CIRCULAR DATED 9 NOVEMBER 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action that you should take, you should consult your legal, financial, tax or other professional adviser.

If you have sold all your ordinary shares in the issued and paid-up share capital of Tat Hong Holdings Ltd (the "Company"), you should forward this Circular together with the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or to the bank, stockbroker or agent through whom you effected the sale for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

TAT HONG HOLDINGS LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199105392H)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED SPIN-OFF OF THE GROUP'S TOWER CRANE RENTAL BUSINESS THROUGH AN INITIAL PUBLIC OFFERING OF UP TO 38,189,000 NEW ORDINARY SHARES IN THE CAPITAL OF TAT HONG EQUIPMENT SERVICE CO., LTD

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	23 November 2015 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	25 November 2015 at 10.00 a.m.
Place of Extraordinary General Meeting	:	11 Eunos Road 8 Level 2 Event Hall 2-2 Lifelong Learning Institute Singapore 408601

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In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

"Act" or "Companies Act"	:	The Companies Act, Chapter 50, of Singapore, as amended or modified from time to time
"Associates"	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"Board" or "Board of Directors"	:	The board of directors of the Company for the time being
"Circular"	:	This circular to Shareholders dated 9 November 2015
"Company"	:	Tat Hong Holdings Ltd
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises Control over the Company
"Director"	:	A director of the Company for the time being
"EGM"	:	The extraordinary general meeting of the Company, to be convened on 25 November 2015, the notice of which is set out on page 18 of this Circular (or any adjournment thereof)

"FY"	:	Financial year ended or ending 31 March, as the case may be
"Group"	:	The Company and its subsidiaries, collectively, for the time being
"IPO"	:	The Proposed Initial Public Offering
"**Latest Practicable Date**"	:	15 September 2015, being the latest practicable date prior to the printing of this Circular
"Listing Manual"	:	The listing manual of SGX-ST, as amended or modified from time to time
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"PRC"	:	The People's Republic of China
"RMB"	:	Chinese Yuan Renminbi, the lawful currency of the PRC
"SGX-ST"	:	The Singapore Exchange Securities Trading Limited
"Shareholders"	:	Persons (other than CDP) who are for the time being registered as holders of Shares in the Register of Members of the Company and Depositors who have Shares entered against their names in the Depository Register
"Shares"	:	Ordinary shares in the capital of the Company, and each a "**Share**"
"Proposed Spin-off"	:	The proposed spin-off of the Group's tower crane rental business conducted in The People's Republic of China through an Initial Public Offering of up to 38,189,000 new ordinary shares in the capital of THES
"THES"	:	Tat Hong Equipment Service Co., Ltd
"THES Group"	:	THES and its subsidiaries, collectively, for the time being
"New THES Shares"	:	New ordinary shares in the capital of THES that will be issued for public subscription during the IPO, and each a "**New THES Share**"
"TWSE"	:	Taiwan Stock Exchange
"S$" and "cents"	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore

"NT$"	:	New Taiwan dollar, the lawful currency of the Republic of Taiwan
"%" or "percent"	:	Percentage or per centum

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" have the same meanings ascribed to them in Section 130A of the Companies Act.

The term "**subsidiary**" has the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations where applicable.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act or the Listing Manual or any statutory or regulatory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act or the Listing Manual or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any reference to a date and/or time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to "**we**", "**us**" and "**our**" in this Circular is a reference to the Group or any member of the Group as the context requires.

TAT HONG HOLDINGS LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number 199105392H)

Company Directors

Dr Leong Horn Kee (Independent and Non-Executive Chairman)
Mr Ng San Tiong Roland (Managing Director and Group CEO)
Mr Low Seow Juan (Independent and Non-Executive Director)
Mr Mak Lye Mun (Independent and Non-Executive Director)
Mr Ong Tiew Siam (Independent and Non-Executive Director)
Mr Tse Po Shing Andy (Non-Independent and Non-Executive Director)
Mr Ng Sun Ho Tony (Executive Director)
Mr Ng Sang Kuey Michael (Executive Director)

Registered Office:

82 Ubi Avenue 4 #05-01
Edward Boustead Centre
Singapore 408832

9 November 2015

To: The Shareholders of Tat Hong Holdings Ltd

Dear Sir/Madam

THE PROPOSED SPIN-OFF OF THE GROUP'S TOWER CRANE RENTAL BUSINESS THROUGH AN INITIAL PUBLIC OFFERING OF UP TO 38,189,000 NEW ORDINARY SHARES IN THE CAPITAL OF TAT HONG EQUIPMENT SERVICE CO., LTD

1. INTRODUCTION

1.1 The Company had in its announcements of 7 October 2014, 13 July 2015 and 12 August 2015 informed Shareholders of its intention to spin-off part or all of its tower crane rental business in the PRC. The Company proposes to undertake the spin-off by way of an IPO of up to 38,189,000 new ordinary shares in the capital of THES ("**Proposed Spin-off**"). The Company currently has an 81.96% effective shareholding interest in THES.

1.2 The Proposed Spin-off, which constitutes a "major transaction" under Chapter 10 of the SGX-ST Listing Manual, is conditional upon the approval of Shareholders as the relative figure computed on the basis of the gross proceeds from the Proposed Spin-off compared with the market capitalisation of the Company as set out in Rule 1006(c) of the Listing Manual, exceeds 20%. For further details on the computation of the relative figures in respect of the Proposed Spin-off, please refer to Paragraph 2.5 of this Circular.

1.3 Accordingly, the Directors are convening an EGM to be held on 25 November 2015 to seek the Shareholders' approval for the Proposed Spin-off of the Group's tower crane rental business.

1.4 The purpose of this Circular is to provide Shareholders with information relating to the Proposed Spin-off.

1.5 The SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this Circular.

2. THE PROPOSED SPIN-OFF

Shareholders' approval is being sought at the EGM by an ordinary resolution for the Proposed Spin-off of the Company's tower crane rental business via an IPO of up to 38,189,000 new ordinary shares in the capital of THES, representing up to 35.3% of the enlarged share capital of THES.

2.1 Information on THES

2.1.1 THES was incorporated as an investment holding company in the Cayman Islands on 26 August 2014. THES holds 100% interests in six companies which are involved in the provision of tower crane rental services in the PRC. Details of these companies are set out in paragraph 2.1.3.

2.1.2 As at the Latest Practicable Date, THES has a paid-up capital of NT$700,121,000 (approximately S$30.39 million) comprising 70,012,100 shares of NT$10 (approximately S$0.434) each. An application has been submitted to TWSE on 12 August 2015 for the listing of THES's shares and the approval for the listing is expected in December 2015.

2.1.3 The Company's effective interest of 81.96% in THES is held through its 88.4%-owned subsidiary Tat Hong Equipment (China) Pte Ltd ("**THEC**"). Yongmao Holdings Limited, a company listed on the SGX-ST in which the Company has a 23.95% shareholding interest, holds the remaining 11.6% interest in THEC.

The table below shows the shareholding interests in THES:

Shareholder	**Shareholding interest in THES**
THEC	88.07%
TH Straits 2015 Pte Ltd (a wholly-owned subsidiary of THEC)	4.64%
Joyful Shine Holdings Limited	3.04%
Sunfield Investments Pte Ltd	2.30%
China Nuclear Industry Huaxing Construction Company Limited	1.95%

2.1.4 The wholly-owned subsidiaries of THES and their principal activities relating to the rental of tower cranes in the PRC are as follows:

Name of Subsidiary	Principal Activities	Country of Incorporation/ Principal Place of Business
China Nuclear Huaxing Tat Hong Machinery Construction Co., Ltd	Rental of construction machinery and heavy lifting equipment, installation and related engineering services and supplies	PRC
Jiangsu Zhongjian Tat Hong Machinery Construction Co., Ltd	Rental, maintenance and repair of construction machines and equipment, sale of construction equipment and, technology consultancy and related technical services	PRC
Shanghai Tat Hong Equipment Rental Co., Ltd	Rental of tower cranes and other construction machinery	PRC
Jiangsu Hengxingmao Financial Leasing Co., Ltd	Rental of tower cranes and other construction machinery	PRC
Changzhou Tat Hong Zhaomao Machinery Construction Co., Ltd	Rental, maintenance and repair of construction machines and equipment, sale of construction equipment and technology consultancy and related technical services	PRC
Tat Hong Zhaomao Investment Co., Ltd	Investment holding	PRC

Note: The Company has three other dormant subsidiaries previously engaged in the provision of tower crane rental services, namely Si Chuan Tat Hong Yuanzheng Machinery Construction Co., Ltd, Tat Hong Zhiyuan (Jiangsu) Equipment Rental Co. Ltd and Beijing Tat Hong Zhaomao Equipment Rental Co. Ltd and the Company has no intention to re-commence their businesses. Hence, there will not be any conflict of interest between THES and the rest of the Group.

