



Tan Chong International Limited

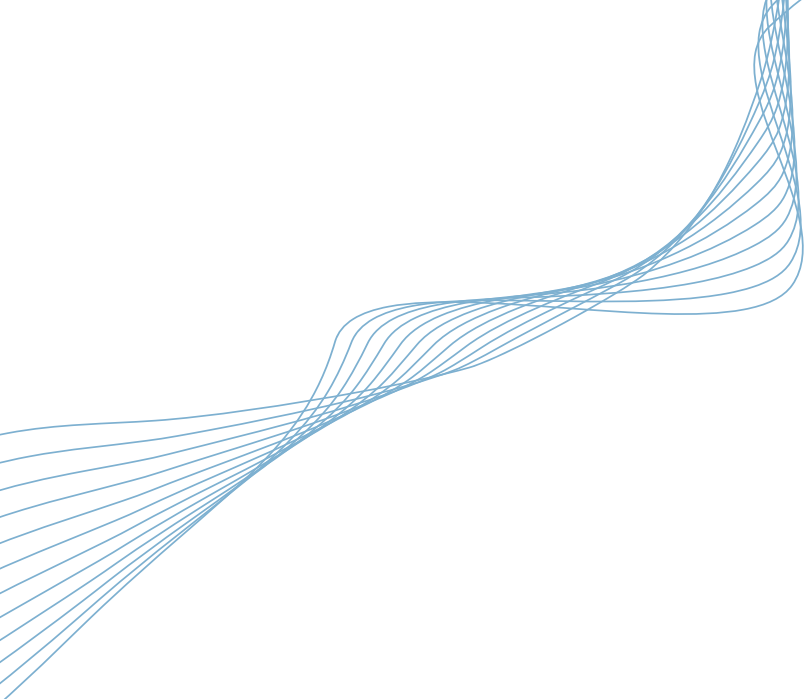
陳唱國際有限公司

Interim Report 2015

Stock Code: 693

**Interim
2015**





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Management Review

RESULTS

The 1st half of 2015 saw a year on year increase in our Group financial performance, largely due to the consolidation of the financial results of Zero Co., Ltd (“Zero”) and the strong growth in our core passenger vehicle retail and distribution operations. We experienced a double digit increase in sales volume across our Nissan, Subaru and Fuso brands. Zero continues to be a strong contributor to our consolidated revenue and profits, comprising 36% of consolidated revenue.

Revenue and vehicle sales reached HK\$7.151 billion and 14,725 units respectively for the first half of 2015, compared to HK\$3.963 billion and 11,568 units for the corresponding period of 2014.

EBITDA increased 70% to HK\$512 million from HK\$302 million and the Group achieved HK\$251 million Profit for the period, a 49% growth over the first half of 2014. The Group financial results as compared to the corresponding period in 2014 was somewhat impacted negatively by the effects of the appreciation of the Hong Kong Dollar against the currencies of the various operating business units.

Net Asset Per Share at the end of June 2015 rose to HK\$6.11 from HK\$6.09 at the end of December 2014. The directors have declared an interim dividend of HK\$0.025 per share for the first half of 2015.

To comply with updated IFRS accounting standards, IFRS 9 (2009) *Financial Instruments* has been adopted in the preparation of the interim financial results, and applied retrospectively.

SINGAPORE, TAIWAN AND PHILIPPINES OPERATIONS

In Singapore, our Nissan and Subaru brands performed well in the passenger vehicle market, capturing market share and experiencing significant growth in unit sales and revenue. Taiwan continued its positive sales momentum, with improved profit margins due to the operating leverage of a larger scale of operations. The Philippines continues to experience a slow-down in sales but remains a key profit contributor to the Group.

THAILAND TRUCKS AND CHINA BUSINESS

Thailand commercial vehicle unit sales increased 35% from the first half of 2014, led by increased Fuso sales and its expanded product offering of medium and heavy duty trucks. In August 2015, the Group continued to augment its product range by introducing the “All New Fuso Family” vehicle line up, opening up new market categories for further growth.

Driven by the weakening pace of growth in the automotive industry in China and the transition to stricter vehicle emission standards, there was an 8% decline in sales revenue from our China operations. The weakness in the China business is expected to persist in the second half of 2015, compounded by the flood experienced at our Nanjing seat manufacturing division.

