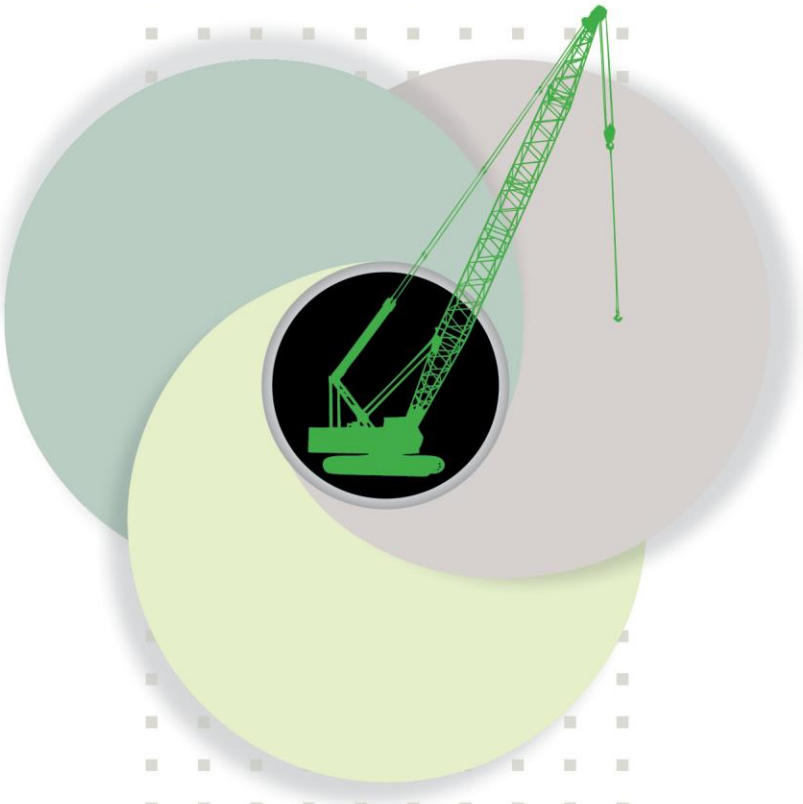


TAT HONG HOLDINGS LTD
3Q/9MFY2015 RESULTS
13 FEBRUARY 2015

TAT HONG HOLDINGS LTD

3Q/9MFY2015 Results

Fleet Update

Outlook & Prospects

3QFY2015 Summary

Revenue

- **Declined 7% to S$154.9 million**
  - All divisions reported lower revenues except Tower Crane Rental which improved 6%

Gross Profit Margin

- **Improved marginally to 33.8%**
  - Primarily due to higher gross profit margin from Tower Crane Rental and Distribution partially offset by lower margins from Crane Rental and General Equipment Rental

Profit Before Income Tax

- **Decreased by 32% to $10.0 million**

Due mainly to:

- Lower other income of S$11.6 million as the comparative figure for 3QFY2014 included an exceptional one-off gain of S$13.0 million on the disposal of purchase rights for a plot of land in Iskandar, Malaysia
- Decrease in gross profit of S$3.9 million
- Decline of S$1.8 million in contribution from associates and joint ventures

Partially mitigated by :

- Net foreign exchange gain of S$4.8 million compared with a net loss of S$1.2 million in 3QFY2014
- Lower operating expenses of S$6.1 million arising from a divested subsidiary (Hup Hin Transport), better cost management by ASEAN, Hong Kong and Australian entities resulting in cost savings of S$3.4 million from lower staff, insurance and warranty expenses

Comparisons are made against 3QFY2014 ended 31 December 2013

3QFY2015 Summary

PATMI

- **Decreased by 63% to S$4.5 million**

Mainly due to:

- Decrease in other income
- Increase in tax expenses

Partially mitigated by:

- Increase in foreign exchange gain
- Cost savings

Balance Sheet

- **Healthy balance sheet**
  - Net gearing as at 31 December 2014: 0.82 times
  - Cash and cash equivalents: S$66.4 million
  - NTA and NAV per share: S$0.98 and S$1.05, respectively
  - EPS: 0.72 Singapore cents

Comparisons are made against 3QFY2014 ended 31 December 2013

Financial Highlights

S$'m	3QFY2014	3QFY2015	Change +/- (%)	9MFY2014	9MFY2015	Change +/- (%)
Revenue	167.4	**154.9**	-7.5	528.2	**472.0**	-10.6
Gross Profit	56.3	**52.4**	-6.9	188.3	**168.5**	-10.5
Gross Profit Margin (%)	33.6	**33.8**	+0.2 pts	35.7	**35.7**	-
PBT	14.7	**10.0**	-32.0	40.7	**36.7**	-9.8
PATMI	12.1	**4.5**	-62.8	28.6	**21.9**	-23.4
PATMI Margin (%)	7.3	**2.9**	-4.4 pts	5.4	**4.7**	-0.7 pts

