TAT HONG HOLDINGS LTD

Registration Number: 199105392H

Unaudited Second Quarter Financial Statements Announcement
For The Quarter Ended 30 September 2015

PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group (Second Quarter)			Group (Half Year)		
	3 months ended			6 months ended		
	30 September 2015	30 September 2014	% Change	30 September 2015	30 September 2014	% Change
	S$'000	S$'000		S$'000	S$'000	
Revenue	137,412	152,844	(10)	276,682	317,015	(13)
Cost of sales	(94,017)	(96,551)	(3)	(188,690)	(200,912)	(6)
Gross profit	43,395	56,293	(23)	87,992	116,103	(24)
Other operating income including interest income	6,907	10,114	(32)	20,985	14,297	47
Distribution expenses	(8,041)	(10,938)	(26)	(16,331)	(21,050)	(22)
Administrative expenses	(28,099)	(39,813)	(29)	(62,158)	(75,358)	(18)
Other operating expenses	(66)	4,196	NM	(4,926)	1,471	NM
Finance expense	(6,744)	(6,289)	7	(12,707)	(12,972)	(2)
Share of results of associates (net of tax)	(117)	2,845	NM	123	4,239	(97)
Share of results of joint ventures (net of tax)	(100)	44	NM	(223)	8	NM
Profit before income tax	7,135	16,452	(57)	12,755	26,738	(52)
Income tax expense	(2,858)	(3,447)	(17)	(5,414)	(7,522)	(28)
Profit for the period	4,277	13,005	(67)	7,341	19,216	(62)
Attributable to:						
Owners of the Company	4,389	11,452	(62)	7,178	17,413	(59)
Non-controlling interests	(112)	1,553	NM	163	1,803	(91)
Profit for the period	4,277	13,005	(67)	7,341	19,216	(62)

NM: Not meaningful

1(a)(ii) Statement Of Comprehensive Income

	Group (Second Quarter)			Group (Half Year)		
	3 months ended			6 months ended		
	30 September 2015	30 September 2014	% Change	30 September 2015	30 September 2014	% Change
	S$'000	S$'000		S$'000	S$'000	
Profit for the period	4,277	13,005	(67)	7,341	19,216	(62)
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Net loss on translation of net investment in foreign entities	(3,948)	(5,815)	(32)	(15,541)	(7,919)	96
Effective portion of changes in fair value of cash flow hedges	372	-	NM	192	-	NM
Foreign currency translation reclassified to profit or loss on disposal of an associate	-	-	NM	-	1,023	NM
Foreign currency translation reclassified to profit or loss on liquidation of an associate	45	-	NM	45	-	NM
Other comprehensive loss for the period, net of income tax	(3,531)	(5,815)	(39)	(15,304)	(6,896)	122
Total comprehensive income/(loss) for the period	746	7,190	(90)	(7,963)	12,320	NM
Attributable to:						
Owners of the company	(12)	5,380	NM	(8,179)	11,184	NM
Non-controlling interests	758	1,810	(58)	216	1,136	(81)
Total comprehensive income/(loss) for the period	746	7,190	(90)	(7,963)	12,320	NM

NM: Not meaningful

1(a)(iii) Notes to income statement

	Group (Second Quarter)			Group (Half Year)		
	3 months ended			6 months ended		
	30 September 2015	30 September 2014	% Change	30 September 2015	30 September 2014	% Change
	S$'000	S$'000		S$'000	S$'000	
Depreciation of property, plant and equipment	(20,942)	(21,975)	(5)	(41,532)	(44,610)	(7)
Gain on disposal of property, plant and equipment	5,514	3,714	48	15,641	5,369	191
Property, plant and equipment written off	(1)	(42)	(98)	(3)	(64)	(95)
Amortisation of intangible assets	(75)	(99)	(24)	(152)	(196)	(22)
Allowance written back/(recognised) for inventories	559	(4,337)	NM	(110)	(4,441)	(98)
Allowance written back/(recognised) for trade receivables	797	(399)	NM	319	(1,265)	NM
Bad debts written off	(628)	-	NM	(628)	-	NM
Foreign exchange (loss)/gain, included in "other operating expenses"	(1,348)	4,531	NM	(5,445)	1,727	NM
Gain on fair value adjustment on derivatives, net, included in "other operating expenses"	1,553	100	1,453	1,168	425	175
Dividend income from investment in other financial assets	306	174	76	306	174	76
Interest income	151	234	(35)	371	411	(10)
Share-based payment expenses	(9)	(30)	(70)	(75)	(181)	(59)
Gain on disposal of an associate	-	-	NM	-	151	NM
Gain on disposal of subsidiaries	-	4,809	NM	-	4,809	NM
Gain on liquidation of an associate	223	-	NM	223	-	NM
Over/(under) provision of income tax expense	1,539	(38)	NM	1,035	(40)	NM
Cost of long service and annual leave	(1,218)	(1,358)	(10)	(2,256)	(2,612)	(14)