MALAYSIA / THAILAND / INDONESIA CKD OPERATIONS

The Group invested substantially in both Malaysia and Thailand markets by building extensive sales network, enhancing system and operation integration as well as upgrading its people resources. These infrastructure improvements have led to stronger Subaru brand awareness, resulting in higher sales revenue in the respective markets. Consequently, the Group has to bear increased distribution and operating cost as it progresses with the development of these markets for Subaru. As Management holds a long-term view of business prospects in these territories, it is imperative to continue with the Subaru brand recognition exercise so as to achieve sustained market traction and greater sales penetration in these countries in the future.

There have been no material changes since the information disclosed in the last financial report on the operations in Indonesia. Based on the advice of our local consultants, Management believes that all outstanding issues will be resolved in the near future.

JAPAN

Despite a challenging domestic automobile market in Japan, Zero performed admirably in the first half of 2015, with strong growth in both sales revenue and profitability. This was attributed to their focus on obtaining new transport service business, and scaling of their used car export and human resource operations. Revenue and profit from Zero were consolidated into the Group financial results beginning the second half of 2014.

PROSPECTS

While watching the current economic uncertainties carefully, the Group will continue to focus on steady growth and improved profitability.

Consolidated Income Statement

- unaudited

	Note	Six months ended 30 June 2015	2014 (restated)
		HK\$'000	HK\$'000
Revenue	2	7,151,072	3,963,006
Cost of sales		(5,821,392)	(3,144,571)
Gross profit		1,329,680	818,435
Other operating income		93,759	96,226
Distribution costs		(523,854)	(311,829)
Administrative expenses		(480,629)	(379,116)
Other operating expenses		(11,865)	(15,561)
Profit from operations		407,091	208,155
Finance costs		(49,675)	(25,739)
Share of profits less losses of associates		34,384	43,704
Profit before taxation	3	391,800	226,120
Income tax	4	(140,934)	(57,771)
Profit for the period		250,866	168,349
Attributable to:			
Equity shareholders of the Company		172,308	153,155
Non-controlling interests		78,558	15,194
Profit for the period		250,866	168,349
Earnings per share (cents)	6		
Basic and diluted		8.6	7.6

The notes on pages 11 to 19 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 2015	2014 (restated)
	HK\$'000	HK\$'000
Profit for the period	250,866	168,349
Other comprehensive income for the period (after tax and reclassification adjustments)		
Items that will not be reclassified to profit or loss:		
Remeasurement of net defined benefit liability	3,563	-
Investments designated as at fair value through other comprehensive income:		
- Changes in fair value recognised during the period	78,791	(94,273)
	82,354	(94,273)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of:		
- overseas subsidiaries	(113,448)	39,422
- associates	(26,823)	10,697
	(140,271)	50,119
Other comprehensive income for the period	(57,917)	(44,154)
Total comprehensive income for the period	192,949	124,195
Attributable to:		
Equity shareholders of the Company	120,318	109,342
Non-controlling interests	72,631	14,853
Total comprehensive income for the period	192,949	124,195

The notes on pages 11 to 19 form part of these financial statements.

Consolidated Statement of Changes in Equity

- unaudited

	<i>Attributable to equity shareholders of the Company</i>									
	Share capital	Share premium	Capital reserve	Translation reserve	Contributed surplus	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2014	1,006,655	550,547	9,549	1,130,948	377,690	5,146	7,827,352	10,907,887	115,518	11,023,405
Effect on adoption of IFRS 9 (2009)	-	-	-	-	-	2,056,645	(2,056,645)	-	-	-
Balance at 1 January 2014 (restated)	1,006,655	550,547	9,549	1,130,948	377,690	2,061,791	5,770,707	10,907,887	115,518	11,023,405
Changes in equity for the six months ended 30 June 2014										
Profit for the period (restated)	-	-	-	-	-	-	153,155	153,155	15,194	168,349
Other comprehensive income (restated)	-	-	-	50,460	-	(94,273)	-	(43,813)	(341)	(44,154)
Total comprehensive income for the period (restated)	-	-	-	50,460	-	(94,273)	153,155	109,342	14,853	124,195
Capital contribution received by a non-wholly owned subsidiary from a non-controlling shareholder	-	-	-	-	-	-	-	-	517,157	517,157
Dividends declared and approved during the period	-	-	-	-	-	-	(161,065)	(161,065)	-	(161,065)
Balance at 30 June 2014 (restated)	1,006,655	550,547	9,549	1,181,408	377,690	1,967,518	5,762,797	10,856,164	647,528	11,503,692

The notes on pages 11 to 19 form part of these financial statements.

