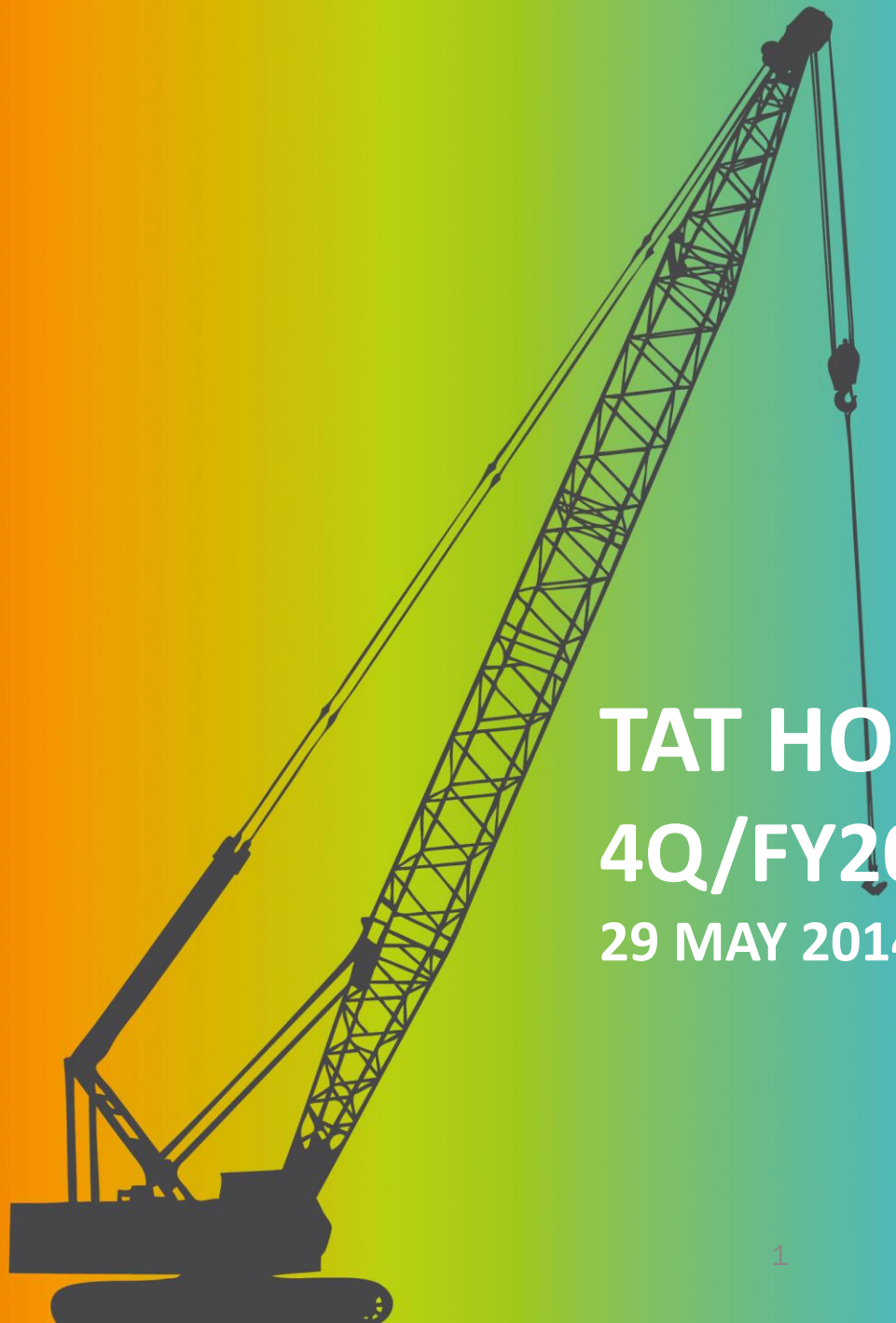


TAT HONG HOLDINGS LTD

4Q/FY2014 RESULTS

29 MAY 2014

TAT HONG HOLDINGS LTD

4Q/FY2014 Results

Fleet Update

Outlook & Prospects

Financial Highlights

S$'m	4QFY2013	4QFY2014	Change +/- (%)	FY2013	FY2014	Change +/- (%)
Revenue	199.6	**155.9**	*-21.9*	836.9	**684.1**	*-18.3*
Gross Profit	76.1	**57.4**	*-24.6*	314.9	**245.7**	*-22.0*
Gross Profit Margin (%)	*38.1*	***36.8***	*-1.3%pts*	*37.6*	***35.9***	*-1.7%pts*
PBT	27.6	**8.3**	*-69.9*	102.4	**48.9**	*-52.2*
PATMI	18.6	**4.2**	*-77.4*	70.4	**32.8**	*-53.4*
PATMI Margin (%)	*9.3*	***2.7***	*-6.6%pts*	*8.4*	***4.8***	*-3.6%pts*

Note:
4QFY2014 PATMI included:

1) An impairment charge of S$3.4 million on the Group's carrying value in an associate company
2) Net foreign exchange loss (mostly unrealised) of S$0.9 million compared with a net foreign exchange gain of S$2.3 million in 4QFY2013

4QFY2014 Summary

Revenue

- **Declined 22% to S$155.9 million**
  - Revenue declined across all divisions except Tower Crane Rental

Gross profit margin

- **Fell 1.3% pts to 36.8%**
  - Lower margins from Crane Rental and Tower Crane Rental divisions partially compensated by better margins from the Distribution and General Equipment Rental divisions

Profit before income tax

- **Declined 70% to S$8.3 million**

Due primarily to:

- Lower gross profit
- Increase in net foreign exchange losses of S$3.2 million (4QFY2014: S$0.9 million loss vs 4QFY2013: S$2.3 million gain)
- Decrease in share of profits from associates and JVs of S$1.0 million, mainly from lower contribution from the JV in PNG due to the completion of a LNG project (4QFY2014: S$1.2 million vs 4QFY2013: S$2.2 million)
- Higher distribution expenses of S$1.7 million from higher net doubtful debt written off, S$2.5 million, partially offset by lower rental commission, S$0.8 million.

