

If you are in any doubt about this circular or as to the action to be taken, you should consult a stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Tan Chong International Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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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)

**Proposed General Mandates to Issue Shares and Buy Back Shares
AND
Re-election of Directors**

A notice convening an annual general meeting of Tan Chong International Limited to be held at The Dynasty Club, 7/F South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, on Wednesday, 27 May 2015 at 11:00 a.m. is set out on pages 10 to 14 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.tanchong.com/en/investor_relations.aspx). Whether or not you are able to attend and vote at the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the principal office of the Company in Hong Kong at Unit 3001, 30th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not prevent shareholders of the Company from attending and voting at the meeting or any adjourned meeting if they so wish.

23 April 2015

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Annual General Meeting”	annual general meeting of the Company to be held on 27 May 2015 at 11:00 a.m.
“Board”	the board of Directors
“Bye-laws”	bye-laws of the Company
“CG Code”	Code on Corporate Governance Practices
“Company”	Tan Chong International Limited 陳唱國際有限公司, a company incorporated in Bermuda with limited liability and currently listed on the Stock Exchange
“Companies Act”	Companies Act 1981 of Bermuda
“Directors”	directors of the Company
“Group”	Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	17 April 2015, being the latest practicable date prior to the printing of this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Buy-back Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to buy back Shares not exceeding 10 per cent. of the total number of issued shares of the Company as at the date of passing of the relevant resolution granting the Proposed Buy-back Mandate
“SFO”	Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
“Share(s)”	ordinary share(s) of \$0.50 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers
“TCC”	Tan Chong Consolidated Sdn. Bhd., the controlling shareholder of the Company
“\$” and “cents”	Hong Kong dollars and cents

LETTER FROM THE BOARD

Tan Chong International Limited

陳唱國際有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 693)

Directors:

Mr. Tan Eng Soon
Mr. Joseph Ong Yong Loke
Mr. Tan Kheng Leong
Madam Sng Chiew Huat
Mr. Glenn Tan Chun Hong
Mr. Lee Han Yang*
Mr. Ng Kim Tuck*
Mr. Azman Bin Badrillah#

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Honorary Life Counsellor:

Tan Sri Dato' Tan Kim Hor

Principal Place of Business:

Unit 3001, 30th Floor
Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

* Independent non-executive director

Non-executive director

23 April 2015

To Shareholders,

Dear Sir or Madam,

Proposed General Mandates to Issue Shares and Buy Back Shares AND Re-election of Directors

INTRODUCTION

The purpose of this circular is to give you information regarding resolutions to be proposed at the Annual General Meeting relating to the granting to the Directors of general mandates to issue and buy back Shares, the extension of the general mandate to issue Shares and the re-election of the retiring Directors.

GENERAL MANDATE TO ISSUE SHARES

At the last annual general meeting of the Company held on 30 May 2014, the Directors were given a general mandate to allot and issue Shares. The mandate will expire at the conclusion of the Annual General Meeting. At the Annual General Meeting, an ordinary resolution No.6(A) will be proposed to grant a general mandate to the Directors to exercise the powers of the Company to allot and issue new Shares in the share capital of the Company up to 20 per cent. of the total number of issued Shares of the Company on the date of passing the relevant resolution in relation to such general mandate. In addition, subject to a separate approval of the ordinary resolution No.6(C), the number of Shares purchased by the Company under ordinary resolution No.6(B) will also be added to the 20 per cent. general mandate as mentioned in the ordinary resolution No.6(A). The Directors wish to state that they have no immediate plans to issue any new Shares of the Company pursuant to such general mandate.

LETTER FROM THE BOARD (CONTINUED)

GENERAL MANDATE TO BUY BACK SHARES

In addition, an ordinary resolution will be proposed to approve the granting of a Proposed Buy-back Mandate to the Directors to exercise the powers of the Company to buy-back Shares representing up to 10 per cent. of the total number of issued Shares of the Company on the date of passing the relevant resolution in relation to such Proposed Buy-back Mandate.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Proposed Buy-back Mandate is set out in the Appendix to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

INFORMATION OF THE RETIRING DIRECTORS TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

In accordance with Bye-law 87 (1) of the Bye-laws, Mr. Lee Han Yang, Mr. Joseph Ong Yong Loke, and Mr. Ng Kim Tuck will retire from the Board by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election. In accordance with Bye-law 86(2) of the Bye-laws, Mr. Azman Bin Badrillah will hold office until the forthcoming annual general meeting, and being eligible, offers himself for re-election.

For your further information, we set out below the relevant details of the retiring Directors proposed to be re-elected at the Annual General Meeting:

Mr. Lee Han Yang ("Mr. Lee"), aged 83, B.A (Singapore) of Lincoln's Inn, Barrister-at-law. He was appointed as an Independent Non-Executive Director of the Company in April 1998. Mr. Lee is a consultant in the law firm of Messrs Belinda Ang, Tang and Partners. He sits on the board of directors of a public company in Singapore, Low Keng Huat (Singapore) Limited. He was a director of Wing Tai Holdings Limited, a public company in Singapore until 25 October 2013 and has been appointed Senior Advisor of the company. Mr. Lee was until recently a member of the Board of National Council of Social Service and the Board of the Society for the Physically Disabled. For many years he also chaired a Criminal Law Appeals Committee. Mr. Lee is an active member of the Law Society of Singapore and is a member of the Inquiry Panel. In August 2006, he was awarded the Public Service Star (BBM) by the President of the Republic of Singapore. Save as disclosed above, Mr Lee does not hold any other positions within the Group, and does not hold any other directorships in listed public companies in Hong Kong or overseas in the last three years.

