Registration No: 199105392H

DIVESTMENT OF INVESTMENT IN AN ASSOCIATE COMPANY – KIAN HO BEARINGS LTD

The Board of Directors of Tat Hong Holdings Ltd (the "Company", and together with its subsidiaries, the "Group") wishes to inform that it has divested its entire 31.27% interest, comprising 73,192,000 ordinary shares, in Kian Ho Bearings Ltd ("KHB Shares") to Raffles United Pte Ltd in a married deal that was transacted today.

Kian Ho Bearings Ltd ("KHB") is listed on the mainboard of the SGX-ST, and is a stockist, distributor and retailer of all kinds of bearings, seals and power transmission belts in Southeast Asia and the Far East.

The Company had acquired the KHB Shares in 2006 with the original intention of extracting synergies between KHB and the Group's spare parts business. However, such synergies did not materialize. In addition, the cash that would be unlocked in the divestment of KHB Shares could be put to better use, for working capital needs or to reduce bank borrowings. The Company has therefore decided to divest the KHB Shares for a total consideration of S$17.2 million, or S$0.235 per share, representing a premium of 6.8% to the last traded price of KHB shares on 3 June 2014 of S$0.22 per share.

The consideration was arrived at on a willing buyer, willing seller basis, taking into account the last traded price of KHB shares on 3 June 2014 at S$0.22 per share. The net book value of the KHB Shares of S$17.2 million (as at 31 March 2014) compared with the Group's net asset value and the consideration for the KHB Shares compared with the market capitalisation of the Company are both less than 5%. Accordingly, this transaction constitutes a non-discloseable transaction under Chapter 10 of the Listing Manual.

The divestment of KHB Shares will not have any material impact on the Group's financial performance for the financial year ending 31 March 2015.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction except through their shareholdings in the Company.

By Order of the Board
Tat Hong Holdings Ltd

Lional Tseng
Joint Company Secretary
4 June 2014