Registration No: 199105392H

RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE – CHANGE IN IRREVOCABLE UNDERTAKING BY MR NG CHWEE CHENG AND NG CHWEE CHENG CORPORATION

1. INTRODUCTION

The board of directors ("**Directors**") (the "**Board**") of Tat Hong Holdings Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 14 November 2016 in relation to the Rights Issue (the "**Previous Announcement**").

All capitalised terms used and not defined herein shall bear the same meanings ascribed to them in the Previous Announcement, unless the context otherwise requires.

2. CHANGE IN IRREVOCABLE UNDERTAKING BY MR NG CHWEE CHENG AND NG CHWEE CHENG CORPORATION

2.1. The Board wishes to inform Shareholders that Mr Ng Chwee Cheng and Ng Chwee Cheng Corporation ("**NCC Corp**") had, prior to the date of the Revised Undertaking (as defined below) approached the Company and the Underwriter in relation to the proposed transfer of 49,048,578 Shares in various tranches held by NCC Corp to Mr Ng Chwee Cheng (the "**Reallocation**").

2.2. Mr Ng Chwee Cheng has represented to the Company and the Underwriter that the Reallocation is being carried out pursuant to a review by Mr Ng Chwee Cheng of his personal assets. Following the Reallocation, NCC Corp shall own 6,000,000 Shares. As a result, Mr Ng Chwee Cheng has also requested for NCC Corp to cease to be an Undertaking Shareholder in connection with the Rights Issue due to the insubstantial shareholding of NCC Corp after the Reallocation (the "**Cessation**").

2.3. In consideration of the Reallocation and Cessation, Mr Ng Chwee Cheng has agreed to (i) fully subscribe and/or procure the full subscription for all of his enlarged *pro rata* Rights Shares entitlement (taking into account the additional 49,048,578 Shares from NCC Corp); and (ii) apply and/or procure application for an additional 1,200,000 excess Rights Shares which are not subscribed or otherwise taken up and/or applied for by the other Shareholders on the basis that he will rank last in priority in the allotment of excess Rights Shares which are not taken up by the other Shareholders. NCC Corp would have had to subscribe for 1,200,000 Rights Shares if it had remained as an Undertaking Shareholder based on its interest in 6,000,000 Shares after the Reallocation.

2.4. Mr Ng Chwee Cheng has provided the Company and the Underwriter with a revised irrevocable undertaking dated 18 November 2016 (the "**Revised Undertaking**"), pursuant to which Mr Ng Chwee Cheng has unconditionally and irrevocably represented, warranted, and undertaken to the Company and the Underwriter, *inter alia*, that Mr Ng Chwee Cheng will:

(i) fully subscribe and/or procure the full subscription for his *pro rata* Rights Shares entitlement, based on his interest in 56,571,568 Shares (including 30,000,000 Shares transferred by NCC Corp to Mr Ng Chwee Cheng pursuant to the Reallocation) under the Rights Issue;

(ii) fully subscribe and/or procure the full subscription for his *pro rata* Rights Shares entitlements, based on his interest in the additional 19,048,578 Shares to be transferred by NCC Corp to Mr Ng Chwee Cheng following the completion of the Reallocation, under the Rights Issue;

(iii) apply and/or procure application for up to 29,200,000 excess Rights Shares which are not subscribed or otherwise taken up and/or applied for by the other Shareholders on the basis that he will rank last in priority in the allotment of excess Rights Shares which are not taken up by the other Shareholders,

(the Rights Shares entitlement under (a) to (c) above shall collectively be referred to as the "**Undertaking Shares**"); and

(iv) make full payment for the Undertaking Shares.

2.5. The Revised Undertaking:

(i) constitutes the entire agreement and understanding of Mr Ng Chwee Cheng, the Company, and the Underwriter relating to the subject matter of the Revised Undertaking and Mr Ng Chwee Cheng has not provided the Revised Undertaking in reliance upon any representation, warranty, or undertaking of any other party which is not set out or referred to in the Revised Undertaking; and

(ii) shall supersede all prior and contemporaneous negotiations, commitments, and undertakings of the parties whether oral or written, including the Irrevocable Undertaking provided by Mr Ng Chwee Cheng.

