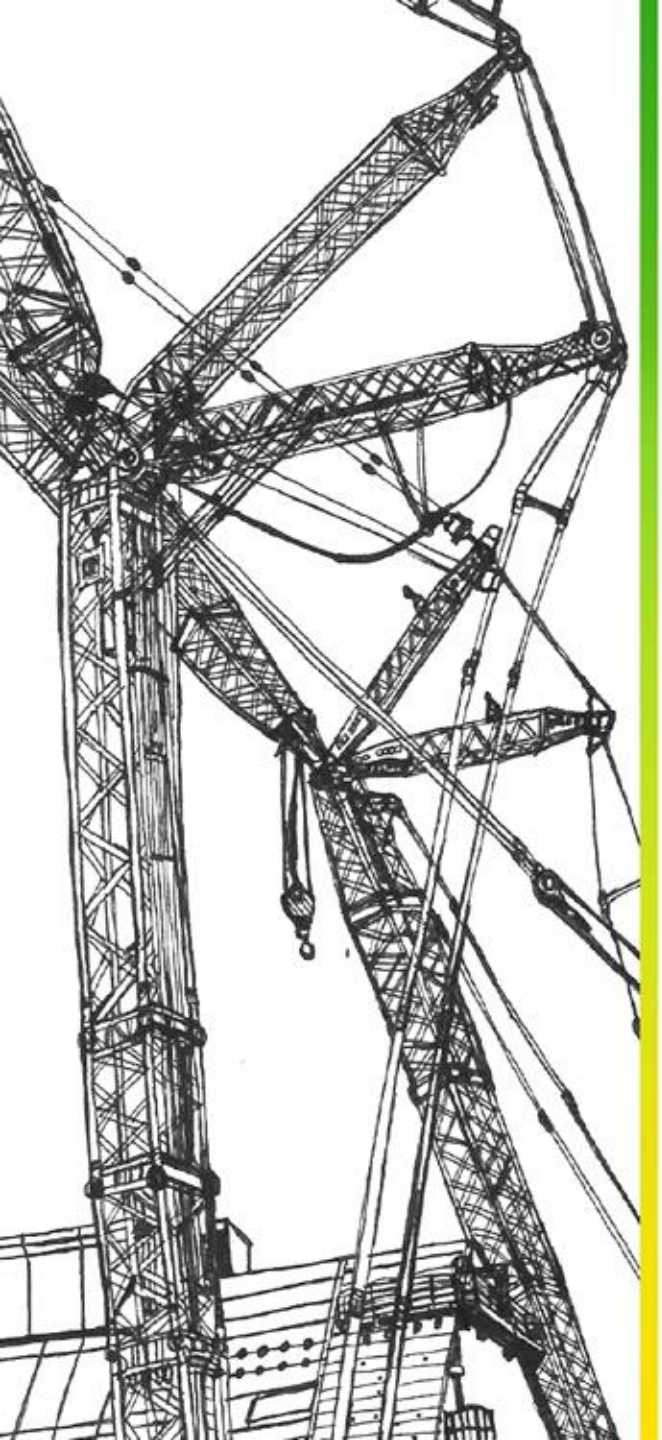


TAT HONG HOLDINGS LTD
1QFY2017 RESULTS
12 AUGUST 2016

TAT HONG HOLDINGS LTD

1QFY2017 Results

Fleet Update

Outlook and Prospects

1QFY2017 Results Summary

Revenue

- **Declined 16.2% to S$116.7 million**
  - Lower revenue posted by all Divisions except Tower Crane Rental

Gross Profit Margin

- **Decreased 2.1% pts to 29.9%**
  - Higher margins from Tower Crane Rental and General Equipment Rental eroded by lower margins from Crane Rental and Distribution

Profit / Loss Before Tax

- **Pre-tax loss of S$3.8 million compared with pre-tax profit of S$5.6 million in 1QFY2016**

  Due mainly to:
  - Lower revenue and lower gross profit
  - Lower other incomes due to a decline in gains from the disposal of PPE compared with 1QFY2016 which had recorded gains of S$7.8 million from the sale of properties in Malaysia and Australia

  Partially mitigated by :
  - Savings in staff costs, repair and maintenance costs, depreciation charges and transport costs and insurance expenses amounting to S$9.6 million
  - Lower financing cost of S$0.6 million due to the reduction in borrowings partially offset by higher interest rates
  - Lower unrealised foreign exchange losses – 1QFY2017: S$4.2million down from S$5.5 million loss previously

Comparisons are made against 1QFY2016 ended 30 June 2015

1QFY2017 Results Summary

LATMI / PATMI

- **Net loss of S$3.6 million compared with net profit of S$2.8 million in 1QFY2016**
  - Higher loss before tax
  - Higher share of results by minority interests

  Partially offset by:
  - Lower income tax expense

Balance Sheet

- **Healthy balance sheet**
  - Net gearing as at 30 June 2016: 0.73 times
  - Cash and cash equivalents: S$83.0 million
  - NTA and NAV per share: S$0.91 and S$0.90, respectively

Comparisons are made against 1QFY2016 ended 30 June 2015

Financial Highlights

S$'m	1QFY2016	1QFY2017	Change +/- (%)
Revenue	139.3	**116.7**	-16.2
Gross Profit	44.6	**34.9**	-21.7
Gross Profit Margin (%)	32.0	**29.9**	-2.1 pts
Total Operating Expenses (incl Finance Cost)	(53.2)	**(43.7)**	-17.9
(LBT) / PBT	5.6	**(3.8)**	NM
(LATMI) / PATMI	2.8	**(3.6)**	NM
PATMI Margin (%)	2.0	**(3.1)**	-5.1 pts

Financial Highlights

S$'m	1QFY2016	1QFY2017	Change +/- (%)
(LBT) /PBT	5.6	**(3.8)**	NM
(LATMI)/ PATMI	2.8	**(3.6)**	NM
(Less) property disposal gains	(7.8)	**-**	NM
Add unrealised foreign exchange losses	5.5	**4.2**	-23.6
Add losses from discontinued businesses and other one-off costs	1.6	**-**	NM
Underlying PBT	4.9	**0.4**	-91.8
Underlying PATMI	1.9	**0.6**	-68.4

