Registration No: 199105392H

DIVESTMENT OF INDIRECT 60%-OWNED SUBSIDIARY – TAT HONG FLO-LINE PTE LTD

Tat Hong Holdings Ltd (the "Company", and together with its subsidiaries, the "Group") wishes to inform that its wholly-owned subsidiary, Tat Hong Machinery Pte Ltd ("THM") has divested its entire 60% stake in Tat Hong Flo-Line Pte Ltd ("Flo-Line") to Flo-Line Hydraulics Pte Ltd ("Flo-Line Hydraulics") for a total cash consideration of S$259,000 ("Sale Consideration"). Flo-Line Hydraulics holds 50% interest in Flo-Line Holdings Pte Ltd which in turn, holds the remaining 40% interest in Flo-Line.

Flo-Line was incorporated in 2008 with a paid up share capital of S$1.0 million to undertake the business of remanufacturing, repairing and testing of hydraulic components of all types of construction related equipment. The business generated to date has not met the Company's expectations and Flo-Line has been incurring operating losses annually.

The Company does not expect any significant improvement in Flo-Line's business prospects going forward. The divestment of Flo-Line is also in line with the Company's on-going exercise to streamline its investments and focus resources on its core business of crane rental.

The Sale Consideration was arrived at on a willing buyer, willing seller basis, taking into account Flo-Line's unaudited net asset value of S$399,000 as at 30 November 2014 (of which 60% amounts to S$239,000).

The divestment of Flo-Line is not expected to have any material impact on the Group's financial performance for the financial year ending 31 March 2015.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction except through their shareholdings and/or directorships in the Company and directorships in Flo-Line.

By Order of the Board
Tat Hong Holdings Ltd

Lional Tseng
Joint Company Secretary
6 January 2015