Partially compensated by:

- Lower other operating expenses of S$3.3 million from lower upkeep, site, repair and maintenance expenses, S$1.6 million, staff expenses, S$4.7 million and write-back of impairment of property, S$0.4 million, less the impairment charge of S$3.4 million on the Group's carrying value in an associate company
- Higher other operating income of S$1.6 million from gain on disposal of a subsidiary in Singapore and government subsidies

Comparisons are made against 4QFY2013 ended 31 March 2013

4QFY2014 Summary

PATMI

- **Declined by 77% to S$4.2million**

  Primarily attributable to:

  - Significant decline in profit contribution from Australia
  - Losses sustained by several Indonesian subsidiaries
  - Impairment charge of S$3.4 million on Group's carrying value in an associate company

- **EPS : 0.66 Singapore cents** (4QFY2013: 3.07 cents)

Comparisons are made against FY2013 ended 31 March 2013

FY2014 Summary

Revenue

- **Declined 18% to S$684.1 million**
  - Revenue declined across all divisions except Tower Crane Rental

Gross profit margin

- **Fell 1.7% pts to 35.9%**
  - Better margin achieved by General Equipment Rental were offset by lower margins from Crane Rental and Tower Crane Rental, whilst margin from Distribution remained steady

Profit before income tax

- **Declined by 52% to S$48.9 million**

Due primarily to:

- Lower gross profit contribution from all divisions except Tower Crane Rental
- Increase in net foreign exchange losses of S$5.4 million (*mostly unrealised*) from the depreciation of IDR against SGD and USD (FY2014: S$8.4 million loss vs FY2013: S$3.0 million loss)
- Decrease in share of profits from associates and JV of S$2.3 million primary from lower contribution from the PNG JV (FY2014: S$5.4 million vs FY2013: S$7.7 million)
- Higher administrative expenses of S$3.2 primarily from increased staff costs

Partially mitigated by:

- Lower other operating expenses of S$11.7 million from lower upkeep, site, repair and maintenance expenses, S$4.1 million, staff expenses, S$8.1 million, insurance cost in Australia, S$1.6 million, as well as goodwill amortisation and write-back of impairment of property, S$1.3 million, less the impairment charge of S$3.4 million on the Group's carrying value in an associate company
- Lower Distribution cost of S$1.8 million primarily from lower staff cost
- Higher other operating income of S$13.4 million primarily from the gain of S$12.9 million on the transfer of land rights for a plot of industrial land at Iskandar Malaysia

Comparisons are made against FY2013 ended 31 March 2013

FY2014 Summary

PATMI

- **Declined by 53% to S$32.8 million**

  Primarily attributable to:

  - Significant decline in profit contribution from Australia
  - Losses sustained by several Indonesian subsidiaries

- **EPS: 5.11 Singapore cents** (FY2013: 11.62 cents)

Balance Sheet

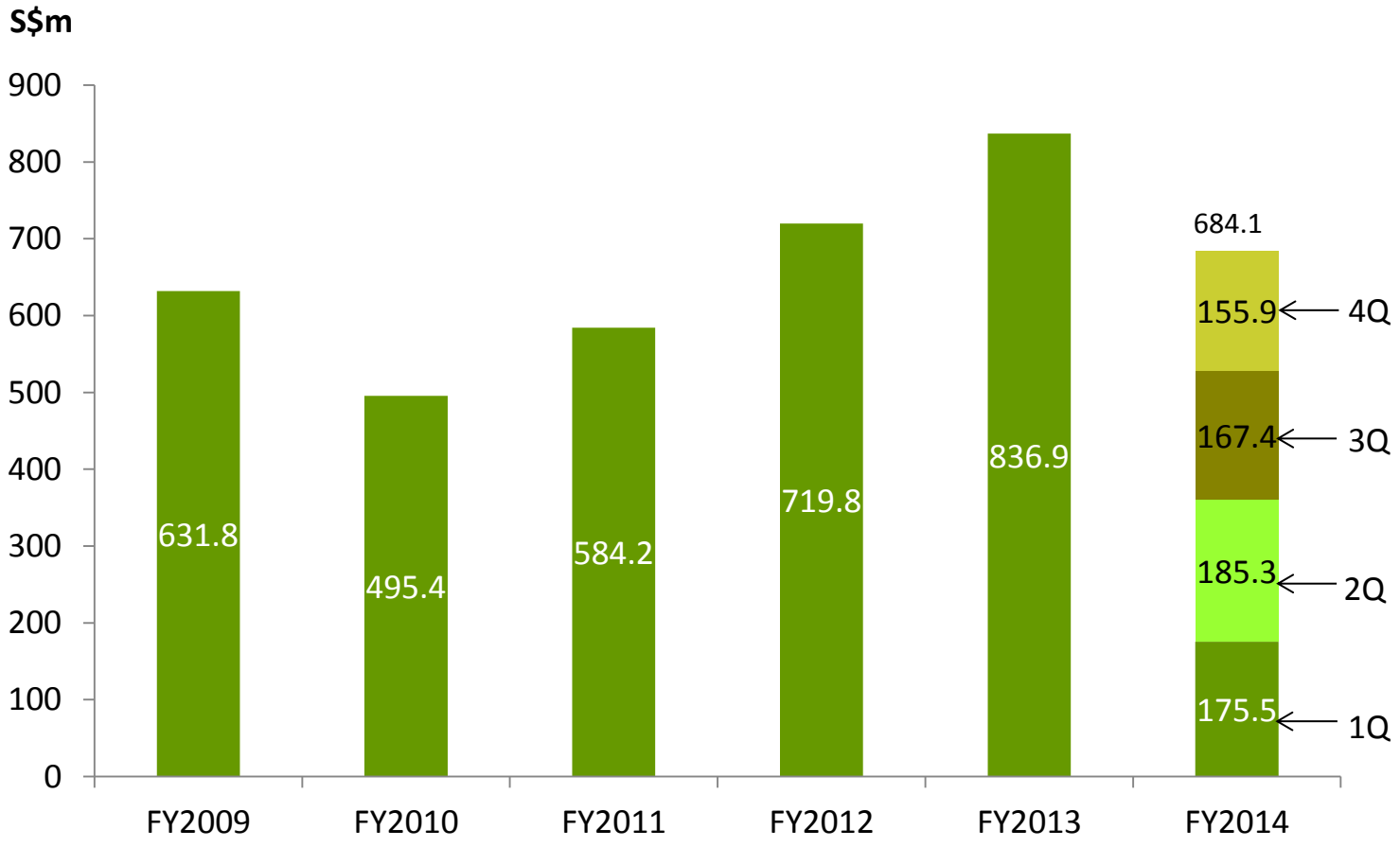
- **Balance sheet remained healthy**
  - Net gearing as at 31 March 2014: 0.87 times
  - Cash and cash equivalents: S$58.6 million
  - NTA and NAV per share: S$0.98 and S$1.05, respectively

Dividends

- **Dividends for FY2014**
  - Interim dividend of 1.0 Singapore cent per ordinary share and per CRPS was paid on 2 December 2013 (FY2013: 1.5 Singapore cent)
  - Propose final dividend of 1.0 Singapore cent per ordinary share and per CRPS for shareholders' approval at AGM (FY2013: 2.5 Singapore cents)
  - If final dividend is approved, total dividends for FY2014 would be 2.0 Singapore cents per share (FY2013: 4.0 Singapore cents), representing a payout of approximately 39% of net profit

