

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

1 SIGNIFICANT ACCOUNTING POLICIES

Tan Chong International Limited is a company incorporated in Bermuda with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company was listed on The Stock Exchange of Hong Kong Limited (“HKSE”) on 7 July 1998. The place of business of its principal subsidiaries is Singapore.

The consolidated financial statements of the Company as of and for the year ended 31 December 2002 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates. The consolidated financial statements were authorised for issue by the Directors on 11 March 2003.

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) promulgated by the International Accounting Standards Board (“IASB”). Although it is not required to do so under the Bye-Laws of the Company, the financial statements of the Company and the Group have been prepared so as to comply with the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(b) Basis of preparation

The financial statements are presented in Hong Kong dollars, rounded to the nearest thousand, because the Company is listed in Hong Kong although its principal activities are domiciled in Singapore.

The consolidated financial statements are prepared on the historical cost basis except that investment properties and investments available for sale are stated at their fair value if relevant fair value is available. The accounting policies have been consistently applied by group enterprises.

(c) Basis of consolidation

(i) Subsidiaries

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.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of consolidation (continued)

(i) Subsidiaries (continued)

Investments in subsidiaries in the Company's balance sheet are stated at cost less any impairment losses, unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the company, in which case it is stated at fair value with changes in fair value recognised in the income statement when they arise.

(ii) 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 Group's share of the total recognised gains and losses of associates on an equity accounting basis, from the date that significant influence effectively commences until the date that significant influence effectively ceases. When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

Investments in associates in the Company's balance sheet are stated at cost less impairment losses, unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions that significantly impair its ability to transfer funds to the investor or venturer, in which case it is stated at fair value with changes in fair value recognised in the income statement as they arise.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the enterprise, against the investment in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Translation of foreign currencies

(i) Individual companies

Transactions in foreign currencies are translated into the reporting currency at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into the reporting currency at the exchange rates ruling at the balance sheet date. Foreign exchange differences arising on translation are recognised in the income statement, except for foreign exchange differences arising from translating monetary assets that, in substance, form part of a company's net investment in an overseas entity, which are dealt with as a movement in reserves.

(ii) On consolidation

The results of overseas subsidiaries and associates are translated into Hong Kong dollars at the average exchange rates for the year; balance sheet items are translated at the exchange rates ruling at the balance sheet date. The exchange differences are dealt with as a movement in reserves.

(e) Investment properties

Investment properties are held for their investment potential and rental income. Rental income from investment properties is accounted for as described in accounting policy 1(r). Investment properties are stated at their fair value determined annually. Fair value is based on current prices in an active market for similar properties in the same location and condition. It is the Group's policy to undertake valuations at intervals of not more than three years by independent professional valuers on an open market value basis. In the intervening years investment properties are valued by appropriately qualified persons within the Group on an annual basis. Any gain or loss arising from a change in fair value is recognised in the income statement.

(f) Properties under development

Properties under development are stated at cost less impairment losses. Cost comprises direct costs of development as well as borrowing costs and professional fees incurred during the development.

(g) Property, plant and equipment

Land and buildings other than investment properties are carried at purchase price or at 1984 revalued amount, less accumulated depreciation and impairment losses.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) *Property, plant and equipment (continued)*

The surplus which arose on the 1984 valuation was taken to capital reserve and may only be transferred to retained profits as and when the relevant property is disposed of. All other gains and losses arising on disposal of property, plant and equipment are dealt with in the income statement.

Freehold land is not amortised.

All other property, plant and equipment are carried at purchase price less accumulated depreciation and impairment losses. They are depreciated on a straight line basis to write off the cost of these assets over their estimated useful lives at the following annual rates:

Buildings	2% - 4%
Plant, machinery and equipment	
- engines, construction equipment and forklifts for hire	20% on cost less residual value
- others	10%
Furniture, fixtures, fittings and office equipment	
- computers	100%
- others	10% - 15%
Motor vehicles	12½% - 40%

Subsequent expenditure on the existing property, plant and equipment is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the income statement as an expense as incurred.

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal.

Construction in progress

Construction in progress represents buildings under construction and is stated at cost less impairment losses. Cost comprises direct costs of construction as well as borrowing costs and professional fees incurred during the periods of construction and installation.