Balance Sheet

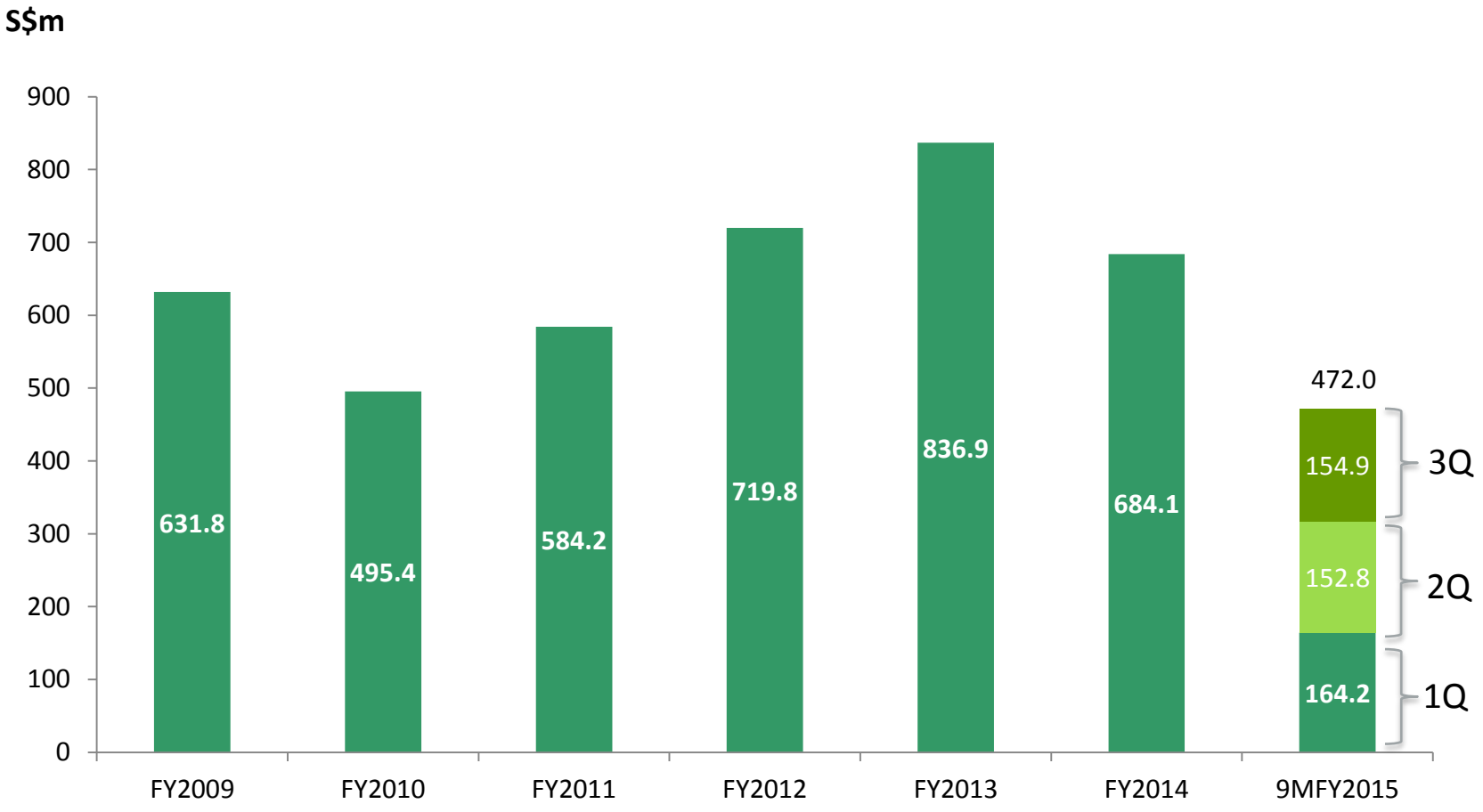
S$'m	As at 31 Mar 2014	As at 31 Dec 2014
Fixed Assets (PP&E)	975.4	**949.1**
Inventories	186.3	**175.3**
Trade and other receivables	228.8	**234.7**
Cash & Cash Equivalents	58.6	**66.4**
Shareholders' Equity	675.5	**661.1**
NTA per share (S$)	1.00	**0.98**
NAV per share (S$)	1.07	**1.05**
Net gearing (times)	0.87	**0.82**

Disposal of Hup Hin Transport and PPE, net foreign exchange translation loss partially offset by equipment purchases, reclassification of inventory into PPE and capitalisation of construction cost

Timing issue

Primarily from the reclassification of 11.7 million CRPS from Share Capital to Current Liabilities

Revenue Trend



Segmental Revenue Highlights

1. Crane Rental

Revenue decreased 3% to S$60.7 million

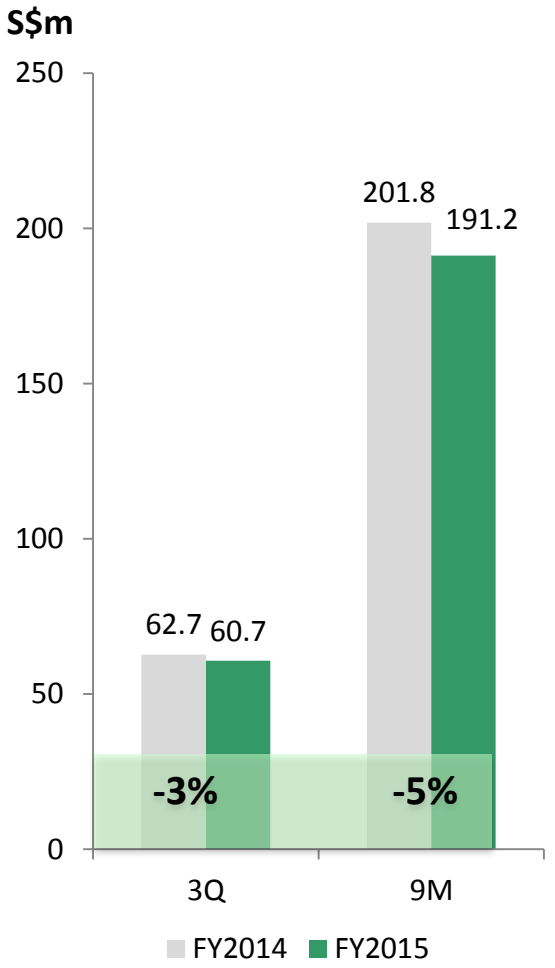
- Singapore: Disposal of Hup Hin Transport at end July 2014, completion of projects and slowdown in the construction sector as well as a decline in rental to overseas markets such as Papua New Guinea

Partially mitigated by better performance from:

- Malaysia: Higher value infrastructure projects such as Sabah Ammonia and Urea Plant, Kencana project (fabrication of structures for Wheatstone LNG) and Tanjung Bin 4 Power Plant
- Australia: Continued participation in Gorgon, Ichthys and Wheatstone LNG projects and new projects such as Longford Gas Plant Expansion and Mt MacArthur Coal Mine
- Barge Rental: Higher utilisation

Stable performance from:

- Hong Kong and Thailand from on-going infrastructure projects



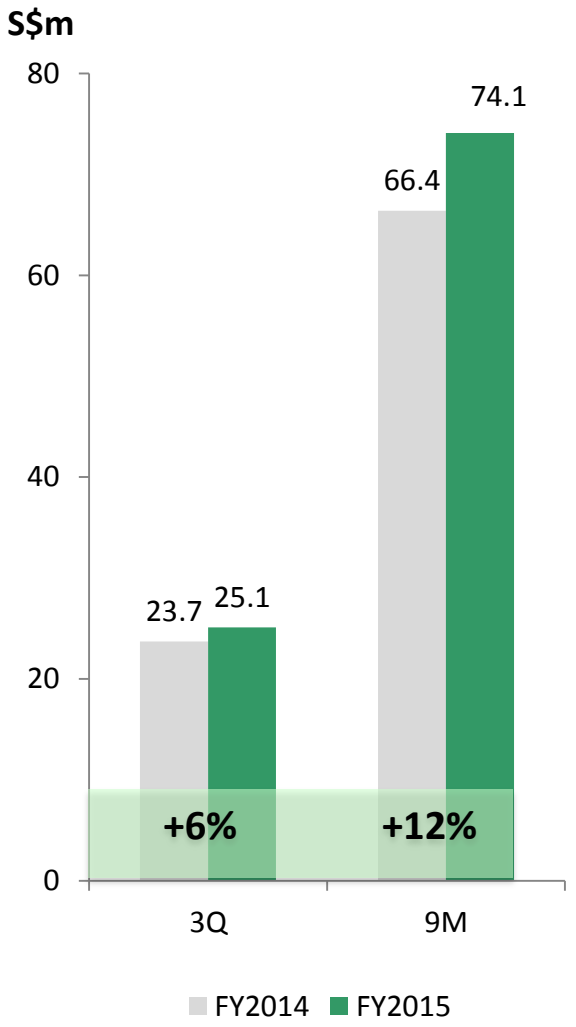
Comparison is made against 3QFY2014 ended 31 December 2013