Comparisons are made against FY2013 ended 31 March 2013

Revenue Trend



Segmental Revenue Highlights

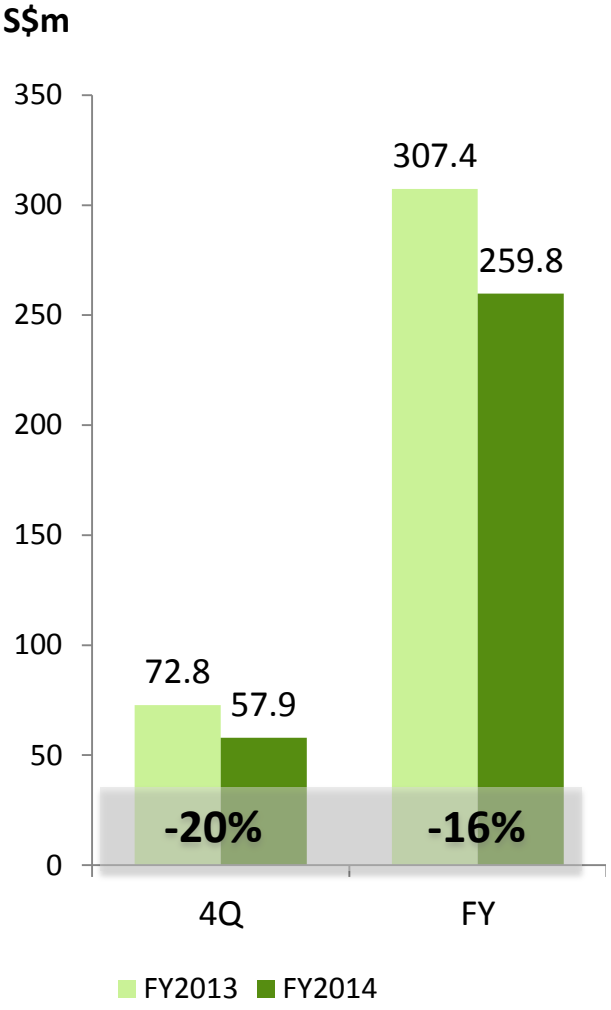
1. Crane Rental

Revenue decreased 20% to S$57.9 million in 4QFY2014 and 16% to S$259.8 million in FY2014

- **Australia:** Slowdown in mining and LNG-related infrastructure activities, weaker demand for specialised transportation services and the relocation of cranes to Darwin for the Ichthys LNG project in 1QFY2014
- **Malaysia:** Completion of major projects which included crane and barge rental that had contributed significantly to FY2013 results
- **Papua New Guinea:** Completion of a LNG project

Partially compensated by better performance from:

- **Singapore:** Continued participation in Jurong Island, MRT Downtown Lines 2 & 3 and institutional building projects
- **Hong Kong:** Continued involvement in large infrastructure projects such as the Wan Chai Bypass, XRL West Kowloon Station and Hong Kong-Macau-Zhuhai Bridge project
- **Thailand:** BTS (Bangkok Mass Transit System), EPC (INPEX) and power plant projects



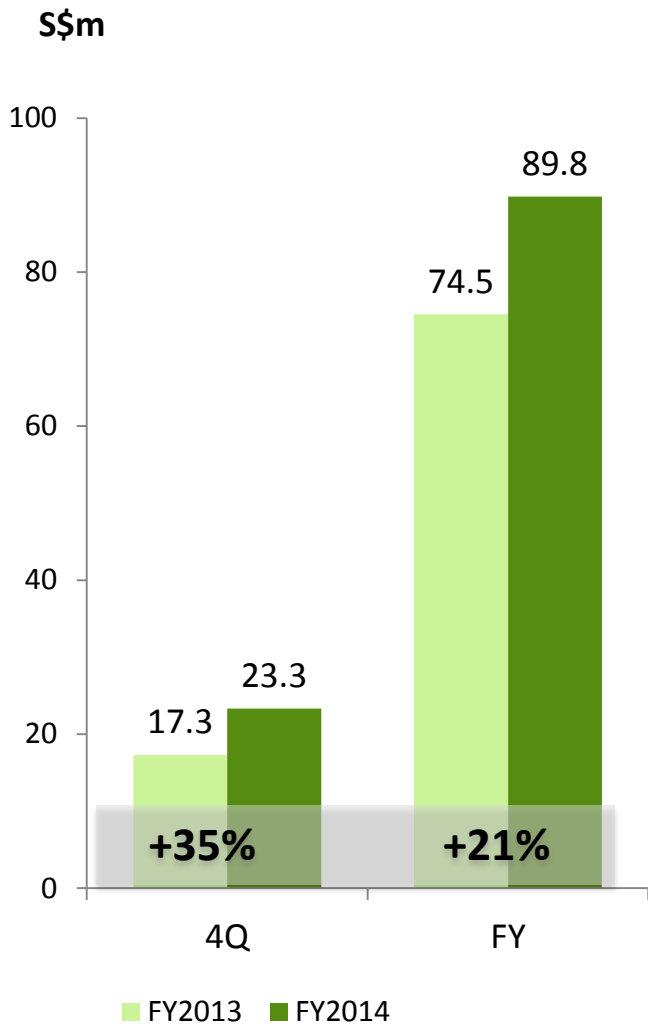
Comparisons are made against 4QFY2013 and FY2013 ended 31 March 2013

Segmental Revenue Highlights

2. Tower Crane Rental

Revenue increased 35% to S$23.3 million in 4QFY2014 and 21% to S$89.8 million in FY2014

- Due to high utilisation rate on a larger fleet size, 31 March 2014: 909 tower cranes (31 March 2013: 808 tower cranes), as a result of continued participation in infrastructure, large commercial and power plant/station projects in China



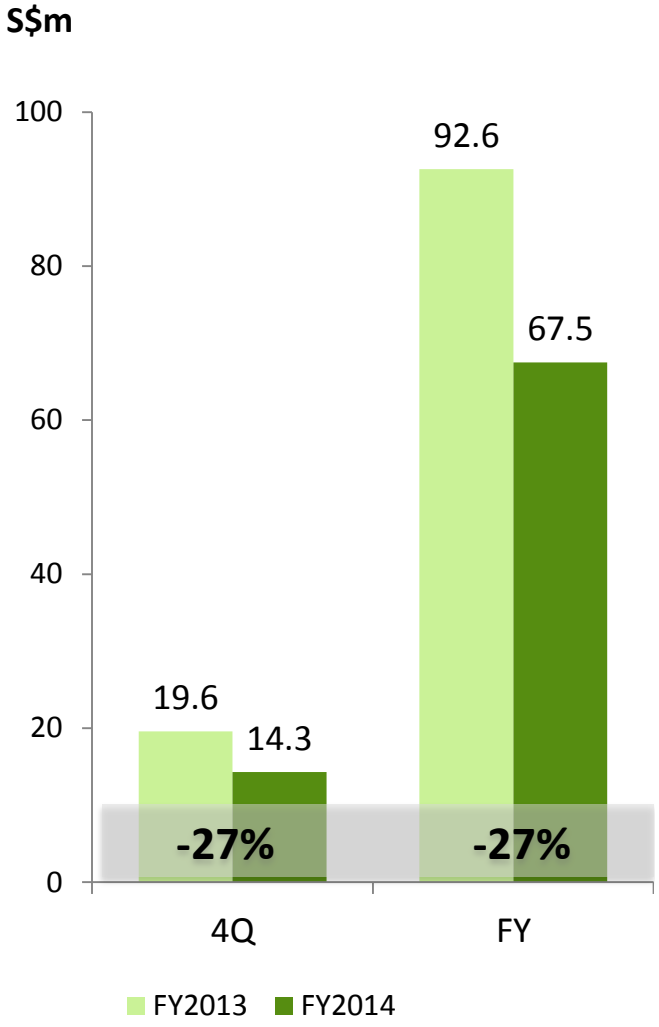
Comparisons are made against 4QFY2013 and FY2013 ended 31 March 2013

