



## **Tan Chong International Limited**

陳唱國際有限公司

Interim Report 2013

Stock Code: 693

**Interim  
2013**



TANCHONG  
INTERNATIONAL



## Contents

	<b>02</b>	Management Review
	<b>04</b>	Consolidated Income Statement - unaudited
<b>05</b>		Consolidated Statement of Comprehensive Income - unaudited
	<b>06</b>	Consolidated Statement of Changes in Equity - unaudited
	<b>08</b>	Consolidated Balance Sheet - unaudited
<b>10</b>		Condensed Consolidated Cash Flow Statement - unaudited
	<b>11</b>	Notes to the Unaudited Financial Statements
	<b>17</b>	Other Information

## Management Review

### RESULTS

The 1<sup>st</sup> half of 2013 witnessed the start of production of Subaru XV in Malaysia and active sale activities in Thailand, Malaysia and Indonesia. Consequently the sales in these 3 territories increased substantially. While sales in Taiwan and Philippines recorded major improvement, China recovered with strong sales momentum. Concurrent to this strong sales increase, we initiated an active expansionary capital investment program enabling rapid start-up of operations at all our sale/service networks and personnel re-deployment.

Revenue and vehicle sales units increased to HK\$4,725 million (53%) and 12,114 (62%) respectively for the 1<sup>st</sup> half of 2013 compared to HK\$3,081 million and 7,495 for the corresponding period of 2012.

Thus profit attributable to shareholders increased to HK\$1,532 million for the 1<sup>st</sup> half of 2013 compared to HK\$416 million for the corresponding period of last year.

This exceptional increase is due to the following factors:

- Profit margin improvement from our automotive businesses in Thailand, Malaysia, Taiwan, Philippines and China.
- A one-time capital compensation of HK\$176 million for a change in the fundamental structure of business introduced by a principal.
- A revaluation gain on our listed investment of HK\$1,080 million.

Group NTA per share at the end of June 2013 rose to HK\$5.25 from HK\$4.66 at the end of December 2012. The Directors have declared an interim dividend of HK0.025 per share for the 1<sup>st</sup> half of 2013.

### THAILAND TRUCKS BUSINESS

We continue to make rapid progress in production, sales volume and range of products in the first half of 2013. Barring unforeseen circumstances, we should make further progress in the second half of the year.

### CHINA VEHICLE DISTRIBUTION

Our Subaru distribution in Southern China saw a strong increase of 30% compared with the same period last year. The distribution model in China has been reorganized with the manufacturer now performing the sole distributorship role. However we remain as primary dealers for several key cities in Southern China. Our sales volume is expected to be lower in the foreseeable future as a consequence of this distribution model reorganization. We will need to add more retail points and improve throughput to existing outlets to make up for the growth in sales.

## Management Review (continued)

### CHINA MANUFACTURING

The Xiamen Seat Factory is at full production. However, the manufacturers to whom we supply are now prolonging their payment periods, reflecting the cash-tightening situation in China. Financing costs are therefore likely to increase for the year. Even as Nanjing factory has started full supply to the car assembler, we have now received an advisory to adjust production due to weak market response for their vehicles.

### PROSPECTS

Barring unforeseen circumstances, the group expects better revenue growth in the second half and financial performance is expected to be satisfactory.

## Consolidated Income Statement

- unaudited

	Note	Six months ended 30 June 2013 HK\$'000	2012 HK\$'000
Revenue	2	4,725,285	3,081,012
Cost of sales		<u>(3,778,440)</u>	<u>(2,509,370)</u>
<b>Gross profit</b>		946,845	571,642
Other operating income		1,294,579	220,599
Distribution costs		(340,221)	(184,968)
Administrative expenses		(308,926)	(246,597)
Other operating expenses		<u>(5,169)</u>	<u>(8,187)</u>
<b>Profit from operations</b>		1,587,108	352,489
Financing costs		(13,112)	(16,400)
Share of profits less losses of associates		<u>33,925</u>	<u>126,574</u>
<b>Profit before taxation</b>	3	1,607,921	462,663
Income tax expense	4	<u>(62,831)</u>	<u>(41,448)</u>
<b>Profit for the period</b>		<u>1,545,090</u>	<u>421,215</u>
Attributable to:			
Equity shareholders of the Company		1,531,570	415,544
Non-controlling interests		<u>13,520</u>	<u>5,671</u>
<b>Profit for the period</b>		<u>1,545,090</u>	<u>421,215</u>
<b>Earnings per share (cents)</b>	6		
Basic and diluted		<u>76.1</u>	<u>20.6</u>

The notes on pages 11 to 16 form part of these financial statements. Details of dividends payable to equity shareholders of the Company are set out in note 5.