Balance Sheet

S$m	As at 31 Mar 2016	As at 30 Jun 2016
Fixed Assets (PPE)	802.4	763.3
Inventories	146.9	142.7
Total Trade & Other Receivables Debtors	222.9	228.0
Total Trade and Other Payables	170.6	147.1
Cash & Cash Equivalents	130.7	83.0
Shareholders' Equity	585.7	571.3
NTA per share (S$)	0.93	0.90
NAV per share (S$)	0.93	0.91
Net gearing (times)	0.71	0.73

Disposal of PPE, depreciation, translation loss from weaker AUD and RMB, transfer of PPE to inventory, partially offset by equipment purchases

Net transfer of assets from PPE offset by decrease in stock levels

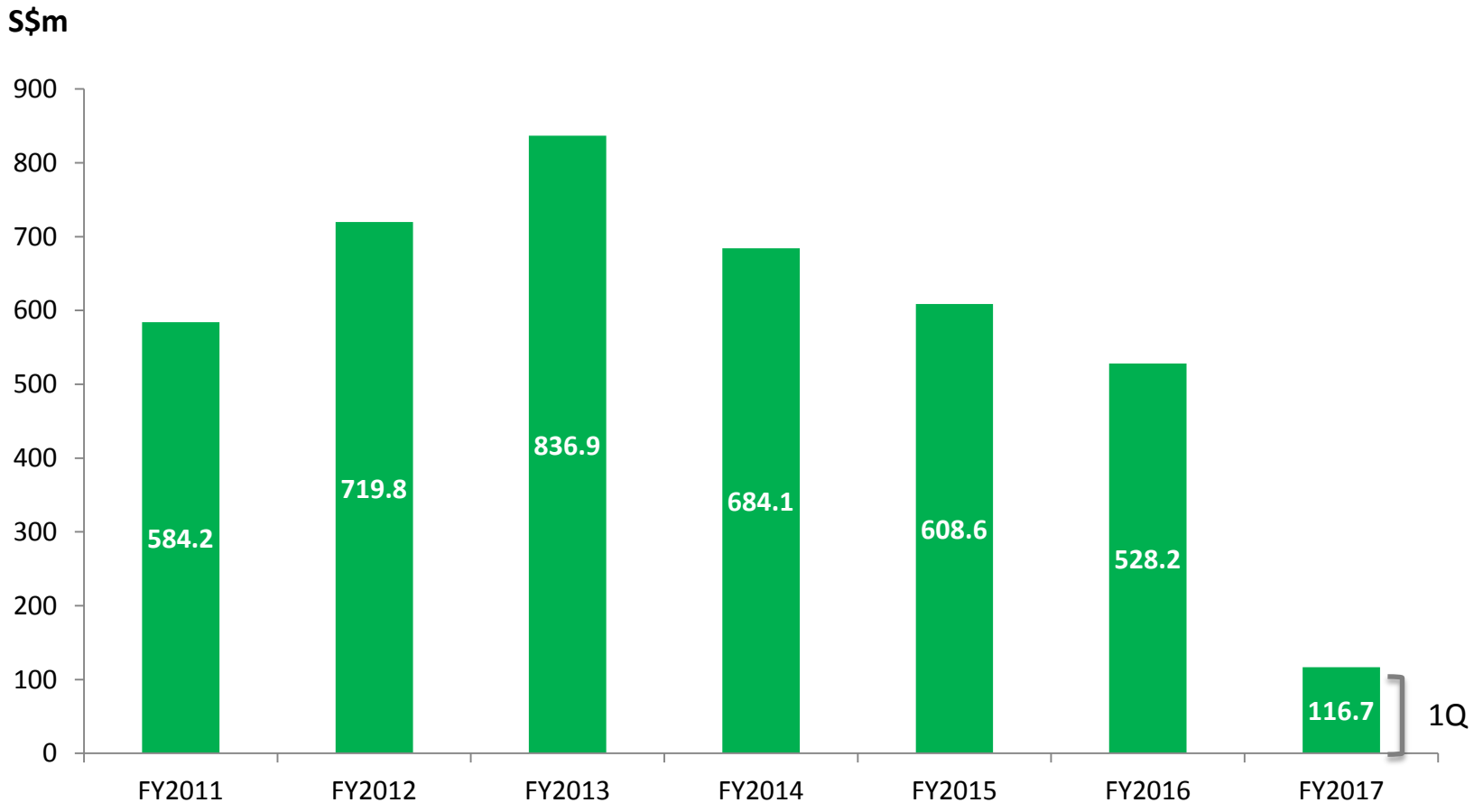
Timing issue

Prudent capex and cost control

Net repayment of loans, trusts receipts and financial lease obligations, purchase of PPE partially offset by cash flow from operating activities and disposal of PPE

Primarily due to reduction in currency translation reserve

Revenue Trend



Segmental Revenue Highlights

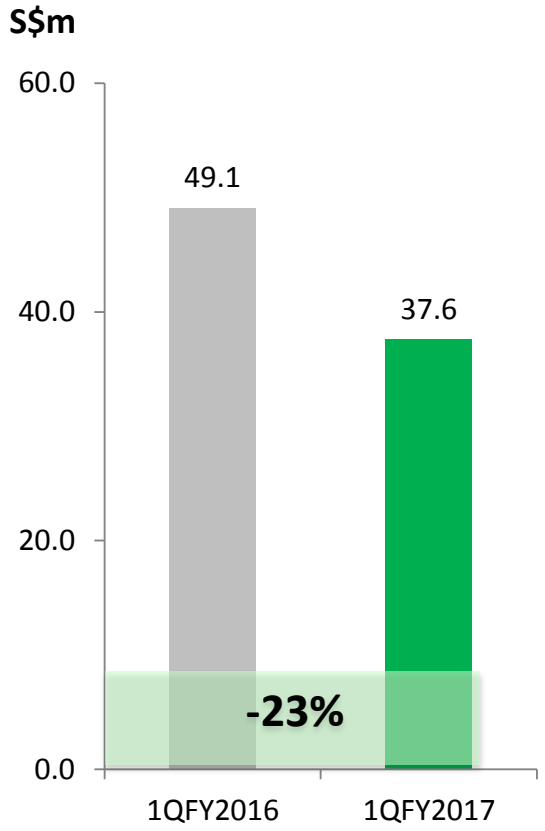
1. Crane Rental

Revenue decreased 23% to S$37.6 million

- Australia: Intense competition, downward pressure on rental rates, lower utilisation and continued downturn in the resources and oil and gas sectors
- Singapore: Lower crane utilisation partially offset by higher barge rental
- Thailand: Completion of projects and delay in the commencement of new projects