Segmental Revenue Highlights

3. General Equipment Rental

Revenue declined 27% in 4QFY2014 and in FY2014 to S$14.3 million and S$67.5 million, respectively

- Overall subdued activities in Australia
- Particularly weak performance in Queensland which was also affected by a cyclone in January



Comparisons are made against 4QFY2013 and FY2013 ended 31 March 2013

Segmental Revenue Highlights

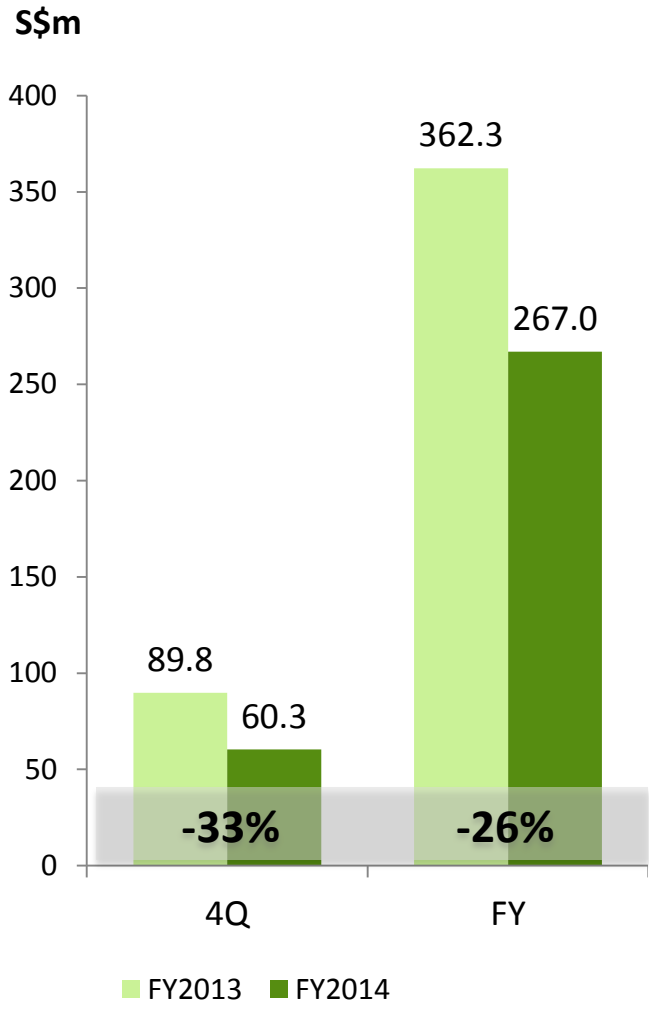
4. Distribution

Revenue decreased 33% to S$60.3 million in 4QFY2014 and 26% to S$267.0 million in FY2014

- **Indonesia:** Reduced excavator sales due to a weaker commodities sector, declining Rupiah and high interest rates which affected demand
- **Singapore:** Weaker demand and increased competition
- **Australia:** Slowdown in the general economy

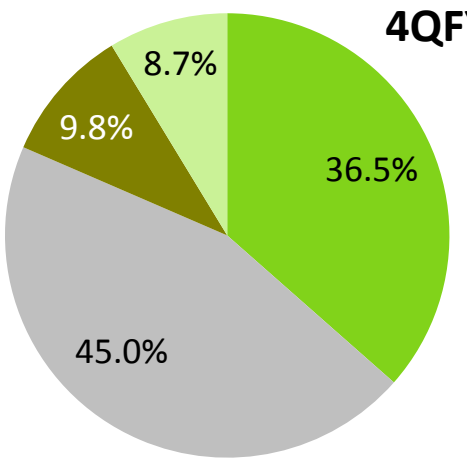
Partially compensated by better performance in:

- **Malaysia:** Higher sales of cranes

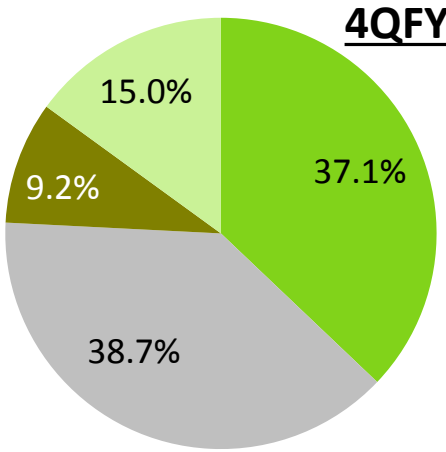


Comparisons are made against 4QFY2013 and FY2013 ended 31 March 2013

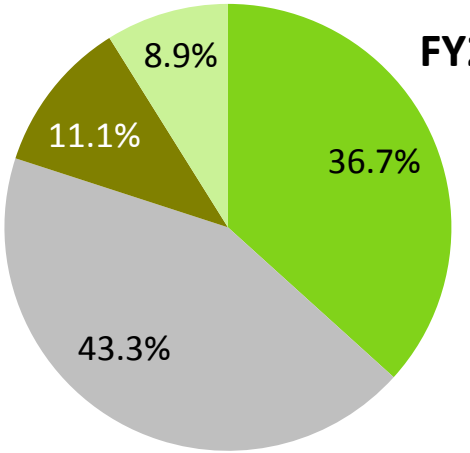
Revenue by Business Activity



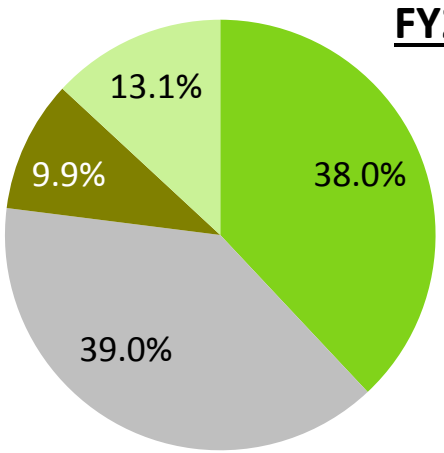
S$199.6 million



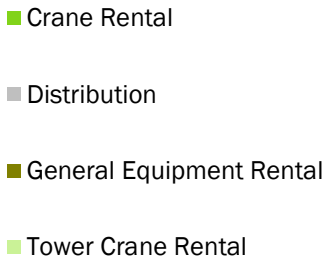
S$155.9 million



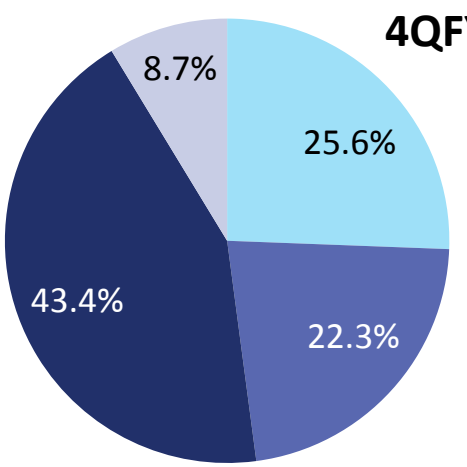
S$836.9 million



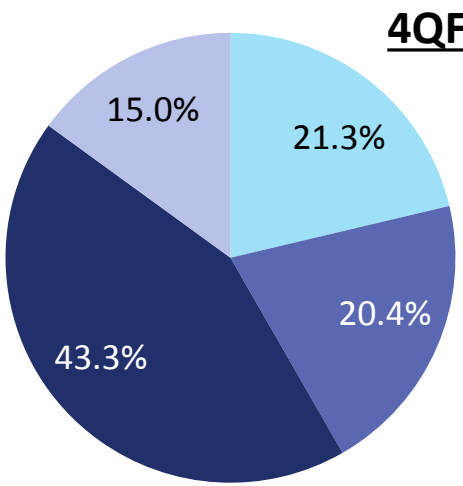
S$684.1 million



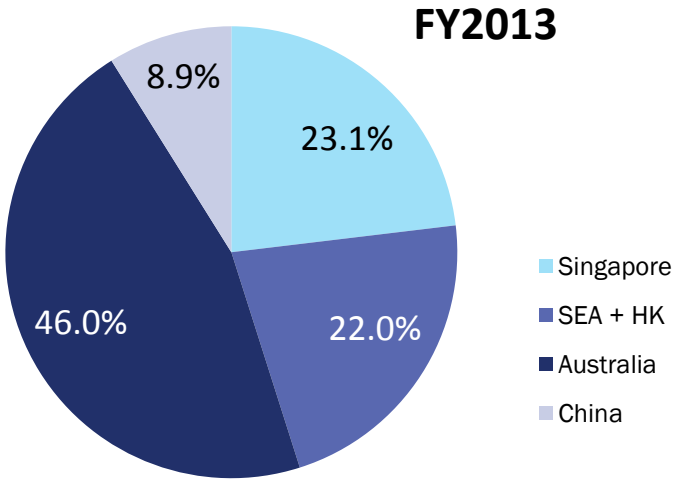
Revenue by Region



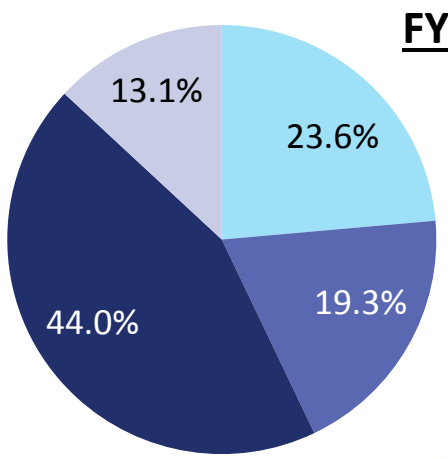
S$199.6 million



S$155.9 million



S$836.9 million



S$684.1million

Gross Profit and Gross Profit Margin

Gross profit fell 24% to S$57.4 million whilst gross profit margin declined by 1.3%pts to 36.8% in 4QFY2014

Lower GP margins from:

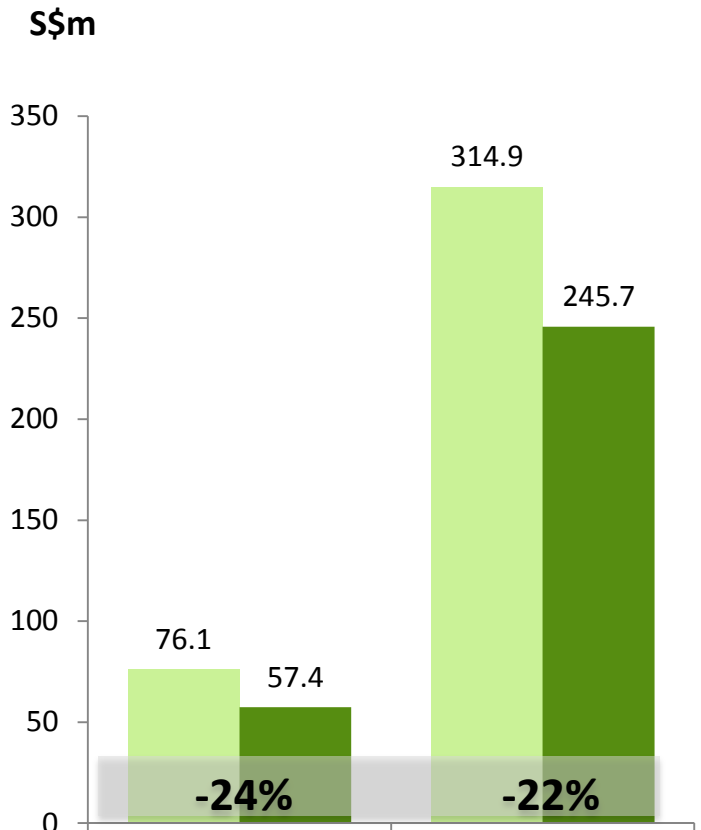
- **Crane Rental:** Due to overall decline in revenue
- **Tower Crane Rental:** Due to higher cost incurred for manpower and transportation

Partially offset by:

- **Distribution:** Better margins from spare parts
- **General Equipment Rental:** As a result of cost containment efforts

Gross profit fell 22% to S$245.7 million whilst gross profit margin declined by 1.7%pts to 35.9% in FY2014