## Consolidated Statement of Comprehensive Income

*- unaudited*

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
<b>Profit for the period</b>	1,545,090	421,215
<b>Other comprehensive income for the period</b>		
Exchange differences on translation of financial statements of:		
- Overseas subsidiaries	(192,816)	131,484
- Associates	(46,774)	(8,599)
	(239,590)	122,885
Available-for-sale securities:		
- Changes in fair value recognised during the period	(3,674)	(2,245)
	(243,264)	120,640
	1,301,826	541,855
<b>Total comprehensive income for the period</b>	1,301,826	541,855
<b>Attributable to:</b>		
Equity shareholders of the company	1,289,053	536,702
Non-controlling interests	12,773	5,153
	1,301,826	541,855
<b>Total comprehensive income for the period</b>	1,301,826	541,855

The notes on pages 11 to 16 form part of these financial statements.

## Consolidated Statement of Changes in Equity

- unaudited

### Attributable to equity shareholders of the Company

	Share capital	Share premium	Capital reserve	Translation reserve	Contributed surplus	Fair value reserve	Retained profits	Total	Non-controlling interest	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Balance at 1 January 2012</b>	1,006,655	550,547	9,549	1,024,254	377,690	11,562	5,033,727	8,013,984	60,333	8,074,317
<b>Changes in equity for the six months ended 30 June 2012</b>										
Profit for the period	-	-	-	-	-	-	415,544	415,544	5,671	421,215
Other comprehensive income	-	-	-	123,403	-	(2,245)	-	121,158	(518)	120,640
Total comprehensive income for the period	-	-	-	123,403	-	(2,245)	415,544	536,702	5,153	541,855
Dividends declared and approved during the period	-	-	-	-	-	-	(110,732)	(110,732)	-	(110,732)
Dividends paid by non-wholly owned subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2012</b>	1,006,655	550,547	9,549	1,147,657	377,690	9,317	5,338,539	8,439,954	65,486	8,505,440

The notes on pages 11 to 16 form part of these financial statements.



## Consolidated Statement of Changes in Equity - unaudited

### Attributable to equity shareholders of the Company

	Share capital	Share premium	Capital reserve	Translation reserve	Contributed surplus	Fair value reserve	Retained profits	Total	Non-controlling interest	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Balance at 1 January 2013</b>	1,006,655	550,547	9,549	1,397,047	377,690	10,082	5,960,830	9,312,400	71,115	9,383,515
<b>Changes in equity for the six months ended 30 June 2013</b>										
Profit for the period	-	-	-	-	-	-	1,531,570	1,531,570	13,520	1,545,090
Other comprehensive income	-	-	-	(238,843)	-	(3,674)	-	(242,517)	(747)	(243,264)
Total comprehensive income for the period	-	-	-	(238,843)	-	(3,674)	1,531,570	1,289,053	12,773	1,301,826
Capital contribution received by a non-wholly owned subsidiary from a non-controlling shareholder	-	-	-	-	-	-	-	-	18,562	18,562
Dividends declared and approved during the period	-	-	-	-	-	-	(140,932)	(140,932)	-	(140,932)
Dividends paid by non-wholly owned subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2013</b>	1,006,655	550,547	9,549	1,158,204	377,690	6,408	7,351,468	10,460,521	102,450	10,562,971

The notes on pages 11 to 16 form part of these financial statements.

