtures	**10,765**	10,020	**-**	-
- Office renovation	**31,511**	33,834	**-**	-
- Motor vehicles	**121,592**	95,844	**-**	-
Rental expense - operating leases	**937,233**	937,233	**-**	-
Foreign exchange loss/(gain) - net	**30,109**	(49,034)	**-**	(11)
Allowance for diminution in value of other investments	**72,677**	404,015	**-**	-
Write back of impairment charge on investments in subsidiaries	**-**	-	**(95,000)**	-

5. Finance income/(cost) - net

	The Group		The Company	
	2004	2003	**2004**	2003
	$	$	**$**	$
Interest income:				
- Fixed deposits	**16,019**	7,700	**-**	-
- On receivables from subsidiary	**-**	-	**567,107**	441,552
- Others	**3,985**	1,724	**-**	-
	20,004	9,424	**567,107**	441,552
Interest expense on balances with:				
- Finance leases	**(497,642)**	(647,154)	**-**	-
- Bank loans	**(410,914)**	(389,392)	**(239,972)**	(162,333)
- Bank overdraft	**(5,161)**	(14,851)	**-**	-
- Revolving credit	**(1,312)**	(13,263)	**-**	-
- Trust receipt	**(173,118)**	(39,057)	**-**	-
- Loan from a substantial shareholder	**(7,150)**	-	**-**	-
- Others	**(1,376)**	(503)	**-**	-
	(1,096,673)	(1,104,220)	**(239,972)**	(162,333)
Amortisation of loan arrangement fee	**(327,135)**	(279,219)	**(327,135)**	(279,219)
Facility Fee	**(125,000)**	-	**-**	-
	(1,548,808)	(1,383,439)	**(567,107)**	(441,552)
	(1,528,804)	(1,374,015)	**-**	-

Notes to the Financial Statements

For the financial year ended 30 June 2004

6. Directors' remuneration

The following information relates to remunerations of directors of the Company.

	2004	2003
Number of directors of the Company in remuneration bands:		
- above $500,000	**2**	-
- $250,000 to below $500,000	**1**	1
- below $250,000	**2**	4
Total	**5**	5

7. Staff costs

	The Group	
	2004	2003
	$	$
Wages and salaries	**11,461,811**	9,290,222
Employer's contribution to Central Provident Fund	**901,389**	897,932
Foreign workers levy	**80,739**	81,387
	12,443,939	10,269,541

The number of persons employed at the end of the financial year:

	The Group	
	2004	2003
Full time	**436**	357

The Company does not have any employees.

8. Tax

(a) Tax expense

	The Group		The Company	
	2004	2003	**2004**	2003
	$	$	**$**	$
Tax expense attributable to profit is made up of:				
Current income tax				
Singapore	**316,746**	160,348	**106,743**	604,115
Foreign	**732,632**	105,798	**-**	-
	1,049,378	266,146	**106,743**	604,115
Deferred tax	**961,487**	556,839	**63,585**	27,940
	2,010,865	822,985	**170,328**	632,055
Over provision in preceding financial years				
- current income tax	**(318,998)**	(48,829)	**-**	(30,798)
- deferred tax	**(16,833)**	(109,282)	**-**	-
	1,675,034	664,874	**170,328**	601,257

Notes to the Financial Statements

For the financial year ended 30 June 2004

8. Tax (continued)

(a) Tax expense (continued)

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	The Group		The Company	
	2004	2003	**2004**	2003
	$	$	**$**	$
Profit before tax	**11,042,035**	3,676,150	**1,226,481**	2,872,976
Tax calculated at a tax rate of 20% (2003: 22%)	**2,208,407**	808,753	**245,296**	632,055
Singapore statutory stepped income exemption	**(42,000)**	(35,462)	**-**	-
Income exempted under S.13A of the Income Tax Act	**(214,787)**	(20,256)	**-**	-
Income not subject to tax	**(339,365)**	(132,396)	**(80,546)**	-
Expenses not deductible for tax purposes	**542,893**	271,097	**-**	-
Effect of change in tax rate	**(426,081)**	-	**6,358**	-
Effect of different tax rates in other countries	**253,714**	6,615	**-**	-
Utilisation of previously unrecognised				
- Tax losses	**-**	(17,564)	**-**	-
- Capital allowances	**-**	(49,401)	**-**	-
Others	**28,084**	(8,401)	**(780)**	-
	2,010,865	822,985	**170,328**	632,055

At 30 June 2004, the Group has tax exempt profits under Section 13(A) of the Singapore Income Tax Act amounting to approximately $1.2 million (2003: $90,000) available for distribution, subject to the agreement of the Comptroller of Income Tax and the relevant provisions of the Income Tax Act.

(b) Movements in current tax liabilities

	The Group		The Company	
	2004	2003	**2004**	2003
	$	$	**$**	$
At the beginning of financial year	**99,103**	480,459	**(149,499)**	(93,614)
Income tax paid	**(360,975)**	(598,575)	**(166,254)**	(629,202)
Current financial year's tax expense on profit	**1,049,378**	266,146	**106,743**	604,115
Over provision in preceding financial years	**(318,998)**	(48,829)	**-**	(30,798)
Exchange differences	**(2,200)**	(98)	**-**	-
At the end of financial year	**466,308**	99,103	**(209,010)**	(149,499)

Notes to the Financial Statements

For the financial year ended 30 June 2004

9. Earnings per share

Basic and diluted earnings per share is calculated by dividing the net profit attributable to members of Tiong Woon Corporation Holding Ltd by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2004	2003
	$	$
Profit after tax attributable to members of Tiong Woon Corporation Holding Ltd	**9,585,494**	3,011,276
Weighted average number of ordinary shares in issue for basic and diluted earnings per share	**225,050,940**	225,050,940

10. Cash and cash equivalents

	The Group		The Company	
	2004	2003	**2004**	2003
	$	$	**$**	$
Cash at bank and on hand	**4,093,254**	2,172,641	**14,711**	7,420
Fixed deposits with financial institutions	**750,284**	2,214,857	**-**	-
	4,843,538	4,387,498	**14,711**	7,420

The fixed deposits with financial institutions mature on varying dates within 6 months (2003: 6 months) from the financial year end. The weighted average effective interest rate of these deposits as at 30 June 2004 was 0.5325% (2003: 0.4903%) per annum.

