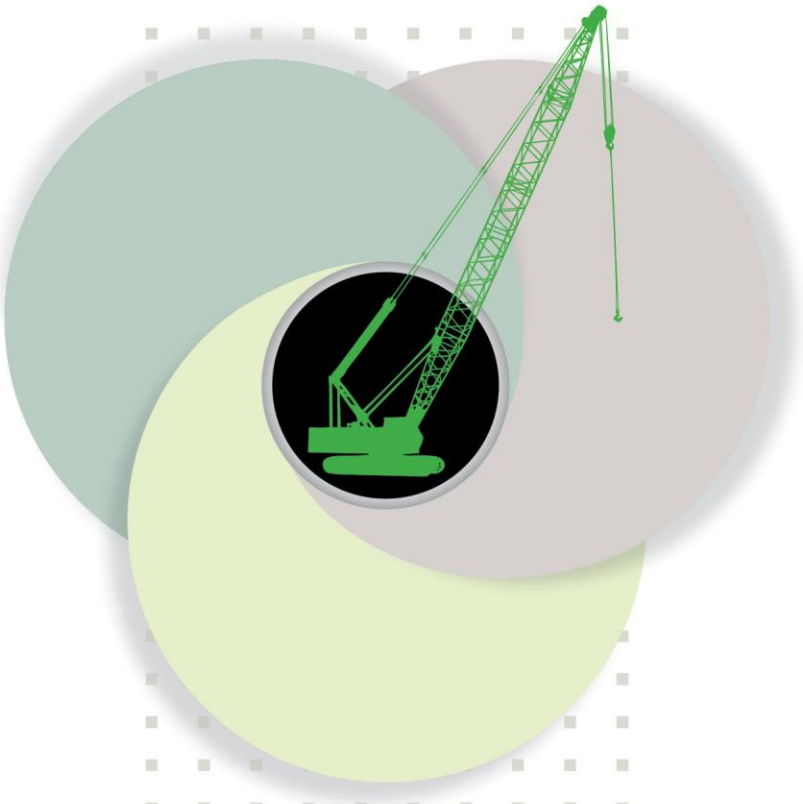


TAT HONG HOLDINGS LTD
2Q/1HFY2015 RESULTS
14 NOVEMBER 2014

TAT HONG HOLDINGS LTD

2Q/1HFY2015 Results

Fleet Update

Outlook & Prospects

2QFY2015 Summary

Revenue

- **Declined 18% to S$152.8 million**
  - All divisions reported lower revenues except Tower Crane Rental which improved 9%

Gross Profit Margin

- **Remained stable at 36.8%**
  - Higher proportion of gross profit contribution from Crane Rental which has the highest GP margin among all the divisions
  - Improved margin from Crane Rental, lower margin from Distribution whilst margins from Tower Crane Rental and General Equipment remained stable.

Profit Before Income Tax

- **Increased by 20% to S$16.5 million**

Due mainly to:

- Higher other income of S$7.2 million primarily from the disposal of Hup Hin Transport
- Net foreign gain of S$4.6 million compared with a net loss of S$5.2 million (mostly unrealised) in 2QFY2014
- Increase in contribution from associates of S$1.6 million

Partially offset by :

- Lower gross profit from Distribution, Crane Rental and General Equipment Rental divisions
- Increase in provision for stock obsolescence of $5.2 million
- Higher staff costs of S$1.6 million
- Increase in provision of doubtful debts of S$1.2 million
- Higher depreciation charges of S$0.5 million
- Higher office expense of S$0.4 million

Comparisons are made against 2QFY2014 ended 30 September 2013

2QFY2015 Summary

PATMI

- **Increased by 40% to S$11.5 million**
  - Aided by increase in other income and foreign exchange gains
  - Improved profit contribution from China and Australia
  - Decrease in tax expenses of S$0.7 million

Balance Sheet

- **Healthy balance sheet**
  - Net gearing as at 30 September 2014: 0.81 times
  - Cash and cash equivalents: S$46.7 million
  - NTA and NAV per share: S$0.99 and S$1.05, respectively
  - EPS: 1.78 Singapore cents

Interim Dividend

- **Interim dividend of 0.5 Singapore cent per share**
  - Books closure date: 1 December 2014
  - Dividend payable on: 9 December 2014

Comparisons are made against 2QFY2014 ended 30 September 2013

Financial Highlights

S$'m	2QFY2014	2QFY2015	Change +/- (%)	1HFY2014	1HFY2015	Change +/- (%)
Revenue	185.3	**152.8**	-17.5	360.8	**317.0**	-12.1
Gross Profit	68.1	**56.3**	-17.3	132.0	**116.1**	-12.0
Gross Profit Margin (%)	36.8	**36.8**	-	36.6	**36.6**	-
PBT	13.7	**16.5**	+20.4	26.0	**26.7**	+2.7
PATMI	8.2	**11.5**	+40.2	16.5	**17.4**	+5.5
PATMI Margin (%)	4.4	**7.5**	+3.1%pts	4.6	**5.5**	+0.9%pts

