

Tan Chong Motor Holdings Berhad
(Company No. 12969-P)
(Incorporated in Malaysia)
and its subsidiaries

**Financial statements for the year
ended 31 December 2001**

Registered Office
Address: 62-68, Jalan Ipoh
51200 Kuala Lumpur

Tan Chong Motor Holdings Berhad

(Company No. 12969-P)

(Incorporated in Malaysia)

and its subsidiaries

Directors' report for the year ended 31 December 2001

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2001.

Principal activities

The Company is principally engaged in investment holding and the provision of management services to companies in the Group, whilst the principal activities of the subsidiaries are as stated in Note 25 to the financial statements. There has been no significant change in the nature of these principal activities during the financial year.

Results

	Group RM'000	Company RM'000
Net profit for the year	108,759 =====	23,394 =====

Reserves and provisions

There were no material transfers to or from reserves and provisions during the year except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the Company paid:

- i) a final dividend of 6% less tax totalling RM14,515,200 in respect of the year ended 31 December 2000 on 29 June 2001;
- ii) an interim dividend of 6% less tax totalling RM14,515,200 in respect of the year ended 31 December 2001 on 19 October 2001.

The final dividend recommended by the Directors in respect of the year ended 31 December 2001 is 8% less tax totalling RM19,353,600.

Directors of the Company

Directors who served since the date of the last report are:

Dato' Tan Kim Hor
 Ahmad bin Abdullah
 Dato' Tan Heng Chew
 Tan Eng Soon
 Azman bin Badrillah
 Geh Cheng Hooi
 Dato' Ng Mann Cheong
 Kenji Naito (appointed on 22.8.2001)
 Dato' Haji Kamaruddin @ Abas bin Nordin (appointed on 23.11.2001)
 Toshiyuki Shiga (retired on 25.5.2001)

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2001/ Date of appointment	Bought	Sold	At 31.12.2001
Shareholdings in which Directors have direct interest				
Interest in the Company:				
Dato' Tan Kim Hor	3,074,834	-	-	3,074,834
Dato' Tan Heng Chew	25,662	-	-	25,662
Tan Eng Soon	1,400,000	-	-	1,400,000
Azman bin Badrillah	10,000	-	-	10,000
Dato' Haji Kamaruddin @ Abas bin Nordin	2,992	-	-	2,992

Shareholdings in which Directors have deemed interest

Interest in the Company:

Dato' Tan Kim Hor	304,266,662	-	-	304,266,662
Dato' Tan Heng Chew	304,266,662	-	-	304,266,662
Tan Eng Soon	304,266,662	-	-	304,266,662

Dato' Tan Kim Hor, Dato' Tan Heng Chew and Tan Eng Soon are deemed interested in the shares of the subsidiaries of the Company by virtue of their shareholdings in the Company. Details of their deemed shareholdings in non-wholly owned subsidiaries are shown in Note 25 to the financial statements.

None of the other Directors holding office at 31 December 2001 had any interest in the ordinary shares of the Company and of its related corporations during the year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements of the Company and of related companies) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business and rental income receivable and rental expense payable from/to companies in which the Directors have significant financial interests.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares

There were no changes in the issued and paid-up capital of the Company during the year.

Options granted over unissued shares and debentures

No options were granted to any person to take up unissued shares or debentures of the Company during the year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 December 2001 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:

..... Chairman
Dato' Tan Kim Hor

..... Director
Azman bin Badrillah

Kuala Lumpur,

Date: 12 April 2002

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Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 9 to 36, are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2001 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

..... Chairman
Dato' Tan Kim Hor

..... Director
Azman bin Badrillah

Kuala Lumpur,

Date: 12 April 2002

Tan Chong Motor Holdings Berhad

(Company No. 12969-P)
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Declaration pursuant to Section 169(16) of the Companies Act, 1965

I, **Tan Eng Guan**, the officer primarily responsible for the financial management of Tan Chong Motor Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 9 to 36, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur on
..... 12 April 2002

.....
Tan Eng Guan
(MIA 8834)

Before me:

Mohd Radzi bin Yasin
No. W327
Commissioner for Oaths
(*Persuruhjaya Sumpah*)
Kuala Lumpur

Report of the auditors to the members of Tan Chong Motor Holdings Berhad

(Company No. 12969-P)
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We have audited the financial statements set out on pages 9 to 36. The preparation of the financial statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 31 December 2001 and the results of their operations and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company;
- and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 25 to the financial statements and we have considered their financial statements and the auditors' report thereon except as mentioned in Note 25 to the financial statements.

