

FOR IMMEDIATE RELEASE

Tat Hong's Net Profit Jumps 67% to S\$52 million in First Nine Months

- PATMI for the quarter increased 37% to S\$17.8 million

(S\$'000) For the 3/9 months ended 31 December	3QFY2013	3QFY2012	% Change	9MFY2013	9MFY2012	% Change
Revenue	206,056	196,166	↑5	637,330	537,820	↑19
Gross profit	73,995	67,489	↑10	238,804	191,340	↑25
Profit before tax	23,875	17,955	↑33	74,793	46,867	↑60
Net profit attributable to shareholders	17,806	12,963	↑37	51,774	31,069	↑67

SINGAPORE, 14 February 2013 – Tat Hong Holdings Ltd (“**Tat Hong**” or “**the Group**”), Asia-Pacific’s largest crane-owning company and the world’s top crane company (in terms of number of crawler cranes owned)¹, today reported continued improvement in revenue and net profit for the third quarter ended 31 December 2012 (“**3QFY2013**”) compared to the corresponding quarter for the last financial year (“**3QFY2012**”). Net profit attributable to shareholders increased 37% to S\$17.8 million while revenue improved 5% to reach S\$206.1 million.

For the nine months ended 31 December 2012 (“**9MFY2013**”), the Group’s net profit attributable to shareholders leapt 67% to S\$51.8 million on the back of a 19% increase in revenue to S\$637.3 million compared with the nine-month period ended 31 December 2011 (“**9MFY2012**”).

Gross profit improved 10% to S\$74.0 million, yielding a gross profit margin of 35.9% for 3QFY2013, a 1.5 percentage point improvement over 3QFY2012. This was attributable to higher revenue

¹ Source: International Cranes, IC50 Ranking, June 2012.

contribution from Crane Rental and Tower Crane Rental which yield better margins compared to Distribution.

With well-managed expenditure, the Group's profit before tax (PBT) recorded a strong improvement of 33% to reach S\$23.9 million in 3QFY2013. The Group's total operating expense increased by a modest 7% to S\$49.8 million primarily attributable to an increase in staff costs in the Group's operations in China, Australia, Indonesia, Hong Kong and Malaysia amounting to S\$2.0 million; an increase in the cost of upkeep of machinery, buildings, vehicles and vessels of S\$1.3 million; an increase in depreciation charge and insurance expenses of S\$1.5 million as well as higher distribution expenses of S\$1.0 million. The Group also recorded a net unrealised foreign exchange gain of S\$1.7 million arising from a weaker Japanese Yen against the Singapore and Australian Dollar and higher contributions from associates and joint ventures amounting to S\$1.2 million which contributed further to the improvement in PBT.

The Group's earnings per share on a fully diluted basis was 2.97 Singapore cents in 3QFY2013 compared with 2.28 Singapore cents in 3QFY2012. Net tangible asset and net asset value per ordinary share as at 31 December 2012 was S\$0.96 and S\$1.04, respectively. As at 31 December 2012, the Group had cash and cash equivalents totalling S\$59.2 million.

Commenting on the Group's strong performance in 3QFY2013, Mr Roland Ng, Tat Hong's Group CEO, said: "Fuelled by strong demand arising from the infrastructure and oil and gas boom in the region, our crane rental business performed very well and will continue to drive Tat Hong's revenue and profit growth. With our extensive geographical footprint in Asia and Australia, we are in a good position to benefit from the continued growth of the infrastructure and oil and gas sectors going forward."

He added: "Our profit for the first nine months of this year have surpassed our total net profit for FY2012 and barring unforeseen circumstances, we are confident of ending our current financial year with a good set of results."

SEGMENTAL REVIEW

Revenue Breakdown (S\$'000)	3QFY2013	3QFY2012	% Change	9MFY2013	9MFY2012	% Change
Distribution	90,586	97,404	▼7	272,485	259,028	▲5
Crane Rental	73,614	57,740	▲27	234,620	159,633	▲47
General Equipment Rental	22,494	25,455	▼12	73,034	73,932	▼1
Tower Crane Rental	19,362	15,567	▲24	57,191	45,227	▲26
Total	206,056	196,166	▲5	637,330	537,820	▲19

Distribution

The Distribution division recorded a 7% decrease in revenue over 3QFY2012 to S\$90.6 million in 3QFY2013. The Group's Distribution business saw lower sales in Australia due to weaker demand from the mining, infrastructure and construction sectors as well as lower excavator sales in Vietnam as lower commodity prices impacted the mining sector. There were also no sales made to Papua New Guinea, unlike in the same quarter a year ago. The decline in sales in Australia and Vietnam was partially compensated by an improvement in sales from the Singapore unit and a marginal improvement in the sales of excavators in Indonesia to the logging industry.