Balance Sheet

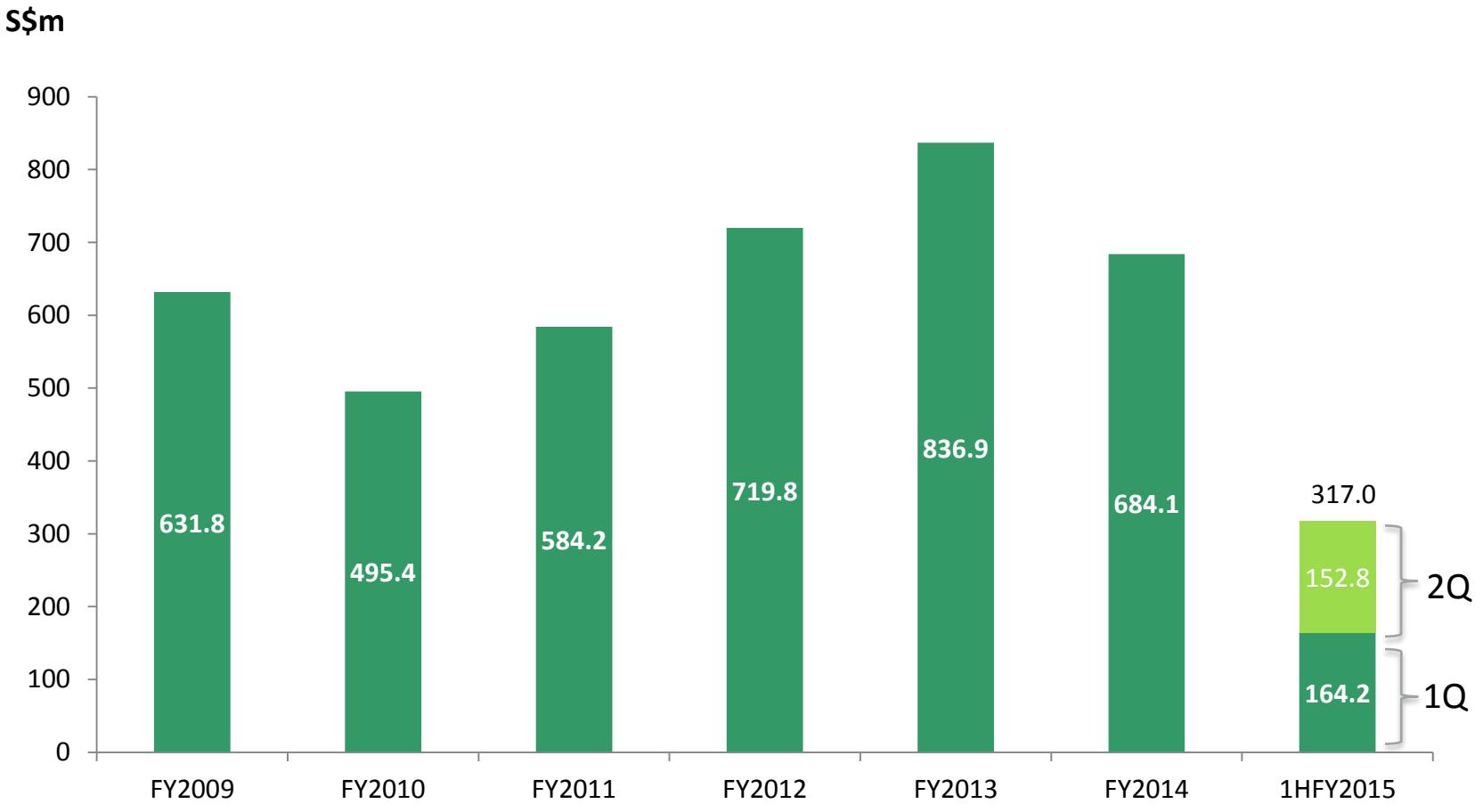
S$'m	As at 31 Mar 2014	As at 30 Sep 2014
Fixed Assets (PP&E)	975.4	**951.5**
Inventories	186.3	**171.1**
Trade and other receivables	228.8	**246.0**
Cash & Cash Equivalents	58.6	**46.7**
Shareholders' Equity	675.5	**675.3**
NTA per share (S$)	0.98	**0.99**
NAV per share (S$)	1.05	**1.05**
Net gearing (times)	0.87	**0.81**

Reduction due to disposal of Hup Hin Transport , translation loss and depreciation charge, partially offset by equipment purchases, reclassification of inventory into PPE and capitalisation of construction cost

Prudent inventory purchases and provision for obsolescence

Timing issue

Revenue Trend



Segmental Revenue Highlights

1. Crane Rental

Revenue decreased 9% to S$64.2 million

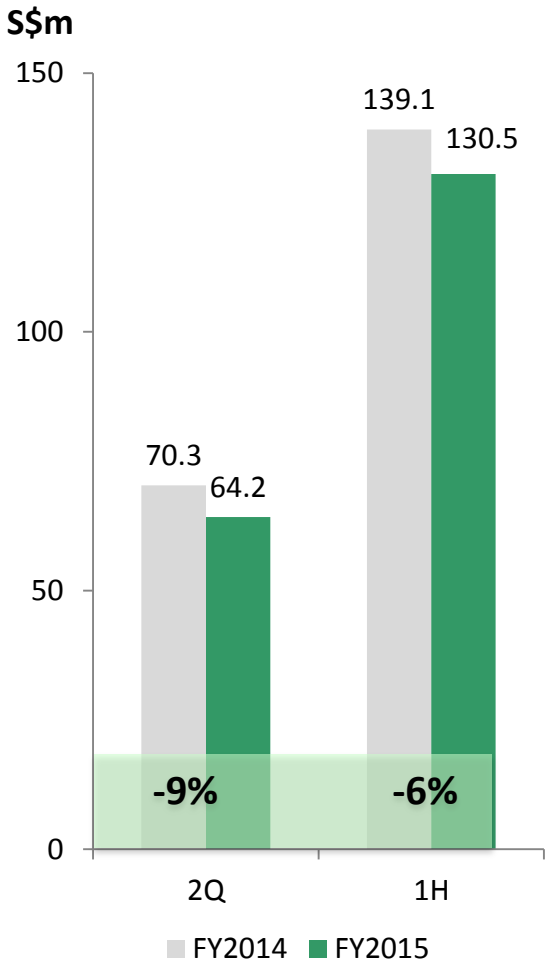
- Singapore: Disposal of Hup Hin Transport at end July 2014, completion of projects and slowdown in the construction sector as well as a decline in rental to overseas markets such as Papua New Guinea

Partially mitigated by better performance from:

- Malaysia: New and higher value infrastructure projects such as Sabah Ammonia Plant, Kencana project (fabrication of structures for Wheatstone LNG), Tanjung Bin 4 and Connaught Bridge power plants

Stable performance from:

- Hong Kong and Thailand from on-going infrastructure projects and Australia from LNG projects



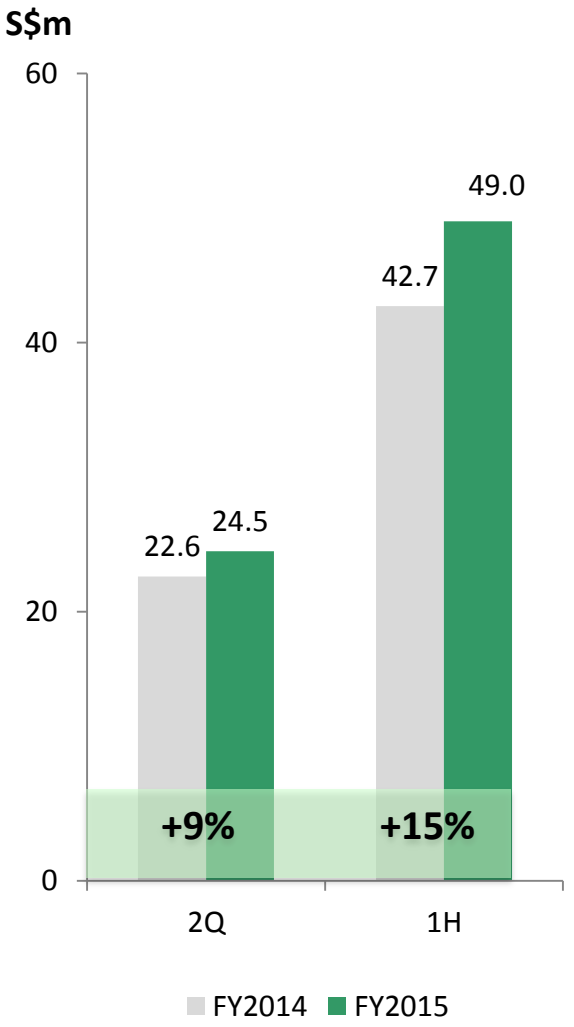
Comparison is made against 2QFY2014 ended 30 September 2013

Segmental Revenue Highlights

2. Tower Crane Rental

Revenue increased by 9% to S$24.5 million

- Continued participation in infrastructure, large commercial and power plant/station projects in China
- Larger fleet size of 933 tower cranes compared with 862 units a year ago and improved utilisation rate of 80.1% compared with 76.2% a year ago