Company No. 12969-P

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

KPMG

Firm Number: AF 0758

Chartered Accountants

Ng Kim Tuck

Partner

Approval Number: 1150/03/04(J/PH)

Kuala Lumpur,

Date: 12 April 2002

Tan Chong Motor Holdings Berhad
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Balance sheets at 31 December 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Property, plant and equipment	2	211,056	213,993	1,268	1,272
Investments in subsidiaries	3	-	-	308,317	307,865
Investments in associates	4	2,021	3,314	-	-
Other investments	5	1,807	1,808	-	-
Hire purchase receivables	6	135,241	71,050	-	-
		<u>350,125</u>	<u>290,165</u>	<u>309,585</u>	<u>309,137</u>
Current assets					
Inventories	7	291,881	279,654	-	-
Trade and other receivables	8	109,268	115,480	182,625	189,864
Hire purchase receivables	6	52,477	32,958	-	-
Other investments	5	25,437	28,063	-	-
Cash and cash equivalents	9	164,330	171,554	975	423
		<u>643,393</u>	<u>627,709</u>	<u>183,600</u>	<u>190,287</u>
Current liabilities					
Trade and other payables	10	103,160	115,435	7,089	6,554
Borrowings	11	2,427	1,423	-	-
Taxation		27,811	23,229	4,815	6,332
		<u>133,398</u>	<u>140,087</u>	<u>11,904</u>	<u>12,886</u>
Net current assets		<u>509,995</u>	<u>487,622</u>	<u>171,696</u>	<u>177,401</u>
		<u>860,120</u>	<u>777,787</u>	<u>481,281</u>	<u>486,538</u>
Financed by:					
Capital and reserves					
Share capital	12	336,000	336,000	336,000	336,000
Reserves	13	505,034	425,305	143,257	148,893
		<u>841,034</u>	<u>761,305</u>	<u>479,257</u>	<u>484,893</u>
Minority shareholders' interests	14	11,126	8,915	-	-
Long term and deferred liabilities					
Deferred taxation		218	588	-	-
Retirement benefits		7,742	6,979	2,024	1,645
		<u>7,960</u>	<u>7,567</u>	<u>2,024</u>	<u>1,645</u>
		<u>860,120</u>	<u>777,787</u>	<u>481,281</u>	<u>486,538</u>

The notes set out on pages 15 to 36 form an integral part of, and, should be read in conjunction with, these financial statements.

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Income statements for the year ended 31 December 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Revenue	15	1,500,585	1,183,641	35,310	7,833
Operating profit before exceptional item	15	145,674	100,352	27,364	3,025
Exceptional item	17	-	32,433	-	32,433
Operating profit		145,674	132,785	27,364	35,458
Interest expense		(129)	(187)	(84)	(81)
Interest income		6,069	7,565	4,417	5,772
Share of profit of associates		739	168	-	-
Profit before taxation		152,353	140,331	31,697	41,149
Tax expense	18	(41,383)	(23,399)	(8,303)	(1,811)
Profit after taxation		110,970	116,932	23,394	39,338
Less: Minority interests		(2,211)	(2,442)	-	-
Net profit for the year		108,759	114,490	23,394	39,338
Basic earnings per ordinary share (sen)					
- including exceptional item	19	16.2	17.0		
- excluding exceptional item	19	16.2	12.2		
Dividends per ordinary share					
- gross (sen)					
- Ordinary dividend	20	7.0	5.5	7.0	5.5
- Special dividend	20	-	19.0	-	19.0

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Statement of changes in equity for the year ended 31 December 2001

Group	Note	Reserves						Sub-total RM'000	Total RM'000
		Share capital RM'000	Surplus on revaluation of properties RM'000	Translation reserve RM'000	Goodwill on consolidation RM'000	Capitalisation of retained profits RM'000	Retained profits RM'000		
At 1 January 2000		336,000	23	1,366	(118)	100	413,496	414,867	750,867
Net profit for the year		-	-	-	-	-	114,490	114,490	114,490
Dividends									
- 2000 special	20	-	-	-	-	-	(91,956)	(91,956)	(91,956)
- 2000 interim	20	-	-	-	-	-	(12,096)	(12,096)	(12,096)
At 31 December 2000/ 1 January 2001		336,000	23	1,366	(118)	100	423,934	425,305	761,305
Net profit for the year		-	-	-	-	-	108,759	108,759	108,759
Dividends									
- 2000 final	20	-	-	-	-	-	(14,515)	(14,515)	(14,515)
- 2001 interim	20	-	-	-	-	-	(14,515)	(14,515)	(14,515)
At 31 December 2001		336,000	23	1,366	(118)	100	503,663	505,034	841,034

Note 12

The notes set out on pages 15 to 36 form an integral part of, and, should be read in conjunction with, these financial statements.

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Statement of changes in equity for the year ended 31 December 2001

Company	Note	Share capital RM'000	<i>Distributable</i> Retained profits RM'000	Total RM'000
At 1 January 2000		336,000	213,607	549,607
Net profit for the year		-	39,338	39,338
Dividends				
- 2000 special	20	-	(91,956)	(91,956)
- 2000 interim	20	-	(12,096)	(12,096)
At 31 December 2000/1 January 2001		336,000	148,893	484,893
Net profit for the year		-	23,394	23,394
Dividends				
- 2000 final	20	-	(14,515)	(14,515)
- 2001 interim	20	-	(14,515)	(14,515)
At 31 December 2001		336,000	143,257	479,257
		Note 12		

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Cash flow statements for the year ended 31 December 2001