2.1.5 Comparison between the business operations and management of THES and the Group:

	THES	**The Group** (excluding THES)
Business Activities	Rental of tower cranes	Rental of crawler and mobile cranes, rental of general construction equipment and the distribution of crawler/mobile cranes as well as general construction equipment. The Remaining Group does not rent or distribute/sell tower cranes

	THES	**The Group** (excluding THES)
Location of offices and depots	Offices and depots in the People's Republic of China	Offices and depots in Singapore, Australia, Malaysia, Thailand, Hong Kong, Indonesia and Vietnam.
Markets	The People's Republic of China	Crawler/mobile crane rental and distribution: Singapore, Australia, Malaysia, Thailand, Hong Kong, Indonesia, Vietnam, Myanmar, Papua New Guinea, India, Japan, Middle East and Europe. Rental and distribution of general construction equipment: Australia
Equipment owned and rented out	Tower cranes only	Crawler and mobile cranes as well as general construction equipment such as rollers, compactors, excavators, pumps, generators, etc
Management	Mr Yau Kok San Sean Mr Lin Han Wei Henry Ms Wang Dan Dan Chanel	Mr Ng San Tiong Roland Mr Ng Sun Ho Tony Mr Ng Sang Kuey Michael Mr Lional Tseng Mr Ng Chen Wei

2.1.6 Comparison of the financial performance between THES and the Group:

	FY2013	**FY2014**	**FY2015**
Revenue (S$ million)			
The Group	836.93	684.09	608.60
THES Group	66.10	83.84	91.80
PBT (S$ million)			
The Group*	102.48	51.98	44.22
THES Group	9.57	11.98	9.86
NAV (S$ million)			
The Group	689.62	675.54	650.83
THES Group	104.45	115.39	168.80
Operating cash flow (S$ million)			
The Group	28.28	78.98	141.62
THES Group	9.55	24.40	15.89

** Excludes one-off items such as gains on sale of subsidiaries and associates as well as impairment losses relating to goodwill, property, plant and equipment and associates.*

2.2 Rationale for the Proposed Spin-Off

2.2.1 The tower crane rental business has enjoyed strong growth in the PRC in the past few years. Economic growth and urbanisation programmes in the PRC has led to increased investments and government expenditure in the development of the country's infrastructure as well as commercial, industrial and residential building projects, all of which require the use of tower cranes in their construction.

2.2.2 THES Group has a proven track record and is one of the largest tower crane rental companies in the PRC. Its cranes are used in construction and engineering projects across diverse sectors including power plants (nuclear, coal-fired, and LNG plants), transportation infrastructure (railroads, railway stations, airports, bridges and expressways), water treatment plants, resource-related projects as well as industrial, commercial and residential buildings. Any investments in these sectors in the PRC would directly benefit THES.

2.2.3 Additionally, THES Group's customer base comprises many state-owned construction companies which are traditionally involved in the construction of large-scale infrastructure development projects in the PRC.

2.2.4 THES Group's financial performance in the past three years is shown in the table below:

Year	**FY2013**	**FY2014**	**FY2015**
Revenue	NT$1.59 billion (S$69.01 million*)	NT$2.01 billion (S$87.23 million*)	NT$2.20 billion (S$95.48 million*)
Net Profit After Tax and Minority Interests	NT$113.03 million (S$4.9 million*)	NT$136.16 million (S$5.91 million*)	NT$333.25 million (S$14.46 million*)

(*Based on the exchange rate of NT$1.00 : S$0.0434 as at the Latest Practicable Date)

2.2.5 Investments in infrastructure in the PRC such as railroads, power generation, water treatment facilities as well as airports are expected to reach RMB2 trillion (approximately S$442 billion) by 2019[1]. The development of these projects will spur the demand for THES Group's tower crane rental business.

2.2.6 The future implementation of the "One Belt, One Road" development framework comprising the development of the "Silk Road Economic Belt" and the "Maritime Silk Route" is expected to result in massive investments in infrastructure within the PRC and in the region.