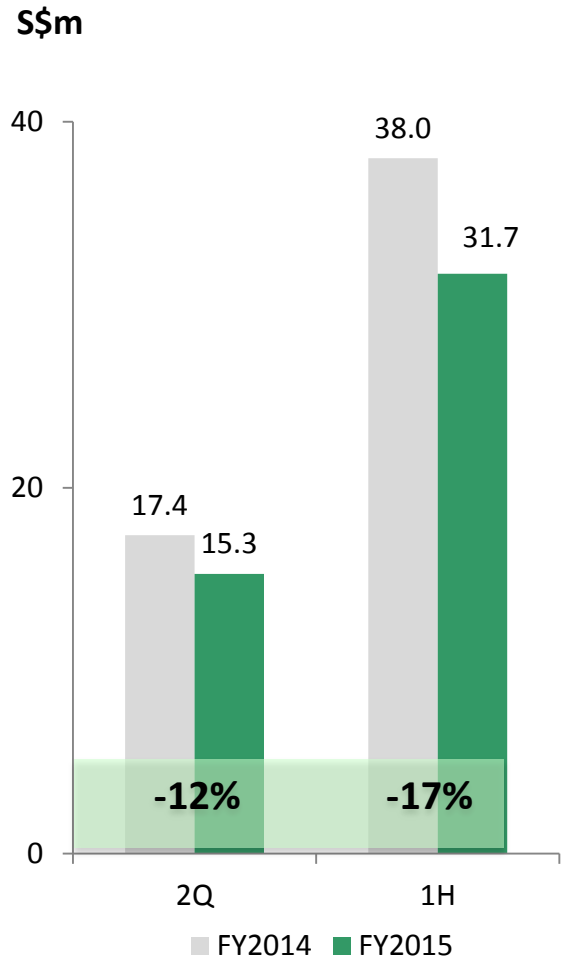
Comparison is made against 2QFY2014 ended 30 September 2013

Segmental Revenue Highlights

3. General Equipment Rental

Revenue declined 12% to S$15.3 million

- Lower public spending
- Overall competitive market conditions in Australia



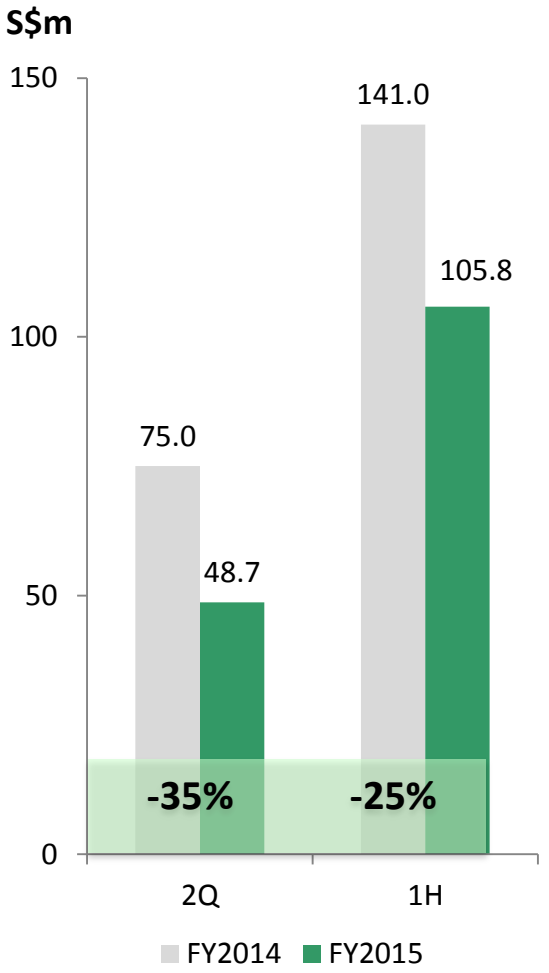
Comparison is made against 2QFY2014 ended 30 September 2013

Segmental Revenue Highlights

4. Distribution

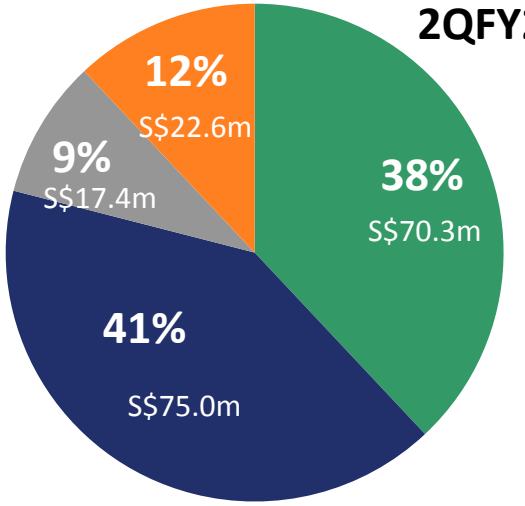
Revenue decreased by 35% to S$48.7 million

- Indonesia: Continued decline in sales of excavators due to poor market sentiments
- Singapore: Decline in demand and increased competition
- Australia: Lower equipment sales due to slowdown in the general economy
- Overseas markets: Decline in sales to PNG, Europe and Malaysia

