

TAT HONG ACHIEVES FULL YEAR NET PROFIT OF S\$38.6 MILLION

- Revenue climbed 18% year-on-year (“Y-o-Y”) to S\$130.9 million in 4QFY2010 and declined 22% Y-o-Y to S\$495.4 million in FY2010;
- Tower Crane Rental Division remained the fastest growing segment in FY2010 with revenue up 37% to S\$33.7 million;
- Equipment Sales regained revenue growth, surging 69% Y-o-Y to S\$50.2 million in 4QFY2010;
- Gross profit margin in FY2010 achieved marginal increase to 38.5% despite drop in gross profit;
- Completion of convertible redeemable preference shares issuance in October 2009 strengthened balance sheet;
- Proposed final dividend of 1.5 Singapore cents per ordinary and convertible redeemable preference share.

“FY2010 has been a difficult year for us, especially for our Equipment Sales division, which was significantly impacted by the global financial crisis. However, we are starting to observe initial signs of a gradual economic revival, as evidenced by our improved Equipment Sales performance in 4QFY2010. Sales inquiries have increased and many of these inquiries have translated into actual crane and equipment purchases. Crane Rental, our consistently resilient business segment, has continued to provide stable returns.

“It is still early days to predict a complete recovery story but our confidence level is high for certain key markets with promising prospects, such as Australia, China, Indonesia, Vietnam and Hong Kong. Moving ahead, we will continue to build on our reputable expertise and proven track record to capitalise on future growth opportunities,” said Mr Roland Ng, President / Group Chief Executive Officer of Tat Hong Holdings Ltd.

¹ Source: IC50 (Ranking of the world’s largest crane-owning companies), International Cranes, June 2009

Singapore, May 24, 2010 – Tat Hong Holdings Ltd (“Tat Hong” or “the Group”), Asia’s largest crane company and one of the world’s top 10 crane companies (in terms of fleet size of crawler cranes) ¹, today reported its results for the full-year ended March 31, 2010 (“FY2010”). Net profit declined 44% from S\$68.9 million in the previous financial year (“FY2009”) to S\$38.6 million in FY2010, on the back of a 22% decrease in revenue from S\$631.8 million in FY2009 to S\$495.4 million in FY2010.

The lower revenue was due to weaker performances from all its business segments with the exception of its Tower Crane Rental division, which registered a commendable 37% growth in revenue in FY2010.

In line with revenue performance, gross profit fell 21% from S\$241.1 million in FY2009 to S\$190.9 million in FY2010. Nevertheless, the Group’s gross profit margin increased marginally by 0.3 percentage points to 38.5% in FY2010, demonstrating the Group’s ability to maintain gross profit margin despite weak market conditions.

Tat Hong’s balance sheet remained strong, achieved through the Group’s prudent capital management strategies as well as through proceeds from the convertible redeemable preference shares issue completed in October 2009. As at March 31, 2010, the Group held cash amounting to S\$76.6 million and shareholders’ equity improved to S\$498.6 million. Net gearing dropped from 0.57 times as at March 31, 2009 to 0.44 times as at March 31, 2010.

The Group achieved a stronger performance in the three months ended March 31, 2010 (“4QFY2010”). Net profit declined 33% to S\$9.8 million whereas revenue climbed 18% to S\$130.9 million in 4QFY2010. The revenue gain was mainly attributed to significant revenue growth in the Equipment Sales and Tower Crane Rental divisions.

To reward its loyal shareholders, the Group has proposed a final dividend of 1.5 Singapore cents per ordinary and convertible redeemable preference share, payable on August 20, 2010.

SEGMENTAL REVIEW

Equipment Sales

Weak performances in the first three quarters of FY2010 cumulated to a 33% decline in overall revenue for Equipment Sales, from S\$254.5 million in FY2009 to S\$170.9 million in FY2010. However, lower revenue in the first three quarters were partially offset by a stronger showing in 4QFY2010, which saw revenue surging 69% from S\$29.7 million in the previous corresponding quarter (“4QFY2009”) to S\$50.2 million in this quarter. This was mainly due to improved sales in Australia, owing to greater demand from the Group’s smaller-scale contractor customer segment that capitalised on tax incentive benefits introduced by the government. Sales also picked up in Singapore, with reported sales to Japanese and Malaysian traders as well as to Malaysian and Indonesian end users.

Crane Rental

Impacted by the deferment of key projects in Australia stretching over the first three quarters of FY2010, revenue from this division dipped slightly by 8%, from S\$179.7 million in FY2009 to S\$165.4 million in FY2010. Other contributing factors included reduced contribution from Indonesia and Malaysia as well as poor market conditions in the Middle East. Nonetheless, Crane Rental’s revenue in 4QFY2010 increased 9% from S\$38.6 million to S\$42.2 million with the commencement of some projects previously deferred in Western Australia. In addition, Indonesia contributed higher revenue due to demand from power plant projects. Locally, our continuing participation in the oil and gas sector coupled with new demand for Land Transport Authority projects pushed revenue higher as well.