2.2.7 THES is in a good position to benefit from the vast infrastructure build-up that is expected in the PRC. However, in order to realise these opportunities, THES requires to incur substantial capital expenditure to acquire tower cranes and expand its operations.

2.2.8 The Group has finite resources to fund THES's growth as it also needs to fund its extensive operations in Southeast Asia, Australia and Hong Kong. In consideration of the Group's gearing level at 0.78 times as at 30 June 2015, bank loan funding to the extent required by THES for its capital intensive business is not an optimal solution for the Group.

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[1] *Source: China National Statistics Department, Fubon Investment Services.*

2.2.9 As it would not serve Shareholders' interest for THES to forego the growth opportunities in the PRC due to the Group's finite financial resources, the Directors of the Company believe that the Proposed Spin-off of THES via an IPO would be in the best interest of the Company and its Shareholders. The Directors of the Company believe the Proposed Spin-off would inter alia provide the necessary funds to THES to capitalise on growth opportunities for the capital-intensive tower crane rental business and allow THES access to additional funding options as a listed entity.

2.2.10 With THES being able to fund growth independently, the Group would have increased financial capacity and flexibility to strengthen and grow its other business units in ASEAN, Hong Kong and Australia. As THES will continue to be a subsidiary of the Group, Shareholders will still be able to benefit from the growth of THES.

2.3 Principal Terms of the Spin-off

2.3.1 THES has on 12 August 2015 made an application to TWSE for the listing of its entire share capital of 70,012,100 ordinary shares of NT$10 each. Approval for the listing is expected in December 2015 following which THES has six months to complete the IPO. Under the Proposed Spin-off plan, THES will issue up to 38,189,000 new ordinary shares for subscription during the IPO which will result in a dilution of the Company's effective interest from 81.96% to 53.03%.

2.3.2 Based on the indicative IPO offer price of between NT$44 (approximately S$1.91) and NT$55 (approximately S$2.39) per New THES Share, the gross proceeds from the Proposed Spin-off is expected to be in the region of NT$1.68 billion (approximately S$72.94 million) to NT$2.1 billion (approximately S$91.27 million). The proceeds will be used for working capital purposes.

2.3.3 TWSE listing regulations require in the IPO for the current THES shareholders to offer on a pro-rata basis their THES shares representing an aggregate of up to a maximum of 15% of New THES Shares ("**Greenshoe Shares**") at the IPO offer price. The Greenshoe Shares will comprise approximately 2,790,000 THES shares, representing approximately 7.3% of the New THES Shares. The proceeds from such Greenshoe Shares would be earmarked for use by the underwriters for share price stabilisation through market purchases should the trading price of the THES shares fall below the IPO price in the first five trading days. THES shares that are repurchased from the market during the price stabilisation period, if any, together with the remaining proceeds from the Greenshoe Shares, would be distributed back to the existing THES shareholders on a pro-rata basis.

2.3.4 In the event that the THES shares trade above the IPO price throughout the first five trading days after the IPO, no THES shares would be repurchased and the Company's resultant effective shareholding interest in THES will be 50.92%. Should the THES shares trade below the IPO price during the first five trading days, and depending on the trading price, there is a possibility that more than 2,790,000 THES shares (being the equivalent number of Greenshoe Shares) could be repurchased, in which case, the Company's resultant effective shareholding interest could be greater than 53.03%.

2.3.5 The Company's resultant effective shareholding in THES will only be known after the first five trading days following the IPO and an announcement will be made via the SGXNet as soon as practicable thereafter.

2.3.6 The Company has no intention, at this juncture, to further divest its stake in THES. There is also a minimum moratorium period of six months imposed on the sale of vendor shares.

2.4 Financial Effects of the Proposed Spin-off

2.4.1 Bases and Assumptions

For illustrative purposes only, the pro forma financial effects given below have been prepared based on the audited consolidated financial statements of the Group for FY2015 (financial year ended 31 March 2015) and do not necessarily reflect the future financial position and performance of the Group following completion of the Proposed Spin-off.

2.4.2 Share Capital

The Proposed Spin-off has no impact to the Company's issued share capital.

