

**For Immediate Release**

## **TCIL SET FOR EXPANSION IN THAILAND**

### **Tan Chong International Ltd ("TCIL") signs agreement to acquire Nissan Diesel truck business in Thailand**

**Singapore, Tuesday 1<sup>st</sup> October 2002.....** Tan Chong International Ltd ("TCIL") announced today that through one of its wholly owned subsidiaries it has entered into an Agreement with Nissan Diesel Motor Co. Ltd ("Nissan Diesel") to acquire the shares of Nissan Diesel (Thailand) Co. Ltd ("The Company"). Including working capital, TCIL expects to invest US\$35 million on this transaction. This agreement further strengthens the on-going relationship between the Tan Chong Group and Nissan Diesel in South East Asia and China.

TCIL has had a long association with Nissan Diesel in Singapore through its subsidiary, Tan Chong Industrial Machinery Pte. Ltd. ("TCIM"). This partnership has made the Nissan Diesel brand into one of the best selling trucks in Singapore. Potentially, the market for Nissan Diesel Trucks in Thailand is 6 times larger than that of Singapore and should, in the medium term, consistent with the growth outlook of the Thai economy, provides positive revenue and profit contribution to TCIL.

TCIL is also an investment partner with Nissan Diesel in a truck manufacturing plant in Hangzhou, China. The sales of trucks from the Hangzhou company has been improving and is now making a positive contribution to TCIL.

On average, the market size of new medium to heavy size trucks in Thailand is about 12,000 units annually. At its peak, sales of all brands of such vehicles reached 30,000 units per year. Currently Nissan Diesel has 20,000 trucks operating in Thailand and enjoys an average 10% share of the Thai market.

Commenting on the acquisition at the press conference announcement, Mr AC Neo, Marketing Director of TCIM and Executive Director of Tan Chong International said: "This marks an important expansion for our business in Asia which we see as part of a long-term investment that will reap benefits for both our shareholders and consumers. In addition it strengthens the successful ongoing relationship between the Tan Chong Group and Nissan Diesel in South East Asia and China."

This transaction is conditional upon receiving approval from the Thailand regulatory Board of Investments to allow the transfer to TCIL's subsidiary.

None of the Directors of TCIL have any direct or indirect interest or benefit in this transaction.

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