Registration No: 199105392H

FOR IMMEDIATE RELEASE

Tat Hong Reports 13% Decline in FY2016 Revenue

- ***Net attributable loss of S$39.3 million***
- ***Non-cash impairment charges of S$32.7 million***
- ***Foreign exchange losses of S$14.9 million***
- ***Net operating loss (excluding impairment charges) of S$6.6 million***
- ***Monetised S$73.5 million from disposal of non-core assets and de-fleeting exercise***
- ***Strong net cash from operating activities of S$82.2 million***

(S$ million) *For the quarter and full year ended 31 March*	**4QFY2016**	**4QFY2015**	**% Change**	**FY2016**	**FY2015**	**% Change**
Revenue	**126.7**	136.6	-7	**528.2**	608.6	-13
Gross profit	**33.3**	43.6	-23	**159.5**	212.1	-25
Profit/(loss) before tax	**(43.8)**	(18.3)	+139	**(37.9)**	18.4	NM
Net profit/(loss) attributable to shareholders	**(39.8)**	(17.1)	+133	**(39.3)**	4.9	NM
Net operating profit/(loss), excluding one-off impairments[1]	**(7.3)**	13.7	NM	**(6.6)**	35.7	NM

SINGAPORE, 27 May 2016 – Tat Hong Holdings Ltd ("**Tat Hong**" or the "**Group**"), the largest crane rental company in the Asia Pacific region[1] today reported a net attributable loss of S$39.3 million for the full year ended 31 March 2016 ("FY2016") compared with a net attributable profit of S$4.9 million posted for the year ended 31 March 2015 ("FY2015"). The loss was primarily due to S$32.7 million in non-cash impairment charges, net foreign exchange losses of S$14.9 million and losses associated with the exit of excavator distribution business in Indonesia. Excluding the impairment charges, the Group's net operating loss for FY2016 was S$6.6 million.

** Goodwill and asset impairments as well as impairment for investment in an associate totalled S$32.7 million in FY2016, whilst goodwill and asset impairments in FY2015 was S$30.8 million*

For the year under review, total Group revenue fell 13% to S$528.2 million as all divisions turned in weaker performances compared with FY2015. Gross profit declined 25% to S$159.5 million, yielding a gross profit margin of 30.2% compared with 34.8% achieved a year earlier. The deterioration in gross profit margin was attributable to lower utilisation rates across most markets except Singapore and Hong Kong, higher outsourcing costs in Australia, the sale of excavators and aged inventories at reduced margins as well as higher provision for stock obsolescence in Indonesia.

The Group's other operating income increased 23% to S$42.5 million primarily due to gains from the disposal of properties in Australia, Malaysia and Singapore as well as the disposal of under-utilised equipment under the Group's de-fleeting programme.

Total operating expenses, which included impairment charges of S$32.7 million and net foreign exchange losses of S$14.9 million (compared with a gain of S$12.0 million in FY2015), increased 4% to S$215.1 million in FY2016 compared with S$206.7 million incurred in the previous year. The mostly unrealised foreign exchange losses in FY2016 arose due to fluctuation of currency pairs namely JPY:SGD, USD:IDR, USD:SGD and RMB:USD. Excluding the impairment charges and foreign exchange losses, total operating expenses decreased by 11% to S$167.5 million for FY2016 contributed by lower staff costs and maintenance expenses as a result of the Group's cost containment measures and favourable translation effect of a weaker Australian dollar on costs. Finance costs for the year fell 5% or S$1.3 million to S$24.6 million due to the net repayment of finance lease obligations, partially offset by higher interest rates.

The Group's share of loss from associates and joint ventures was S$0.1 million in FY2016 compared with a share of profit of S$4.4 million a year ago.

As a result, the Group recorded a pre-tax loss of S$37.9 million and net loss after tax and minority interests of S$39.3 million. Excluding the non-cash impairment charges of S$32.7 million, net operating loss was S$6.6 million.