For the purpose of the consolidated cash flow statement, the financial year-end consolidated cash and cash equivalents comprise the following:

	The Group	
	2004	2003
	$	$
Cash and bank balances (as above)	**4,843,538**	4,387,498
Less : Bank overdrafts (note 20)	**(312,000)**	-
Cash and cash equivalents per consolidated cash flow statement	**4,531,538**	4,387,498

Notes to the Financial Statements

For the financial year ended 30 June 2004

11. Trade and other receivables - current

	The Group	
	2004	2003
	$	$
Trade receivables:		
- third parties	**16,967,056**	15,250,246
- related parties	**-**	1,141
	16,967,056	15,251,387
Less: Allowance for doubtful receivables	**(2,496,721)**	(3,509,846)
Trade receivables - net	**14,470,335**	11,741,541
Other receivables - third parties	**10,475**	47,629
	14,480,810	11,789,170

Trade receivables from related parties are amounts due from companies in which some of the directors have substantial financial interests.

12. Inventories

	The Group	
	2004	2003
	$	$
At cost		
Spare parts	**200,300**	175,299
At net realisable value		
Cranes held for sale	**225,285**	241,240
	425,585	416,539

13. Other current assets

	The Group		The Company	
	2004	2003	**2004**	2003
	$	$	**$**	$
Tax recoverable (note 8)	**-**	-	**209,010**	149,499
Deposits	**219,096**	297,345	**-**	-
Advances to staff	**59,662**	52,162	**-**	-
Prepayments	**1,653,784**	1,540,923	**318,398**	645,531
Other receivables	**4,940**	30,233	**-**	-
	1,937,482	1,920,663	**527,408**	795,030

Notes to the Financial Statements

For the financial year ended 30 June 2004

14. Other receivable - non-current

	The Company	
	2004	2003
	$	$
Other receivable:		
- subsidiary (non-trade)	**16,786,010**	27,758,930
Less: Allowance for doubtful receivable	**-**	(317,924)
Other receivable – net	**16,786,010**	27,441,006

Other receivable from subsidiary (non-trade) consists of the following:

	2004	2003
	$	$
Other receivable:		
- Interest-bearing receivable	**8,372,766**	11,520,360
- Non-interest bearing receivable	**8,413,244**	16,238,570
	16,786,010	27,758,930

The non-current, interest-bearing receivable from a subsidiary is unsecured and due within 4 years from the balance sheet date. The effective interest rates on the non-current, interest-bearing receivable were as follows:

	The Company	
	2004	2003
	Per annum	Per annum
Interest-bearing amount owing by subsidiary (non-trade)	**3.158%**	3.109%

The fair value of the non-current, interest-bearing receivable is based on discounted cash flows using a discount rate based upon the borrowing rate which the directors expect would be available to the Company at the balance sheet date. The carrying amount of the above receivable approximate its fair value.

The non-current, non-interest bearing receivable is unsecured and is not expected to be repaid within the next twelve months. It is not practicable to determine the fair value with sufficient reliability as the non-current, non-interest bearing receivable has no fixed repayment terms.

Notes to the Financial Statements

For the financial year ended 30 June 2004

15. Other investments

		The Group	
		2004	2003
		$	$
(a)	Current		
	Quoted investments, at cost	**735,230**	922,335
	Less: Allowance for diminution in value	**(348,678)**	(404,390)
		386,552	517,945
	Quoted investments, at market value	**386,552**	517,945

Market value of quoted investments is determined by reference to Singapore Exchange quoted bid prices.

		The Group	
		2004	2003
		$	$
(b)	Non-current		
	Unquoted investment, at cost	**100,000**	100,000
	Less: Allowance for diminution in value	**(30,000)**	(30,000)
		70,000	70,000
	Unquoted investment, at fair value	**90,000**	105,000

Fair value of unquoted investment is estimated by reference to the current market value of a similar investment.

16. Investment in a joint venture

	The Group	
	2004	2003
	$	$
Unquoted equity shares, at cost	**500,000**	500,000
Share of results after tax	**2,503**	10,950
	502,503	510,950

Name of company	Principal activities	Country of incorporation	Equity holding		Cost of investment	
			2004	2003	**2004**	2003
			%	%	**$**	$
IMC Heavy Equipment Pte Ltd	Hiring out of cranes and transport	Singapore	**50**	50	**500,000**	500,000

16. Investment in a joint venture (continued)

The following amounts represent the Group's 50% share of the assets and liabilities and sales and results of the joint venture and are included in the consolidated balance sheet and income statement using the equity method:

	The Group	
	2004	2003
	$	$
Non-current asset	**269,598**	315,836
Current assets	**268,614**	241,901
	538,212	557,737
Current liabilities	**(35,709)**	(46,787)
Net assets	**502,503**	510,950
Sales	**322,946**	115,965
(Loss)/profit before tax	**(4,252)**	10,950
Income tax expense	**(4,195)**	-
(Loss)/profit after tax	**(8,447)**	10,950

There are no contingent liabilities relating to the Group's interest in the joint venture.