NM: Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30 September 2015 S$'000	31 March 2015 S$'000	30 September 2015 S$'000	31 March 2015 S$'000
Non-current assets				
Property, plant and equipment	875,582	919,310	1,499	1,650
Subsidiaries	-	-	365,923	387,320
Associates	57,091	58,865	12,556	12,556
Joint ventures	4,361	4,564	4,439	4,439
Other financial assets	798	798	714	714
Deferred tax assets	5,557	5,745	-	-
Intangible assets	20,384	21,152	-	-
Trade and other receivables	1,243	1,585	-	-
	965,016	1,012,019	385,131	406,679
Current assets				
Asset held for sale	-	2,240	-	-
Inventories	170,432	186,500	-	-
Trade and other receivables	232,791	203,140	191,328	169,459
Cash and cash equivalents	54,054	93,266	5,532	891
	457,277	485,146	196,860	170,350
Total assets	1,422,293	1,497,165	581,991	577,029
Equity attributable to owners of the Company				
Share capital	325,849	325,849	325,849	325,849
Reserve for own shares	(2,673)	(1,766)	(2,673)	(1,766)
Share-based payment reserve	551	779	551	779
Capital reserves	29,622	26,258	(1,938)	(1,951)
Fair value reserve	465	273	422	273
Currency translation reserve	(37,956)	(22,234)	-	-
Accumulated profits	322,689	321,670	29,262	43,286
	638,547	650,829	351,473	366,470
Non-controlling interests	47,609	50,571	-	-
Total equity	686,156	701,400	351,473	366,470
Non-current liabilities				
Trade and other payables	1,256	1,173	-	-
Financial liabilities	247,083	269,699	86,034	96,034
Notes payable	99,439	99,348	99,439	99,348
Deferred tax liabilities	24,602	23,525	-	-
	372,380	393,745	185,473	195,382
Current liabilities				
Trade and other payables	199,179	208,455	25,338	3,637
Financial liabilities	159,704	187,489	19,688	11,510
Current tax payable	4,874	6,076	19	30
	363,757	402,020	45,045	15,177
Total liabilities	736,137	795,765	230,518	210,559
Total equity and liabilities	1,422,293	1,497,165	581,991	577,029

1(b)(ii) Aggregate amount of the group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 September 2015		As at 31 March 2015	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
80,616	79,088	104,481	83,008

Amount repayable after one year

As at 30 September 2015		As at 31 March 2015	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
141,350	105,733	171,080	98,619

Details of any collateral

Included in the Group's secured borrowings are borrowings of:-

(i) S$12,787,000 (31 March 2015: S$15,254,000) secured by a charge over seven barges and a work boat of a subsidiary with a carrying value of S$29,183,000 (31 March 2015: S$30,496,000);

(ii) S$117,758,000 (31 March 2015: S$159,046,000) in respect of property, plant and equipment acquired under finance leases with a carrying value of S$200,898,000 (31 March 2015: S$257,628,000);

(iii) S$79,558,000 (31 March 2015: S$89,329,000) secured by equipment of subsidiaries with a carrying value of S$150,352,000 (31 March 2015: S$148,053,000);

(iv) S$10,035,000 (31 March 2015: S$11,932,000) secured by a charge over leasehold land and building of subsidiaries with a carrying value of S$21,584,000 (31 March 2015: S$22,487,000); and