Segmental Revenue Highlights

2. Tower Crane Rental

Revenue increased by 6% to S$25.1 million

- Continued participation in infrastructure, large commercial and power plant/station projects in China
- Larger fleet size of 934 tower cranes compared with 881 units a year ago
- Utilisation rate remained strong at 77.2%, comparable with 78.3% a year ago



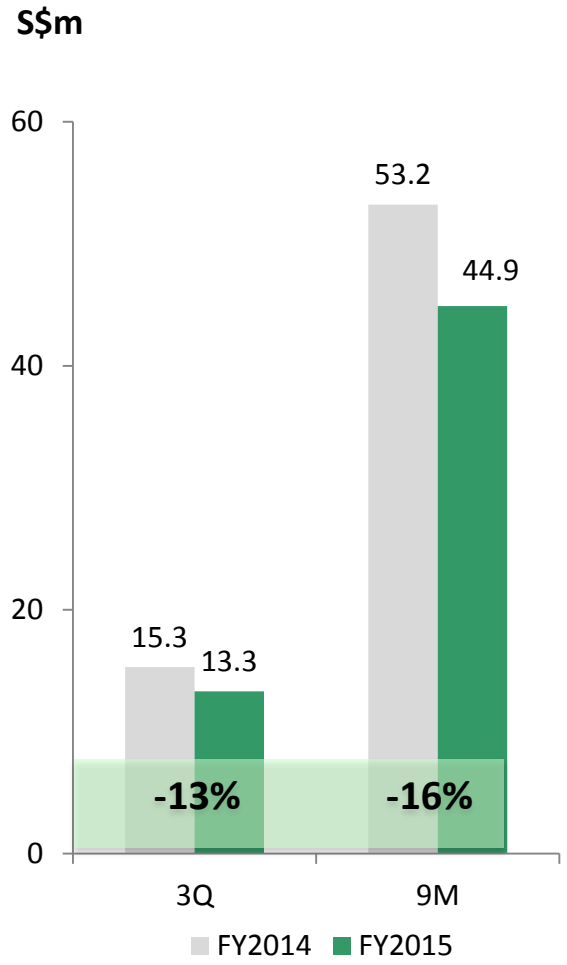
Comparison is made against 3QFY2014 ended 31 December 2013

Segmental Revenue Highlights

3. General Equipment Rental

Revenue declined 13% to S$13.3 million

- Lower public spending and lack of infrastructure projects
- Weak trading conditions in Australia



Comparison is made against 3QFY2014 ended 31 December 2013

Segmental Revenue Highlights

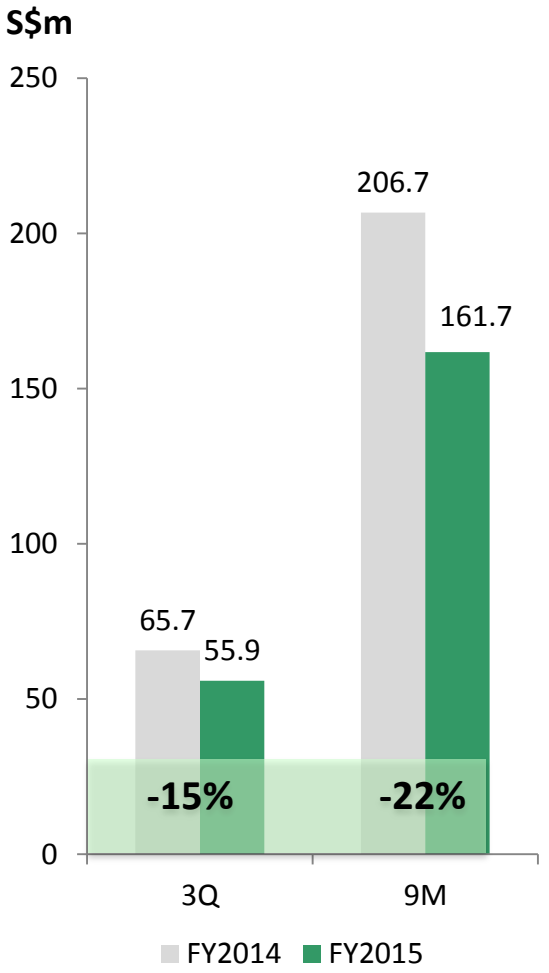
4. Distribution

Revenue decreased by 15% to S$55.9 million

- Australia: Lower equipment sales
- Singapore: Mainly lower sales of spare parts
- Europe and Japan: Weak demand

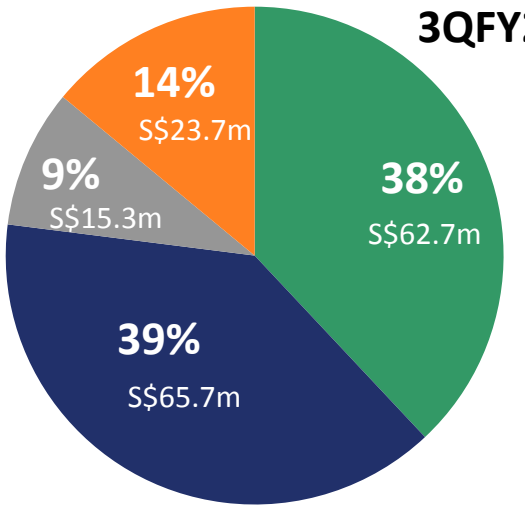
Partially mitigated by:

- Indonesia: Improved sales of existing excavator stocks
- Thailand and Vietnam: Higher equipment sales

