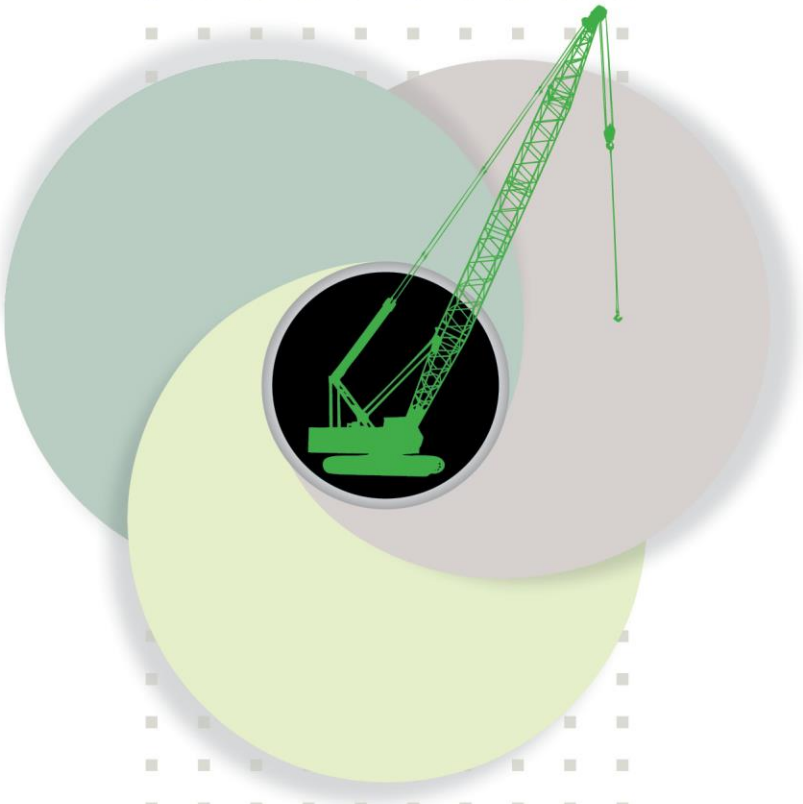


TAT HONG HOLDINGS LTD
1QFY2015 RESULTS
14 AUGUST 2014

TAT HONG HOLDINGS LTD

1QFY2015 Summary

Revenue

- **Declined 6% to S$164.2 million**
  - All divisions reported lower revenues except Tower Crane Rental which improved 21%

Gross Profit Margin

- **Remained stable at 36.4%**
  - Improved margins from Tower Crane Rental and General Equipment as a result of better cost control and Distribution from lower service cost offset by lower margins from Crane Rental

PATMI

- **Declined by 27% to S$6.0 million**

Due mainly to:

- Lower revenue and lower gross profit
- Lower other operating income of S$1.1 million
- Higher net forex losses of S$1.3 million
- Increase in commission and sales expenses of S$0.3 million and provision for doubtful debts of S$0.5 million
- Increase in finance cost of $0.8 million and income tax expenses of S$0.9 million

Partially offset by :

- Lower transport, travelling and handling charges of S$0.8 million
- Decrease of S$3.7 million in staff costs
- Lower upkeep costs and site expenses of S$1.2 million
- Lower professional fees, bank charges, office expenses and advertising cost of S$0.5 million

Balance Sheet

- **Healthy balance sheet**
  - Net gearing as at 30 June 2014: 0.87 times
  - Cash and cash equivalents: S$64.3 million
  - NTA and NAV per share: S$0.98 and S$1.05, respectively
  - EPS: 0.93 Singapore cents

Comparisons are made against 1QFY2014 ended 30 June 2013

Financial Highlights

S$'m	1QFY2014	1QFY2015	Change +/- (%)
Revenue	175.5	**164.2**	-6.4
Gross Profit	63.9	**59.8**	-6.4
Gross Profit Margin (%)	36.4	**36.4**	-
PBT	12.3	**10.3**	-16.3
PATMI	8.2	**6.0**	-26.8
PATMI Margin (%)	4.7	**3.7**	-1.0%pts

