Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Tan Chong International Limited

陳唱國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 693)

FINAL RESULTS

The Board of Directors ("Board") wishes to announce the following results of the Group for the year ended 31 December 2013.

Consolidated Income Statement

	Note	For the year ended 31 December	
		2013	**2012**
		HK$'000	*HK$'000*
Revenue	3, 4	9,146,542	6,527,365
Cost of sales		(7,389,526)	(5,435,637)
Gross profit		1,757,016	1,091,728
Other net operating income		1,783,222	964,682
Distribution costs		(644,789)	(424,093)
Administrative expenses		(672,927)	(551,387)
Other operating expenses		(24,205)	(41,793)
Profit from operations		2,198,317	1,039,137
Financing costs		(31,640)	(35,573)
Share of profits less losses of associates		82,416	167,712
Profit before taxation	5	2,249,093	1,171,276
Income tax expense	6	(166,212)	(86,850)
Profit for the year		2,082,881	1,084,426
Attributable to:			
Equity shareholders of the Company		2,057,786	1,078,101
Non-controlling interests		25,095	6,325
Profit for the year		2,082,881	1,084,426
Earnings per share	8		
Basic and diluted		$1.02	$0.54

Consolidated statement of comprehensive income
For the year ended 31 December 2013

	2013 *HK$'000*	2012 *HK$'000*
Profit for the year	2,082,881	1,084,426
Other comprehensive income for the year that may be reclassified subsequently to profit or loss (after tax and reclassification adjustments)		
Exchange differences on translation of financial statements of:		
- subsidiaries outside Hong Kong	(196,052)	382,420
- associates outside Hong Kong	(74,611)	(8,027)
	(270,663)	374,393
Available-for-sale securities:		
- changes in fair value recognised during the year	(4,936)	(1,480)
Other comprehensive income for the year	(275,599)	372,913
Total comprehensive income for the year	1,807,282	1,457,339
Attributable to:		
Equity shareholders of the Company	1,786,751	1,449,414
Non-controlling interests	20,531	7,925
Total comprehensive income for the year	1,807,282	1,457,339

Consolidated Balance Sheet at 31 December 2013

	Note	As at 31 December 2013 *HK$'000*	As at 31 December 2012 *HK$'000*
Non-current assets			
Investment properties		2,654,853	2,736,092
Other property, plant and equipment		2,451,794	2,155,422
Interest in leasehold land		261,897	254,997
Interest in associates		914,435	924,694
Other financial assets		97,114	172,163
Hire purchase debtors and instalments receivable		198,528	200,055
Non-current prepayments		23,053	13,651
Deferred tax assets		37,431	26,342
		6,639,105	6,483,416
Current assets			
Investments designated as at fair value through profit or loss		2,576,625	1,150,456
Inventories		1,959,204	2,150,811
Properties held for sale		61,256	80,299
Trade debtors	9	905,522	712,395
Hire purchase debtors and instalments receivable		91,795	94,679
Other debtors, deposits and prepayments		337,594	387,062
Amounts due from related companies		3,641	912
Cash and cash equivalents		2,228,857	1,357,680
		8,164,494	5,934,294
Current liabilities			
Unsecured bank overdrafts		370	7,737
Bank loans		2,098,553	1,272,961
Trade creditors	10	767,551	651,538
Other creditors and accruals		581,916	481,475
Amounts due to related companies		14,046	7,074
Current taxation		114,778	80,681
Provisions		28,271	25,203
		3,605,485	2,526,669
Net current assets		4,559,009	3,407,625
Total assets less current liabilities		11,198,114	9,891,041
Non-current liabilities			
Bank loans		103,947	456,563
Deferred tax liabilities		23,966	28,491
Provisions		46,796	22,472
		174,709	507,526
NET ASSETS		11,023,405	9,383,515
Capital and reserves			
Share capital		1,006,655	1,006,655
Reserves		9,901,232	8,305,745
Total equity attributable to equity shareholders of the Company		10,907,887	9,312,400
Non-controlling interests		115,518	71,115
TOTAL EQUITY		11,023,405	9,383,515

Notes:

1. **Basis of consolidation**

The consolidated financial statements of the Company for the year ended 31 December 2013 comprise the Company and all its subsidiaries (together referred to as the "Group") and the Group's interest in associates and comply with International Financial Reporting Standards ("IFRSs").

2. **Changes in accounting policies**

The International Accounting Standards Board has issued certain new and revised IFRSs that are first effective for the current accounting period of the Group. These new and revised IFRSs have no significant impact on the financial statements of the Group.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. **Revenue**

Revenue, which is also the Group's turnover, represents the sales value of goods sold, services supplied to customers, hire purchase financing income, rental income, income from sale of properties, management service fees, agency commission and handling fees and warranty reimbursements, net of goods and services taxes where applicable, analysed as follows:

	For the year ended 31 December	
	2013	**2012**
	HK$'000	*HK$'000*
Sale of goods	8,310,214	5,696,376
Rendering of services	586,340	475,209
Hire purchase financing income	43,130	41,041
Gross rentals from investment properties	131,861	111,641
Gross proceeds from properties sold	44,016	178,887
Management service fees	1,000	1,000
Agency commission and handling fees	27,175	16,263
Warranty reimbursements	2,806	6,948
	9,146,542	6,527,365

4 **Segment reporting**

The Group manages its business by divisions, which are organised by a mixture of both business lines (products and services) and geographical areas. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the reportable segments as set out in note (a) below. No operating segments have been aggregated to form the reportable segments.