## Consolidated Balance Sheet

- unaudited

	Note	At 30 June 2013 HK\$'000	At 31 December 2012 HK\$'000
<b>Non-current assets</b>			
Investment properties		2,658,491	2,736,092
Other property, plant and equipment		2,260,061	2,155,422
Interest in leasehold land		268,487	254,997
Interest in associates		892,945	924,694
Other financial assets		163,017	172,163
Hire purchase debtors and instalments receivable		204,989	200,055
Non-current prepayments		22,845	13,651
Deferred tax assets		26,385	26,342
		<u>6,497,220</u>	<u>6,483,416</u>
<b>Current assets</b>			
Investments designated at fair value through profit or loss		2,228,775	1,150,456
Inventories		1,969,016	2,150,811
Properties held for sale		61,345	80,299
Trade debtors	7	977,824	712,395
Hire purchase debtors and instalments receivable		102,543	94,679
Other debtors, deposits and prepayments		414,039	387,062
Amount due from related companies		1,409	912
Cash and cash equivalents	8	1,520,119	1,357,680
		<u>7,275,070</u>	<u>5,934,294</u>
<b>Current liabilities</b>			
Unsecured bank overdrafts	8	12,346	7,737
Bank loans		1,362,274	1,272,961
Trade creditors	9	406,176	651,538
Other creditors and accruals		696,694	481,475
Amounts due to related companies		68,700	7,074
Current taxation		75,707	80,681
Provisions		29,853	25,203
		<u>2,651,750</u>	<u>2,526,669</u>
<b>Net current assets</b>		<u>4,623,320</u>	<u>3,407,625</u>
<b>Total assets less current liabilities</b>		<u>11,120,540</u>	<u>9,891,041</u>

The notes on pages 11 to 16 form part of these financial statements.

## Consolidated Balance Sheet (continued)

*- unaudited*

	Note	At 30 June 2013 HK\$'000	At 31 December 2012 HK\$'000
<b>Non-current liabilities</b>			
Bank loans		495,651	456,563
Deferred tax liabilities		25,869	28,491
Provisions		36,049	22,472
		557,569	507,526
		10,562,971	9,383,515
<b>NET ASSETS</b>			
<b>Capital and reserves</b>			
Share capital	10	1,006,655	1,006,655
Reserves		9,453,866	8,305,745
		10,460,521	9,312,400
<b>Total equity attributable to equity shareholders of the Company</b>		10,460,521	9,312,400
<b>Non-controlling interests</b>		102,450	71,115
		10,562,971	9,383,515
<b>TOTAL EQUITY</b>		10,562,971	9,383,515

The notes on pages 11 to 16 form part of these financial statements.

## Condensed Consolidated Cash Flow Statement

- unaudited

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Net cash generated from / (used in) operating activities	307,259	(15,933)
Net cash (used in) / generated from investing activities	(227,593)	4,055
Net cash generated from / (used in) financing activities	<u>90,066</u>	<u>(234,859)</u>
Net increase / (decrease) in cash and cash equivalents	169,732	(246,737)
Cash and cash equivalents at 1 January	1,349,943	1,602,732
Effect of exchange differences	<u>(11,902)</u>	<u>719</u>
Cash and cash equivalents at 30 June	<u><u>1,507,773</u></u>	<u><u>1,356,714</u></u>

The notes on pages 11 to 16 form part of these financial statements.

## Notes to the Unaudited Financial Statements

### 1 Basis of preparation

The unaudited interim financial statements have been prepared in accordance with the requirements of the Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), including compliance with International Accounting Standard 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board.

The unaudited interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2012 annual financial statements.

### 2 Segment Reporting

#### (a) Segment results

Business lines	Group Revenue		EBITDA	
	Six months ended 30 June		Six months ended 30 June	
	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Motor vehicle distribution	3,419,495	2,071,745	335,855	25,875
Heavy commercial vehicle and industrial equipment distribution	931,346	587,953	143,397	83,823
Property rentals and development	105,777	187,440	49,051	91,589
Other operations	268,667	233,874	1,140,208	214,160
	<u>4,725,285</u>	<u>3,081,012</u>	<u>1,668,511</u>	<u>415,447</u>

Geographical areas	Group Revenue	
	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Singapore	687,195	828,807
Hong Kong	63,993	38,371
PRC	1,586,645	1,235,407
Others	2,387,452	978,427
	<u>4,725,285</u>	<u>3,081,012</u>

