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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)

INSIDE INFORMATION AND POSITIVE PROFIT ALERT ANNOUNCEMENT

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 loss on its investments designated as at fair value through other comprehensive income for the six months ended 30 June 2021 (the "**Period**"). The loss is due to share price changes of its listed investments, which are marked to market and therefore unrealised. The expected unrealised loss amounts to HK\$1.4 million as compared to the unrealised loss of HK\$398 million for the corresponding six months period in 2020. The unrealised loss 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.

Positive Profit Alert

The Group businesses in the Asia Pacific remain about the same level as the first half of year 2020. This region continues to be affected by the intermittent lockdowns due to COVID-19 pandemic. Other negative factors include supply disruptions and consumers' sentiments.

Despite all these, the Group expects to record an estimated after-tax profit of HK\$60 million for the Period as compared to an after-tax loss of HK\$46 million for the corresponding period ended 30 June 2020. This profit improvement was contributed substantially by the gains in disposing off one of the Group's properties in Singapore that is surplus to its business requirement.

The Group is in the process of preparing its consolidated interim results for the Period, including other comprehensive income items. 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. It is still under review by its management.

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. The information in this announcement 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 interim results announcement of the Group for the Period, which is expected to be published before the end of August 2021.

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, 8 July 2021

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.