

CORPORATE INFORMATION

Board Of Directors

Chairman

Dato' Tan Kim Hor DPMS KMN JP

Deputy Chairman

Mr. Tan Eng Soon

Managing Director

Mr. Joseph Ong Yong Loke

Executive Director

Mr. Tan Kheng Leong

Executive Director - Marketing

Mr. Neo Ah Chap

Executive Director - Finance

Mdm. Sng Chiew Huat

Independent

Non-Executive Directors

Mr. Lee Han Yang

Mr. Liu Kwei Ming

Company Secretary

Miss. Teo Siok Ghee

Auditors

KPMG

8/F, Prince's Building

10 Charter Road

Central, Hong Kong

Solicitors

Preston Gates & Ellis

10/F, Hutchison House

10 Harcourt Road

Central, Hong Kong

Registered Office

Clarendon House

2 Church Street, Hamilton HM 11

Bermuda

Principal Places of Business

HONG KONG

Unit 3001, Shui On Centre

6-8 Harbour Road, Wanchai,

Hong Kong

SINGAPORE

Tan Chong Motor Centre

911 Bukit Timah Road

Singapore 589622

Bermuda Resident Representatives

Mr. John C R Collis

Mr Anthony D Whaley (Deputy)

Principal Bankers

Bank of America NA

Deutsche Bank AG

Oversea-Chinese Banking Corporation Limited

Overseas Union Bank Limited

Principal Share Registrar and Transfer Office

Butterfield Corporate Services Limited

Rosebank Centre, 11 Bermudiana Road

Pembroke, Bermuda

Branch Share Registrar and Transfer Office

Central Registration Hong Kong Limited

Rooms 1901-5, 19/F, Hopewell Centre

183 Queen's Road East, Hong Kong

CHAIRMAN'S STATEMENT

I am pleased to present to the shareholders the annual report of Tan Chong International Limited (the "Company") and its subsidiaries and associates (collectively called the "Group") for the year ended 31st December 2000.

RESULTS

The Group turned in a strong set of results that was very much better than our forecast for the outlook in Year 2000. Positive growth of GNP in the region, particularly in countries relevant to the Group, translated into more sales and consequently turnover reached a record of HKD 5,012 million, an increase of 66% over the preceding year. At operating level profit rose 171% and profits attributable to Shareholders reached HKD 487 million, a rise of 163%.

DIVIDEND

The Board of Directors is pleased to make a recommendation for a final dividend payment of 3 cents per share. This dividend payment together with the 1.5 cents paid for the interim total 4.5 cents for the year compared with the 4 cents for the preceding year.

ANOTHER RECORD FOR VEHICLE SALES

The Group achieved a record number of unit sales of 18,837 in Year 2000 compared with 11,937 in Year 1999. This record of 57.8% increase in Year 2000 is indeed more commendable since it was achieved after a 33% expansion over Year 1999. In Singapore, Nissan passenger vehicle sales retained its leading position as the best selling passenger car with the Nissan Sunny showing a growth of 44% to hit 9,468 units. The Nissan Cefiro also achieved best selling model for all cars 2 litres and above in Singapore, by registering 2,323 units up nearly four times from 615 units in Year 1999.

Year 2000 also saw the sale of Nissan commercial vehicle continuing to grow with Nissan Cabstars selling 2,895 units a 74% increase from last year and Nissan Pickup sales jumping 120% to 827 units.

Subaru sales in Hong Kong and Singapore improved with a rise of 19.2% with the hallmark all-wheel-drive technology steadily gaining acceptance for its handling superiority under all road conditions.

INDUSTRIAL MACHINERY RECOVERS

The accelerating sales momentum in the last half of Year 1999 carried well into Year 2000 allowing the industrial division to show an improvement of 40% in total unit sales. In particular, the medium trucks series MKB210 and PK210 that were launched just more than a year ago, showed strong gains as did the light trucks PU41 and PY41 series that were launched during the year.

Sale of new forklifts was marginally up by 7.7%. The forklift rental business made steady contributions both in Singapore, Thailand and Vietnam with the business in the latter two countries being recently developed in Year 2000.

PROPERTY

Occupancy rates in Tan Chong Tower, our service apartment operations in the business center of Singapore, made good progress from 68% to 83% with improved rental rates.

The Upper Aljunied Road site in Singapore is awaiting Written Permission from the Authorities to proceed. This approval is now expected in the first half of Year 2001. The proposed development consists of 78 units of luxury terrace houses set in a garden streetscape and promises to be an outstanding landmark in the vicinity.

Our Wilby Residence condominium development was sold to Brizay Properties Pte Ltd during the year.

TRADING

In Year 2000, Sumitomo Rubber Industries, the manufacturer of Dunlop tyres added Vietnam to the territories covered by Tyre Pacific (HK) Ltd. Dunlop motorcycle tyres will be manufactured in the People's Republic of China from mid-year 2001 and Tyre Pacific (HK) has been appointed as the prime distributor for the domestic market.

Our JV companies in China have been rationalized and showed improved performance with inventories running down and sales expanded. The Guizhou Yun Que JV Company introduced the latest 4-cylinder engine, the only manufacturer with this environment friendly mini-car in China. Exports from our Jiangyin Shock Absorber Plant reached new levels with shipments to Philippines and Malaysia. Our seat manufacturing JV Company in Xiamen did well to improve production and sales by 59%.

IT PROGRESS

The Group developed and installed i-office, our own web-based system to network several key functions of marketing, sale, stock and accounting. This i-office is hosted in our own server facilities and Tan Chong Motor's vehicle Sales and Management staff can now conveniently access the Company website round the clock from any computer to track progress of their order and fulfillment. This service will be expanded to the various subsidiaries to leverage the power of internet technology which will expedite and facilitate communication between customer, management and sales persons. The Group has a database well in excess of 100,000 customers who are the foundation of our marketing opportunities.

FUTURE

Singapore total vehicle demand is expected to remain largely steady as a result of the Vehicle Quota System implemented by the Government there. However the quota for commercial vehicles will be significantly lower than the preceding year. In addition, a new 'open' bidding

system for purchasing Certificates of Entitlement will be introduced in Singapore in Year 2001, the impact of which is difficult to predict but the Group remains vigilant to make whatever adaptation necessary.

With the expanded sales last year in Singapore, we have taken measures to strengthen the servicing levels for our car owners by adding service, retail and showroom premises. We have purchased a new showroom, parts store and service complex at Toa Payoh, which adds another 22 bays for vehicle maintenance and repairs. The Group has also successfully tendered for a site within the well-known Eunost Link car sales & automobile hub at the eastern part of Singapore. This site will be developed into an 8-Storey 3S (Showroom, Service & Spare-parts) Center. The proposed building will be an up-to-date design incorporating the latest ideas in car maintenance and display with the best use of our information technology and resource. Foundation work will start in the second half of Year 2001.

Our overseas businesses are consolidating and we have expanded the Thailand operations with the purchase of World Hi-Tech Car Service Co. Ltd. as an on-going business. This new center with some 40 work bays as well as spray-painting booth and full oven facilities will reinforce the Subaru distribution in Thailand and allow for expected future growth.

Although the widely anticipated slower economic growth of 1.7% compared to 4.2% for Year 2000 in the United States is expected to have a related impact on our territories of distribution, Singapore, our major market, seems likely to sustain vehicle demand as the Government has predicted a GDP growth of 5 to 7%. We expect the intensification of competition and pressures on margins but nevertheless are prepared to meet the challenges to perform responsibly.

APPRECIATION

I am heartened that the Staff and Management reacted decisively to the changes in market and economic conditions and delivered strong performance figures in Year 2000. My Board of Directors and I therefore record our appreciation for their fine effort.

Dato' Tan Kim Hor DPMS KMN JP

Chairman

27 March 2001

MANAGEMENT DISCUSSION AND ANALYSIS

Although our Group attained record performance in Year 2000, we are bracing ourselves for the expected economic downturn in Year 2001 and beyond. The United States, the world's largest economy, is already slowing down and its adverse impact on the remaining open economies of the world and therefore our Group cannot be avoided.

Advocates of transparencies and disclosures in financial reporting have brought about wide changes to international accounting standards that Hong Kong and Singapore have and will continue to adopt. Such changes which have already transformed the recognition of not only income and expenses but also assets and liabilities in Year 2000 will flow into the years to come. Such changes can also have unsettling effects on both bottom lines and shareholders' values. Even so, we believe that if we are quick to adapt to changes we can embrace the future with confidence and emerge stronger and with greater resilience.

The expected reduction in the quota of Certificates of Entitlement (COE) required for commercial vehicle registration and its impact on movements in COE prices in Year 2001 will affect volume and profits of motor vehicle sales. However, with vigilance and proactive management, Year 2001 can be another good year for our Group. We are also hopeful that an expected weaker Japanese Yen will add a positive cushion to our earnings. A strong balance sheet bodes well for our Group and will underpin our ability to handle the changing economic landscape.

Excluding the sale of the Wilby Residence in Singapore, turnover and operating profit rose more than 60% year on year to HKD 5,012 million and HKD 412 million respectively brought about by higher business volume practically across the board and a relatively weaker Japanese Yen. Earnings per share also improved by 56% and return on turnover kept steady at 6%. Although our Singapore operations were the star performers, our businesses elsewhere in the region were encouraging in view of the fact that they are in development stages and in emerging economies. Such businesses are expected to improve their contributions in Year 2001 and beyond.

Other than a floating interest rate amount of HKD 81 million owing to the bank from the purchase of the 30th floor of Shui On Centre and minor day-to-day overdraft balances, our assets are free from borrowings. We have a positive cash position that now stands at HKD 429 million. During the year we paid out HKD 87 million for the purchase of two properties in Singapore for showroom and workshop facilities and 424 million for the purchase of stocks and bonds. We shall be paying Baht 64 million in March 2001 to take over a car servicing company in Thailand that is expected to complement our other investments in Thailand. We believe that because we have a continual need of SGD, USD and Japanese Yen, all our investments and purchases in these currencies are naturally hedged. There are no contingent liabilities.

Investment properties were written down in accordance with professional valuations. The write-down was a result of weaker sentiment in the property market both in Singapore and Hong Kong and amounted to HKD 95 million (net of deffered tax) of which HKD 20 million impacted bottom line, HKD 45 million affected revaluation reserve and the balance went to translation loss. Sale of the Wilby Residence reduced revaluation reserve by another HKD 279 million.

In tandem with increased sales volume, trade debtors and stocks increased by 31% and 41% respectively year on year but their turnovers have improved by 22 % and 17 % to 14 days and 39 days respectively. Likewise, number of employees rose 5 % to 681 and remuneration paid out increased 4 % to HKD 119 million but the numbers are expected to remain stable in Year 2001.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

CHAIRMAN

Dato' Tan Kim Hor DPMS KMN JP, age 78, is the Chairman of the Company and also the Chairman and co-founder of Tan Chong Motor Holdings Berhad (TCMH). In 1957, he and his brother pioneered the importation of Japanese motor vehicles into Malaysia. Besides actively involved in the business of the Group Dato' Tan is also active in community and public affairs in Malaysia. For his contributions to society, he was awarded the DPMS by the Sultan of Selangor in 1981. Dato' Tan is the father of Mr. Tan Kheng Leong, Dr. Tan Kang Leong and Mr. Tan Beng Keong, and is an uncle of Mr. Tan Eng Soon.