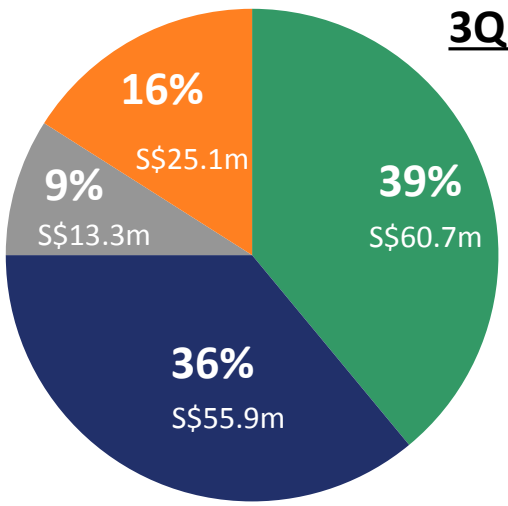


Comparison is made against 3QFY2014 ended 31 December 2013

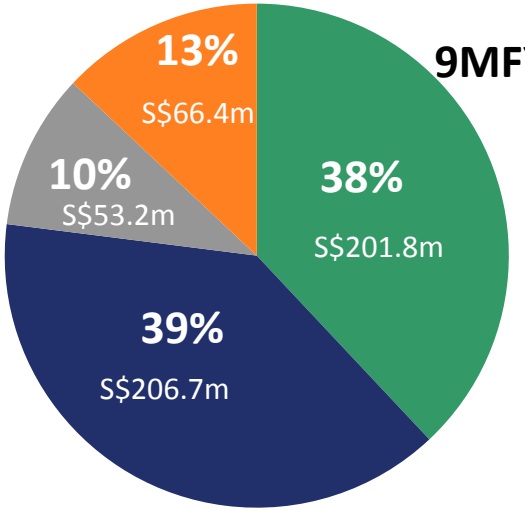
Revenue by Business Activity



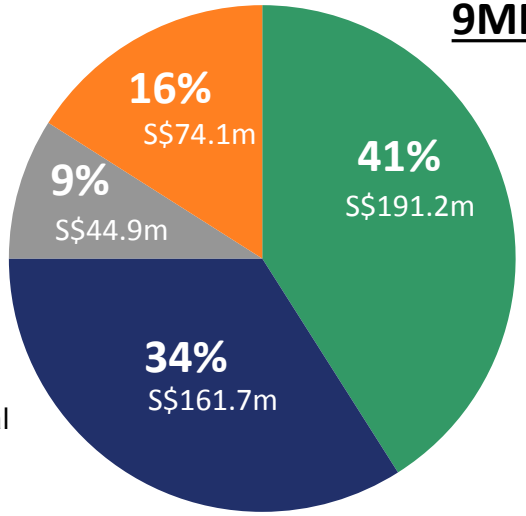
S$167.4 million



S$154.9 million



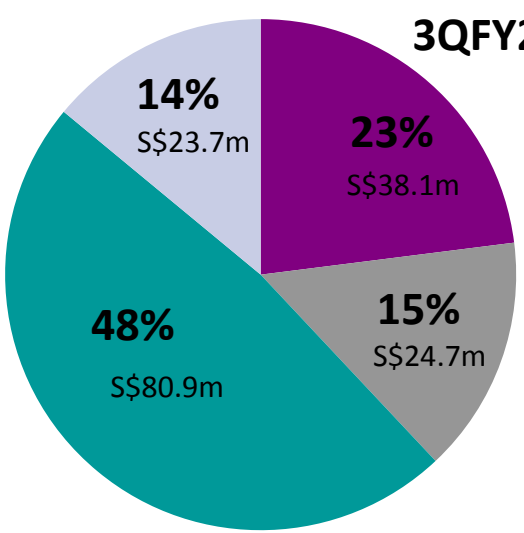
S$528.2 million



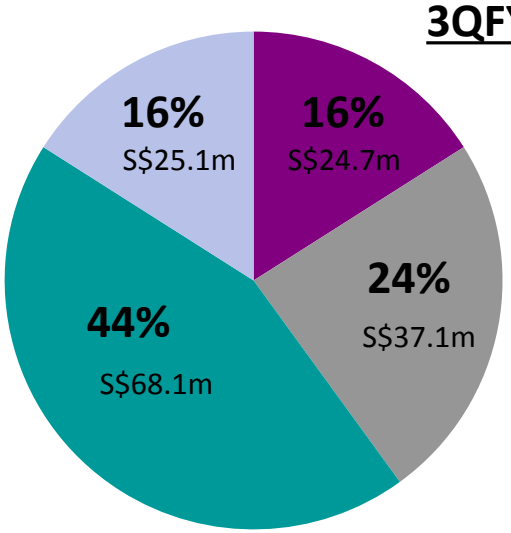
S$472.0 million

Crane Rental
Distribution
General Equipment Rental
Tower Crane Rental

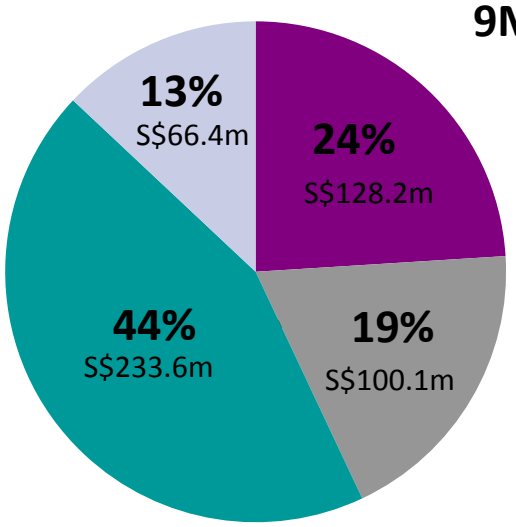
Revenue by Region



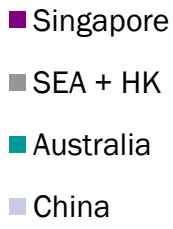
S$167.4 million

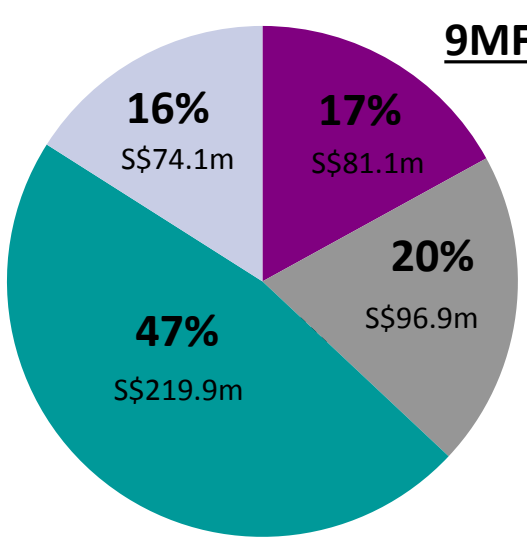


S$154.9 million



S$528.2 million





S$472.0 million

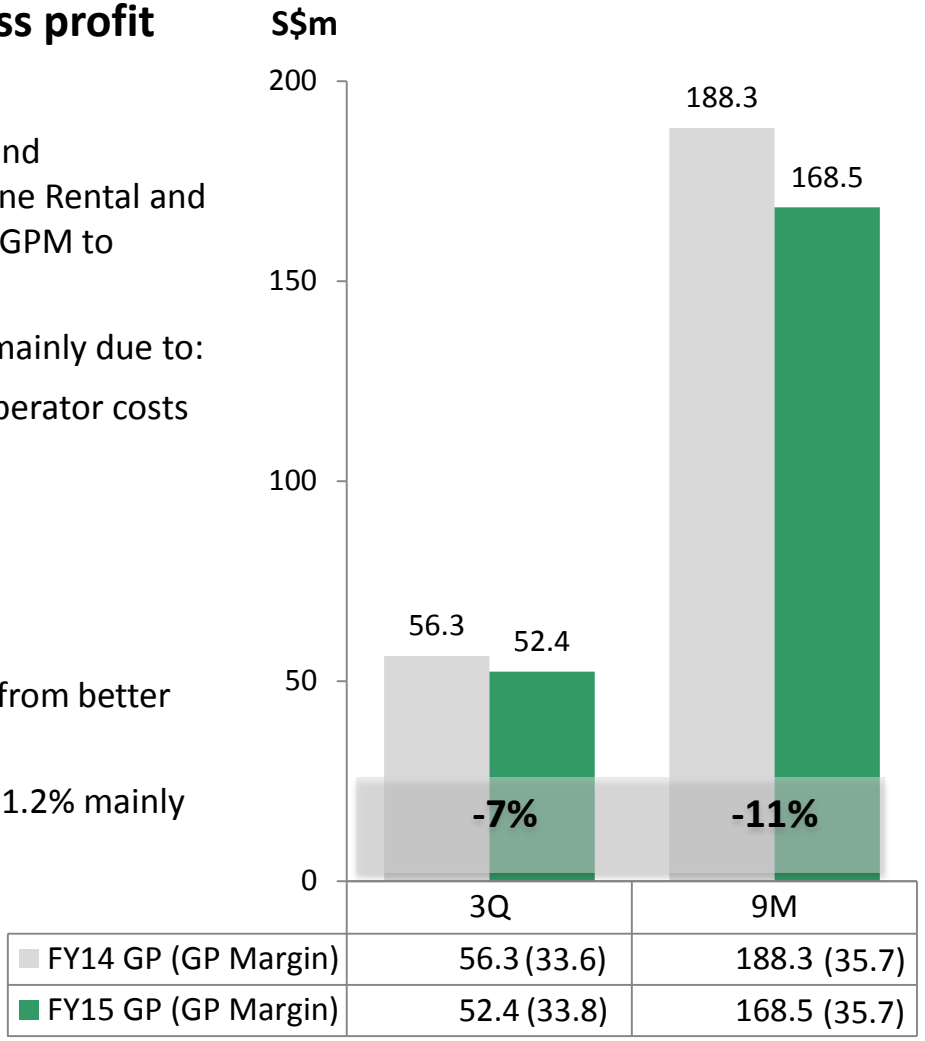
Gross Profit and Gross Profit Margin

Gross profit fell 7% to S$52.4 million whilst gross profit margin improved marginally to 33.8%

