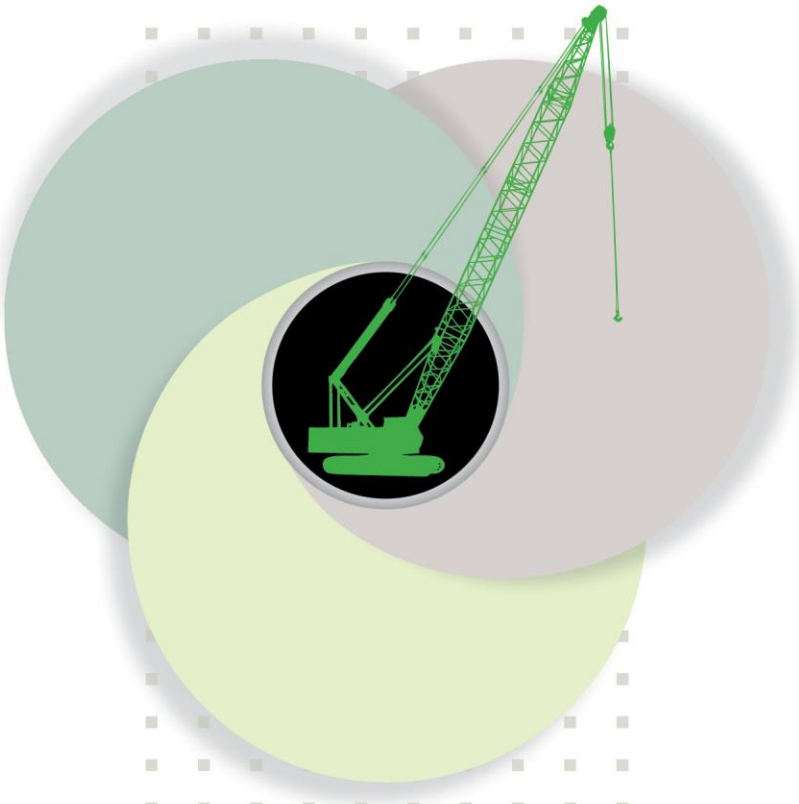


TAT HONG HOLDINGS LTD
4Q/FY2015 RESULTS

29 MAY 2015

TAT HONG HOLDINGS LTD

4Q/FY2015 Results

Fleet Update

Outlook & Prospects

FY2015 Highlights

Stable underlying performance

- **PATMI** fell 85.1% (S$27.9 million) to **S$4.9 million** due to non-cash impairments of **S$30.8 million**
- Excluding the impairments, net profit would have been S$35.7 million
- Challenging market conditions in Singapore and Australia contributed to revenue decline of 11% to S$608.6 million (FY2014: S$684.1 million)

Strong Operating Cash Flow

- Net cash generated from operating activities of **S$141.6 million** (FY2014: S$79.0 million)
- Strong free cash flow of **S$115.1 million** from disposals, better working capital management and reduced capex

Improved Balance Sheet

- Net repayment of S$63.1 million in loans, trust receipts and finance leases
- Cash and cash equivalents increased to S$93.3 million (31 March 2014: S$58.6 million)
- Net gearing of **0.77** times as at 31 March 2015 (31 March 2014: 0.87 times)
- Term Loans maturing in FY2015-18 substantially termed out, up to FY2020.

FY2015 Highlights

Improved capital management

- Unlocked S$89.1 million from divestment of non-core assets and businesses
- Redeployed capital to repayment of loans and other financial obligations and to fund working capital needs
- Stronger balance sheet

Proposed dividend

- Proposed final dividend of 1.00 Singapore Cent per share subject to shareholders' approval (FY2014: 1.00 Singapore Cent)
- If approved, total dividend payout will be 1.50 Singapore Cents per share for FY2015 (FY2014: 2.0 Singapore Cents)

4QFY2015 Summary

Revenue

- **Declined 12% to S$136.6 million**
  - Lower revenues across all divisions

Gross Profit Margin

- **Decreased 4.9% pts to 31.9%**
  - Lower margins across all divisions except Distribution maintained

Pre-tax Earnings

- **Pre-tax loss of S$18.3 million (4QFY2014: Pre-tax profit S$8.3 million)**

  Due mainly to:
  - Non-cash goodwill and asset impairments of S$30.8 million by Australian entities
  - Decrease in gross profit of S$13.8 million due to lower revenue
  - Higher provision for PRC social security contribution of S$1.6 million by China subsidiaries

  Partially mitigated by :
  - Higher other income of S$11.8 million from gain on disposal of properties in Australia and Singapore
  - Lower operating expenses (excluding impairments) of S$1.3 million as a result of better cost control by ASEAN Group especially in staff costs and expenses for repair and maintenance

Comparisons are made against 4QFY2014 ended 31 March 2014

4QFY2015 Summary

Net Earnings

- **Loss of S$17.1 million (4QFY2015:PATMI S$4.2 million)**

  Due to:
  - Goodwill and asset impairments of S$30.8 million

  Partially mitigated by:
  - Gains of S$11.8 million on disposal of properties in Australia and Singapore
  - Cost savings of S$1.3 million
  - EPS: Negative 2.71 Singapore cents (2.18 excluding impairments)

Balance Sheet

- **Strengthened balance sheet (as at 31 March 2015)**
  - Net gearing of 0.77 times (31 March 2014: 0.87 times)
  - Cash and cash equivalents: S$93.3 million (31 March 2014: S$58.6 million)
  - NTA and NAV per share: S$1.00 and S$1.03, respectively

Comparisons are made against 4QFY2014 ended 31 March 2014

FY2015 Summary

Revenue

- **Declined 11% to S$608.6 million**
  - Lower revenues across all divisions except Tower Crane Rental

Gross Profit Margin

- **Decreased 1.1% pts to 34.8%**
  - Lower margins recorded in all divisions

Pre-tax Earnings

- **Declined 62% to S$18.4 million**

Due mainly to:

- Non-cash goodwill and asset impairments of S$30.8 million by Australian entities
- Lower gross profit of S$33.6 million due to lower revenue and margin compression
- Higher provision of S$3.1 million for doubtful debts and bad debts written off
- Higher provisions for social security contributions in PRC of S$1.6 million
- Higher allowance of S$5.0 million for stock obsolescence
- Lower contribution from associates and JVs of S$1.0 million

Partially mitigated by:

- Higher other income of S$6.4 million:
  - Higher gain on disposal of property and non-core business of S$3.5 million
  - Higher gain on disposal of PPE S$2.8 million
- Net foreign exchange gain of S$12.0 million against net loss of S$8.4 million in FY2014
- Lower staff costs and repair and maintenance expenses of S$5.5 million by ASEAN and Australian entities

Comparisons are made against FY2014 ended 31 March 2014

Financial Highlights

S$'m	4QFY2014	4QFY2015	Change +/- (%)	FY2014	FY2015	Change +/- (%)
Revenue	155.9	**136.6**	-12.4	684.1	**608.6**	-11.0
Gross Profit	57.4	**43.6**	-24.0	245.7	**212.1**	-13.7
Gross Profit Margin (%)	36.8	**31.9**	-4.9 pts	35.9	**34.8**	-1.1 pts
PBT	8.3	**(18.3)**	NM	48.9	**18.4**	-62.4
PATMI	4.2	**(17.1)**	NM	32.8	**4.9**	-85.1
PATMI excluding one-off impairments*	7.2	**13.7**	90.3	35.8	**35.7**	-

* FY2015: Goodwill and asset impairments of S$30.8 million by entities in Australia
FY2014: Impairment for diminution in the value of investment in an associate company in Singapore of S$3.0 million

