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FOR IMMEDIATE RELEASE

Tat Hong Reports S$4.5 Million Net Profit for 3QFY2015

- *Improvement in underlying profit as previous corresponding quarter included an exceptional one-off gain of S$13.0 million*

(S$ million) *For the 3 and 9 months ended 31 December*	**3QFY2015**	**3QFY2014**	**% Change**	**9MFY2015**	**9MFY2014**	**% Change**
Revenue	**154.9**	167.4	-7	**472.0**	528.2	-11
Gross profit	**52.4**	56.3	-7	**168.5**	188.3	-11
Profit before tax	**10.0**	14.7	-32	**36.7**	40.7	-10
Net profit attributable to shareholders	**4.5**	12.1	-63	**21.9**	28.6	-23

SINGAPORE, 13 February 2015 – Tat Hong Holdings Ltd ("**Tat Hong**" or the "**Group**"), Asia-Pacific's largest crane company and the world's top crane company in terms of the number of crawler cranes owned[1], today reported a net profit of S$4.5 million for the quarter ended 31 December 2014 ("3QFY2015").

For the quarter under review, total Group revenue fell 7% to S$154.9 million as all divisions with the exception of the Tower Crane Rental division turned in weaker performances compared with the same period a year ago ("3QFY2014"). Gross profit similarly declined 7% to S$52.4 million, yielding a gross profit margin of 33.8%, comparable to the 33.6% margin achieved a year earlier as a result of higher margins from the Tower Crane Rental and Distribution divisions.

The Group's other operating income fell 78% to S$3.3 million in 3QFY2015 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.

[1] Source: International Cranes, IC50 Ranking, June 2014.

The divestment of one of the Group's crane rental subsidiaries, Hup Hin Transport in July 2014, lower staff costs, insurance and warranty expenses as well as a net foreign exchange gain of S$4.8 million gain brought total operating expenses down by 24% to S$38.8 million in 3QFY2015 compared with S$50.8 million incurred in the same quarter a year earlier.

Weak performance from its joint ventures, coupled with an associate company having been divested earlier in the year, led to the Group's S$0.7 million share of loss from its associates and joint ventures compared with a profit of S$1.1 million in the corresponding period a year ago.

The Group's pre-tax profit fell 32% in 3QFY2015 to S$10.0 million. Increased tax expenses brought the Group's net profit to S$4.5 million, a decline of 63% compared with 3QFY2014's S$12.1 million. Excluding the one-off gain of S$13.0 million in 3QFY2014, there would have been an improvement in the Group's underlying profit for the quarter under review.

The Group's earnings per share was 0.72 Singapore cents for 3QFY2015. As at 31 December 2014, the Group's net tangible asset and net asset value per ordinary share was S$0.98 and S$1.05 respectively, while total cash and cash equivalents stood at a healthy S$66.4 million.

Mr Roland Ng, Managing Director and Group CEO of Tat Hong observed: "Whilst it was disappointing that we saw a significant decrease in our net profit for the third quarter of FY2015, we note that last year's results had included an exceptional gain of S$13.0 million. Thus, on a comparable basis, there has been an improvement in our underlying performance this quarter."

"Our crane rental operations did well with the exception of Singapore which was impacted by the divestment of a subsidiary, greater competition and a slowdown in the construction sector. Fortunately, we have a wide footprint in the region where many infrastructure projects are being rolled out and better performance from our overseas operations has helped to minimise the adverse revenue impact from Singapore. We are also pleased to note that our tower crane rental business in China has been growing at a steady pace as it continues to benefit from strong demand from the infrastructure, power generation and commercial sectors."

"On the flipside, trading conditions continued to be challenging for our Distribution business especially in Singapore and Australia due to market competition and weak demand."

SEGMENTAL REVIEW

Revenue Breakdown (S$ million)	3QFY2015	3QFY2014	% Change	9MFY2015	9MFY2014	% Change
Crane Rental	**60.7**	62.7	-3	**191.2**	201.8	-5
Tower Crane Rental	**25.1**	23.7	+6	**74.1**	66.4	+12
General Equipment Rental	**13.3**	15.3	-13	**44.9**	53.2	-16
Distribution	**55.9**	65.7	-15	**161.7**	206.7	-22
Total	**154.9**	167.4	-7	**472.0**	528.2	-11

Crane Rental

The Crane Rental Division posted a slight 3% decline in revenue to S$60.7 million in 3QFY2015 primarily due to a lack of contribution from divested subsidiary, Hup Hin Transport and the slowdown of the construction sector in Singapore as well as reduced rental activities to overseas markets such as Papua New Guinea. The decline was partly mitigated by better performance in Malaysia from the participation in new and higher value infrastructure projects such as the Sabah Ammonia and Urea Plant, Tanjung Bin 4 Power Plant and the fabrication of structures and components for Wheatstone LNG project. Better performance was also posted by Australia from its continued participation in LNG-related projects such as Gorgon, Ichthys and Wheatstone and new projects such as Longford Gas Plant Expansion and Mt MacArthur Coal Mine. Increased barge rental activities further mitigated the decline in crane rental revenue.

The Group's crane rental operations in Hong Kong and Thailand turned in comparable results from continued participation in mainly long-term infrastructure projects.

Tower Crane Rental

The Tower Crane Rental division continued to perform well with a 6% revenue improvement in revenue to S$25.1 million in 3QFY2015. The division's tower cranes enjoyed a high utilisation rate of 77% at end December 2014 despite an increase in the fleet size to 934 tower cranes from 881 units a year ago. The Group's tower cranes are employed in long-term projects in the power generation, infrastructure and commercial sectors.

General Equipment Rental

Lower public spending, a lack of major infrastructure projects and overall weak trading conditions led to a 13% decline in revenue from the General Equipment Rental division to S$13.3 million in 3QFY2015 compared with S$15.3 million posted a year earlier.

Distribution

Revenue contribution from the Group's Distribution declined 15% to S$55.9 million in 3QFY2015 compared with 3QFY2014. Weak demand and competitive market conditions in Singapore and Australia led to lower sales of equipment and spare parts. The decline was partially mitigated by stronger performance in Indonesia from efforts to clear existing stock of excavators and better equipment sales in Thailand and Vietnam.

BUSINESS PROSPECTS

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.

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.

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

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.

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

End

About Tat Hong Holdings Ltd

Tat Hong Holdings Ltd was established in Singapore in the 1970s as a supplier of cranes and heavy equipment. The company was listed on the Singapore Stock Exchange in June 2000 and is today the largest crane rental company in the Asia-Pacific region[1] with a fleet size of more than 1,500 crawler, mobile and tower cranes ranging from under 50 tonnes to 1,600 tonnes.

In Asia, Tat Hong has successfully leveraged its extensive crane fleet and vast experience in providing lifting solutions to establish itself as the leading name in the crane rental, heavy lift, heavy haulage and equipment sales business.

Through its wholly-owned Australian subsidiary, Tutt Bryant Group Limited, Tat Hong has a leading position in the Australian market in the areas of crane hire and heavy haulage, equipment sales and distribution and general plant and equipment hire.

Tat Hong has also aggressively expanded its tower crane rental business in China and is the leading tower crane company in the country[2].

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Source: [1]International Cranes, IC50 Ranking, June 2014
[2]Cranes Today, Fleet File, 2014