17. Investments in subsidiaries

	The Company	
	2004	2003
	$	$
Investments, at cost	**22,088,932**	14,351,332
Less: Impairment charge	**-**	(95,000)
	22,088,932	14,256,332

Notes to the Financial Statements

For the financial year ended 30 June 2004

17. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows:

Name of company	Principal activities	Country of incorporation	Equity holding 2004 %	Equity holding 2003 %	Cost of investment 2004 $	Cost of investment 2003 $
Held by the Company						
Tiong Woon Crane & Transport (Pte) Ltd	Hiring out of cranes and transport	Singapore	**100**	100	**8,447,674**	8,447,674
Tiong Woon Marine Pte Ltd	Provision of wharfing and stevedoring services, hiring of cranes, and construction and sale of barges	Singapore	**100**	100	**3,529,412**	3,529,412
Tiong Woon Enterprise Pte Ltd	Sales and hiring out of cranes and transport	Singapore	**100**	100	**1,622,153**	1,622,153
Tiong Woon International Pte Ltd (formerly known as Tiong Woon Training Centre Pte Ltd)	Investment holding, provision of training, consultancy services, and hiring out of cranes and transport	Singapore	**100**	100	**525,852**	525,852
Tiong Woon Crane & Transport (M) Sdn Bhd*	Hiring out of cranes and transport	Malaysia	**100**	100	**1**	1
Tiong Woon Crane Pte Ltd	Hiring out of cranes and transport	Singapore	**100**	100	**100,000**	100,000
Tiong Woon Thai Co., Ltd****	Hiring out of cranes and transport	Thailand	**100**	100	**168,240**	126,240
P.T. TWC Indonesia ***	Dormant	Indonesia	**100**	-	**175,600**	-
Tiong Woon China Consortium Pte Ltd	Hiring out of cranes and transport	Singapore	**65**	-	**7,520,000**	-
					22,088,932	14,351,332
Held by subsidiary companies						
P.T. Tiong Woon Indonesia @ ***	Dormant	Indonesia	**100**	100		
Tiong Woon Philippines, Inc @ **	Hiring out of cranes and transport	Philippines	**100**	100		
Offshore Technik Pte Ltd #	Provision of wharfing and stevedoring services	Singapore	**100**	100		

* Company audited by PricewaterhouseCoopers firms outside Singapore
** Company audited by another public accounting firm
*** Not required to be audited by law in country of incorporation
**** Company audited by First Bangkok Law & Practice Audit and Business Consulting Services Ltd
@ Wholly-owned subsidiary of Tiong Woon International Pte Ltd (formerly known as Tiong Woon Training Centre Pte Ltd)
\# Wholly-owned subsidiary of Tiong Woon Marine Pte Ltd

Notes to the Financial Statements

For the financial year ended 30 June 2004

18. Property, plant and equipment

	Leasehold buildings $	Leasehold land $	Machinery $	Tug boats and barges $	Office equipment $	Furniture and fixtures $	Office renovation $	Motor vehicles $	Total $
The Group									
Cost									
At 1 July 2003	4,778,419	316,667	98,494,230	10,631,656	1,351,557	144,004	222,139	1,289,165	117,227,837
Additions	-	-	34,197,451	2,550,944	157,337	50,679	-	410,640	37,367,051
Disposals	-	-	(9,909,236)	(2,229,009)	(25,712)	-	-	(13,364)	(12,177,321)
Exchange rate adjustments	(3,400)	-	(21,545)	-	31,402	(36,570)	(1,680)	(335)	(32,128)
At 30 June 2004	4,775,019	316,667	122,760,900	10,953,591	1,514,584	158,113	220,459	1,686,106	142,385,439
Accumulated depreciation									
At 1 July 2003	(1,200,016)	(142,500)	(45,672,211)	(7,680,183)	(913,676)	(111,844)	(139,605)	(693,713)	(56,553,748)
Depreciation charge	(234,124)	(15,833)	(5,824,165)	(1,081,972)	(167,337)	(10,765)	(31,511)	(121,592)	(7,487,299)
Disposals	-	-	2,716,675	366,684	4,078	-	-	-	3,087,435
Exchange rate adjustments	198	(1)	18,015	1	17,992	(538)	1,657	15,544	52,868
At 30 June 2004	(1,433,942)	(158,334)	(48,761,686)	(8,395,470)	(1,058,943)	(123,147)	(169,459)	(799,761)	(60,900,742)
Net book value									
At 30 June 2004	**3,341,077**	**158,333**	**73,999,214**	**2,558,121**	**455,641**	**34,966**	**51,000**	**886,345**	**81,484,697**
Net book value									
At 30 June 2003	3,578,403	174,167	52,822,019	2,951,473	437,881	32,160	82,534	595,452	60,674,089

Notes to the Financial Statements

For the financial year ended 30 June 2004

18. Property, plant and equipment (continued)

(a) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $37,367,051 (2003: $17,005,700) of which $7,339,157 (2003: $5,708,671) was acquired by means of bills payable and $11,844,000 (2003: $5,950,116) by means of bank loans.

(b) At the balance sheet date, the net book value of machinery and motor vehicle of the Group under finance lease liabilities (Note 21) amounted to $18,121,243 (2003: $14,493,063).

(c) At the balance sheet date, the net book value of tug boats and barges of the Group pledged as security for term loans (Note 20) amounted to $243,000 (2003: $524,000).

(d) At the balance sheet date, the net book value of machinery of the Group pledged as security for bank loans and transferable loan facility (Note 20) amounted to $27,234,552 (2003: $20,692,922).

(e) The leasehold buildings are located at No. 13 and 15 Pandan Crescent, Singapore 128470.