Balance Sheet

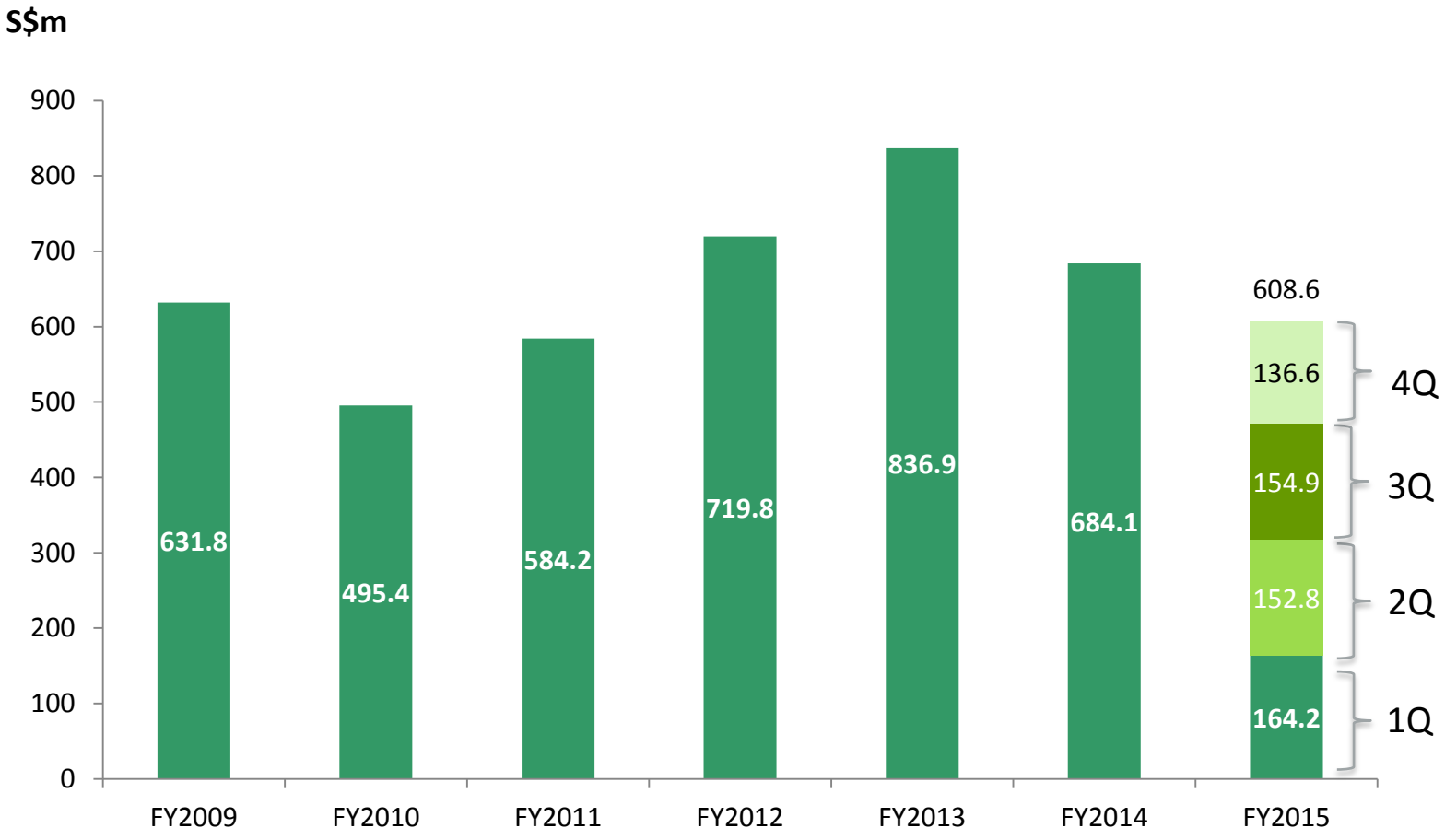
S$'m	As at 31 Mar 2014	As at 31 Mar 2015
Fixed Assets (PP&E)	975.4	**919.3**
Inventories	186.3	**186.5**
Trade and other receivables	228.8	**203.1**
Cash & Cash Equivalents	58.6	**93.3**
Shareholders' Equity	675.5	**650.8**
NTA per share (S$)	1.00	**1.00**
NAV per share (S$)	1.07	**1.03**
Net gearing (times)	0.87	**0.77**

Disposal of Hup Hin Transport , properties and PPE, net foreign exchange translation loss , depreciation and asset impairment partially offset by equipment purchases, reclassification of inventory into PPE and capitalisation of building construction cost

Timing of sales and repayment of loan owed by a joint venture

Redemption of 11.7 million CRPS, dividends declared and loss on dilution related to restructuring of subsidiaries in China

Revenue Trend



Segmental Revenue Highlights

1. Crane Rental

Revenue decreased 20% in 4Q2015 to S$46.4 million and 9% in FY2015 to S$237.6 million

4Q & FY2015

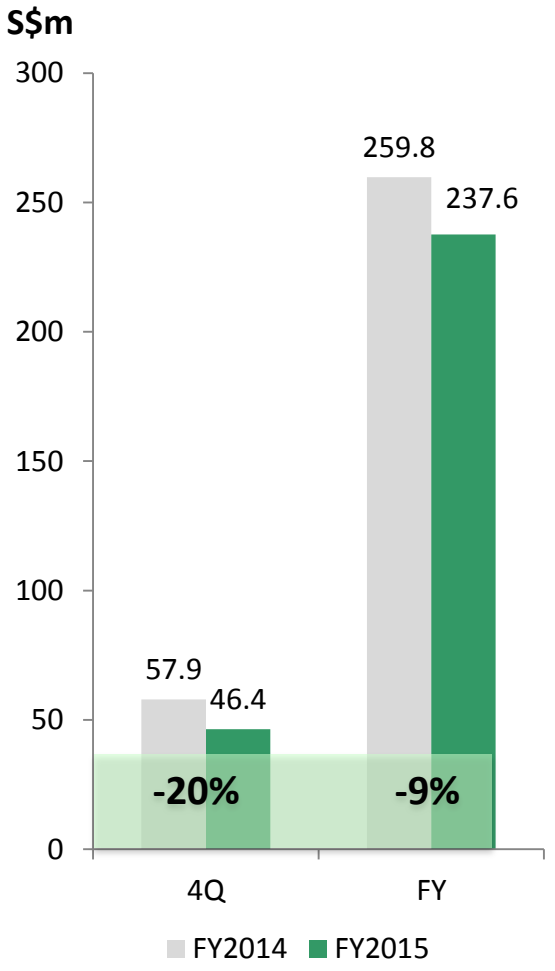
- Singapore: Disposal of Hup Hin Transport in July 2014, completion of projects, slowdown in the construction sector and reduced overseas rental activities, e.g. Papua New Guinea
- Australia: Completion of projects as well as wet season in 4QFY2015. Full year revenue was comparable to FY2014.

