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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)**

**REVISION OF ANNUAL CAP**

In anticipation of an increase in demand from customers for the vehicles assembled under the Assembly Transactions due to certain seasonal promotions offered by the Group, the Group will need to purchase more Parts under the New Parts Purchase Agreement to satisfy such anticipated increase in demand. Accordingly, the Board has decided to revise upwards the annual cap for the APMMD Purchases for the year ending 31 December 2013 from HK\$97,800,000 to HK\$119,000,000.

**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 Technical 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 Parts Purchases;
- e. the announcement of the Company dated 26 November 2012 in relation to the APMMD Purchases;
- f. the announcement of the Company dated 15 January 2013 in relation to the revision of the annual cap for the APMMD Purchases for the year ending 31 December 2013;
- g. the announcement of the Company dated 15 May 2013 in relation to the extension of the term of the New Parts Purchase Agreement; and

- h. the announcement of the Company dated 4 October 2013 in relation to the Seat Part 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**

In anticipation of an increase in demand from customers for the vehicles assembled under the Assembly Transactions due to certain seasonal promotions offered by the Group, the Group will need to purchase more Parts under the New Parts Purchase Agreement to satisfy such anticipated increase in demand. Accordingly, the Board has decided to revise upwards the annual cap for the APMMD Purchases for the year ending 31 December 2013 from HK\$97,800,000 to HK\$119,000,000. The Revised Annual Cap has been determined based on the revised estimation of the demand of the Group for the Parts under the New Parts Purchase Agreement necessary for the Assembly Transactions.

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

The Directors consider that the APMMD 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 Seat Parts Purchases, the APMMD Purchases, the Parts Purchases, the Assembly Transactions, the APM Technical Transactions and the Existing Transactions were all entered into by the Group with parties connected or otherwise associated with one another, the Seat Parts Purchases, the APMMD Purchases, the Parts Purchases, the Assembly Transactions, the APM Technical 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 Seat Parts Purchases, the APMMD Purchases (with the Revised Annual Cap), the Parts Purchases, the Assembly Transactions, the APM Technical Transactions and the Existing Transactions should not exceed HK\$301,200,000 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 APMMD Purchases (with the Revised Annual Cap), when aggregated with those of the Seat Parts Purchase, the Parts Purchases, the Assembly Transactions, the APM Technical Transactions and the Existing Transactions, is less than 5%, the APMMD 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, the 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 the PRC.

APM Modules is a wholly-owned 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. 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:

<b>“Existing Annual Cap”</b>	the previous annual cap of the APMMD Purchases for the year ending 31 December 2013 as disclosed in the announcement of the Company dated 4 October 2013
<b>“Revised Annual Cap”</b>	HK\$119,000,000, being the revised annual cap of the APMMD 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, 4 December 2013

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