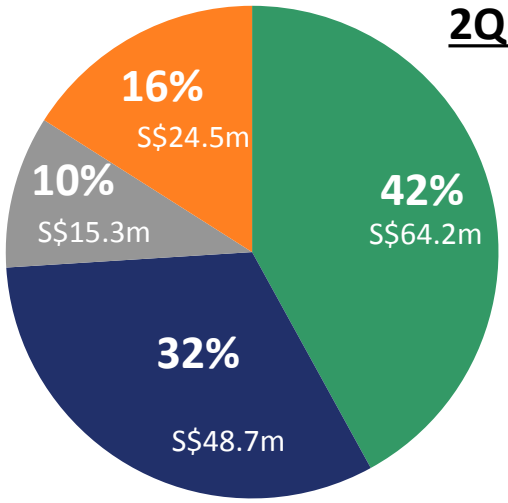


Comparison is made against 2QFY2014 ended 30 September 2013

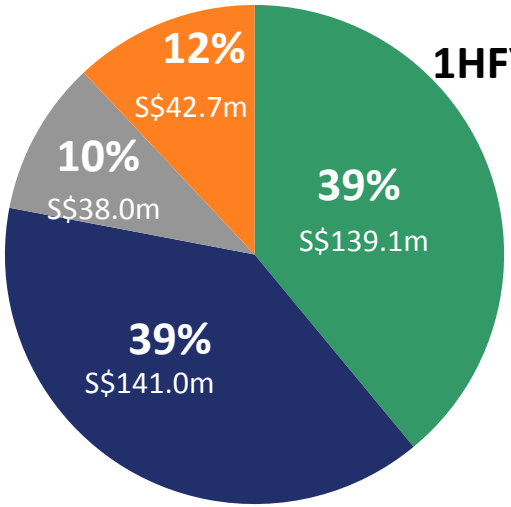
Revenue by Business Activity



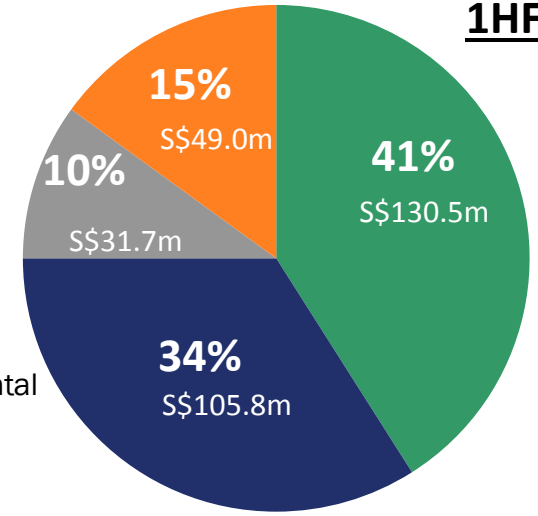
S$185.3 million



S$152.8 million



S$360.8 million



S$317.0 million

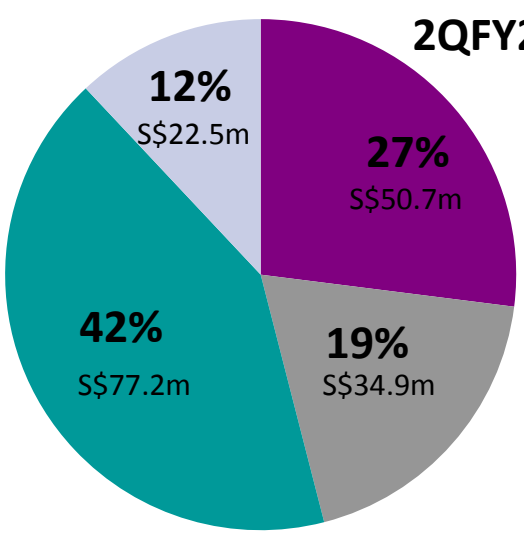
Crane Rental

Distribution

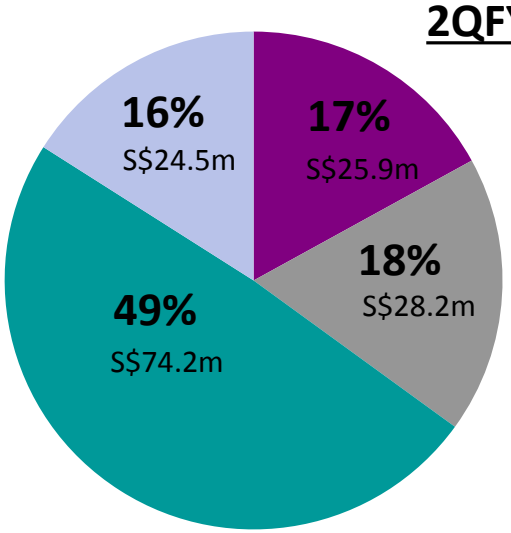
General Equipment Rental

Tower Crane Rental

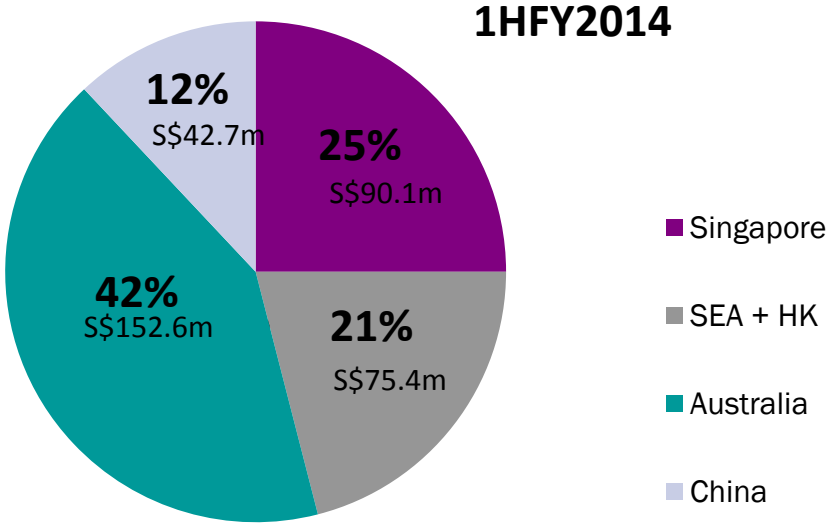
Revenue by Region



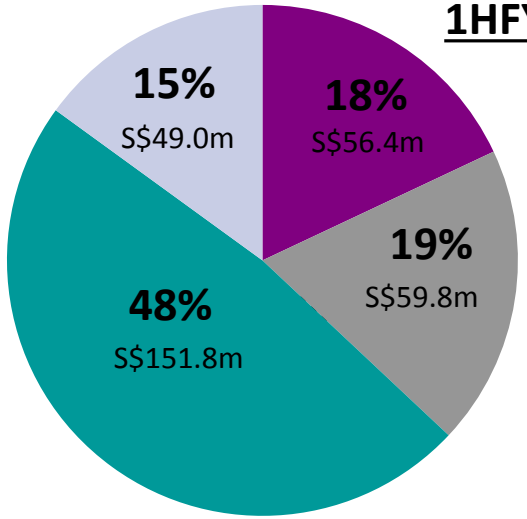
S$185.3 million



S$152.8 million



S$360.8 million



S$317.0 million

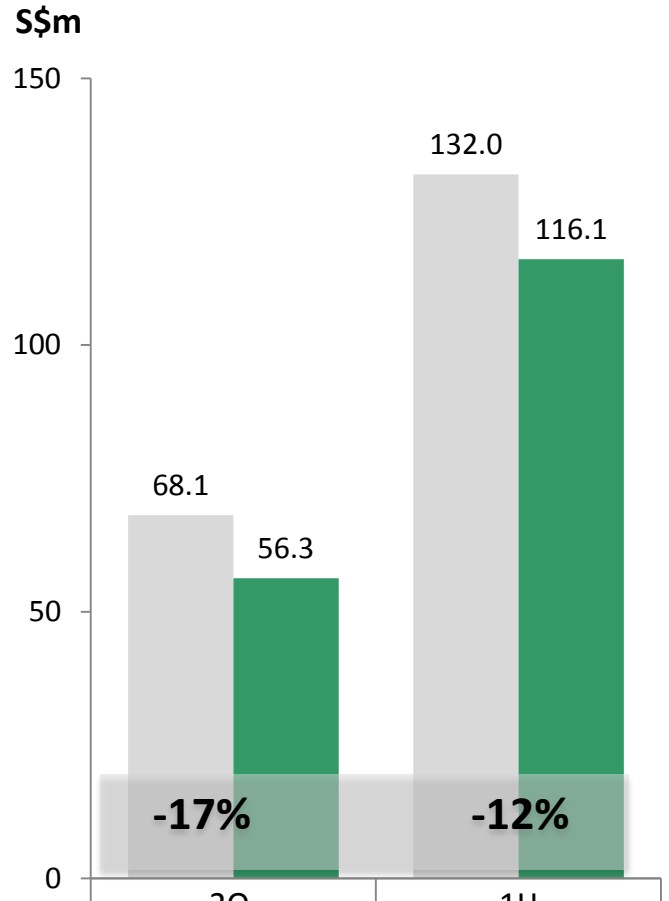
Gross Profit and Gross Profit Margin

Gross profit fell 17% to S$56.3 million, however, gross profit margin remained stable at 36.8%

Gross Profit Margin (GPM) held steady as a higher proportion of gross profit was contributed by Crane Rental which yielded better GPM than Distribution.

