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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)**

**ANNOUNCEMENT  
INSIDE INFORMATION**

This announcement is made by Tan Chong International Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Investments designated at fair value through other comprehensive income

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review of and assessment on information currently available to the Company, the Group is expected to record an unaudited unrealised gain on its investments designated as at fair value through other comprehensive income for the year ended 31 December 2019 (the "**Period**"). The gain is due to share price changes of its listed investments, which are marked to market and therefore unrealised. The expected unrealised gain amounts to HK\$309 million as compared to an audited unrealised loss of HK\$931 million for the corresponding period in 2018. The unrealised gain will be reported in the Group's other comprehensive income statement for the Period. It is not expected to be reclassified to the Group's consolidated statement of profit or loss.

Profit Warning

The Board wishes to inform the Shareholders and potential investors that the Group expects to report a material decrease in the profit attributable to Shareholders for the year ended 31 December 2019 as compared to the profit attributable to Shareholders of HK\$600.899 million for the year ended 31 December 2018.

The decrease in profit is attributable to substantial decrease in vehicle sales volume in the Group's key markets of Singapore, Malaysia, Taiwan and China.

The high initial start-up costs and teething production problems associated with the start of production on 26 February 2019 at the Group's car plant in Thailand also impacted the result.

These factors negatively affected the Group's profit.

Despite this profit decline, the Group's business operations remain relatively stable and the Group's balance sheet continues to be in a healthy state.

The information contained in this announcement represents a preliminary assessment based on the information made available to the Board as at the date hereof. Financial information of the Group's subsidiary, Zero Co., Limited which is listed on the Second Section of Tokyo Stock Exchange, is not conclusive at the moment and is subject to reviews by its management.

The Group is still in the process of preparing its consolidated final results for the Period, including other comprehensive income items. As such, this announcement is made solely on the basis of an assessment by the Board with reference to the information currently available to the Company for the time being, and the information in it has not been confirmed or audited by the Company's auditors and may be subject to adjustment after further internal review by the Board and/or review by the auditors of the Company.

Details of the Group's financial performance will be contained in the final results announcement of the Group for the Period, which is expected to be published before the end of March 2020.

**Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

By the order of the Board  
**Tan Chong International Limited**  
Teo Siok Ghee  
Liew Daphnie Pingyen  
Joint Company Secretaries

Hong Kong, 3 January 2020

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

*As at the date of this announcement, the executive Directors are Mr. Tan Eng Soon, Mr. Glenn Tan Chun Hong, Mr. Tan Kheng Leong and Mdm. Sng Chiew Huat. The non-executive Director is Mr. Joseph Ong Yong Loke. The independent non-executive Directors are Mr. Ng Kim Tuck, Mr. Azman Bin Badrillah, Mr. Prechaya Ebrahim and Mr. Teo Ek Kee.*