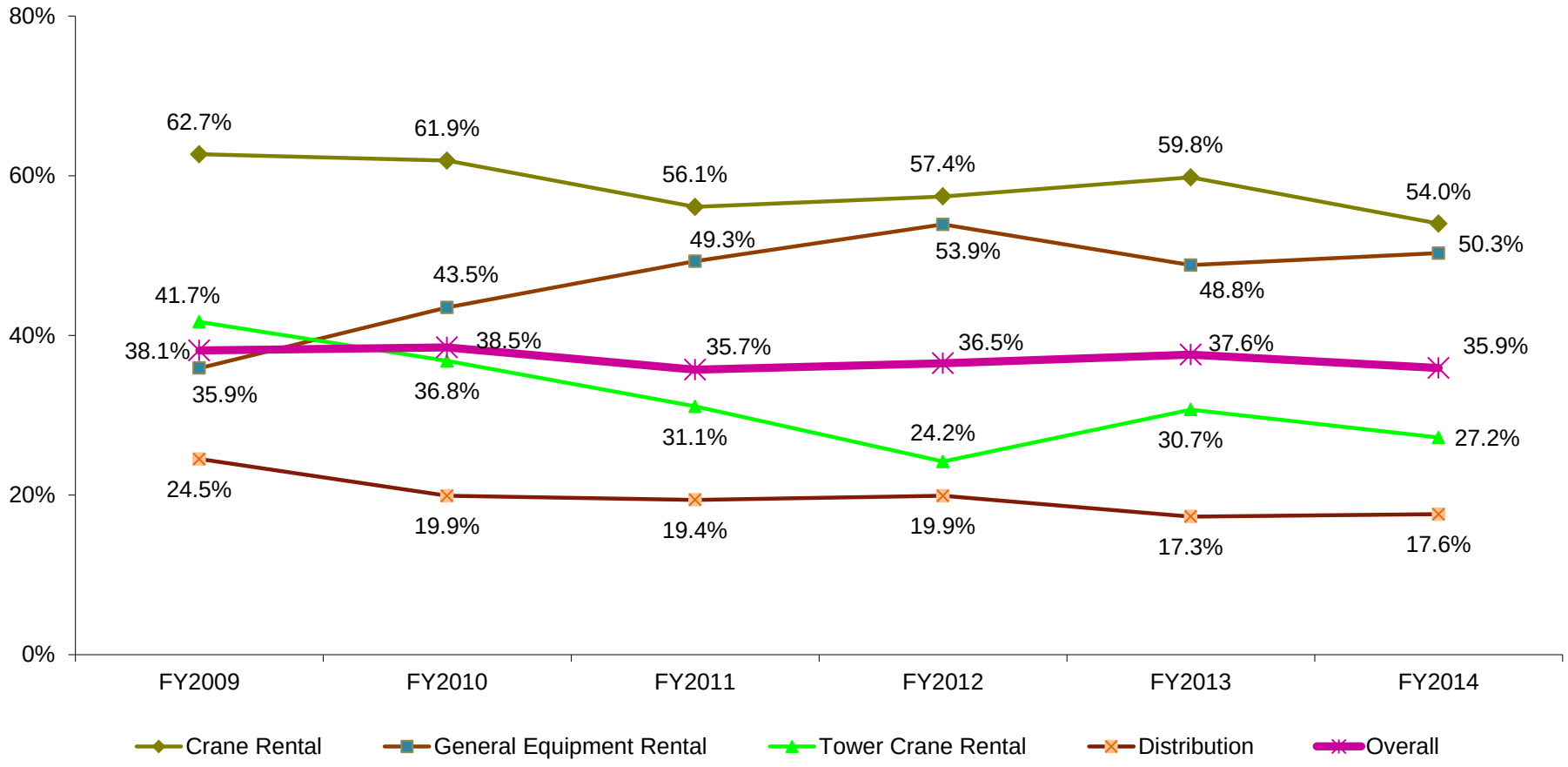
- Lower margins from Crane Rental and Tower Crane Rental were partially offset by higher margin in General Equipment Rental
- GP Margin from Distribution remained stable



	4Q	FY
FY13 GP (GP Margin)	76.1 (38.1%)	314.9 (37.6%)
FY14 GP (GP Margin)	57.4 (36.8%)	245.7 (35.9%)

Comparisons are made against 4QFY2013 and FY 2013 ended 31 March 2013

Segmental GP Margins Trend



Balance Sheet Highlights

S$'m	As at 31 Mar 2013	As at 31 Mar 2014
Fixed Assets (PP&E)	905.4	**975.4**
Inventories	193.7	**186.3**
Debtors	250.0	**228.8**
Cash & Cash Equivalents	68.8	**58.6**
Shareholders' Equity	689.6	**675.5**
NTA per share (S$)	1.00	**0.98**
NAV per share (S$)	1.08	**1.05**
Net gearing (times)	0.71	**0.87**

Purchase of land/property/buildings in Singapore, Malaysia, Australia and Batam , and purchase of cranes , tower cranes and transportation equipment less net disposal, depreciation and translation