Business lines

(i) Motor vehicle distribution and dealership business

The Group is the distributor for Nissan vehicles in Singapore and for Subaru vehicles in Singapore, Guangdong Province of the PRC, Hong Kong, Taiwan, Thailand and certain other Southeast Asia countries. The Group distributes various models of Nissan and Subaru passenger cars and Nissan light commercial vehicles.

4 Segment reporting (continued)

(ii) Heavy commercial vehicle and industrial equipment distribution and dealership business

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

(iii) Property rentals and development

The Group has significant property interests and is engaged in the gradual development of various investment properties for sales and rental income. At present the Group's activities in this segment are mainly carried out in Singapore and Hong Kong.

(iv) Other operations

Other operations mainly include investment holding, hire purchase financing, provision of workshop services and the manufacturing of vehicles seats.

(a) Segment results

For the purpose of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

The measure used for reporting segment profit is "EBITDA" i.e. "earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including bank and other interest income.

4 **Segment reporting (continued)**

(a) Segment results (continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2013 and 2012 is set out below.

	Group revenue *For the year ended 31 December*		**EBITDA** *For the year ended 31 December*	
	2013	**2012**	**2013**	**2012**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Business lines				
Motor vehicle distribution	7,106,648	4,346,934	510,597	(62,921)
Heavy commercial vehicle and industrial equipment distribution	1,341,613	1,435,356	195,389	200,860
Property rentals and development	169,909	286,412	72,431	406,051
Other operations	528,372	458,663	1,580,529	626,876
	9,146,542	6,527,365	2,358,946	1,170,866

	Group revenue *For the year ended 31 December*	
	2013	**2012**
	HK$'000	*HK$'000*
Geographical areas		
Singapore	1,411,672	1,451,857
Hong Kong	92,617	90,378
PRC	3,161,214	2,608,757
Thailand	1,741,308	1,299,920
Others	2,739,731	1,076,453
	9,146,542	6,527,365

(b) Reconciliation of reportable segment profit or loss

	For the year ended 31 December	
	2013	**2012**
	HK$'000	*HK$'000*
Total segment EBITDA	2,358,946	1,170,866
Depreciation and amortisation	(184,876)	(160,582)
Interest income	24,247	28,853
Finance costs	(31,640)	(35,573)
Share of profits less losses of associates	82,416	167,712
Consolidated profit before taxation	2,249,093	1,171,276

5. **Profit before taxation**

	For the year ended 31 December	
	2013	**2012**
	HK$'000	*HK$'000*
Profit before taxation is arrived at after charging/(crediting):		
Cost of goods sold	6,863,176	4,914,632
Increase in fair value of listed investments designated as at fair value through profit or loss	(1,431,781)	(574,530)
Interest expense	31,640	35,573
Amortisation of interest in leasehold land	8,618	8,172
Depreciation		
- assets held for use under operating leases	58,735	54,839
- other assets	117,523	97,571
Bank and other interest income	(24,247)	(28,853)
Dividend income		
- listed investments	(24,404)	(10,820)
- unlisted investments	(596)	(660)
Gain on disposal of property, plant and equipment	(44,251)	(27,434)

6. **Taxation**

Income tax expense:

	For the year ended 31 December	
	2013	**2012**
	HK$'000	*HK$'000*
Current tax expense		
Provision for the year	182,590	103,559
Over-provision in respect of prior years	(940)	(3,616)
	181,650	99,943
Deferred tax expense		
Origination and reversal of temporary differences	(15,438)	(13,093)
Total income tax expense in the consolidated income statement	166,212	86,850

Taxes on profits have been provided for at the applicable rates of taxation on the estimated assessable profits arising in the relevant jurisdictions for the year.

7. **Dividends**

Dividends payable to equity shareholders of the Company attributable to the year:

	For the year ended 31 December	
	2013	**2012**
	HK$'000	*HK$'000*
Interim dividend paid of HK$0.025 per ordinary share (2012: HK$0.02 per ordinary share)	50,332	40,266
Final dividend proposed after the balance sheet date of HK$0.08 per ordinary share (2012: HK$0.07 per ordinary share)	161,065	140,932
	211,397	181,198

8. **Earnings per share**

The calculation of basic earnings per share is based on the net profit for the year attributable to equity shareholders of the Company of HK$2,057,786,000 (2012: HK$1,078,101,000) and the number of ordinary shares outstanding during the year of 2,013,309,000 (2012: 2,013,309,000) shares.

Diluted earnings per share for the year ended 31 December 2013 and 2012 is the same as basic earnings per share as there were no dilutive securities outstanding during the years presented.