(f) As set out in Note 2(e) to the financial statements, with effect from 1 July 2003, the Group revised the estimated useful lives of machinery to better reflect their economic useful lives. The effect of the revision of the useful lives was a reduction of depreciation charge for the current financial year by approximately $3.2 million.

19. Trade and other payables

	The Group		The Company	
	2004	2003	**2004**	2003
	$	$	**$**	$
Trade payables to:				
- third parties	**2,738,746**	2,217,059	**-**	-
- related parties	**92,857**	-	-	-
	2,831,603	2,217,059	-	-
Other payables:				
- third parties	**971,254**	262,512	**14,280**	42,265
- related parties	**-**	23,408	-	-
	971,254	285,920	**14,280**	42,265
Deposits received	**228,276**	258,458	-	-
Accrued expenses	**2,092,900**	1,874,431	**135,650**	149,673
	6,124,033	4,635,868	**149,930**	191,938

Trade payables to related parties are amounts due to companies in which some of the directors have substantial financial interests.

20. Borrowings

	The Group		The Company	
	2004	2003	**2004**	2003
	$	$	**$**	$
Current				
Bank overdrafts (Note 10)	**312,000**	-	**-**	-
Bills payable	**4,857,991**	5,655,008	**-**	-
Term loans	**61,896**	152,588	**-**	-
Bank loans	**3,828,696**	1,919,808	**-**	-
Transferable loan facility	**3,461,905**	3,461,905	**3,461,905**	3,461,905
Finance lease liabilities (Note 21)	**3,833,635**	3,950,486	**-**	-
	16,356,123	15,139,795	**3,461,905**	3,461,905
Non-current				
Term loans	**-**	61,896	**-**	-
Loan from a substantial shareholder	**2,975,000**	-	**-**	-
Bank loans	**10,876,828**	3,896,352	**-**	-
Transferable loan facility	**5,192,857**	8,654,762	**5,192,857**	8,654,762
Finance lease liabilities (Note 21)	**5,085,612**	4,251,342	**-**	-
	24,130,297	16,864,352	**5,192,857**	8,654,762
TOTAL BORROWINGS	**40,486,420**	32,004,147	**8,654,762**	12,116,667

(a) Details of the borrowings are as follows:

(i) Term loans amounting to $61,896 bears interest at 5.25% per annum and are secured by way of mortgage on one of the Group's tug boats (Note 18) as well as assignment of insurances and assignment of earnings on this vessel.

(ii) Bank loans amounting to $14,705,524 (2003: $5,816,160) are secured by a first legal charge over the Group's machinery (Note 18) and a corporate guarantee from the Company amounting to $14,705,524 (2003: $5,816,160).

Of these, $1,749,850 (2003: $2,749,750), bears interest at cost of funds plus 2% (2003: cost of funds plus 2%) per annum and is repayable by monthly instalments of $83,325 (2003: $83,325) each, with effect from 21 July 2004 for a period of 21 months.

Loans of $1,111,674 (2003: $3,066,410), bearing interest at cost of funds plus 2% (2003: cost of funds plus 2%) per annum, are repayable by monthly instalments of $38,333 (2003: $76,659) each, with effect from 21 July 2004 for a period of 29 months.

Loans of $11,844,000 (2003: $Nil), bearing interest at cost of funds plus 2% (2003: nil%) per annum, are repayable by monthly instalments of $197,400 (2003: $Nil) each, with effect from 1July 2004 for a period of 60 months.

Notes to the Financial Statements

For the financial year ended 30 June 2004

20 Borrowings (continued)

(iii) The amounts drawn under the transferable loan facility of $8,654,762 (2003: $12,116,667) are secured by a first legal charge over the Group's machinery (Note 18). Of these, $1,625,000 (2003: $2,275,000) bears interest at 4.5% (2003: 4.5%) per annum and is repayable in 10 equal quarterly instalments of $162,500 (2003: $162,500) each, from 24 July 2004.

The balance of $7,029,762 (2003: $9,841,667), bears interest at SIBOR plus 1.0625% (2003: SIBOR plus 1.0625%) per annum and is repayable over 10 equal quarterly instalments of $702,976 (2003: $702,976) each, from 24 July 2004.

(b) Interest rate risk

	2004	2003
The weighted average effective interest rates at the balance sheet date are as follows:		
Bank overdrafts	**5.310%**	-
Bills payable	**2.250%**	1.160%
Term loans	**5.250%**	5.304%
Loan from a substantial shareholder	**0.783%**	-
Bank loans	**2.765%**	2.700%
Transferable loan facility	**3.158%**	3.109%
Finance lease liabilities	**7.246%**	7.147%

The exposure of borrowings of the Group and Company to interest rate changes and the periods in which the borrowings reprice are as follows:

	Less than 6 months $	6 to 12 months $	1 to 5 years $	Over 5 years $	Total $
The Group					
At 30 June 2004					
Total borrowings	**32,133,936**	**2,291,874**	**6,044,110**	**16,500**	**40,486,420**
At 30 June 2003					
Total borrowings	23,754,866	2,311,041	5,917,428	20,812	32,004,147
The Company					
At 30 June 2004					
Total borrowings	**7,354,762**	**325,000**	**975,000**	**-**	**8,654,762**
At 30 June 2003					
Total borrowings	10,166,667	325,000	1,625,000	-	12,116,667

20 Borrowings (continued)

(c) Carrying amounts and fair values

The fair values are based on discounted rate using the borrowing rate which the directors expect would be available to the Group at balance sheet date. The carrying amounts of the bank overdrafts, bills payable, term loans, bank loans, loan from a substantial shareholder, transferable loan facility and finance lease liabilities approximate their fair values.