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Cash flows from operating activities				
Profit before taxation	152,353	140,331	31,697	41,149
Adjustments for:				
Depreciation	12,575	11,831	277	238
Dividend income	(172)	(638)	(35,012)	(7,541)
Exceptional item	-	(32,433)	-	(32,433)
Gain on disposal of property, plant and equipment	(128)	(98)	(1)	-
Gain on disposal of investment in unquoted shares	(869)	-	-	-
Interest expense	129	187	84	81
Interest income	(6,069)	(7,565)	(4,417)	(5,772)
Property, plant and equipment written off	1,005	1,052	-	-
Retirement benefits charged	888	587	137	79
Reversal of allowance for diminution in value of investments	(119)	-	(452)	(775)
Share of profit of associates	(739)	(168)	-	-
Operating profit/(loss) before working capital changes	158,854	113,086	(7,687)	(4,974)
(Increase)/Decrease in working capital:				
Inventories	(12,227)	3,757	-	-
Hire purchase receivables	(83,710)	(43,271)	-	-
Trade and other receivables	6,212	(1,932)	7,239	50,559
Trade and other payables	(12,275)	3,550	535	(133)
Current other investments	2,626	(27,963)	-	-
Cash generated from operations	59,480	47,227	87	45,452
Income taxes paid	(37,917)	(12,381)	(9,820)	(2,734)
Income taxes refund	-	1,523	-	1,523
Interest paid	(129)	(187)	(84)	(81)
Interest received	6,069	7,565	4,417	5,772
Retirement benefits paid	(125)	(186)	(1)	(52)
Retirement benefits transferred	-	-	243	41
Net cash generated from/(used in) operating activities	27,378	43,561	(5,158)	49,921

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities				
Dividends received from other investments	172	638	-	-
Dividends received from subsidiaries	-	-	35,012	7,541
Dividends received from associate	2,778	-	-	-
Proceeds from disposal of property, plant and equipment	411	362	3	-
Proceeds from disposal of investment in unquoted shares	989	-	-	-
Proceeds from disposal of long term investments	-	91,954	-	91,954
Purchase of property, plant and equipment	(10,926)	(15,272)	(275)	(319)
Net cash (used in)/generated from investing activities	(6,576)	77,682	34,740	99,176
Cash flows from financing activities				
Dividend paid to shareholders of the Company	(29,030)	(154,025)	(29,030)	(154,025)
(Repayment of)/Proceeds from bills payable	(828)	680	-	-
Net cash used in financing activities	(29,858)	(153,345)	(29,030)	(154,025)
Net (decrease)/increase in cash and cash equivalents	(9,056)	(32,102)	552	(4,928)
Cash and cash equivalents at beginning of year	171,263	203,365	423	5,351
Cash and cash equivalents at end of year	162,207	171,263	975	423

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	27,116	29,193	975	423
Deposits	137,214	142,361	-	-
Bank overdrafts	(2,123)	(291)	-	-
	162,207	171,263	975	423

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Notes to the financial statements

1. Summary of significant accounting policies

The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years.

(a) Basis of accounting

The financial statements of the Group and of the Company are prepared in compliance with applicable approved accounting standards in Malaysia other than the early adoption of the accounting policy on proposed dividend which is now recognised as a liability in the year it is approved by the shareholders in the general meeting, in accordance with MASB 19, Events after the Balance Sheet Date.

(b) Basis of consolidation

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 financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or reserve on consolidation as appropriate.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

(c) Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies.

The consolidated financial statements include the total recognised gains and losses of associates on an equity accounted basis from the date that significant influence effectively commences until the date that significant influence effectively ceases.

Unrealised profits arising on transactions between the Group and its associates which are included in the carrying amount of the related assets and liabilities are eliminated partially to the extent of the Group's interests in the associates. Unrealised losses on such transactions are also eliminated partially unless cost cannot be recovered.

(d) Property, plant and equipment

Property, plant and equipment except for freehold land are stated at cost/valuation less accumulated depreciation.

It is the Group's policy to state property, plant and equipment at cost. Revaluation of certain properties in 1984 was carried out primarily for the purpose of issuing bonus shares then in the Company and was not intended to effect a change in the accounting policy to one of revaluation of properties.

In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board ("MASB") on the adoption of International Accounting Standard ("IAS") No.16 (Revised) on "Property, Plant and Equipment", the valuations of these properties have not been updated and they continue to be stated at their existing carrying amounts less accumulated depreciation.

The Directors are of the opinion that the current market values of the revalued properties are no less than their net book values as at 31 December 2001.

Property, plant and equipment retired from active use and held for disposal are stated at the lower of net book value and net realisable value.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. In determining the recoverable amount of property, plant and equipment, expected future cash flows are discounted to their present values. The impairment loss is charged to the income statement, unless it reverses a previous revaluation, in which case it is charged to equity. Any subsequent increase in recoverable amount is reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred. Such subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

(e) Depreciation

Freehold land and work-in-progress are not amortised. Leasehold land is amortised in equal instalments over the period of the respective leases which range from 34 to 999 years while buildings are depreciated on a straight-line basis over the shorter of 50 years or the lease period. The straight-line method is used to write off the cost of the other assets over the term of their estimated useful lives at the following principal annual rates:

Plant, machinery and equipment	10% - 25%
Furniture, fixtures, fittings and office equipment	10% - 20%
Motor vehicles	10% - 20%

(f) Investments

Long term investments are stated at cost. Investments in certain subsidiaries are stated at valuation determined by the Directors based on the values of the underlying net tangible assets, after the revaluation of the properties of the subsidiaries, and was carried out primarily for the purpose as explained in Note 1(d). An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary.