Higher gross profit margins (GPM) from Tower Crane Rental and Distribution were partially eroded by lower margins from Crane Rental and General Equipment Rental resulting in a marginal increase in GPM to 33.8% in 3QFY2015 from 33.6% in 3QFY2014.

- Crane Rental: Small decline in GPM to 52.3% from 54.6% mainly due to:
  - Singapore – lower utilisation rates, higher crane operator costs and disposal of Hup Hin Transport

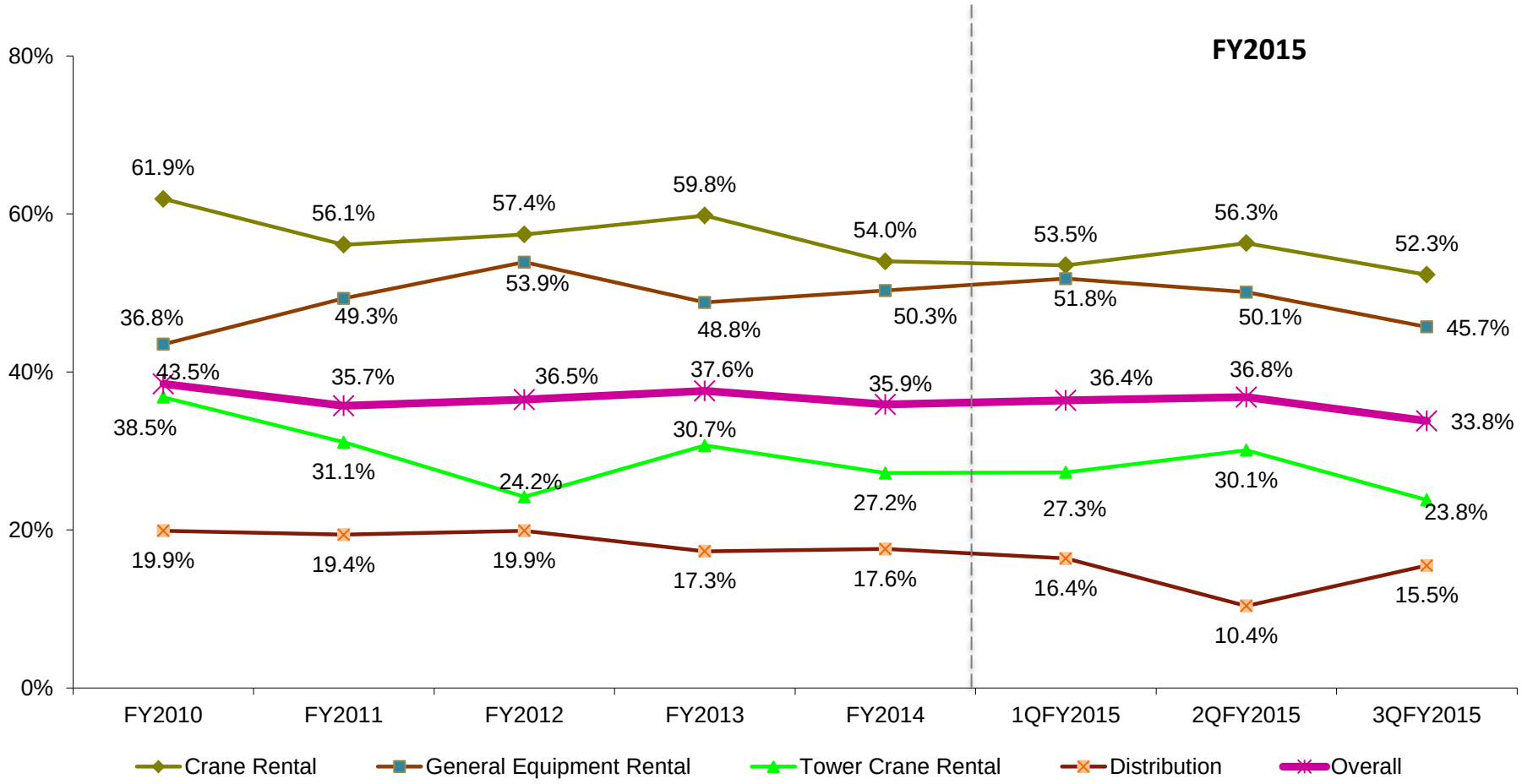
  Partially offset by:
  - Malaysia and Australia – improved revenues
  - Higher barge rental income
- Tower Crane Rental: GPM increased to 23.8% from 19.8% from better management of crane operator and transport costs
- General Equipment Rental: GPM declined to 45.7% from 51.2% mainly due to lower rental rates and higher cross hire charges
- Distribution: Marginal improvement to 15.5% from 14.5% due to different equipment mix