Balance Sheet

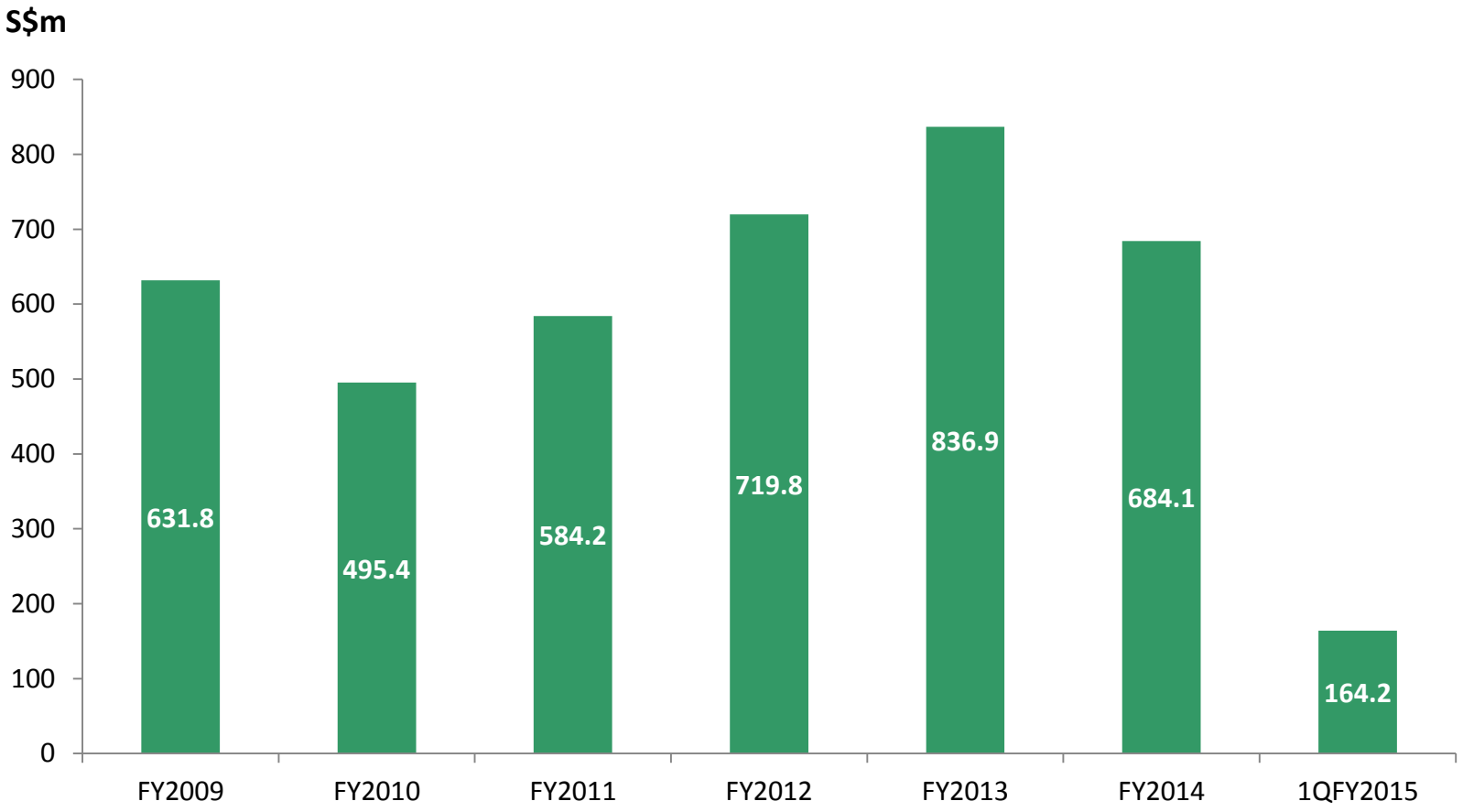
S$'m	As at 31 Mar 2014	As at 30 Jun 2014
Fixed Assets (PP&E)	975.4	**989.3**
Inventories	186.3	**176.2**
Debtors	228.8	**239.4**
Cash & Cash Equivalents	58.6	**64.3**
Shareholders' Equity	675.5	**676.3**
NTA per share (S$)	0.98	**0.98**
NAV per share (S$)	1.05	**1.05**
Net gearing (times)	0.87	**0.87**

Capitalisation of construction cost and addition to crawler/mobile and tower crane fleets net of disposal and depreciation

Prudent inventory purchases

Timing issue

Revenue Trend



Segmental Revenue Highlights

1. Crane Rental

Revenue decreased 3.6% to S$66.3 million

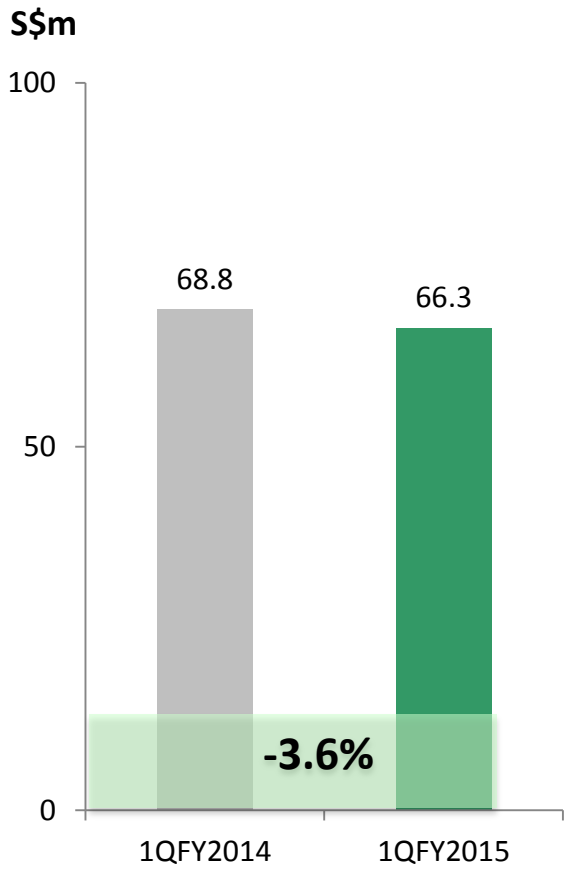
- Singapore: Completion of projects, slowdown in the construction sector as well as a decline in rental to overseas markets such as Papua New Guinea and the Philippines

