

TIONG WOON CORPORATION HOLDING LTD

TERMINATION OF JOINT VENTURE AGREEMENT

The Board of Directors of Tiong Woon Corporation Holding Ltd (*TWCH*) wishes to announce that the joint venture agreement dated 8 December 2003 (*JVA*) entered into by Hiap Seng Engineering Limited, Rotary Engineering Limited, Federal International (2000) Ltd and Plant Engineering Construction Pte Ltd and TWCH (*Joint Venture Partners*) has been mutually terminated by the Joint Venture Partners with effect from 20 May 2005 pursuant to a deed of termination dated 20 May 2005 entered into by all Joint Venture Partners (*Deed of Termination of the JVA*).

The joint venture company, Singa Consolidated Engineers & Constructors Pte Ltd (*SINGA*), was incorporated with the objective of providing consortium turnkey services in the oil-rich regions of Sakhalin (Russia) and the Middle East, to the petroleum, petrochemical, specialty chemical, power plant, oil and gas, water treatment and waste treatment industries.

When the JVA was signed, the Joint Venture Partners had intended to collaborate by leveraging on one another's collective and complementary strengths. However, the potential customers in the abovementioned target regions have indicated their preference to work with separate service providers operating individually, rather than with a joint venture company formed by various service providers. As such, each of the Joint Venture Partners agree that the chances of each of them securing projects are better if each of them operates individually. Accordingly, the Joint Venture Partners have therefore decided to terminate the joint venture arrangement.

Pursuant to the Deed of Termination of the JVA, the Joint Venture Partners will be taking the necessary and appropriate steps to wind up and liquidate SINGA.

The termination of the JVA is not expected to have a material effect on the financial position of the Tiong Woon Group.

BY ORDER OF THE BOARD

Choong Mee Fong
Company Secretary