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TAN CHONG INTERNATIONAL LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 693)

EXERCISE OF OPTION

On 25 May 2012, the Purchaser exercised the Option by delivering to TC Land's appointed solicitors the signed acceptance copy enclosed with the Option Letter together with a cheque for 5% of the Exercise Price (less the Deposit paid) made in favour of TC Land.

Reference is made to the announcement (the "**Announcement**") of the Company dated 11 May 2012 in relation to the granting of the Option to the Purchaser. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise specified.

On 25 May 2012, the Purchaser exercised the Option by delivering to TC Land's appointed solicitors the signed acceptance copy enclosed with the Option Letter together with a cheque for 5% of the Exercise Price (less the Deposit paid) made in favour of TC Land. As a result, the Option constitutes a binding contract for the sale and purchase of the Property between TC Land and the Purchaser.

The completion of the sale of the Property by TC Land to the Purchaser shall take place in accordance with the Option Letter.

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

Hong Kong, 25 May 2012

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 non-executive Director is Mr. Ng Kim Tuck. The independent non-executive Directors are Mr. Lee Han Yang, Mr. Masatoshi Matsuo and Mr. Tan Ngiap Joo.