Registration No: 199105392H

FOR IMMEDIATE RELEASE

Tat Hong Reports Net Profit of S$4.9 Million for FY2015

- ***Reported PATMI impacted by non-cash impairments of S$30.8 million***
- ***Excluding the impairments, operating profit was S$35.7 million***
- ***Strong net cash generated from operations of S$141.6 million***
- ***Monetised S$89.1 million from non-core assets and deleveraged balance sheet***
- ***Proposed final dividend of 1 Singapore cent per share, similar to FY2014***

(S$ million) *For the quarter and full year ended 31 March*	**4QFY2015**	**4QFY2014**	**% Change**	**FY2015**	**FY2014**	**% Change**
Revenue	**136.6**	155.9	-12	**608.6**	684.1	-11
Gross profit	**43.6**	57.4	-24	**212.1**	245.7	-14
Profit before tax	**(18.3)**	8.3	NM	**18.4**	48.9	-62
Net profit attributable to shareholders	**(17.1)**	4.2	NM	**4.9**	32.8	-85
Operating Profit, excluding one-off impairments*	**13.7**	7.2	+90	**35.7**	35.8	-

SINGAPORE, 29 May 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$4.9 million for the full year ended 31 March 2015 ("FY2015"). Excluding S$30.8 million in goodwill and asset impairments by the Group's entities in Australia, operating profit for FY2015 was S$35.7 million, similar to that achieved on a comparable basis for the year ended 31 March 2014 ("FY2014").

**Note: FY2015 goodwill and asset impairments totalled S$30.8 million for entities in Australia. In FY2014, there was a S$3.0 million impairment for diminution of the Group's investment in an associate company.*

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

For the year under review, total Group revenue fell 11% to S$608.1 million as all divisions with the exception of the Tower Crane Rental division turned in weaker performances compared with FY2014. The decline in revenue led to a 14% decline in gross profit to S$212.1 million, yielding a gross profit margin of 34.8% compared with 35.9% achieved a year earlier. The slight reduction in gross profit margin was attributable to lower utilisation rates, higher provision for stock obsolescence in the Distribution division and crane repositioning costs incurred in Australia.

The Group's other operating income increased 23% to S$34.5 million primarily arising from gains from the disposal of properties in Australia and Singapore, the disposal of equipment and the divestment of the Group's non-core subsidiaries and an associate. FY2014 results had 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. The Group also recorded a net foreign exchange gain of S$12.0 million from a weaker Japanese Yen and stronger Renminbi and US Dollar against the Singapore Dollar. In comparison, the Group recorded a net foreign exchange loss of S$8.4 million in FY2014.

Total operating expenses, which included impairment charges of S$30.8 million, increased by 1% to S$206.7 million in FY2015 compared with the previous year. Excluding the impairment charges, total operating expenses decreased by 13% to S$175.9 million a result of cost savings from the disposal of non-core subsidiaries, better cost management by ASEAN and Australian entities in the areas of staff costs and repair and maintenance expenses.

The divestment of an associate and weaker performance from its joint ventures led to a 19% decline in contribution from associates and joint ventures to S$4.4 million compared with S$5.4 million the previous year.

The Group's pre-tax profit fell 62% to S$18.4 million and profit attributable to shareholders, by 85%, to S$4.9 million. Excluding one-off impairments and on a comparable basis, net operating profit in FY2015 remained similar to FY2014 at S$35.7 million.

During the year under review, the Group undertook rigorous efforts to monetise its non-core assets. As a result, the Group unlocked S$89.1 million from the disposal of properties and equipment and from the divestment of non-core subsidiaries and an associate. The proceeds were used to repay loans and other financial obligations resulting in a strengthened and deleveraged balance sheet. In addition, the Group also termed out its debts resulting in a more balanced repayment profile. Net gearing as at 31 March 2015 was 0.77 times, down from 0.87 times a year earlier.

Mr Roland Ng, Managing Director and Group CEO of Tat Hong observed: "FY2015 was a challenging year for Tat Hong which was made worse by the S$30.8 million charge we had to recognise for goodwill and asset impairments for our subsidiaries in Australia in view of the weak market conditions there."

"While next year will be similarly challenging for our crane rental business, especially in Singapore and Australia, we do see some bright spots from our overseas operations. Our tower crane rental operations in China should continue to do well as its serves primarily the infrastructure, industrial and power generation sectors which are driven by government spending. Our distribution business, however, will continue to be a drag on our performance due to weak demand for heavy equipment in Singapore and the region."

"In anticipation of challenges in the market, we have since two years ago embarked on a programme to unlock value from our non-core assets. In FY2015, we increased our efforts to trim our balance sheet and manage our costs. As a leaner Group, we will be able to navigate the uncertain macro-economic environment better."

SEGMENTAL REVIEW

Revenue Breakdown (S$ million)	**4QFY2015**	**4QFY2014**	**% Change**	**FY2015**	**FY2014**	**% Change**
Crane Rental	**46.4**	57.9	-20	**237.6**	259.8	-9
Tower Crane Rental	**22.5**	23.4	-3	**96.6**	89.8	+8
General Equipment Rental	**11.0**	14.3	-23	**55.9**	67.5	-17
Distribution	**56.7**	60.3	-6	**218.5**	267.0	-18
Total	**136.6**	155.9	-12	**608.6**	684.1	-11

Crane Rental

The Crane Rental Division posted a 9% decrease in revenue to S$237.6 million as better performance from Malaysia from its participation in higher value infrastructure and industrial projects and increased barge rental activities partially compensated for the decline in contribution from Singapore which was impacted by reduced contribution from a divested subsidiary, the slowdown in the construction sector and lower rental to overseas markets. Revenue from the Group's operations in Hong Kong and Thailand turned in similar results in FY2015 compared with the previous year from continued participation in long-term infrastructure projects. Crane rental revenue from Australia also remained stable from continued participation in long-term LNG-related projects.

Tower Crane Rental

The Tower Crane Rental division posted a revenue improvement of 8% to S$96.6 million on the back of continued participation in large infrastructure and commercial projects as well as power generation projects. The division added 25 units of tower cranes to its fleet and ended the year with a total of 934 tower cranes.

General Equipment Rental

Lower public spending, a lack of infrastructure projects and weak market conditions resulted in a 17% decline in revenue generated by the General Equipment Rental division to S$55.9 million for the year under review compared to the previous year.

Distribution

Revenue contribution from the Group's Distribution business declined 18% in FY2015 to S$218.4 million. The weaker performance was attributable to a decline in demand in Singapore, Europe and Malaysia as well as a reduction in excavator sales. Australia also recorded lower equipment sales due to weak trading conditions.

BUSINESS PROSPECTS

While demand remains positive in certain markets for the Crane Rental division, weakness in the Singapore and Australia markets will impact performance from this division.

The Tower Crane Rental division is expected to maintain its growth momentum in FY2016 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 turn in a lacklustre performance due to the slow recovery of the Australian construction sector.

Trading conditions for the Distribution division is expected to continue to be challenging due to the generally weak demand for heavy equipment in the region, coupled with the weak Australian economy.

The economic and sector outlooks for the Group's key markets are expected to remain challenging.

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 one of the top tower crane rental companies in the country[2].

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