The asset concerned is transferred to property, plant and equipment when substantially all the activities necessary to prepare the asset for its intended use are completed, at which time it commences to be depreciated in accordance with the Group's policy.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Lease prepayments

Lease prepayments represent cost of purchase of leasehold land less accumulated amortisation and impairment losses and is amortised over the period of the lease on a straight line basis.

(i) Investments

(i) Equity investments

Equity investments held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the income statement. Other equity investments are classified as being available for sale and are stated at fair value, with any resultant gain or loss being recognised in the income statement.

(ii) Debt securities investments

Debt securities investments held-to-maturity are stated at amortised cost less impairment losses. Other debt securities investments held as being available-for-sale or for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the income statement.

(iii) Fair value

The fair value of investments held for trading and investments available for sale is their quoted bid price at the balance sheet date. If a quoted bid price in an active market and other methods of determining fair value are not available, investments are measured at cost less impairment losses.

(iv) Dividends

Dividend income from unlisted investments is recognised when the Group's right to receive payment is established. Dividend income from listed investments is recognised when share price of the investment goes ex-dividend.

(j) Hire purchase contracts

The amounts due from hirers in respect of hire purchase contracts are recorded in the balance sheet as hire purchase debtors which represent the total rental receivable under hire purchase contracts less unearned interest income. Interest income implicit in the hire purchase payments are charged to the income statement over the period of the hire purchase contracts so as to produce an approximately constant periodic rate of return on the remaining balance of hire purchase debtors.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of motor vehicles is determined primarily on an actual cost basis while cost of inventories other than motor vehicles is accounted for on an average cost basis. Cost comprises the purchase price including import duties (where applicable) and other directly attributable costs of acquisition.

Net realisable value is determined by reference to the sales proceeds of items sold in the ordinary course of business after the balance sheet date or to management estimates based on prevailing market conditions.

(m) Trade and other debtors

(i) Trade and other debtors are stated at their cost less impairment losses.

(ii) Option premium paid to acquire property

Premium paid in connection with the purchase of an option is amortised over the option period. Impairment to the carrying amount of the option is charged to the income statement in the period in which such impairment occurs.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short term deposits. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(o) Trade and other creditors

Trade and other creditors are stated at their cost.

(p) Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(q) Warranties

A provision for warranties is recognised when the underlying products are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(r) Recognition of income

- (i) Revenue arising from sale of goods is recognised when the customer has accepted the goods and the related risks and rewards of ownership.
- (ii) Services fee is recognised upon the conclusion of the related services provided.
- (iii) Interest and hire purchase financing income is accrued on a time-apportioned basis on the principal outstanding and at the interest rate applicable.
- (iv) Rental income from investment properties is recognised on a straight line basis over the periods of the respective leases. Lease incentives granted are recognised as an integral part of the total rental income.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) *Impairment*

The carrying amount of the Group's assets other than investment properties, deferred tax assets and inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

A previously recognised impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years.

(t) *Borrowing and financing costs*

Borrowing costs are expensed in the income statement in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition or construction of an asset which necessarily takes a substantial period of time to get ready for its intended use.

Financing costs include interest payable on borrowings as well as foreign exchange gains and losses related to financing activities are recognised in the income statement as incurred.

(u) *Operating leases*

Rentals payable under operating leases are accounted for in the income statement on a straight-line basis over the periods of the respective leases. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

(v) *Retirement benefits*

Contributions to defined contribution retirement plans are recognised as an expense in the income statement as incurred.

(w) *Segment reporting*

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

1 SIGNIFICANT ACCOUNTING POLICIES (continued)**(x) Repurchase of share capital**

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are cancelled. The par value of the shares repurchased is shown as a deduction from share capital, with adjustment of premiums against retained profits.

(y) Dividends

Dividends are recognised as a liability in the period in which they are declared.

