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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)

**ANNOUNCEMENT
BUSINESS UPDATE**

This announcement is made by Tan Chong International Limited (the “**Company**” or “**TCIL**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to the Company’s announcement dated 8 February 2017 in relation to the formation of joint venture (the “**Joint Venture**”) between the Company’s wholly owned subsidiary and Subaru Corporation (previously named Fuji Heavy Industries Limited). A joint venture company, Tan Chong Subaru Automotive (Thailand) Co., Ltd (“**TCSAT**”) was established in Thailand pursuant to the joint venture agreement dated 8 February 2017 between the Company’s wholly owned subsidiary and Subaru Corporation.

The board of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that TCIL and Subaru Corporation announce a strategic decision aimed at driving the Joint Venture, TCSAT towards sustained growth in the ever-evolving automotive landscape. Together, TCIL and Subaru Corporation recognize the need for a forward-looking, future-proof approach to adapt to emerging market dynamics.

After careful consideration, TCIL and Subaru Corporation have jointly decided to undergo a proactive business transformation by phasing out the existing Complete Knock Down (“**CKD**”) business model, which is believed to be no longer sustainable in the long term.

From next year, the CKD markets in Thailand, Vietnam, Malaysia, and Cambodia will transition to a Complete Build Up (“**CBU**”) sales model from Japan.

The Joint Venture remains strong, as TCIL and Subaru Corporation continue to remain agile and explore additional viable business avenues together in Thailand, Vietnam, Malaysia and Cambodia.

TCIL and Subaru Corporation are confident that this strategic decision will position Subaru for continued success in these dynamic markets. As TCIL embarks on this new chapter together with Subaru Corporation, both TCIL and Subaru Corporation remain steadfast in their commitment to delivering exceptional value to customers, partners, and stakeholders.

By the order of the Board
Tan Chong International Limited
Teo Siok Ghee
Liew Daphnie Pingyen
Joint Company Secretaries

Hong Kong, 24 May 2024

Website: <http://www.tanchong.com>

As at the date of this announcement, the executive Directors are Mr. Tan Eng Soon, Mr. Glenn Tan Chun Hong, Mr. Tan Kheng Leong, Mdm. Sng Chiew Huat and Ms. Gillian Tan Tsui Lyn. The non-executive Director is Mr. Joseph Ong Yong Loke. The independent non-executive Directors are Mr. Ng Kim Tuck, Mr. Azman Bin Badrillah, Mr. Prechaya Ebrahim, Mr. Teo Ek Kee and Mr. Charles Tseng Chia Chun.