Registration No: 199105392H

# DISPOSAL OF PROPERTY IN MALAYSIA

## INTRODUCTION

Tat Hong Holdings Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to inform that its indirect 100%-owned subsidiary, Tat Hong Plant Hire Sdn Bhd ("**THPH**"), has today entered into a Sale and Purchase Agreement ("**SPA**") for the sale of its property at Lot 38187, Jalan SU 8, Taman Perindustrian Subang Utama, Sekysen 22, 40300 Shah Alam, Selangor Darul Ehsan, Malaysia ("**Shah Alam Property**") to Hiro Food Packages Manufacturing Sdn Bhd for a total a cash consideration of RM$17.5 million (approximately S$6.5 million) ("**Transaction**").

Shah Alam Property comprises freehold land of 8,166 square metres with an ancillary two-storey detached industrial building.

## RATIONALE

THPH has relocated its core crane rental operations to larger premises in Kulaijaya, Johor which was acquired in 2014 to house its expanded operations, realise operating cost savings and to better serve its customers, many of whom are engaged in projects in the southern part of West Malaysia. As a result of this relocation, there is no further need for the Shah Alam Property.

## CONSIDERATION

The consideration for the Shah Alam Property was arrived at after negotiations on a willing-buyer, willing-seller basis and took into consideration recent similar transactions.

The Shah Alam Property has a net book value of RM6.1million (approximately S$2.3) as at 31 March 2015 and the Group would realise a gain of approximately RM11.5 million (approximately S$4.2 million) after deducting expenses.

## 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 FY2014 ended 31 March 2014 are as follows:

a) Assuming that the Transaction had taken place in FY2014, the Group's EPS would have increased from 5.11 cents to 5.75 cents.

b) Assuming that the Transaction had taken place on 31 March 2014, the Group's NTA per share would have increased from S$0.98 to S$0.99.

**CHAPTER 10 OF THE LISTING MANUAL**

Based on the audited financial statements of the Group for the financial year ended 31 March 2014, 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 | 0.3% |
| 1006(b) | Net profit attributable to the Transaction, compared with the Group's net profits | 8.6% |
| 1006(c) | Aggregate value of the consideration to be received, compared with the market capitalisation of the Company as at 10 April 2015 being the market day preceding the date of the Transaction | 1.5% |
| 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 Shah Alam Property at RM6.1 million (approximately S$2.2 million) as at 31 March 2015 divided by the Group's audited net asset value as at 31 March 2014 of S$675.5 million.

2) The relative figure for Rule 1006(b) was computed based on the pre-tax gain from the Transaction of approximately RM11.5 million (approximately S$4.2 million) divided by the Group's net profit before tax and minority interests for FY2014 of S$48.9 million.

3) The relative figure for Rule 1006(c) was computed based on the consideration of RM17.5 million (approximately S$6.5 million) divided by the market capitalisation of the Company as at 10 April 2015 of approximately S$421.5 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 figure under 1006(b) exceeds 5% but is 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 SPA 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**

Lional Tseng
Group Chief Financial Officer/Joint Company Secretary
13 April 2015