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TAN CHONG INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 693)

COMMENCEMENT OF LEGAL PROCEEDINGS IN THAILAND

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The board of directors (the “Board”) of Tan Chong International Limited (the “Company”) announces that Nissan Diesel (Thailand) Co., Ltd. (the “Plaintiff”), [a wholly owned subsidiary] of the Company, has filed a claim at the Pathumthani Provincial Court, Thailand (the “Court”) against AB Volvo and its three employees, officers or servants (together, the “Defendants”), claiming compensation for damages in the sum of Baht 11,306,805,000 (equivalent to approximately HK\$ 2,644,415,000) plus interest, court costs and lawyer fees. On 6 January 2010, the Court confirmed with the Plaintiff that the summon has been served by the Court on AB Volvo. Further summons will be served by the Court on the other Defendants who are foreigners of Thailand in accordance with established procedures.

Under the abovementioned legal proceedings, the Plaintiff claimed against the Defendants for willfully and in bad faith taking various steps which have unlawfully injured and continue to unlawfully injure the Plaintiff’s business in Thailand and which have caused loss and damage to the Plaintiff. In particular, the Plaintiff claimed against the Defendants that the actions of the Defendants have resulted in Nissan Diesel Motor Co., Ltd., the wholly owned subsidiary of AB Volvo, among other

things, breaching various terms of a Distribution Agreement dated 27 December 2002 and a Technical Assistance Agreement dated 27 December 2002 both entered into by the Plaintiff and Nissan Diesel Motor Co., Ltd.

The Company will make further announcement(s) regarding any significant developments on the abovementioned legal proceedings as and when appropriate.

By Order of the Board
Tan Chong International Limited

Joseph Ong Yong Loke
Deputy Chairman and Managing Director

Hong Kong, 8 January 2010

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

As at the date of this announcement, the 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. Independent non-executive directors are Mr. Lee Han Yang, Mdm. Jeny Lau and Mr. Masatoshi Matsuo.