Consolidated Statement of Changes in Equity (continued)

- unaudited

	<i>Attributable to equity shareholders of the Company</i>										
	Share capital	Share premium	Capital reserve	Translation reserve	Contributed surplus	Fair value reserve	Property revaluation reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2015	1,006,655	550,547	9,549	740,974	377,690	6,846	331,167	8,607,910	11,631,338	630,575	12,261,913
Effect on adoption of IFRS 9 (2009)	-	-	-	-	-	2,695,662	-	(2,695,662)	-	-	-
Balance at 1 January 2015 (restated)	1,006,655	550,547	9,549	740,974	377,690	2,702,508	331,167	5,912,248	11,631,338	630,575	12,261,913
Changes in equity for the six months ended 30 June 2015											
Profit for the period	-	-	-	-	-	-	-	172,308	172,308	78,558	250,866
Other comprehensive income	-	-	-	(132,594)	-	78,791	-	1,813	(51,990)	(5,927)	(57,917)
Total comprehensive income for the period	-	-	-	(132,594)	-	78,791	-	174,121	120,318	72,631	192,949
Dividends declared and approved during the period	-	-	-	-	-	-	-	(161,065)	(161,065)	-	(161,065)
Balance at 30 June 2015	1,006,655	550,547	9,549	608,380	377,690	2,781,299	331,167	5,925,304	11,590,591	703,206	12,293,797

The notes on pages 11 to 19 form part of these financial statements.

Consolidated Balance Sheet

- unaudited

	Note	At 30 June 2015 HK\$'000	At 31 December 2014 HK\$'000
Non-current assets			
Investment properties		3,339,773	3,399,251
Other property, plant and equipment		3,223,785	3,250,284
Interest in leasehold land		92,062	97,622
Intangible assets		104,954	104,034
Goodwill		3,981	6,214
Interest in associates		732,694	744,089
Other financial assets		115,405	118,848
Hire purchase debtors and instalments receivable		222,324	236,664
Non-current prepayments		107,791	112,476
Deferred tax assets		35,611	43,040
		7,978,380	8,112,522
Current assets			
Investments designated as at fair value through other comprehensive income		3,221,736	3,215,815
Inventories		2,702,938	2,765,886
Properties held for sale		57,614	58,619
Trade debtors	7	1,145,947	1,130,143
Hire purchase debtors and instalments receivable		105,682	107,411
Other debtors, deposits and prepayments		634,203	527,772
Amount due from related companies		2,975	6,842
Cash and cash equivalents	8	2,895,526	2,912,541
		10,766,621	10,725,029
Current liabilities			
Unsecured bank overdrafts	8	53,497	73,211
Bank loans		2,028,390	1,946,985
Trade creditors	9	815,581	1,041,616
Other creditors and accruals		1,013,281	946,373
Amounts due to related companies		117,490	15,126
Obligations under finance leases		27,107	22,991
Current taxation		145,206	130,979
Provisions		41,940	45,611
		4,242,492	4,222,892
Net current assets		6,524,129	6,502,137
Total assets less current liabilities		14,502,509	14,614,659

The notes on pages 11 to 19 form part of these financial statements.

Consolidated Balance Sheet (continued)

- unaudited

	Note	At 30 June 2015 HK\$'000	At 31 December 2014 HK\$'000
Non-current liabilities			
Bank loans		1,194,070	1,316,040
Unsecured medium term note		680,311	692,695
Obligations under finance leases		111,183	94,164
Net defined benefit retirement obligations		136,677	145,265
Deferred tax liabilities		61,930	67,566
Provisions		24,541	37,016
		2,208,712	2,352,746
NET ASSETS		12,293,797	12,261,913
Capital and reserves			
Share capital	10	1,006,655	1,006,655
Reserves		10,583,936	10,624,683
Total equity attributable to equity shareholders of the Company		11,590,591	11,631,338
Non-controlling interests		703,206	630,575
TOTAL EQUITY		12,293,797	12,261,913

The notes on pages 11 to 19 form part of these financial statements.