Partially mitigated by better performance from:

- Indonesia: Better contribution from new contracts in Batam
- Hong Kong: Higher service, labour and transport income
- Malaysia: Commencement of new projects



Comparisons are made against 1QFY2016 ended 30 June 2015

Segmental Revenue Highlights

2. Tower Crane Rental

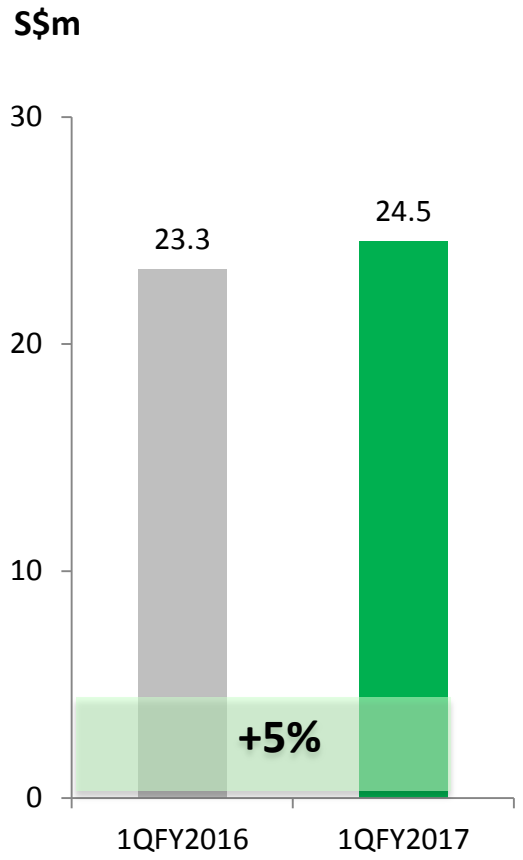
Revenue improved 5% to S$24.5 million

- Higher utilisation of tower cranes arising from the commencement of new projects

Partially offset by:

- 4.4% depreciation of the RMB against SGD

Excluding the effects of a weaker RMB, revenue increased 10%



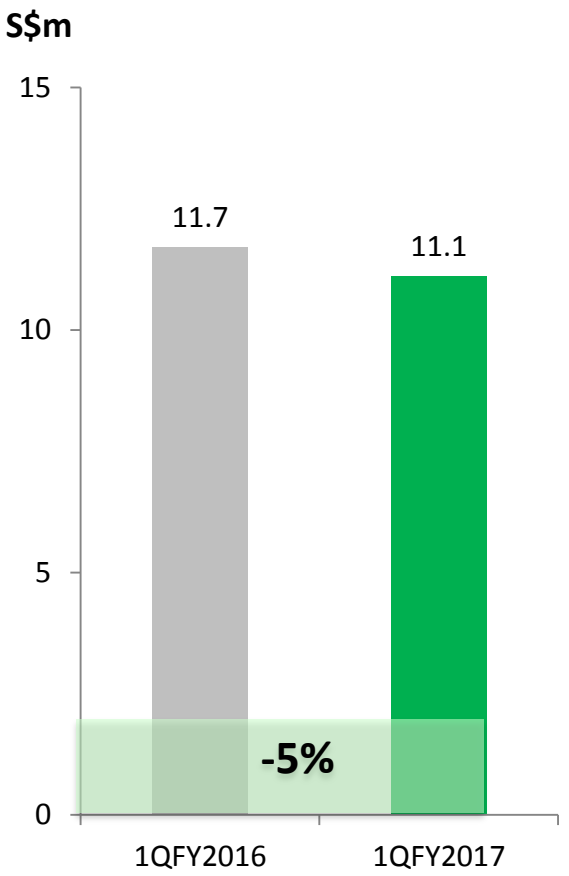
Comparisons are made against 1QFY2016 ended 30 June 2015

Segmental Revenue Highlights

3. General Equipment Rental

Revenue declined 5% to S$11.1 million

- Continued downturn in the mining and resources sectors
- Pressure on rental rates due to intense competition
- Utilisation rates impacted by poor weather conditions



