Registration No: 199105392H

DISPOSAL OF PROPERTY - 11 GUL CRESCENT, SINGAPORE

INTRODUCTION

Tat Hong Holdings Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to inform that its wholly-owned subsidiary, Tat Hong HeavyEquipment (Pte) Ltd ("**THHE**") has accepted the offer from JTC Corporation ("**JTC**") for the Surrender of Lease of 11 Gul Crescent, Singapore, (the "**Property**") for a total cash consideration of S$21 million (the "**Transaction**").

The Property has a site area of approximately 29,390 square metres with two single-storey office buildings, three single-storey warehouse/storage buildings and two other ancillary buildings having a total built-up area of approximately 12,640 square metres. The Property has a remaining lease of approximately 25 years.

RATIONALE

The Company had in September 2013 announced its decision to divest the Property as part of its programme to optimise operations in land-scarce Singapore. Offers received at that time were not acceptable to the Company and the Property was withdrawn from the market. In May 2015, Mini Environment Service Pte Ltd exercised the Option to Purchase issued by THHE but the sale was not completed as certain conditions were not fulfilled. Please refer to the Company's announcements of 4 September 2013, 8 May 2015 and 27 November 2015 for details.

The Company had in the meantime proceeded with its plans to optimise its Singapore operations and relocated its crane storage and maintenance operations to other sites at Tuas Bay Drive, Tuas South as well as Kulaijaya, Johor, and the Property is now redundant.

CONSIDERATION

The consideration of S$21 million from JTC for the Surrender of Lease of the Property was arrived at on a willing buyer willing seller basis, taking into account recent market transactions of similar nature.

The Property has a net book value of approximately S$11.4 million as at 31 January 2016 and the Group will recognise a pre-tax gain on disposal of approximately S$9.5 million.

COMPLETION

The completion of the Surrender of Lease is expected to take place on 29 March 2016. The completion is subject to the certain structures and items being regularised or removed.

FINANCIAL EFFECTS

For illustrative purposes only, the proforma financial effects on the Group's earnings per share (EPS) and net tangible asset (NTA) per share based on its consolidated audited financial statements for FY2015 ended 31 March 2015 are as follows:

a) Assuming that the Transaction had taken place in FY2015, the Group's EPS would have increased from 0.77 cents to 2.05 cents.

b) Assuming that the Transaction had taken place on 31 March 2015, the Group's NTA per share would have increased from S$1.00 to S$1.01.

CHAPTER 10 OF THE LISTING MANUAL

Based on the audited financial statements of the Group for the financial year ended 31 March 2015, the relative figures for the Transaction computed on the bases set out in Rules 1006(a) to 1006(d) of the Listing Manual are as follows:

Rule	Bases	Relative Figures
1006(a)	Net asset value of the Transaction, compared with the Group's net asset value	1.7%
1006(b)	Net profit attributable to the Transaction, compared with the Group's net profits	19.3%
1006(c)	Aggregate value of the consideration to be received, compared with the market capitalisation of the Company as at 12 February 2016 being the market day preceding the date of the Transaction	8.1%
1006 (d)	Number of equity securities issued by the Company as consideration for the Transaction, compared with the number of equity securities previously in issue	NA

Notes:

1) The relative figure for Rule 1006(a) was computed based on the net asset value of the Property of S$11.4 million as at 31 January 2016 divided by the Group's audited net asset value as at 31 March 2015 of S$650.8 million.

2) The relative figure for Rule 1006(b) was computed based on the pre-tax gain from the Transaction of approximately S$9.5 million divided by the Group's FY2015 net profit before tax and minority interests and excluding extraordinary items of S$49.2 million.

3) The relative figure for Rule 1006(c) was computed based on the consideration of S$21.0 million divided by the market capitalisation of the Company as at 12 February 2016 of approximately S$259.0 million (based on volume weighted average share price).

The Transaction constitutes a "discloseable transaction" for the purposes of Chapter 10 of the Listing Manual, and is not subject to the approval of the shareholders of the Company as the relative figures under 1006(b) and 1006(c) exceed 5% but are less than 20%.

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholders of the Company has any interest in the above Transaction, except through their shareholdings and/or directorships in the Company.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Letter of Offer for the Surrender of Lease of the Property is available for inspection during normal business hours at the Company's registered address at 82 Ubi Avenue 4, #05-01 Edward Boustead Centre, Singapore 408832 for a period of three months from the date of this Announcement.

By Order of the Board
Tat Hong Holdings Ltd

Jennie Hong Chok Hane
SVP Group Finance / Company Secretary
15 February 2016