Condensed Consolidated Cash Flow Statement

- unaudited

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Net cash generated from / (used in) operating activities	196,106	(262,139)
Net cash used in investing activities	(42,312)	(116,882)
Net cash (used in) / generated from financing activities	<u>(139,898)</u>	<u>470,209</u>
Net increase in cash and cash equivalents	13,896	91,188
Cash and cash equivalents at 1 January	2,839,330	2,228,487
Effect of exchange differences	<u>(11,197)</u>	<u>1,547</u>
Cash and cash equivalents at 30 June	<u>2,842,029</u>	<u>2,321,222</u>

The notes on pages 11 to 19 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 2014 annual financial statements, except for the adoption of IFRS 9 (2009), *Financial Instruments*, which is applied retrospectively. Comparatives for the six months ended 30 June 2014 are restated as follows:

	As previously reported HK\$'000	Effect of adoption of IFRS 9 (2009) HK\$'000	As restated HK\$'000
Consolidated Income Statement			
Other operating income	100,778	(4,552)	96,226
Other operating expenses	(115,668)	100,107	(15,561)
Profit from operations	112,600	95,555	208,155
Profit before taxation	130,565	95,555	226,120
Profit for the period	72,794	95,555	168,349
Profit for the period attributable to equity shareholders of the Company	57,600	95,555	153,155
Basic and diluted earnings per share (cents)	2.9	4.7	7.6
Consolidated Statement of Comprehensive Income			
Investments designated as at fair value through other comprehensive income:			
- Changes in fair value recognised during the period	-	(94,273)	(94,273)
Available-for-sales securities:			
- Changes in fair value recognised during the period	1,282	(1,282)	-
Other comprehensive income for the period	51,401	(95,555)	(44,154)
Consolidated Statement of Changes in Equity as at 1 January 2014			
Fair value reserve	5,146	2,056,645	2,061,791
Retained profits	7,827,352	(2,056,645)	5,770,707
Consolidated Statement of Changes in Equity as at 1 January 2015			
Fair value reserve	6,846	2,695,662	2,702,508
Retained profits	8,607,910	(2,695,662)	5,912,248

Notes to the Unaudited Financial Statements (continued)

2 Segment Reporting

(a) Segment results

	Revenue		EBITDA	
	Six months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014 (restated)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Business lines				
Motor vehicle distribution and dealership business	3,882,317	3,334,510	245,118	205,922
Heavy commercial vehicle, industrial equipment distribution and dealership business	361,805	299,222	12,783	18,450
Property rentals and development	47,081	59,714	12,776	17,759
Transportation	2,552,540	-	181,208	-
Other operations	307,329	269,560	59,663	59,589
	<u>7,151,072</u>	<u>3,963,006</u>	<u>511,548</u>	<u>301,720</u>

	Revenue	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Geographical areas		
Singapore	1,443,018	1,009,493
Hong Kong	80,931	79,409
PRC	826,941	899,230
Thailand	615,830	439,781
Japan	2,552,541	-
Others	1,631,811	1,535,093
	<u>7,151,072</u>	<u>3,963,006</u>

Notes to the Unaudited Financial Statements (continued)

2 Segment Reporting (continued)

(b) Reconciliation of reportable segment profit or loss

	Six months ended 30 June	
	2015	2014 (restated)
	HK\$'000	HK\$'000
Total segment EBITDA	511,548	301,720
Depreciation and amortisation	(125,832)	(113,262)
Interest income	21,375	19,697
Finance costs	(49,675)	(25,739)
Share of profits less losses of associates	34,384	43,704
Consolidated profit before taxation	391,800	226,120

3 Profit before taxation

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

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Finance costs	49,675	25,739
Amortisation of interest in leasehold land	3,854	17,421
Depreciation of property, plant and equipment	121,978	95,841
Dividend income	(22,980)	(24,703)
Gain on disposal of property, plant and equipment	(7,985)	(5,728)
Gain on a bargain purchase	-	(14,693)

Notes to the Unaudited Financial Statements (continued)

4 Income tax

The analysis of income tax expense is as follows:

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Hong Kong	129	1,094
Singapore	21,678	8,225
Others	119,127	48,452
	<u>140,934</u>	<u>57,771</u>

The Group's applicable tax rate represents the weighted average of the statutory corporate income tax rates, which mainly range between 16.5% (2014: 16.5%) and 30% (2014: 30%), in the tax jurisdictions in which the Group operates.