2.4.3 Net Tangible Assets ("**NTA**")

Assuming that the Proposed Spin-off was completed on 31 March 2015, the pro forma financial effects of the Proposed Spin-off on the consolidated NTA of the Group as at 31 March 2015, based on the indicative price of NT$44 – NT$55 per New THES Share is as follows:

	NTA per share
Before the Proposed Spin-off	S$1.00
After the Proposed Spin-off (Based on the Group's effective equity interest of 53.03% post-THES IPO)	S$0.98 – S$1.00

2.4.4 Earnings Per Share ("**EPS**")

Assuming that the Proposed Spin-off had been completed on 1 April 2014 and based on the Group's audited consolidated financial statements for FY2015, the pro forma financial effect of the Proposed Spin-off on the consolidated EPS of the Group for FY2015 is as follows:

	EPS per share (cents)
Before the Proposed Spin-off	0.77 cents
After the Proposed Spin-off (Based on the Group's effective equity interest of 53.03% post-THES IPO)	0.55 cents

2.5 Relative Figures Computed on the Bases set out in Rule 1006 of the Listing Manual

The relative figures computed on the relevant bases set out in Rule 1006 of the Listing Manual in respect of the Proposed Spin-off and based on the audited financial statements of the Group for FY2015 are as follows:

Rule 1006	Base	Relative figure computed in accordance with the bases set out in Rule 1006
(a)	The net asset value of the assets to be disposed (ie reduction in the Group's share of THES's NAV as a result of the dilution in the Group's interest from 81.96% to 53.03% due to the Proposed Spin-off), compared with the Group's net asset value	7.7%
(b)	The net profits attributable to the assets disposed of (ie reduction in net profit contribution from THES as a result of the Proposed Spin-off), compared with the Group's net profits	6.4%
(c)	The aggregate value of the consideration received (ie proceeds from the Proposed Spin-off) compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	23.3% – 29.3%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable

The computation for the relative figure for Rule 1006(a) is based on S$50.11 million (28.9%, being the percentage dilution in the Group's interest in THES, of THES NAV of S$173.20 million as at the Latest Practicable Date) divided by Group NAV of S$650.83 million as at 31 March 2015.

The computation for the relative figure for Rule 1006(b) is based on the reduction in the profit contribution of S$2.85 million from THES due to the dilution in the Group's interest in THES divided by the Group's net profit before tax, minority interests and extraordinary items of S$44.22 million.

The computation for the relative figure for 1006(c) is based on the expected gross proceeds of between S$72.94 million and S$91.27 million from the Proposed Spin-off (see paragraph 2.3.2 for details) divided by the market capitalisation of the Company as at 15 September 2015 of approximately S$312.8 million. Market capitalisation of the Company is computed based on 627,828,923 shares (excluding treasury shares) multiplied by S$0.4983 (volume weighted average share price).

As the relative figure for 1006(c) computed on the basis set out in Rule 1006 of the Listing Manual exceeds 20%, the Proposed Spin-off constitutes a "major transaction" under Chapter 10 of the Listing Manual, and is conditional upon the approval of Shareholders at the EGM.

2.6 Rule 805(2)(b) of the SGX-ST Listing Manual

2.6.1 Rule 805(2)(b) of the SGX-ST Listing Manual requires an issuer to obtain the prior approval of shareholders in general meeting if a principal subsidiary issues shares or convertible securities or options that will or may result in a percentage reduction of 20% or more of the issuer's equity interest in the principal subsidiary. The Listing Manual defines a principal subsidiary as "a subsidiary whose latest audited consolidated pre-tax profits excluding the minority interest relating to that subsidiary) as compared with the latest audited pre-tax profits of the group (excluding minority interest relating to that subsidiary) accounts for 20% or more of such pre-tax profits of the group. In determining profits, exceptional and extraordinary items are to be excluded."

2.6.2 The pre-tax profit of THES (excluding its minority interests) for FY2015 was S$8.07 million whilst the pre-tax profit of the Group (excluding THES's minority interests as well as exceptional and extraordinary items) was S$42.43 million. Accordingly, THES accounted for 19.0% of the Group's pre-tax profit and hence is not considered a principal subsidiary.

2.6.3 Whilst the Proposed Spin-off will result in a dilution of the Group's effective interest in THES of more than 20%, THES is not a principal subsidiary as it contributed less than 20% of the Group's pre-tax profit as shown in paragraph 2.6.2. Accordingly, Shareholders' approval need not be sought under Rule 805(2)(b) of the Listing Manual.

