



TAN CHONG MOTOR HOLDINGS BERHAD
(Company No: 12969-P)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2012

	INDIVIDUAL/CUMULATIVE QUARTER	
	(Unaudited)	(Unaudited)
	Current	Preceding
	Year	Year
	Quarter	Corresponding
	31.03.2012	31.03.2011
	RM'000	RM'000
Revenue	982,599	1,131,742
Operating profit	51,888	108,511
Interest expense	(9,261)	(6,501)
Interest income	3,357	2,543
Share of profit of associates	203	599
Profit before taxation	46,187	105,152
Tax expense	(14,491)	(31,597)
Profit for the period	31,696	73,555
Attributable to:		
Equity holders of the Company	31,670	74,080
Non-controlling interests	26	(525)
	31,696	73,555
Earning per share (sen)		
(a) Basic	4.85	11.35
(b) Fully diluted	N/A	N/A

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011.



TAN CHONG MOTOR HOLDINGS BERHAD
(Company No: 12969-P)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE QUARTER ENDED 31 MARCH 2012**

INDIVIDUAL/CUMULATIVE QUARTER

	(Unaudited)	(Unaudited)
	Current	Preceding
	Year	Year
	Quarter	Corresponding
	31.03.2012	Quarter
	RM'000	31.03.2011
		RM'000
Profit for the period	31,696	73,555
Foreign currency translation differences for foreign operations	(1,124)	(195)
Cash flow hedge	2,429	(63)
Other comprehensive income for the period, net of tax	1,305	(258)
Total comprehensive income for the period	33,001	73,297
Total comprehensive income attributable to:		
Equity holders of the Company	32,975	73,822
Non-controlling interests	26	(525)
Total comprehensive income for the period	33,001	73,297

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011.



TAN CHONG MOTOR HOLDINGS BERHAD
(Company No: 12969-P)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

	(Unaudited) As at 31.03.2012 RM'000	(Restated) As at 31.12.2011 RM'000	(Restated) As at 01.01.2011 RM'000
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	690,412	675,779	618,388
Investment properties	17,536	17,558	10,490
Prepaid lease payments	14,797	11,357	-
Investments in associates	19,994	19,791	18,920
Other investments	1,807	1,807	1,807
Deferred tax assets	19,372	14,520	12,090
Hire purchase receivables	440,649	386,788	284,554
Intangible assets	14,448	14,448	14,191
Long term receivables	2,873	1,440	3,945
	1,221,888	1,143,488	964,385
<u>Current assets</u>			
Other investments	195,466	194,064	289,936
Hire purchase receivables	131,448	107,038	54,276
Receivables, deposits and prepayments	343,187	299,584	277,922
Current tax assets	11,128	7,642	3,310
Inventories	1,001,229	959,996	1,005,333
Derivative assets	4,570	463	769
Cash and cash equivalents	438,418	324,634	150,088
	2,125,446	1,893,421	1,781,634
TOTAL ASSETS	3,347,334	3,036,909	2,746,019



TAN CHONG MOTOR HOLDINGS BERHAD
(Company No: 12969-P)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012 (continued)

	(Unaudited) As at 31.03.2012 RM'000	(Restated) As at 31.12.2011 RM'000	(Restated) As at 01.01.2011 RM'000
EQUITY AND LIABILITIES			
<u>Equity</u>			
Share capital	336,000	336,000	336,000
Reserves	1,562,625	1,529,650	1,371,376
Treasury shares	(24,786)	(24,786)	(24,778)
Total equity attributable to equity holders of the Company	1,873,839	1,840,864	1,682,598
Non-controlling interests	8,336	8,310	8,639
Total equity	1,882,175	1,849,174	1,691,237
<u>Non-current liabilities</u>			
Deferred tax liabilities	21,346	20,075	23,313
Borrowings	380,000	280,000	354,167
Employee benefits	37,361	36,272	31,667
	438,707	336,347	409,147
<u>Current liabilities</u>			
Payables and accruals	380,820	326,113	287,082
Borrowings	637,965	520,026	352,384
Derivative liabilities	1,678	-	1
Taxation	5,989	5,249	6,168
	1,026,452	851,388	645,635
Total liabilities	1,465,159	1,187,735	1,054,782
TOTAL EQUITY AND LIABILITIES	3,347,334	3,036,909	2,746,019
Net assets per share attributable to equity holders of the Company (RM)	2.88	2.82	2.58

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011.