Crane Rental

During the quarter under review, the Crane Rental division recorded a robust increase of 27% in turnover to S\$73.6 million compared with 3QFY2012. The improvement in performance was broad-based with all key markets reporting stronger performance.

The Singapore unit's performance benefitted from its participation in the construction activities on Jurong Island, MRT projects and foundation work for housing projects as well as increased overseas rental activities to Papua New Guinea. Involvement in jetty construction, yard fabrication, MRT and oil and gas projects boosted revenues generated by the Group's Malaysian operations. In Hong Kong, the Group's participation in key infrastructure projects such as the Central – Wanchai Bypass, XRL West Kowloon Terminal Station South Phase and the Hong Kong-Macau-Zhuhai Bridge increased its revenue contribution. Likewise, contribution from the Group's Thailand operations improved as a result of its participation in the country's MRT, hospital, factory and housing projects. The Group's Australian unit also turned in an improved performance as a result of its continued involvement in the LNG and port expansion projects.

General Equipment Rental

Revenue generated by the General Equipment Rental division in 3QFY2013 registered a 12% decline to S\$22.5 million compared with the same quarter a year ago. The decline in turnover was due to weaker demand from the mining sector in Queensland and subdued activities in New South Wales which was partially compensated by better performance in Western Australia.

Tower Crane Rental

Revenue contribution from the Tower Crane division improved 24% to S\$19.4 million compared with 3QFY2012 as a result of a larger tower crane fleet coupled with improved utilisation rates arising from the division's participation in infrastructure, large commercial and power station projects.

BUSINESS PROSPECTS

The Group expects its Crane Rental division to maintain its momentum for the fourth quarter of FY2013 as the outlook for the key Southeast Asia markets and Hong Kong remains encouraging. The operations in Australia will continue to benefit from committed and new project starts, especially in the oil and gas sector.

The Equipment Distribution division expects to maintain a satisfactory performance. Whilst the performance of the Singapore operations is expected to remain stable, overall performance could be affected by weaker demand in Australia due to reduced public spending by the government and subdued activities outside of the resources sector.

The General Equipment Rental division's performance in the fourth quarter could be impacted by the overall subdued activities in Australia outside of the resources sector, inclement weather in some states and flooding in Queensland.

The Tower Crane Rental division in China expects to maintain its growth momentum as it continues to participate in more localised and sizeable infrastructure projects.

Barring any unforeseen circumstances or significant deterioration of the global economy, the Group is confident of improving its performance in FY2013, compared with FY2012.

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About Tat Hong Holdings Ltd

Tat Hong Holdings Ltd is one of the largest crane companies in the world - #1 crane-owning company in Asia-Pacific, and #7 in the world, based on aggregate tonne-metres of its fleet¹; #1 in the world based on number of crawler cranes¹; and #2 in China, and top 6 in the world, based on aggregate tonne-metres of tower crane fleet¹.

Established in Singapore in the 1970s, Tat Hong is principally engaged in four core business activities – distribution, crane rental, tower crane rental and general equipment rental. It serves diversified industries including infrastructure, oil and gas, resources, construction and engineering sectors, across Asia, Australia and China.

Tat Hong currently has a combined rental fleet of over 1,500 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, Hitachi, Yanmar, Bomag, Kato, Mustang, Kawasaki, Mitsubishi and Linkbelt.

Through its Australian subsidiary, Tutt Bryant, Tat Hong has a leading and active position in three key business areas in the Australian market – equipment distribution, crane hire and haulage and general plant and equipment hire.

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 tower crane rental subsidiaries. Today, the Group has fortified its presence as the second largest tower crane rental company in China based on aggregate tonne-metres owned¹.

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