DEPUTY CHAIRMAN

Mr. Tan Eng Soon, age 52, is the Deputy Chairman of the Company and is a Director of many subsidiaries of the Group. He is also the Managing Director of TCMH and a Director of both Warisan TC Holdings Bhd and APM Automotive Holdings Bhd. Mr. Tan joined TCMH after qualifying as an Engineer from the University of New South Wales, Australia, in 1971.

MANAGING DIRECTOR

Mr. Joseph Ong Yong Loke, age 52, is the Managing Director of the Company. He joined the Group in 1981 and has served in a number of senior capacities in Singapore before his posting to Hong Kong in 1992. Mr Ong, a Chartered Surveyor, graduated with a BSc. (Building Economics) from the University of Reading in the United Kingdom in 1971. His previous work experience includes appointments with the Singapore Ministry of Defence and Straits Steamship Co Limited from 1976 to 1980. Mr Ong is also a non-executive Director of Stamford Tyres Corporation Limited, a company listed on the Stock Exchange of Singapore.

EXECUTIVE DIRECTORS

Mr. Tan Kheng Leong, age 58, is the Deputy Managing Director of the Nissan motor operations in Singapore and is a Director of several subsidiaries of the Group. Mr. Tan joined TCMH soon after completing his education in 1962. Over the past 38 years, Mr. Tan has worked in all areas of the Group's motor business, specialising in marketing and after-sales service. He is a brother-in-law of Mr. Neo Ah Chap.

Mr. Neo Ah Chap, age 57, is the Marketing Director of the motor operations in Singapore and a Director of several subsidiaries of the Group. Mr. Neo first joined the Group in Singapore in January 1971 as an Assistant Manager. In 1974, he assumed the position of Finance Director and subsequently the position of Marketing Director in 1977. He was trained as an Accountant in Perth, Australia, and is a member of the Australian Society of Certified Practising Accountants.

Mdm. Sng Chiew Huat, age 53, is the Finance Director of the Group. Mdm Sng, who joined the Group in 1977, completed her degree in Accountancy from the University of Singapore in 1970. She commenced her working career in the same year with Chartered Industries Pte Ltd where she rose to the position of Deputy Chief Accountant before leaving to become the Chief Accountant of Singapore Ceramics Limited in 1974. Mdm. Sng obtained a Master of Business Administration degree from the Oklahoma City University in 1993.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lee Han Yang, age 69, a practicing lawyer, is a senior partner of the law firm of Messrs Yeo Leong & Peh in Singapore. Mr. Lee was appointed as a Director of the Group in April 1998. Mr. Lee is currently the Chairman of TIBS Holdings Limited and a member of the Board of several other public-listed companies in Singapore.

Mr. Liu Kwei Ming, age 72, joined China Resources Group in the early 1950s. He was appointed Director and Deputy General Manager of China Resources Machinery Company Limited in 1984, and subsequently appointed as Advisor to the company in 1990. Mr Liu retired from China Resources Group at the end of 1997. Mr. Liu was appointed as a Director of the Group in April 1998.

SENIOR MANAGEMENT

Mr. Chia Yong Sian, age 47, is the General Manager (Marketing) of the motor operations in Singapore. He joined the Group in 1982. Mr. Chia holds Diplomas in Mechanical Engineering and Marketing Management.

Mr. Chow Sheng Choy, age 54, is the General Manager of the heavy commercial vehicles and industrial equipment division of the Group in Singapore. Mr. Chow joined the Group in 1989. He holds a Bachelor of Engineering degree from the University of Singapore.

Mr. Hiew Bon Yock, age 49, is the General Manager (Sales) of the Group's marketing department and a Director of Auto Business Pte Ltd. Mr. Hiew joined the Group in 1984. He holds Diplomas in Mechanical Engineering, Business Administration and Marketing Management.

Mr. Lee Joo Heng, age 57, is the General Manager responsible for the service division of the motor operations in Singapore. Mr. Lee joined the Group in 1982. He is a member of the Institute of Road Transport Engineers and the Institute of the Motor Industry in the United Kingdom.

Mr. Tan Beng Keong, age 39, is the President Director of PT Tifa Mutual Finance Corporation. Mr. Tan holds a Bachelor of Commerce/Accounting (Honours) degree from the University of Birmingham in the United Kingdom. He joined the TCMH Group in 1982.

Dr. Tan Kang Leong, age 53, is the General Manager of a subsidiary in Singapore. Dr. Tan holds a Bachelor of Medicine / Surgery degree from the University of New South Wales and a Bachelor of Science degree from Murdoch University, both in Australia. He joined the TCMH Group in 1978.

Mr. Teo Poh Huat, age 56, is the General Manager responsible for the parts and accessories division of the motor operations in Singapore. Mr. Teo joined the Group in 1973. He holds a Diploma in Management Studies from the Singapore Institute of Management.

Mr. Yeong Yue Sun, age 47, is the General Manager of Motor Image Enterprises Private Limited. Mr. Yeong is a trained Automotive Engineer and a Member of the Institute of Motor Industry in the United Kingdom. He also holds a Bachelor of Business Administration degree from the Royal Institute of Technology in Australia.

DIRECTORS' REPORT

The directors have pleasure in submitting their annual report together with the audited accounts of the Company and of the Group for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the principal subsidiaries are set out in note 15 on the accounts.

The analysis of the types of businesses and geographical areas of the operations of the Company and its subsidiaries during the financial year are set out in note 34 on the accounts.

ACCOUNTS

The profit of the Group for the year ended 31 December 2000 and the state of affairs of the Company and of the Group at that date are set out in the accounts on pages 16 to 57.

An interim dividend of 1.5 cents (1999: 1.5 cents) per share was paid on 28 September 2000. The directors now recommend a final dividend of 3 cents (1999: 2.5 cents) per share in respect of the year ended 31 December 2000.

MAJOR SUPPLIERS AND CUSTOMERS

The percentages of purchases of stocks for sales attributable to the Group's largest suppliers during the financial year are as follows:

PURCHASES

- the largest supplier	80%
- five largest suppliers in aggregate	92%

At no time during the year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major suppliers.

The aggregate percentage of sales attributable to the Group's five largest customers is less than 15% of total sales during the year and therefore no additional disclosures with regard to major customers are made.

FIXED ASSETS

Movements in fixed assets during the year are set out in note 14 on the accounts.

SHARE CAPITAL

Details of the movement of the share capital of the Company are shown in note 27 on the accounts.

DIRECTORS

The directors during the year were:

Executive directors

Dato' Tan Kim Hor (Chairman)
Tan Eng Soon (Deputy Chairman) (appointed 29 January 2000)
Joseph Ong Yong Loke (Managing Director)
Tan Kheng Leong
Neo Ah Chap
Sng Chiew Huat

Independent non-executive directors

Lee Han Yang
Liu Kwei Ming

In accordance with Bye-law 87, Tan Kheng Leong and Neo Ah Chap retire from the board by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

Each of Dato' Tan Kim Hor, Joseph Ong Yong Loke, Tan Kheng Leong, Neo Ah Chap and Sng Chiew Huat has entered into a service agreement dated 11 June 1998 with the Company under which they are to act as executive directors for an initial term of three years from 1 June 1998 and shall continue thereafter until terminated by either party giving to the other not less than six calendar months' notice in writing, such notice to expire on or at any time after 31 May 2001.

Save as the foregoing, no director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company within one year without payment of compensation, other than normal statutory obligations.

CONNECTED TRANSACTIONS

During the year, the Group has entered into various connected transactions with Tan Chong Motor Holdings Berhad ("TCMH") Group and Motor Ultima Pte Ltd ("Ultima") Group. Dato' Tan Kim Hor and Tan Eng Soon are the chairman and managing director of TCMH, respectively and the Ultima Group is controlled by the Tan family.

CONNECTED TRANSACTIONS (continued)

A summary of the related party transactions undertaken by the Group during the year is set out in note 33 on the accounts.

A conditional waiver for disclosure and shareholders' approval requirements for connected transactions with TCMH Group and Ultima Group (except term loans to TCMH and technical support given by TCMH Group) under the Listing Rules has been granted by the Stock Exchange of Hong Kong Limited ("HKSE") in August 1998.

The independent non-executive directors have reviewed and confirmed that the connected transactions to which a conditional waiver has been granted by HKSE were conducted in the following manner:

1. entered into by the Company in the ordinary and usual course of its business;
2. entered into on normal commercial terms or (where there is no available comparison) on terms that are, in the reasonable opinion of the Company's directors, fair and reasonable so far as the shareholders of the Company are concerned;
3. entered into either in accordance with the terms of the agreements governing such transactions (as detailed in the Company's listing document dated 22 June 1998) or, where there are no such agreements, on terms that are no less favourable than those available to or from (as appropriate) independent third parties; and
4. had an aggregate value not exceeding 3% of the Group's turnover.

DIRECTORS' INTERESTS IN SHARES

The directors who held office at 31 December 2000 had the following interests in the issued share capital of the Company at that date as recorded in the register of directors' interests in shares:

<i>Name of director</i>	<i>Ordinary shares of HK\$0.50 each</i>		
	<i>Personal interests</i>	<i>Family interests</i>	<i>Corporate interests</i>
		<i>(Note 1)</i>	<i>(Note 2)</i>
Dato' Tan Kim Hor	9,224,502	90,972	-
Tan Eng Soon	4,200,000	-	12,000,000
Joseph Ong Yong Loke	600,000	795,000	940,536
Tan Kheng Leong	2,145,000	210,000	-
Neo Ah Chap	2,250,000	-	-
Sng Chiew Huat	285,000	-	-

Note 1: These shares are beneficially owned by the spouses of Dato' Tan Kim Hor, Joseph Ong Yong Loke and Tan Kheng Leong, respectively and hence they are deemed to be interested in these shares.

Note 2: These shares are beneficially owned by corporations controlled by Tan Eng Soon and Joseph Ong Yong Loke, respectively.

DIRECTORS' INTERESTS IN SHARES (continued)

Save as disclosed above, none of the directors or chief executives, or any of their spouses or children under eighteen years of age, had any beneficial or non beneficial interests in shares of the Company or any of its associates (within the meaning of the Securities (Disclosure of Interests) Ordinance) as at 31 December 2000, and there was no right granted to or exercised by any directors or chief executives of the Company, or any of their spouses or children under eighteen years of age, during the year to subscribe for shares.