Comparisons are made against 1QFY2016 ended 30 June 2015

Segmental Revenue Highlights

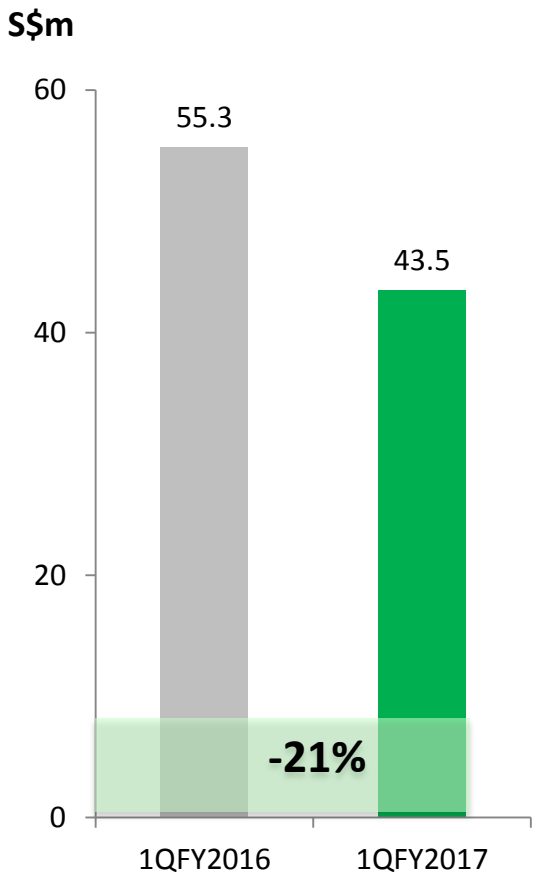
4. Distribution

Revenue decreased by 21% to S$43.5 million

- Indonesia: Lower sales due to exit of the excavator business
- Singapore: Lower demand amidst increased competition
- Overseas markets: lower sales to the Middle East, Japan, Thailand and Hong Kong and Vietnam

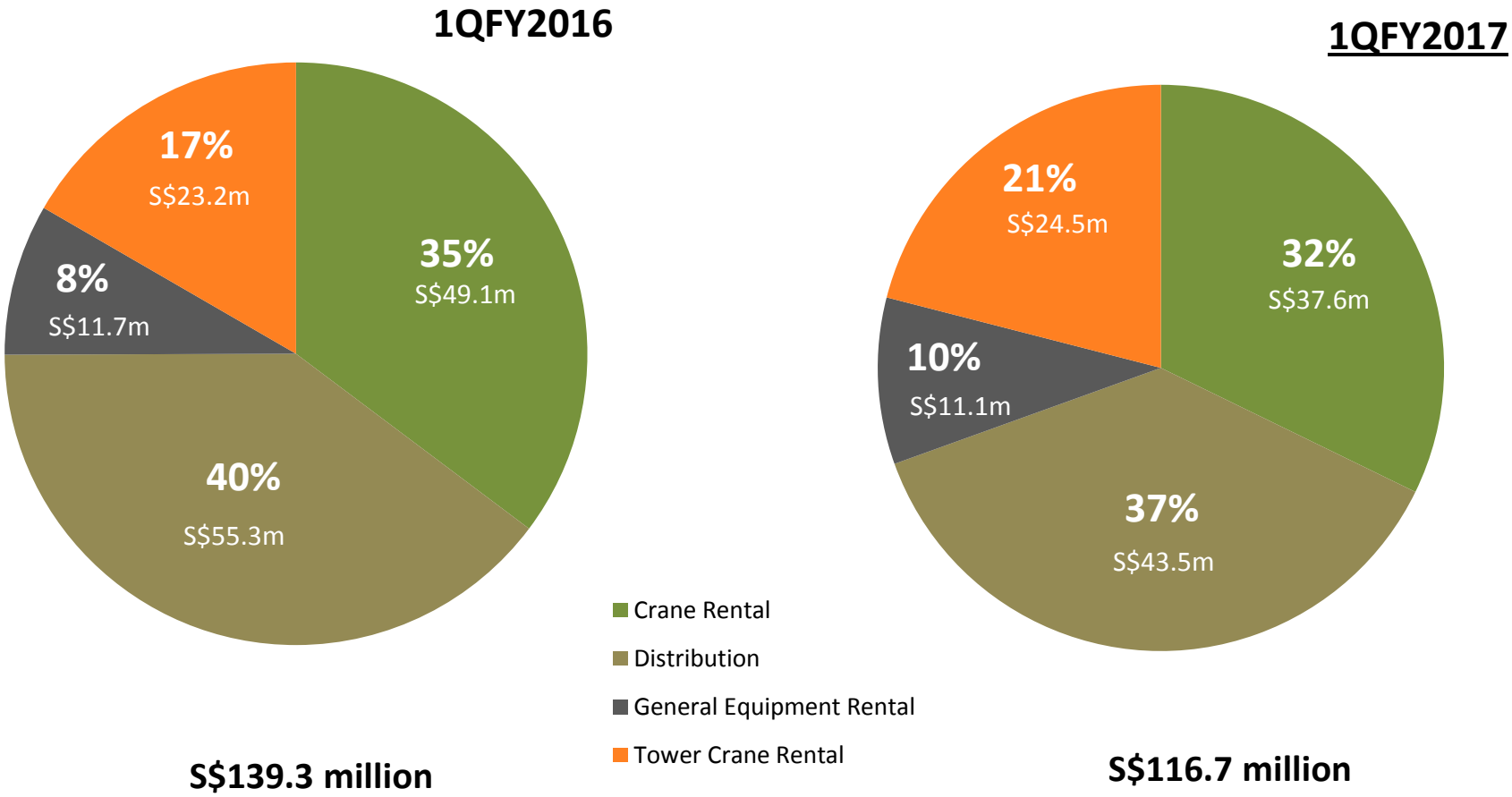
Partially offset by:

- Australia: Higher used equipment and parts sales
- Overseas: Higher equipment sales to Malaysia and Bangladesh