TAN CHONG MOTOR HOLDINGS BERHAD
(Company No: 12969-P)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2012**

	-----Attributable to Equity Holders of the Company-----								Non-controlling interests	Total equity
	-----Non-Distributable-----				-----Distributable-----					
	Share capital	Treasury shares	Translation reserves	Hedging reserves	Capitalisation of retained earnings	Retained earnings	Total	Non-controlling interests	Total equity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
(Restated)										
At 01.01.2011	336,000	(24,778)	(3,128)	769	100	1,373,635	1,682,598	8,639	1,691,237	
Total comprehensive income for the period	-	-	(195)	(63)	-	74,080	73,822	(525)	73,297	
At 31.03.2011	336,000	(24,778)	(3,323)	706	100	1,447,715	1,756,420	8,114	1,764,534	
(Restated)										
At 01.01.2012	336,000	(24,786)	(1,215)	463	100	1,530,302	1,840,864	8,310	1,849,174	
Total comprehensive income for the period	-	-	(1,124)	2,429	-	31,670	32,975	26	33,001	
At 31.03.2012	336,000	(24,786)	(2,339)	2,892	100	1,561,972	1,873,839	8,336	1,882,175	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011.



TAN CHONG MOTOR HOLDINGS BERHAD
(Company No: 12969-P)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2012

INDIVIDUAL/CUMULATIVE QUARTER

	(Unaudited) For the 3 months ended 31.03.2012 RM'000	(Unaudited) For the 3 months ended 31.03.2011 RM'000
Cash flows from operating activities		
Profit before tax	46,187	105,152
Adjustment for:		
Non-cash and non-operating items	20,823	21,426
Operating (loss)/profit before working capital changes	67,010	126,578
Changes in working capital		
Inventories	(41,192)	126,490
Hire purchase receivables	(77,958)	(94,458)
Receivables, deposits and prepayments	(54,417)	(83,989)
Payables and accruals	53,591	38,076
Cash (used in)/generated from operations	(52,966)	112,697
Tax paid	(20,819)	(32,159)
Interest paid	(5,903)	(3,958)
Employee benefits paid	(199)	(98)
Net cash (used in)/generated from operating activities	(79,887)	76,482
Cash flows from investing activities		
Acquisition of property, plant and equipment	(29,927)	(57,818)
Acquisition of prepaid lease payment	(3,585)	-
Dividend received from associate	-	100
Acquisition of other investments	(1,405)	(1,891)
Proceeds from disposal of property, plant and equipment	10,649	3,139
Proceeds from disposal of other investments	-	100,000
Net cash (used in)/generated from investing activities	(24,268)	43,530



TAN CHONG MOTOR HOLDINGS BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2012 (continued)

	INDIVIDUAL/CUMULATIVE QUARTER	
	(Unaudited) For the 3 months ended 31.03.2012	(Unaudited) For the 3 months ended 31.03.2011
	RM'000	RM'000
Cash flows from financing activities		
Proceeds from/(repayment of) bills payable	61,611	(114,961)
Proceeds from term loans and revolving credit	156,922	49,093
Net cash generated from/(used in) financing activities	218,533	(65,868)
Net increase in cash and cash equivalents	114,378	54,144
Cash and cash equivalents at beginning of the period	324,040	143,564
Cash and cash equivalents at end of the period	438,418	197,708
Cash and cash equivalents in the statements of cash flow comprise:		
Cash and bank balances	202,956	73,553
Deposits with licensed banks	235,462	124,155
	438,418	197,708

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011.

A) Explanatory notes as per Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting

1. Basis Of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134 *Interim Financial Reporting* in Malaysia and with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2011.

The consolidated financial statements of the Group as at and for the year ended 31 December 2011 were prepared under Financial Reporting Standards (FRSs).

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. The impact of the transition from FRS to MFRS is described in Note 2 below.

2. Changes In Accounting Policies

Except as described below, the accounting policies adopted by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 31 December 2011.