Investment in money market instruments is stated at cost. An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of work-in-progress, manufactured inventories and locally assembled motor vehicles consist of materials, direct labour and an appropriate proportion of fixed and variable production overheads.

Cost of locally assembled motor vehicles, work-in-progress in respect of motor vehicles under assembly and unassembled vehicle packs are determined at standard cost adjusted for variances which approximates actual cost on a specific identification basis.

Cost of other raw materials, work-in-progress, manufactured inventories and trading inventories are determined mainly on the first in first out basis whilst spare parts are determined mainly on the weighted average basis.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

(i) Taxation

The tax expense in the income statement represents taxation at current tax rates based on profit earned during the year.

Deferred taxation is provided on the liability method for all timing differences except where no liability is expected to arise in the foreseeable future and there are no indications the timing differences will reverse thereafter. Deferred tax benefits are only recognised where there is a reasonable expectation of realisation in the near future.

(j) Retirement benefits

The Group and the Company operate an unfunded defined benefits scheme for employees who have completed a qualifying period of service. The benefits payable on retirement are based on a fixed percentage of the basic salaries of the employees less the statutory contribution to the Employees Provident Fund (“EPF”). A provision is made monthly for each employee regardless of whether the employee has completed the qualifying period of service. Should an employee leave before completing the qualifying period of service, the provision made for the employee is written back. No actuarial valuation has been conducted on the retirement benefits provision as the amount is insignificant to the Group and the Company. The Group and the Company have no obligation for the payment of retirement benefit beyond the amount provided.

(k) Foreign currency**(i) Foreign currency transactions**

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of the transactions.

(ii) Financial statements of foreign operations

The Group’s foreign operations are not considered an integral part of the Group’s operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Ringgit Malaysia at exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Ringgit Malaysia at average exchange rates applicable throughout the year. Foreign exchange differences arising on translation are recognised directly in equity.

The closing rates used in the translation of foreign currency monetary assets and liabilities and the financial statements of foreign operations are as follows:

1USD	RM3.80	(2000 : 1USD	RM3.80)
1HK\$	RM0.49	(2000 : 1HK\$	RM0.50)
1SGD	RM2.04	(2000 : 1SGD	RM2.18)
100Yen	RM2.88	(2000 : 100Yen	RM3.32)

(l) Revenue

i) Goods sold and services rendered

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from services rendered is recognised in the income statement as and when the services are performed.

ii) Hire purchase revenue

Hire purchase revenue is recognised in the income statement based on a pattern reflecting a constant periodic rate of return on the net investment outstanding at the end of each accounting period.

iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(m) Interest expense

All interest and other costs incurred in connection with borrowings are expensed as incurred.

(n) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

2. Property, plant and equipment

Group	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Furniture, fixtures, and office equipment RM'000	Motor vehicles RM'000	Work-in- progress RM'000	Total RM'000
<i>Cost/Valuation</i>									
Opening balance	65,000	76,741	5,130	92,012	71,027	32,851	12,056	1,851	356,668
Additions	-	-	160	568	1,625	1,726	2,421	4,426	10,926
Disposals	-	-	-	-	(83)	(215)	(1,238)	-	(1,536)
Transfers	-	-	-	-	3,562	563	12	(4,137)	-
Written off	-	-	-	-	(2,497)	(185)	(236)	(337)	(3,255)
Closing balance	65,000	76,741	5,290	92,580	73,634	34,740	13,015	1,803	362,803
<i>Representing items at:</i>									
Cost	23,683	15,923	4,652	41,560	73,634	34,740	13,015	1,803	209,010
Directors' valuation	41,317	60,818	638	51,020	-	-	-	-	153,793
	65,000	76,741	5,290	92,580	73,634	34,740	13,015	1,803	362,803
<i>Accumulated depreciation</i>									
Opening balance	-	13,198	1,494	39,237	52,778	27,149	8,819	-	142,675
Charge for the year	-	874	145	2,864	5,169	2,030	1,493	-	12,575
Disposals	-	-	-	-	(80)	(169)	(1,004)	-	(1,253)
Written off	-	-	-	-	(1,838)	(176)	(236)	-	(2,250)
Closing balance	-	14,072	1,639	42,101	56,029	28,834	9,072	-	151,747

Group	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Furniture, fixtures, and office equipment RM'000	Motor vehicles RM'000	Work-in- progress RM'000	Total RM'000
<i>Net book value</i>									
At 31 December 2001	65,000	62,669	3,651	50,479	17,605	5,906	3,943	1,803	211,056
At 31 December 2000	65,000	63,543	3,636	52,775	18,249	5,702	3,237	1,851	213,993
Depreciation charge for the year ended 31 December 2000	-	874	141	2,842	4,331	1,980	1,663	-	11,831

Company	Buildings RM'000	Furniture, fixtures, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
<i>Cost</i>				
Opening balance	690	448	897	2,035
Additions	-	65	210	275
Disposals	-	(29)	-	(29)
Closing balance	690	484	1,107	2,281
<i>Accumulated depreciation</i>				
Opening balance	96	364	303	763
Charge for the year	14	42	221	277
Disposals	-	(27)	-	(27)
Closing balance	110	379	524	1,013
<i>Net book value</i>				
At 31 December 2001	580	105	583	1,268
At 31 December 2000	594	84	594	1,272
Depreciation charge for the year ended 31 December 2000	13	45	180	238

Revaluation

Certain land and buildings are stated at Directors' valuation based on professional valuations on the existing use basis conducted in 1984.

