

## **ANNOUNCEMENT OF FULL YEAR RESULTS – 11 JUNE 2004**

Tat Hong's audited turnover for the year ended 31 March 2004 was S\$231,965,000 (A\$192,402,000) 26.7% higher than the previous financial year.

The group recorded a net profit after tax and after minority interest of S\$13,931,000 (A\$11,555,000) for the year ended 31 March 2004, 74.0% higher than the previous financial year. This commendable performance for the financial year was due to the following factors:

- Australia's lift in performance was attributable to;
  1. Equipment sales business leaping by 58.4% when compared with the last financial year (\$105.3 million in FY 2004, \$66.5 million in FY 03).
  2. Rental business jumped by 41.9% as compared with the last financial year (\$14.9 million in FY 04, \$10.5 million in FY 03).
- Improved margins from rental business due to higher rates derived from higher capacity cranes.
- Rental Business in Singapore jumped by 27.8%.
- An exchange gain of \$1.6 million recorded in the current financial year mainly due to stronger A\$ which more than offset the exchange loss suffered from other currencies.
- Increased margins recorded by equipment sales business as a result of recognition of discount on acquisition of A\$5.5 million. The figure was partially offset by allowance of A\$1.5 million on spare parts obsolescence of certain franchises inherited from Banbury which were discontinued during the year and A\$0.6 million of exit costs on equipment from discontinued franchises.

Australia contributed to almost 59% of the group's turnover recorded in the current financial year. With the steady growth currently enjoyed by Australia, management believes that it will continue to contribute significantly to the group.

Tat Hong is well positioned through regional presence and available stock to participate in the supply of equipment to infra-structure and oil and gas projects in the region and continue to benefit further from the positive outlook in our business sectors and markets.

Tat Hong's entry into supply of mining equipment to coal mines in Indonesia will boost our bottom line further in the coming years.

The Company expect this positive operating environment and the tight market for the supply of cranes will continue to push up utilisation rates, rental rates and prices of both new and used equipment. With Tat Hong's strong position in these business sectors, the directors believe that the group can improve its performance further in the coming years.

In addition to the interim dividend of Singapore 0.7 cents (3.5%) per share declared earlier, we are pleased to announce a last and final gross dividend before tax of Singapore 1.3 cents (6.5%) per share for the year ended 31 March 2004. Thus making a total dividend of Singapore 2 cents (10%) per share for the year as compared with Singapore 1.2 cents dividend declared last year.

On behalf of the Board,

Mr Ong Tiew Siam, Company Secretary