(v) S$1,828,000 (31 March 2015: Nil) secured by a charge over freehold land of a subsidiary with a carrying value of S$2,613,000 (31 March 2015: Nil).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group (Second Quarter)		Group (Half Year)	
	3 months ended		6 months ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	S$'000	S$'000	S$'000	S$'000
Operating activities:				
Profit for the period	4,277	13,005	7,341	19,216
Adjustments for:				
Depreciation of property, plant and equipment	20,942	21,975	41,532	44,610
Gain on disposal of property, plant and equipment	(5,514)	(3,714)	(15,641)	(5,369)
Gain on fair value adjustment on derivatives, net	(1,553)	(100)	(1,168)	(425)
Bad debts written off	628	-	628	-
Property, plant and equipment written off	1	42	3	64
Amortisation of intangible assets	75	99	152	196
Cost of long service and annual leave	1,218	1,358	2,256	2,612
Gain on disposal of subsidiaries	-	(4,809)	-	(4,809)
Gain on disposal of an associate	-	-	-	(151)
Gain on liquidation of an associate	(223)	-	(223)	-
Dividend income from investment in other financial assets	(306)	(174)	(306)	(174)
Share of results of associates	117	(2,845)	(123)	(4,239)
Share of results of joint ventures	100	(44)	223	(8)
Provisions made	90	30	146	77
Share-based payment expenses	9	30	75	181
Finance income	(151)	(234)	(371)	(411)
Finance expense	6,744	6,289	12,707	12,972
Income tax expense	2,858	3,447	5,414	7,522
Operating profit before working capital changes	29,312	34,355	52,645	71,864
Changes in working capital:				
Inventories	(1,764)	(6,603)	5,121	(9,175)
Trade and other receivables	(3,651)	(6,113)	(27,889)	(20,120)
Trade and other payables	(7,359)	26,843	(12,238)	22,415
Cash generated from operations	16,538	48,482	17,639	64,984
Income taxes paid	(2,025)	(4,032)	(3,968)	(6,222)
Payment for long service and annual leave and others	(1,090)	(1,130)	(2,909)	(2,131)
Net cash from operating activities	13,423	43,320	10,762	56,631
Investing activities:				
Purchase of property, plant and equipment	(6,131)	(14,991)	(18,797)	(32,652)
Purchase of intangible assets	(259)	(395)	(485)	(732)
Proceeds from disposal of property, plant and equipment	9,021	1,157	35,981	14,677
Proceeds from disposal of an associate	-	-	-	17,181
Distribution from liquidation of an associate	321	-	321	-
Net cash inflow on disposal of subsidiaries	-	10,761	-	10,761
Dividends received from associates	2,050	532	2,050	678
Dividends received from other financial assets	306	-	306	-
Loan to associate	(1,200)	-	(1,200)	-
Investment in a joint venture	-	-	-	(2,261)
Investment in other financial assets	-	(155)	-	(155)
Interest received	151	234	371	411
Net cash from/(used in) investing activities	4,259	(2,857)	18,547	7,908

	Group (Second Quarter)		Group (Half Year)	
	3 months ended		6 months ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	S$'000	S$'000	S$'000	S$'000
Financing activities:				
Purchase of treasury shares	(1,058)	-	(1,058)	-
Net repayment of trust receipts	(6,010)	(11,939)	(1,233)	(31,576)
Proceeds from bank loans	24,516	19,492	66,175	76,463
Repayment of bank loans	(40,449)	(43,268)	(71,711)	(68,973)
Proceeds from finance lease obligations	9,787	13,723	10,790	16,542
Repayment of finance lease obligations	(35,341)	(22,318)	(51,739)	(41,954)
Dividends paid	(6,298)	(6,417)	(6,298)	(6,417)
Acquisition of non-controlling interests	(10,326)	-	(10,326)	(11,302)
Equity contribution by non-controlling interests	10,326	-	10,326	11,044
Change in bank balances earmarked for certain banking facilities	(3)	-	(74)	-
Interest paid	(6,521)	(5,967)	(12,391)	(12,754)
Net cash used in financing activities	(61,377)	(56,694)	(67,539)	(68,927)
Net decrease in cash and cash equivalents during the period	(43,695)	(16,231)	(38,230)	(4,388)
Cash and cash equivalents at beginning of the period	96,614	64,289	92,237	51,191
Effect of exchange rate fluctuations on cash held	32	(1,315)	(1,056)	(60)
Cash and cash equivalents at end of the period	52,951	46,743	52,951	46,743

	Group	
	30 September 2015	30 September 2014
	S$'000	S$'000
Cash and cash equivalents		
Cash, bank balances and fixed deposits with banks	54,054	46,743
Bank balances earmarked for certain banking facilities	(1,103)	-
Cash and cash equivalents at end of the period	52,951	46,743

Notes:

During the quarter ended 30 September 2015, the Group acquired property, plant and equipment with an aggregate cost of S$18,196,000 (30 September 2014: S$25,340,000) of which S$1,896,000 (30 September 2014: S$19,579,000) was acquired by means of finance leases.