Mr. Lee does not have any relationships with any directors, senior management, or substantial shareholders of the Company. As at the Latest Practicable Date, Mr. Lee does not have any interest in Shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Lee. Mr. Lee has no fixed term of director's service but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. His director's fee will be determined by the Board by reference to his job responsibility, prevailing market conditions and the Company's operating performance and profitability.

Mr. Lee has been an Independent Non-Executive Director of the Company since 1998. He has confirmed in writing his independence in accordance with the Listing Rules. Based on such confirmation and on Mr. Lee's past performance, the Board believes that Mr. Lee continues to be independent. Given the qualifications and business experience of Mr. Lee, and in light of his past contributions to the Group, the Board is of the view that the continuing service of Mr. Lee in the Group is beneficial to the Group and thus considers that Mr. Lee should be re-elected at the forthcoming annual general meeting.

LETTER FROM THE BOARD (CONTINUED)

Mr. Joseph Ong Yong Loke (“Mr. Ong”), aged 66, was appointed as Executive Director of the Company in March 1997. He is the Managing Director of the Company since its listing in July 1998. He was also appointed as a Deputy Chairman of the Company in November 2009 and a director of certain subsidiaries of the Group. He joined the Group in 1981 and has served in a number of senior capacities in Singapore before his posting to Hong Kong in 1992. Mr. Ong, a Chartered Surveyor, graduated with a Bachelor of Science degree (Building Economics) from the University of Reading, United Kingdom in 1971. His previous work experience includes appointment with the Singapore Ministry of Defence and Straits Steamship Co. Limited from 1976 to 1980.

Saved as disclosed above, Mr. Ong does not hold any other directorships in listed public companies in Hong Kong or overseas in the last three years. He does not have any relationships with any directors, senior management, or substantial shareholders of the Company. As at the Latest Practicable Date, Mr. Ong is interested in 2,419,536 Shares, representing approximately 0.12 per cent of the issued capital of the Company, of which Mr. Ong has personal interest of 684,000 Shares, family interest of 795,000 Shares and corporate interest of 940,536 Shares within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Ong. Mr. Ong has no fixed term of director’s service but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. His director’s fee will be determined by the Board by reference to his job responsibility, prevailing market conditions and the Company’s operating performance and profitability.

Mr. Ng Kim Tuck (“Mr. Ng”), aged 60, was appointed as a Non-executive Director of the Company in June 2011 and re-designated as an Independent Non-executive Director of the Company in July 2012. Mr. Ng is currently the Senior Audit Advisor to BDO Malaysia. He is a Council Member of the Malaysian Institute of Certified Public Accountants (“MICPA”) and was previously a Council Member of the Malaysian Institute of Accountants (“MIA”) and a Member of the Malaysian Institute of Taxation. Mr. Ng also serves on various committees and working groups of the MICPA. He joined KPMG Malaysia in 1974 and was admitted as a partner of the firm in 1985. He had been the partner-in-charge of KPMG Malaysia’s Audit Division, Finance as well as Risk Management and Ethics and Independence. He was also formerly the Chairman of KPMG Malaysia’s Audit and Accounting Committee and retired from the firm in December 2010.

Save as disclosed above, Mr. Ng does not hold any other positions within the Group and does not hold any other directorships in listed public companies in Hong Kong or overseas in the last three years. Mr. Ng does not have any relationships with any directors, senior management, or substantial shareholders of the Company. As at the Latest Practicable Date, Mr. Ng does not have any interest in Shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Ng. Mr. Ng has no fixed term of director’s service but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. His director’s fee will be determined by the Board by reference to his job responsibility, prevailing market conditions and the Company’s operating performance and profitability.

Mr. Azman Bin Badrillah (“Mr. Azman”), aged 67, was appointed as a Non-executive Director of the Company on 01 April 2015. He graduated from the University of Malaya in 1970 with a Bachelor of Economics degree. He joined Bank of America (“BOA”) in Malaysia in 1971. In 1974, he was assigned to BOA’s Asia Division and underwent training at its World Banking Division in San Francisco, USA. Upon his return to Malaysia in 1975, he worked at the BOA’s Credit Department for another 3 years before relocation to its South & East Asia Division, Area Credit Administration, Hong Kong. In 1981, he returned back to Malaysia to take up position at BOA in Kuala Lumpur. His last position with BOA was the officer responsible for its Marketing & Strategic Planning Department. He resigned from BOA in 1982.