General Equipment Rental

General Equipment continued to see a decline in revenue, falling 39% to S\$72.2 million in FY2010 and 15% to S\$17.2 million in 4QFY2010. This was mainly due to the loss of Railcorp contracts as a result of changes to tendering processes and the discontinuation of Waste Management and the Heavy Haulage divisions in New South Wales.

Tower Crane Rental

Maintaining its stellar growth momentum, this division registered double-digit revenue growth of 37%, from S\$24.7 million in FY2009 to S\$33.7 million in FY2010. Revenue increased 34% from S\$6.3 million in 4QFY2009 to S\$8.5 million in 4QFY2010. The healthy and consistent growth track was supported by the expanded rental fleet size, high utilisation rate at 74.0% as well as maiden contribution from the Group's new subsidiary, Beijing Tat Hong Zhaomao Equipment Rental Co., Ltd.

Parts and Services

With a reduction in construction and mining projects leading to low utilisation of equipment, the Group experienced a decline in demand for maintenance and replacement parts. As a result, the Parts and Services division saw revenue drop 19% from S\$15.8 million in 4QFY2009 to S\$12.9 million in 4QFY2010. Revenue remained relatively stable year-on-year, with a marginal decrease of 4% from S\$55.4 million in FY2009 to S\$53.2 million in FY2010.

OUTLOOK

In view of improved market sentiments in the Group's key markets, in particular, Australia, the Group is cautiously optimistic that its business activities will start to gradually increase in the new financial year ("FY2011").

"We are greatly encouraged by the commendable improvement for our Equipment Sales division this quarter, as this signals that market confidence could have started to recover and customers are actively procuring for projects again. If this trend continues for this Division, our FY2011 performance will be strengthened.

In addition, the Australian market has also reported that major resources and infrastructure projects that were previously deferred are expected to commence in FY2011. Should all these committed projects proceed as planned, we can anticipate a positive impact for our business divisions, in particular, our Crane Rental segment.

In China, we expect to maintain our consistent growth momentum for our Tower Crane Rental division, riding on several committed power plant and infrastructure projects in the country,” concluded Mr Ng.

Barring any unforeseen circumstances, Tat Hong expects to perform better in FY2011 as compared to FY2010.

About Tat Hong Holdings Ltd

Tat Hong Holdings Ltd is one of the largest crane companies in the world - # 2 in terms of fleet size of crawler cranes, #6 in terms of number of cranes owned and # 7 in terms of aggregate tonnage. In the Asia-Pacific region, it is arguably the largest crane company, with its fleet size ranging from 80-1,000 ton cranes¹.

Established in Singapore in the 1970s, Tat Hong is principally engaged in five core business activities – rental of cranes, rental of tower cranes, rental of general equipment, sale of cranes and other heavy equipment, and sale of spare parts for such heavy equipment. It serves diversified industries, including infrastructure, oil & gas, mining, construction and engineering sectors, across Australia, Singapore, Southeast Asia, Indo-China, India, Middle East and China.

Tat Hong currently has a combined rental fleet of nearing 1,000 mobile, crawler and tower cranes. The Group enjoys a number of exclusive distributorship agreements for cranes and other heavy equipment with companies such as Hitachi-Sumitomo, Sumitomo, Yanmar, Bomag, Kato, Mustang, Kawasaki, Mitsubishi and Linkbelt.

Through its publicly-listed Australian subsidiary, Tutt Bryant Group Limited (“Tutt Bryant”), Tat Hong has a leading and active position in three key business areas in the Australian market - equipment sale and distribution, crane hire and haulage and general plant and equipment hire. Tutt Bryant continues to seek to extend its presence in Australia and increase its market share through organic growth and acquisitions of businesses that are complementary to the Group’s activities.

¹ Source: IC50 (*Ranking of the world's largest crane-owning companies*), International Cranes, June 2009

In China, the Group has aggressively expanded its presence in the tower crane rental industry through its associated tower crane manufacturer, Singapore-listed Yongmao Holdings Limited, as well as through its five tower crane rental subsidiaries - Shanghai Tat Hong Equipment Rental Co., Ltd., Jiangsu Zheng He TatHong Equipment Rental Co., Ltd, China Nuclear Huaxing TatHong Machinery Construction Co., Ltd, Beijing Tat Hong Zhaomao Equipment Rental Co. Ltd and Si Chuan Tat Hong Yuan Zheng Machinery Construction Co., Ltd.