In addition, property, plant and equipment of S$10,945,000 (30 September 2014: S$21,554,000) was reclassified from inventories during the quarter ended 30 September 2015, of which S$10,790,000 (30 September 2014: S$16,542,000) was financed by means of finance leases.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group

	Share capital S$'000	Reserve for own shares S$'000	Share-based payment reserve S$'000	Capital reserves S$'000	Currency translation reserve S$'000	Accumulated profits S$'000	Total attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
At 1 April 2014	**337,321**	**(1,606)**	**778**	**29,424**	**(20,493)**	**330,111**	**675,535**	**52,073**	**727,608**
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	5,961	5,961	250	6,211
Other comprehensive income									
Foreign currency translation reclassified to profit or loss on disposal of an associate	-	-	-	-	1,023	-	1,023	-	1,023
Net loss on translation of net investment in foreign entities	-	-	-	(51)	(1,129)	-	(1,180)	(924)	(2,104)
Total other comprehensive income	-	-	-	(51)	(106)	-	(157)	(924)	(1,081)
Total comprehensive income for the period	-	-	-	(51)	(106)	5,961	5,804	(674)	5,130
Transactions with owners of the Company, recognised directly in equity									
Contributions by and distributions to owners of the Company									
Value of employee services received for issue of performance shares	-	-	151	-	-	-	151	-	151
Performance shares awarded using treasury shares	-	185	(188)	3	-	-	-	-	-
Total contributions by and distributions to owners of the Company	-	185	(37)	3	-	-	151	-	151
Change in ownership interest in subsidiaries									
Acquisition of / Equity contribution by non-controlling interests	-	-	-	(5,196)	-	-	(5,196)	4,938	(258)
Total changes in ownership interests in subsidiaries	-	-	-	(5,196)	-	-	(5,196)	4,938	(258)
At 30 June 2014	**337,321**	**(1,421)**	**741**	**24,180**	**(20,599)**	**336,072**	**676,294**	**56,337**	**732,631**

The Group

	Share capital S$'000	Reserve for own shares S$'000	Share-based payment reserve S$'000	Capital reserves S$'000	Currency translation reserve S$'000	Accumulated profits S$'000	Total attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
At 1 July 2014	**337,321**	**(1,421)**	**741**	**24,180**	**(20,599)**	**336,072**	**676,294**	**56,337**	**732,631**
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	11,452	11,452	1,553	13,005
Other comprehensive income									
Net (loss)/gain on translation of net investment in foreign entities	-	-	-	90	(6,162)	-	(6,072)	257	(5,815)
Total other comprehensive income	-	-	-	90	(6,162)	-	(6,072)	257	(5,815)
Total comprehensive income for the period	-	-	-	90	(6,162)	11,452	5,380	1,810	7,190
Transactions with owners of the Company, recognised directly in equity									
Contributions by and distributions to owners of the Company									
Disposal of subsidiaries	-	-	-	-	-	-	-	(7,154)	(7,154)
Value of employee services received for issue of performance shares	-	-	30	-	-	-	30	-	30
Cancellation of share options	-	-	(24)	-	-	24	-	-	-
Bonus shares issued by a subsidiary	-	-	-	3,706	-	(3,706)	-	-	-
Dividends paid	-	-	-	-	-	(6,417)	(6,417)	(1,039)	(7,456)
Total contributions by and distributions to owners of the Company	-	-	6	3,706	-	(10,099)	(6,387)	(8,193)	(14,580)
At 30 September 2014	**337,321**	**(1,421)**	**747**	**27,976**	**(26,761)**	**337,425**	**675,287**	**49,954**	**725,241**