At no time during the year was the Company, or any of its subsidiaries or fellow subsidiaries or their holding companies a party to any arrangement to enable the directors of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

The Company has been notified of the following interests in the Company's issued shares at 31 December 2000 amounting to 10% or more of the ordinary shares in issue:

<i>Name</i>	<i>Ordinary shares held (Note 3)</i>	<i>Percentage of total issued shares</i>
Tan Chong Consolidated Sdn. Bhd.	912,799,986	45.34

Note 3: The share capital of Tan Chong Consolidated Sdn. Bhd. is held by Dato' Tan Kim Hor as to approximately 10.29 per cent, Tan Eng Soon as to approximately 16.66 per cent and by Tan Kheng Leong as to approximately 11.21 per cent. The remaining shareholding is held by certain members of the Tan family who are not directors of the Company.

Save as disclosed above, there was no person known to the directors who at 31 December 2000 had direct or indirect interest in 10% or more of the ordinary shares in issue of the Company.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance, to which the Company or any of its subsidiaries or fellow subsidiaries or their holding companies was a party and in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws or the law in Bermuda.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Company repurchased a total of 2,691,000 shares, all of which have been cancelled. Details of the shares repurchased are as follows:

<i>Date</i>	<i>Number of shares</i>	<i>Price per share (HK\$)</i>		<i>Aggregate price HK\$</i>
		<i>Highest</i>	<i>Lowest</i>	
31 January 2000	999,000	1.40	-	1,398,600
16 February 2000	189,000	1.35	-	255,150
17 February 2000	903,000	1.38	1.37	1,240,819
21 February 2000	600,000	1.30	1.28	779,940
	2,691,000			3,674,509

There was no sale or redemption of the Company's shares by the Company or any of its subsidiaries during the year.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2000 are set out in notes 22 and 23 on the accounts.

FINANCIAL SUMMARY

A summary of the results of the Group for the last five financial years and of the Group's assets and liabilities for the last four financial years is set out on page 61.

PROPERTIES

Particulars of the Group's properties are shown on pages 58 to 60.

RETIREMENT SCHEMES

Details of the retirement schemes arrangement are set out in note 32 on the accounts.

CODE OF BEST PRACTICE

The Company has complied throughout the year with the Code of Best Practice as set out by the Stock Exchange of Hong Kong Limited in Appendix 14 to the Listing Rules, except that independent non-executive directors were not appointed for a specific term but are subject to retirement by rotation and re-election at annual general meetings in accordance with Bye-Laws of the Company.

AUDITORS

KPMG retire and, being eligible, offer themselves for reappointment. A resolution for the reappointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By Order of the Board

Dato' Tan Kim Hor DPMS KMN JP

Chairman

Hong Kong,

27 March, 2001

AUDITORS' REPORT

We have audited the accounts on pages 16 to 57 which have been prepared in accordance with International Accounting Standards ("IAS").

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for the preparation of accounts which give a true and fair view. In preparing accounts which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently, that judgements and estimates are made which are prudent and reasonable and that the reasons for any significant departure from applicable accounting standards are stated.

It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion, the accounts give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2000 and of the Group's profit and cash flows for the year then ended, and have been properly prepared in accordance with IAS and the disclosure requirements of the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants
Hong Kong,
27 March, 2001

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2000 (expressed in Hong Kong dollars)

	<i>Note</i>	<i>2000</i> \$'000	<i>1999</i> \$'000
Revenue	2	5,056,728	3,061,037
Cost of sales		(4,203,764)	(2,492,026)
Gross profit		852,964	569,011
Other operating income	3	276,623	25,174
Distribution costs		(192,881)	(158,810)
Administrative expenses		(204,587)	(172,965)
Other operating expenses	4	(72,082)	(9,736)
Profit from operations		660,037	252,674
Financing costs	5	(10,431)	(12,972)
Share of results of associates		24,586	23,432
Profit before taxation and minority interests	6	674,192	263,134
Income tax expense	9(a)	(187,655)	(78,691)
Profit before minority interests		486,537	184,443
Minority interests		216	830
Profit attributable to shareholders	10 & 28 (a)	486,753	185,273
Dividends	11	(80,600)	(70,560)
Retained profit for the year		406,153	114,713
Earnings per share (cents)	12	24.2	9.2

The notes on pages 23 to 57 form part of these accounts.

CONSOLIDATED BALANCE SHEET

at 31 December 2000 (expressed in Hong Kong dollars)

	<i>Note</i>	<i>2000</i>	<i>1999</i>
		<i>\$'000</i>	<i>\$'000</i>
Non-current assets			
Investment properties	13	858,306	1,770,743
Fixed assets	14(a)	578,147	484,800
Interest in associates	16	141,018	123,294
Investments	17	138,106	141,915
Hire purchase debtors	20	239,067	144,409
Deferred tax assets	9(c)	27,770	31,762
		1,982,414	2,696,923
Current assets			
Investments	17	385,690	-
Stocks	18	448,655	318,462
Trade debtors	19	193,160	147,093
Hire purchase debtors	20	120,530	103,503
Other debtors, deposits and prepayments	21	120,943	180,597
Cash and cash equivalents	22	603,623	564,128
		1,872,601	1,313,783
Current liabilities			
Bank overdrafts (unsecured)	22	36,869	82,254
Bank loans (unsecured)	23	67,799	75,779
Trade creditors	24	165,567	224,674
Other creditors and accruals		162,252	158,665
Amounts due to related companies	25	6,725	3,717
Taxes payable		176,784	98,126
Provisions	26	3,964	4,493
		619,960	647,708
Net current assets		1,252,641	666,075
Total assets less current liabilities		3,235,055	3,362,998
Non-current liabilities			
Deferred tax liabilities	9(c)	107,910	223,005
Bank loans (unsecured)	23	69,682	81,276
Provisions	26	2,110	1,805
		179,702	306,086
Minority interests		11,428	12,278
NET ASSETS		3,043,925	3,044,634

Tan Chong International Limited

	<i>Note</i>	<i>2000</i>	<i>1999</i>
		<i>\$'000</i>	<i>\$'000</i>
Representing:			
Share capital	27	1,006,655	1,008,000
Reserves	28(a)	2,037,270	2,036,634
Shareholders' equity		3,043,925	3,044,634

Dato' Tan Kim Hor DPMS KMN JP
Chairman

Sng Chiew Huat
Finance Director

The notes on pages 23 to 57 form part of these accounts.

BALANCE SHEET

at 31 December 2000 (expressed in Hong Kong dollars)

	<i>Note</i>	2000	1999
		\$'000	\$'000
Non-current assets			
Fixed assets	14(b)	348	440
Investments in subsidiaries	15	2,339,080	2,339,080
		2,339,428	2,339,520
Current assets			
Amounts due from subsidiaries		7,924	6,646
Other debtors, deposits and prepayments		898	619
Cash and cash equivalents	22	5,696	617
		14,518	7,882
Current liabilities			
Creditors and accruals		2,669	2,454
Amounts due to subsidiaries		8,601	1,783
Amounts due to related companies	25	52	171
		11,322	4,408
Net current assets		3,196	3,474
NET ASSETS		2,342,624	2,342,994
Representing:			
Share capital	27	1,006,655	1,008,000
Reserves	28(b)	1,335,969	1,334,994
		2,342,624	2,342,994

Dato' Tan Kim Hor DPMS KMN JP
Chairman

Sng Chiew Huat
Finance Director

The notes on pages 23 to 57 form part of these accounts.

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2000 (expressed in Hong Kong dollars)

	<i>Note</i>	2000	1999
		\$'000	\$'000
Net cash flows from operating activities	(a)	102,011	123,326
Cash flows from investing activities			
Proceeds from sale of fixed assets		23,090	9,010
Proceeds from sale of investment properties		656,913	-
Dividends received from listed investments		607	243
Dividends received from unlisted investments		866	846
Purchase of fixed assets		(173,123)	(39,682)
Interest received		21,292	14,401
Payment for purchase of equity investments		(10,568)	(64,481)
Payment for purchase of debt securities		(424,394)	-
<i>Net cash generated from/(used in) investing activities</i>		94,683	(79,663)
Cash flows from financing activities			
Dividends received from associates		1,335	-
Payment for purchase of own shares		(3,675)	-
Proceeds from borrowings		1,505	44,709
Repayment of borrowings		(17,645)	(132,448)
Dividends paid to shareholders		(80,600)	(70,560)
Dividends paid to minority interests		(697)	-
<i>Net cash used in financing activities</i>		(99,777)	(158,299)
Net increase/(decrease) in cash and cash equivalents		96,917	(114,636)
Cash and cash equivalents at beginning of the year		481,874	598,562
Effect of exchange differences		(12,037)	(2,052)
Cash and cash equivalents at end of the year	22	566,754	481,874

The notes on pages 23 to 57 form part of these accounts.

NOTE TO CONSOLIDATED CASH FLOW STATEMENT**for the year ended 31 December 2000 (expressed in Hong Kong dollars)**

(a) The reconciliation of operating profit to net cash flows from operating activities is as follows:

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Profit from operations	660,037	252,674
Adjustments for:		
Depreciation	46,772	39,003
Gain on disposal of fixed assets	(4,551)	(3,678)
Gain on disposal of investment properties	(237,856)	-
Deficit on revaluation of investment properties	19,740	-
Provision for diminution in value of equity investments	50,664	7,414
Interest income	(28,853)	(14,651)
Dividend income	(1,473)	(1,089)
Operating profit before working capital changes	504,480	279,673
Increase in amounts due from associates	(1,441)	(1,829)
(Increase)/decrease in hire purchase debtors	(119,614)	28,960
Increase in stocks	(140,536)	(121,454)
(Increase)/decrease in trade debtors	(50,438)	10,238
Net movements in balance with related companies	3,008	1,494
Decrease/(increase) in other debtors, deposits and prepayments	61,994	(61,311)
(Decrease)/increase in provision for warranties	(224)	160
(Decrease)/increase in trade creditors	(52,540)	34,751
Increase in other creditors and accruals	8,436	26,594
Cash generated from operations	213,125	197,276
Interest paid	(10,440)	(13,334)
Taxes paid	(93,710)	(79,655)
Effect of exchange differences	(6,964)	19,039
Net cash flows from operating activities	102,011	123,326

CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2000 (expressed in Hong Kong dollars)

	<i>Note</i>	2000	1999
		\$'000	\$'000
Revaluation of investment properties		(439,692)	52,370
Deferred tax adjustment on revaluation of investment properties		116,259	(13,616)
		(323,433)	38,754
Foreign exchange translation differences		(79,755)	(11,804)
Net (losses)/gains not recognised in the consolidated profit and loss account		(403,188)	26,950
Net profit attributable to shareholders for the year		486,753	185,273
Total recognised gains	28(a)	83,565	212,223

The notes on pages 23 to 57 form part of these accounts.

NOTES TO THE ACCOUNTS

(expressed in Hong Kong dollars)

1 SIGNIFICANT ACCOUNTING POLICIES

Tan Chong International Limited is a company incorporated in Bermuda with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company was listed on The Stock Exchange of Hong Kong Limited (“HKSE”) on 7 July 1998. The place of business of its principal subsidiaries is Singapore.

The consolidated accounts of the Company for the year ended 31 December 2000 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates. The consolidated accounts were authorised for issue by the Directors on 11 April 2001.