- Crane Rental: GPM improved from 52.0% in 2QFY2014 to 56.3% aided by:
  - Australia – lower use of subcontractors
  - Malaysia – higher revenue

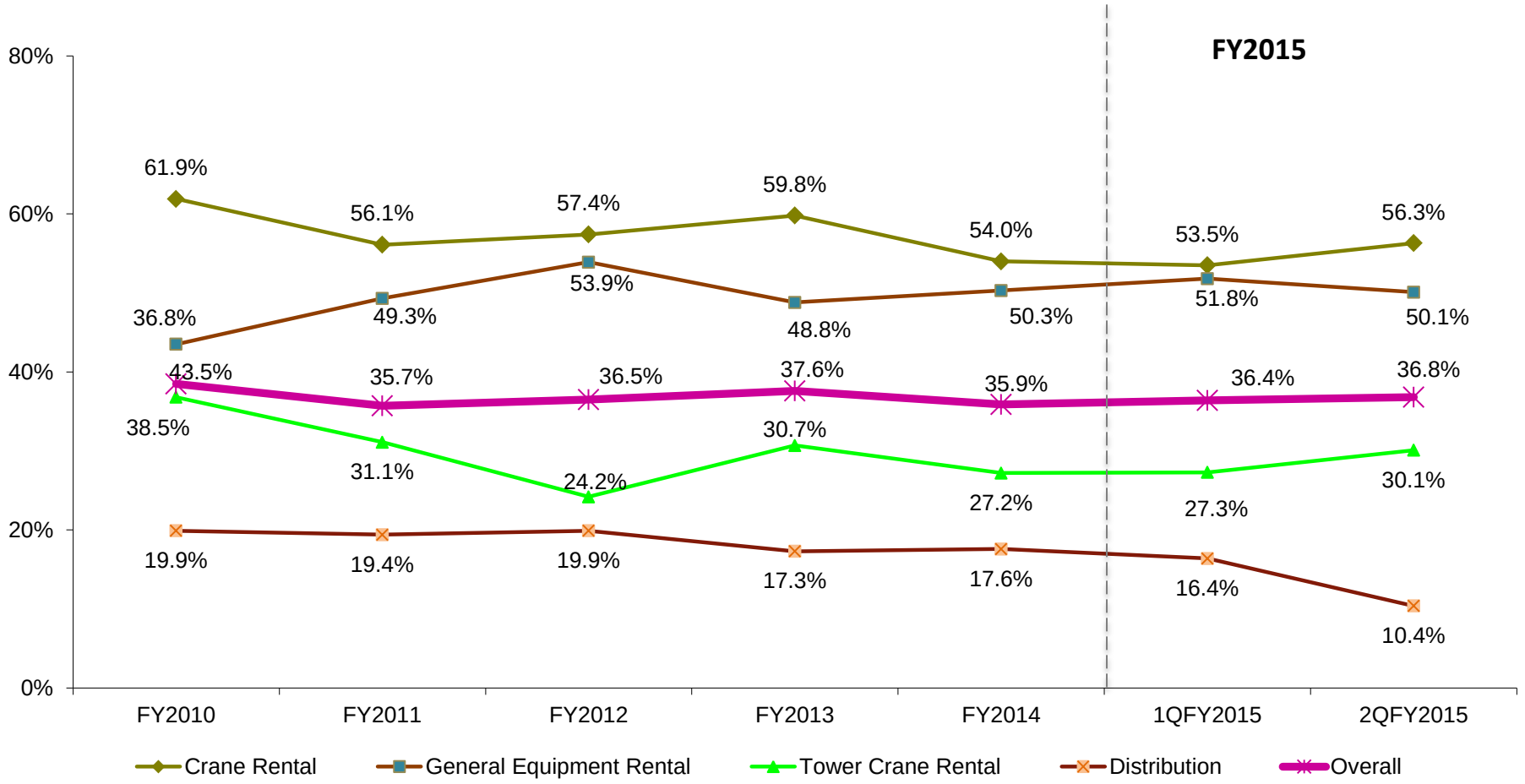
  Partially offset by:
  - Singapore – lower revenue contribution and higher crane operator costs
- Tower Crane Rental: Lower GPM of 30.1% compared with 31.8% in 2QFY2014 due to higher costs associated with maintaining a larger fleet
- General Equipment Rental: GPM declined from 51.4% in 2QFY2014 to 50.1% mainly due to higher cross hire charges



	2Q	1H
FY14 GP (GP Margin)	68.1 (36.8)	132.0 (36.6)
FY15GP (GP Margin)	56.3 (36.8)	116.1 (36.6)

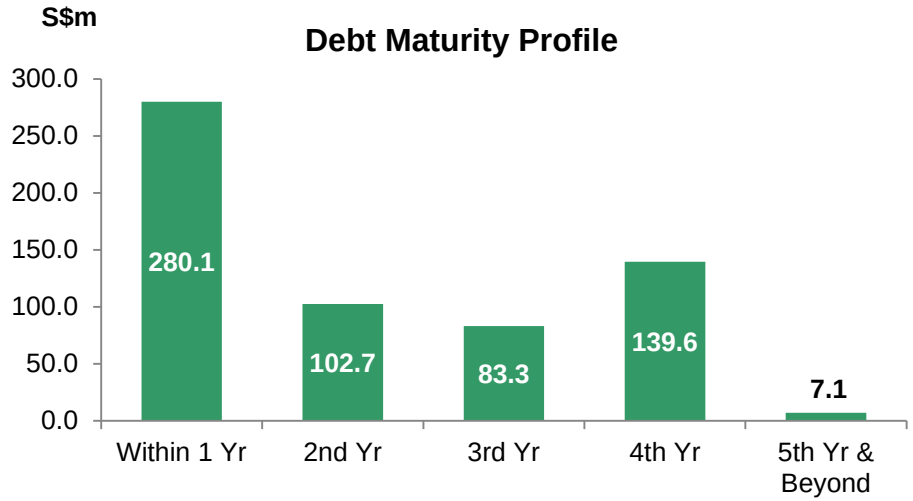
Comparison is made against 2QFY2014 ended 30 September 2013