Partially mitigated by better performance from:

- Malaysia: Higher value infrastructure projects such as Sabah Ammonia and Urea Plant and Kencana project (fabrication of structures for Wheatstone LNG)
- Higher barge rental activities

Stable performance from:

- Hong Kong and Thailand from on-going infrastructure projects



Comparison is made against 4Q & FY2014 ended 31 March 2014

Segmental Revenue Highlights

2. Tower Crane Rental

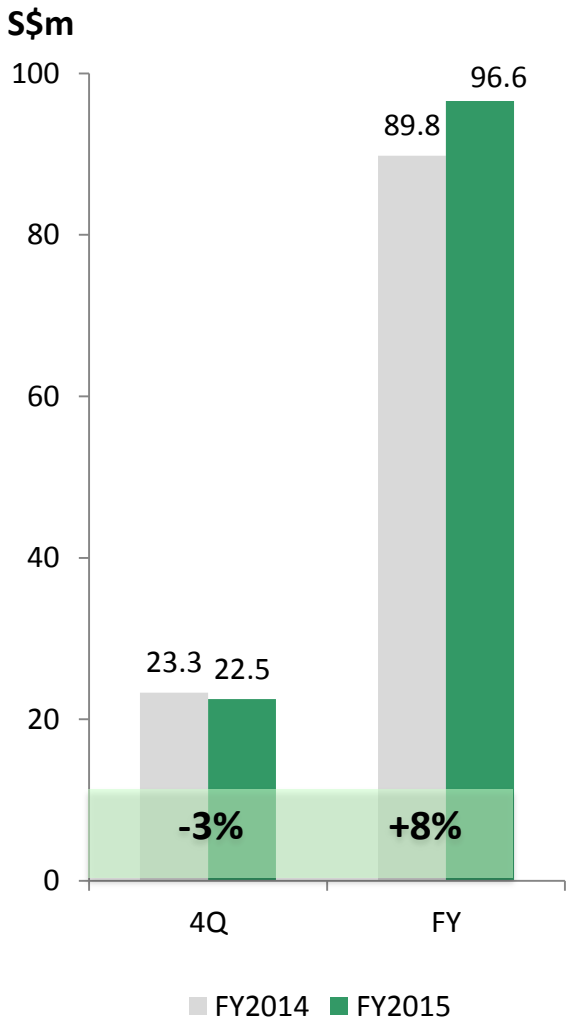
Revenue declined marginally by 3% to S$22.5 million in 4Q2015 but increased by 8% to S$96.6 million in FY2015

4Q

- Decline due to completion of projects and timing issue

FY2015

- Improvement as a result of continued participation in infrastructure, large commercial and power plant projects



Comparison is made against 4Q & FY2014 ended 31 March 2014

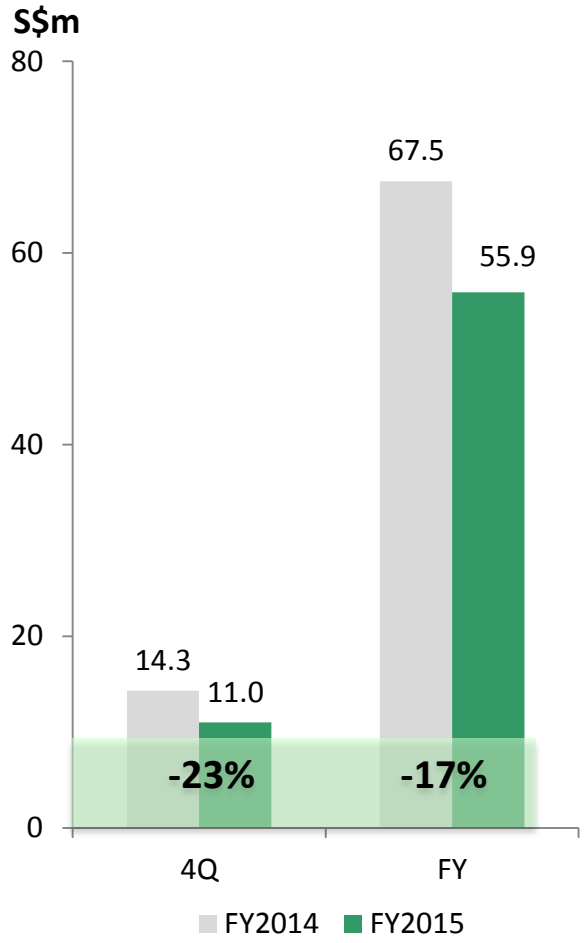
Segmental Revenue Highlights

3. General Equipment Rental

Revenue declined 23% to S$11.0 million in 4QFY2015 and 17% to S$55.9 million in FY2015

4Q & FY2015

- Lower public spending and lack of infrastructure projects
- Weak market conditions in Australia
- Increased pricing pressure



Comparison is made against 4Q & FY2014 ended 31 March 2014

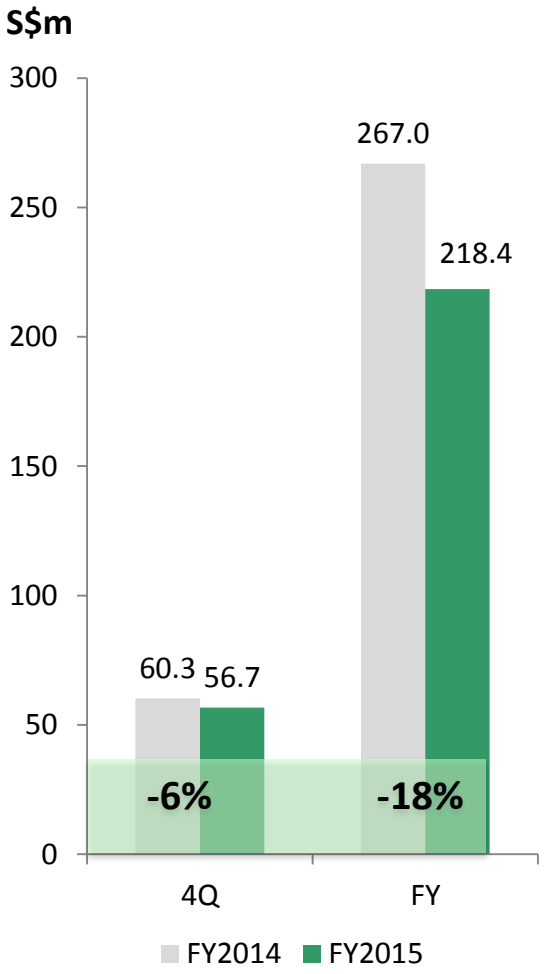
Segmental Revenue Highlights

4. Distribution

Revenue decreased 6% to S$56.7 million in 4QFY2015 and 18% to S$218.4 million in FY2015

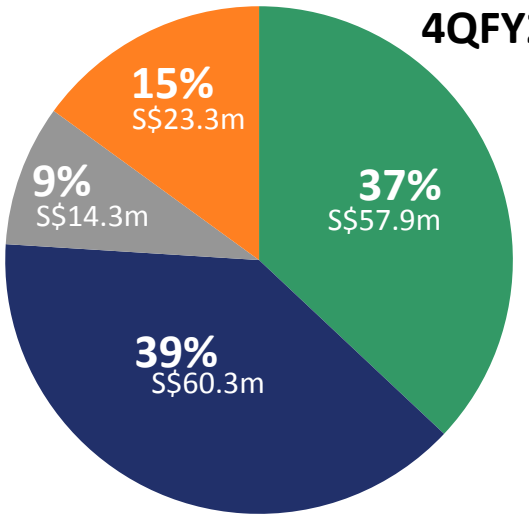
4Q & FY2015

- Decline in demand in Singapore and from overseas markets such as Europe and Malaysia
- Reduction in excavator sales in Indonesia due to the down-sizing of the excavator sales business
- Decline in equipment sales in Australia due to poor trading conditions, although sales improved marginally in 4Q



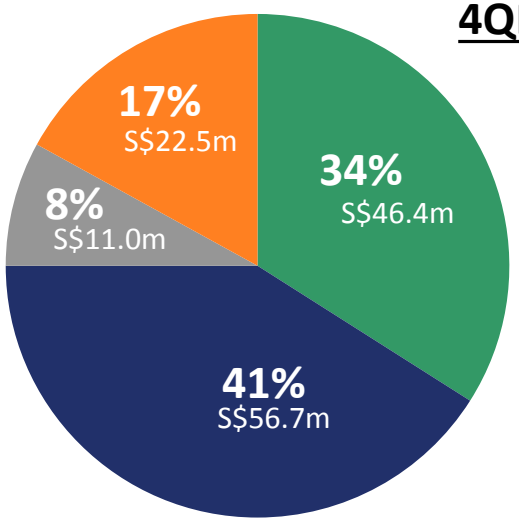
Comparison is made against 4Q & FY 2014 ended 31 March 2014

