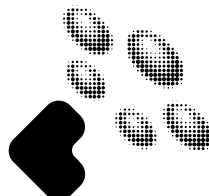


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TAN CHONG
International



Tan Chong International Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 693)

ANNOUNCEMENT Investment in Zero

Further to our discloseable transaction announcement dated 13 August 2004, the Directors are pleased to announce that Zero will be listed on the Secondary Board of the TSE. The IPO has been approved by TSE on 29 June 2005. The underwriting agent is Nomura Securities of Japan.

INTERESTS IN THE IPO

Further to our discloseable transaction announcement dated 13 August 2004, the Directors are pleased to announce that Zero will be listed on the Secondary Board of the TSE. The IPO has been approved by TSE on 29 June 2005. The underwriting agent is Nomura Securities of Japan.

The total number of issued shares in Zero after the IPO shall be increased from the current 5,669,314 to 6,069,314. TCIL's number of shares in Zero through its wholly-owned subsidiary, Zenith, shall be increased from the present 1,180,000 (20.8% of 5,669,314) to 1,213,900 (20.0% of 6,069,314). For the IPO exercise, Zenith is given an additional 33,900 shares because of its status as the substantial shareholder and to maintain its status as the substantial shareholder holding at least 20% of the issued shares of Zero. This special treatment of Zenith has been approved by the TSE. Zenith is required to observe a lock-up period of 180 days from listing date (from 2 August 2005 to 28 January 2006).

ZERO

Zero (whose substantial shareholder is Zenith), a logistics company whose main business is to transport new, used and privately-owned vehicles throughout Japan, has a current workforce of over 1000 employees. Its principal clients include vehicle manufacturers, vehicle leasing and trading companies. It has an extensive network of distribution, sales and pre-delivery, maintenance and repair centres. It has plans to expand its logistics capabilities into China.

CONSIDERATION

The issue price of the IPO has yet to be determined and is expected to be indicated on 12 July 2005 and thereafter there will be a period of book building and road shows.

COMPLETION

Listing date is expected to be 2 August 2005.

BUSINESS OF TCIL

The principal activity of TCIL is investment holding. The businesses of its principal subsidiaries consist of distribution of motor vehicles in Singapore, Hong Kong, China and Thailand, industrial equipment distribution in Singapore, China, Vietnam and Thailand, property development and rental in Singapore and Hong Kong and parts manufacturing in China.

GENERAL

The IPO is not expected to have any significant impact on Group results for year 2005. None of the directors on the Board of TCIL or their connected family members has any direct or indirect interests in the IPO exercise.

As at the date of this announcement, the Directors comprise of:

Executive Directors

Mr. Tan Eng Soon
Mr. Joseph Ong Yong Loke
Mr. Tan Kheng Leong
Mr. Neo Ah Chap
Mdm. Sng Chiew Huat

Independent non-executive Directors

Mr. Lee Han Yang
Mdm. Jeny Lau
Mr. Masatoshi Matsuo

DEFINITIONS

“Directors”	Board of Directors of TCIL
“Group”	TCIL and its subsidiaries
“IPO”	Initial Public Offering
“TCIL”	Tan Chong International Limited
“TSE”	Tokyo Stock Exchange
“Zenith”	Zenith Logistics Pte. Ltd.
“Zero”	Zero Co., Ltd. of Japan

By order of the Board
Teo Siok Ghee
Company Secretary

Hong Kong, 8 July 2005

Please also refer to the published version of this announcement in The Standard.