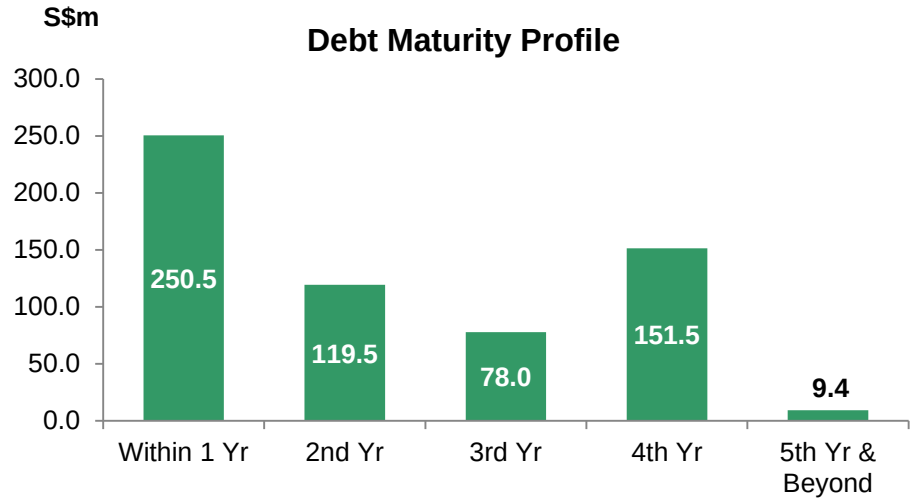
	3Q	9M
FY14 GP (GP Margin)	56.3 (33.6)	188.3 (35.7)
FY15 GP (GP Margin)	52.4 (33.8)	168.5 (35.7)

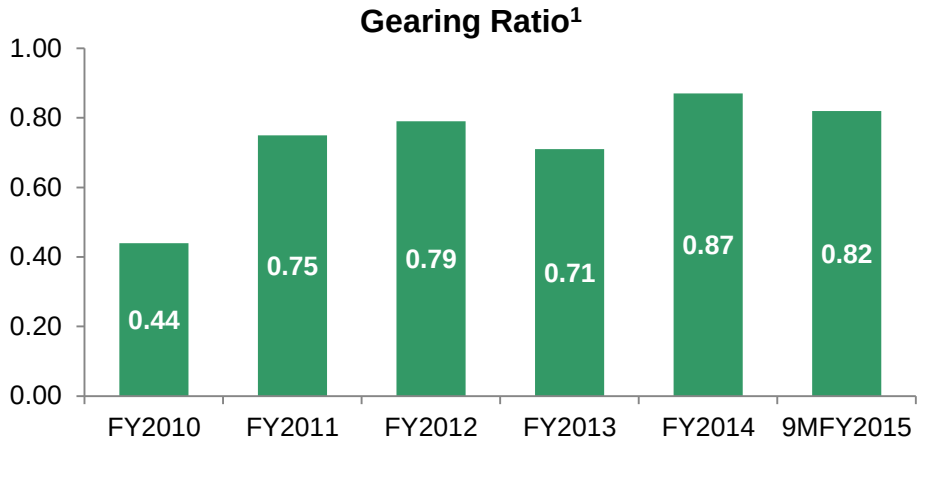
Comparison is made against 3QFY2014 ended 31 December 2013

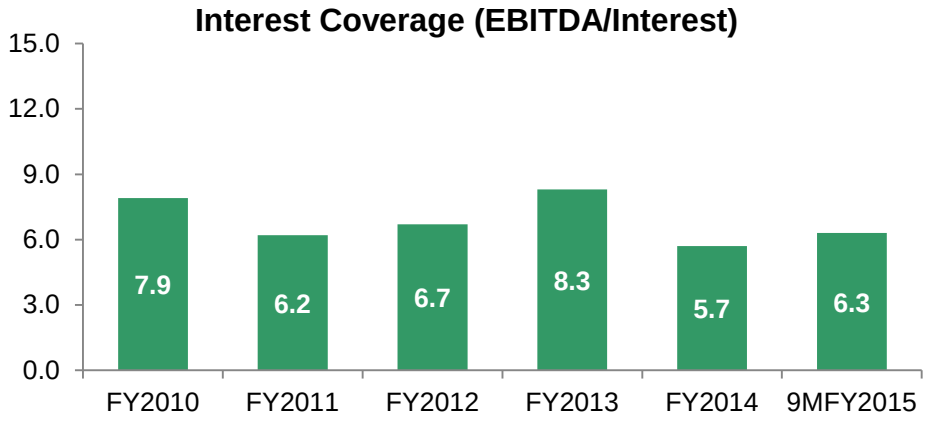
Gross Profit Margin Trend

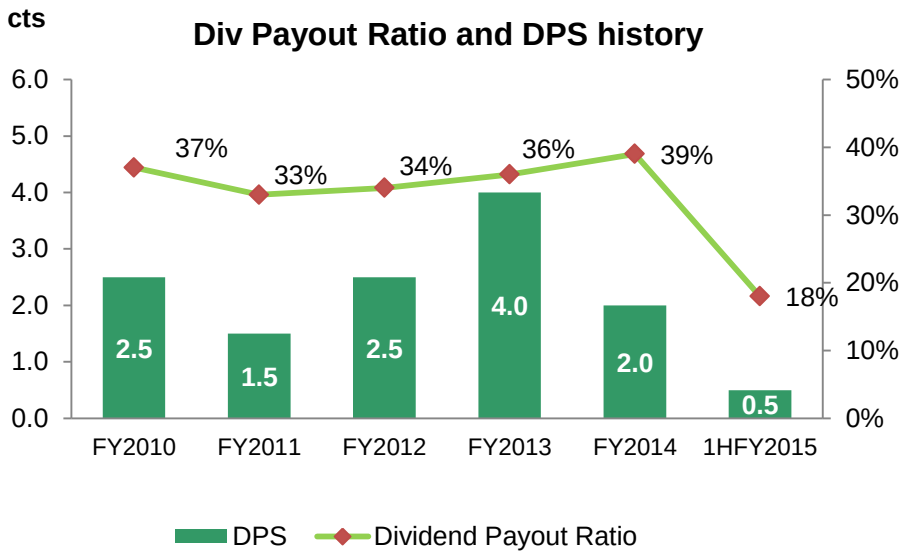


Prudent Capital Management (as at 31 Dec 2014)









[1] Net Debt/Shareholders' Funds (Exclude MI)