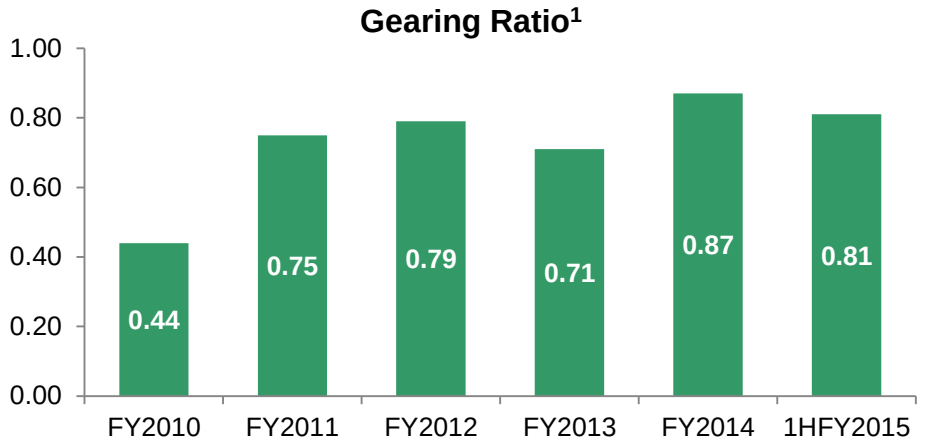
Gross Profit Margin Trend

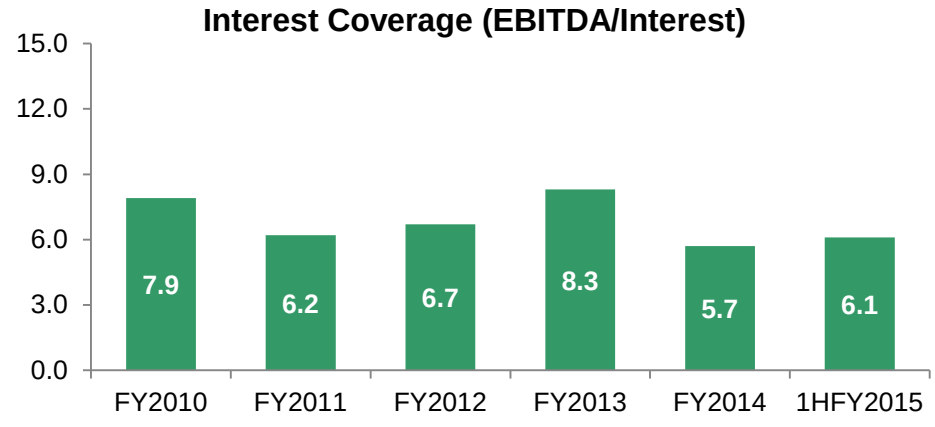


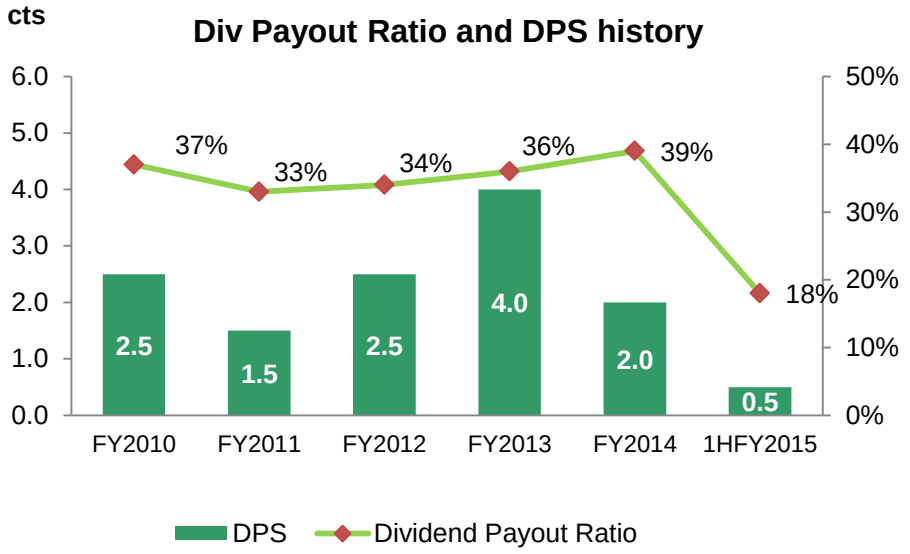
Decline in GP margin for Distribution in 2QFY2015 was due to lower revenue compounded by higher provision for stock obsolescence

Prudent Capital Management (as at 30 Sep 2014)







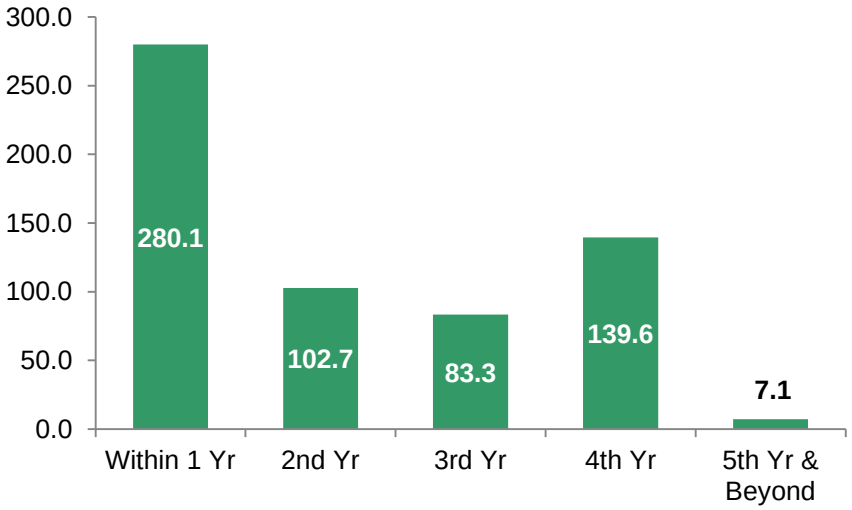


[1] Net Debt/Shareholders' Funds (Exclude MI)

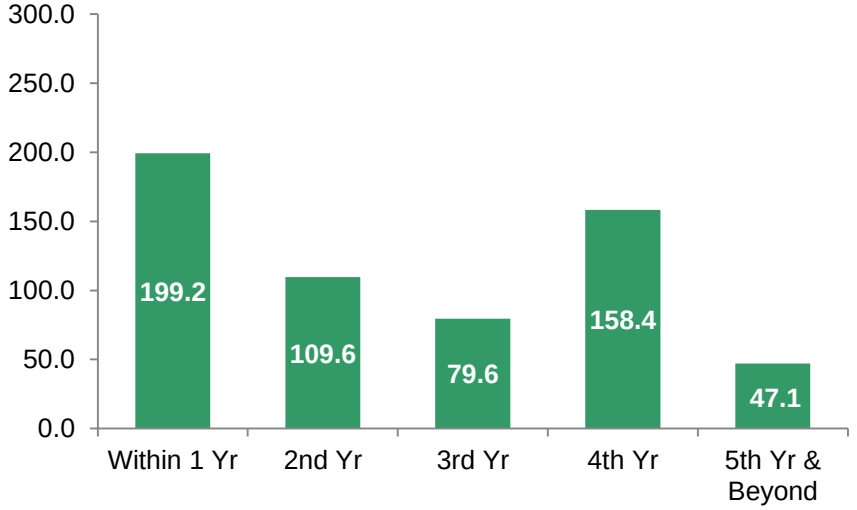
16

Achieving an Optimal Debt Structure

Debt Repayment Profile as at 30 September 2014



Repayment Profile After Debt Restructuring



- Terming out of loans to match the long economic lives of the cranes. Previously, focussed mainly on hire purchase financing (3-year repayment) for cranes.
- Debt restructuring process began in July 2013 with the issuance of S$100 Medium Term Notes (MTN), followed up by S$100 Syndicated Facility in October 2014
- Improved repayment profile after debt restructuring:
  - March 2013: 93% of total debt repayable within 3 years
  - September 2014 (after MTN and before Syndicated Loan): 76% of total debt repayable within 3 years
  - After MTN and Syndicated Loan: 65% of total debt repayable within 3 years