Partially mitigated by better performance from:

- Thailand: Continued participation in the BTS, EPC (INPEX) and power plant projects
- Australia: Underpinned by increased crane hire to LNG projects such as Gorgon, Wheatstone and Ichthys

Stable performance from:

- Malaysia and Hong Kong: Primarily from infrastructure projects



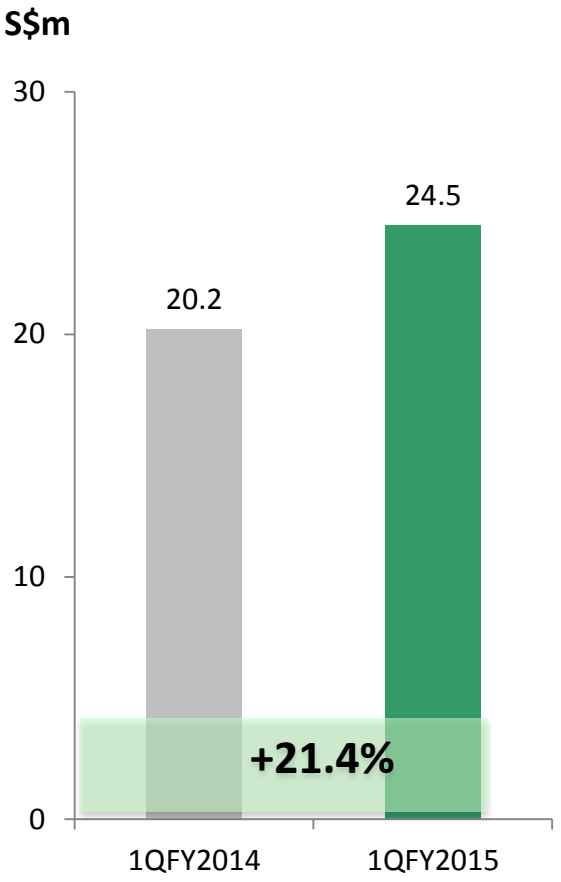
Comparison is made against 1QFY2014 ended 30 June 2013

Segmental Revenue Highlights

2. Tower Crane Rental

Revenue increased by 21.4% to S$24.5 million

- Due to improved utilisation rate on a larger fleet size as a result of continued participation in infrastructure, large commercial and power plant/station projects in China



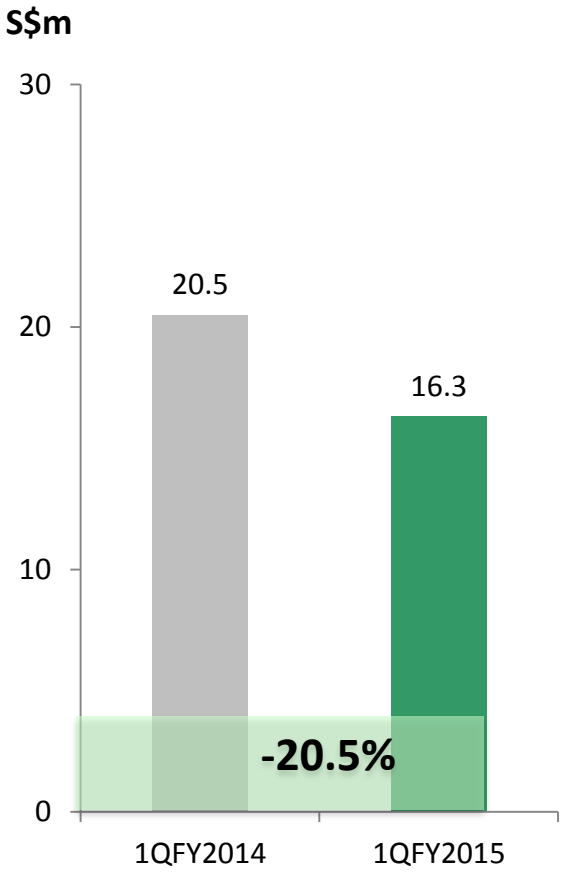
Comparison is made against 1QFY2014 ended 30 June 2013

Segmental Revenue Highlights

3. General Equipment Rental

Revenue declined 20.5% to S$16.3 million

- Weak demand from the mining sector
- Persistent tightening of public spending in Queensland
- Overall subdued activities in Australia



