Registration No: 199105392H

DIVESTMENT OF WHOLLY-OWNED SUBSIDIARY – TAT HONG TRAINING SERVICES PTE 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 entered into a Sale and Purchase Agreement with Mr Ng Sun Ho Tony (the "Purchaser") to divest its entire interest in Tat Hong Training Services Pte Ltd ("THTS") for a total cash consideration of S$410,000 (the "Transaction"). The Transaction is expected to be completed on 7 June 2016.

The Purchaser is the brother of the Company's Managing Director and Group CEO, Mr Ng San Tiong Roland and is a director of Chwee Cheng & Sons Pte Ltd, the controlling shareholder of the Company. The Purchaser is also a trustee of Chwee Cheng Trust, which in turn owns approximately 42.03% of Chwee Cheng & Sons Pte Ltd. Hence, the Purchaser is deemed to be interested in the shares of the Company held by Chwee Cheng & Sons Pte Ltd.

Whilst the Transaction is an Interested Person Transaction, the consideration represents 0.07% of the Group's latest audited NTA of S$629.7 million. None of the relative figures under Rule 1006 of the SGX-ST Listing Manual exceeds 1.0%; this announcement is made pursuant to Rule 704(18) of the SGX-ST Listing Manual.

THTS is principally involved in the provision of various industry training courses. THTS is a non-core subsidiary of the Company and has been facing operational and financial challenges in recent years. In addition, there is limited scope to integrate its operations into those of the Group. The divestment of THTS is also in line with the Company's on-going exercise to right-size its operations and focus on its core business of crane rental.

The Transaction is conducted on a willing buyer, willing seller basis. The cash consideration of S$410,000 was based on the carrying value of THTS as at 31 March 2016. The Audit Committee and the Board have approved the sale of THTS to the Purchaser and are of the opinion that the Transaction is conducted at arm's length basis and on commercial terms, and is 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 2017.

Ng San Tiong Roland and Mr Ng Sang Kuey Michael, both executive directors of the Company are also non-executive directors of THTS. They will resign as directors of THTS on completion of the Transaction. 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
24 May 2016