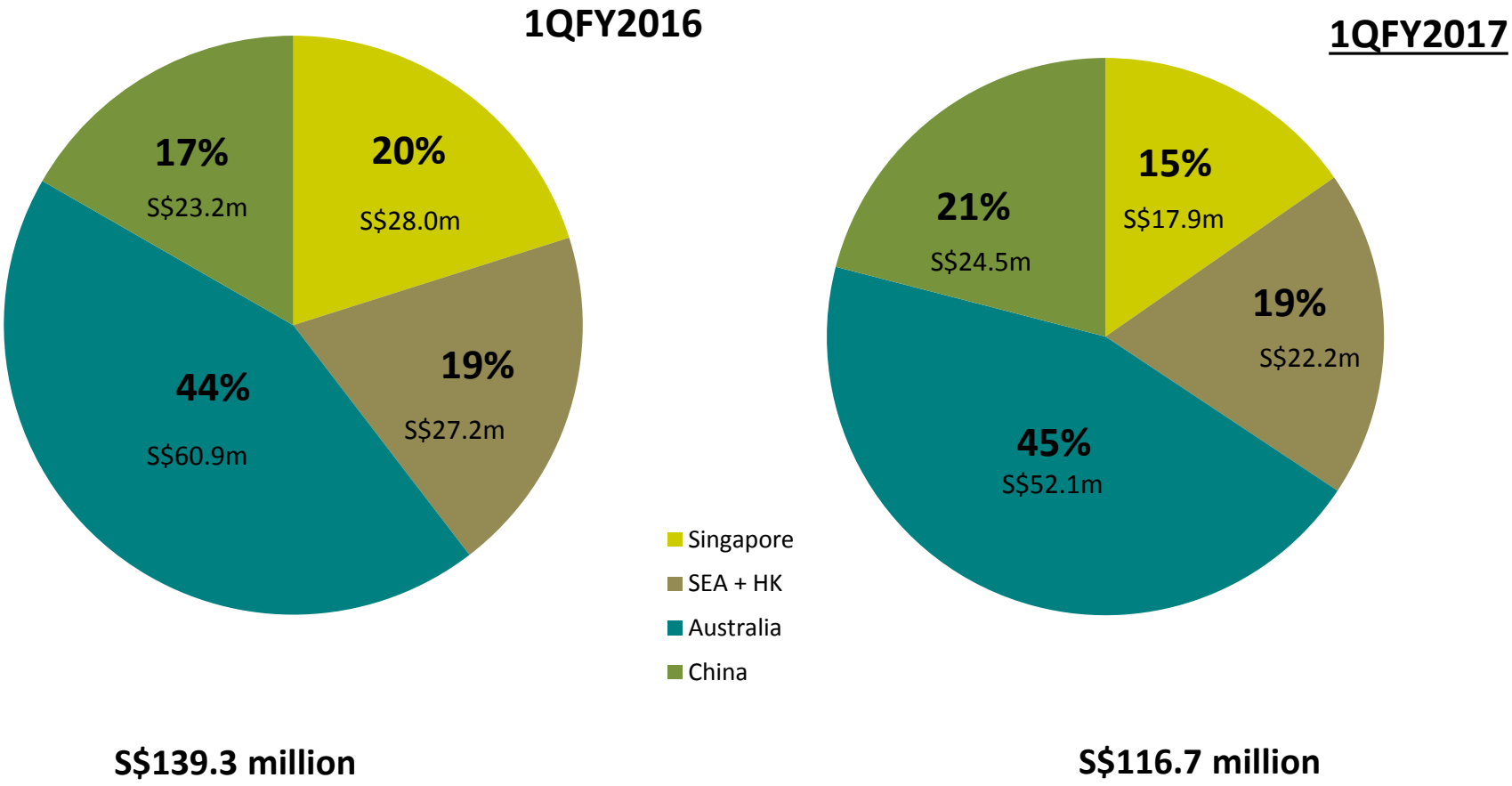


Comparisons are made against 1QFY2016 ended 30 June 2015

Revenue by Business Activity



Revenue by Region



S$139.3 million

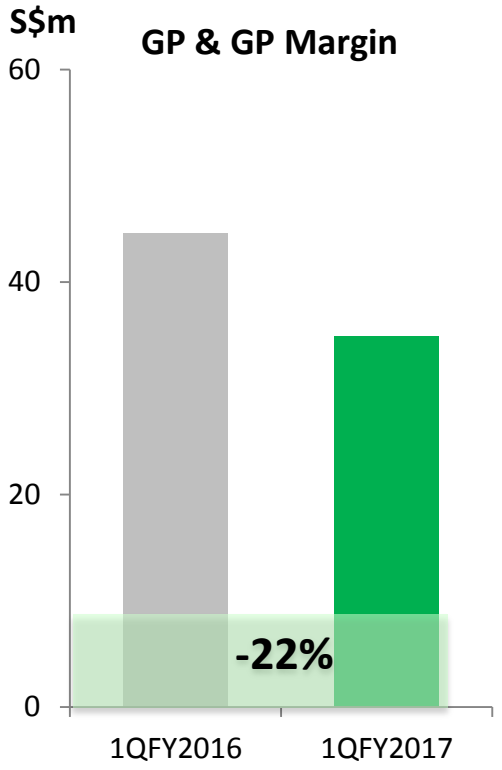
S$116.7 million

Gross Profit and Gross Profit Margin

Gross profit fell 22% to S$34.9 million whilst gross profit margin (GPM) declined 2.1% pts to 29.9%

Higher GPM from Tower Crane Rental and General Equipment Rental eroded by lower GPM from Crane Rental and Distribution