(z) Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

2 REVENUE

Revenue represents the sales value of goods sold, services supplied to customers, hire purchase financing income, rental income, management service fee, agency commission and handling fee and warranty reimbursement, net of goods and services tax and first registration tax where applicable, analysed as follows:

	2002	2001
	\$'000	\$'000
Sale of goods	3,608,461	4,721,686
Rendering of services	194,566	195,044
Hire purchase financing income	36,391	35,374
Gross rentals from investment properties	16,681	17,502
Rentals from lease of offices and workshops	4,209	3,300
Management service fee	7,295	14,120
Agency commission and handling fee	23,072	26,215
Warranty reimbursement	21,157	7,784
	3,911,832	5,021,025

3 OTHER OPERATING INCOME

	2002	2001
	\$'000	\$'000
Interest income from listed debt securities	3,080	3,054
Bank and other interest income	39,350	47,083
Dividend income		
- listed investments	683	526
- unlisted investments	997	1,265
Reversal of impairment loss of unlisted equity investments	11,619	-
Gain on disposal of property, plant and equipment	4,521	4,609
Gain on disposal of investment properties	-	4,262
Others	11,742	4,602
	71,992	65,401

4 OTHER OPERATING EXPENSES

	2002	2001
	\$'000	\$'000
Decrease in fair value of listed equity investments	8,411	28,999
Impairment loss of unlisted equity investments	-	3,651
Decrease in fair value of investment properties	11,140	82,483
Provision for bad and doubtful debts	2,960	8,885
Bank charges	4,354	3,943
Others	-	1,505
	26,865	129,466

5 FINANCING COSTS

	2002	2001
	\$'000	\$'000
Interest expense		
- on bank loans	5,370	5,365
- on bank overdrafts	610	865
	5,980	6,230

6 PROFIT BEFORE TAXATION AND MINORITY INTERESTS*Profit before taxation and minority interests is arrived at after charging/(crediting):*

	2002	2001
	\$'000	\$'000
Cost of goods sold	3,046,001	3,834,316
Depreciation	47,679	45,430
Amortisation of lease prepayments	3,253	4,584
Auditors' remuneration	2,174	1,952
Increase in provision for warranties	4,367	8,642
Operating lease rental expenses in respect of properties	14,184	13,524
Rentals receivable from properties less direct outgoings of \$3,176,000 (2001: \$4,566,000)	(17,714)	(16,236)

7 PERSONNEL EXPENSES

	2002	2001
	\$'000	\$'000
Wages and salaries	125,964	129,107
Retirement benefit costs	16,738	14,913
Others	5,300	4,804
	148,002	148,824

The number of employees at the end of 2002 was 915 (2001: 822).

The Group makes contributions to defined contribution plans pursuant to the rules and regulations applicable to the Group in the countries where the Group operates.

The Group has no obligation for the payment of retirement benefits beyond the contributions.

8 DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION

Details of executive directors' remuneration are as follows:

	2002	2001
	\$'000	\$'000
Fees	1,278	1,275
Basic salaries, allowances and other benefits	11,248	11,162
Bonus	7,492	5,863
Retirement plan contributions	649	891
	20,667	19,191

8 DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION (continued)

Fees in respect of independent non-executive directors for the year ended 31 December 2002 amounted to \$120,000 (2001: \$120,000).

The number of directors whose remuneration falls within the following designated bands is set out below:

	<i>2002</i>	<i>2001</i>
\$Nil - \$1,000,000	3	3
\$1,000,001 - \$1,500,000	-	-
\$1,500,001 - \$2,000,000	-	1
\$2,000,001 - \$2,500,000	1	-
\$2,500,001 - \$3,000,000	1	1
\$3,000,001 - \$3,500,000	-	-
\$3,500,001 - \$4,000,000	1	1
\$4,000,001 - \$4,500,000	-	-
\$4,500,001 - \$5,000,000	1	1
\$5,000,001 - \$5,500,000	-	-
\$5,500,001 - \$6,000,000	-	1
\$6,000,001 - \$6,500,000	1	-
	8	8

Details of the remuneration for the five highest paid individuals (including directors) and the number of individuals (including directors) whose remuneration from the Group falls within the following designated bands are set out below.