Comparison is made against 1QFY2014 ended 30 June 2013

Segmental Revenue Highlights

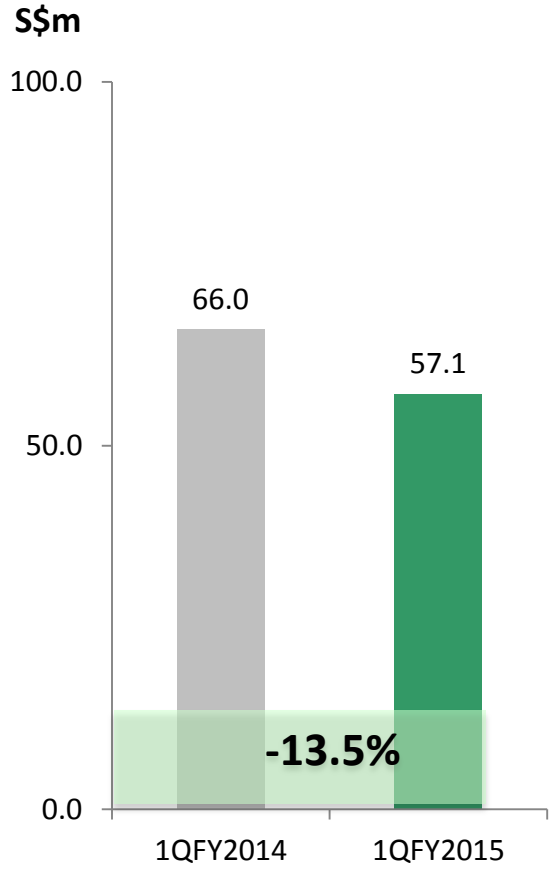
4. Distribution

Revenue decreased by 13.5% to S$57.1 million

- Indonesia: Continued decline in sales of excavators
- Vietnam: Lower sales due to weak demand and increased competition
- Singapore: Better equipment sales which was eroded by lower sales of spare parts

Partially offset by:

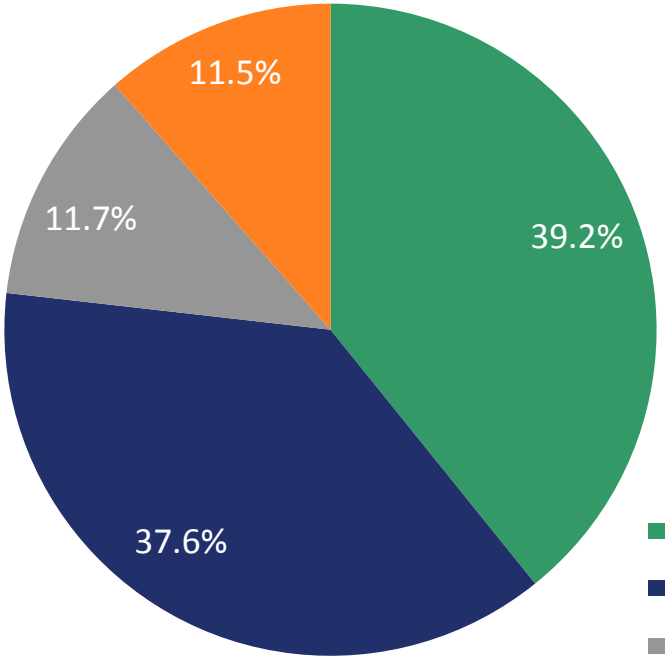
- Australia: Improved equipment sales



Comparison is made against 1QFY2014 ended 30 June 2013

Revenue by Business Activity

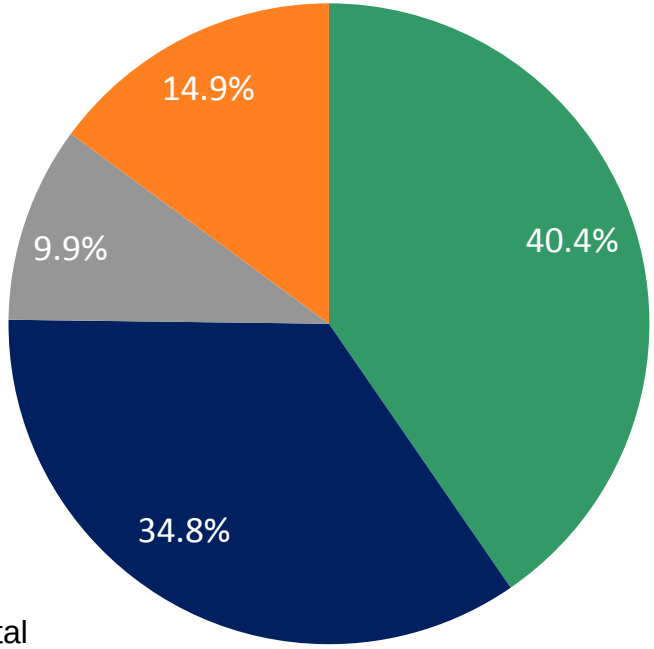
1QFY2014



S$175.5 million

Crane Rental
Distribution
General Equipment Rental
Tower Crane Rental

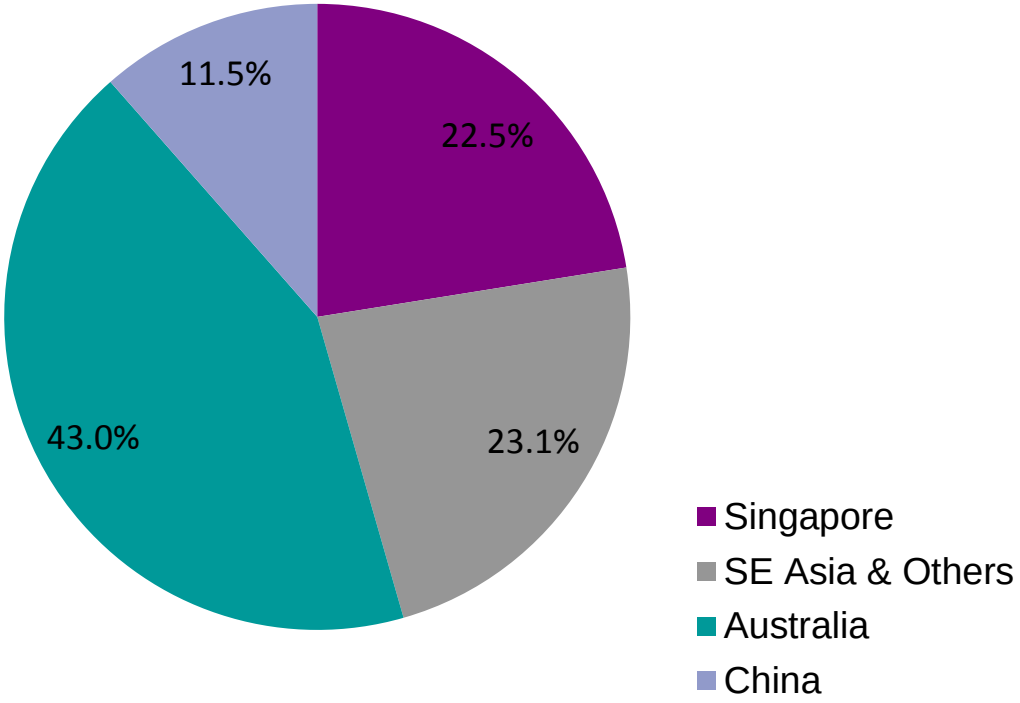
1QFY2015



S$164.2 million

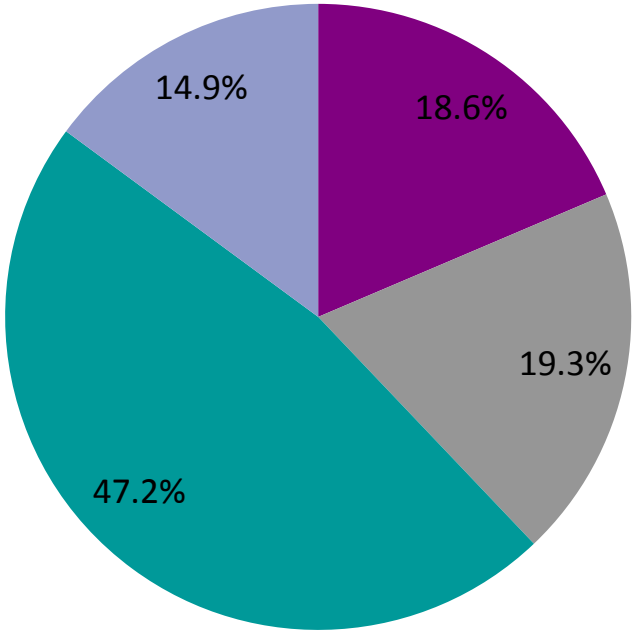
Revenue by Region

1QFY2014



S$175.5 million

1QFY2015



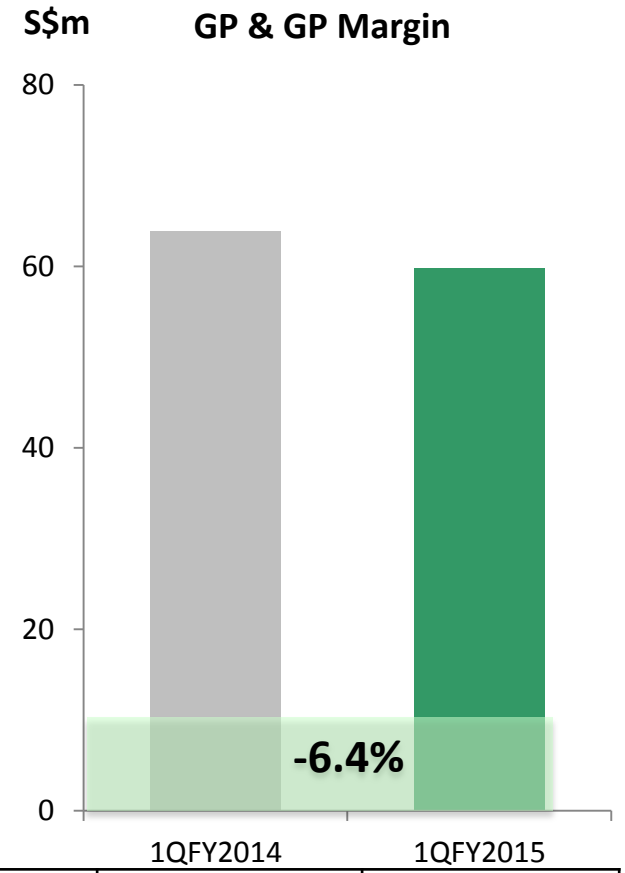
S$164.2million

Gross Profit and Gross Profit Margin

Gross profit fell 6.4 % to S$59.8 million, however, gross profit margin remained stable at 36.4%