Note: Total Debt includes long-term/short-term loans, revolving credit, hire purchase, bills payable, MTN and Syndicated Loan

2Q/1HFY2015 Results

Fleet Update

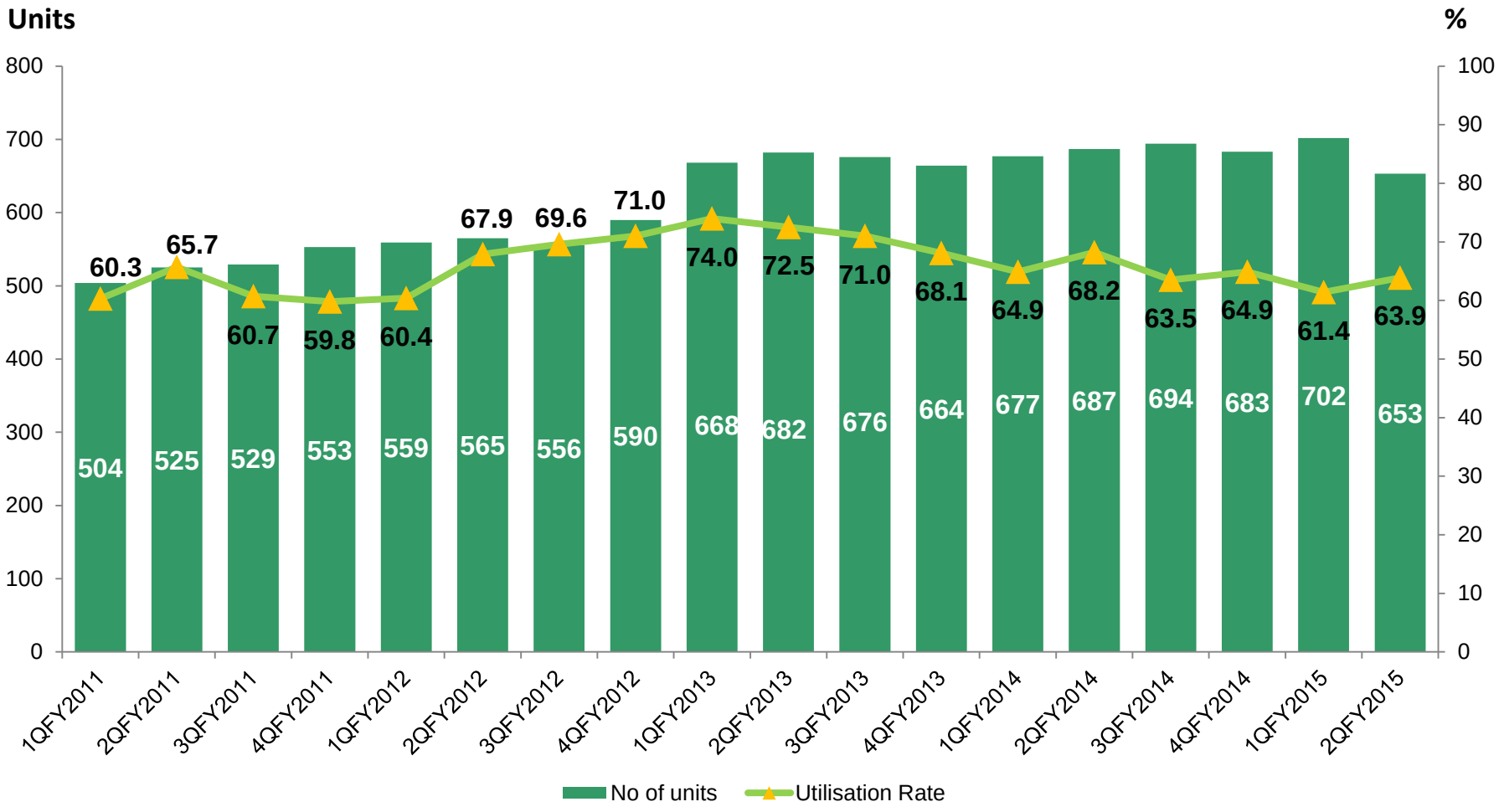
Outlook & Prospects

Crawler/Mobile Crane Fleet

Size (Tonnes)	No. of Cranes *As at 30 September 2013*	No. of Cranes* *As at 30 September 2014*
< 99 MT	430	**407**
100 – 199 MT	137	**130**
200 – 299 MT	83	**78**
> 300 MT	37	**38**
Total Units	687	**653**
Total Tonnage	79,261	**78,030**
Group Overall Utilisation Rate (based on tonnage)	68.2%	**63.9%**