Mr. Azman joined Tan Chong Motor Holdings Berhad (“TCMH”) group, a listed company on Bursa Malaysia, in 1983 as an executive director of its auto parts industry division. He was responsible for the overall performance of one of its key product groups. In April 1994, he was appointed as a director to the board of directors of TCMH. He resigned as a director of TCMH in July 2010. He was a director of APM Automotive Holdings Berhad (“APM”), a listed company on Bursa Malaysia since its listing in 1999. He resigned as a director of APM on 1 June 2013. Mr. Azman was also a director of the Company’s subsidiary, TC Subaru Sdn. Bhd. until early March 2015.

Save as disclosed above, Mr. Azman does not hold any other positions within the Group and does not hold any directorships in listed public companies in Hong Kong or overseas in the last three years. Mr. Azman does not have any relationships with any directors, senior management, substantial shareholders of the Company. As at the Latest Practicable Date, Mr. Azman does not have any interest in Shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Azman. Mr. Azman has no fixed term of director’s service but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company. His director’s fee will be determined by the Board with reference to his job responsibility, prevailing market conditions and the Company’s operating performance and profitability.

Save as disclosed above, there are no other matters relating to re-election of these retiring Directors that need to be brought to the attention of the Shareholders and there is no other information which is discloseable under Rule 13.51(2)(h) to (v) of the Listing Rules.

LETTER FROM THE BOARD (CONTINUED)

FORM OF PROXY

A form of proxy for use at the Annual General Meeting is enclosed in this circular. Whether or not you intend to be present at the meeting, you are requested to complete the form of proxy and return it to the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the holding of the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not prevent Shareholders from attending and voting at the Annual General Meeting or any adjourned meeting if they so wish.

RECOMMENDATION

The Directors consider that the proposed resolutions for the re-election of the retiring Directors, the granting to the Directors of the general mandate to issue Shares and the Proposed Buy-back Mandate are in the interests of the Group as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
Sng Chiew Huat
Finance Director

APPENDIX – EXPLANATORY STATEMENT

The following is the explanatory statement required to be sent to Shareholders under the Listing Rules in connection with the Proposed Buy-back Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,013,309,000 Shares. Subject to the passing of the resolution granting the Proposed Buy-back Mandate and on the basis that no further Shares are issued or bought back before the Annual General Meeting, the Company will be allowed to buy back a maximum of 201,330,900 Shares which represent 10 per cent. of the total numbers of issued shares of the Company during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS AND FUNDING OF BUY-BACK

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to buy back its Shares on the Stock Exchange. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders. If such a buy-back is made, the Directors propose to use the Company's internal cash surplus to fund such buy-back.

Buy-back of Shares will be financed out of funds legally available for the purpose and in accordance with the Bye-laws and the applicable laws of Bermuda. Under Bermuda law, any buy-back by the Company may be made out of capital paid up on the Shares to be bought back, or out of funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose and, in the case of premiums payable on buy-back, funds of the Company which would otherwise be available for dividend or distribution or out of the share premium account of the Company.

The Directors have no present intention to buy back any Shares and they would only exercise the power to buy-back in circumstances where they consider that the buy-back would be in the best interests of the Company. The Directors consider that if the general mandate to buy back Shares were to be exercised in full at the current prevailing market value, it could have a material adverse impact on the working capital but not the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the mandate to buy back Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

APPENDIX – EXPLANATORY STATEMENT (CONTINUED)

SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the last twelve months.

Month	Highest trade price \$	Lowest trade price \$
2014		
March	3.180	3.000
April	3.340	3.120
May	3.400	3.120
June	3.480	3.230
July	3.400	3.150
August	3.300	3.050
September	3.100	2.870
October	2.900	2.750
November	2.880	2.800
December	2.920	2.600
2015		
January	2.750	2.500
February	2.550	2.460
March	2.590	2.480
April (up to the Latest Practicable Date)	2.790	2.600

Source: The Stock Exchange of Hong Kong Limited

GENERAL

To the best of their knowledge, having made all reasonable enquiries, none of the Directors or any of their close associates, as defined in the Listing Rules, currently intend to sell any Shares to the Company or its subsidiaries.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Proposed Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

No core connected person, as defined in the Listing Rules, has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so.

If as a result of a buy-back of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

APPENDIX – EXPLANATORY STATEMENT (CONTINUED)

GENERAL (continued)

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, TCC is interested in 705,819,720 Shares representing approximately 35.05 per cent. of the existing issued share capital of the Company. In the event that the Directors should exercise in full the Proposed Buy-back Mandate, the shareholding of TCC in the Company, assuming there shall be no change in its interests in the Shares after the Latest Practicable Date, will be increased to approximately 38.95 per cent. of the issued share capital of the Company respectively. To the best knowledge and belief of the Directors, such increase would give rise to an obligation of TCC to make a mandatory offer under the Takeovers Code. Currently, the Directors have no present intention to buy-back the Shares to the extent that it will trigger the obligations under the Takeovers Code for TCC to make a mandatory offer.

The Listing Rules prohibit a company from making buy-back on the Stock Exchange if the result of the buy-back would be that less than 25 per cent. (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to buy back Shares which would result in less than the prescribed minimum percentage of Shares in public hand.

SHARE BUY-BACK MADE BY THE COMPANY

The Company had not bought back any Share (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.