Improvement in gross profit margins from the Tower Crane Rental, General Equipment Rental and Distribution divisions were partially eroded by lower margin in the Crane Rental division:

- Tower Crane Rental division: GPM increased to 27.3% from 20.3% due to higher revenue coupled with better cost control
- General Equipment Rental division: GPM rose to 51.8% from 50.0% arising mainly from cost containment measures
- Distribution division: GPM increased to 16.4% from 16.0% as a result of lower service costs
- Crane Rental division: GPM fell to 53.3% from 56.6% due to the completion of projects



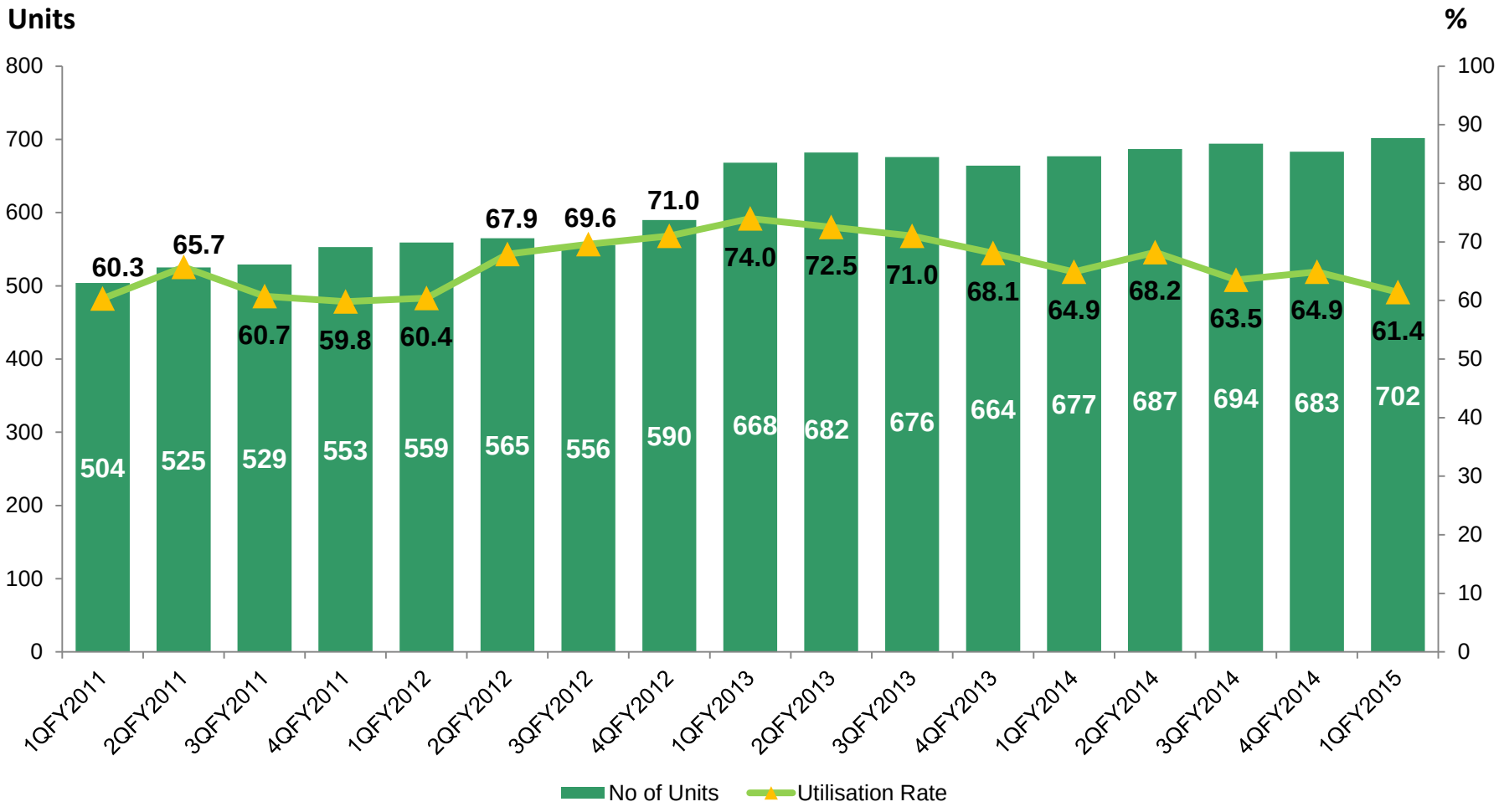
	1QFY2014	1QFY2015
GP (S$ million)	63.9	59.8
GP Margin (%)	36.4	36.4