(a) Statement of compliance

The consolidated accounts have been prepared in accordance with International Accounting Standards (IAS) issued by the International Accounting Standards Committee (“IASC”) and interpretations issued by the Standing Interpretations Committee of the IASC. Although it is not required to do so under the Bye-Laws of the Company, the accounts of the Company and the Group have been prepared so as to comply with the disclosure requirements of the Hong Kong Companies Ordinance. These accounts also comply with the applicable disclosure provisions of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(b) Basis of preparation

The accounts are presented in Hong Kong dollars, rounded to the nearest thousand, because the Company is listed in Hong Kong although its principal activities are domiciled in Singapore.

The consolidated accounts are prepared on the historical cost basis except that investment properties and investments available for sale are stated at their fair value.

The accounting policies have been consistently applied by Group enterprises and, except for the changes in accounting policy (refer note 35), are consistent with those used in previous year.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The accounts of subsidiaries are included in the consolidated accounts from the date that control effectively commences until the date that control effectively ceases.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) *Basis of consolidation (continued)*

(i) Subsidiaries (continued)

Investments in subsidiaries in the Company's balance sheet are stated at cost less any provisions for diminution in value which is other than temporary as determined by the directors for each subsidiary individually. Any such provisions are recognised as an expense in the profit and loss account.

(ii) Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated accounts include the Group's share of the total recognised gains and losses of the associates on an equity accounting basis, from the date that significant influence effectively commences until the date that significant influence effectively ceases. When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated accounts. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the enterprise, against the investment in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iv) In the case of exchange of shares, the excess of the fair value of the shares acquired over the nominal value of the shares issued by the Company is credited to the contributed surplus account.

(d) *Translation of foreign currencies*

(i) Individual companies

Transactions in currencies other than the reporting currency are translated into the reporting currency at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in currencies other than the reporting currency are translated into the reporting currency at the exchange rates ruling at the balance sheet date. Exchange differences arising on monetary assets that, in substance, form part of a company's net investment in an overseas entity are dealt with as a movement in reserves. Other exchange differences are dealt with in the profit and loss account.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Translation of foreign currencies (continued)

(ii) On consolidation

The results of overseas subsidiaries and associates are translated into Hong Kong dollars at the average exchange rates for the year; balance sheet items are translated at the rates of exchange ruling at the balance sheet date. The exchange differences are dealt with as a movement in reserves.

(e) Investment properties

Investment properties are held for their investment potential and rental income. Investment properties are stated at their revalued amount, being their fair value on the basis of their existing use. It is the Group's policy to undertake valuations at intervals of not more than three years by independent professional valuers on an open market value basis. In the intervening years investment properties will be valued by appropriately qualified persons within the Group on an annual basis.

Any surplus or deficit arising on revaluation is treated first as a movement in investment properties revaluation reserve and, to the extent that the accumulated deficits for the same investment property exceed surpluses, is charged to profit and loss account.

Profit or loss on disposal is calculated as sales proceeds less book carrying value plus the amount released from the investment properties revaluation reserve as a result of the disposal.

(f) Fixed assets, depreciation and amortisation

Land and buildings other than investment properties are carried at purchase price or at 1984 revalued amount, less accumulated depreciation.

The surplus which arose on the 1984 valuation was taken to capital reserve and may only be transferred to retained profits as and when the property is disposed of. All other gains and losses arising on disposal of fixed assets are dealt with in the profit and loss account.

Freehold land is not amortised. Leasehold land is amortised over the period of the lease on a straight line basis.

All other fixed assets are carried at purchase price less accumulated depreciation. They are depreciated on a straight line basis to write off the cost of these assets over their estimated useful lives at the following annual rates:

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Fixed assets, depreciation and amortisation(continued)

Buildings	2% - 4%
Plant, machinery and equipment	
- engines, construction equipment and forklifts for hire	20% - 50% on cost less residual value
- others	10%
Furniture, fixtures, fittings and office equipment	
- computers	100%
- others	10% - 15%
Motor vehicles	12 $\frac{1}{2}$ % - 40%

Subsequent expenditure on the existing fixed assets is capitalised only when it increases the future economic benefits embodied in the item of fixed assets. All other expenditure is recognised in the profit and loss account as an expense as incurred.

(g) Investments

(i) Equity investments

Equity investments held for long-term purposes are stated at cost less provision made for other than temporary declines in value. The carrying amounts of equity investments are reviewed as at the balance sheet date in order to assess whether the fair values have declined below the carrying amounts. When such a decline has occurred, the carrying amount is reduced to the fair value unless there is evidence that the decline is temporary. The amount of the reduction is recognised as an expense in the profit and loss account.

Dividend income from equity investments is recognised when the Group's right to receive payment is established.

(ii) Debt securities investments

Debt securities investments held for long-term purposes are stated at cost less impairment losses (refer accounting policy (q)). Other debt securities investments held as being available-for-sale are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the profit and loss account.

(h) Hire purchase contracts

The amounts due from lessees in respect of hire purchase contracts are recorded in the balance sheet as hire purchase debtors which represent the total rental receivable under hire purchase contracts less unearned income.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) *Income tax*

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(j) *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost of motor vehicle is determined primarily on actual cost basis while cost of stocks other than motor vehicle stocks is accounted for on average cost basis. Cost comprises the purchase price including import duties (where applicable) and other directly attributable costs of acquisition.

Net realisable value is determined by reference to the sales proceeds of items sold in the ordinary course of business after the balance sheet date or to management estimates based on prevailing market conditions.

(k) *Trade and other debtors*

(i) Trade and other receivables are stated at their cost less impairment losses (refer accounting policy (q)).

(ii) Option premium paid to acquire property

Premium paid in connection with the purchase of an option is amortised over the option period. Impairment to the fair value of the option is charged to the profit and loss account in the period in which such impairment occurs.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short term deposits. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(m) Trade and other creditors

Trade and other creditors are stated at their costs.

(n) Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(o) Warranties

A provision for warranties is recognised when the underlying products are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(p) Recognition of income

- (i) Revenue arising from sale of goods is recognised when the customer has accepted the goods and the related risks and rewards of ownership.
- (ii) Services fee is recognised upon the conclusion of the related services provided.
- (iii) Interest and hire purchase financing income is accrued on a time-apportioned basis on the principal outstanding and at the interest rate applicable.
- (iv) Rental income is recognised on a straight line basis over the periods of the respective leases.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Impairment

The carrying amount of the Group's assets other than stocks (refer accounting policy (j)) and deferred tax assets (refer accounting policy (i)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. An impairment loss in respect of investment property is recognised in the same way as a revaluation decrease. All other impairment losses are recognised in the profit and loss account.

A previously recognised impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years.

(r) Borrowing costs

Borrowing costs are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition or construction of an asset which necessarily takes a substantial period of time to get ready for its intended use.

(s) Operating leases

Rentals payable under operating leases are accounted for in the profit and loss account on a straight-line basis over the periods of the respective leases.

(t) Retirement benefits

Contributions to defined contribution retirement plans are recognised as an expense in the profit and loss account as incurred.

(u) Financing costs

Financing costs include interest payable on borrowings as well as foreign exchange gains and losses related to financing activities are recognised in the profit and loss account as incurred.

(v) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)**(w) Comparative information**

Comparative information has been restated in respect of a change in accounting policy for dividend recognition (refer note 35).

(x) Share capital

Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are cancelled. The par value of the shares repurchased is shown as a deduction from share capital, with adjustment of premiums against retained profits.

(y) Dividends

Dividends are recognised as a liability in the period in which they are declared.

(z) Related parties

For the purposes of these accounts, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

2 REVENUE

Revenue represents the sales value of goods sold, services supplied to customers, interest income and rental income, management service fee, agency commission and handling fee and warranty reimbursement, net of goods and services tax and first registration tax where applicable, analysed as follows:

	2000	1999
	\$'000	\$'000
Sale of goods - Vehicles, machinery and spare parts	4,703,043	2,699,028
- Telecommunication products	79,498	94,076
Rendering of services	169,188	165,288
Hire purchase financing income	28,820	25,177
Gross rentals from investment properties	31,574	35,686
Rentals from lease of offices and workshops	3,161	7,493
Management service fee	14,508	17,317
Agency commission and handling fee	21,458	12,076
Warranty reimbursement	5,478	4,896
	5,056,728	3,061,037

3 OTHER OPERATING INCOME

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Interest income from listed debt securities	2,216	-
Other interest income	26,637	14,651
Dividend income		
- listed investments	607	243
- unlisted investments	866	846
Gain on disposal of fixed assets	4,551	3,678
Gain on disposal of investment properties	237,856	-
Others	3,890	5,756
	<u>276,623</u>	<u>25,174</u>

4 OTHER OPERATING EXPENSES

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Provision for other than temporary declines in value of equity investments	50,664	7,414
Deficit on revaluation of investment properties	19,740	-
Bad debts and bank charges	1,588	2,172
Pre-operating expenses	-	9
Others	90	141
	<u>72,082</u>	<u>9,736</u>

5 FINANCING COSTS

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Interest expenses		
- on bank loans	9,062	11,690
- on bank overdrafts	1,369	1,282
	<u>10,431</u>	<u>12,972</u>

6 PROFIT BEFORE TAXATION AND MINORITY INTERESTS

Profit before taxation and minority interests is arrived at after charging:

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Depreciation	46,772	39,003
Auditors' remuneration	1,629	1,612
Operating lease rental expense	10,800	8,624

7 PERSONNEL EXPENSES

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Wages and salaries	105,112	99,618
Retirement benefit costs	10,145	8,482
Others	3,705	6,299
	118,962	114,399

The number of employees at the end of 2000 was 681 (1999: 649).

8 DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION

Details of executive directors' remuneration are as follows:

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Fees	1,293	1,550
Basic salaries, allowances and other benefits	9,969	5,581
Bonus	3,570	2,325
Retirement plan contributions	1,471	232
	16,303	9,688

Fees in respect of independent non-executive directors for the year ended 31 December 2000 amounted to \$120,000 (1999: \$190,000).

The number of directors whose remuneration falls within the following designated bands is set out below:

	<i>2000</i>	<i>1999</i>
\$Nil - \$1,000,000	3	3
\$1,000,001 - \$1,500,000	-	1
\$1,500,001 - \$2,000,000	1	-
\$2,000,001 - \$2,500,000	1	2
\$2,500,001 - \$3,000,000	-	-
\$3,000,001 - \$3,500,000	1	1
\$3,500,001 - \$4,000,000	1	-
\$4,000,001 - \$4,500,000	-	-
\$4,500,001 - \$5,000,000	1	-
	8	7

8 DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION (continued)

The details of the remuneration for the five highest paid individuals (including directors) and the number of individuals (including directors) whose remuneration from the Group falls within the following designated bands are set out below.

