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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)**

**VOLUNTARY ANNOUNCEMENT  
DISPOSAL OF ASSOCIATE COMPANY**

This announcement is made by the Company on a voluntary basis.

**THE DISPOSAL**

The Board of the Company hereby announces that on 8 September 2020, three wholly owned subsidiaries of the Company, namely TCC, T8 Gallery, and TC Auto World, and Other Sellers (collectively, the “**Sellers**”) have collectively entered into the Agreement with KDB, pursuant to which the Sellers sold, and KDB purchased, the Sale Shares (representing approximately 80.65% of the equity interests in TIFA) at an aggregate consideration of IDR452,796,812,000 (representing approximately HK\$238,314,112) (i.e. the Aggregate Consideration). Pursuant to the Agreement, the Subsidiaries, namely TCC, TC Auto World and T8 Gallery, sold to KDB the Relevant Sale Shares (which forms part of the Sale Shares and represents approximately 44.48% of the equity interests in TIFA), at a consideration of IDR249,743,000,000 (representing approximately HK\$131,443,684) (i.e. the Relevant Consideration).

**Consideration**

The Aggregate Consideration of IDR452,796,812,000 (representing approximately HK\$238,314,112) (including the Relevant Consideration) was paid by KDB on 8 September 2020 to each Seller in the sum of amount set forth in the Agreement.

The Aggregate Consideration (including the Relevant Consideration) was determined after arm's length negotiations between the Sellers and KDB with reference to the Adjusted NAV.

Upon completion of the Disposal on 8 September 2020, TIFA ceased to be associate of the Company and its financial results ceased to be equity accounted for in the Company's accounts.

**INFORMATION OF THE GROUP AND REASONS FOR AND BENEFITS OF THE DISPOSAL**

The principal business of the Group includes (a) distribution and aftersales of motor vehicles in Singapore, Hong Kong, Thailand, Taiwan, Philippines, Malaysia, Indonesia, Vietnam and Cambodia, and the sales and aftersales of motor vehicles in the Southern part of the PRC; (b) distribution of industrial equipment in Singapore, Vietnam and Thailand; (c) property development and rental in Singapore and Hong Kong; (d) vehicle seat manufacturing in the PRC; and (e) provision of vehicle transportation service and human resource management service in relation to transportation business in Japan.

The Directors are of the view that the pricing for the Disposal is fairly valued and the Disposal is in the interests of the Company and the shareholders of the Company as a whole.

As a result of the Disposal, the Group recorded a gain of IDR78,202,805,168 (representing approximately HK\$41,159,371).

### **INFORMATION OF TIFA**

TIFA is a multi-financing company that provides leasing, consumer financing and factoring financing services in Indonesia.

As at 30 June 2020, the net asset value of TIFA was IDR384,581,773,000 (representing approximately HK\$202,411,459) and the net profit after tax for the year ended 31 December 2019 was IDR33,033,880,000 (representing approximately HK\$17,386,253).

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, TIFA is a third party independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

### **LISTING RULES IMPLICATIONS**

As all the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal are below 5%, the Disposal does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

### **DEFINITIONS**

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

<b>"Adjusted NAV"</b>	net asset value of TIFA calculated by KDB upon the completion of the confirmatory due diligence investigation of TIFA conducted by KDB
<b>"Aggregate Consideration"</b>	the aggregate consideration for the Sale Shares in the amount of IDR452,796,812,000 (representing approximately HK\$238,314,112) paid by KDB to the Sellers in accordance with the Agreement
<b>"Agreement"</b>	a notarial sale and purchase agreement dated 8 September 2020 entered into between the Sellers and KDB for the sale and purchase of the Sales Shares
<b>" Board"</b>	the board of Directors
<b>"Company"</b>	Tan Chong International Limited, a company incorporated in Bermuda with limited liability
<b>"Directors"</b>	the directors of the Company
<b>"Disposal"</b>	the disposal of the Relevant Sale Shares from the Subsidiaries to KDB
<b>"Group"</b>	the Company and its subsidiaries
<b>"HK\$"</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>"Hong Kong"</b>	the Hong Kong Special Administrative Region of the PRC
<b>"IDR"</b>	Rupiah, the lawful currency of Indonesia

<b>"KDB"</b>	The Korea Development Bank, a company established and existing under the laws of the Republic of Korea
<b>"Listing Rules"</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>"Other Sellers"</b>	collectively (i) PT Dwi Satrya Utama, a substantial shareholder of TIFA and (ii) other third party investors
<b>"PRC"</b>	the People's Republic of China
<b>"Relevant Consideration"</b>	the aggregate consideration of IDR249,743,000,000 (representing approximately HK\$131,443,684) in respect of the Disposal paid by KDB to the Subsidiaries in accordance with the Agreement
<b>"Relevant Sale Shares"</b>	the aggregate of the shares held by the Subsidiaries, that is 480,275,000 issued and fully paid-up shares of TIFA, representing 44.48% of the total issued and paid-up capital of TIFA
<b>"Sale Shares"</b>	the aggregate of the shares of the Sellers, that is 870,763,100 issued and fully paid-up shares of TIFA, representing 80.65% of the total issued and paid-up capital of TIFA
<b>"Subsidiaries"</b>	collectively TCC, TC Auto World and T8 Gallery
<b>"TC Auto World"</b>	PT. TC Auto World, a limited liability company incorporated in Indonesia and a wholly owned subsidiary of the Company
<b>"TCC"</b>	Tan Chong Credit Pte. Ltd., a limited liability company incorporated in Singapore and a wholly owned subsidiary of the Company
<b>"TIFA"</b>	PT. Tifa Finance Tbk, a publicly listed company established and existing under the laws of Indonesia, the shares of which are listed on Bursa Efek Indonesia
<b>"T8 Gallery"</b>	PT. T Eight Gallery, a limited liability company incorporated in Indonesia and a wholly owned subsidiary of the Company
<b>"%"</b>	per cent.

*For the purpose of illustration only, the amount denominated in IDR has been translated into HK\$ at the exchange rate of IDR1,900 to HK\$1.*

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

Hong Kong, 9 September 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.*