Comparison is made against 1QFY2014 ended 30 June 2013

Crawler/Mobile Crane Fleet

Size (Tonnes)	**No. of Cranes** *As at 30 June 2013*	**No. of Cranes** *As at 30 June 2014*
< 99 MT	418	**443**
100 – 199 MT	142	**138**
200 – 299 MT	86	**81**
> 300 MT	31	**40**
Total Units	677	**702**
Total Tonnage	77,006	**81,266**
Group Overall Utilisation Rate (based on tonnage)	64.9%	**61.4%**

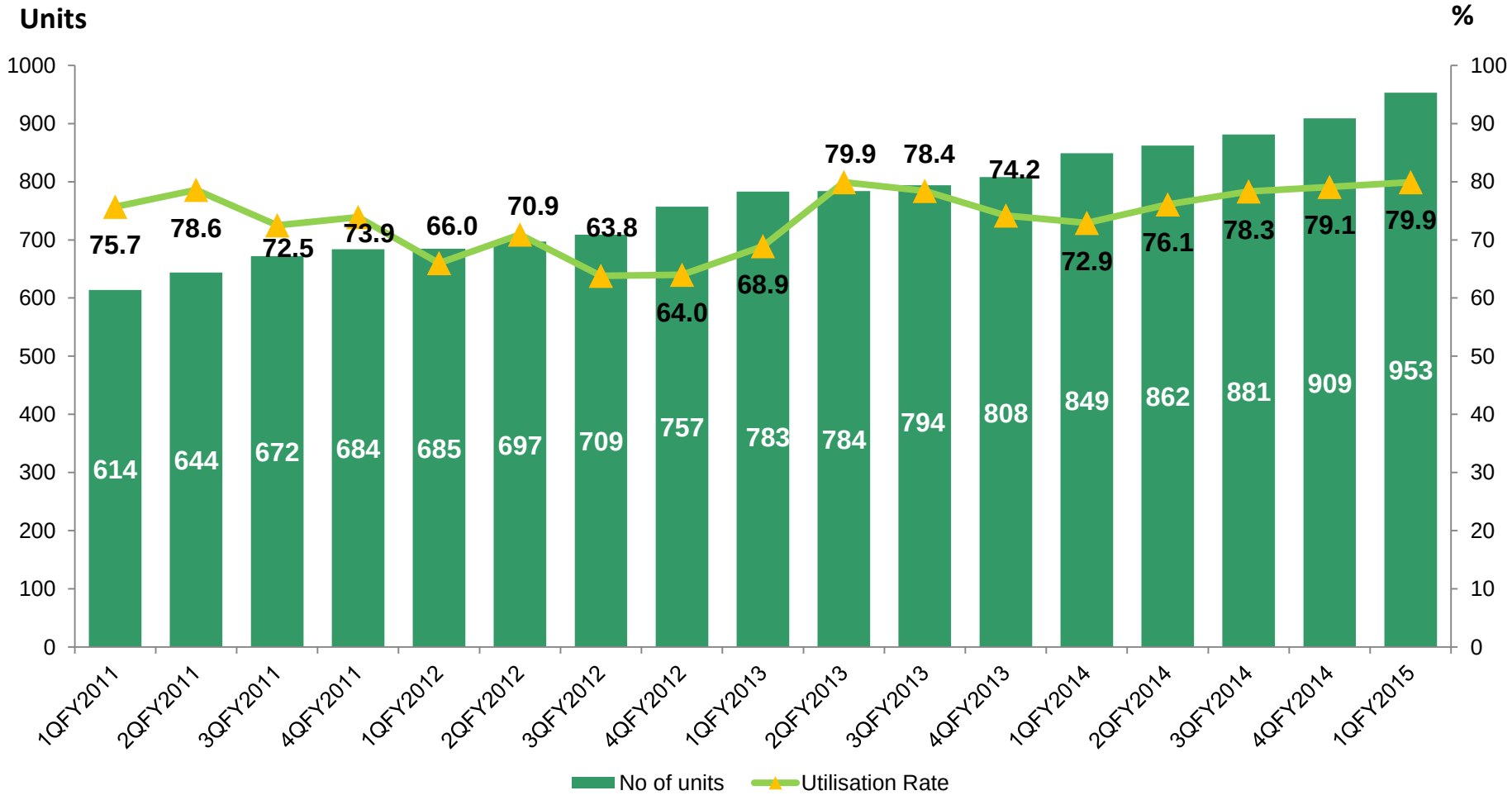
Crawler/Mobile Crane Utilisation Rate



Tower Crane Fleet

Size (Tonne-Metres)	**No. of Cranes** *As at 30 June 2013*	**No. of Cranes** *As at 30 June 2014*
< 99 TM	214	**218**
100 – 199 TM	258	**329**
200 – 299 TM	290	**304**
> 300 TM	76	**93**
Others	11	**9**
Total Units	849	**953**
Total Tonne-Metres	164,381	**186,510**
Group Overall Utilisation Rate (based on tonne-metres)	72.9%	**79.9%**