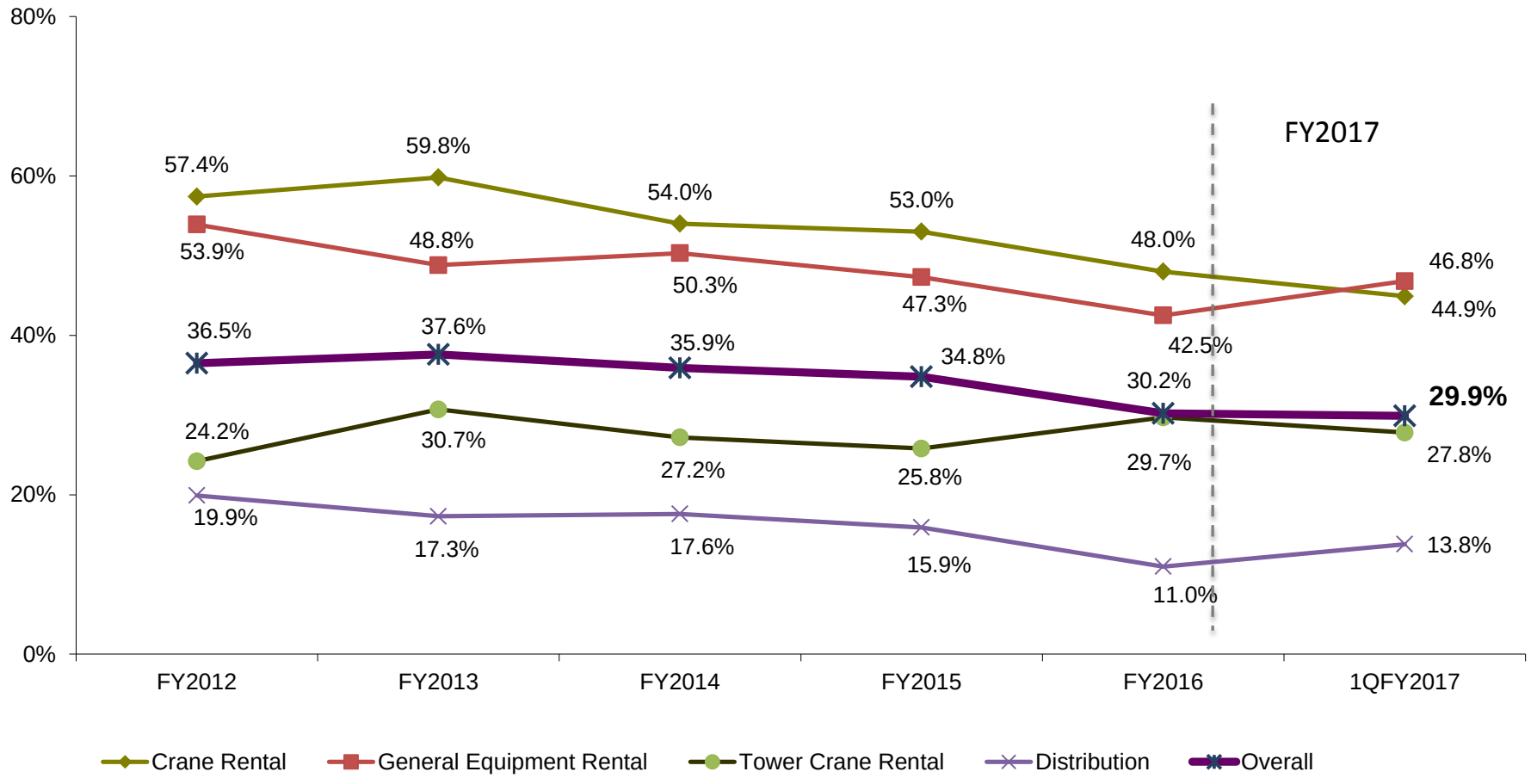
- Crane Rental: GPM fell 6.7% pts to 44.9% primarily due to decline in revenue and lower utilisation rate in Australia. GPM in Southeast Asia and Hong Kong as a whole remained stable
- Tower Crane Rental: GPM improved 1.7% pts to 27.8% as a result of higher utilisation of tower cranes
- General Equipment Rental: GPM increased 4.9% pts to 46.8% mainly due to a higher proportion of dry hire in the sales mix which generates better margin as well as lower subcontractor costs
- Distribution: GPM declined 1% pt to 13.8% due to lower equipment sales in Singapore and excavator sales in Indonesia