(d) Maturity of non-current borrowings

Maturity of non-current borrowings [(excluding finance lease liabilities (note 21)] is as follows:

	The Group		The Company	
	2004	2003	**2004**	2003
	$	$	**$**	$
Between 1 and 2 years	**14,307,085**	10,575,371	**5,192,857**	6,923,809
Between 2 and 5 years	**4,737,600**	2,037,639	**-**	1,730,953
	19,044,685	12,613,010	**5,192,857**	8,654,762

21. Finance lease liabilities

	The Group	
	2004	2003
	$	$
Minimum lease payments due:		
- not later than 1 year	**4,245,558**	4,342,934
- later than 1 year but not later than 5 years	**5,430,817**	4,509,788
- later than 5 years	**16,500**	20,812
	9,692,875	8,873,534
Less: Future finance charges	**(773,628)**	(671,706)
Present value of finance lease liabilities	**8,919,247**	8,201,828
The present value of finance lease liabilities is as follows:		
- not later than 1 year (note 20)	**3,833,635**	3,950,486
- later than 1 year but not later than 5 years	**5,069,112**	4,230,530
- later than 5 years	**16,500**	20,812
Total non-current liability (note 20)	**5,085,612**	4,251,342
	8,919,247	8,201,828

The liabilities are secured on the property, plant and equipment acquired under finance leases (Note 18) as well as assignment of insurances.

Notes to the Financial Statements

For the financial year ended 30 June 2004

22. Deferred income taxes

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 20% (2003: 22%).

The movement on the deferred income tax account is as follows:

	The Group		The Company	
	2004	2003	**2004**	2003
	$	$	**$**	$
At the beginning of financial year	**4,431,118**	3,983,561	**(69,943)**	(97,883)
Charged to income statement	**1,370,735**	447,557	**57,227**	27,940
Effect of change in tax rate	**(426,081)**	-	**6,358**	-
Exchange differences	**2,769**	-	**-**	-
At the end of financial year	**5,378,541**	4,431,118	**(6,358)**	(69,943)

The movement in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year is as follows:

<u>The Group</u>

Deferred tax liabilities

	Accelerated tax depreciation	Total
	$	$
As at 1 July 2003	4,823,264	4,823,264
Charged to income statement	3,633,726	3,633,726
Effect of change in tax rate	(460,985)	(460,985)
Exchange differences	(44)	(44)
As at 30 June 2004	**7,995,961**	**7,995,961**

Deferred tax assets

	Provisions	Tax losses	Others	Total
	$	$	$	$
As at 1 July 2003	(390,121)	-	(2,025)	(392,146)
Charged/(credited) to income statement	83,909	(2,343,641)	(3,259)	(2,262,991)
Effect of change in tax rate	34,720	-	184	34,904
Exchange differences	2,869	(46)	(10)	2,813
As at 30 June 2004	**(268,623)**	**(2,343,687)**	**(5,110)**	**(2,617,420)**

22. **Deferred income taxes** (continued)

The Company

Deferred tax assets

	Provisions $	Total $
As at 1 July 2003	(69,943)	(69,943)
Charged to income statement	57,227	57,227
Effect of change in tax rate	6,358	6,358
As at 30 June 2004	**(6,358)**	**(6,358)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheets.

	The Group		The Company	
	2004 **$**	2003 $	**2004** **$**	2003 $
Deferred tax assets	**(54,332)**	(70,181)	**(6,358)**	(69,943)
Deferred tax liabilities	**5,432,873**	4,501,299	**-**	-
	5,378,541	4,431,118	**(6,358)**	(69,943)

The amounts shown in the balance sheets include the following:

	The Group		The Company	
	2004 **$**	2003 $	**2004** **$**	2003 $
Deferred tax assets to be recovered after more than 12 months	**54,332**	70,181	**(6,358)**	(69,943)
Deferred tax liabilities to be settled after more than 12 months	**4,314,040**	2,818,206	**-**	-

Notes to the Financial Statements

For the financial year ended 30 June 2004

23. Share capital

(a) Authorised ordinary share capital:

The total authorised number of ordinary shares is 300 million shares (2003: 300 million shares) with a par value of $0.10 per share (2003: $0.10 per share).

	The Group and the Company			
	2004 Shares	**2004 $**	2003 Shares	2003 $
(b) Issued and fully paid ordinary share capital:				
At the beginning and end of the financial year	**225,050,940**	**22,505,094**	225,050,940	22,505,094

The movements in the share premium account are set out in the Statements of Changes in Equity.

24. Foreign currency translation and other reserves

	The Group	
	2004 $	2003 $
(a) Composition:		
Foreign currency translation amount	**(720,889)**	(562,456)
Capital reserves	**217,463**	206,319
	(503,426)	(356,137)
(b) Movements:		
Foreign currency translation amount		
At the beginning of financial year	**(562,456)**	(576,374)
Net exchange differences on translation of financial statements of foreign subsidiaries	**(158,433)**	13,918
At the end of financial year	**(720,889)**	(562,456)
Capital reserves		
At the beginning of financial year	**206,319**	206,319
Transfer from retained profits	**11,144**	-
At the end of financial year	**217,463**	206,319

Capital reserves represent amounts set aside in compliance with local laws in certain countries where the Group operates, and are distributable subject to approval of relevant authorities.