Better inventory management

Mainly due to lower revenue

Mainly due to depreciation of AUD

4Q/FY2014 Results

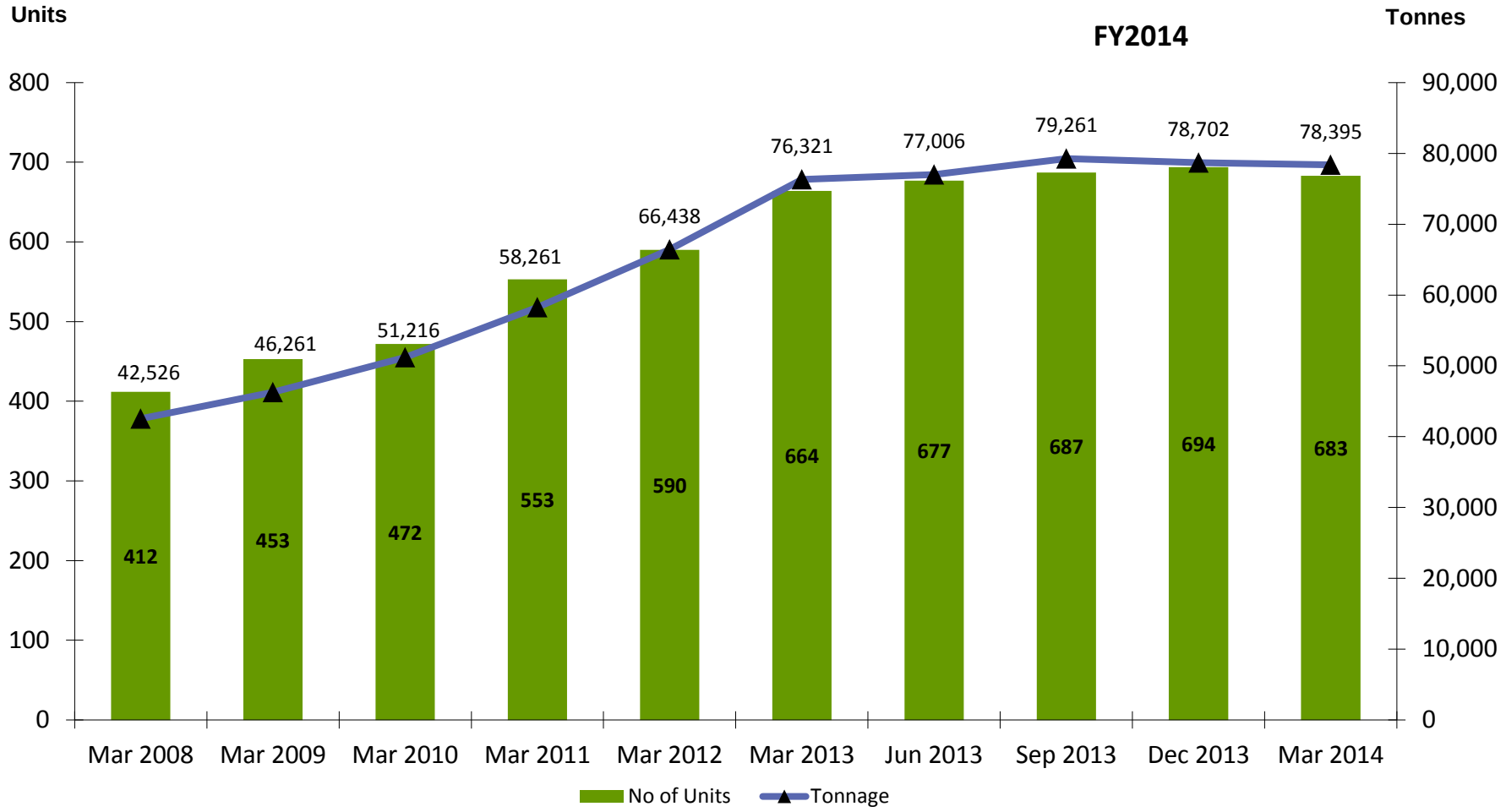
Fleet Update

Outlook & Prospects

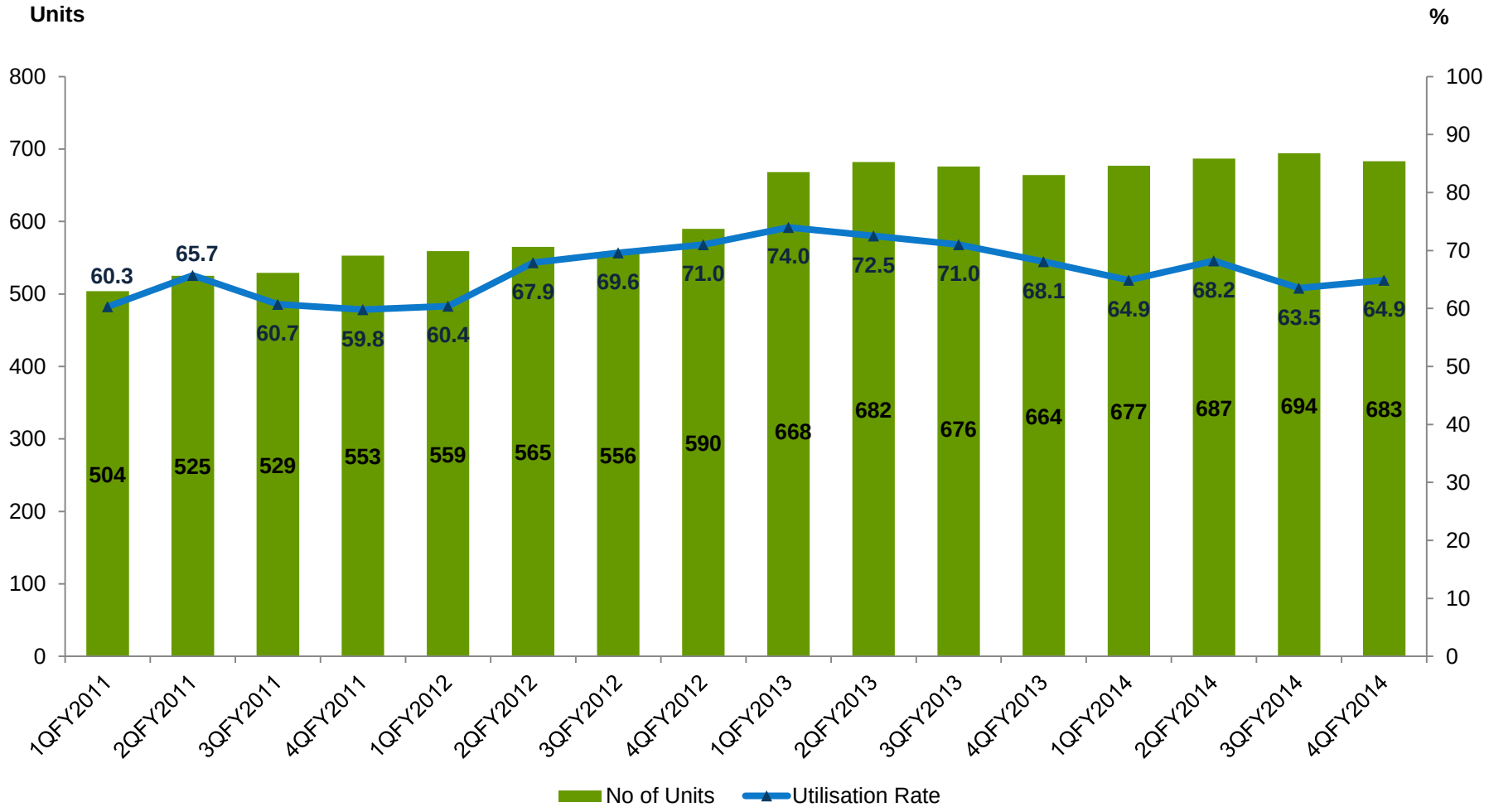
Crawler/Mobile Crane Fleet

Size (Tonnes)	No. of Cranes *As at 31 March 2013*	No. of Cranes *As at 31 March 2014*
< 99 MT	412	**431**
100 – 199 MT	139	**135**
200 – 299 MT	83	**81**
> 300 MT	30	**36**
Total Units	664	**683**
Total Tonnage	76,321	**78,395**
Group Overall Utilisation Rate (based on tonnage)	68.1%	**64.9%**

