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TAN CHONG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 693)

MEMORANDUM OF UNDERSTANDING

Reference is made to the announcement (“July Announcement”) of Tan Chong International Limited (the “Company”) dated 6 July 2011. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as defined in the July Announcement.

The Board announces that the effective period of the MOU expires on 5 January 2012. Since more time than expected is required for the parties to finalize the details of the Project before signing of the Definite Agreements could be concluded, the parties are now negotiating an extension of the effective period of the MOU and shall further publish an announcement once any supplemental or other document is signed.

The Transactions may or may not proceed. Investors are reminded to exercise caution when dealing in the Shares. Further announcement regarding the Transactions will be made in accordance with all applicable requirements of the Listing Rules as and when appropriate.

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

Hong Kong, 5 January 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. Non-Executive Director is Mr. Ng Kim Tuck and Independent non-executive directors are Mr. Lee Han Yang, Mr. Masatoshi Matsuo and Mr. Tan Ngiap Joo.