TAT HONG HOLDINGS LTD

Registration No: 199105392H

DIVESTMENT OF INDIRECTLY-OWNED SUBSIDIARY – PT TATINDO HEAVYEQUIPMENT

The Board of Directors of Tat Hong Holdings Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") would like to announce that its wholly-owned subsidiary Tat Hong International Pte Ltd ("**THI**") has divested its entire 95% interest in PT Tatindo HeavyEquipment ("**PTTH**") to Tony Investment Pte Ltd, a wholly-owned investment holding company of Mr Ng Sun Ho Tony ("**Mr Tony Ng**") for a consideration of S$158,000 (the "**Transaction**").

PTTH was involved in the principal activities of the distribution of heavy equipment, primarily excavators, and related spare parts in Indonesia, a business which the Group had exited.

Mr Tony Ng is a director of each of THI and PTTH and he is also a joint trustee of Chwee Cheng Trust which owns approximately 43.6% of Chwee Cheng & Sons Pte Ltd ("**CCSPL**"), a controlling shareholder which has a deemed interest of approximately 96.5% in the issued capital of the Company. Being a joint trustee of Chwee Cheng Trust, Mr Tony Ng is deemed to be interested in CCSPL's interest in the Company. Hence the Transaction is considered an Interested Person Transaction. As the consideration represents 0.03% of the Group's latest audited NTA of S$569.1 million, this announcement is made pursuant to Rule 704(18) of the SGX-ST Listing Manual.

The Transaction was conducted on a willing buyer, willing seller basis. The consideration of S$158,000 for the Group's entire interest in PTTH was based on the NAV of PTTH as at 31 March 2018.

The Audit Committee and the Board have approved the sale of PTTH to Tony Investment and are of the opinion that the Transaction was conducted at arm's length basis and on commercial terms, and was not prejudicial to the interests of the Company and the shareholders.

The Transaction is not expected to have any material impact on the Group's earnings per share and NTA per share for the financial year ending 31 March 2019.

Mr Ng San Tiong Roland, Managing Director and Group CEO of the Company and Mr Ng Sang Kuey Michael, an Executive Director of the Company are the brothers of Mr Tony Ng and Mr Ng Chen Wei, an Executive Director is the nephew of Mr Tony Ng. Save as disclosed, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction except through their shareholding and/or directorship in the Company.

By Order of the Board
Tat Hong Holdings Ltd

Jennie Hong Chok Hane
Group CFO / Company Secretary
2 July 2018