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TAN CHONG INTERNATIONAL LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 693)

REVISION OF ANNUAL CAP

As the customers' response for the vehicles assembled under the Assembly Transactions is better than the Group's expectation, the Group will have to purchase more Parts to satisfy the need for vehicle assembly under the Assembly Transactions. Accordingly, the Board has decided to revise upwards the annual cap for the year ending 31 December 2013 for the Purchases from HK\$23,715,000 to HK\$57,106,000.

REVISION OF THE EXISTING ANNUAL CAP

Background

Reference is made to:

- a. the announcement of the Company dated 23 December 2010 in relation to the Existing Transactions;
- b. the announcement of the Company dated 24 February 2012 in relation to the APM Transactions;
- c. the announcement of the Company dated 6 March 2012 in relation to the Assembly Transactions;
- d. the announcement of the Company dated 30 May 2012 in relation to the Existing Purchase Transactions; and
- e. the announcement of the Company dated 26 November 2012 in relation to the Purchases (the "**Announcement**").

Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as defined in the Announcement.

Revised Annual Cap

As the customers' response for the vehicles assembled under the Assembly Transactions is better than the Group's expectation, the Group will have to purchase more Parts to satisfy the need for vehicle assembly under the Assembly Transactions. Accordingly, the Board has decided to revise upwards the annual cap for the year ending 31 December 2013 for the Purchases from HK\$23,715,000 to HK\$57,106,000. The Revised Annual Cap has been determined based on the revised estimation of the demand of the Group for the Parts necessary for the Assembly Transactions.

Save for the revision of the Existing Annual Cap, all the terms and conditions of the Purchases shall remain unchanged.

The Directors consider that the Purchases (with the Revised Annual Cap) are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Since the Purchases, the Existing Purchase Transactions, the Assembly Transactions, the APM Transactions and the Existing Transactions were all entered into by the Group with parties connected or otherwise associated with one another, the Purchases, the Existing Purchase Transactions, the Assembly Transactions, the APM Transactions and the Existing Transactions are aggregated pursuant to Rule 14A.25 of the Listing Rules.

It is estimated that the aggregated annual transaction amount for the Purchases (with the Revised Annual Cap), the Existing Purchase Transactions, the Assembly Transactions, the APM Transactions and the Existing Transactions shall not exceed HK\$241,706,000 for the year ending 31 December 2013.

As each of the relevant percentage ratios defined under Rule 14.07 of the Listing Rules in relation to the Purchases (with the Revised Annual Cap), when aggregated with those of the Existing Purchase Transactions, the Assembly Transactions, the APM Transactions and the Existing Transactions, is less than 5%, the Purchases constitute continuing connected transactions of the Company subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

The principal business of the Group includes (a) distribution of motor vehicles in Singapore, Hong Kong, PRC, Thailand, Taiwan, Philippines, Malaysia, Indonesia, Vietnam and Cambodia; (b) distribution of industrial equipment in Singapore, PRC, Vietnam and Thailand; (c) property development and rental in Singapore, Macau and Hong Kong; and (d) vehicle seat manufacturing in PRC.

The Supplier is a subsidiary of APM and engages in the manufacture and sale of various automotive components and parts as its principal business.

Each of Mr. Tan Eng Soon and Mr Tan Kheng Leong holds approximately 22.85% and 15.38% of TCC, respectively and Mr. Tan Eng Soon is a director of APM. Therefore, each of Mr. Tan Eng Soon and Mr.

Tan Kheng Leong was considered to have a material interest in the transactions contemplated under the New Parts Purchase Agreement and has abstained from voting on the relevant resolution of the Board approving the Revised Annual Cap.

DEFINITIONS

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

“Existing Annual Cap”	the previous annual cap of the Purchases for the year ending 31 December 2013 as disclosed in the announcement of the Company dated 26 November 2012
“Revised Annual Cap”	HK\$57,106,000, being the revised annual cap of the Purchases for the year ending 31 December 2013

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

Hong Kong, 15 January 2013

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