Tower Crane Utilisation Rate



Outlook & Prospects

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

Crane Rental

- Whilst the Crane Rental division has a good pipeline of large infrastructure and oil and gas projects, going forward, there will be no more contribution from our crane rental subsidiary, Hup Hin Transport, which was divested as part of an overall restructuring of the Group implemented earlier.

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.

On-going Projects

SINGAPORE

- MRT Downtown Line 3
- 2MX Project (Chemical Plant)
- Lanxess Phase 2
- Jurong Aromatics Plant
- ExxonMobil Project
- Cable Tunnel
- Institutional buildings

THAILAND

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

MALAYSIA

- Kencana HL Fabrication Yard (Wheatstone)
- Tanjung Bin 4 Power Plant
- Prai Power Plant
- Sabah Ammonia and Urea Plant
- MLNG Train 9 Project (Sarawak)
- Samalaju Project (Sarawak)

HONG KONG

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









On-going Projects

TAT HONG HOLDINGS LTD

AUSTRALIA

- Gorgon LNG (Henderson and Barrow Island)
- Ichthys (INPEX) LNG Project
- Wheatstone LNG Project

OTHERS

PNG:

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

CHINA

- Power Plants /Stations:
  - Dalian HongYanhe (Nuclear)
  - Fujian Ningde (Nuclear)
  - Guangdong Taishan (Nuclear)
  - Guangdong Yangjiang (Nuclear)
  - Shandong (LNG)
  - Guangdong Dapeng (LNG)
  - Qinshan (LNG)
  - Plus 14 other power plant projects across China
- Infrastructure:
  - Chongqing North Station
  - Ningbo South Station
  - Dalian Cross-sea Bridge
  - Beijing-Guangzhou Line Baoding Station
  - Zhengzhou Airport II
  - Wenqizhu Gang'ao Bridge
- Large Projects:
  - Tianjin 117
  - West Chengdu International Finance City
  - Hongqiao State Exhibition Center
  - Chongqing State Financial Center
  - Shanghai CNOOC Building
  - Shanghai CNOOC Building
  - China Shipping Building
  - Hangzhou Zhongji Exhibition Center
  - Shanghai Disneyland

Projects in Australia



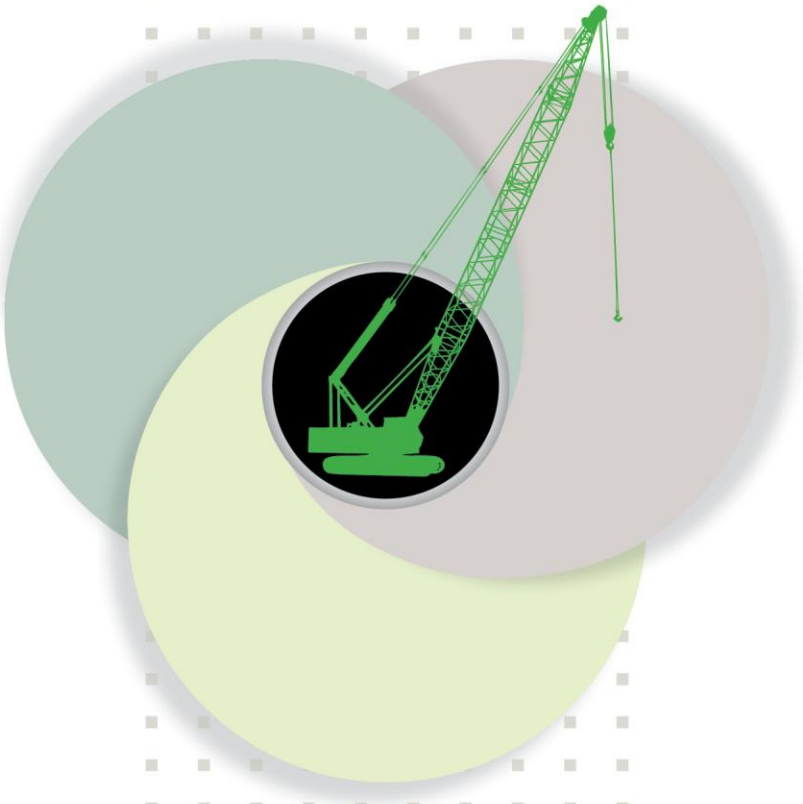


Projects in China









THANK YOU