Growth in Crawler/Mobile Crane Fleet



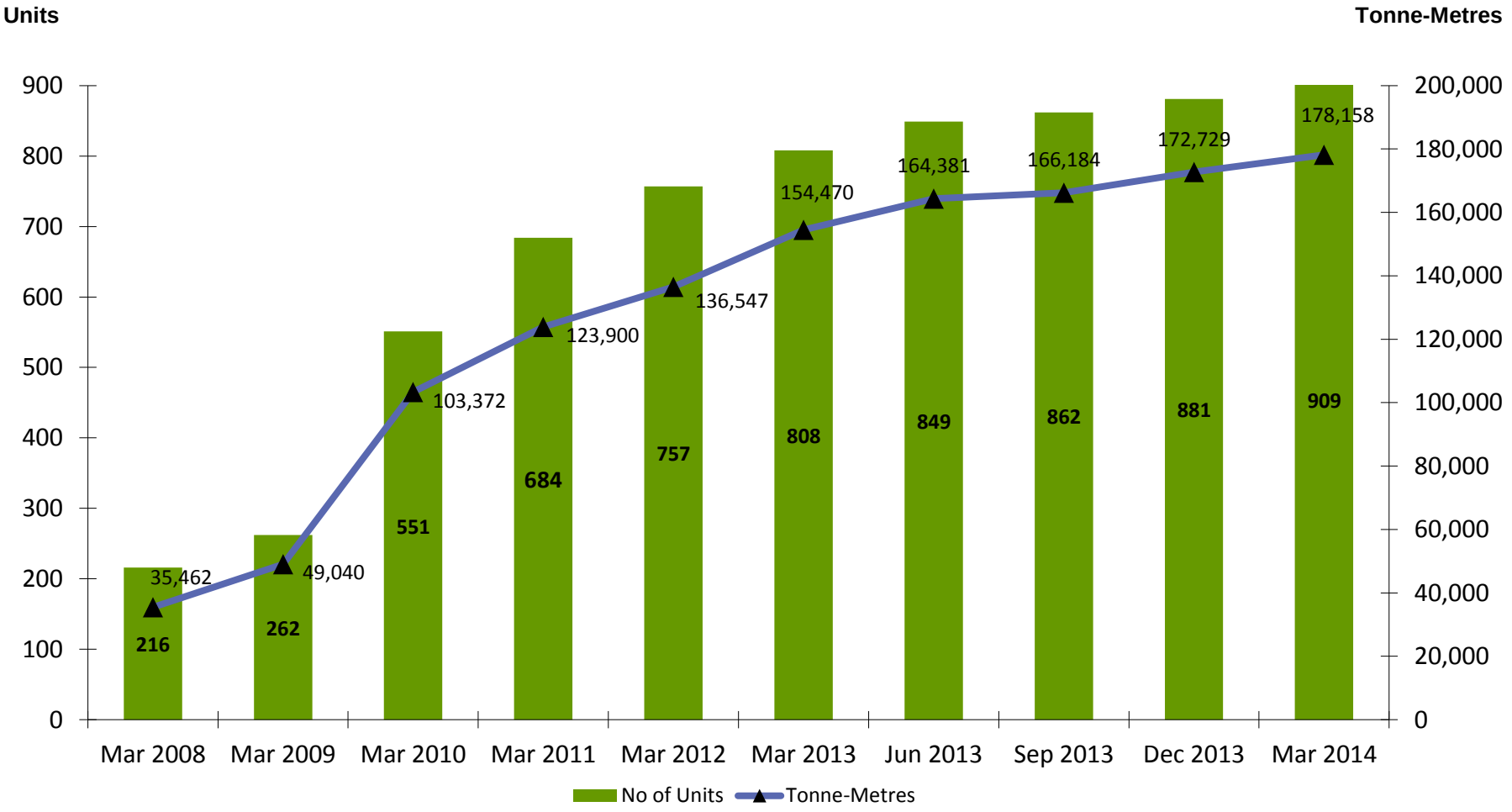
Crawler/Mobile Crane Utilisation Rate



Tower Crane Fleet

Size (Tonne-Metres)	No. of Cranes *As at 31 Mar 2013*	No. of Cranes *As at 31 Mar 2014*
< 99 TM	202	**212**
100 – 199 TM	250	**311**
200 – 299 TM	280	**292**
> 300 TM	66	**87**
Others	10	**7**
Total Units	808	**909**
Total Tonne-Metres	154,470	**178,158**
Group Overall Utilisation Rate (based on tonne-metres)	74.2%	**79.1%**

Growth in Tower Crane Fleet



Tower Crane Utilisation Rate



4Q/FY2014 Results

Fleet Update

Outlook & Prospects

Outlook & Prospects

Against the backdrop of a tenuous recovery in the major economies in the West, the slowing growth momentum of emerging economies in Asia and the geopolitical tensions in the region, the Group is, barring unforeseen circumstances, cautiously optimistic of a modestly better performance in FY2015 compared with FY2014.

Crane Rental

- The Crane Rental division has a good pipeline of large infrastructure and oil and gas projects in many of its markets and is expected to perform better despite the imminent completion of several large projects

Tower Crane Rental

- The Tower Crane Rental division is expected to maintain its growth momentum in the People's Republic of China on the back of the continued urbanisation drive, increased government spending on rail infrastructure and the resumption of nuclear power plant projects.

General Equipment Rental

- The General Equipment Rental division is expected to perform well with the announcement of several large infrastructure projects in Australia.

Distribution

- Trading conditions for the Distribution division is expected to continue to be challenging in the medium term due to the sluggish Australian economy coupled with generally weak demand for heavy equipment in the region.



THANK YOU

TAT HONG HOLDINGS LTD

Appendix – On-going Projects

On-going Projects

SINGAPORE

- MRT Downtown Lines 2 & 3
- 2MX Project (Chemical Plant)
- Lanxess Phase 2
- Cable Tunnel
- Institutional buildings (eg schools, hospitals)
- Industrial buildings

THAILAND

- Bangkok Mass Transit System projects
- EPC (INPEX) Project
- Bangkruai power plant
- Foundation jobs

MALAYSIA

- Kencana HL Fabrication Yard
- GPP5 Cold Box Replacement
- KLCC multi development
- Prai Power Plant
- Tanjung Bin 4 Power Plant
- Bukit Bintang MRT project

HONG KONG

- Central - Wanchai Bypass
- XRL West Kowloon Terminal Station South Phase
- Hong Kong-Macau-Zhuhai Bridge
- Shatin-Central Link (MTR)







Projects in SE Asia and Hong Kong



On-going Projects

AUSTRALIA

- Gorgon LNG (Henderson and Barrow Island)
- Gorgon Sunbsea 7
- Ichthys (INPEX) LNG Project, Darwin
- Wheatstone LNG Project

OTHERS

PNG:

- Ok Tedi Mining Tabubil
- Napa Napa Oil Refinery
- PNG Pacific 2015 Games Village and stadiums

Sarawak:

- MLNG Project
- Ferro Alloy Complex
- Tokuyama TMP Project

CHINA

- Power Plants /Stations:
  - Dalian HongYanhe (Nuclear)
  - Fujian Ningde (Nuclear)
  - Guangdong Taishan (Nuclear)
  - Guangdong Yangjiang (Nuclear)
  - Shandong (LNG)
  - Dapeng (LNG)
  - Qinshan (LNG)
  - Plus 13 other power plants across China
- Infrastructure:
  - Chongqing North Station
  - Ningbo South Station
  - Zhengzhou Airport II
  - Shanghai-Kunming Line
  - Wenqizhu Gang'ao Bridge
- Large Projects:
  - Tianjin 117
  - Shanghai Exhibition Center
  - West Chengdu International Finance City
  - Chongqing State Financial Center
  - Shanghai CNOOC Building
  - Lenovo Headquarter (Beijing) I
  - Shengyang New World Exhibition Center
  - Shanghai CNOOC Building
  - China Shipping Building
  - Shanghai Disneyland



Projects in Australia







Projects in China

