



Report from the IFA in respect of the Profit Guidance Statement

4 May 2018

The Board of Directors

Tat Hong Holdings Ltd
82 Ubi Avenue 4
#05-01 Edward Boustead Centre
Singapore 408832

Dear Sirs,

Report from the IFA in respect of the Profit Guidance Statement (as defined herein) made in the announcement which was released by Tat Hong Holdings Ltd (the “Company”) on SGXNET on 4 May 2018

For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 6 April 2018 and the supplemental letter dated 4 May 2018 (the “Circular” and the “Supplemental Letter”, respectively) to the shareholders of the Company in relation to the Offer.

On 11 January 2018, OCBC Bank announced, for and on behalf of THSC Investments Pte. Ltd. (the “Offeror”), inter alia, that subject to and contingent upon the satisfaction of the Pre-Conditions, the Offeror intends to make a voluntary conditional cash offer (the “Offer”) for all the issued and paid-up ordinary shares (the “Shares”) in the capital of the Company, other than those Shares already held by the Company as treasury shares and those Shares already held, directly or indirectly, by the Offeror as at the date of the Offer.

On 9 March 2018, OCBC Bank, for and on behalf of the Offeror, announced, inter alia, that the Pre-Conditions have been satisfied and accordingly, the Offeror announced its firm intention to make the Offer.

On 26 April 2018, OCBC Bank, for and on behalf of the Offeror, issued an announcement (the “Offer Revision Announcement”) that the Offer is being revised in the manner as follows:

- (i) the Offer Price has been increased from S\$0.50 to S\$0.55 per Share (the “Final Offer Price”) and the Offeror does not intend to revise the Final Offer Price; and
- (ii) the closing date of the Offer has been extended to 5.30 p.m. (Singapore time) on 14 May 2018 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

On 4 May 2018, the Company announced a profit guidance relating to the Group’s financial performance for the fourth quarter and full year ended 31 March 2018 (“4QFY2018” and “FY2018” respectively) (the “Profit Guidance Announcement”). The following statement set out in italics below (the “Profit Guidance Statement”) was made by the Company in the Profit Guidance Announcement in respect of the 4QFY2018 and FY2018 results:

“Based on the preliminary review of its consolidated results for 4QFY2018 and FY2018, the Group is expected to report a loss for 4QFY2018 and FY2018 primarily due to weak revenues arising from the Group’s operations in the ASEAN region and unrealised foreign exchange losses.”

The Profit Guidance Statement was made to provide guidance on the Group’s financial performance for 4QFY2018 and FY2018 prior to the release of the 4QFY2018 and FY2018 results on a date to be announced and has been reported on in accordance with the Singapore Code on Take-overs and



Mergers. The Profit Guidance Statement is not and should not be regarded as a forecast of the Group's financial performance in respect of the period after FY2018.

We have reviewed the Profit Guidance Announcement and have held discussions with the management of the Company in relation to the Profit Guidance Announcement as well as in relation to the underlying bases and assumptions for the Profit Guidance Announcement prepared by the Company.

The Profit Guidance Statement, for which the Directors are solely responsible, was arrived at on bases consistent with the significant accounting policies and methods of computation adopted by the Group for the preparation of the audited consolidated financial statements of the Group for the full year ended 31 March 2017 ("FY2017"), which are set out in the annual report of the Company for FY2017, and has been made based on the following assumptions and/or information available as at 4 May 2018, being the date on which this Announcement is made:

- (i) there were no contingent liabilities nor non-compliances of laws and regulations which would have a material impact on the Group's financial performance for 4QFY2018 and FY2018;
- (ii) there were no impairment losses, income or expenses which would have a material impact on the Group's financial performance for 4QFY2018 and FY2018; and
- (iii) there was no matter which would cause a significant concern over the Group's ability to continue as a going concern.

We have also considered the "Independent assurance report" dated 4 May 2018 issued by KPMG LLP, being the auditor of the Company, relating to their review of the Profit Guidance Statement and the accounting policies, bases and assumptions upon which the Profit Guidance Statement was prepared.

Based on the above, we are of the opinion that the Profit Guidance Statement (for which the Directors are solely responsible) have been made by the Directors after due and careful enquiry. The Profit Guidance Statement does not change our advice and recommendations to the Independent Directors as set out in our Supplemental IFA Letter dated 4 May 2018, which is reproduced in Appendix 1 to the Supplemental Letter issued by the Company on 4 May 2018.

For the purpose of this letter, we have relied on and assumed the accuracy and completeness of all information provided to us and/or discussed with us by the Company. Save as provided in this letter, we do not express any other opinion or views on the Profit Guidance Statement.

The letter is provided to the Directors solely for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept any responsibility to any person(s), other than the Company and the Directors, in respect of, arising out of, or in connection with this letter.

Yours faithfully

For and on behalf of

Australia and New Zealand Banking Group Limited, Singapore Branch

Ben Gledhill

Head of Corporate Advisory, Asia

ANZ Corporate Advisory

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