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3Q/9MFY2015 Results

Fleet Update

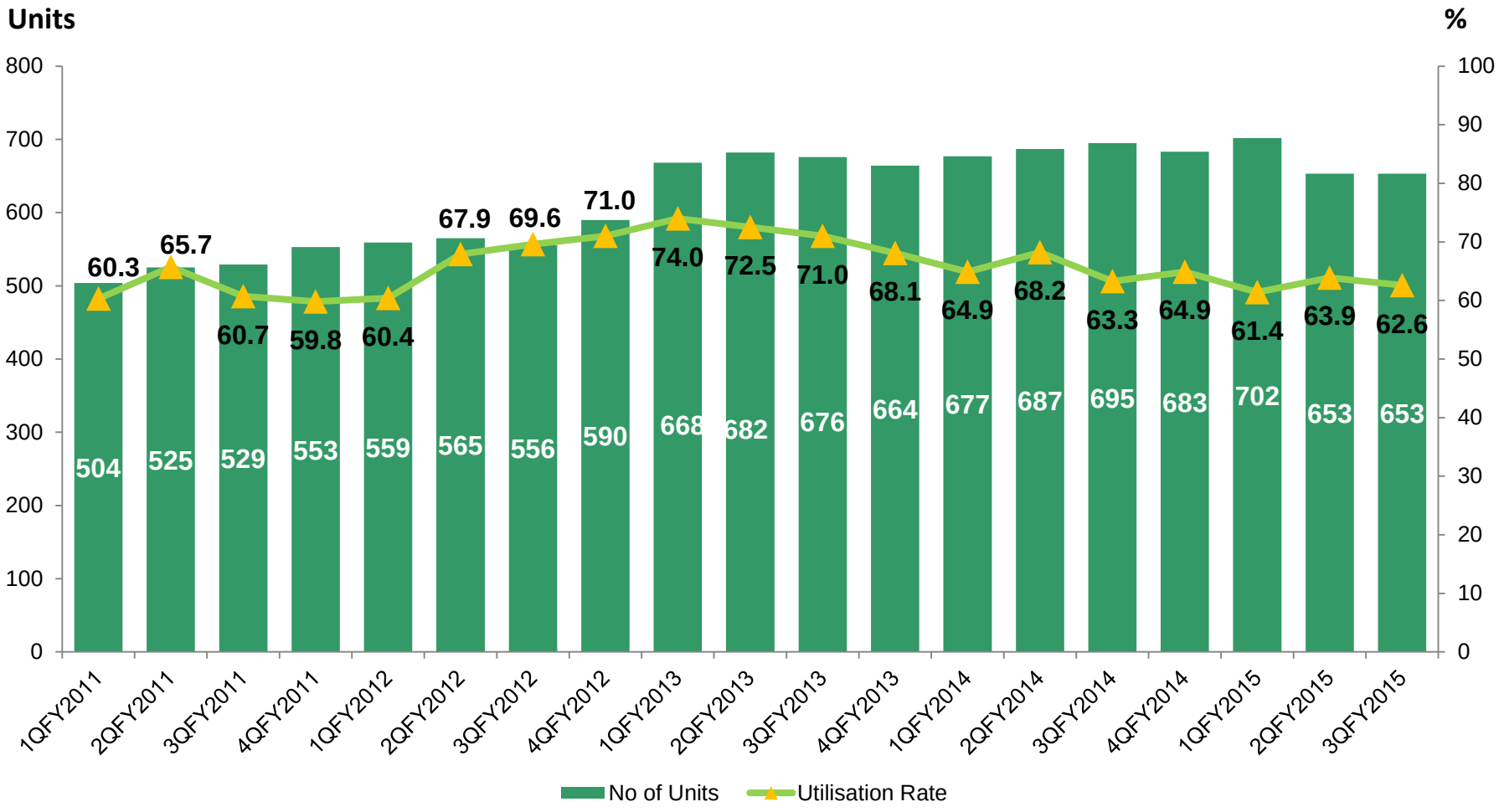
Outlook & Prospects

Crawler/Mobile Crane Fleet

Size (Tonnes)	No. of Cranes *As at 31 December 2013*	No. of Cranes* *As at 31 December 2014*
< 99 MT	440	**406**
100 – 199 MT	139	**129**
200 – 299 MT	81	**82**
> 300 MT	35	**36**
Total Units	695	**653**
Total Tonnage	78,952	**78,415**
Group Overall Utilisation Rate (based on tonnage)	63.3%	**62.6%**