2.7 Rule 210 of the SGX-ST Listing Manual – Chain Listing

2.7.1 In the Company's announcement of 12 August 2015, Shareholders were informed that the Company is consulting SGX-ST on whether the Proposed Spin-off constitutes a chain listing under Rule 210(6) of Listing Manual.

2.7.2 The Company would like update Shareholders that SGX-ST has on 18 September 2015 confirmed that the Proposed Spin-off complied with Rule 201(6) of the Listing Manual. The Proposed Spin-off therefore does not constitute a chain listing.

2.8 Undertaking from Controlling Shareholder

Chwee Cheng & Sons Pte Ltd, a controlling shareholder of the Company holding 40.89% of voting rights of the Company, has provided an undertaking dated 15 September 2015 (the "**Undertaking**") to vote its entire direct and deemed interests in the Company in favour of the resolution in connection with the Proposed Spin-off.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The direct and deemed interests of the Directors and the Substantial Shareholders in the Company's Shares as at the Latest Practicable Date are as follows:

3.1 Directors' Interests

	Shareholdings registered in the name of the Director		Shareholdings in which the Director is deemed to have an interest	
	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)
Directors				
Leong Horn Kee	600,000	0.09	100,000[(1)]	0.02
Ng San Tiong Roland	–	–	267,279,505[(2)(3)]	42.32
Ng Sun Ho Tony	1,006,130	0.16	261,871,660[(2)(4)]	41.46
Ng Sang Kuey Michael	3,565,350	0.57	1,343,000[(5)]	0.21
Ong Tiew Siam	2,799,500	0.44	17,500[(6)]	0.003
Low Seow Juan	40,000	0.01	–	–
Mak Lye Mun	–	–	–	–
Tse Po Shing Andy	–	–	–	–

The above shareholdings are calculated based on 631,592,823 issued ordinary shares in the capital of the Company (inclusive of 3,763,900 treasury shares).

Notes:

(1) Dr Leong Horn Kee is deemed interested in 100,000 Shares held by his spouse.

(2) Pursuant to the terms of a trust deed dated 29 July 1997 (as supplemented by a deed dated 12 October 1998) (the "**Trust Deed**"), Messrs Ng San Tiong Roland and Ng Sun Ho Tony (who are Directors of the Company) and their brothers Ng San Wee David and Ng Sun Giam Roger, are joint trustees of the Chwee Cheng Trust, constituted under the Trust Deed, which owns approximately 42.03% of the issued share capital of Chwee Cheng & Sons Pte Ltd. Under the terms of the Trust Deed, the beneficiaries of the Chwee Cheng Trust are the sons of Mr Ng Chwee Cheng, namely, Messrs Ng San Tiong Roland, Ng Sun Ho Tony, Ng Sun Hoe Patrick, Ng Sang Kuey Michael, Ng San Guan William, Ng Sun Giam Roger, Ng San Wee David, Ng Sun Eng Sunny, Ng Sun Oh Lewis and their descendants. Being joint trustees, Messrs Ng San Tiong Roland, Ng Sun Ho Tony, Ng San Wee David and Ng Sun Giam Roger are deemed to be interested in the 256,739,160 Shares (both direct and deemed) held by Chwee Cheng & Sons Pte Ltd as at the Latest Practicable Date.

(3) Mr Ng San Tiong Roland is deemed interested in 9,496,095 Shares held through nominees and 1,044,250 Shares held by his spouse.

(4) Mr Ng Sun Ho Tony is deemed interested in 5,000,000 Shares held through nominees and 132,500 Shares held by his spouse.

(5) Mr Ng Sang Kuey Michael is deemed interested in 1,083,000 Shares held through nominees and 260,000 Shares held by his spouse.

(6) Mr Ong Tiew Siam is deemed interested in 17,500 Shares held by his spouse.