## Notes to the Unaudited Financial Statements

### 2 Segment Reporting (continued)

#### (b) Reconciliation of reportable segment profit or loss

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Total segment EBITDA	1,668,511	415,447
Depreciation and amortisation	(91,698)	(77,261)
Interest income	10,295	14,303
Finance costs	(13,112)	(16,400)
Share of profits less losses of associates	33,925	126,574
<b>Consolidated profit before taxation</b>	<b>1,607,921</b>	<b>462,663</b>

### 3 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Interest expense	13,112	16,400
Amortisation of interest in leasehold land	4,146	3,798
Depreciation of property, plant and equipment	87,552	73,463
Dividend income	(8,721)	(7,924)
Gain on disposal of property, plant and equipment	(6,720)	(4,974)
Increase in fair value of listed investments	(1,080,169)	(175,703)

## Notes to the Unaudited Financial Statements

### 4 Taxation

The analysis of income tax expense is as follows:

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Hong Kong	-	-
Singapore	12,720	19,709
Elsewhere	50,111	21,739
	<u>62,831</u>	<u>41,448</u>

The Group's applicable tax rate represents the weighted average of the statutory corporate income tax rates, which mainly range between 16.5% (2012: 16.5%) and 30% (2012: 30%), in the tax jurisdictions in which the Group operates.

### 5 Dividends

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
(i) Dividends attributable to the period		
Interim dividend declared of HK\$0.025 (2012: HK\$0.02) per ordinary share	<u>50,333</u>	<u>40,266</u>
The interim dividend has not been recognized as a liability at balance sheet date.		
(ii) Dividends paid during the period		
Final dividend approved in respect of prior year of HK\$0.07 (2012: HK\$0.055) per ordinary share	<u>140,932</u>	<u>110,732</u>

### 6 Earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2013 is based on net profit attributable to equity shareholders of the Company of HK\$1,531,570,000 (2012: HK\$415,544,000) and the weighted average number of shares of 2,013,309,000 (2012: 2,013,309,000) in issue during the period.

Diluted earnings per share for the periods ended 30 June 2013 and 2012 is the same as the basic earnings per share as there were no dilutive securities outstanding during the periods presented.

## Notes to the Unaudited Financial Statements

### 7 Trade debtors

Included in trade debtors are debtors (net of impairment losses) with the following ageing analysis:

	At 30 June 2013 HK\$'000	At 31 December 2012 HK\$'000
0 - 30 days	803,411	546,999
31 - 90 days	126,834	97,321
Over 90 days	47,579	68,075
	<u>977,824</u>	<u>712,395</u>

The Group allows credit periods ranging from seven days to six months.

### 8 Cash and cash equivalents

	At 30 June 2013 HK\$'000	At 31 December 2012 HK\$'000
Bank deposits	368,850	355,406
Cash at bank	1,149,633	1,000,885
Cash in hand	1,636	1,389
Cash and cash equivalents (exclude bank overdrafts)	<u>1,520,119</u>	<u>1,357,680</u>
Unsecured bank overdrafts	(12,346)	(7,737)
Cash and cash equivalents	<u>1,507,773</u>	<u>1,349,943</u>

### 9 Trade creditors

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

	At 30 June 2013 HK\$'000	At 31 December 2012 HK\$'000
0 - 30 days	171,987	384,278
31 - 90 days	165,868	216,241
91 - 180 days	30,706	21,358
Over 180 days	37,615	29,661
	<u>406,176</u>	<u>651,538</u>



## Notes to the Unaudited Financial Statements

### 10 Share capital

	At 30 June 2013 HK\$'000	At 31 December 2012 HK\$'000
<b>Authorised:</b>		
3,000,000,000 ordinary shares of HK\$0.50 each	<u>1,500,000</u>	<u>1,500,000</u>
<b>Issued and fully paid:</b>		
2,013,309,000 ordinary shares of HK\$0.50 each	<u>1,006,655</u>	<u>1,006,655</u>

### 11 Fair value measurement of financial instruments

#### (i) Financial instruments carried at fair value

At 30 June 2013, the financial instruments of the Group carried at fair value were available-for-sale equity securities of HK\$65,477,000 (December 2012: HK\$69,699,000), available-for-sale debt securities of HK\$75,947,000 (December 2012: HK\$80,083,000) and equity securities designated as at fair value through profit or loss of HK\$2,228,775,000 (December 2012: HK\$1,150,456,000) respectively which are listed outside Hong Kong. These instruments fall into Level 1 of the fair value hierarchy which is (in accordance with International Financial Reporting Standard 7, *Financial Instruments: Disclosure*) being measured using quoted prices (unadjusted) in active markets for identical financial instruments.

