PROPOSED SPIN-OFF AND LISTING OF PART OR ALL OF THE GROUP'S BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA ON THE TAIWAN STOCK EXCHANGE

The Board of Directors (the "**Board**") of Tat Hong Holdings Ltd (the "**Company**") refers to the Company's announcement made on 7 October 2014 in relation to the possible spin-off of part or all of its tower crane rental business in The People's Republic of China ("**Tower Crane Rental business**") via a listing on a reputable Stock Exchange.

The Board wishes to announce that the Company intends to spin-off the Tower Crane Rental business via a listing of shares in Tat Hong Equipment Service Co. Ltd. ("**THES**"), which is incorporated in the Cayman Island, on the Taiwan Stock Exchange ("**TSE**") (the "**Proposed Listing**") and has submitted an application for the Proposed Listing. THES is a 92.7%-owned subsidiary of Tat Hong Equipment (China) Pte. Ltd. ("**THEC**") in which the Company has 88.4% interest with the remaining 11.6% interest owned by Yongmao Holdings Limited.

THES is the holding company of several of the Group's Tower Crane Rental subsidiaries in China ("THES Group of Companies"). For the Financial Year Ended 31 March 2015, the consolidated revenue of the THES Group of Companies was NT$2.204 billion (approximately S$98.7 million) and its net income was NT$333 million (approximately S$14.9 million). The earnings per share of the THES Group of Companies for the Financial Year Ended 31 March 2015 was NT$5.87 (approximately 26 Singapore cents).

The Proposed Listing will be subject to approval from the Taiwan Financial Supervisory Commission and the Taiwan Securities and Futures Commission, an application for which will be made after the grant of approvals from TSE and the Taiwan Central Bank. THEC has appointed Fubon Securities Co., Ltd. to provide advice on the Proposed Listing, to handle related pre-issuance matters and to act as lead underwriter to the Proposed Listing

The Directors believe that the Proposed Listing would, *inter alia*, provide access to additional source of funding to capitalise on growth opportunities for the capital-intensive Tower Crane Rental business in the People's Republic of China and at the same time, increase the overall financial capacity and flexibility of the Group to strengthen the growth of its other strategic business units in ASEAN and Australia and unlock shareholder value for the Group.

The Group envisaged that the Proposed Listing will result in a percentage reduction of 20% or more of its equity interest in the THES Group and pursuant to Rule 805(2)(b) of the Listing Manual, the Group will convene an Extraordinary General Meeting ("**EGM**") at a later date to seek the approval for the Proposed Listing from its shareholders. The controlling shareholders of the Company, holding an aggregate interest of approximately 51.3%, support the Proposed Listing and have given an undertaking to vote in favour of the Proposed Listing at the EGM.

The Company will continue to announce any material developments on the Proposed Listing as and when appropriate.

The Company is currently consulting with the SGX-ST on whether the Proposed Listing would be considered a chain listing under Rule 210(6) of the Listing Manual and will update shareholders accordingly.

The Company would like to highlight that the Proposed Listing is in its preliminary stages and is dependent on, inter alia, the results of preparatory work to be undertaken, the requisite approvals from the relevant regulatory authorities and the then-prevailing market conditions. Further, the Directors may, notwithstanding that all requisite regulatory approvals have been obtained, decide not to proceed with the Proposed Listing if, having regard to investors' interests and response at the material time and any other relevant factors, the Directors deem it not in the interests of the Company to proceed with the same. Accordingly, there is no assurance that the Proposed Listing will materialise in due course. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

By order of the Board
Tat Hong Holdings Ltd

Lional Tseng
Group Chief Financial Officer/Joint Company Secretary

12 August 2015