TAT HONG HOLDINGS LTD

Registration No: 199105392H

DISPOSAL OF A PROPERTY IN QUEENSLAND, AUSTRALIA

INTRODUCTION

Tat Hong Holdings Ltd (the "Company", and together with its subsidiaries, the "Group") refers to its announcements on 7 July 2014, 27 August 2014 and 2 March 2015 in relation to the sale and leaseback of its properties in Australia.

The Company wishes to inform that its 100% indirectly-owned subsidiary, Tutt Bryant Equipment Pty Ltd ("TBE"), has entered into a contract with Ashover Investment Pty Ltd ("Ashover Investment") for the sale of and leaseback ("Sale and Leaseback Agreement") of the property at 14 Ashover Road, Rocklea, QLD 4106 (the "Property") for a cash consideration of A$6.25 million (approximately S$6.46 million).

CONSIDERATION

The A$6.25 million (S$6.46 million) cash consideration was arrived at on a willing-buyer, willing-seller basis following TBE's negotiations with Ashover Investment. Under the Sale and Leaseback Agreement, Tutt Bryant Group Limited will lease the Property from Ashover Investment for a period of 12 years at base rental of A$0.53 million (S$0.55 million) per annum, subject to a fixed annual base rent adjustment as well as index and market reviews on set intervals within the lease term.

As the Property has a net book value of A$2.70 million (S$2.78 million) as at 31 May 2015, the Group would realise a gain of A$3.50 million (S$3.62 million), after deducting expenses.

FINANCIAL EFFECTS

For illustrative purposes only, the proforma financial effects of the sale of the Property ("Transaction") 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 1.17 cents.

b) Assuming that the Transaction had taken place on 31 March 2015, the Group's NTA per share would have remained unchanged at S$1.00.

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 Properties, compared with the Group's net asset value	0.4%
1006(b)	Net profit attributable to the Transaction, compared with the Group's net profits	19.7%
1006(c)	Aggregate value of the consideration to be received, compared with the market capitalisation of the Company as at 16 June 2015, the market day preceding the date of the Transaction	2.0%
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	N.A.

Notes:

1) The relative figure for Rule 1006(a) was computed based on the net book value of the Property of A$2.70 million (approximately S$2.79 million) as at 31 May 2015 divided by the Group's audited net asset value as at 31 March 2014 of S$650.83 million.

2) The relative figure for Rule 1006(b) was computed based on the gain on the disposal of the Properties of A$3.50 million (approximately S$3.62 million) divided by the Group's audited net profit before tax and minority interests and excluding extraordinary items for FY2015 of S$18.36 million.

3) The relative figure for Rule 1006(c) was computed based on the consideration of A$6.25 million (approximately S$6.46 million) divided by the market capitalisation of the Company of S$316.04 million as at 16 June 2015 (based on 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) 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 sale and lease contract for each of the Properties is available for inspection during normal business hours at the Company's registered address at 82 Ubi Avenue 3, #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 CFO/Joint Company Secretary
17 June 2015