

USE OF PROCEEDS FROM RIGHTS ISSUE

Unless otherwise defined, all terms used herein shall bear the same meanings as in the Company's announcement dated 14 November 2016 and the Offer Information Statement dated 17 January 2017.

The Board of Directors of Tat Hong Holdings Ltd (the “**Board**”) (the “**Company**”) refers to its announcement on the Rights Issue dated 14 November 2016 (the “**Rights Issue Announcement**”), the Offer Information Statement dated 17 January 2017, and its announcements dated 20 March 2017 and 14 August 2017.

The Board wishes to provide an update on the utilisation of the net proceeds of approximately S\$41.0 million from the Rights Issue (the “**Net Proceeds**”) as follows:

Use of Proceeds (S\$'million)	As at 20 March 2017	As at 14 August 2017	As at 13 February 2018
Debt repayment	16.4	20.5	20.5
Working capital (inventory purchases)	-	3.7	17.8
Working capital (professional fees)	-	2.7	2.7
Total	16.4	26.9	41.0

The Company has fully utilised the Net Proceeds from the Rights Issue. The utilisation of the Net Proceeds is in accordance with its intended use as stated in the Rights Issue Announcement and Offer Information Statement.

By Order of the Board
Tat Hong Holdings Ltd

Jennie Hong Chok Hane
Group CFO / Company Secretary
13 February 2018

The directors of the Company (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement (the omission of which would render any statement in this announcement misleading in any material aspect), and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.