Revenue by Business Activity



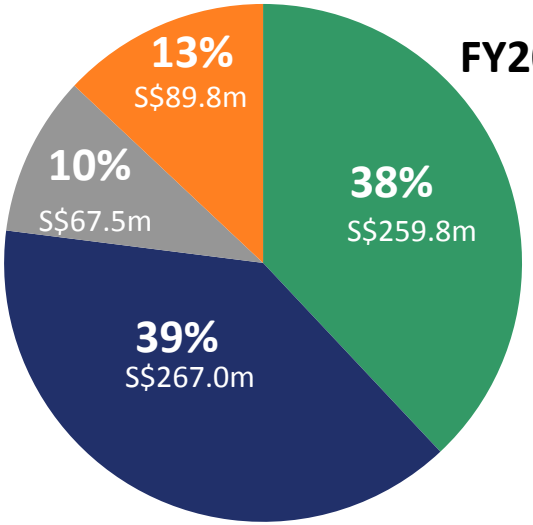
4QFY2014

S$155.9 million



4QFY2015

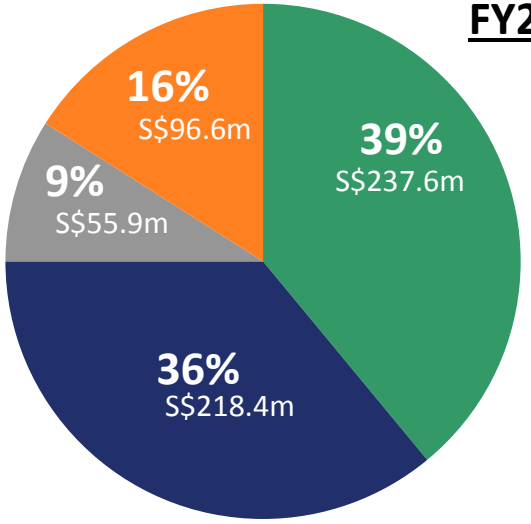
S$136.6 million



FY2014

S$684.1 million

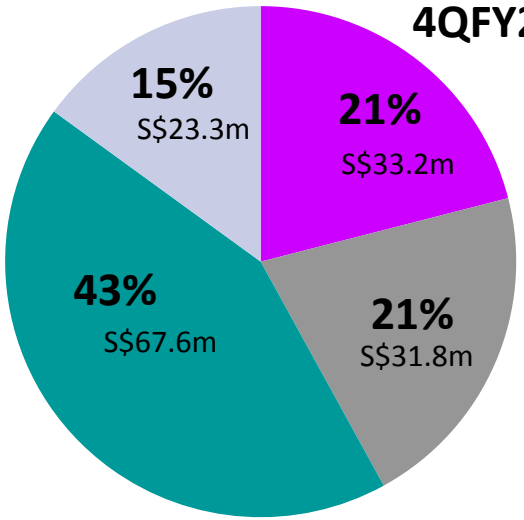
- Crane Rental
- Distribution
- General Equipment Rental
- Tower Crane Rental



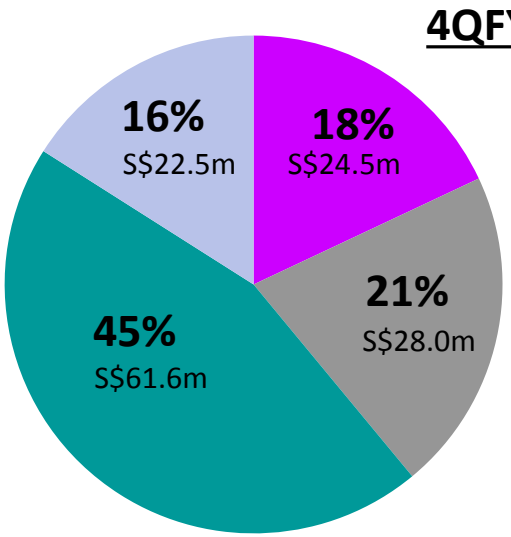
FY2015

S$608.6 million

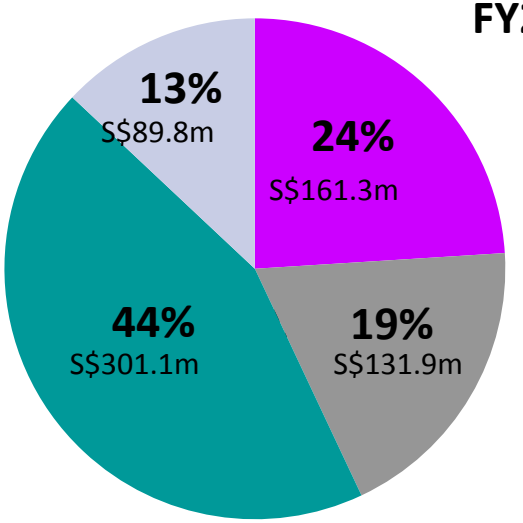
Revenue by Region



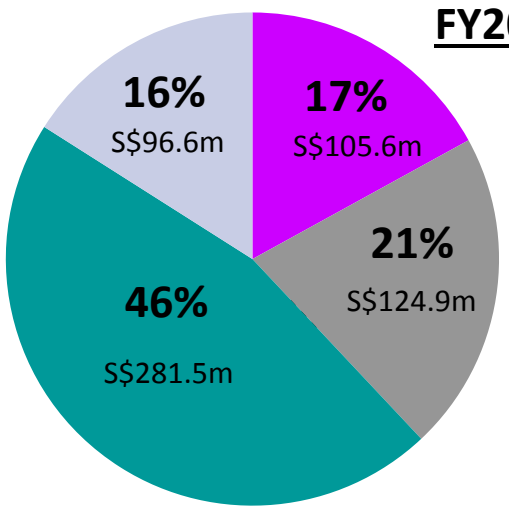
S$155.9 million



S$136.6 million



S$684.1 million



S$608.6 million

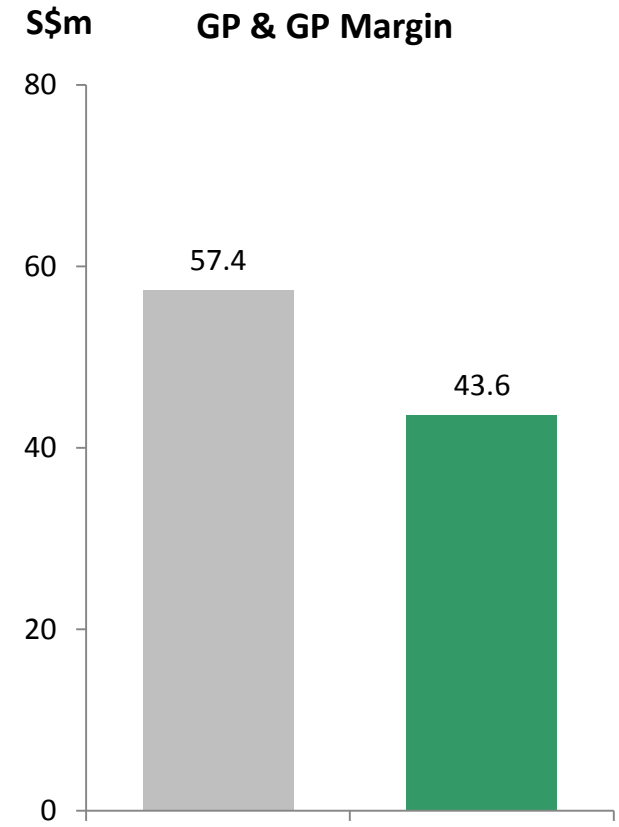
Singapore
SEA + HK
Australia
China

Gross Profit and Gross Profit Margin

Gross profit fell 24% to S$43.6 million whilst gross profit margin (GPM) fell to 31.9% from 36.8% in 4QFY2015