Application of MFRS 1

The Group has availed itself to the transitional provision issued by the Malaysian Accounting Standards Board (MASB) on the first adoption of IAS 16, *Property, plant and equipment* in 1998. No later valuation has been recorded for these properties.

Upon transition to MFRSs, the Group elected to apply the optional exemption to use that previous revaluation as deemed cost under MFRSs. The revaluation reserve of RM23,000 at 1 January 2011, 31 March 2011 and 31 December 2011 was reclassified to retained earnings.

The reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

Reconciliation of equity as at 1 January 2011

	FRS as at 01.01.2011	Reclassification	MFRS as at 01.01.2011
	RM'000	RM'000	RM'000
Surplus on revaluation of properties	23	(23)	-
Retained earnings	1,373,612	23	1,373,635

Reconciliation of equity as at 31 March 2011

	FRS as at 31.03.2011	Reclassification	MFRS as at 31.03.2011
	RM'000	RM'000	RM'000
Surplus on revaluation of properties	23	(23)	-
Retained earnings	1,447,692	23	1,447,715

A) Explanatory notes as per Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting

2. Changes In Accounting Policies (continued)

Application of MFRS 1 (continued)

Reconciliation of equity as at 31 December 2011

	FRS as at 31.12.2011 RM'000	Reclassification RM'000	MFRS as at 31.12.2011 RM'000
Surplus on revaluation of properties	23	(23)	-
Retained earnings	1,530,279	23	1,530,302

There are no material differences between the statements of total comprehensive income and cash flows presented under MFRSs and the statements of total comprehensive income and cash flows presented under FRSs.

MFRSs, Amendments to MFRSs and IC Interpretations issued but not yet effective

The following MFRSs, Amendments to MFRSs and IC Interpretations have been issued but are not yet effective, and have yet to be adopted by the Group:-

Effective for annual periods commencing on or after 1 July 2012:-

- Amendments to MFRS 101 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

Effective for annual periods commencing on or after 1 January 2013:-

- MFRS 10 *Consolidated Financial Statements*
- MFRS 11 *Joint Arrangements*
- MFRS 12 *Disclosures of Interests in Other Entities*
- MFRS 13 *Fair Value Measurement*
- MFRS 119 *Employee Benefits*
- MFRS 127 *Separate Financial Statements*
- MFRS 128 *Investments in Associates and Joint Ventures*
- IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to MFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*

Effective for annual periods commencing on or after 1 January 2014:-

- Amendments to MFRS 132 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

Effective for annual periods commencing on or after 1 January 2015:-

- MFRS 9 *Financial Instruments (2009)*
- MFRS 9 *Financial Instruments (2010)*

A) Explanatory notes as per Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting

3. Audit Qualifications

There were no audit qualifications in the annual financial statements for the year ended 31 December 2011.

4. Seasonal Or Cyclical Factors

During the quarter, the business of the Group had not been affected by any significant seasonal or cyclical factors, apart from the general economic environment in which it operated.

5. Unusual Items

There were no unusual items that have a material effect on the assets, liabilities, equity, net income or cash flow for the period.

6. Material Changes In Estimates

There were no material changes in estimates of amounts reported in prior financial year.

7. Debt And Equity Securities

There was no repurchase of issued ordinary shares from the open market during the quarter. Cumulative total number of shares repurchased at the end of the quarter was 19,183,000. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Under the Group's Asset-Backed Medium Term Notes ("MTN") Program, the Group has redeemed RM53.0 million nominal value of Class A MTN during the quarter. The outstanding nominal value of MTN comprising Class A, Class B and Class C is RM537.75 million at the end of the financial quarter.

Save for the above, there were no other issuance and repayment of debt securities, share cancellation and resale of treasury shares during the period.

8. Dividend Paid

No dividends were paid during the quarter ended 31 March 2012.