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Basic salaries, allowances and other benefits	10,569	9,108
Bonus	3,570	3,395
Retirement plan contributions	1,471	368
	15,610	12,871
	2000	1999
\$Nil - \$1,000,000	-	-
\$1,000,001 - \$1,500,000	-	1
\$1,500,001 - \$2,000,000	1	-
\$2,000,001 - \$2,500,000	1	2
\$2,500,001 - \$3,000,000	-	-
\$3,000,001 - \$3,500,000	1	1
\$3,500,001 - \$4,000,000	1	1
\$4,000,001 - \$4,500,000	-	-
\$4,500,001 - \$5,000,000	1	-
	5	5

9 TAXATION**(a) Income tax expense:**

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Current tax expense		
Current year	171,713	70,490
Under provided in prior years	10,501	1,810
	182,214	72,300
Deferred tax expense		
Originating and reversal of temporary differences	1,567	2,879
(Reduction)/increase in tax rate	(495)	3,568
Benefit of tax losses written off/(recognised)	4,369	(56)
	5,441	6,391
Total income tax expense in profit and loss account	187,655	78,691

9 TAXATION (continued)**(a) Income tax expense: (continued)**

The analysis of income tax expense is as follows:

	2000	1999
	\$'000	\$'000
Hong Kong	1,188	668
Singapore	179,410	73,155
Elsewhere	362	139
Associates	6,695	4,729
	<u>187,655</u>	<u>78,691</u>

The Group's applicable tax rate represents the weighted average of the statutory corporate income tax rates, which mainly range between 16% (1999: 16%) and 25.5% (1999: 26%), in the tax jurisdictions in which the Group operates.

The following is a reconciliation of income taxes calculated at the applicable tax rate with income tax expense:

	2000	1999
	\$'000	\$'000
Accounting profit before tax	674,192	263,134
Computed tax using the applicable corporation tax rate		
- in Hong Kong	(1,094)	(2,158)
- in Singapore	175,197	71,920
Difference in Group companies' tax rates relative to Hong Kong tax rate	955	493
Adjustments resulting from:		
- Non-deductible expenses	22,550	7,176
- Non-taxable income	(24,823)	(494)
- Effect of tax loss written off/(utilised)	4,369	(56)
- Other underprovision in respect of prior years	10,501	1,810
Income tax expense	<u>187,655</u>	<u>78,691</u>

(b) Deferred tax credit/(debit) recognised directly in equity

	2000	1999
	\$'000	\$'000
Relating to investment properties	<u>(116,259)</u>	<u>(13,616)</u>

9 TAXATION (continued)**(c) Deferred tax assets and liabilities**

Deferred tax assets and deferred tax liabilities at 31 December 2000 and 1999 are attributable to the items detailed in the table below:

	2000			1999		
	<i>Assets</i>	<i>Liabilities</i>	<i>Net</i>	<i>Assets</i>	<i>Liabilities</i>	<i>Net</i>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed assets	1,088	(10,295)	(9,207)	3,783	(13,567)	(9,784)
Investment properties	-	(100,704)	(100,704)	2,240	(216,963)	(214,723)
Stocks	11,998	-	11,998	10,497	(5)	10,492
Trade debtors	4,787	-	4,787	6,279	-	6,279
Other debtors and prepayments	35	(24)	11	1,121	-	1,121
Amount due from subsidiaries	132	-	132	-	-	-
	2000			1999		
	<i>Assets</i>	<i>Liabilities</i>	<i>Net</i>	<i>Assets</i>	<i>Liabilities</i>	<i>Net</i>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	58	(23)	35	-	(679)	(679)
Creditors and accruals	7,557	(34)	7,523	8,219	-	8,219
Provisions	1,488	-	1,488	1,637	-	1,637
Tax value of loss carry -forward	3,797	-	3,797	6,209	-	6,209
Other items	-	-	-	-	(14)	(14)
Tax assets/(liabilities)	30,940	(111,080)	(80,140)	39,985	(231,228)	(191,243)
Set-off within legal tax units and jurisdictions	(3,170)	3,170	-	(8,223)	8,223	-
Net tax assets/ (liabilities)	27,770	(107,910)	(80,140)	31,762	(223,005)	(191,243)

10 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders included a profit of \$83,904,000 (1999: \$190,098,000) which has been dealt with in the accounts of the Company.

11 DIVIDENDS

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
(i) At balance sheet date the following dividends have been approved and declared:		
Interim dividend paid of 1.5 cents (1999: 1.5 cents) per share	30,200	30,240
Final dividend paid in respect of the prior year	50,400	40,320
	-----	-----
	80,600	70,560
(ii) After the balance sheet date the following dividend was proposed by the Directors.		
The dividend has not been provided for:		
Final proposed dividend of 3 cents (1999: 2.5 cents) per share	60,399	50,400

12 EARNINGS PER SHARE

The calculation of basic earnings per share is based on net profit for the year attributable to ordinary shareholders of \$486,753,000 (1999: \$185,273,000) and weighted average number of ordinary shares outstanding during the year (after adjusting for the average number of repurchased shares) of 2,013,450,000 shares (1999: 2,016,000,000 shares).

The number of ordinary shares can be specified as follows:

	<i>2000</i>	<i>1999</i>
Issued ordinary shares at the beginning of the year	2,016,000,000	2,016,000,000
Adjustment for own shares repurchased	(2,691,000)	-
Issued ordinary shares	-----	-----
as at 31 December 2000	2,013,309,000	2,016,000,000

The amount of diluted earnings per share is not presented as there were no dilutive shares outstanding during 1999 and 2000.

13 INVESTMENT PROPERTIES

	<i>Freehold land and buildings</i>	<i>Leasehold land and buildings</i>	<i>Total</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
At 1 January 2000	1,392,092	378,651	1,770,743
Exchange adjustments	(21,313)	(8,930)	(30,243)
Disposals	(799,149)	-	(799,149)
Deficit on revaluation	(46,182)	(36,863)	(83,045)
At 31 December 2000	525,448	332,858	858,306

The analysis of the valuation of land and buildings is as follows:

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Freehold		
- Held outside Hong Kong	525,449	1,392,092
Leasehold		
- In Hong Kong under long lease	70,000	88,000
- Outside Hong Kong under long lease	250,357	276,411
- Outside Hong Kong under medium-term lease	5,000	5,840
- Outside Hong Kong under short lease	7,500	8,400
	858,306	1,770,743

The investment properties of the Group were revalued at 31 December 2000 by an external independent valuer, at their open market value on an existing use basis. The revaluation deficit of \$439,692,000 net of deferred tax of \$116,259,000 has been transferred to the investment properties revaluation reserve. The net deficit of \$323,433,000 includes the transfer out of a revaluation surplus of \$376,387,000 net of deferred tax of \$97,861,000 on the disposal of an investment property.

Leasehold property with a carrying value of \$5 million (1999: \$5.8 million) is located in the PRC and its building ownership certificate has not yet been obtained by the Group.

Investment properties comprise a number of commercial properties that are leased to external customers. Each of the leases contains an initial non-cancellable period of ten years. Subsequent renewals are negotiated with the lessee. No contingent rents are charged. Refer note 30(b) for further information.

14 FIXED ASSETS
(a) The Group

	Freehold land	Leasehold land	Buildings	Plant, machinery and equipment	Furniture, fixtures, fittings and office equipment	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost or valuation:							
At 1 January 2000	183,129	44,174	197,142	101,040	67,101	89,402	681,988
Exchange adjustments	(5,983)	(881)	(5,753)	(2,783)	(2,090)	(2,868)	(20,358)
Additions	-	41,948	45,045	29,768	5,780	50,582	173,123
Disposals	-	-	-	(19,152)	(12,699)	(20,743)	(52,594)
At 31 December 2000	177,146	85,241	236,434	108,873	58,092	116,373	782,159
Representing:							
Cost	204	76,032	155,572	108,873	58,092	116,373	515,146
Valuation - 1984	176,942	9,209	80,862	-	-	-	267,013
177,146	85,241	236,434	108,873	58,092	116,373	782,159	
Accumulated depreciation:							
At 1 January 2000	-	7,731	56,652	43,035	49,168	40,602	197,188
Exchange adjustments	-	(177)	(1,674)	(1,176)	(1,540)	(1,326)	(5,893)
Charge for the year	-	1,274	7,030	17,580	8,699	12,189	46,772
Written back on disposal	-	-	-	(13,523)	(7,239)	(13,293)	(34,055)
At 31 December 2000	-	8,828	62,008	45,916	49,088	38,172	204,012
Net book value:							
At 31 December 2000	177,146	76,413	174,426	62,957	9,004	78,201	578,147
At 31 December 1999	183,129	36,443	140,490	58,005	17,933	48,800	484,800

14 FIXED ASSETS (continued)**(a) The Group (continued)**

The analysis of net book value of land and buildings is as follows:

	2000	1999
	\$'000	\$'000
In Hong Kong		
- Long lease	-	11,273
- Medium term lease	11,005	-
- Short lease	192	1,040
Outside Hong Kong		
- Freehold	232,875	242,503
- Long lease	53,480	56,854
- Medium-term lease	129,596	47,412
- Short lease	837	980
	427,985	360,062

Certain land and buildings were revalued by the directors based on independent professional valuations in 1984. These properties are carried at the respective revalued amounts (or deemed cost) totalling \$267,013,000 as the amount of the adjustments relating to prior periods could not be reasonably determined when IAS was adopted for the purpose of preparing accounts prior to listing. The requirements of IAS 16 "Property, plant and equipment" with respect to carrying assets at amounts other than cost less accumulated depreciation are therefore not applicable.

(b) The Company

	Office equipment	Furniture and fittings	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000
Cost:				
At 1 January 2000	38	254	431	723
Additions	44	1	-	45
At 31 December 2000	82	255	431	768
Accumulated depreciation:				
At 1 January 2000	37	74	172	283
Charge for the year	13	38	86	137
At 31 December 2000	50	112	258	420
Net book value:				
At 31 December 2000	32	143	173	348
At 31 December 1999	1	180	259	440

15 INVESTMENTS IN SUBSIDIARIES

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Unlisted shares, at cost	2,292,080	2,292,080
Loan to a subsidiary	47,000	47,000
	-----	-----
	2,339,080	2,339,080

The loan to a subsidiary is unsecured, interest free and has no fixed repayment terms.