25. Minority interests

	The Group	
	2004 $	2003 $
At the beginning of financial year	**-**	-
Incorporation of a new subsidiary	**4,049,231**	-
Share of loss after tax of subsidiary	**(218,493)**	-
At the end of financial year	**3,830,738**	-

26. Dividends

	The Group and The Company	
	2004	2003
	$	$
Ordinary dividends paid		
Final dividend of 1.8 cents per share paid, net of tax at 22% and final dividend of 1.7 cents per share paid, tax exempted	**698,552**	-

At the Annual General Meeting on 26 October 2004, a final dividend of 3 cents per share amounting to a total of $675,153, tax exempted, is to be recommended. These financial statements do not reflect this dividend payable, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 30 June 2005.

27. Contingent liabilities

The Company has the following contingent liabilities at 30 June 2004:

(i) Corporate guarantees amounting to $16.70 million (2003: $16.70 million) given to banks for facilities extended to certain subsidiary companies of which the amount utilised at 30 June 2004 was $4,852,104 (2003: $5,666,008).

(ii) As at 30 June 2004, there were no corporate guarantees given in favour of finance companies for hire purchase facilities given to certain subsidiary companies. (2003: $1,928,562)

(iii) Corporate guarantees amounting to $14,705,524 (2003: $5,816,160) in favour of banks for bank loans and term loans (Note 20) given to certain subsidiary companies.

As at 30 June 2004, the Group has a letter of indemnity amounting to $215,000 (2003: $160,000) extended to insurance companies for guarantees given to the Controller of Immigration for employment of certain foreign workers.

Notes to the Financial Statements

For the financial year ended 30 June 2004

28. Commitments

(a) Capital commitments

Capital commitments contracted for at the balance sheet date but not recognised for in the financial statements are as follows:

	The Group	
	2004	2003
	$	$
Property, plant and equipment	**3,700,000**	1,870,899
Investment in a joint venture company (see note below)	**125,000**	-

Note:

The Company has entered into a joint venture agreement on 8 December 2003 with Hiap Seng Engineering Limited, Rotary Engineering Limited, Federal International (2000) Ltd and Plant Engineering Construction Pte Ltd, to form a joint venture company known as Singa Consolidated Engineers & Constructors Pte Ltd ("SINGA"). SINGA has an authorised share capital of $100 million divided into 100 million shares of $1 each and will have an initial paid-up share capital of $1 million divided into 1 million shares of $1 each. The Company has agreed to subscribe for a 12.5% stake, amounting to $125,000 in SINGA. The Company has yet to contribute its share of the investment in SINGA as at the end of the financial year.

(b) Operating lease commitments - Where a group company is a lessee

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	The Group	
	2004	2003
	$	$
Not later than 1 year	**950,159**	950,159
Later than 1 year but not later than 5 years	**3,800,636**	3,800,636
Later than 5 years	**4,988,334**	5,938,493
	9,739,129	10,689,288

29. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks, including interest rate risk, credit risk, foreign exchange risk and liquidity risk. The Group's policies for managing each of these risks are summarised below:

(i) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities. The Group has not hedged its exposure to interest rates as the risk is not expected to be significant. The Group's borrowings which are at floating rates includes bank overdrafts, bills payable, term loans, loan from a substantial shareholder, bank loans, transferable loan facility and finance lease liabilities.

The Group has no significant interest-bearing assets.

(ii) Foreign exchange risk

The Group's business is not exposed to any significant foreign exchange risk.

(iii) Credit risk

The Group has no significant concentration of credit risk. The Group has policies in place to ensure sale of goods and provision of services are made to customers with an appropriate credit history.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers, who are dispersed over the Asian region. Due to this factor, management believes that there is no additional credit risk beyond amounts provided for collection losses inherent in the Group's trade receivables.

(iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities deemed necessary to finance the Group's operations.

30. Fair values

The carrying amounts of the following financial assets and financial liabilities approximate their fair values: cash and cash equivalents, trade and other receivables, other investments and trade and other payables. Information on the fair values of other receivable – non-current, other investments and borrowings is included in Note 14, Note 15 and Note 20 respectively.

Notes to the Financial Statements

For the financial year ended 30 June 2004

31. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following related party transactions took place between the Group and related parties during the financial year at terms agreed by the parties concerned:

(a) Sales and purchases of goods and services

	The Group	
	2004	2003
	$	$
Payment to companies in which certain directors have substantial interests:		
- Rental of cranes	**433,984**	167,718
- Purchase of crane	**40,000**	-
	473,984	167,718
Received from companies in which certain directors have substantial interests:		
- Rental of cranes	**43,364**	106,679

(b) Directors' remuneration

Directors' remuneration included fees, salary, bonus and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group and the Company, and where the Group or Company did not incur any costs, the value of the benefit is included. In 2004, the total directors' remuneration is as follows:

	The Group	
	2004	2003
	$	$
Directors' remuneration:		
- directors of the Company	**80,000**	80,000
- directors of subsidiaries	**1,816,954**	963,614

(c) Loan from a substantial shareholder

The loan from a substantial shareholder amounting to $2,975,000 (2003: nil), as set out in note 20, is unsecured, bears interest at 6-months fixed deposit rate and is repayable on 31 December 2005.