A) Explanatory notes as per Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting

9. Segmental Reporting

For the financial year ended 31 March 2012

	Vehicles assembly, manufacturing, distribution and after sale services		Financial services		Other operations		Total	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	971,995	1,122,067	9,860	8,817	744	858	982,599	1,131,742
Inter-segment revenue	391	4,462	1,295	696	12,821	4,990	14,507	10,148
Segment EBITDA*	67,832	125,963	5,227	6,193	1,237	(2,821)	74,296	129,335

*Segment earnings before interest, taxation, depreciation and amortisation

Reconciliation of reportable segment profit or loss:

	31.03.2012	31.03.2011
	RM'000	RM'000
Total EBITDA for reportable segments	74,296	129,335
Depreciation and amortisation	(16,704)	(15,985)
Interest expense	(9,261)	(6,501)
Interest income	3,357	2,543
Share of profit of associates not included in reportable segments	203	599
Unallocated corporate expenses	(5,704)	(4,839)
Consolidated profit before tax	46,187	105,152

10. Valuation Of Property, Plant And Equipment

The valuation of property, plant and equipment were brought forward without amendment from the annual financial statements for the year ended 31 December 2011.

11. Material Subsequent Event

There has not arisen in the interval between the end of this reporting period and the date of this announcement, any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group.

A) Explanatory notes as per Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting

12. Changes In Composition Of The Group

During the quarter under review, the Group had incorporated in Malaysia the following wholly-owned subsidiaries:

No.	Name of Subsidiary	Date of Incorporation	Intended Principal Activity
(i)	TC Automotive Electronics Sdn Bhd	13-Feb-12	Trading, assembling and manufacturing of automotive electronics components and systems
(ii)	TC Module Integrator Sdn Bhd	22-Feb-12	Manufacture and sale of automotive parts and modules
(iii)	TC Manufacturing (Labuan) Pte Ltd	30-Mar-12	Investment holding
(iv)	TCMSC (Labuan) Pte Ltd	30-Mar-12	Investment holding

13. Changes In Contingent Liabilities Or Contingent Assets

There were no material changes in contingent liabilities or contingent assets since the last annual financial period.

14. Capital Commitments Outstanding Not Provided For In The Interim Financial Report

	31.03.2012	31.03.2011
	RM'000	RM'000
Property, plant and equipment		
Authorised and contracted for		
In Malaysia	34,647	33,481
Outside Malaysia	11,135	5,111
Authorised but not contracted for		
In Malaysia	154,229	170,436
Outside Malaysia	72,217	40,313
	<u>272,228</u>	<u>249,341</u>

A) Explanatory notes as per Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting

15. Significant Related Party Transactions

- (a) Significant transactions with Warisan TC Holdings Berhad (WTCH) and APM Automotive Holdings Berhad (APM) Groups, companies in which certain Directors of the Company, namely Dato' Tan Heng Chew and Tan Eng Soon, are deemed to have substantial financial interests, are as follows:

	Individual/Cumulative Quarter	
	31.03.2012	31.03.2011
	RM'000	RM'000
With WTCH Group		
Sales	8,567	9,914
	<u>8,567</u>	<u>9,914</u>
With APM Group		
Purchases	23,885	56,316
	<u>23,885</u>	<u>56,316</u>

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

- (b) Significant transactions with Nissan Motor Co. Limited Group, Japan, a substantial shareholder of the Company, are as follows:

	Individual/Cumulative Quarter	
	31.03.2012	31.03.2011
	RM'000	RM'000
Purchases	387,825	281,758
	<u>387,825</u>	<u>281,758</u>

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

- (c) Significant transactions with Auto Dunia Sdn. Bhd., a company connected to certain Directors of the Company, namely Dato' Tan Heng Chew and Tan Eng Soon by virtue of Section 122A of the Companies Act, 1965, are as follows:

	Individual/Cumulative Quarter	
	31.03.2012	31.03.2011
	RM'000	RM'000
Purchases	7,074	58,870
	<u>7,074</u>	<u>58,870</u>

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

B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Analysis Of Performance Of All Operating Segments

Tan Chong's momentum has slowed significantly since Q1 2011. Our bottom-line has more or less halved from the peak a year ago. Earthquakes, floods, tighter credit have significantly cut supply and demand. Revenue for the Group decreased by 13.2% from RM1,132 million to RM982 million and Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA) decreased by 42.6% from RM129 million to RM74 million (as reflected in Note A9).

a) Vehicle Assembly, Manufacturing, Distribution & After Sales Service (automotive)

For the quarter automotive division recorded RM972million in revenue, a decrease of 13.4% compared to RM1,122million for previous year same quarter and segment EBITDA of RM67.8million a decrease of 46.1% compared to RM126.0million for previous year same quarter.