During the year under review, the Group continued its right-sizing and de-fleeting programme rigorously and realised S$73.5 million in proceeds from the disposal of non-core assets. Part of the proceeds was used to reduce borrowings, resulting in net gearing improving to 0.71 times as at 31 March 2016 compared with 0.77 times a year ago.

The Group also enjoyed strong net operating cash flows of S$82.2 million. Cash and cash equivalents as at 31 March 2016 stood at S$130.7 million compared with S$93.3 million a year ago.

Mr Roland Ng, Managing Director and Group CEO of Tat Hong observed: "Whilst the continued market weakness in Australia and soft demand in the ASEAN region had weighed down earnings, it was the non-cash impairment charges, unrealised foreign exchange losses, as well as losses and provisions associated with exiting the excavator business in Indonesia that caused the Group to be in the red in FY2016. Had it not been for these one-off items in FY2016, the Group would have turned in an improved performance compared with FY2015."

"Looking forward to FY2017, we expect demand in many of our markets to be subdued. Our operations in Australia may come under further pressure unless more infrastructural projects come on-stream as many of its LNG-related projects are approaching completion. We have taken steps to right-size our operations in FY2016 and efforts to trim operating costs will continue."

"Prospect for our tower crane rental business in China is expected to be brighter as we saw a strong rebound in utilisation rate in the second half of FY2016. In addition, we have a strong pipeline of committed projects to sustain high utilisation rates into FY2017."

SEGMENTAL REVIEW

Revenue Breakdown (S$ million)	**4QFY2016**	**4QFY2015**	**% Change**	**FY2016**	**FY2015**	**% Change**
Crane Rental	**45.1**	46.4	-3	**188.4**	237.6	-21
Tower Crane Rental	**23.4**	22.5	+4	**93.6**	96.6	-3
General Equipment Rental	**9.8**	11.0	-11	**44.4**	56.0	-21
Distribution	**48.4**	56.7	-15	**201.8**	218.4	-8
Total	**126.7**	136.6	-7	**528.2**	608.6	-13

Crane Rental

The Crane Rental Division posted a 21% decrease in revenue to S$188.4 mainly due to the completion of projects in Australia, Malaysia and Thailand partially compensated by better contribution from new customers and projects in Indonesia. In Singapore, higher barge utilisation and project income partially compensated for the lack of contribution from a crane rental subsidiary which was divested in July 2014. Revenue contribution from Hong Kong remained stable on the back of infrastructure projects.

Excluding the effects of weaker foreign currencies, primarily the Australian dollar, and the lack of contribution from the divested crane rental subsidiary, revenue declined 14%.

Tower Crane Rental

Weaker year-on-year performance in the first three quarters of FY2016 led to a 3% decline in revenue to $93.6 million from S$96.6 million posted in FY2015. The decline was due to the completion of projects and the transfer of tower cranes from less active subsidiaries to more active ones. Utilisation rate of the Group's tower cranes surged to 76.4% as at 31 March 2016 from 70.2% a year ago as a result of the commencement of new projects in the second half of FY2016.

General Equipment Rental

The lack of public investments and intense price competition impacted the performance of the Group's General Equipment Rental business in Australia which registered a 21% decline in turnover in FY2016 to S$44.4 million compared with S$56.0 million generated in FY2015.

Distribution

Revenue contribution from the Group's Distribution business registered an 8% decline to S$201.8 million from S$218.4 million posted in FY2015. The decline was due to the continued scaling down of excavators sales in Indonesia as part of the exit process and lower demand for cranes in Singapore and Japan, partially compensated by better equipment and parts sales in Australia and higher demand for cranes in Malaysia and Hong Kong. Excluding the effect of weaker foreign currencies, primarily the Australian dollar, the decline in revenue from this Division was 2%.

BUSINESS PROSPECTS

The market weakness and the impending completion of projects in the ASEAN countries and 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.

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 one of the top tower crane rental companies in the country[1].

For enquiries, please contact:

Ms Soh Kim Lian

Manager, Investor Relations/Corporate Communications

Tel: 67090309

Email: kim@tathong.com.sg

Source: [1]International Cranes, IC50 Ranking, 2015