GP (S$m)	44.6	34.9
GP Margin (%)	32.0	29.9

Comparisons are made against 1QFY2016 ended 30 June 2015

Gross Profit Margin Trend



1QFY2017 Results

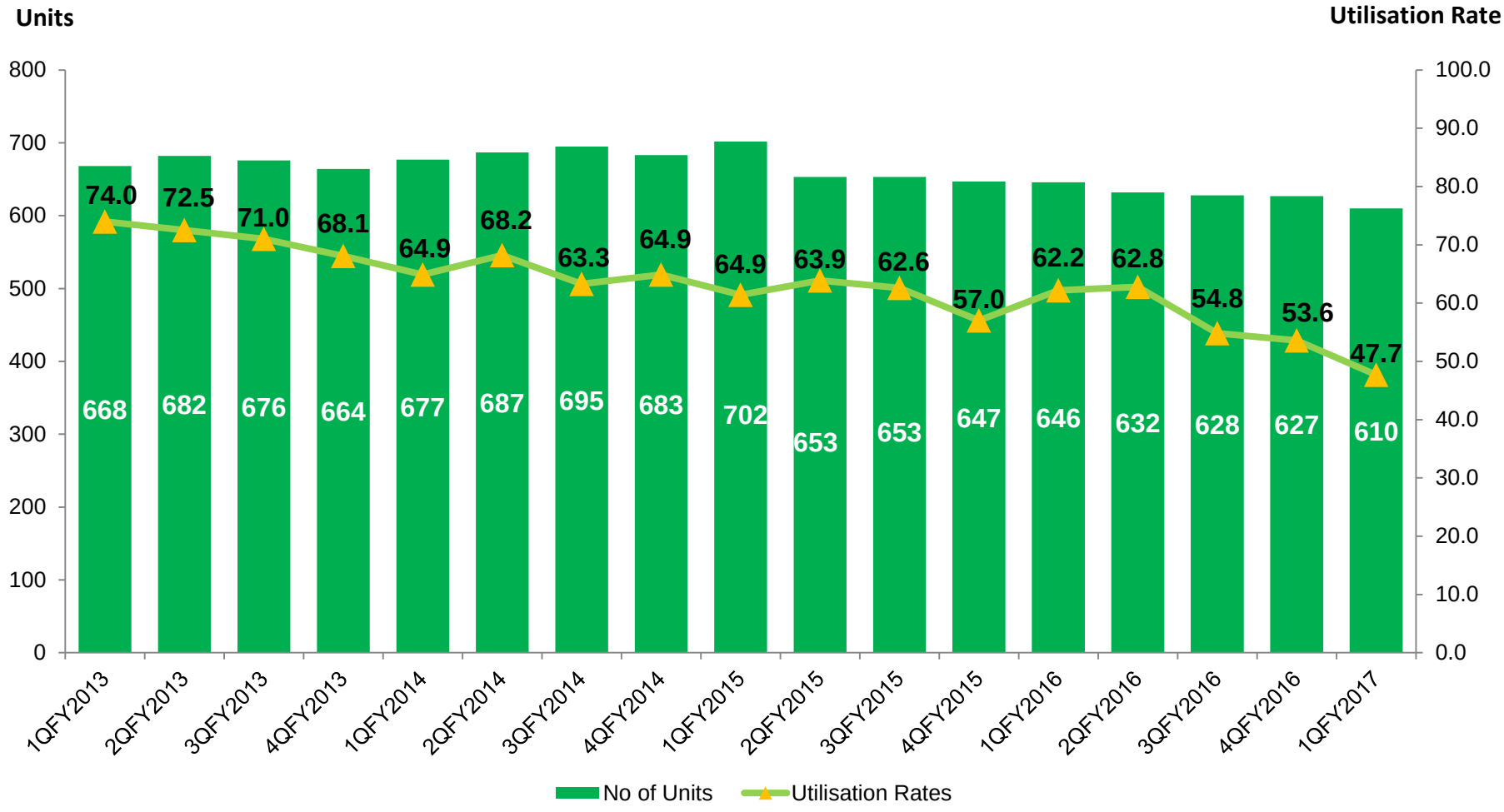
Fleet Update

Outlook and Prospects

Crawler /Mobile Crane Fleet

Size (Tonnes)	**No. of Cranes** *As at 30 June 2015*	**No. of Cranes** *As at 30 June 2016*
< 99 MT	403	**381**
100 – 199 MT	123	**118**
200 – 299 MT	82	**75**
> 300 MT	38	**36**
Total Units	646	**610**
Total Tonnage	77,695	**74,012**
Group Overall Utilisation Rate (based on tonnage)	62.2%	**47.7%**

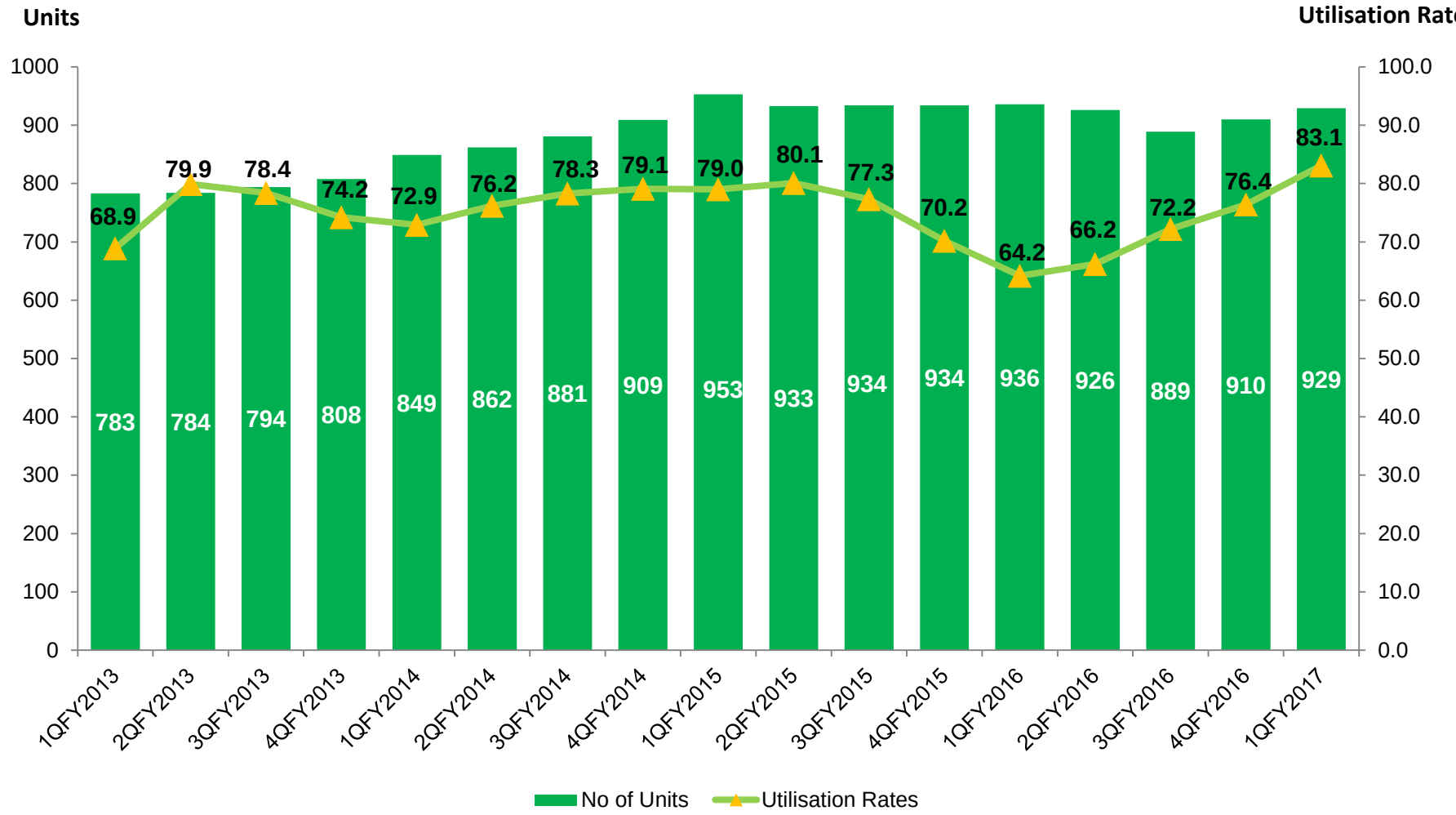
Crawler/Mobile Crane Utilisation Rates



Tower Crane Fleet

Size (Tonne-Metres)	**No. of Cranes** *As at 30 June 2015*	**No. of Cranes** *As at 30 June 2016*
< 80 TM	158	**149**
81 - 300 TM	676	**681**
301 – 900 TM	92	**87**
> 901 TM	10	**12**
Total Units	936	**929**
Total Tonne-Metres	189,558	**197,445**
Group Overall Utilisation Rate (based on tonne-metres)	64.2%	**83.1%**