The following list contains the particulars of subsidiaries as at 31 December 2000 which principally affected the results or assets of the Group:

<i>Name</i>	<i>Place of incorporation and operation</i>	<i>Particulars of issued and paid up capital (All being ordinary unless otherwise stated)</i>	<i>Percentage of equity held by subsidiary</i>	<i>Principal activities</i>
Tan Chong & Sons Motor Company (Singapore) Private Limited	Singapore	SGD100,000,000 Redeemable preference SGD50,000,000	100%	Distribution of motor vehicles
Singapore Automotive Industries Private Limited	Singapore	SGD2,000,000	100%	Distribution of auto spare parts
Tan Chong Industrial Machinery (Pte) Ltd	Singapore	SGD4,000,000 Redeemable preference SGD12,500,000	100%	Distribution of heavy commercial vehicles and industrial equipment, rental of machinery and provision of workshop services
Motor Image Enterprises Pte Ltd	Singapore	SGD8	100%	Distribution of motor vehicles
Tan Chong Credit Private Ltd	Singapore	SGD34,100,000 Redeemable preference SGD12,500,000	100%	Hire-purchase financing and insurance agency

15 INVESTMENTS IN SUBSIDIARIES (continued)

<i>Name</i>	<i>Place of incorporation and operation</i>	<i>Particulars of issued and paid up capital (All being ordinary unless otherwise stated)</i>	<i>Percentage of equity held by subsidiary</i>	<i>Principal activities</i>
Tan Chong Realty (Private) Limited	Singapore	SGD32,900,000 Redeemable preference SGD25,000,000	100%	Property holding and development
Advance Pacific Holdings Limited	Hong Kong	HKD8,500,000	100%	Investment holding
Motor Image (H.K.) Limited	Hong Kong	HKD8,000,000	100%	Distribution of motor vehicles

16 INTEREST IN ASSOCIATES

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Unlisted shares, at cost	73,397	73,397
Share of post-acquisition gains and losses	131,973	115,690
Amounts due from associates	9,045	7,604
	141,018	123,294

Details of the major associates are as follows:

<i>Name of company</i>	<i>Place of incorporation</i>	<i>Percentage of equity held by the group</i>	<i>Principal activity</i>
Orix Car Rentals Pte Ltd	Singapore	50%	Car rental
Tyre Pacific (HK) Limited	Hong Kong	50%	Distribution of tyres
PT Tifa Mutual Finance Corporation	Indonesia	48%	Leasing and finance

17 INVESTMENTS

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
(i) Non-current investments		
Equity investments - unlisted	24,288	77,369
- listed	75,114	64,546
	99,402	141,915
Debt securities investments - listed	38,704	-
	138,106	141,915
Market value of listed equity investments	74,352	53,211
Market value of listed debt securities	40,910	-
(ii) Current investments		
Debt securities - unlisted	385,690	-

18 STOCKS

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Raw materials	4,614	4,132
Work-in-progress	470	330
Spare parts and others	75,046	57,983
Finished goods and trading stocks	366,767	255,574
Goods in transit	1,758	443
	448,655	318,462
Stocks stated at net realisable value	410,111	287,850

19 TRADE DEBTORS

Included in trade debtors are debtors (net of specific provisions for bad and doubtful debts) with the following ageing analysis:

(a) The Group

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Current	155,737	128,750
1 to 3 months overdue	32,959	18,641
More than 3 months overdue but less than 12 months overdue	4,464	(298)
	193,160	147,093

19 TRADE DEBTORS (continued)**(b) Credit policy**

Debts are due within 1 month from the date of billing. Debtors with balances that are more than 3 months overdue are requested to settle all outstanding balances before any further credit is granted.

20 HIRE PURCHASE DEBTORS

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Hire purchase debtors	443,047	317,180
Unearned interest charges	(68,116)	(54,673)
	-----	-----
	374,931	262,507
Provision for doubtful debts	(15,334)	(14,595)
	-----	-----
	359,597	247,912
	<hr/>	
Balance due		
- within one year	120,530	103,503
- between one year and five years	219,661	135,731
- more than five years	19,406	8,678
	-----	-----
	359,597	247,912
	<hr/>	

21 OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

Other debtors, deposits and prepayments include an option premium paid during the year to acquire a property (refer to note 36) of HK\$4,499,400 less amortisation for the period of HK\$437,441.

22 CASH AND CASH EQUIVALENTS

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Bank deposits	569,966	526,248	4,937	101
Bank balances	33,388	37,652	759	516
Cash on hand	269	228	-	-
Cash and cash equivalents	603,623	564,128	5,696	617
Bank overdrafts (unsecured)	(36,869)	(82,254)	-	-
Cash and cash equivalents in the statement of cash flows	566,754	481,874	5,696	617

The effective interest rates of deposits ranged from 1.5% to 6.25% (1999: 1.05% to 8.5%) per annum. The tenor of such deposits ranged from 1 day to 3 months.

Bank overdrafts bear interest ranging from 5% to 6.5% (1999: 5% to 6.75%) per annum.

23 BANK LOANS (UNSECURED)

At 31 December 2000, the bank loans were payable as follows:

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Within 1 year	67,799	75,779
After 1 year but within 2 years	11,613	11,609
After 2 years but within 5 years	34,843	34,827
After 5 years	23,226	34,840
	69,682	81,276
	137,481	157,055

\$81,295,000 (1999: \$92,890,000) of the bank loans bears interest at the Hong Kong Inter Bank Offered Rate plus 1.5% per annum or at the bank's cost of funds plus 1.5% per annum, whichever is the higher.

The remaining portion of the bank loans bears interest ranging from 6.9% to 9% (1999: 5.4% to 7.5%) per annum.

24 TRADE CREDITORS

Included in trade creditors are creditors with the following ageing analysis:

	<i>The Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Due within one month or on demand	121,349	141,708
Due after 1 month but within 3 months	38,780	61,733
Due after 3 months but within 6 months	3,788	20,405
Due after 6 months but within 12 months	1,650	828
	165,567	224,674

25 AMOUNTS DUE TO RELATED COMPANIES

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Trading balances	6,725	3,717	52	171

26 PROVISIONS

	<i>The Group</i>
	<i>2000</i>
	<i>\$'000</i>
<i>Provision for Warranties</i>	
Balance at 1 January	6,298
Provisions made	2,837
Provisions used	(893)
Provisions reversed	(2,168)
Balance at 31 December	6,074

As at 31 December 2000, the provision for warranties was payable as follows:

	<i>The Group</i>
	<i>2000</i>
	<i>\$'000</i>
Within 1 year	3,964
After 1 year but within 2 years	1,359
After 2 years but within 3 years	751
	2,110
	6,074

26 PROVISIONS (continued)

The provision for warranty relates mainly to motor vehicles sold during 1997 to 2000. The provision is based on estimates made from historical warranty data associated with similar products and services.

27 SHARE CAPITAL

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Authorised:		
3,000,000,000 ordinary shares of \$0.50 each	1,500,000	1,500,000
Issued and fully paid:		
At 1 January	1,008,000	1,008,000
Shares repurchased	(1,345)	-
At 31 December	1,006,655	1,008,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

During the year, the company repurchased its own shares on The Stock Exchange of Hong Kong Limited as follows:

<i>Month/year</i>	<i>Number of shares purchased</i>	<i>Highest price paid per share</i>	<i>Lowest price paid per share</i>	<i>Aggregate price paid</i>
				<i>\$</i>
January 2000	999,000	1.40	-	1,398,600
February 2000	1,692,000	1.38	1.28	2,275,909
	2,691,000			3,674,509

The repurchased shares were cancelled and accordingly the issued share capital of the company was reduced by the nominal value of these shares. However, pursuant to section 49H of the Hong Kong Companies Ordinance, an amount equivalent to the par value of the shares cancelled of \$1,345,500 was transferred from the retained profits to the capital redemption reserves. The premium paid on the repurchase of the shares of \$2,329,009 was charged to retained profits (refer note 28).

28 RESERVES

(a) The Group

	Note	Share premium	Capital reserve	Investment properties revaluation reserve	Translation reserve	Contributed surplus	Retained profits	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 1999		550,547	9,549	579,547	(338,894)	377,690	676,212	1,854,651
Change in accounting policy	35	-	-	-	-	40,320	(40,320)	-
- transfer reversed		-	-	-	-	-	40,320	40,320
- dividend proposed		-	-	-	-	-	-	-
Restated balance		550,547	9,549	579,547	(338,894)	418,010	676,212	1,894,971
at 1 January 1999								
Total recognised gains and losses		-	-	38,754	(11,804)	-	185,273	212,223
Transfer (change in accounting policy)		-	-	-	-	(40,320)	40,320	-
Dividends to shareholders	11	-	-	-	-	-	(70,560)	(70,560)
Balance at 31 December 1999		550,547	9,549	618,301	(350,698)	377,690	831,245	2,036,634
Balance at 1 January 2000		550,547	9,549	618,301	(350,698)	377,690	780,845	1,986,234
Change in accounting policy	35	-	-	-	-	-	50,400	50,400
Restated balance		550,547	9,549	618,301	(350,698)	377,690	831,245	2,036,634
at 1 January 2000								
Total recognised gains and losses		-	-	(323,433)	(79,755)	-	486,753	83,565
Own shares repurchased	27	-	-	-	-	-	(2,329)	(2,329)
Dividends to shareholders	11	-	-	-	-	-	(80,600)	(80,600)
Balance at 31 December 2000		550,547	9,549	294,868	(430,453)	377,690	1,235,069	2,037,270

28 RESERVES (continued)

<i>(b) The Company</i>	<i>Note</i>	<i>Share premium \$'000</i>	<i>Contributed surplus \$'000</i>	<i>Retained profits \$'000</i>	<i>Total \$'000</i>
Balance at 1 January 1999		550,547	623,313	1,276	1,175,136
Change in accounting policy	35				
- transfer reversed		-	40,320	(40,320)	-
- dividend proposed		-	-	40,320	40,320
Restated balance					
at 1 January 1999		550,547	663,633	1,276	1,215,456
Total recognised gains and losses		-	-	190,098	190,098
Transfer (change in accounting policy)		-	(40,320)	40,320	-
Dividends to shareholders	11	-	-	(70,560)	(70,560)
Balance at 31 December 1999		550,547	623,313	161,134	1,334,994
Balance at 1 January 2000		550,547	623,313	110,734	1,284,594
Change in accounting policy	35	-	-	50,400	50,400
Restated balance					
at 1 January 2000		550,547	623,313	161,134	1,334,994
Total recognised gains and losses		-	-	83,904	83,904
Own shares repurchased	27	-	-	(2,329)	(2,329)
Dividends to shareholders	11	-	-	(80,600)	(80,600)
At 31 December 2000		550,547	623,313	162,109	1,335,969

Capital reserve

The capital reserve mainly comprises revaluation surplus arising on revaluation in 1984 of land and buildings other than investment properties.

Investment properties revaluation reserve

The investment properties revaluation reserve comprises the net cumulative increase in the fair value of investment properties that has been recognised in the accounts.

Translation reserve

The translation reserve mainly comprises all foreign exchange differences arising from the translation of the accounts of foreign operations that are not integral to the operation of the Company.

28 RESERVES (continued)

Contributed surplus

The excess of the value of the consolidated net assets represented by the shares acquired over the nominal value of the shares issued by the Company in exchange was credited to contributed surplus. Under the Companies Act of Bermuda, contributed surplus is available for distribution to shareholders, except if there are reasonable grounds for believing that:

- (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

The Company's reserves available for distribution to shareholders at 31 December 2000 are as follows:

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Contributed surplus	623,313	623,313
Retained profits (restated, refer to note 28(b))	162,109	161,134
	785,422	784,447

29 FINANCIAL INSTRUMENTS

Financial assets of the Group include cash, equity and debt securities investments, trade, hire purchase and other receivables. Financial liabilities of the Group include loans, borrowings, trade and other payables. Accounting policies for financial assets and liabilities are set out in note 1.