	<i>2002</i>	<i>2001</i>
	<i>\$'000</i>	<i>\$'000</i>
Basic salaries, allowances and other benefits	11,823	11,762
Bonus	7,492	5,863
Retirement plan contributions	649	891
	19,964	18,516

	<i>2002</i>	<i>2001</i>
\$Nil - \$1,000,000	-	-
\$1,000,001 - \$1,500,000	-	-
\$1,500,001 - \$2,000,000	-	1
\$2,000,001 - \$2,500,000	1	-
\$2,500,001 - \$3,000,000	1	1
\$3,000,001 - \$3,500,000	-	-
\$3,500,001 - \$4,000,000	1	1
\$4,000,001 - \$4,500,000	-	-
\$4,500,001 - \$5,000,000	1	1
\$5,000,001 - \$5,500,000	-	-
\$5,500,001 - \$6,000,000	-	1
\$6,000,001 - \$6,500,000	1	-
	5	5

9 TAXATION**(a) Income tax expense:**

	2002	2001
	\$'000	\$'000
Current tax expense		
Current year	64,092	124,066
Over provision in prior years	(845)	(6,452)
	63,247	117,614
Deferred tax expense		
Origination and reversal of temporary differences	8,120	4,581
Reduction in tax rate	(1,934)	(806)
Benefit of tax losses recognised	(162)	(1,564)
	6,024	2,211
Total income tax expense in income statement	69,271	119,825

An analysis of income tax expense is as follows:

	2002	2001
	\$'000	\$'000
Hong Kong	614	1,842
Singapore	62,704	111,908
Elsewhere	312	134
	63,630	113,884
Associates	5,641	5,941
	69,271	119,825

The Group's applicable tax rate represents the weighted average of the statutory corporate income tax rates, which mainly range between 16% (2001: 16%) and 22% (2001: 24.5%), prevailing in the relevant tax jurisdictions in which the Group operates.

The following is a reconciliation of income taxes calculated at the applicable tax rate with income tax expense:

	2002	2001
	\$'000	\$'000
Accounting profit before tax	307,085	438,489

9 TAXATION (continued)**(a) Income tax expense: (continued)**

	2002	2001
	\$'000	\$'000
Computed tax using the applicable corporation tax rate		
- in Hong Kong	2,900	(1,214)
- in Singapore	61,955	103,449
Group companies' tax rate differential relative to Hong Kong tax rate	(71)	689
Adjustments resulting from:		
- Non-deductible expenses	12,403	27,455
- Non-taxable income	(6,909)	(2,538)
- Effect of tax loss recognised	(162)	(1,564)
- Over provision in respect of prior years	(845)	(6,452)
Income tax expense	69,271	119,825

(b) Deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities at 31 December 2002 and 2001 are attributable to the items detailed in the table below:

	2002			2001		
	<i>Assets</i>	<i>Liabilities</i>	<i>Net</i>	<i>Assets</i>	<i>Liabilities</i>	<i>Net</i>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment	796	(11,318)	(10,522)	1,217	(12,278)	(11,061)
Inventories	8,805	-	8,805	12,521	-	12,521
Trade debtors	6,093	-	6,093	5,629	(2)	5,627
Other debtors and prepayments	13	(63)	(50)	66	(122)	(56)
Cash and cash equivalents	-	-	-	53	(211)	(158)
Creditors and accruals	2,103	-	2,103	6,105	-	6,105
Provisions	3,610	-	3,610	3,245	-	3,245
Tax value of loss carry-forward	2,896	-	2,896	2,734	-	2,734
Tax assets/(liabilities)	24,316	(11,381)	12,935	31,570	(12,613)	18,957
Set-off within legal tax units and jurisdictions	(2,122)	2,122	-	(3,021)	3,021	-
Net tax assets/(liabilities)	22,194	(9,259)	12,935	28,549	(9,592)	18,957

9 TAXATION (continued)***(b) Deferred tax assets and liabilities (continued)***

The potential deferred tax asset of approximately \$52,500,000 (2001: \$Nil) relating to the future benefits of tax losses has not been recognised in the financial statements as its realisation is not assured.

10 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders included a profit of \$98,076,000 (2001: \$100,277,000) which has been dealt with in the financial statements of the Company.