The Group

	Share capital S$'000	Reserve for own shares S$'000	Share-based payment reserve S$'000	Capital reserves S$'000	Fair value reserve S$'000	Currency translation reserve S$'000	Accumulated profits S$'000	Total attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
At 1 April 2015	**325,849**	**(1,766)**	**779**	**26,258**	**273**	**(22,234)**	**321,670**	**650,829**	**50,571**	**701,400**
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	2,789	2,789	275	3,064
Other comprehensive income										
Net loss on translation of net investment in foreign entities	-	-	-	(80)	-	(10,696)	-	(10,776)	(817)	(11,593)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(180)	-	-	(180)	-	(180)
Total other comprehensive income	-	-	-	(80)	(180)	(10,696)	-	(10,956)	(817)	(11,773)
Total comprehensive income for the period	-	-	-	(80)	(180)	(10,696)	2,789	(8,167)	(542)	(8,709)
Transactions with owners of the Company, recognised directly in equity										
Contributions by and distributions to owners of the Company										
Cancellation of share options	-	-	(132)	-	-	-	132	-	-	-
Value of employee services received for issue of performance shares	-	-	66	-	-	-	-	66	-	66
Performance shares awarded using treasury shares	-	151	(164)	13	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	-	151	(230)	13	-	-	132	66	-	66
At 30 June 2015	**325,849**	**(1,615)**	**549**	**26,191**	**93**	**(32,930)**	**324,591**	**642,728**	**50,029**	**692,757**

The Group

	Share capital S$'000	Reserve for own shares S$'000	Share-based payment reserve S$'000	Capital reserves S$'000	Fair value reserve S$'000	Currency translation reserve S$'000	Accumulated profits S$'000	Total attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
At 1 July 2015	**325,849**	**(1,615)**	**549**	**26,191**	**93**	**(32,930)**	**324,591**	**642,728**	**50,029**	**692,757**
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	4,389	4,389	(112)	4,277
Other comprehensive income										
Foreign currency translation reclassified to profit or loss on liquidation of an associate	-	-	-	-	-	45	-	45	-	45
Net loss on translation of net investment in foreign entities	-	-	-	253	-	(5,071)	-	(4,818)	870	(3,948)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	372	-	-	372	-	372
Total other comprehensive income	-	-	-	253	372	(5,026)	-	(4,401)	870	(3,531)
Total comprehensive income for the period	-	-	-	253	372	(5,026)	4,389	(12)	758	746
Transactions with owners of the Company, recognised directly in equity										
Contributions by and distributions to owners of the Company										
Cancellation of share options	-	-	(7)	-	-	-	7	-	-	-
Value of employee services received for issue of performance shares	-	-	9	-	-	-	-	9	-	9
Purchase of treasury shares	-	(1,058)	-	-	-	-	-	(1,058)	-	(1,058)
Dividends paid	-	-	-	-	-	-	(6,298)	(6,298)	-	(6,298)
Total contributions by and distributions to owners of the Company	-	(1,058)	2	-	-	-	(6,291)	(7,347)	-	(7,347)
Change in ownership interest in subsidiaries										
Acquisition of / Equity contribution by non-controlling interests	-	-	-	3,178	-	-	-	3,178	(3,178)	-
Total changes in ownership interests in subsidiaries	-	-	-	3,178	-	-	-	3,178	(3,178)	-
At 30 September 2015	**325,849**	**(2,673)**	**551**	**29,622**	**465**	**(37,956)**	**322,689**	**638,547**	**47,609**	**686,156**

The Company	Share capital S$'000	Reserve for own shares S$'000	Share based payment reserve S$'000	Capital reserves S$'000	Accumulated profits S$'000	Total equity S$'000
At 1 April 2014	**337,321**	**(1,606)**	**778**	**28**	**42,586**	**379,107**
Total comprehensive income for the period						
Loss for the period/Total comprehensive income for the period	-	-	-	-	(861)	(861)
Contributions by and distributions to owners of the Company						
Value of employee services received for issue of performance shares	-	-	151	-	-	151
Performance shares awarded using treasury shares	-	185	(188)	3	-	-
Total contributions by and distributions to owners of the Company	-	185	(37)	3	-	151
At 30 June 2014	**337,321**	**(1,421)**	**741**	**31**	**41,725**	**378,397**
At 1 July 2014	**337,321**	**(1,421)**	**741**	**31**	**41,725**	**378,397**
Total comprehensive income for the period						
Loss for the period/Total comprehensive income for the period	-	-	-	-	(2,183)	(2,183)
Contributions by and distributions to owners of the Company						
Cancellation of share options	-	-	(24)	-	24	-
Value of employee services received for issue of performance shares	-	-	30	-	-	30
Dividends paid	-	-	-	-	(6,417)	(6,417)
Total contributions by and distributions to owners of the Company	-	-	6	-	(6,393)	(6,387)
At 30 September 2014	**337,321**	**(1,421)**	**747**	**31**	**33,149**	**369,827**