5 Dividends

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
(i) Dividends attributable to the period: Interim dividend declared of HK\$0.025 (2014: HK\$0.025) per ordinary share	<u>50,333</u>	<u>50,333</u>

The interim dividend has not been recognised as a liability at balance sheet date.

(ii) Dividends paid during the period: Final dividend approved in respect of prior year of HK\$0.08 (2014: HK\$0.08) per ordinary share	<u>161,065</u>	<u>161,065</u>
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6 Earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2015 is based on net profit attributable to equity shareholders of the Company of HK\$172,308,000 (2014 (restated): HK\$153,155,000) and the weighted average number of shares of 2,013,309,000 (2014: 2,013,309,000) in issue during the period.

Diluted earnings per share for the periods ended 30 June 2015 and 2014 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 (continued)

7 Trade debtors

As of the balance sheet date, the ageing analysis of trade debtors (net of impairment losses), based on due date, is as follows:

	At 30 June 2015 HK\$'000	At 31 December 2014 HK\$'000
0 - 30 days	1,010,149	1,041,943
31 - 90 days	67,881	47,683
Over 90 days	67,917	40,517
	<u>1,145,947</u>	<u>1,130,143</u>

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

8 Cash and cash equivalents

	At 30 June 2015 HK\$'000	At 31 December 2014 HK\$'000
Bank deposits	902,562	1,007,795
Cash at bank	1,991,158	1,900,024
Cash in hand	1,806	4,722
Cash and cash equivalents in the balance sheet	<u>2,895,526</u>	<u>2,912,541</u>
Unsecured bank overdrafts	(53,497)	(73,211)
Less: pledged bank deposits	-	(6,618)
Cash and cash equivalents in the consolidated cash flow statement	<u>2,842,029</u>	<u>2,832,712</u>

9 Trade creditors

Ageing analysis of trade creditors, based on the invoice date, is as follows:

	At 30 June 2015 HK\$'000	At 31 December 2014 HK\$'000
0 - 30 days	539,536	803,352
31 - 90 days	139,077	123,365
91 - 180 days	63,099	39,619
Over 180 days	73,869	75,280
	<u>815,581</u>	<u>1,041,616</u>

Notes to the Unaudited Financial Statements (continued)

10 Share capital

	At 30 June 2015 HK\$'000	At 31 December 2014 HK\$'000
Authorised:		
3,000,000,000 ordinary shares of HK\$0.50 each	<u>1,500,000</u>	<u>1,500,000</u>
Issued and fully paid:		
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

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the balance sheet date on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

Notes to the Unaudited Financial Statements (continued)

11 Fair value measurement of financial instruments (continued)

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

Fair value hierarchy (continued)

	Fair value measurement as at 30 June 2015 categorised into				Fair value measurement as at 31 December 2014 categorised into			
	Fair value at 30 June	Level 1	Level 2	Level 3	Fair value at 31 December	Level 1	Level 2	Level 3
	2015 HK\$'000	HK\$'000	HK\$'000	HK\$'000	2014 HK\$'000	HK\$'000	HK\$'000	HK\$'000
The Group								
Recurring								
fair value								
measurements								
Assets								
Debt securities designated as at fair value through profit or loss, listed outside Hong Kong	67,434	67,434	-	-	69,264	69,264	-	-
Equity securities designated as at fair value through other comprehensive income, listed outside Hong Kong	3,234,722	3,234,722	-	-	3,229,938	3,229,938	-	-
	<u>3,302,156</u>	<u>3,302,156</u>	<u>-</u>	<u>-</u>	<u>3,299,202</u>	<u>3,299,202</u>	<u>-</u>	<u>-</u>

During the six months ended 30 June 2015, there were no transfers among Level 1, Level 2 and Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the balance sheet date in which they occur.

(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 2015 and 31 December 2014.

Notes to the Unaudited Financial Statements (continued)

12 Capital commitments

Capital commitments outstanding at 30 June 2015 not provided for in the financial statements were as follows:

	At 30 June 2015 HK\$'000	At 31 December 2014 HK\$'000
Authorised and contracted for:		
- Construction of properties	71,624	77,032

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	
	2015 HK\$'000	2014 HK\$'000
Sale of goods and services to related companies	419	1,255
Purchase of goods and services from related companies	51,566	177,661

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

Notes to the Unaudited Financial Statements (continued)

14 Changes in accounting policies

As a result of the adoption of IFRS 9 (2009), *Financial Instruments*, in 1 January 2015, investments previously designated as at fair value through profit or loss are currently reclassified as investments designated as at fair value through other comprehensive income. Available-for-sale debt securities are reclassified as investment designated as at fair value through profit or loss.