Tower Crane Utilisation Rate



1QFY2017 Results

Fleet Update

Outlook and Prospects

Outlook & Prospects

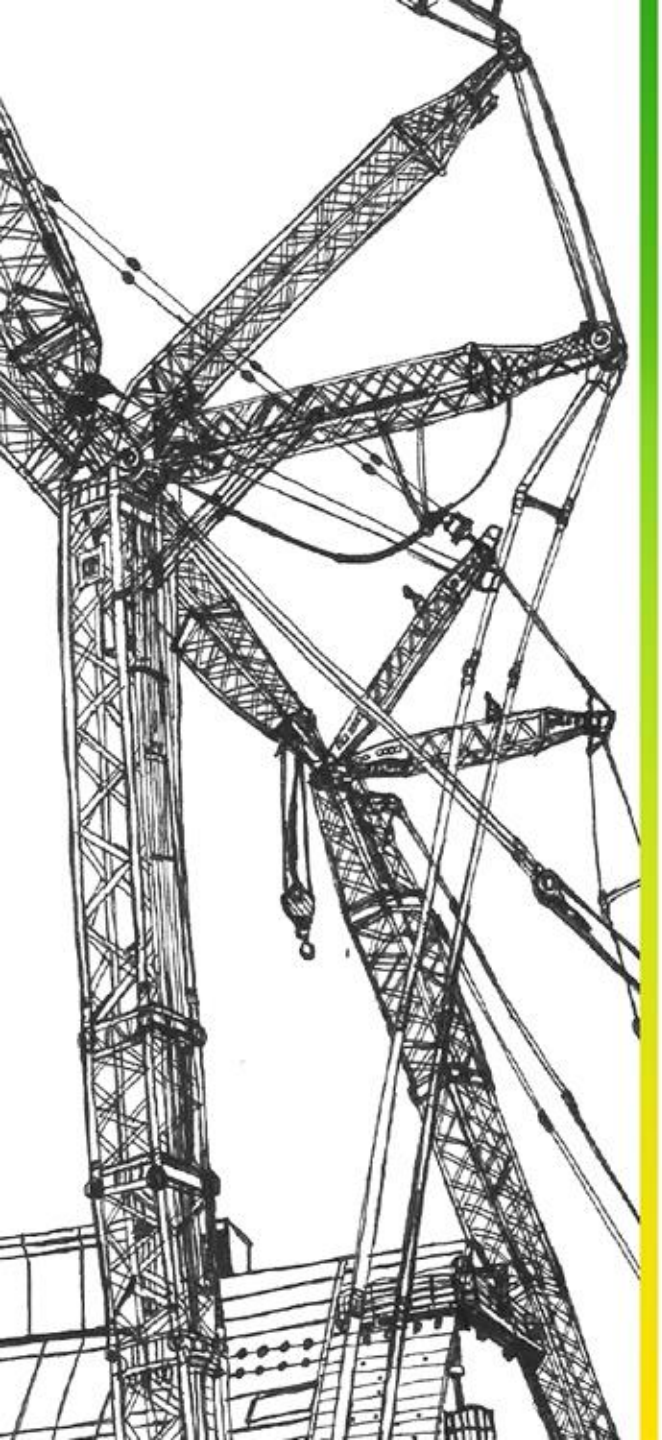
The market weakness and the impending completion of projects in the ASEAN countries and in Australia will continue to impact the Crane Rental Division. Efforts to reduce operating costs through fleet rationalisation and operational restructuring will continue.

The Tower Crane Rental Division in the People's Republic of China is expected to perform well on the back of a strong pipeline of committed projects in the building, infrastructure, transport and power generation sectors.

The General Equipment Rental Division is expected to turn in a weak performance due to the lack of public projects and increased competition from the oversupply of equipment in Australia.

Weak demand in the region and competitive market conditions will continue to affect the Distribution Division's performance.

The Group's performance in most of its key markets is expected to remain subdued in FY2017.



Thank You

TAT HONG HOLDINGS LTD

Projects

SINGAPORE

- Downtown MRT Line
- Thomson MRT Line
- Thomson – East Coast MRT Line
- Jurong Island Projects (various)
- HDB projects (various)
- Schools (various)

THAILAND

- Bangkok Mass Transit System projects
- Chonburi Motorway
- Jira-Khonkhaen Railway
- Underpass and highway projects

MALAYSIA

- Refinery & Petrochemical Integrated Development (RAPID) Project
- Integrated Aroma Ingredients Facility
- Jimah Power Plant

HONG KONG

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







Projects in SE Asia and Hong Kong



Projects

AUSTRALIA

- Gorgon LNG
- Ichthys (INPEX) LNG Project
- Darwin LNG Plant Maintenance
- Mt Arthur Coal Mine
- Perth Stadium
- Prelude FLNG Spools

CHINA

- Power Plants /Stations:
  - Dalian HongYanhe (Nuclear)
  - FangChenggang (Nuclear)
  - Guangdong Yangjiang (Nuclear)
  - Leshan Jiajiang (Nuclear)
  - Tianwan (Nuclear)
  - Huizhou (LNG)
  - 12 other power stations
- Infrastructure:
  - Huang Railway
  - Chongqing North Station
  - Fuzhou Fuping Railway Bridge
  - Shenyang Railway Station West Plaza
  - Hangzhou South Railway Station
  - Changmen Bridge
  - Tianhe Airport
  - Hangzhou Caifu Bridge
- Large Projects:
  - Shanghai International Airline Service Centre
  - Shenzhen Energy Building
  - Tencent Beijing Headquarters
  - Xi'an Yanchang Petrol Research Centre
  - Shanghai Jiahui International Hospital
  - Jiujiang International Finance Plaza
  - Shanxi International Finance Centre
  - Dalian Xinghaiwan Financial Business District
  - Wuhan DiSiMan International Centre



Projects in Australia



Projects in China







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