(a) Interest rate risk

The interest rates and terms of repayment of loans and borrowings of the Group are disclosed in notes 22 and 23.

The contractual repricing period for cash and cash equivalents, bank overdrafts and unsecured bank loans are all within 6 months.

29 FINANCIAL INSTRUMENTS (continued)**(b) Credit risk**

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties failed to perform as contracted. The Group does not have a significant exposure to any individual customer or counterparty. The Group invests available cash and cash equivalents with various banks with high credit ratings.

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

(c) Foreign currency risk

The Group has exposures to foreign currencies as its major operations and income are derived mainly in Singapore dollars (“SGD”). Depreciation and appreciation of SGD against Hong Kong dollars can affect the Group’s results.

The Group’s operating subsidiaries regularly monitor their exchange exposure and may hedge their position discriminately, depending on the size of the exposure and the future outlook of the particular currency unit.

(d) Fair value

The fair value of listed investments is shown in note 17.

The fair values of unlisted equity investments, debt securities investments, cash, trade, hire purchase and other receivables, trade and other payables, loans and borrowings are not materially different from their carrying amounts.

30 COMMITMENTS**(a) Capital commitments outstanding at 31 December 2000 not provided for in the accounts were as follows:**

	<i>The Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Authorised and contracted for:		
- Purchase of assets	11,578	-
Authorised but not contracted for	-	-
	----- 11,578	----- -

30 COMMITMENTS (continued)**(b) Operating lease commitments**

Minimum lease payments under non-cancellable operating leases, not provided for:

	<i>The Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
not later than one year	14,138	8,071
between one and two years	8,392	7,814
between two and three years	3,172	2,279
between three and four years	2,182	2,279
between four and five years	2,178	2,279
later than five years	42,339	39,059
	72,401	61,781

31 CONTINGENT LIABILITIES

At 31 December 2000, the Group had contingent liabilities in respect of unsecured guarantees amounting to \$12,424,000 (1999: \$8,934,000) to banks in respect of credit facilities extended to related companies, out of which \$266,000 (1999: \$Nil) was utilised at 31 December 2000.

32 RETIREMENT BENEFITS

The Group makes the mandatory contributions to the employee provident funds which are defined contribution plans in Singapore and Brunei.

In Hong Kong, the Group operates a defined contribution plan whereby the Group contributes to the plan at a rate of 5% of basic salary each month.

32 RETIREMENT BENEFITS (continued)

The Group has no obligation for the payment of retirement benefits beyond the contributions described above. For any forfeited amount due to resignation prior to vesting of the benefits, the amount will be used to reduce the contributions made in that corresponding financial year.

Contributions to the retirement plan are charged to the profit and loss account as and when incurred.

33 RELATED PARTY TRANSACTIONS

The following is a summary of significant transactions carried out in the normal course of business between the Group and its related companies during the year:

	<i>Note</i>	<i>2000</i> <i>\$'000</i>	<i>1999</i> <i>\$'000</i>
Sales of goods and services to TCMH Group	(i)	2,802	1,576
Sales of goods and services to Ultima Group	(i)	4,866	6,158
Purchase of stocks from TCMH Group	(i)	22,984	17,083
Purchase of stocks from Ultima Group	(i)	3,201	12,484
Purchase of fixed assets from Ultima Group	(i)	303	291
Sale of fixed assets to Ultima Group	(i)	2	-
Services rendered by Ultima Group	(i)	110	92
Rentals received from Ultima Group	(ii)	720	2,518
Commission received from Ultima Group	(ii)	-	1
Hire purchase financing income from Ultima Group	(iii)	651	595
Management fee paid to TCMH Group	(iv)	295	626

Notes:

- (i) Dato' Tan Kim Hor and Tan Eng Soon are the chairman and managing director of TCMH, respectively and the Ultima Group is controlled by the Tan family. All the sales and purchases and services rendered between the Group, the TCMH Group and the Ultima Group were on normal commercial terms.
- (ii) Rentals and commission income received from Ultima Group for the leasing of premises and vehicles were on normal commercial terms.
- (iii) Hire purchase financing income represents interest charges on hire purchase financing on motor vehicles to Ultima Group. Interest on the hire purchase financing was charged at a fixed interest rate with a fixed repayment term usually of 7 years.
- (iv) The Group received technical support from TCMH Group in respect of its manufacturing operations in the PRC and a management fee was charged.

34 SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period.

Business segments

The Group comprises the following main business segments:

(i) Motor vehicle distribution

The Group is the exclusive distributor for Nissan vehicles in Singapore and for Subaru vehicles in Singapore and Hong Kong. It distributes all models of Nissan passenger and light commercial vehicles exported to Singapore and all models of Subaru passenger vehicles exported to Singapore and Hong Kong by the respective manufacturers.

(ii) Heavy commercial vehicle and industrial equipment distribution

The Group is the sole distributor for Nissan Diesel heavy commercial vehicles and Nissan forklift trucks in Singapore and Brunei. The Group markets and distributes a wide range of both Nissan Diesel heavy commercial vehicles and industrial equipment.

(iii) Sales of telecommunication products

The Group engages in retail of Motorola and other brands of cellular phones and accessories and also provides cellular phone network connection services for phone customers.

(iv) Properties rental

The Group has significant property interest in Singapore and engages in the gradual development of various operating and investment properties in order to meet the property needs of the Group as well as for sales and rental income.

34 SEGMENT REPORTING (continued)

Geographical segments

The business segments detailed above operate in three principal geographical areas. Singapore is a major market for main kinds of Group business. In Hong Kong, the Group is engaged in the distribution of Subaru vehicles, provision of workshop services and investment in property in return for rental income and in the PRC, the Group manufactures vehicle seats and shock absorbers targeting at the growing domestic market.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

34 SEGMENT REPORTING (continued)

	Motor vehicle distribution		Heavy commercial vehicle and industrial equipment distribution		Sales of telecommunication products		Properties rental		Other operations		Consolidated																																																																																																																																																																																																																																																								
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999																																																																																																																																																																																																																																																							
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000																																																																																																																																																																																																																																																							
Revenue from external customers:													- sales	4,366,186	2,473,836	304,670	192,494	79,498	94,076	-	-	32,189	32,698	4,782,543	2,793,104	- services	87,809	81,606	52,609	57,819	-	-	3,918	3,369	24,851	22,494	169,187	165,288	- finance	-	-	-	-	-	-	-	-	28,820	25,177	28,820	25,177	- rentals	2,240	6,423	325	-	-	-	31,574	35,686	596	1,070	34,735	43,179	- others	26,800	18,558	2,976	3,520	63	499	5,514	5,585	6,090	6,127	41,443	34,289	Total revenue	4,483,035	2,580,423	360,580	253,833	79,561	94,575	41,006	44,640	92,546	87,566	5,056,728	3,061,037	Segment result:													Profit from operations	367,209	190,680	42,522	20,660	898	2,428	241,363	24,112	8,045	14,794	660,037	252,674	Net financing income/ (costs)	1,936	3,221	(167)	(548)	(5)	(124)	(12,972)	(17,886)	777	2,365	(10,431)	(12,972)	Income from associates	21,750	15,039	-	-	-	-	-	-	2,836	8,393	24,586	23,432	Income tax expense	(116,703)	(63,040)	(13,155)	(4,880)	(424)	(553)	(43,744)	(3,667)	(13,629)	(6,551)	(187,655)	(78,691)	Minority interests	-	-	-	-	-	-	-	-	216	830	216	830	Net profit for the year	274,192	145,900	29,200	15,232	469	1,751	184,647	2,559	(1,755)	19,831	486,753	185,273	Segment assets	1,756,330	1,594,390	230,279	205,343	2,083	4,516	591,724	1,476,743	1,133,581	606,420	3,713,997	3,887,412	Interest in associates	104,715	88,262	-	-	-	-	-	-	36,303	35,032	141,018	123,294	Consolidated total assets	1,861,045	1,682,652	230,279	205,343	2,083	4,516	591,724	1,476,743	1,169,884	641,452	3,855,015	4,010,706	Consolidated total liabilities	428,083	499,576	55,397	47,706	3,591	8,042	206,603	302,080	105,992	96,390	799,666	953,794	Capital expenditure	59,103	5,805	74,280	20,385	58	172	391	391	39,291	12,929	173,123	39,682	Depreciation and amortisation expense	12,011	10,100	20,401	16,825	266	206	2,110	2,775	11,984	9,097	46,772	39,003
- sales	4,366,186	2,473,836	304,670	192,494	79,498	94,076	-	-	32,189	32,698	4,782,543	2,793,104																																																																																																																																																																																																																																																							
- services	87,809	81,606	52,609	57,819	-	-	3,918	3,369	24,851	22,494	169,187	165,288																																																																																																																																																																																																																																																							
- finance	-	-	-	-	-	-	-	-	28,820	25,177	28,820	25,177																																																																																																																																																																																																																																																							
- rentals	2,240	6,423	325	-	-	-	31,574	35,686	596	1,070	34,735	43,179																																																																																																																																																																																																																																																							
- others	26,800	18,558	2,976	3,520	63	499	5,514	5,585	6,090	6,127	41,443	34,289																																																																																																																																																																																																																																																							
Total revenue	4,483,035	2,580,423	360,580	253,833	79,561	94,575	41,006	44,640	92,546	87,566	5,056,728	3,061,037																																																																																																																																																																																																																																																							
Segment result:													Profit from operations	367,209	190,680	42,522	20,660	898	2,428	241,363	24,112	8,045	14,794	660,037	252,674	Net financing income/ (costs)	1,936	3,221	(167)	(548)	(5)	(124)	(12,972)	(17,886)	777	2,365	(10,431)	(12,972)	Income from associates	21,750	15,039	-	-	-	-	-	-	2,836	8,393	24,586	23,432	Income tax expense	(116,703)	(63,040)	(13,155)	(4,880)	(424)	(553)	(43,744)	(3,667)	(13,629)	(6,551)	(187,655)	(78,691)	Minority interests	-	-	-	-	-	-	-	-	216	830	216	830	Net profit for the year	274,192	145,900	29,200	15,232	469	1,751	184,647	2,559	(1,755)	19,831	486,753	185,273	Segment assets	1,756,330	1,594,390	230,279	205,343	2,083	4,516	591,724	1,476,743	1,133,581	606,420	3,713,997	3,887,412	Interest in associates	104,715	88,262	-	-	-	-	-	-	36,303	35,032	141,018	123,294	Consolidated total assets	1,861,045	1,682,652	230,279	205,343	2,083	4,516	591,724	1,476,743	1,169,884	641,452	3,855,015	4,010,706	Consolidated total liabilities	428,083	499,576	55,397	47,706	3,591	8,042	206,603	302,080	105,992	96,390	799,666	953,794	Capital expenditure	59,103	5,805	74,280	20,385	58	172	391	391	39,291	12,929	173,123	39,682	Depreciation and amortisation expense	12,011	10,100	20,401	16,825	266	206	2,110	2,775	11,984	9,097	46,772	39,003																																																																																											
Profit from operations	367,209	190,680	42,522	20,660	898	2,428	241,363	24,112	8,045	14,794	660,037	252,674																																																																																																																																																																																																																																																							
Net financing income/ (costs)	1,936	3,221	(167)	(548)	(5)	(124)	(12,972)	(17,886)	777	2,365	(10,431)	(12,972)																																																																																																																																																																																																																																																							
Income from associates	21,750	15,039	-	-	-	-	-	-	2,836	8,393	24,586	23,432																																																																																																																																																																																																																																																							
Income tax expense	(116,703)	(63,040)	(13,155)	(4,880)	(424)	(553)	(43,744)	(3,667)	(13,629)	(6,551)	(187,655)	(78,691)																																																																																																																																																																																																																																																							
Minority interests	-	-	-	-	-	-	-	-	216	830	216	830																																																																																																																																																																																																																																																							
Net profit for the year	274,192	145,900	29,200	15,232	469	1,751	184,647	2,559	(1,755)	19,831	486,753	185,273																																																																																																																																																																																																																																																							
Segment assets	1,756,330	1,594,390	230,279	205,343	2,083	4,516	591,724	1,476,743	1,133,581	606,420	3,713,997	3,887,412																																																																																																																																																																																																																																																							
Interest in associates	104,715	88,262	-	-	-	-	-	-	36,303	35,032	141,018	123,294																																																																																																																																																																																																																																																							
Consolidated total assets	1,861,045	1,682,652	230,279	205,343	2,083	4,516	591,724	1,476,743	1,169,884	641,452	3,855,015	4,010,706																																																																																																																																																																																																																																																							
Consolidated total liabilities	428,083	499,576	55,397	47,706	3,591	8,042	206,603	302,080	105,992	96,390	799,666	953,794																																																																																																																																																																																																																																																							
Capital expenditure	59,103	5,805	74,280	20,385	58	172	391	391	39,291	12,929	173,123	39,682																																																																																																																																																																																																																																																							
Depreciation and amortisation expense	12,011	10,100	20,401	16,825	266	206	2,110	2,775	11,984	9,097	46,772	39,003																																																																																																																																																																																																																																																							