The Group elects to reclassify its equity investments from investments designated as at fair value through profit or loss to investments designated as at fair value through other comprehensive income to better reflect its Group performance.

The following summarises the classification and measurement changes for the Group's financial assets on 1 January 2015, the Group's date of initial application of IFRS 9 (2009):

	Original measurement category and carrying amount under IAS 39		New measurement category and carrying amount under IFRS 9 (2009)	
	Fair value through profit or loss HK\$'000	Fair value through other comprehensive income HK\$'000	Fair value through profit or loss HK\$'000	Fair value through other comprehensive income HK\$'000
Available-for-sale debt securities	-	69,264	69,264	-
Equity securities	3,215,815	-	-	3,215,815
Total	3,215,815	69,264	69,264	3,215,815

15 Comparative figures

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

Other Information

Interim Dividend

The Board is pleased to declare an interim dividend of HK\$0.025 (2014: HK\$0.025) per ordinary share on the shares in issue amounting to a total of HK\$50,333,000 (2014: HK\$50,333,000), which will be payable on 23 September 2015 to shareholders of the Company whose names appear on the Register of Members on 18 September 2015. Dividend warrants will be sent to shareholders on 23 September 2015.

Closure of Register of Members

The Register of Members will be closed from 16 September 2015 to 18 September 2015, 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, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30pm on 15 September 2015.

Directors' Interests and Short Positions in Shares

The Directors who held office as at 30 June 2015 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"):

	Ordinary shares of HK\$0.50 each				Percentage of total issued shares
	Personal interests	Family interests (Note 1)	Corporate interests (Note 2)	Total number of shares held	
Executive Directors:					
Tan Eng Soon	111,999,972	-	431,376,000	543,375,972	26.99%
Joseph Ong Yong Loke	684,000	795,000	940,536	2,419,536	0.12%
Tan Kheng Leong	2,205,000	210,000	-	2,415,000	0.12%
Sng Chiew Huat	900,000	-	-	900,000	0.04%
Glenn Tan Chun Hong	99,000	-	-	99,000	0.0049%

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.

Directors' Interests and Short Positions 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 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 2015, 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 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) in the Company's issued shares as at 30 June 2015 amounting to 5% or more of the ordinary shares in issue:

Name	Long/short positions	Note	Ordinary shares held	Percentage of total issued shares
Tan Chong Consolidated Sdn. Bhd.	Long	(1)	705,819,720	35.05%
Promenade Group Limited	Long	(2)	302,067,000	15.00%
Tan Kim Hor	Long		144,801,495	7.19%
Pang Siew Ha	Long		134,821,032	6.69%
Lee Lang	Long		103,930,622	5.16%

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.
- (2) Tan Eng Soon is the controlling shareholder of Promenade Group Limited.

Save as disclosed above, no persons, other than a Director 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.



Other Information (continued)

Audit Committee

The Audit Committee has reviewed with management the results of the Group for the period ended 30 June 2015.

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.

Corporate Governance Code

No Director 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 2015, acting in compliance with the Corporate Governance Code as set out in Appendix 14 of the Listing Rules of the Stock Exchange. The Non-Executive Director and 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.

Following the passing away of the late Mr. Masatoshi Matsuo on 19 March 2014, the nomination committee of the Company currently comprises one member only. The Board will consider the replacement to fill the vacancy of member of the nomination committee held by the late Mr. Masatoshi Matsuo as soon as practicable. The Board is currently carrying out the responsibilities of the nomination committee.

By Order of the Board

Sng Chiew Huat

Finance Director

Hong Kong, 26 August 2015

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

As at the date of this announcement, the Executive Directors are Mr. Tan Eng Soon, Mr. Joseph Ong Yong Loke, Mr. Tan Kheng Leong, Mdm. Sng Chiew Huat and Mr. Glenn Tan Chun Hong. Non-Executive Director is Mr. Azman Bin Badrillah. Independent Non-Executive Directors are Mr. Lee Han Yang, Mr. Ng Kim Tuck and Mr. Prechaya Ebrahim. The Honorary Life Counsellor of the Company is Tan Sri Dato' Tan Kim Hor.