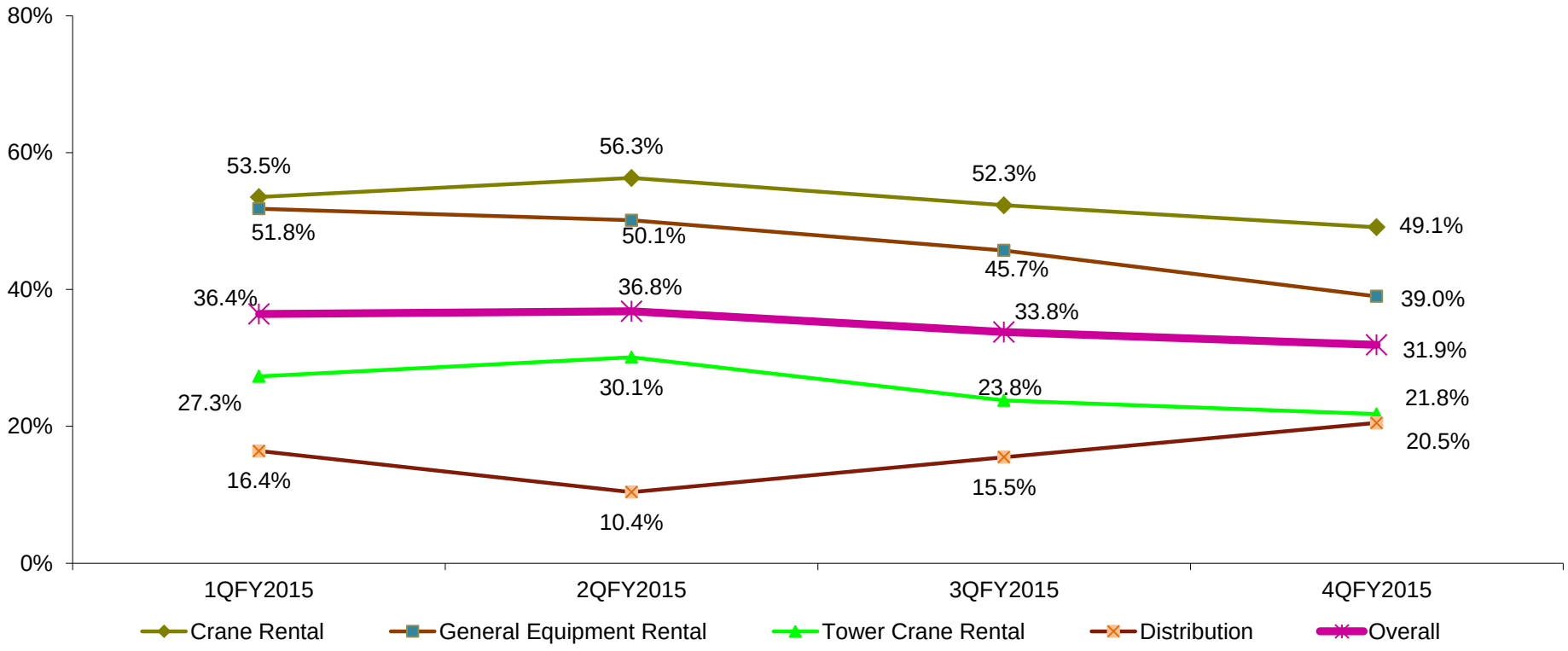
Lower GPM across all divisions except Distribution:

- Crane Rental: Declined to 49.1% from 52.5% primarily due to lower revenues from Singapore and Australia coupled with higher costs in Australia (crane repositioning and labour costs)
- Tower Crane Rental: Fell to 21.8% from 36.2% as a result of lower utilisation, higher depreciation and operating costs associated with a bigger fleet
- General Equipment Rental: Decreased to 39.0% from 48.6% due to lower revenue and rental rates
- Distribution: Increased to 20.5% from 19.3% due to different mix of equipment sold



GPM (%)	36.8	31.9

Gross Profit Margin Trend (**Quarterly**)

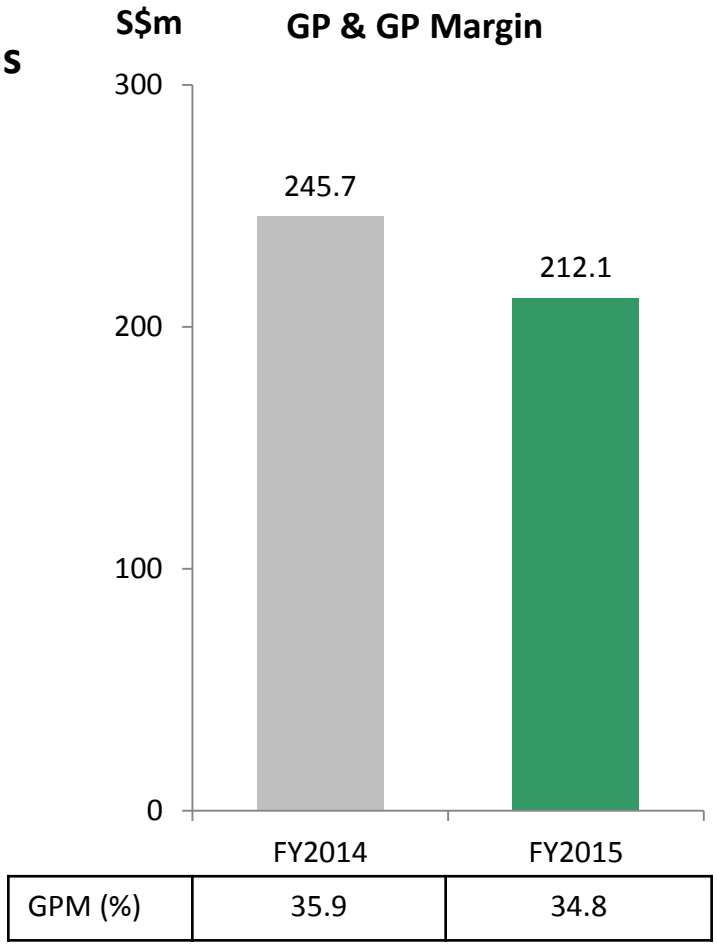


Gross Profit and Gross Profit Margin

Gross profit fell 14% to S$212.1 million whilst (GPM) was marginally lower at 34.8% in FY2015

