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TAN CHONG INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 693)

PROPOSED DIVESTMENT BY ASSOCIATE COMPANY

This announcement is made by the Company pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The Board hereby announces that on 30 March 2012, an associate of the Company, Tyre Pacific has entered into the Equity Transfer Agreement to sell all of its 40% equity interests in a joint venture company, SRITP to SRI. The consideration for the Equity Transfer is RMB220,000,000.00 and the payment shall be made in US Dollars in the equivalent amount of RMB220,000,000.00 on the Completion Date.

SRITP is an investment holding company with four wholly owned subsidiaries carrying out wholesale and distribution of automobile tyres in PRC. SRITP is 60% and 40% owned by SRI and Tyre Pacific respectively.

Pursuant to the Equity Transfer Agreement, the completion of the Equity Transfer takes effect on condition that (i) the registration procedures under the BVI law in connection with the Equity Transfer are completed and (ii) STC having obtained its shareholders' approval for the Equity Transfer at a general meeting to be convened. SRI and Tyre Pacific agree that the Joint Venture Agreement shall terminate as of the completion of the Equity Transfer.

The Board is of the view that the Equity Transfer pricing is fairly valued and an appropriate development in support of the SRI re-organisation to expand in PRC. Tyre Pacific will continue distribution and sales of SRI produced tyres in PRC through wholly owned subsidiaries in Guangzhou, Shanghai and Beijing.

Definitions

“Board”	the board of directors of the Company
“BVI”	British Virgin Islands
“Company”	Tan Chong International Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange

“Completion Date”	the completion date of the Equity Transfer which shall be 60 days after the date of signing of the Equity Transfer Agreement or such other date as SRI and Tyre Pacific may mutually agree
“Equity Transfer”	the transfer of Tyre Pacific’s interest in 40% of the issued share capital of SRITP to SRI
“Equity Transfer Agreement”	an agreement entered into between Tyre Pacific and SRI on 30 March 2012 in relation to the Equity Transfer
“Joint Venture Agreement”	a joint venture agreement dated 14 October 2003 between SRI and Tyre Pacific in relation to the establishment of SRITP
“PRC”	People’s Republic of China, for the purpose of this announcement, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of PRC
“SRI”	Sumitomo Rubber Industries, Ltd., a company incorporated in Japan with limited liability, the shares of which are listed on Tokyo Stock Exchange.
“SRITP”	SRITP Limited, a company incorporated in BVI with limited liability
“STC”	Stamford Tyres Corporation Limited, a company incorporated in Singapore with limited liability, the shares of which are listed on Singapore Exchange and a 50% shareholder in Tyre Pacific
“Tyre Pacific”	Tyre Pacific (HK) Ltd., a company incorporated in Hong Kong with limited liability and an associate of the Company which is 50% owned by the Company.
“US Dollars”	United States Dollars, the lawful currency of the United States of America

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

Hong Kong, 30 March 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. Independent non-executive directors are Mr. Lee Han Yang, Mr. Masatoshi Matsuo and Mr. Tan Ngiap Joo.