Registration No: 199105392H

DISPOSAL OF PROPERTIES IN AUSTRALIA

INTRODUCTION

Tat Hong Holdings Ltd (the "Company", and together with its subsidiaries, the "Group") refers to its announcements dated 7 July 2014 and 27 August 2014 in relation to the sale and leaseback of properties by its 100%-owned subsidiary in Australia, Tutt Bryant Group Limited ("TBG").

The Company wishes to inform that TBG has entered into contracts for the sale of land/property and lease (collectively, "Sale and Leaseback Agreement") of the following properties ("Properties") with Primewest Funds Ltd ("Primewest"), a national wholesale property investor and developer in Australia, for an aggregate cash consideration of A$23.3 million (approximately S$24.7 million):

(a) 6 Ferngrove Place, South Granville, NSW 2142
(b) 8 Ferngrove Place, South Granville, NSW 2142
(c) 5 - 9 Motorway Circuit , Ormeau, QLD 4208
(d) 44 - 50 Great Eastern Highway, South Guildford, WA 6055.

CONSIDERATION

The A$23.3 million (approximately S$24.7 million) cash consideration ("Cash Consideration") was arrived at on a willing-buyer, willing-seller basis following TBG's negotiations with Primewest. Under the Sale and Leaseback Agreement, TBG will lease the Properties from Primewest for a period of 12 years at an aggregate rental of A$1.91 million (approximately S$2.0 million) per annum, subject to a fixed annual base rent adjustment and market rent reviews on set intervals within the lease term.

As the Properties have a combined net book value of A$16.4 million (approximately S$17.4 million) as at 31 January 2015, the Group would realise a gain of A$6.7 million (approximately S$7.1 million), after deducting expenses.

FINANCIAL EFFECTS

For illustrative purposes only, the proforma financial effects of the sale of the Properties ("Transaction") 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 5.89 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 Properties, compared with the Group's net asset value	2.6%
1006(b)	Net profit attributable to the Transaction, compared with the Group's net profits	14.5%
1006(c)	Aggregate value of the consideration to be received, compared with the market capitalisation of the Company as at 27 February 2015, the market day preceding the date of the Transaction	5.4%
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 Properties of A$16.4 million (approximately S$17.4 million) as at 31 January 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 gain on the disposal of the Properties of A$6.7 million (S$7.1 million) divided by the Group's audited net profit before tax and minority interests and excluding extraordinary items for FY2014 of S$48.9 million.

3) The relative figure for Rule 1006(c) was computed based on the consideration of A$23.3 million (approximately S$24.7 million) divided by the market capitalisation of the Company of S$459.1 million as at 27 February 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) 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 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
Joint Company Secretary
2 March 2015