* Excluding cranes owned by divested subsidiary, Hup Hin Transport

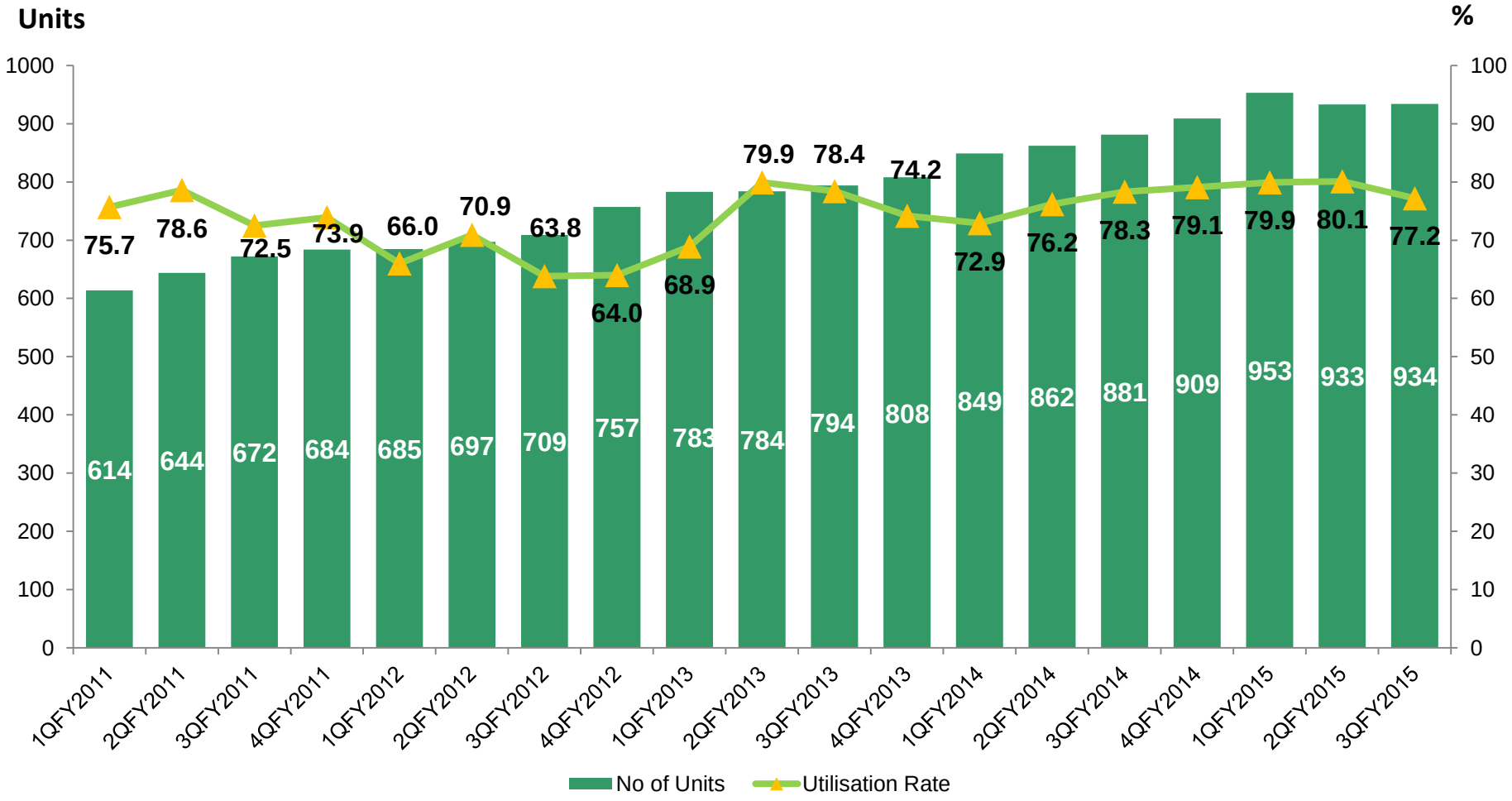
Crawler/Mobile Crane Utilisation Rate



Tower Crane Fleet

Size (Tonne-Metres)	No. of Cranes *As at 31 December 2013*	No. of Cranes *As at 31 December 2014*
< 99 TM	208	**198**
100 – 199 TM	298	**320**
200 – 299 TM	284	**302**
> 300 TM	85	**92**
Others	6	**22**
Total Units	881	**934**
Total Tonne-Metres	172,729	**187,972**
Group Overall Utilisation Rate (based on tonne-metres)	78.3%	**77.2%**

Tower Crane Utilisation Rate



3Q/9MFY2015 Results

Fleet Update

Outlook & Prospects

Outlook & Prospects

- **Given that the economic and sector outlooks of the Group's key markets still remain challenging, the Group expects, barring unforeseen circumstances, stable underlying performance for the remainder of FY2015.**

Crane Rental

- While demand remains positive in certain markets for the Crane Rental division, weakness in the Singapore market, together with no further revenue contribution from Hup Hin Transport, will impact performance from this division.

Tower Crane Rental

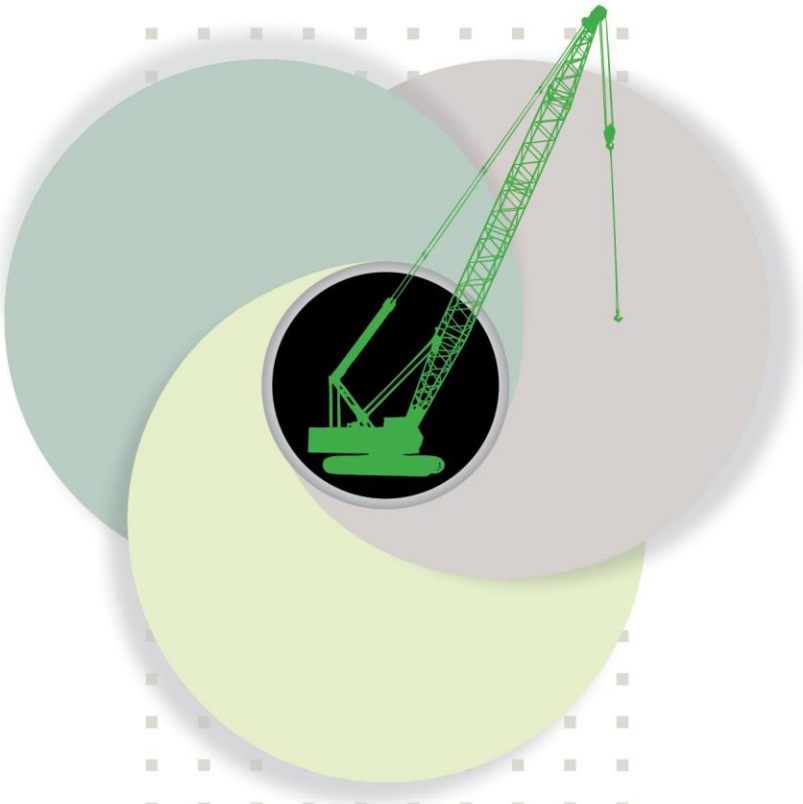
- The Tower Crane Rental division is expected to maintain its growth momentum in FY2015 with its strong base of on-going projects and new opportunities in the building, infrastructure, transport and power generation sectors in the People's Republic of China.

General Equipment Rental

- The General Equipment Rental division is expected to remain stable in view of the anticipated recovery in activity levels in the Australian construction sector.

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

Appendix – On-going Projects

On-going Projects

SINGAPORE

- MRT Downtown Lines 2 and 3
- MRT Thomson Line
- Cable Tunnel Project
- HDB projects

THAILAND

- Bangkok Mass Transit System
- EPC (INPEX) Project
- Bangkruai power plant
- Sirat Outer Ring Road
- Phuket Underpass
- PTT Pipeline

MALAYSIA

- Kencana HL Fabrication Yard (Wheatstone LNG)
- Tanjung Bin 4 Power Plant
- Manjung 5 Fast Track Power Plant
- Wasco Pipe Coating
- Ikano Project
- Petronas Train 9 Project

HONG KONG

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









On-going Projects

AUSTRALIA

- Gorgon LNG
- Ichthys (INPEX) LNG Project
- Wheatstone LNG Project
- Mt Arthur Coal Mine
- Longford Gas Plant Expansion

OTHERS

PNG:

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

CHINA

- Power Plants /Stations:
  - Dalian HongYanhe (Nuclear)
  - Fujian Ningde (Nuclear)
  - Guangdong Taishan (Nuclear)
  - Guangdong Yangjiang (Nuclear)
  - Qingdao (LNG)
  - Shenzhen LNG
  - Guangdong Dapeng (LNG)
  - Nanjing Langkun Power Plant
  - Hainan Haixi Power Plant
- Infrastructure:
  - Chongqing North Station
  - Baoding Railway Station
  - Shanghai-Kunming Line
  - Wenqizhu Gang'ao Bridge
  - Szechuan Yongding Bridge
  - Zhengzhou Airport II
  - Lanzhou Yellow River Bridge
- Large Projects:
  - Tianjin 117
  - Jiangsu Opera House
  - Shanghai Pudong Finance Plaza
  - Tianjin Binhai New District Twin Towers
  - Shanghai International Air Service Center
  - Shengyang New World Exhibition Center
  - Chongqing Huanan City
  - Jiujiang International Finance Plaza
  - Shanghai Disneyland



Projects in Australia







Projects in China