#### (ii) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2013 and 31 December 2012.

## Notes to the Unaudited Financial Statements

### 12 Capital commitments

Capital commitments outstanding at 30 June 2013 not provided for in the financial statements were as follows:

	At 30 June 2013 HK\$'000	At 31 December 2012 HK\$'000
Authorised and contracted for:		
- Construction of properties	<u>327,846</u>	<u>136,204</u>

### 13 Connected 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 period:

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Sale of goods and services to related companies	3,164	3,019
Purchase of goods and services from related companies	159,587	8,246

All the sales and purchases and services rendered were on normal commercial terms.

### 14 Comparative figures

Certain comparative figures have been reclassified to conform with current period's presentation.

### Interim Dividend

The Board is pleased to declare an interim dividend of HK\$0.025 (2012: HK\$0.02) per ordinary share on the shares in issue amounting to a total of HK\$50,333,000 (2012: HK\$40,266,000), which will be payable on 12 September 2013 to shareholders whose names appear on the Register of Members on 6 September 2013. Dividend warrants will be sent to shareholders on 12 September 2013.

### Closure of Register of Members

The Register of Members will be closed from 4 September 2013 to 6 September 2013, both days inclusive. During this period, no transfer of shares will be effected and registered.

In order to qualify for the entitlement of the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17<sup>th</sup> Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30pm on 3 September 2013.

### Directors' Interests and Short Positions in Shares

The directors who held office as at 30 June 2013 had the following interests in the issued share capital of the Company at that date as recorded in the register of directors' interests and short positions required to be kept under section 352 of the Securities and Futures Ordinance ("SFO"):

Long positions	Ordinary shares of HK\$0.50 each					Percentage of total issued shares
	Personal interests	Family interests (Note 1)	Corporate interests (Note 2)	Other interests	Total	
Executive Directors:						
Tan Eng Soon	111,999,972	-	427,230,000	1,027,584,147 (Note 3)	1,566,814,119	77.82%
Joseph Ong Yong Loke	684,000	795,000	940,536	-	2,419,536	0.12%
Tan Kheng Leong	2,205,000	210,000	-	1,564,399,119 (Note 4)	1,566,814,119	77.82%
Sng Chiew Huat	900,000	-	-	-	900,000	0.04%
Glenn Tan Chun Hong	99,000	-	-	-	99,000	0.0049%

## Other Information

### Directors' Interests and Short Positions in Shares (continued)

Notes:

- (1) These shares are beneficially owned by the spouses of Joseph Ong Yong Loke and Tan Kheng Leong, respectively, and hence they are deemed to be interested in these shares respectively.
- (2) These shares are beneficially owned by corporations controlled by Tan Eng Soon and Joseph Ong Yong Loke, respectively.
- (3) In addition to Tan Eng Soon's personal and corporate interests of 111,999,972 Shares and 427,230,000 Shares respectively, he is deemed to be interested in 1,027,584,147 Shares pursuant to sections 317 and 318 of the SFO, making a total of interests in respect of 1,566,814,119 Shares.
- (4) In addition to Tan Kheng Leong's personal and family interests of 2,205,000 Shares and 210,000 Shares respectively, he is deemed to be interested in 1,564,399,119 Shares pursuant to sections 317 and 318 of the SFO, making a total of interests in respect of 1,566,814,119 Shares.

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 or short positions in shares of the Company or any of its subsidiaries or associates (within the meaning of the SFO) as at 30 June 2013, 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 period to subscribe for shares, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") as set out in Appendix 10 of the Listing Rules of the Stock Exchange.