2.6. Following the Reallocation and Cessation, Mr Ng Chwee Cheng shall hold at least 75,620,146 Shares amounting to approximately 12.0% of the Existing Share Capital.

3. POSITION OF THE COMPANY AND THE UNDERWRITER IN RELATION TO THE REALLOCATION AND CESSATION

3.1. In considering Mr Ng Chwee Cheng's proposal to undertake the Reallocation and the Cessation, the Directors have considered the following:

(i) the interests of Shareholders in connection with the Rights Issue will not be prejudiced by the Reallocation, the Cessation, and the change in shareholdings of Mr Ng Chwee Cheng and NCC Corp, as the total number of Shares for which Mr Ng Chwee Cheng has undertaken to fully subscribe and/or procure full subscription and to apply and/or procure application pursuant to the Revised Undertaking remains the same as the total number of Shares for which Mr Ng Chwee Cheng and NCC Corp had previously undertaken to fully subscribe and/or procure

the full subscription and/or (as the case may be) to apply and/or procure application pursuant to their respective Irrevocable Undertakings; and

(ii) further to paragraph 3.1(i) above, the Net Proceeds arising from the Rights Issue will not be reduced, and accordingly the interests of the Company will similarly not be prejudiced by the Reallocation and Cessation.

3.2. Accordingly, for the reasons stated above, the Company and the Underwriter have accepted the proposal of Mr Ng Chwee Cheng in relation to the Reallocation and the Cessation. In this regard, the Company, the Underwriter, and Mr Ng Chwee Cheng had entered into an agreement on 18 November 2016 (after trading hours) (the "**Agreement**") to:

(i) approve the Reallocation and Cessation;

(ii) accept the Revised Undertaking in lieu of the Irrevocable Undertakings provided by Mr Ng Chwee Cheng and NCC Corp; and

(iii) to discharge and release NCC Corp from all its liabilities, obligations, and undertakings under or pursuant to, and from all claims and demands whatsoever under or arising under the Irrevocable Undertaking provided by NCC Corp.

3.3. The Company would also like to highlight that Mr Ng Chwee Cheng has, in the Agreement, irrevocably undertaken to keep the Company and the Underwriter fully and effectively indemnified against any and all losses, costs, damages, claims, demands, actions, proceedings, liabilities, and expenses whatsoever (including but not limited to all legal costs) that the Company and/or the Underwriter (as the case may be) may from time to time suffer or incur in connection with or arising from any actual or alleged breach or inaccuracies of any of Mr Ng Chwee Cheng's undertakings pursuant to the Revised Undertaking, and any default by Mr Ng Chwee Cheng of his undertakings and/or obligations pursuant to the Agreement.

3.4. To summarise, the Directors wish to highlight the following:

(i) the Undertaking Shareholders now comprise Mr Ng San Tiong, Managing Director and Group Chief Executive Officer, Chwee Cheng & Sons Pte Ltd, TH Investments Pte. Ltd., and Mr Ng Chwee Cheng (the "**Remaining Undertaking Shareholders**"); and

(ii) the total number of Undertaken Shares remains unchanged, and amounts to an aggregate of 97,571,079 Rights Shares and represents approximately 77.6% of the total number of Rights Shares (of up to 125,776,884 Rights Shares) under the Rights Issue (as mentioned in paragraph 3.4 of the Previous Announcement).

4. FURTHER ANNOUNCEMENTS

Save as mentioned above, all other information in the Previous Announcement remains unchanged. Further announcements on the Rights Issue will be made by the Company at the appropriate junctures, or upon the advent of material developments, if any.

By Order of the Board
Tat Hong Holdings Ltd

Jennie Hong Chok Hane
Group Chief Financial Officer / Company Secretary

20 November 2016