The net book value of the revalued properties had they been stated at cost less accumulated depreciation calculated on original cost as required by Malaysian Accounting Standards Board ("MASB") Standard No. 15 on "Property, Plant and Equipment" is not shown as the records are not available since the revaluation was done in 1984.

The potential deferred tax liability relating to the increase in the carrying value of certain land and buildings upon their revaluation in 1984 is not shown as the amount is not material to the Group.

Titles

The titles to certain properties with a cost of RM1.94 million (2000 - RM1.94 million) have yet to be issued by the relevant authorities.

3. Investments in subsidiaries

	Company	
	2001	2000
	RM'000	RM'000
Unquoted shares		
At cost	135,289	135,289
At Directors' valuation in 1984	179,300	179,300
	<hr/>	<hr/>
	314,589	314,589
Less: Allowance for diminution in value	(6,272)	(6,724)
	<hr/>	<hr/>
	308,317	307,865
	<hr/> <hr/>	<hr/> <hr/>

Investments in certain subsidiaries are stated at Directors' valuation conducted in 1984 based on the net tangible assets value of the subsidiaries after the revaluation of their properties and was carried out primarily for the purpose as explained in Note 1(d).

4. Investments in associates

	Group	
	2001	2000
	RM'000	RM'000
Unquoted shares, at cost	625	625
Share of post-acquisition reserve	1,396	2,689
	<hr/>	<hr/>
	2,021	3,314
	<hr/>	<hr/>
Represented by:		
Group's share of net assets	2,021	3,314
	<hr/>	<hr/>

The associates of the Group, all of which are incorporated in Malaysia, are as follows:

Name of company	Principal activities	Effective ownership interest	
		2001	2000
		%	%
Autoscope Sdn. Bhd.	Ceased operation of export agency for automotive accessories during the year and since remained dormant	50	50
Structurflex Sdn. Bhd.	Manufacture of truck side curtains components	50	50
Ragib-TC Security Services Sdn. Bhd.	Dormant	50	50

5. Other investments

	Group	
	2001	2000
	RM'000	RM'000
<i>Long term</i>		
Unquoted shares	3,056	3,176
Less: Allowance for diminution in value	(1,249)	(1,368)
	1,807	1,808
	1,807	1,808
<i>Current</i>		
Investment in money market instruments	25,437	28,063
	25,437	28,063

6. Hire purchase receivables

	Group	
	2001	2000
	RM'000	RM'000
Hire purchase receivables	223,609	125,070
Less: Unearned interest	(34,365)	(19,881)
	189,244	105,189
Less: Allowance for doubtful debts	(1,526)	(1,181)
	187,718	104,008
	187,718	104,008
Less than one year	52,477	32,958
Between one and five years	135,241	71,050
	187,718	104,008
	187,718	104,008

7. Inventories

	Group	
	2001	2000
	RM'000	RM'000
Raw materials	9,435	12,708
Manufactured inventories, trading inventories and assembled motor vehicles	125,052	118,347
Work-in-progress	9,180	13,872
Unassembled vehicle packs	112,684	101,644
Spare parts and others	35,530	33,083
	291,881	279,654
	291,881	279,654

During the year, there was a reversal of a write down of inventories of RM5,233,072 (2000 – Nil). The reversal arose from an increase in net realisable value as a result of improving prices for commercial vehicles and spare parts during the year.

The following inventories are carried at net realisable value:

	Group	
	2001	2000
	RM'000	RM'000
Raw materials	1,459	4,111
Manufactured inventories, trading inventories and assembled motor vehicles	8,015	18,222
Unassembled vehicle packs	14,174	2,893
Spare parts and others	6,641	12,015
	<u>30,289</u>	<u>37,241</u>
	=====	=====

8. Trade and other receivables

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Trade receivables	100,979	112,438	-	-
Less: Allowance for doubtful debts	(9,582)	(10,459)	-	-
	<u>91,397</u>	<u>101,979</u>	<u>-</u>	<u>-</u>
Subsidiaries	-	-	184,456	191,666
Less: Allowance for doubtful debts	-	-	(2,207)	(2,142)
	-	-	182,249	189,524
Other receivables, deposits and prepayments	18,176	13,806	376	340
Less: Allowance for doubtful debts	(305)	(305)	-	-
	<u>17,871</u>	<u>13,501</u>	<u>376</u>	<u>340</u>
	<u>109,268</u>	<u>115,480</u>	<u>182,625</u>	<u>189,864</u>
	=====	=====	=====	=====

The amounts due from subsidiaries are in respect of advances that are unsecured, interest free and have no fixed term of repayment except for the amounts due from certain subsidiaries which are subject to interest at negotiated rates.