Notes to the Financial Statements

For the financial year ended 30 June 2004

32 Segment information

(a) Primary report format - business segments

	Heavy lift and haulage $	Marine transportation $	Trading $	Group $
2004				
Revenue	**41,100,587**	**4,422,964**	**5,462,207**	**50,985,758**
Segment result	**11,909,401**	**269,270**	**400,615**	**12,579,286**
Finance income				**20,004**
Finance costs				**(1,548,808)**
Share of results in joint venture				**(8,447)**
Profit before tax				**11,042,035**
Income tax expense				**(1,675,034)**
Group profit from ordinary activities after tax				**9,367,001**
Minority interest				**218,493**
Net profit for the financial year				**9,585,494**
Segment assets	**91,127,667**	**4,218,399**	**8,839,433**	**104,185,499**
Segment liabilities	**46,377,561**	**1,816,480**	**4,315,593**	**52,509,634**
Capital expenditure	**34,724,654**	**2,642,397**	**-**	**37,367,051**
Depreciation and amortisation	**6,363,752**	**1,123,547**	**-**	**7,487,299**
2003				
Revenue	31,910,671	3,691,142	3,469,350	39,071,163
Segment result	4,365,002	225,284	448,929	5,039,215
Finance income				9,424
Finance costs				(1,383,439)
Share of results in joint venture				10,950
Profit before taxation				3,676,150
Income tax expense				(664,874)
Group profit from ordinary activities after tax				3,011,276
Minority interest				-
Net profit for the financial year				3,011,276
Segment assets	70,588,165	4,146,698	5,622,172	80,357,035
Segment liabilities	36,802,784	1,990,990	2,446,643	41,240,417
Capital expenditure	16,506,884	1,027,604	-	17,534,488
Depreciation and amortisation	8,302,321	939,245	-	9,241,566

Notes to the Financial Statements

For the financial year ended 30 June 2004

32. Segment information (continued)

(a) Primary report format - business segments (continued)

The Group is organised into three main business segments:

- Heavy lift and haulage - Hiring out of cranes and provision of transportation.
- Marine transportation - Provision of wharfing and stevedoring services.
- Trading - Trading of heavy equipment and spare parts.

Segment assets consist primarily of property, plant and equipment, inventories, trade and other receivables, investments and operating cash. Segment liabilities comprise trade and other payables, taxation and certain corporate borrowings. Capital expenditure comprises additions to property, plant and equipment.

(b) Secondary report format - geographical segments

The Group's three main business segments operate in four main geographical areas:

Singapore is the home country of the Group. The areas of operation are principally heavy lift and haulage, marine transportation, trading and other operations of the Group.

Malaysia - the main activity is heavy lift and haulage.

Thailand - the main activity is heavy lift and haulage.

Other countries - comprise mainly China, Indonesia and Philippines and the main activity is heavy lift and haulage.

	Sales revenue		Total assets		Capital expenditure	
	2004	2003	**2004**	2003	**2004**	2003
	$	$	**$**	$	**$**	$
Singapore	**24,976,496**	23,908,457	**85,758,160**	76,421,198	**26,603,426**	17,477,764
Malaysia	**5,568,957**	4,007,801	**2,311,300**	1,339,262	**10,227**	465
Thailand	**11,770,734**	4,191,537	**3,447,487**	2,355,902	**1,063,793**	51,335
Other countries	**8,669,571**	6,963,368	**12,668,552**	240,673	**9,689,605**	4,924
	50,985,758	39,071,163	**104,185,499**	80,357,035	**37,367,051**	17,534,488

With the exception of Singapore, no other individual country contributed more than 10% of consolidated assets.

Sales revenue is based on the country in which the customer is located. Total assets and capital expenditure are shown by the geographical area in which the assets are located.

33. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors on 30 September 2004.

Shareholders' Information

As at 15 September 2004

LIST OF TWENTY LARGEST SHAREHOLDERS AS AT 15 SEPTEMBER 2004

S/NO	NAME OF SHAREHOLDERS	NO. OF SHARES	PERCENTAGE OF HOLDINGS
1	ANG CHOO KIM & SONS (PTE) LIMITED	95,976,940	42.65
2	CITIBANK NOMINEES SINGAPORE PTE LTD	8,628,000	3.84
3	OCBC SECURITIES PRIVATE LIMITED	7,804,000	3.47
4	HSBC (SINGAPORE) NOMINEES PTE LTD	7,195,000	3.20
5	UOB KAY HIAN PTE LTD	7,143,000	3.17
6	WATERWORTH PTE LTD	5,000,000	2.22
7	RAFFLES NOMINEES PTE LTD	4,733,000	2.10
8	UNITED OVERSEAS BANK NOMINEES PTE LTD	3,543,000	1.58
9	PHILLIP SECURITIES PTE LTD	3,207,000	1.43
10	KIM ENG SECURITIES PTE.LTD.	2,895,000	1.29
11	DBS NOMINEES PTE LTD	2,331,000	1.04
12	CHE HIOK	2,166,000	0.96
13	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	2,001,000	0.89
14	ANG KHA KING	1,965,000	0.87
15	TAN SWEE KHIM	1,631,000	0.72
16	DBS VICKERS SECURITIES (S) PTE LTD	1,339,000	0.59
17	KOH CHEW KWEE	1,260,000	0.56
18	CITIBANK CONSUMER NOMINEES PTE LTD	909,000	0.40
19	G K GOH STOCKBROKERS PTE LTD	731,000	0.32
20	LIM KIM MUI	700,000	0.31
	TOTAL	**161,157,940**	**71.61**

ANALYSIS OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 15 SEPTEMBER 2004

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHAREHOLDERS	%
1 - 999	0	0 .00	0	0.00
1,000 - 10,000	2,976	71.15	12,189,000	5.42
10,001 - 1,000,000	1,190	28.45	54,044,000	24.01
1,000,001 AND ABOVE	17	0.40	158,817,940	70.57
	4,183	100.00	225,050,940	100.00

Based on the information available above, approximately 54.69% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual of the SGX-ST is complied with.