At no time during the period was the Company, any of its subsidiaries or any of its fellow subsidiaries 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 (other than a director of the Company) in the Company's issued shares as at 30 June 2013 amounting to 5% or more of the ordinary shares in issue:

<b>Name</b>	<b>Long/short Positions</b>	<b>Note</b>	<b>Ordinary shares held</b>	<b>Percentage of total issued shares</b>
Tan Chong Consolidated Sdn. Bhd.	Long	(1)	1,506,355,119	74.81%
Dato' Tan Heng Chew	Long	(2)	1,506,355,119	74.81%
Promenade Group Limited	Long	(3)	302,067,000	15.00%

### Substantial Interests in the Share Capital of the Company (continued)

#### Notes:

- (1) The share capital of Tan Chong Consolidated Sdn. Bhd. is held by Tan Eng Soon as to approximately 22.85% and Tan Kheng Leong as to approximately 15.38%. The remaining shareholding is held by certain members of the Tan family who are not directors of the Company. The 1,506,355,119 Shares referred to above include 705,819,720 Shares beneficially held by Tan Chong Consolidated Sdn. Bhd. and 800,535,399 Shares in which Tan Chong Consolidated Sdn. Bhd. is interested pursuant to sections 317 and 318 of the SFO.
- (2) Based on the disclosure of interests filed, Dato' Tan Heng Chew has personal, family and corporate interests of 28,990,986 Shares, 328,170 Shares, and 37,848,000 Shares respectively. He is also deemed to be interested in 1,439,187,963 Shares pursuant to sections 317 and 318 of the SFO, making a total of interests in respect of 1,506,355,119 Shares.
- (3) Tan Eng Soon is the controlling shareholder of Promenade Group Limited.

Save as disclosed above, no persons, other than a director of the Company whose interests are set out above, had registered interests in the share capital of the Company that was required to be recorded in the register under section 336 of the SFO.

### Purchase, Sale or Redemption of the Company's Listed Securities

There were no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries during the period.

### Audit Committee

The Audit Committee has reviewed with management the results of the Group for the period ended 30 June 2013.

### Directors' Securities Transactions

Pursuant to the Model Code requirements as set out in Appendix 10 of the Listing Rules of the Stock Exchange, all directors confirmed that they have complied with the required standard and its code of conduct regarding directors' securities transactions for the accounting period under review.

## Other Information

### Corporate Governance Code

No director of the Company is aware of any information which would reasonably indicate that the Company is not, or was not, at any time during the six months ended 30 June 2013, acting in compliance with the Corporate Governance Code as set out in Appendix 14 of the Listing Rules of the Stock Exchange. The independent non-executive directors were not appointed for a specific term but are subject to retirement by rotation and re-election at the Company's Annual General Meeting in accordance with the Company's Bye Laws. The Chairman had been instrumental in listing the Group. He has in-depth professional knowledge of, and extensive experience in the automobile industry and full cognizance of the workings of the business operations of the Group. In view of this, the Board would like him to continue with some executive functions. The balance of power and authority is ensured by the participation and input of the other Board members who are highly qualified and experienced professionals. The roles of the respective executive directors and senior management who are in charge of different disciplinary functions complement the role of the Chairman and Chief Executive Officer. The Board believes that this structure is conducive to strong and consistent leadership enabling the Group to make and implement decisions promptly and efficiently.

### Changes in Information of Directors

Pursuant to Rule 13.51(B) of the Listing Rules, the change in information of directors since the date of the 2012 annual report of the Company is set out below:

Name of Director	Details of Change
Tan Eng Soon	Mr Tan has ceased to act as a director of APM Automotive Holdings Berhad on 22 May 2013.

By Order of the Board  
**Sng Chiew Huat**  
Finance Director  
Hong Kong, 1 August 2013

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

*As at the date of this announcement, the Executive Directors are Mr. Tan Eng Soon, Mr. Joseph Ong Yong Loke, Mr. Tan Kheng Leong, Mdm. Sng Chiew Huat and Mr. Glenn Tan Chun Hong. Independent Non-Executive Directors are Mr. Lee Han Yang, Mr. Masatoshi Matsuo, Mr. Tan Ngiap Joo and Mr. Ng Kim Tuck. The Honorary Life Counselor of the Company is Tan Sri Dato' Tan Kim Hor.*