9. Cash and cash equivalents

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Cash and bank balances	27,116	29,193	975	423
Deposits	137,214	142,361	-	-
	<u>164,330</u>	<u>171,554</u>	<u>975</u>	<u>423</u>
	=====	=====	=====	=====
Deposits are placed with:				
Licensed banks	78,942	74,384	-	-
Licensed finance companies	29,387	32,996	-	-
Other corporations	28,885	34,981	-	-
	<u>137,214</u>	<u>142,361</u>	<u>-</u>	<u>-</u>
	=====	=====	=====	=====

10. Trade and other payables

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade payables	56,894	81,311	-	-
Other payables and accrued expenses	46,266	34,124	3,202	1,664
Subsidiaries	-	-	3,887	4,890
	<u>103,160</u>	<u>115,435</u>	<u>7,089</u>	<u>6,554</u>
	=====	=====	=====	=====

The amounts due to subsidiaries are in respect of advances that are unsecured, interest free and have no fixed term of repayment except for the amounts due to certain subsidiaries which are subject to interest at negotiated rates.

11. Borrowings

	Group	
	2001 RM'000	2000 RM'000
Current		
Bank overdrafts	2,123	291
Bills payable (unsecured)	304	1,132
	<u>2,427</u>	<u>1,423</u>
	=====	=====

The bank overdrafts and bills payable of the Group are subject to interest at 3.20% to 7.30% (2000 - 3.45% to 7.55%) per annum. The bank overdrafts are secured by a negative pledge over the current and future assets of a subsidiary.

12. Share capital

	Group and Company	
	2001	2000
	RM'000	RM'000
Ordinary shares of RM0.50 each		
Authorised	500,000	500,000
	=====	=====
Issued and fully paid	336,000	336,000
	=====	=====

13. Reserves

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all of its reserves at 31 December 2001 if paid out as dividends.

14. Minority shareholders' interests

This consists of the minority shareholders' proportion of share capital and reserves of subsidiaries.

15. Operating profit before exceptional item

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Revenue				
Sale of goods	1,442,111	1,124,749	-	-
Services rendered	43,642	49,117	298	292
Hire purchase income	14,832	9,775	-	-
Dividend income	-	-	35,012	7,541
	-----	-----	-----	-----
	1,500,585	1,183,641	35,310	7,833
	-----	-----	-----	-----
Cost of sales				
Sale of goods	(1,210,374)	(957,534)	-	-
Services rendered	(19,250)	(28,316)	-	-
	-----	-----	-----	-----
	(1,229,624)	(985,850)	-	-
	-----	-----	-----	-----
Gross profit	270,961	197,791	35,310	7,833
Distribution costs	(73,702)	(59,804)	-	-
Administration expenses	(44,437)	(36,778)	(8,330)	(5,572)
Other operating expenses	(13,890)	(7,793)	(70)	(14)
Other operating income	6,742	39,369	454	33,211
	-----	-----	-----	-----
Operating profit	145,674	132,785	27,364	35,458
Less: Exceptional item (Note 17)	-	(32,433)	-	(32,433)
	-----	-----	-----	-----
Operating profit before exceptional item	145,674	100,352	27,364	3,025
	=====	=====	=====	=====

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Operating profit before exceptional item is arrived at after crediting:				
Gross dividends from:				
Unquoted subsidiaries	-	-	35,012	7,541
Unquoted investments	172	638	-	-
Gain on disposal of investment in unquoted shares	869	-	-	-
Gain on disposal of property, plant and equipment	128	98	1	-
Gain on foreign exchange - realised	1,258	-	-	-
Inventory written back	5,233	-	-	-
Rental income on land and buildings	2,556	2,444	178	55
Reversal of allowance for:				
Diminution in value of investments	119	-	452	775
Doubtful debts	1,142	3,737	-	-
Slow moving inventories	-	7,793	-	-
	=====	=====	=====	=====
and after charging:				
Auditors' remuneration				
- current year provision	259	246	33	32
- underprovision in prior year	12	19	3	1
Allowance for doubtful debts	739	1,029	65	-
Bad debts written off	10	26	-	-
Company's Directors				
Remuneration	6,216	5,328	4,979	4,168
Fees	114	84	114	84
Depreciation	12,575	11,831	277	238
Inventories written down	1,174	4,257	-	-
Inventories written off	222	1,885	-	-
Loss of foreign exchange - realised	-	387	-	-
- unrealised	573	83	-	-
Property, plant and equipment written off	1,005	1,052	-	-
Provision for retirement benefits	888	587	137	79
Rental expense on land and buildings	3,482	3,134	430	317
	=====	=====	=====	=====

The estimated monetary value of Directors' benefits-in-kind of the Group and of the Company are RM77,090 (2000 - RM86,000) and RM77,090 (2000 - RM86,000) respectively.

16. Employee information

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Staff costs	71,574	61,688	6,472	5,585
	=====	=====	=====	=====

The number of employees of the Group and of the Company (including Directors) at the end of the year was 2,341 (2000 - 2,385) and 18 (2000 - 20) respectively.