Analysis of Shareholders

As at 15 September 2004

Substantial Shareholders	Number Of Shares Direct Interest	Deemed Interest
Ang Choo Kim & Sons (Pte) Limited	95,976,940	-
Ang Kah Hong	2,165,000	95,976,940
Ang Kha King	1,965,000	96,123,940

Directors' Interest in Shares

As at 21 July 2004

According to the register maintained under Section 164 of the Companies Act, Cap. 50, the Directors had an interest in the shares of the Company on the 21st day after the end of the financial year as undernoted:

	Shareholdings registered in the name of Directors or in which Directors have a direct interest as at 21.7.2004 $	Shareholdings in which Directors are deemed to have an interest as at 21.7.2004 $
Ang Kah Hong	2,165,000	95,976,940
Ang Kha King	1,965,000	96,123,940
Tan Swee Khim	1,734,000	-
Chandra Mohan s/o Rethnam	30,000	-
Wong King Kheng	30,000	-

Ang Kah Hong and Ang Kha King held 5,990,298 and 2,995,149 ordinary shares of $1/- each respectively in a substantial shareholder, Ang Choo Kim & Sons (Pte) Limited. Their deemed interest in the Company through Ang Choo Kim & Sons (Pte) Limited is shown above.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held at No.15 Pandan Crescent, Singapore 128470 on Tuesday, 26 October 2004 at 9.00 a.m. to transact the following business:

As Ordinary Business

1. To receive and adopt the Accounts for the financial year ended 30 June 2004 and the Report of Directors and Auditors thereon. **Resolution 1**

2. To approve a tax exempt (1-tier) final dividend of 3% on the par value of the ordinary shares for the financial year ended 30 June 2004. **Resolution 2**

3. To approve Directors' fees for the year ended 30 June 2004. **Resolution 3**

4. To re-elect the following Directors who are retiring in accordance with the Company's Articles of Association:-

   (a) Mr Tan Swee Khim (Retiring under Article 104) **Resolution 4**

   (b) Mr Chandra Mohan s/o Rethnam (Retiring under Article 104) **Resolution 5**

   In accordance with the requirements of Rule 704(8) of the Singapore Exchange Securities Trading Limited's Listing Manual, Mr Tan Swee Khim, an Executive Director, if re-elected, will continue to serve as a member of the Audit Committee.

   In accordance with the requirements of Rule 704(8) of the Singapore Exchange Securities Trading Limited's Listing Manual, Mr Chandra Mohan s/o Rethnam, a non-Executive Director, if re-elected, will continue to serve as a member of the Audit Committee and will be considered as an Independent Director.

5. To re-appoint PricewaterhouseCoopers as auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

As Special Business

<u>Ordinary Resolution</u>

6. To consider and, if thought fit, to pass the following as an Ordinary Resolution with or without modifications:- **Resolution 7**

   " That pursuant to Section 161 of the Companies Act, Chapter 50, and the listing rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

   (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

   (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

Notice of Annual General Meeting

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that

the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's issued share capital, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the issued share capital of the Company and for the purpose of this resolution, the issued share capital shall be the Company's issued share capital at the time this resolution is passed, after adjusting for;

(i) new shares arising from the conversion or exercise of convertible securities, or

(ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the Stock Exchange of Singapore Ltd, and

(iii) any subsequent consolidation or subdivision of the Company's shares,

such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

See explanatory note (a)

7. To transact any other business that may be transacted at an Annual General Meeting of the Company of which due notice shall have been given.

By Order of the Board

Foo Soon Soo (Ms)
Company Secretary

11 October 2004

Notice of Annual General Meeting

Notes:

1. A Member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy and vote in his stead.

2. A proxy need not be a Member of the Company.

3. The instrument appointing a proxy must be deposited at the registered office of the Company at No. 15 Pandan Crescent Singapore 128470 not later than 48 hours before the time appointed for the Meeting.

Explanatory Notes

(a) The Ordinary Resolution in item No. 6 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50 percent of the issued share capital of the Company of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20 percent of the issued share capital of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

Proxy Form

(Incorporated in the Republic of Singapore)

Important
1. For investors who have used their CPF monies to buy Tiong Woon Corporation Holding Ltd shares, this Annual Report 2004 is forwarded to them at the request of their CPF Approved Nominees and is sent solely **for Information Only**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We...(Name)

of...(Address)

being *a member/members of Tiong Woon Corporation Holding Ltd (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport No	Proportion of shareholdings to be represented by proxy (%)

*and/or

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at No. 15 Pandan Crescent, Singapore 128470 on Tuesday, 26 October 2004 at 9.00 a.m. and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specific directions as to voting are given, the *proxy /proxies will vote or abstain from voting at *his/their discretion.

Resolutions		For	Against
1.	To receive and adopt the Accounts for the financial year ended 30 June 2004 and the Report of the Directors and Auditors thereon. **(Resolution 1)**		
2.	To approve a tax exempt (1-tier) final dividend of 3% on the par value of the ordinary shares for the financial year ended 30 June 2004. **(Resolution 2)**		
3.	To approve Directors' fees for the year ended 30 June 2004. **(Resolution 3)**		
4(a)	To re-elect Mr Tan Swee Khim who is retiring in accordance with the Company's Articles of Association. **(Resolution 4)**		
4(b)	To re-elect Mr Chandra Mohan s/o Rethnam who is retiring in accordance with the Company's Articles of Association. **(Resolution 5)**		
5.	To re-appoint PricewaterhouseCoopers as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**		
6.	To approve the Ordinary Resolution pursuant to Section 161 of the Companies Act, Chapter 50. **(Resolution 7)**		

Dated this ________day of ______________2004.

Total Number of Shares Held

____

Signature(s) of Member(s)/Common Seal

* Delete accordingly

Notes :

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.

2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.

3. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer.

4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.

5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at No. 15 Pandan Crescent Singapore 128470 not later than 48 hours before the time set for the Annual General Meeting.

6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time set for the Annual General Meeting.

長運
TIONG WOON CORPORATION HOLDING LTD

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