The Company	Share capital S$'000	Reserve for own shares S$'000	Share based payment reserve S$'000	Capital reserves S$'000	Fair value reserve S$'000	Accumulated profits S$'000	Total equity S$'000
At 1 April 2015	**325,849**	**(1,766)**	**779**	**(1,951)**	**273**	**43,286**	**366,470**
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	(3,463)	(3,463)
Other comprehensive income							
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(180)	-	(180)
Total other comprehensive income	-	-	-	-	(180)	-	(180)
Total comprehensive income for the period	-	-	-	-	(180)	(3,463)	(3,643)
Contributions by and distributions to owners of the Company							
Cancellation of share options	-	-	(132)	-	-	132	-
Value of employee services received for issue of performance shares	-	-	66	-	-	-	66
Performance shares awarded using treasury shares	-	151	(164)	13	-	-	-
Total contributions by and distributions to owners of the Company	-	151	(230)	13	-	132	66
At 30 June 2015	**325,849**	**(1,615)**	**549**	**(1,938)**	**93**	**39,955**	**362,893**
At 1 July 2015	**325,849**	**(1,615)**	**549**	**(1,938)**	**93**	**39,955**	**362,893**
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	(4,402)	(4,402)
Other comprehensive income							
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	329	-	329
Total other comprehensive income	-	-	-	-	329	-	329
Total comprehensive income for the period	-	-	-	-	329	(4,402)	(4,073)
Contributions by and distributions to owners of the Company							
Cancellation of share options	-	-	(7)	-	-	7	-
Value of employee services received for issue of performance shares	-	-	9	-	-	-	9
Purchase of treasury shares	-	(1,058)	-	-	-	-	(1,058)
Dividends paid	-	-	-	-	-	(6,298)	(6,298)
Total contributions by and distributions to owners of the Company	-	(1,058)	2	-	-	(6,291)	(7,347)
At 30 September 2015	**325,849**	**(2,673)**	**551**	**(1,938)**	**422**	**29,262**	**351,473**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Other than the purchase of treasury shares during the quarter ended 30 September 2015 as disclosed in Paragraph 1(d)(iv) below, there were no other changes in the Company's share capital since 30 June 2015.

There were 155,000 performance shares granted but not vested as at 30 September 2015 (30 September 2014: 418,500).

Share Option

No share options under the Tat Hong Employee Share Option Scheme 2006 were exercised during the quarter ended 30 September 2015 (30 September 2014: nil).

During the quarter ended 30 September 2015, 25,000 share options were cancelled (30 September 2014: 25,000). As at 30 September 2015, there were 1,584,000 (30 September 2014: 2,034,000) outstanding share options exercisable at the price of S$1.08 per share.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 30 September 2015, the Company's issued and paid up capital less treasury shares comprised 627,528,923 ordinary shares (31 March 2015: 629,563,323).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.

	FY2016	FY2015
Balance as at 1 April	2,029,500	1,769,000
Performance shares awarded using treasury shares in 1Q	(173,500)	(203,500)
Purchase of treasury shares in 2Q	2,207,900	-
Balance as at 30 September	4,063,900	1,565,500

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statements for the current reporting period as those applied in the audited financial statements for the year ended 31 March 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In the current financial period, the Group adopted the applicable new and revised Singapore Financial Reporting Standards ("FRSs") and related Interpretations ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2015. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's accounting policies and has no material effect on the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group (Second Quarter)		Group (Half Year)	
	3 months ended	3 months ended	6 months ended	6 months ended
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
Net Profit attributable to owners of the Group (S$'000)	4,389	11,452	7,178	17,413
Weighted average ordinary shares ('000) for calculation of:				
- Basic earnings per share	629,097	630,028	629,386	629,994
- Diluted earnings per share	629,097	630,028	629,386	629,994
Earnings per ordinary share ("EPS") (SGD cents) of the Group:				
(a) Based on the weighted average number of ordinary shares on issue	0.70	1.82	1.14	2.76
(b) On a fully diluted basis	0.70	1.82	1.14	2.76

The weighted average number of ordinary shares for the quarter ended 30 September 2015 comprised only the ordinary shares of the company as the company had fully redeemed the outstanding 11,700,000 convertible redeemable preference shares in March 2015. Accordingly, the number of ordinary shares used in calculating the EPS for the quarter ended 30 September 2014 has been adjusted retrospectively.