* Excluding cranes owned by divested subsidiary, Hup Hin Transport

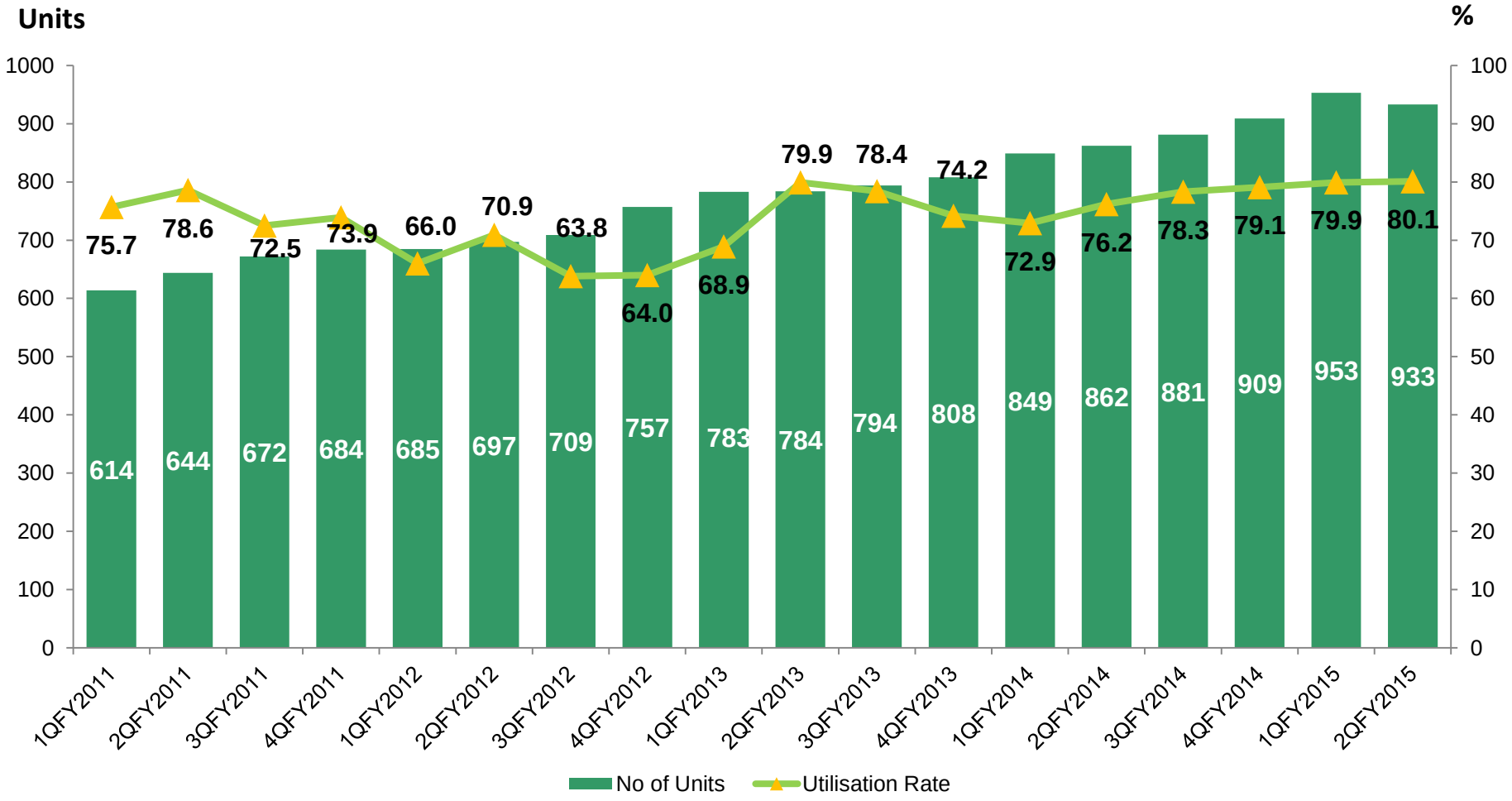
Crawler/Mobile Crane Utilisation Rate



Tower Crane Fleet

Size (Tonne-Metres)	No. of Cranes *As at 30 September 2013*	No. of Cranes *As at 30 September 2014*
< 99 TM	211	**198**
100 – 199 TM	285	**325**
200 – 299 TM	281	**307**
> 300 TM	77	**96**
Others	8	**7**
Total Units	862	**933**
Total Tonne-Metres	166,184	**187,134**
Group Overall Utilisation Rate (based on tonne-metres)	76.2%	**80.1%**

Tower Crane Utilisation Rate



2Q/1HFY2015 Results

Fleet Update

Outlook & Prospects

Outlook & Prospects

- **Given that the economic and sector outlooks of the Group's key markets still remain challenging, the Group expects, barring unforeseen circumstances, stable performance for the remainder of FY2015.**

Crane Rental

- Demand continues to be relatively robust in the region for the Crane Rental division, however, weakness in the Singapore market, together with no further revenue contribution from Hup Hin Transport, will impact overall performance from this division.

Tower Crane Rental

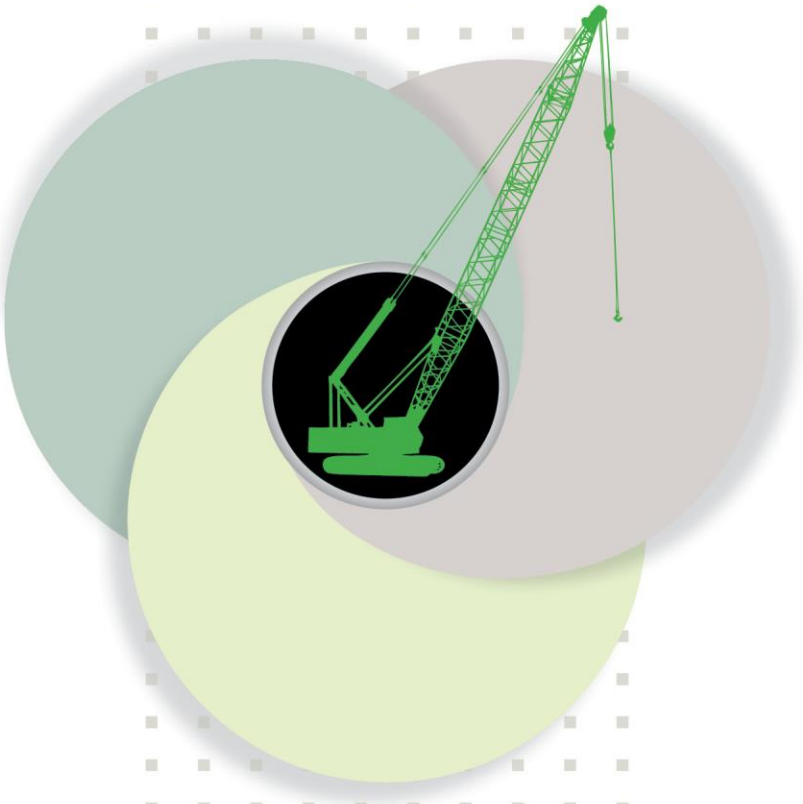
- The Tower Crane Rental division is expected to maintain its growth momentum in FY2015 with its strong base of on-going projects and new opportunities in the building, infrastructure, transport and power generation sectors in the People's Republic of China.

General Equipment Rental

- The General Equipment Rental division is expected to remain stable in view of the anticipated recovery in activity levels in the Australian construction sector.

Distribution

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



THANK YOU

Appendix – On-going Projects

On-going Projects

SINGAPORE

- MRT Downtown Lines 2 and 3 (11 stations)
- 2MX (Chemical Plant)
- Lanxess Phase 2
- ExxonMobil Project
- Cable Tunnel Project
- HDB projects

THAILAND

- Bangkok Mass Transit System (Red, Blue and Green Lines)
- EPC (INPEX) Project
- Bangkruai power plant
- Sirat Outer Ring Road

MALAYSIA

- Kencana HL Fabrication Yard (Wheatstone LNG)
- Connaught Bridge Power Plant
- Sabah Ammonia and Urea Plant
- Manjung 5 Fast Track Power Plant
- Wasco Pipe Coating

HONG KONG

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







Projects in SE Asia and Hong Kong



On-going Projects

AUSTRALIA

- Gorgon LNG
- Ichthys (INPEX) LNG Project
- Wheatstone LNG Project
- Mt Arthur Coal Mine

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)
  - Qinshan (Nuclear)
  - Guangdong Taishan (Nuclear)
  - Guangdong Yangjiang (Nuclear)
  - Shandong (LNG)
  - Qingdao (LNG)
  - Shenzhen LNG
  - Guang Dapeng (LNG)
- Infrastructure:
  - Chongqing North Station
  - Shenyang New South Station
  - Wenqizhu Gang'ao Bridge
  - Ningbo South Station
  - Dalian Cross-sea Bridge
  - Beijing-Guangzhou Line Baoding Station
- Large Projects:
  - Tianjin 117
  - West Chengdu International Finance City
  - Tianjin Binhai New District Twin Towers
  - Hongqiao State Exhibition Center
  - Chongqing State Financial Center
  - Shanghai CNOOC Building
  - China Shipping Building
  - Hangzhou Zhongji Exhibition Center
  - Shanghai Disneyland



Projects in Australia







Projects in China