The decrease in both top and bottom-line is due to stock constraints in popular models (such as Navarra, Grand Livina and Livina X-Gear) coupled with high selling costs. Credit growth is tighter compared to a year ago as per Bank Negara policy guidelines and we had to work harder and campaign more to cushion lower loan approvals and a weaker used car market. Operating margins fell from 9.5% to 5.2% in an intense market place.

b) Financial Services (hire purchase and insurance)

The financial services division recorded revenue of RM9.9million for first quarter 2012, an increase of RM1.1million (11.8%) compared to previous year same quarter of RM8.8million driven by higher sales in general insurance during the quarter. EBITDA on the other hand reduced by 15.6% for the first quarter 2012 to RM5.2million compared to preceding year same quarter of RM6.2 million due to lower hire purchase yields in an environment flushed with liquidity. As at 31st March 2012, hire purchase receivables stood at RM572million.

c) Other Operations (investments and properties)

Revenue from other operations for the first quarter 2012 is at RM0.7million compared to RM0.9million in the previous year same quarter and EBITDA for the first quarter 2012 is at RM1.2million compared to loss of RM2.8million in the previous year same quarter with lower expenses for upkeep of properties.

2. Comparison With Preceding Quarter's Results

Comparing to 4th Quarter of 2011, both our top line and bottom line (Profit After Taxation) has increased marginally by 11.6% and 3% respective. EBIDTA, on the other hand has dropped by 3.9%.

a) Vehicle Assembly, Manufacturing, Distribution & After Sales Service (automotive)

For the quarter automotive division recorded RM972million in revenue, an increase of 11.8% compared to RM869million for preceding quarter and segment EBITDA of RM67.8million a decrease of 7.8% compared to RM73.6million for preceding quarter with increase of 23.6% in sales volume. The decrease in EBITDA was due to lower sales mix of vehicles and also higher direct selling costs.

B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

2. Comparison With Preceding Quarter's Results (continued)

b) Financial Services (hire purchase and insurance)

The financial services division recorded revenue of RM9.9million for first quarter 2012, an increase RM1.8million (21%) compared to preceding quarter of RM8.1million. EBITDA for the first quarter 2012 was at RM5.2million compared to preceding quarter of RM2.2million. The improved performance is in tandem with the higher number of hire purchase cases secured.

c) Other Operations (investments and properties)

Revenue from other operations for the first quarter 2012 is at RM0.7million compared to RM2.4million in the preceding quarter and EBITDA for the first quarter 2012 is at RM1.2million compared to RM1.5million in the preceding quarter due to lower management fees charged to related companies.

3. Current Year Prospects

The slowdown itself, however, should not be viewed as a bad thing. Our company is extending its geographic reach regionally and our product pipeline is broadening to address a larger and more integrated ASEAN. We are building a robust and more geographically dispersed supply chain in Indochina, which has led to higher intrinsic cost increases to cover a wider footprint. In a stabilized situation where inventories have been rebuilt throughout the chain to normal levels, we can anticipate a scaleable recovery. Barring any unforeseen circumstances, we expect our vehicle sales would exceed the industry growth with the planned launch of a B sedan (a segment currently unrepresented) in addition to the introduction of selected CBU models selling well in various ASEAN markets.

B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

4. Comparison With Profit Forecast

This is not applicable to the Group.

5. Taxation

	Individual/Cumulative Quarter	
	31.03.2012	31.03.2011
	RM'000	RM'000
Current year	19,238	31,384
Prior year	(1,165)	54
Deferred tax	(3,582)	159
	<u>14,491</u>	<u>31,597</u>

The effective tax rate of the Group for the current quarter is higher than the statutory rate of 25% due to certain expenses disallowed for tax purposes and absence of full group relief.

6. Status Of Corporate Proposals

There were no corporate proposals announced but not completed as at reporting date.