As at 30 September 2015, there were 1,584,000 (30 September 2014: 2,034,000) share options which were granted on 30 September 2009 available for conversion to ordinary shares. The share options are deemed to be anti-dilutive (30 September 2014: anti-dilutive) and are not included in the weighted average number of ordinary shares for the purpose of computing diluted earnings per share.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	30 September 2015	31 March 2015	30 September 2015	31 March 2015
Net asset value per ordinary share (S$)	1.02	1.03	0.56	0.58
Net tangible asset per ordinary share (S$)	0.99	1.00	0.56	0.58

Net asset value and net tangible asset per ordinary share as at 30 September 2015 and 31 March 2015 were computed based on 627,528,923 and 629,563,323 shares respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cashflow, working capital, assets or liabilities of the group during the current financial period reported on.

Income statement

The Group's revenue in the quarter ended 30 September 2015 ("2QFY2016") decreased by 10% to S$137.4 million, compared to S$152.8 million in the quarter ended 30 September 2014 ("2QFY2015"). The decrease was primarily contributed by a weaker AUD:SGD and lack of revenue contribution of S$3.0 million from a divested Crane Rental subsidiary. Excluding these effects, the Group's revenue decreased by 2%.

A breakdown of the Group's revenue by business segments is set out below:

	Group (Second Quarter)			Group (Half Year)		
Revenue	FY2016	FY2015	Change	FY2016	FY2015	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Crane Rental	47,866	64,249	-26%	96,878	130,544	-26%
Tower Crane Rental	22,973	24,534	-6%	46,229	49,003	-6%
General Equipment Rental	11,788	15,342	-23%	23,506	31,669	-26%
Distribution	54,785	48,719	+13%	110,069	105,799	+4%
Total	137,412	152,844	-10%	276,682	317,015	-13%

Crane Rental revenue in 2QFY2016 fell by 26% to S$47.9m. Excluding the effects of the disposal of a Crane Rental subsidiary and weaker AUD, the decrease was 17%, mainly due to completion of projects in Australia, Malaysia and Thailand.

Tower Crane Rental division posted a 6% decrease in revenue to S$23.0m in 2QFY2016, mainly due to completion of projects and lower utilisation rates.

A weak construction sector in Australia and AUD:SGD resulted in a 23% decline in 2QFY2016 revenue from General Equipment Rental division (2QFY2015: S$15.3 million). Excluding the effect of the weak AUD:SGD, the decline was 12%.

Revenue generated by the Distribution division in 2QFY2016 increased by 13% to S$54.8 million. Excluding the effect of the weak AUD:SGD, the increase was 22%, mainly due to higher demand for cranes in Hong Kong, Japan, Brunei, and Thailand as well as better sales of general equipment in Australia, partially offset by weaker demand for cranes in Singapore and Malaysia as well as a decline in the sales of spare parts.

The overall decrease in 2QFY2016 revenue led to a decline in the Group's gross profit, by 23%, to S$43.4 million (2QFY2015: S$56.3 million). Gross profit margin fell from 36.8% to 31.6%, mainly attributable to higher outsourcing costs in Australia and lower utilisation rates.

The Group's other income in 2QFY2016 decreased by 32% to S$6.9 million (2QFY2015: S$10.1 million). 2QFY2015's other income included a S$4.8m gain on disposal of a Crane Rental subsidiary.

The Group's total operating costs declined by 22% to S$36.2 million (2QFY2015: S$46.6 million), primarily due to the cost containment measures implemented by the Group and the effect of weaker AUD, partially offset by lower foreign exchange gain (2QFY2016: S$0.2 million; 2QFY2015: S$4.6 million).

Weaker performance from the Group's associates and joint ventures resulted in a loss of S$0.2 million in 2QFY2016 (2QFY2015: S$2.9 million).