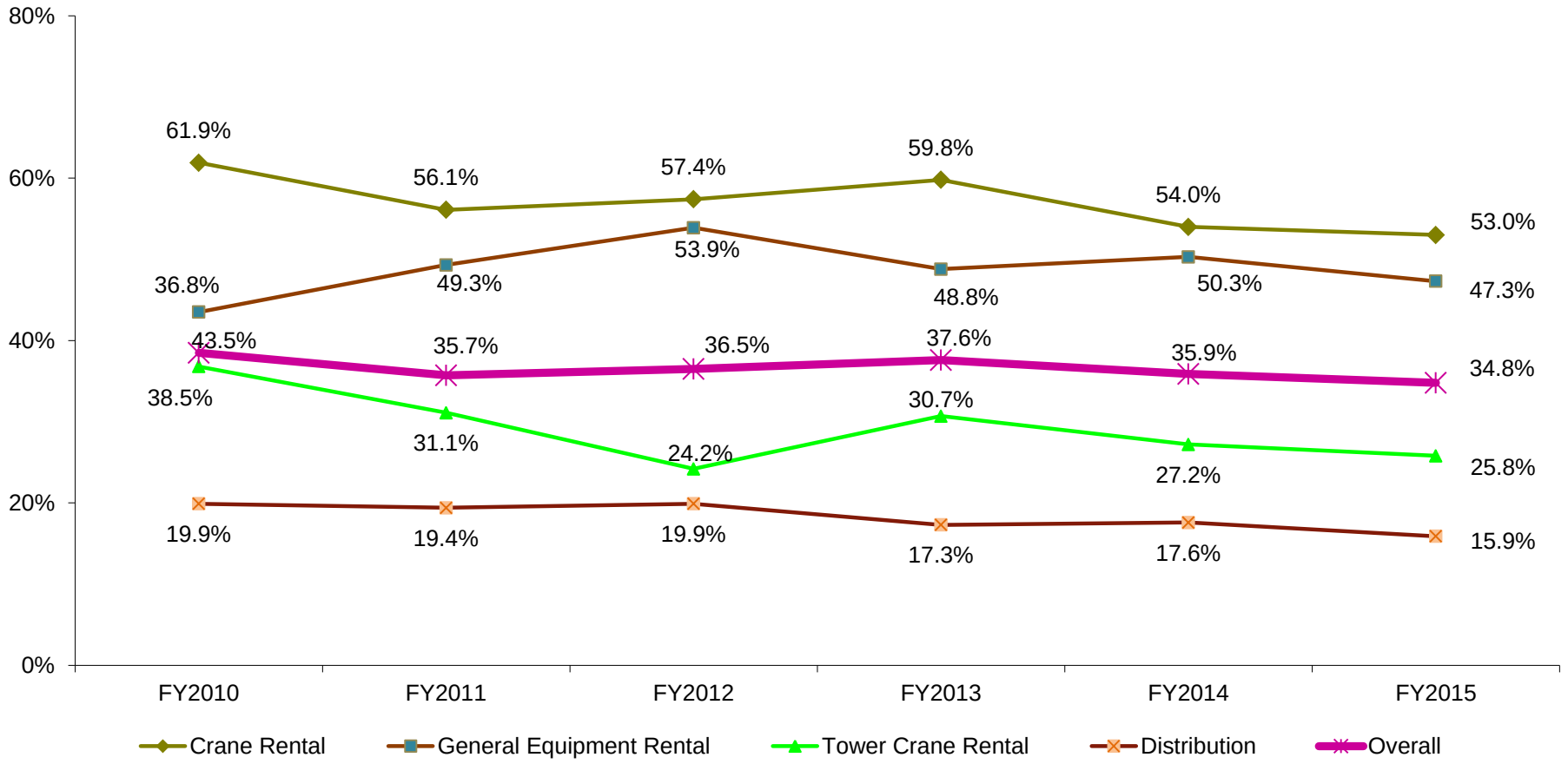
GPM fell across all divisions:

- Crane Rental: 53.0% from 54.0% due to lower rental revenues
- Tower Crane Rental: 25.8% from 27.2% due to higher depreciation associated with a bigger fleet
- General Equipment Rental: 47.3% from 50.3% due to pricing pressure resulting in lower rental rates
- Distribution: 15.9% from 17.6% due to higher provision for stock obsolescence

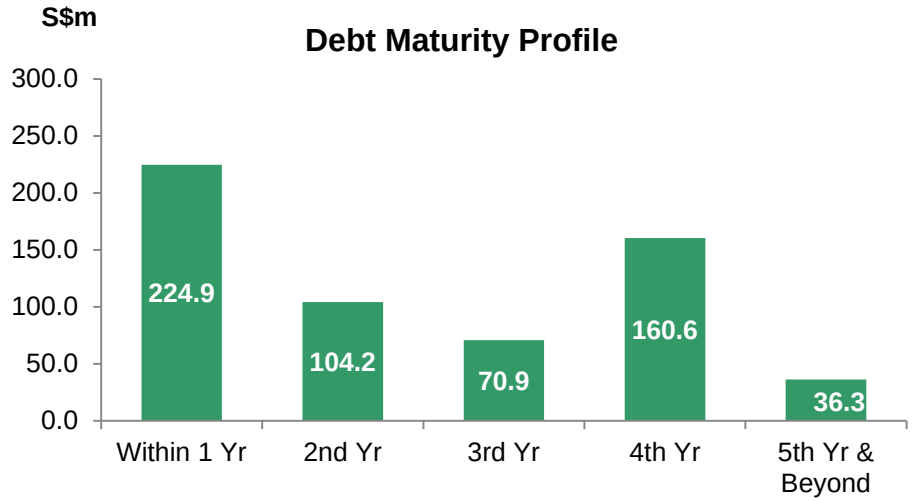


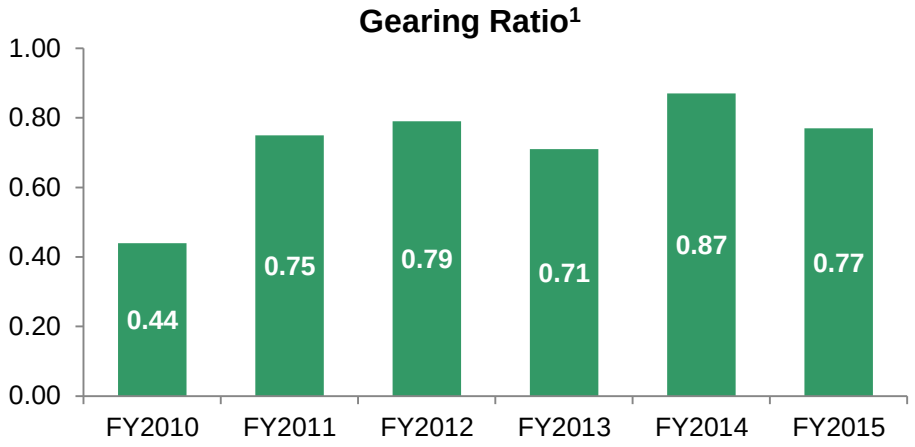
	FY2014	FY2015
GPM (%)	35.9	34.8

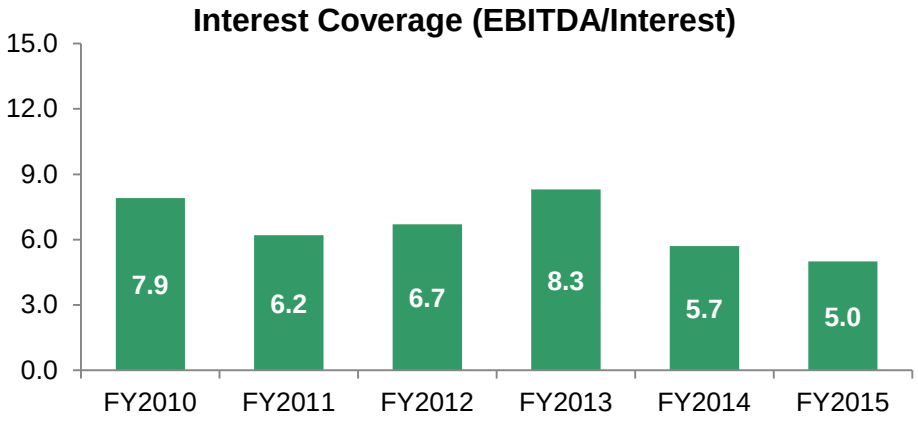
Gross Profit Margin Trend (Yearly)