9. **Trade debtors**

Ageing analysis of trade debtors, based on the due dates, is as follows:

	For the year ended 31 December	
	2013	**2012**
	HK$'000	*HK$'000*
0-30 days	727,777	546,999
31-90 days	90,950	97,321
Over 90 days	86,795	68,075
	905,522	712,395

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

10. **Trade creditors**

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

	For the year ended 31 December	
	2013	**2012**
	HK$'000	*HK$'000*
0-30 days	581,890	384,278
31-90 days	124,730	216,241
91-180 days	42,734	21,358
Over 180 days	18,197	29,661
	767,551	651,538

FINAL DIVIDEND

The Board recommends a final dividend of HK$0.08 per share on the shares in issue absorbing a total of HK$161,064,720 which will be payable on 18 June 2014 to shareholders whose names appear on the Register of Members on 10 June 2014, subject to the approval of shareholders at the Annual General Meeting to be held on 30 May 2014.

MANAGEMENT REVIEW

RESULTS

The Group unit sales and revenue reached an all-time high of 24,729 and HK$9.1 billion respectively，with profit attributable to shareholders for the financial year reaching HK$2.1 billion. Contribution to consolidated profit attributable to shareholders derived from an increase in fair values of listed securities amounted to HK$1.4 billion. Thus a significant portion of profit was obtained from investments.

Concurrently, distribution and administrative costs also increased substantially due mainly to rapid expansion of our regional marketing, distribution and service infrastructure development.

FINANCE

Dividend payment is expected to increase from HK$181.2 million in 2012 to HK$211.4 million for 2013, an increase of 16.7% year-on-year. Consolidated NTA (net tangible assets) year-on-year rose from HK$4.66 to HK$5.48 per share.

SINGAPORE

Despite an extremely challenging car market in 2013, Nissan managed to deliver better sales and market share compared to 2012, resulting in a 12% increase in sales units.

The property division did reasonably well in 2013 compared to 2012.

The Industrial machinery division saw weaker performance when compared with 2012.

THAILAND-FUSO

Despite many challenges, trucks sales did reasonably well as a result of better sales and favourable exchange rates when compared to 2012.

MOTOR IMAGE GROUP

China

As a result of a change in business distribution model by the principal, from a wholesaler/retailer to direct retailer in September 2013, our sales in last quarter declined substantially and which is likely to continue into 2014.

Thailand/Malaysia/Indonesia

The CKD sales of Subaru in the 3 countries did reasonably well, but suffered from high start-up and distribution cost.

Taiwan/Philippines

These 2 countries continued to enjoy strong sales and high growth for 2013.

PROSPECTS

For 2014 we will face many economic and political challenges in our region and the slow tightening of monetary policy in the larger developed countries is likely to affect our region as well.
In Thailand the political climate continues to be very uncertain and thus will affect both the investment and consumer sentiments. This naturally is not good for trucks, industrial equipment and cars.

In China, we see a slowdown in the general business and consumer sentiments, thus our business is likely to be affected.

In Singapore we continue to enjoy strong sales of Nissan commercial vehicles and expect good sales performance for 2014.

In the CKD countries of Thailand, Malaysia and Indonesia a reasonable sales performance is expected.

In the CBU countries of Taiwan and Philippines we are likely to continue to enjoy strong sales.

Barring unforeseen circumstances, we expect to perform satisfactorily in 2014.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting ("AGM") which is scheduled on Friday, 30 May 2014, the register of members of the Company will be closed from Tuesday, 27 May 2014 to Friday, 30 May 2014, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17th Floor, Shop No. 1712-1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 26 May 2014.

For determining the entitlement to the proposed final dividend (subject to the approval of the shareholders at the forthcoming AGM of the Company), the register of members of the Company will be closed from Friday, 6 June 2014 to Tuesday, 10 June 2014, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend as stated in the Announcement, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17th Floor, Shop No. 1712-1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 5 June, 2014.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at The Dynasty Club, 7/F South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, on 30 May 2014 at 11:00a.m.. The Notice of Annual General Meeting will be sent to shareholders on or before 24 April 2014.

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

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

AUDIT COMMITTEE

The Audit Committee has reviewed with management the results of the Group for the year ended 31 December 2013.

CORPORATE GOVERNANCE

The Board of Directors (the "Board") of Tan Chong International Limited (the "Company") is committed to the observance of good corporate governance to protect the interests and rights of shareholders and the financial performance of the Company and its subsidiaries (collectively the "Group"). The Board has adopted the "Corporate Governance Code and Corporate Governance Report" (the "CG Code") set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") that form part of the disclosure requirement under the Listing Rules. Throughout the year under review, the Company has complied with most of the code provisions set out in the CG Code. Where applicable various self-regulatory and monitoring measures were adopted for effective corporate governance practice.

The 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.

Mr. Tan Eng Soon ("Mr Tan") currently holds the offices of Chairman and Chief Executive Officer. Mr. Tan has 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.

By Order of the Board
Sng Chiew Huat
Finance Director

Hong Kong, 31 March 2014

Website: http://www.tanchong.com

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