17. Exceptional item

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Surplus arising from the disposals of shares in Warisan TC Holdings Berhad ("WTCH") and APM Automotive Holdings Berhad ("APM")	15	-	32,433	-	32,433
		=====	=====	=====	=====

18. Tax expense

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Current tax expense	43,348	24,573	9,803	2,893
Overprovision in prior years	(1,627)	(1,085)	(1,500)	(1,082)
	-----	-----	-----	-----
	41,721	23,488	8,303	1,811
Deferred tax expense	(370)	(98)	-	-
Tax expense on share of profit of associates	32	9	-	-
	-----	-----	-----	-----
	41,383	23,399	8,303	1,811
	=====	=====	=====	=====

Subject to agreement by the Inland Revenue Board, the Group and the Company have potential deferred tax benefits not taken up in the financial statements under the liability method in respect of the following items:

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Unutilised tax losses	8,555	18,038	-	-
Other timing differences	23,919	28,154	1,957	1,622
	=====	=====	=====	=====

19. Earnings per ordinary share - Group

Basic earnings per share

The calculation of basic earnings per share including exceptional item is based on the net profit attributable to shareholders of RM108.759 million (2000 - RM114.490 million) and the number of ordinary shares in issue during the year of 672 million (2000 - 672 million).

Using the same number of ordinary shares in issue during the year, the supplementary information presented for basic earnings per share excluding exceptional item is calculated as follows:

	2001	2000	2001	2000
	RM'000	RM'000	Sen per share	
Net profit for the year	108,759	114,490	16.2	17.0
Exceptional item less taxation (Note 17)	-	(32,433)	-	(4.8)
	<hr/>	<hr/>	<hr/>	<hr/>
Net profit excluding exceptional item	108,759	82,057	16.2	12.2
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

20. Dividends

	Group and Company	
	2001	2000
	RM'000	RM'000
Ordinary		
Special:		
Special Dividend in Cash (Dividend No. V)	-	91,956
Interim:		
6% per share less tax		
(2000 - 5% per share less tax)	14,515	12,096
Final proposed:		
8% per share less tax (2000 - 6% per share less tax)	19,354	14,515
	<hr/>	<hr/>
	33,869	118,567
	<hr/> <hr/>	<hr/> <hr/>

Proposed final dividend

The proposed final dividend has not been accounted for in the financial statements.

Dividend per share

Ordinary dividend

The calculation of dividend per share is based on the gross dividend for the financial year ended 31 December 2001 of RM47.040 million (2000 - RM36.960 million) and the number of ordinary shares in issue during the year of 672 million (2000 - 672 million).

Special dividend

The calculation of dividend per share is based on the gross dividend for the financial year ended 31 December 2001 of Nil (2000 - RM127.717 million) and the number of ordinary shares in issue during the year of 672 million (2000 - 672 million).

21. Segmental information

Segmental reporting is not disclosed as required by International Accounting Standard (“IAS”) No. 14 on “Reporting Financial Information By Segment” as the Group predominantly assembles and sells motor vehicles in Malaysia.

22. Contingent liabilities - unsecured

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Guarantees relating to borrowings of:				
- subsidiaries	-	-	-	180
- third parties	-	9	-	-
Compensation claim on breach of contract	46	46	-	-
	<u>46</u>	<u>55</u>	<u>-</u>	<u>180</u>
	=====	=====	=====	=====
The gross amount of the guarantees relating to borrowings is as follows:				
- subsidiaries	-	-	-	5,000
- third parties	-	2,400	-	-
	<u>-</u>	<u>2,400</u>	<u>-</u>	<u>5,000</u>
	=====	=====	=====	=====

23. Commitments

	Group	
	2001 RM'000	2000 RM'000
Capital commitments:		
Property, plant and equipment		
Authorised but not contracted for	1,300	50,092
Contracted but not provided for in the financial statements	1,617	647
	<u>2,917</u>	<u>50,739</u>
	=====	=====

24. Related parties

Controlling related party relationships are as follows:

- i) The subsidiaries are disclosed in Note 25.
- ii) The substantial shareholder of the Company, Tan Chong Consolidated Sdn. Bhd.

Transactions with related parties

- i) Significant transactions with WTCH and APM Groups, companies in which certain Directors of the Company, namely Dato' Tan Kim Hor, Dato' Tan Heng Chew and Tan Eng Soon are deemed to have substantial financial interests, are as follows:

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
With WTCH Group				
Purchases	1,634	1,679	-	-
Sales	(3,732)	(4,197)	-	-
Rental expense payable	665	689	-	-
Rental income receivable	(463)	(433)	-	-
	=====	=====	=====	=====
With APM Group				
Purchases	77,070	65,113	-	-
Sales	(455)	(334)	-	-
Rental income receivable	(962)	(936)	-	-
Interest income receivable	-	(514)	-	(151)
	=====	=====	=====	=====

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

- ii) Significant transactions with Tan Chong International Limited and its subsidiaries, companies in which certain Directors of the Company, namely Dato' Tan Kim Hor, Dato' Tan Heng Chew and Tan Eng Soon are deemed to have substantial financial interests, are as follows:

	Group	
	2001	2000
	RM'000	RM'000
Purchases	155	145
Sales	(3,350)	(5,957)
	=====	=====

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

- iii) Significant transactions with Nissan Motor Co. Limited, who is a substantial shareholder of the Company, and its subsidiaries and associates, are as follows:

	Group	
	2001	2000
	RM'000	RM'000
Purchases	423,448	326,412
Sales	(14,439)	(26,645)
Purchase of property, plant and equipment	4,274	3,118
Technical fees expense payable	2,486	2,706
	=====	=====

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

- iv) Significant transactions with Auto Dunia Sdn. Bhd.:
- a) a company in which certain Directors of the Company, namely Ahmad bin Abdullah and Azman bin Badrillah have substantial financial interests; and
 - b) a company connected to certain Directors of the Company, namely Dato' Tan Kim Hor, Dato' Tan Heng Chew and Tan Eng Soon by virtue of Section 122A of the Companies Act, 1965.