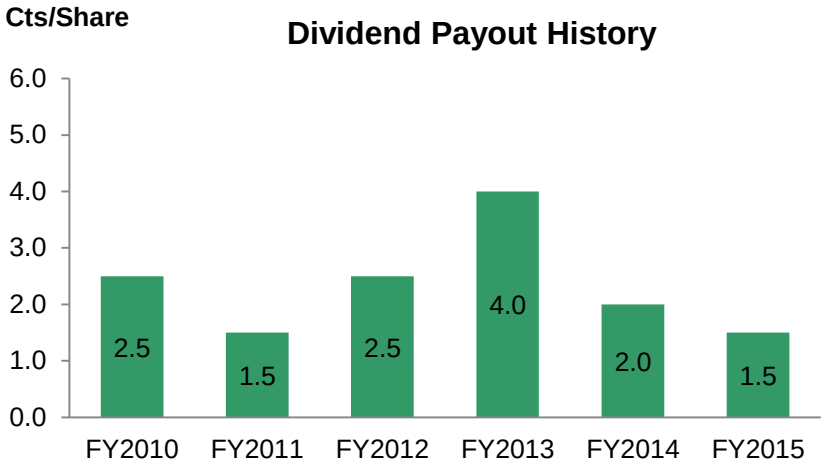


Prudent Capital Management (as at 31 Mar 2015)









[1] Net Debt/Shareholders' Funds (Exclude MI)

Final dividend of 1 Singapore cent per share for FY2015 is subject to shareholders' approval

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4Q/FY2015 Results

Fleet Update

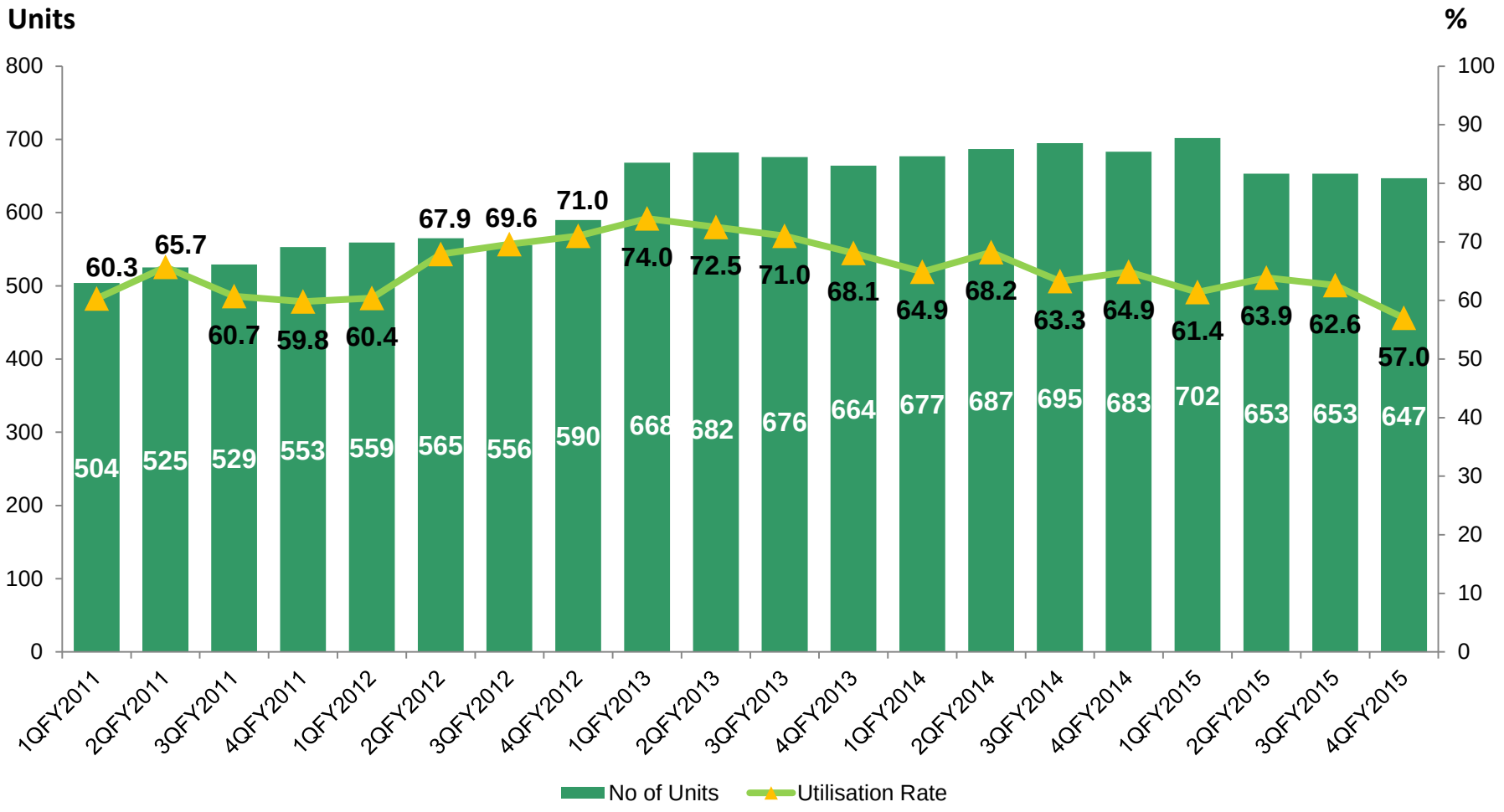
Outlook & Prospects

Crawler/Mobile Crane Fleet

Size (Tonnes)	No. of Cranes *As at 31 March 2014*	No. of Cranes* *As at 31 March 2015*
< 99 MT	431	**408**
100 – 199 MT	135	**125**
200 – 299 MT	81	**81**
> 300 MT	36	**33**
Total Units	683	**647**
Total Tonnage	78,395	**75,390**
Group Overall Utilisation Rate (based on tonnage)	64.9%	**57.0%**