Finance costs increased by S$0.4 million primarily due to higher interest rates.

The Group's 2QFY2016 pre-tax profit fell by 57% to S$7.1 million and profit attributable to shareholders fell by 62% to S$4.4 million.

Balance Sheet Analysis (as at 30 September 2015 vs 31 March 2015)

- The decrease of S$43.7 million in the Group's net carrying amount of property, plant and equipment was mainly attributable to the disposal of properties in Australia, depreciation expense and the effect of a weaker AUD:SGD, partially offset by the addition of property, plant and equipment due to expansion of the tower crane rental segment.
- A property in Malaysia with a net book value of S$2.2 million was reclassified to "Asset held for sale" as at 31 March 2015 as the Group had committed to sell the property, which was disposed in 1QFY2016 for a cash consideration of approximately S$6.5 million.
- Inventories decreased by approximately S$16.1 million, mainly due to the reclassification from inventories to property, plant and equipment of S$10.9 million and prudent inventory purchases during the period.
- Trade and other receivables increased by approximately S$29.7 million due to the timing of sales.
- Total financial liabilities decreased by approximately S$50.4 million due to net repayment and translation loss arising from a weaker AUD:SGD.
- Net gearing as at 30 September 2015 was 0.76 times (31 March 2015: 0.77 times).

Cash flow

The net decrease of S$43.7 million in cash and cash equivalents during 2QFY2016 resulted mainly from net repayment of bank loans, trust receipts and finance lease obligations, interest payments, dividend payment, and purchase of property, plant and equipment, partially offset by the operating cash flow surplus and proceeds from the disposal of property, plant and equipment.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The macro environment was largely similar to that disclosed in Paragraph 10 of the Group's Financial Statements for 1QFY2016 ended 30 June 2015 which was released via the SGXNET on 14 August 2015.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The market weakness in the Asean countries and Australia for Crane Rental is expected to adversely affect the Division's performance. The Crane Rental Division will continue to rationalise its fleet size and operational structure to reduce operating costs.

The General Equipment Rental Division is not expected to perform well due to the slow recovery of the Australian construction sector.

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

The Tower Crane Rental Division is expected to grow steadily in FY2016 on the back of a strong fleet size and new opportunities in the building, infrastructure, transport and power generation sectors in the People's Republic of China.

The Group is facing difficult economic and sectoral outlooks in its key markets and expects its performance to be depressed.

11. Dividend

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on? No

(b) Corresponding period of the immediately preceding financial year

Any dividend recommended for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Ordinary (One Tier)
Amount per share	0.5 Singapore cents
Tax Rate	-

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared for the current financial period reported on.

13. Interested Person Transactions

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)				Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)			
	Group (Second Quarter) 3 months ended		Group (Half Year) 6 months ended		Group (Second Quarter) 3 months ended		Group (Half Year) 6 months ended	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
(A) Sale								
CS Construction & Geotechnic Pte Ltd	-	-	-	-	-	440	-	440
CMC Construction Pte Ltd	-	-	-	-	-	-	-	1,000
L&M Foundation Specialist Pte Ltd	-	-	-	-	532	-	1,386	-
THL Foundation Equipment Pte Ltd	-	-	-	-	400	-	400	-
(B) Purchase								
CMC Construction Pte Ltd	-	-	-	-	-	-	264	-
ICE Far East (HK) Ltd	-	-	-	-	-	237	-	465
BP-Ubi Industrial Pte Ltd	-	-	-	-	150	-	299	-

14. Confirmation of Procuring Undertakings from Directors and Executive Officers

The Company has procured undertakings from all its Directors and executive officers (in the format set out in Appendix 7.7 of the Listing Manual) under Rule 720(1) of the Listing Manual.

By Order of the Board
Lional Tseng
Group Chief Financial Officer / Joint Company Secretary
13 November 2015

STATEMENT PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We confirm on behalf of the Board of Directors that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the financial results of the Group and Company (comprising the statement of financial position, consolidated statement of comprehensive income, statement of changes in equity and consolidated statement of cash flow, together with their accompanying notes) as at 30 September 2015 and the results of the business, changes in equity and cash flows of the Group for the 6 months ended on that date, to be false or misleading in any material respect.

ON BEHALF OF THE DIRECTORS

Ng San Tiong
Managing Director

Ng Sun Ho
Executive Director