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TAN CHONG INTERNATIONAL LIMITED

陳唱國際有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 693)

REVISION OF ANNUAL CAP

With the Group's launch of the 2015 model of certain Subaru motor vehicle in the last quarter of 2014, the Group needed to purchase more Parts under the Parts Purchase Agreements. Accordingly, the Board has decided to revise upwards the annual cap for the Transactions for the year ending 31 December 2014 from HK\$270,561,000 to HK\$284,561,000.

REVISION OF THE EXISTING ANNUAL CAP

Background

Reference is made to:

- a. the announcement of the Company dated 30 December 2013 in relation to the Existing Transactions;
- b. the announcement of the Company dated 30 May 2014 in relation to the Transactions (the "**Announcement**")

Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Announcement.

Revised Annual Cap

With the Group's launch of the 2015 model of certain Subaru motor vehicle in the last quarter of 2014, the Group needed to purchase more Parts under the Parts Purchase Agreements. Accordingly, the Board has decided to revise upwards the annual cap for the Transactions for the year ending 31 December 2014 from HK\$270,561,000 to HK\$284,561,000.

The Revised Annual Cap has been determined based on the revised estimation of the demand of the Group for the Parts under the Parts Purchase Agreements necessary for the production of the aforementioned Subaru motor vehicles.

Save for the revision of the Existing Annual Cap, all the terms and conditions of the Transactions shall remain unchanged.

The Directors consider that the Transactions (with the Revised Annual Cap) are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Given that the Transactions were entered into by the Group with parties connected or otherwise associated with one another, the Transactions were aggregated pursuant to Rule 14A.81 of the Listing Rules. As the relevant percentage ratios defined under Rule 14.07 of the Listing Rules in relation to the Transactions (with the Revised Annual Cap) on an annual basis is more than 0.1% but less than 5%, the Transactions (with the Revised Annual Cap) constitute continuing connected transactions of the Company subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

The principal business of the Group includes (a) distribution of motor vehicles in Singapore, Hong Kong, Thailand, Taiwan, the Philippines, Malaysia, Indonesia, Vietnam and Cambodia, and the sales and service of motor vehicles and spare parts in the Guangdong province of the PRC; (b) distribution of industrial equipment in Singapore, Vietnam and Thailand; (c) property development and rental in Singapore, Macau and Hong Kong; and (d) vehicle seat manufacturing in the PRC.

Each of Mr. Tan Eng Soon and Mr Tan Kheng Leong holds approximately 22.85% and 15.38% of TCC respectively. Therefore, each of Mr. Tan Eng Soon and Mr. Tan Kheng Leong was considered to have a material interest in the Transactions and has abstained from voting on the relevant resolution(s) of the Board approving the Revised Annual Cap.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings:

"Existing Annual Cap"	the previous annual cap of the Transactions for the year ending 31 December 2014 as disclosed in the announcement of the Company dated 30 May 2014
"Parts"	certain parts including components and various kinds of materials for Subaru motor vehicles designed, manufactured and/or assembled by Fuji or licensees of Fuji
"Parts Purchase Agreements"	the five parts purchase agreements dated 30 December 2013 between TC Subaru Sdn. Bhd., a wholly-owned subsidiary of the Company, and the five subsidiaries of APM, being Auto Parts Manufacturers Co. Sdn. Bhd., APM Climate Control Sdn. Bhd., APM Auto Electrics Sdn. Bhd., APM Coil Springs Sdn. Bhd. and APM Automotive Modules Sdn. Bhd.
"Revised Annual Cap"	HK\$284,561,000, being the revised annual cap of the Transactions for the year ending 31 December 2014

By the order of the Board
Tan Chong International Limited
Joseph Ong Yong Loke
Deputy Chairman and Managing Director

Hong Kong, 8 December 2014

Website: <http://www.tanchong.com>

As at the date of this announcement, the executive Directors are Mr. Tan Eng Soon, Mr. Joseph Ong Yong Loke, Mr. Tan Kheng Leong, Mdm. Sng Chiew Huat and Mr. Glenn Tan Chun Hong. The independent non-executive Directors are Mr. Lee Han Yang, Mr. Tan Ngiap Joo and Mr. Ng Kim Tuck.