3.2 Substantial Shareholders' Interests

Substantial Shareholders	Shareholdings registered in the name of the Substantial Shareholder		Shareholdings in which the Substantial Shareholder is deemed to have an interest	
	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)
Chwee Cheng & Sons Pte Ltd	222,176,160	35.18	34,563,000[(1)]	5.47
Ng San Tiong Roland	–	–	267,279,505[(2)(3)]	42.32
Ng Sun Ho Tony	1,006,130	0.16	261,871,660[(2)(4)]	41.46
Ng San Wee David	–	–	259,900,410[(2)(5)]	41.15
Ng Sun Giam Roger	792,500	0.13	256,739,160[(2)]	40.65
Ng Chwee Cheng	36,185,000	5.73	32,466,146[(6)]	5.14

The above shareholdings are calculated based on 631,592,823 issued ordinary shares in the capital of the Company (inclusive of 3,763,900 treasury shares).

Notes:

(1) Chwee Cheng & Sons Pte Ltd is deemed interested in 31,335,000 Shares held through nominees and 3,228,000 shares held by its wholly-owned subsidiary, TH Investments Pte Ltd.

(2) Pursuant to the terms of a trust deed dated 29 July 1997 (as supplemented by a deed dated 12 October 1998) (the "**Trust Deed**"), Messrs Ng San Tiong Roland and Ng Sun Ho Tony (who are Directors of the Company) and their brothers Ng San Wee David and Ng Sun Giam Roger, are joint trustees of the Chwee Cheng Trust, constituted under the Trust Deed, which owns approximately 42.03% of the issued share capital of Chwee Cheng & Sons Pte Ltd. Under the terms of the Trust Deed, the beneficiaries of the Chwee Cheng Trust are the sons of Mr Ng Chwee Cheng, namely, Messrs Ng San Tiong Roland, Ng Sun Ho Tony, Ng Sun Hoe Patrick, Ng Sang Kuey Michael, Ng San Guan William, Ng Sun Giam Roger, Ng San Wee David, Ng Sun Eng Sunny, Ng Sun Oh Lewis and their descendants. Being joint trustees, Messrs Ng San Tiong Roland, Ng Sun Ho Tony, Ng San Wee David and Ng Sun Giam Roger are deemed to be interested in the 256,739,160 Shares (both direct and deemed) held by Chwee Cheng & Sons Pte Ltd as at the Latest Practicable Date.

(3) Mr Ng San Tiong Roland is deemed interested in 9,496,095 Shares held through nominees and 1,044,250 Shares held by his spouse.

(4) Mr Ng Sun Ho Tony is deemed interested in 5,000,000 Shares held through nominees and 132,500 Shares held by his spouse.

(5) Mr Ng San Wee David is deemed interested in 2,811,750 shares held through nominees and 349,500 Shares held by his spouse.

(6) Mr Ng Chwee Cheng is deemed interested in 32,381,146 Shares held through nominees and 85,000 Shares held by a company of which Mr Ng Chwee Cheng is the sole shareholder.

3.3 None of the Directors or the Substantial Shareholders or their associates has any direct or deemed interest in THES and hence, has no interest in the Proposed Spin-off, other than through their respective shareholdings in the Company.

4. APPROVALS AND DIRECTORS' RECOMMENDATIONS

4.1 Having considered, *inter alia*, the terms, the rationale and the benefits of the Proposed Spin-off, the Board is of the view that the Proposed Spin-off is in the best interest of the Company and accordingly recommends that Shareholders vote in favour of the ordinary resolution pertaining to the Proposed Spin-off to be proposed at the EGM.

4.2 The Directors, in rendering their recommendation, have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio, should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 18 of this Circular, will be held on 25 November 2015, at 10.00 a.m. at 11 Eunos Road 8, Level 2 Event Hall 2-2, Lifelong Learning Institute, Singapore 408601, for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolution set out in the aforementioned notice.

6. ACTIONS TO BE TAKEN BY SHAREHOLDERS

6.1 Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Company's registered office at **82 Ubi Avenue 4 #05-01, Edward Boustead Centre, Singapore 408832** not less than 48 hours before the time fixed for the EGM. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM. In such event, the relevant Proxy Forms will be deemed to be revoked.

6.2 A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the time fixed for the EGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Spin-off, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the THES Prospectus and the Letter of Undertaking from Chwee Cheng & Sons Pte Ltd are available for inspection during normal business hours at the registered office of the Company at 82, Ubi Avenue 4 #05-01, Edward Boustead Centre, Singapore 408832 from the date hereof up to and including the date of the EGM.