34 SEGMENT REPORTING (continued)

In addition to the information on business segments based on the structure of the Group, the figures below present information for geographical segments.

	<i>Singapore</i>		<i>Hong Kong</i>		<i>PRC</i>		<i>Other</i>		<i>Consolidated</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Revenue from external customers	4,869,081	2,877,966	90,907	90,624	24,690	19,338	72,050	73,109	5,056,728	3,061,037
Segment assets	2,800,690	3,455,596	212,937	254,401	68,903	61,879	631,467	115,536	3,713,997	3,887,412
Capital expenditure	171,549	37,556	389	557	495	816	690	753	173,123	39,682

35 CHANGE IN ACCOUNTING POLICY

During the year the Group adopted IAS 10 Events after the balance sheet date retrospectively.

The adoption of IAS 10 has resulted in the Group and the Company reversing a proposed dividend that did not meet the recognition criteria of the standard. This change was accounted for by adjusting the opening balance of retained profits and proposed dividend at 1 January 2000; and for comparative figures, the opening balance of contributed surplus and proposed dividend at 1 January 1999.

35 CHANGE IN ACCOUNTING POLICY (continued)

Impact of change in accounting policy

The change in accounting policy, when applied consistently to 2000 and 1999, had the following impact on the reserves of the Group and the Company:

	<i>The Group</i>				<i>The Company</i>							
	<i>Proposed dividend</i>		<i>Retained profits</i>		<i>Proposed dividend</i>		<i>Retained profits</i>		<i>Contributed surplus</i>			
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>				
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>			
Opening balances as previously reported	50,400	40,320	780,845	676,212	377,690	377,690	50,400	40,320	110,734	1,276	623,313	623,313
Impact of adopting IAS 10	(50,400)	(40,320)	50,400	-	-	40,320	(50,400)	(40,320)	50,400	-	-	40,320
Opening balances as adjusted	-	-	831,245	676,212	377,690	418,010	-	-	161,134	1,276	623,313	663,663

57

36 OPTION TO ACQUIRE A PROPERTY

In connection with the sale of an investment property under an asset securitisation arrangement, a subsidiary has been granted a call option (“the option”) at a consideration of HK\$4.5 million to acquire the entire ordinary share capital of the company (“the property company”) which acquired the property. The exercise price of the option is HK\$5 million and the exercisable period is within 30 to 42 months from the date of grant of the option. Upon exercising the option, the subsidiary will be required to repay all the outstanding loan and accrued interest incurred by the property company under the securitisation arrangement. At 31 December 2000, the amount of loan outstanding was HK\$778 million.

37 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year’s presentation.

GROUP PROPERTIES

<i>Location</i>	<i>Description</i>	<i>Land area (sq feet)</i>	<i>Tenure</i>	<i>Expiry date</i>	<i>Age of building (years)</i>
1/F Centro-Sound Industrial Building 6A Kung Ngam Village Road Shau Kei Wan Hong Kong	Offices and workshop (own use)	9,719	Leasehold	22 October 2051	24
Unit A on Ground Floor, Phase 1 Nan Fung Industrial Building 431-487 Avenida do Dr FranciscoVieira Machado and 354-408 Rua dos Pescadores Macau	Showroom and workshop (investment)	8,805	Leasehold	29 November 2002	28
30/F Shui On Centre 6-8 Harbour Road Wanchai Hong Kong	Offices (investment)	13,770	Leasehold	20 May 2060	15
Villa House No 203 Phase 1 River Garden Villa North of Jingshun Highway Shunyi County Beijing China	Residential bungalow (investment)	5,335	Leasehold	14 December 2063	5
Unit Nos B1701, B1702 and B1703 Level 17, Tower B Vantone New World Plaza 2 Funchengmen Outer Avenue Xicheng District Beijing China	Offices (investment)	3,682	Leasehold	2 November 2043	5
Jiangyin Chengchang-kunpeng Auto Parts Factory Liwangli Village Qingyang Town Jiangyin Jiangsu Province China	Office, factory and warehouse (own use)	268,277	Leasehold	24 March 2046	3

<i>Location</i>	<i>Description</i>	<i>Land area (sq feet)</i>	<i>Tenure</i>	<i>Expiry date</i>	<i>Age of building (years)</i>
Unit Nos 201 and 202 No. East 1, Block No.18 Hongqiao 4th Village Jiangyin Jiangsu Province China	Residential apartment (own use)	1,823	Leasehold	unspecified term	4
No 230 Jingyang South Road Qingyang Town Jiangyin Jiangsu Province China	Residential terraced house (own use)	1,422	Leasehold	unspecified term	3
Xijin Minor District Qingyang Town Jiangyin Jiangsu Province China	Residential terraced house (own use)	1,744	Leasehold	unspecified term	3
Unit 301 Block No 48 Huayuan 5th Village Jiangyin Jiangsu Province	Residential apartment (own use)	945	Leasehold	unspecified term	4
911 and 913 Bukit Timah Road Tan Chong Motor Centre Singapore 589622	Showroom, workshop and office (own use)	198,606	Freehold	-	18
14 Upper Aljunied Road Singapore 367843	Car yard for rental (investment)	222,876	Freehold	-	38
700 Woodlands Road Singapore 738664	Workshop and office (own use)	233,188	Freehold	-	15
25 Leng Kee Road Singapore 159097	Showroom, workshop and office (own use)	23,998	Leasehold	10 April 2059	5
15 Queen Street Tan Chong Tower Singapore 188537	Office, showroom and apartments for rental (investment)	22,193	Freehold	-	18

<i>Location</i>	<i>Description</i>	<i>Land area (sq feet)</i>	<i>Tenure</i>	<i>Expiry date</i>	<i>Age of building (years)</i>
798 & 800 Upper Bukit Timah Road Singapore 678138/139	Factory and warehouse for rental (investment)	44,794 1,141 168,046	Freehold Leasehold Leasehold	- 16 April 2874 6 April 2082	10
210 New Upper Changi Road #01-703 Singapore 460210	Showroom and office (investment)	4,058	Leasehold	1 July 2078	21
23 Jalan Buroh Singapore 619479	Showroom, workshop, office and warehouse (own use)	161,631	Leasehold	1 October 2027	16
15 Tuas Avenue 3 Singapore 639412	Workshop and office (own use)	110,790	Leasehold	16 November 2013	17
584-588 Doncaster Road Victoria 3018 Doncaster Australia	Land for development (investment)	62,313	Freehold	-	-
Portion 2034 Milinoh of Granville Corner of Islander & Waigani Drive Waigani Port Moresby Papua New Guinea	Showroom and office (investment)	31,129	Leasehold	14 April 2087	10
Unit 4.01 Block A Greenview Apartments Jalan Sekolah Kencana IV Pondok Indah Jakarta 12310 Indonesia	Residential apartment (own use)	2,045	Leasehold	24 August 2024	7
17 Lorong 8, Toa Payoh Singapore 319254	Showroom, workshop and office (own use)	58,737	Leasehold	28 February 2023	5
MK 23 Lot 4771 PT Ubi Road 4 Singapore	Land for development (own use)	59,379	Leasehold	1 October 2030	-

FINANCIAL SUMMARY

(expressed in Hong Kong dollars)

Year ended 31 December

	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Results					
Turnover	2,394,770	2,066,904	2,383,289	3,019,255	5,012,123
Profit from operations	387,827	208,141	255,018	252,674	660,037
Finance costs	(23,501)	(31,662)	(25,812)	(12,972)	(10,431)
Share of results of associates	32,770	24,999	3,739	23,432	24,586
Profit before taxation	397,096	201,478	232,945	263,134	674,192
Taxation	(109,422)	(66,832)	(82,397)	(78,691)	(187,655)
Minority interests	117	207	660	830	216
Profit attributable to shareholders	287,791	134,853	151,208	185,273	486,753
Assets and liabilities					
Investment properties and fixed assets		2,645,018	2,214,413	2,255,543	1,436,453
Interest in associates		151,177	106,448	123,294	141,018
Other assets		262,343	279,550	318,086	404,943
Net current assets		563,188	578,600	666,075	1,252,641
Total assets less current liabilities		3,621,726	3,179,011	3,362,998	3,235,055
Non-current liabilities		(542,617)	(303,283)	(306,086)	(179,702)
Minority interests		(13,745)	(13,077)	(12,278)	(11,428)
Shareholders' equity		3,065,364	2,862,651	3,044,634	3,043,925
Earnings per share - basic (cents)	14.3	6.7	7.5	9.2	24.2

Notes:

- 1 The results for the years ended 31 December 1996, 1997 and 1998 have been prepared on a pro forma combined basis as if the current group structure had been in existence throughout those years.
- 2 Turnover of \$5,012,123,000 (1999: \$3,019,255,000) represents sale of goods, rendering of services, hire purchase financing income and gross rentals from investment properties.
- 3 The amount of diluted earnings per share is not presented as there were no dilutive shares outstanding during those periods.