7. Group Borrowings

Group borrowings, all denominated in Ringgit Malaysia, as at the end of the reporting period are as follows:

	31.03.2012
	RM'000
Unsecured :	
- Bills payable	177,697
- Revolving credit	389,226
- Short term loan	71,042
- Long term loan	380,000
Total borrowings	<u>1,017,965</u>
Comprising :	
Amount repayable within one year	637,965
Amount repayable after one year	380,000
	<u>1,017,965</u>

B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

8. Realised And Unrealised Profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

	31.03.2012	31.12.2011
	RM'000	RM'000
Total retained profits of Tan Chong Motor Holdings Bhd and its subsidiaries:		
- Realised	1,741,635	1,709,945
- Unrealised loss	(18,978)	(19,520)
	<u>1,722,657</u>	<u>1,690,425</u>
Total share of retained profits from associated companies:		
- Realised	5,994	5,794
- Unrealised profit	3	-
	<u>5,997</u>	<u>5,794</u>
Total Group retained profits before consolidation adjustments	1,728,654	1,696,219
Less: Consolidation adjustments	(166,682)	(165,917)
Total Group retained profits as per consolidated accounts	<u>1,561,972</u>	<u>1,530,302</u>

The determination of realised and unrealised profits is based on the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), issued by Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

9. Changes In Material Litigation

Tan Chong & Sons Motor Company Sdn. Bhd. ("TCM"), Nissan Motor Co. Ltd. ("Nissan") and Auto Dunia Sdn. Bhd. were sued in the High Court at Kota Kinabalu by Teck Guan Trading (Sabah) Sdn. Bhd. ("Teck Guan") for general damages, special damages of RM10.67 million and liquidated damages of RM2.97 million together with interest and costs in connection with car dealership in Sabah ("1st Suit").

All parties have closed their case during the last hearing date on 9 and 10 February 2011. On 5 May 2011, the High Court at Kota Kinabalu dismissed Teck Guan's suit in favour for the 3 Defendants, i.e. TCM, Nissan and Auto Dunia Sdn. Bhd.. Teck Guan is liable for cost. The Plaintiff has since filed an appeal to the Court of Appeal against the decision of High Court and the said appeal has yet to be fixed for hearing.

In 1987, another related suit was filed in the same court (where TCM was sued by Teck Guan for RM65,065 together with interest and costs in connection with alleged monies owed to Teck Guan. Following the same, TCM had filed a counter-claim for RM132,175 together with interest and costs in connection with the outstanding amount payable to TCM) ("2nd Suit"). The case is currently pending the decision from the High Court Judge to decide the application to transfer the case to the Sessions Court as the claim is within the monetary jurisdiction of the Sessions Court. The Court has fixed 26 November 2012 for the appeal hearing in Kota Kinabalu.

10. Dividend

No dividend has been proposed for the 1st quarter ended 31 March 2012.

A final dividend of 12% less income tax at 25% in respect of the year ended 31 December 2011 to shareholders whose names appear in the Register of Members on 1 June 2012 was proposed by the Directors. This dividend is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting scheduled on 23 May 2012.

11. Earnings Per Share

The calculation of basic earnings per share for the periods is based on the net profit attributable to ordinary shareholders of the periods and the weighted average numbers of ordinary shares outstanding during the periods as follows:

Weighted average number of ordinary shares	Individual/Cumulative Quarter	
	2012	2011
	('000)	('000)
Issued ordinary shares at beginning of the period	652,817	652,819
Effect of shares buyback during the period	-	-
Weighted average number of ordinary shares	<u>652,817</u>	<u>652,819</u>

B) Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

12. Profit before taxation

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

	INDIVIDUAL/CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2012 RM'000	Preceding Year Corresponding Quarter 31.03.2011 RM'000
Depreciation and amortisation	(16,704)	(15,985)
Provision for and write off of receivables	(242)	(200)
Provision for and write off of inventories	(45)	(101)
Gain on disposal of property, plant and equipment and other investments	1,687	674
Property, plant and equipment written off	(6)	-
Foreign exchange (loss)	(3,456)	(1,192)
Other (loss)/income, including investment income	(3)	108

BY ORDER OF THE BOARD

YAP BEE LEE

CHANG PIE HOON

Company Secretaries

Kuala Lumpur

21 May 2012