Yours faithfully
for and on behalf of the Board of Directors of
TAT HONG HOLDINGS LTD

Ng San Tiong Roland
Managing Director

TAT HONG HOLDINGS LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number 199105392H)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting ("**EGM**") of the Company will be held at 11 Eunos Road 8, Level 2 Event Hall 2-2, Lifelong Learning Institute, Singapore 408601 on 25 November 2015 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolution:

All capitalised terms in the resolution below and defined in the Circular dated 9 November 2015 to the shareholders of the Company (the "**Circular**") shall, unless otherwise defined herein, have the respective meanings ascribed thereto in the Circular.

ORDINARY RESOLUTION – PROPOSED SPIN-OFF OF TAT HONG EQUIPMENT SERVICE CO., LTD THROUGH THE INITIAL PUBLIC OFFERING OF UP TO 38,189,000 NEW ORDINARY SHARES IN THE CAPITAL OF TAT HONG EQUIPMENT SERVICE CO., LTD

Resolved that:

(a) the Company's proposed reduction in the Group's effective interest in Tat Hong Equipment Service Co., Ltd as a result of the Proposed Initial Public Offering of New Tat Hong Equipment Service Co., Ltd shares ("**Proposed IPO of New THES Shares**") be and is hereby approved; and

(b) the Directors and each of them be and are hereby authorised to do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to Proposed IPO of New THES Shares as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

BY ORDER OF THE BOARD

Lional Tseng/Ong Beng Hong
Joint Company Secretaries
9 November 2015

Notes:

(1) A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy or proxies (not more than two) to attend and vote on his/her behalf. A proxy need not be a member of the Company.

(2) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

(3) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at **82 Ubi Avenue 4, #05-01 Edward Boustead Centre, Singapore 408832** at least 48 hours before the time fixed for the Extraordinary General Meeting.

Personal Privacy Protection

By attending the Extraordinary General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

TAT HONG HOLDINGS LTD

UEN: 199105392H
(Incorporated in the Republic of Singapore)

EXTRAORDINARY GENERAL MEETING

PROXY FORM

IMPORTANT

1. For investors who have used their CPF monies to buy shares in the capital of Tat Hong Holdings Ltd., this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.

2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

3. CPF Investors who wish to attend the Extraordinary General Meeting as observers or if they wish to vote, must submit their requests through their CPF Approved Nominees in the time frame specified.

I/We _____ (Name), NRIC/Passport Number* _____

of _____ (Address)

being a member/members of **TAT HONG HOLDINGS LTD** (the "**Company**"), hereby appoint:

Name	**NRIC/Passport Number**	**Proportion of Shareholdings (%)**	
		No. of shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport Number**	**Proportion of Shareholdings (%)**	
		No. of shares	**%**
Address			

whom failing, the Chairman of the Extraordinary General Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Extraordinary General Meeting of the Company to be held at 11 Eunos Road 8, Level 2 Event Hall 2-2, Lifelong Learning Institute, Singapore 408601 on 25 November 2015 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Extraordinary General Meeting.

ORDINARY RESOLUTION	**For***	**Against***
To approve the Proposed Spin-off of Tat Hong Equipment Service Co., Ltd ("THES") through the Initial Public Offering of up to 38,189,000 New Ordinary Shares in the capital of THES		

* If you wish to exercise all your votes "For" or "Against", please indicate your vote "For" or "Against" with "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2015.

Total Number of Shares Held	
(a) Depository Register	
(b) Register of Shareholders	

_____

Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES ON THE REVERSE.

Notes:

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his stead.

2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

3. A proxy need not be a member of the Company.

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the said Depository Register and registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 82 Ubi Avenue 4, #05-01 Edward Boustead Centre, Singapore 408832 not less than 48 hours before the time set for the Extraordinary General Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy; failing which the instrument may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

9. The submission of an instrument or form appointing a proxy by a member of the Company does not preclude him from attending and voting in person at the Extraordinary General Meeting if he is able to do so.

10. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Company.

11. Agent Banks acting on the request of CPF Investors who wish to attend the Extraordinary General Meeting as Observers are required to submit in writing, a list with details of the investors' name, NRIC/Passport numbers, addresses and numbers of Shares held. The list, signed by an authorised signatory of the agent bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for holding the Extraordinary General Meeting.

12. By attending the Extraordinary General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM.

Personal Privacy Protection

By attending the Extraordinary General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.