Registration No: 199105392H

DISPOSAL OF PROPERTY AT 18 SUNGEI KADUT AVENUE, SINGAPORE

INTRODUCTION

Tat Hong Holdings Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to inform that its 100%-owned subsidiary, Tat Hong HeavyEquipment Pte Ltd, has disposed of its property at 18 Sungei Kadut Avenue, Singapore 729489 ("**18 SKA**") to Top Zone Construction and Engineering Pte Ltd for a cash consideration of S$7.0 million ("**Transaction**").

18 SKA has a plot size of approximately 3,606 square metres and a total built-up area of approximately 5,330 square metres, comprising a four-storey main block with a built-up area of approximately 4,230 square metres and a storage/production area of approximately 1,100 square metres. The property has a remaining lease of approximately seven years and seven months, expiring on 1 November 2022.

RATIONALE

The Company had previously announced its plans to improve operating efficiency by consolidating its Singapore operations in the Tuas area and by moving some of its less time-sensitive operations to Johor, Malaysia. The sale of 18 SKA is part of the Company's overall plan to optimise its operations in Singapore. Furthermore, it is uneconomical to invest in the redevelopment of 18 SKA given its small plot size and short remaining lease.

CONSIDERATION

The consideration for 18 SKA was arrived at on a willing-buyer, willing-seller basis and took into account similar property transactions in the recent past, the current lacklustre property market as well as the valuation of S$7.2 million by DTZ Debenham Tie Leong (SEA) Pte Ltd dated 6 June 2014.

18 SKA has a net book value of S$2.8 million as at 28 February 2015. The Group would realise a gain of approximately S$4.1 million after deducting expenses.

FINANCIAL EFFECTS

For illustrative purposes only, the proforma financial effects on the Group's earnings per share (EPS) and net tangible asset (NTA) per share based on its consolidated audited financial statements for FY2014 ended 31 March 2014 are as follows:

a) Assuming that the Transaction had taken place in FY2014, the Group's EPS would have increased from 5.11 cents to 5.69 cents.

b) Assuming that the Transaction had taken place on 31 March 2014, the Group's NTA per share would have increased from S$0.98 to S$0.99.

CHAPTER 10 OF THE LISTING MANUAL

Based on the audited financial statements of the Group for the financial year ended 31 March 2014, the relative figures for the Transaction computed on the bases set out in Rules 1006(a) to 1006(d) of the Listing Manual are as follows:

Rule	Bases	Relative Figures
1006(a)	Net asset value of the Transaction, compared with the Group's net asset value	0.4%
1006(b)	Net profit attributable to the Transaction, compared with the Group's net profits	8.3%
1006(c)	Aggregate value of the consideration to be received, compared with the market capitalisation of the Company as at 16 March 2015 being the market day preceding the date of the Transaction	1.7%
1006 (d)	Number of equity securities issued by the Company as consideration for the Transaction, compared with the number of equity securities previously in issue	NA

Notes:

1) The relative figure for Rule 1006(a) was computed based on the net asset value of 18 SKA at approximately S$2.8 million as at 28 February 2015 divided by the Group's audited net asset value as at 31 March 2014 of S$675.5 million.

2) The relative figure for Rule 1006(b) was computed based on the pre-tax gain from the Transaction of approximately S$4.1 million divided by the Group's net profit before tax and minority interests for FY2014 of S$48.9 million.

3) The relative figure for Rule 1006(c) was computed based on the consideration of S$7.0 million divided by the market capitalisation of the Company as at 16 March 2015 of approximately S$421.3 million (based on volume weighted average share price).

The Transaction constitutes a "discloseable transaction" for the purposes of Chapter 10 of the Listing Manual, and is not subject to the approval of the shareholders of the Company as the relative figure under 1006(b) exceeds 5% but is less than 20%.

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholders of the Company has any interest in the above transaction, except through their shareholdings and/or directorships in the Company.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Option to Purchase is available for inspection during normal business hours at the Company's registered address at 82 Ubi Avenue 4, #05-01 Edward Boustead Centre, Singapore 408832 for a period of three months from the date of this Announcement.

By Order of the Board
Tat Hong Holdings Ltd

Lional Tseng
Group Chief Financial Officer/Joint Company Secretary
17 March 2015