* Excluding cranes owned by divested subsidiary, Hup Hin Transport

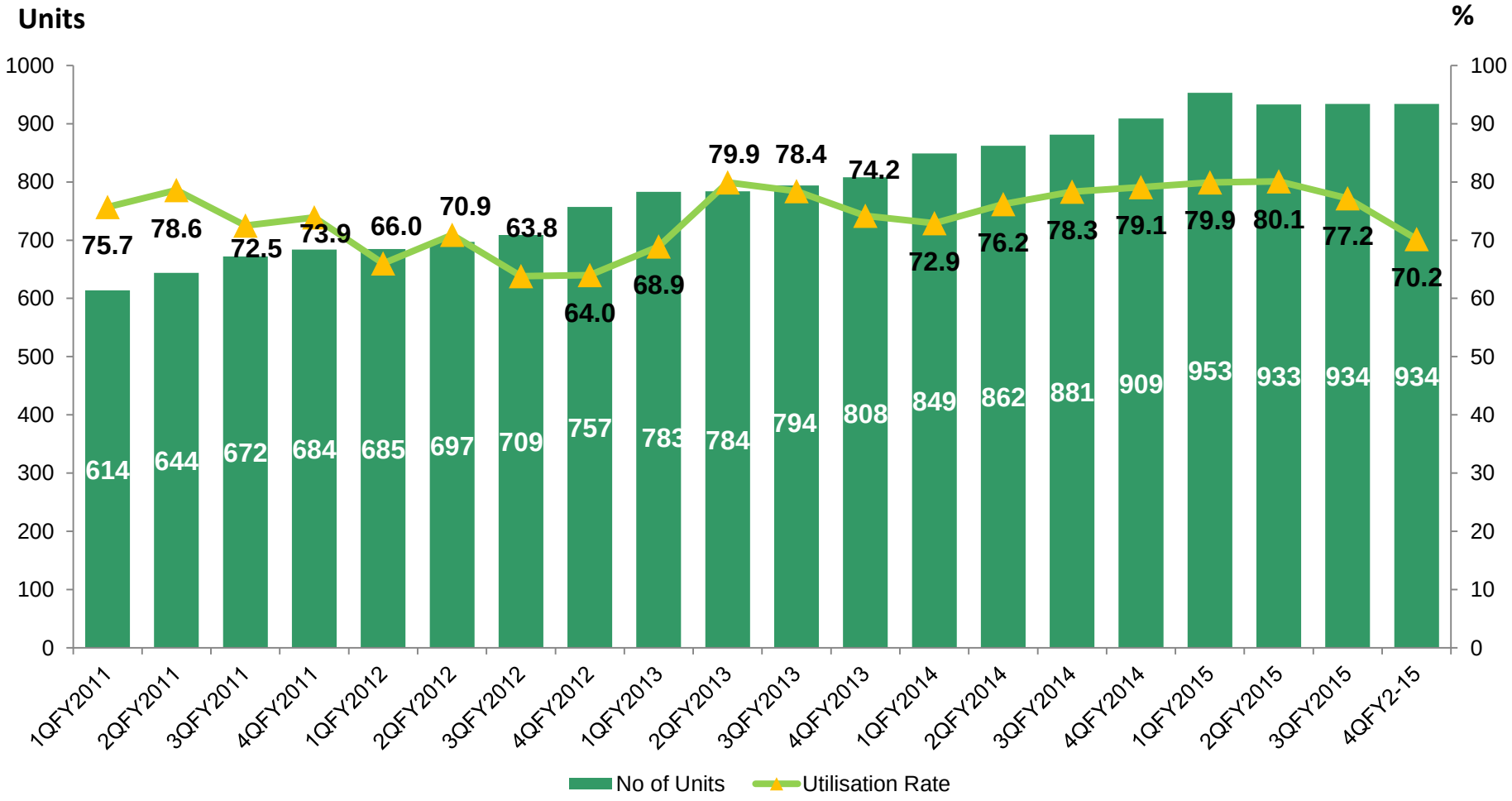
Crawler/Mobile Crane Utilisation Rate



Tower Crane Fleet

Size (Tonne-Metres)	**No. of Cranes** ***As at 31 March 2014***	**No. of Cranes** ***As at 31 March 2015***
< 99 TM	212	**198**
100 – 199 TM	311	**321**
200 – 299 TM	292	**299**
> 300 TM	87	**95**
Others	7	**21**
Total Units	909	**934**
Total Tonne-Metres	178,158	**188,399**
Group Overall Utilisation Rate (based on tonne-metres)	77.6%	**70.2%**

Tower Crane Utilisation Rate



4Q/FY2015 Results

Fleet Update

Outlook & Prospects

Outlook & Prospects

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

Crane Rental

- 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.

Tower Crane Rental

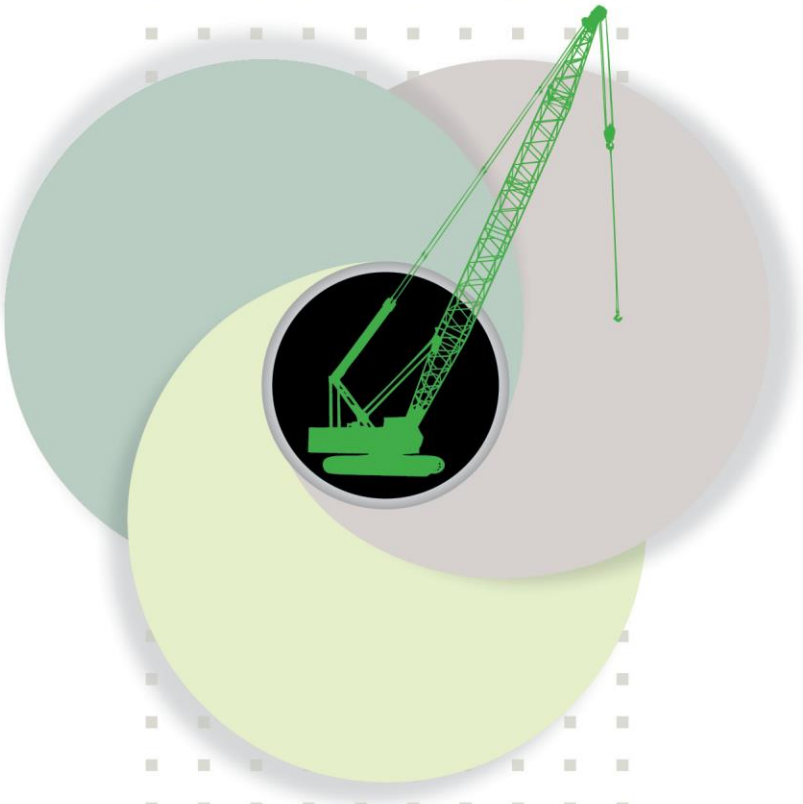
- The Tower Crane Rental division is expected to maintain its growth momentum in FY2016, with its strong fleet size, base of on-going projects and new opportunities in the building, infrastructure, transport and power generation sectors in the People's Republic of China.

General Equipment Rental

- The General Equipment Rental division is expected to turn in a lacklustre performance due to the slow recovery of the Australian construction sector.

Distribution

- 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.



THANK YOU

Appendix – On-going Projects

On-going Projects

SINGAPORE

- MRT Downtown Line
- MRT Thomson Line
- Changi Airport Jewel Project
- HDB projects
- Jurong Island Aurora Project
- Pasir Panjang Terminal Phase 4

THAILAND

- EPC (INPEX) Project
- Bangkruai power plant
- Sirat Outer Ring Road
- PTT Pipeline
- Uni Thai Shipyard

MALAYSIA

- Kencana HL Fabrication Yard (Wheatstone LNG)
- RGT 2 (Re-gasification Terminal) Project
- Manjung 5 Fast Track Power Plant
- Wasco Pipe Coating
- Ikano Project

HONG KONG

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







Projects in SE Asia and Hong Kong



On-going Projects

AUSTRALIA

- Gorgon LNG (Civil & Mechanical)
- Ichthys LNG (Various Projects)
- Wheatstone LNG Project
- Longford Gas Plant Expansion
- Roy Hill Iron Ore Project
- Webb Dock Project

OTHERS

PNG:

- Ok Tedi Mining Tabubil
- Napa Napa Oil Refinery
- PNG Pacific 2015 Games Village and stadiums
- Puma Energy Refinery

CHINA

- Power Plants /Stations:
  - Dalian HongYanhe (Nuclear)
  - Fujian Ningde (Nuclear)
  - Guangdong Taishan (Nuclear)
  - Guangdong Yangjiang (Nuclear)
  - Tangshan (LNG)
  - Nanjing Langkun Power Plant
  - Hainan Haixi Power Plant
  - Maoming Bohe Power Plant
  - Dapu Power Plant
- Infrastructure:
  - Chongqing North Station
  - Ning South Station
  - Baoding Railway Station
  - Shanghai-Kunming Line
  - Wenqizhu Gang'ao Bridge
  - Szechuan Yongding Bridge
  - Zhengzhou Airport II
  - Lanzhou Yellow River Bridge
- Large Projects:
  - Tianjin 117
  - Jiangsu Opera House
  - Shanghai Pudong Finance Plaza
  - Tianjin Binhai New District Twin Towers
  - Shanghai International Air Service Center
  - Shengyang New World Exhibition Center
  - Chongqing State Finance Center
  - Shanghai Pudong Finance Center
  - Shanghai Disneyland
  - Yanchang Oil, Science and Research Center



Projects in Australia







Projects in China