	Group	
	2001	2000
	RM'000	RM'000
Sales	1,532	7,439
	=====	=====

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

- v) Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	Company	
	2001	2000
	RM'000	RM'000
Subsidiaries		
Gross dividends receivable	(35,012)	(7,541)
Interest income receivable	(4,417)	(4,468)
Management fees receivable	(180)	(174)
Rental expense payable	422	306
Interest expense payable	84	81
	=====	=====

25. Companies in the Group

The principal activities of the companies in the Group, their places of incorporation and the interest of the Company are shown below:

Name	Principal activities	Effective ownership interest	
		2001 %	2000 %
Incorporated in Malaysia:			
Autokita Sdn. Bhd.	Insurance agency	100	100
Auto Blend Sdn. Bhd.	Blending of battery water and brake fluid	100	100
Auto Components Manufacturers Sdn. Bhd.	Property holding	100	100
Auto Infiniti Sdn. Bhd.	Distribution of auto accessories	100	100
Ceranamas Sdn. Bhd.	Property and investment holding	100	100
Cyberguard Vehicle Security Technologies Sdn. Bhd.	Trading and marketing of car alarms	100	100
Edaran Tan Chong Motor Sdn. Bhd.	Distribution of motor vehicles	100	100
Hikmat Asli Sdn. Bhd.	Property holding	100	100
Pemasaran Alat Ganti Sdn. Bhd.	Distribution of automotive spare parts	100	100
Perwiramas Sdn. Bhd.	Investment holding	100	100
Rustcare Sdn. Bhd.	Rust proofing	100	100
Sungei Bintang Sdn. Bhd.	Property holding	100	100
Tan Chong & Sons Motor Company Sdn. Bhd.	Distribution of motor vehicles and hire purchase financing	100	100
Tan Chong Agency Sdn. Bhd.	Insurance agency and property holding	100	100
Tan Chong Ekspres Auto Servis Sdn. Bhd.	Automotive workshop services	100	100
Tan Chong Industrial Equipment (Sabah) Sdn. Bhd.	Distribution of commercial vehicles, heavy equipment and machineries	100	100
Tan Chong Industrial Equipment Sdn. Bhd.	Distribution of commercial vehicles	100	100

Name	Principal activities	Effective ownership interest	
		2001 %	2000 %
Incorporated in Malaysia:			
Tan Chong Motor Assemblies Sdn. Bhd.	Assembly of motor vehicles and trading of parts	70	70
Tan Chong Trading (Malaysia) Sdn. Bhd.	Distribution of automotive parts and accessories	100	100
Tanahku Holdings Sdn. Bhd.	Property holding	100	100
TC Auto Tooling Sdn. Bhd.	Fabrication of jigs and engineering services	100	100
TC Motors (Sarawak) Sdn. Bhd.	Distribution of commercial vehicles, heavy equipment and machineries	100	100
TCCL Sdn. Bhd.	Insurance agency	100	100
TCM Stamping Products Sdn. Bhd.	Manufacture of automotive press metal parts	100	100
Truckquip Sdn. Bhd.	Distribution of automotive spare parts and construction of vehicle bodies	100	100
TC Hartanah Sdn. Bhd.	Property holding	100	100
Vincus Holdings Sdn. Bhd.	Investment holding	100	100
West Anchorage Sdn. Bhd.	Investment holding	100	100
Auto Research and Development Sdn. Bhd.	Dormant	100	100
Auto Trucks & Components Sdn. Bhd.	Dormant	100	100
Fujiyama Car Cooler Sdn. Bhd.	Dormant	100	100
Motor Image Enterprises Sdn. Bhd.	Dormant	100	100
Perusahaan Komponen Kenderaan Sdn. Bhd.	Dormant	100	100
TC Capital Sdn. Bhd. (Formerly known as TCRG Sdn. Bhd.)	Dormant	100	100
TC Vehicle Projects Sdn. Bhd. (Formerly known as TCM Accessories Sdn. Bhd.)	Dormant	100	100

Name	Principal activities	Effective ownership interest	
		2001 %	2000 %
Incorporated in the British Virgin Islands:			
* Nissan TCM Pty. Ltd.	Investment holding	75	75
Incorporated in Vietnam:			
** Nissan TCM Vietnam Co. Ltd.	Dormant	56	56
* Company not required to be audited and consolidated using management financial statements.			
** Company not audited by KPMG and consolidated using management financial statements.			

The Company's shareholdings in non-wholly owned subsidiaries are as follows:

	At 1.1.2001	Acquired	Sold	At 31.12.2001
Ordinary shares of RM1.00 each:				
Tan Chong Motor Assemblies Sdn. Bhd.	700,000	-	-	700,000
Ordinary shares of USD1.00 each:				
Nissan TCM Pty. Ltd.	941,250	-	-	941,250
Paid-up capital in USD				
Nissan TCM Vietnam Co. Ltd.	369,554	-	-	369,554