11 DIVIDENDS

	2002	2001
	\$'000	\$'000
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(i) At the balance sheet date the following dividends have been paid during the year:		
Interim dividend paid of 1.5 cents		
(2001: 1.5 cents) per share	30,200	30,200
Final dividend paid in respect of the prior year	70,466	60,399
	<hr/>	<hr/>
	100,666	90,599
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(ii) After the balance sheet date the following dividend was proposed by the directors, which has not been provided for:		
Final proposed dividend of 3.5 cents		
(2001: 3.5 cents) per share	70,466	70,466
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12 EARNINGS PER SHARE

The calculation of basic earnings per share is based on net profit for the year attributable to ordinary shareholders of \$238,238,000 (2001: \$320,143,000) and weighted average number of ordinary shares outstanding during the year of 2,013,309,000 (2001: 2,013,309,000) shares.

The amount of diluted earnings per share is not presented as there were no dilutive securities outstanding during 2001 and 2002.

13 INVESTMENT PROPERTIES*The Group*

	<i>Freehold land and buildings \$'000</i>	<i>Leasehold buildings \$'000</i>	<i>Total \$'000</i>
At 1 January 2002	430,386	231,436	661,822
Exchange adjustments	28,730	10,791	39,521
Reclassification	43,012	(43,012)	-
Decrease in fair value on revaluation	-	(11,140)	(11,140)
Transfer to property under development	(240,639)	-	(240,639)
At 31 December 2002	261,489	188,075	449,564

An analysis of the valuation of freehold land and buildings and leasehold buildings is as follows:

	<i>2002 \$'000</i>	<i>2001 \$'000</i>
Freehold land and buildings		
- Outside Hong Kong	261,489	430,386
Leasehold buildings		
- In Hong Kong under long lease	46,200	32,370
- Outside Hong Kong under long lease	131,225	190,359
- Outside Hong Kong under medium term lease	3,150	1,207
- Outside Hong Kong under short lease	7,500	7,500
	449,564	661,822

The investment properties of the Group were revalued at 31 December 2002 by a director of the Company, who is an Associate of The Royal Institution of Chartered Surveyors, at their open market value on an existing use basis. The decrease in fair value of \$11,140,000 (2001: \$82,483,000) has been dealt with in the income statement.

Investment properties comprise a number of commercial properties that are leased to external customers. Certain leases contains an initial non-cancellable period of two years. Subsequent renewals are negotiated with the respective lessees. No contingent rents are charged.

14 PROPERTY UNDER DEVELOPMENT*The Group*
\$'000

At 1 January 2002	-
Transfer from investment properties	240,639
Additions	18,234
At 31 December 2002	258,873

Property under development represents the Group's freehold land development at Upper Aljunied Road, Singapore.

15 PROPERTY, PLANT AND EQUIPMENT*(a) The Group*

	<i>Freehold land \$'000</i>	<i>Buildings \$'000</i>	<i>Plant, machinery and equipment \$'000</i>	<i>Furniture, fixtures, fittings and office equipment \$'000</i>	<i>Motor vehicles \$'000</i>	<i>Construction in progress \$'000</i>	<i>Total \$'000</i>
Cost or valuation:							
At 1 January 2002	165,778	239,739	112,263	57,902	130,326	-	706,008
Exchange adjustments	11,067	13,603	6,147	3,523	8,560	-	42,900
Additions from acquisition of a subsidiary	26,684	19,369	578	253	116	-	47,000
Additions	-	20,389	24,137	3,823	18,170	22,585	89,104
Disposals	-	(2,520)	(19,527)	(3,435)	(21,468)	-	(46,950)
At 31 December 2002	203,529	290,580	123,598	62,066	135,704	22,585	838,062
Representing:							
Cost	-	209,790	123,598	62,066	135,704	22,585	553,743
Valuation - 1984	203,529	80,790	-	-	-	-	284,319
	203,529	290,580	123,598	62,066	135,704	22,585	838,062
Accumulated depreciation:							
At 1 January 2002	-	66,087	49,835	46,269	48,167	-	210,358
Exchange adjustments	-	3,859	3,169	2,955	3,570	-	13,553
Charge for the year	-	8,005	18,560	4,910	16,204	-	47,679
Written back on disposal	-	(753)	(14,018)	(3,266)	(14,010)	-	(32,047)
At 31 December 2002	-	77,198	57,546	50,868	53,931	-	239,543
Net book value:							
At 31 December 2002	203,529	213,382	66,052	11,198	81,773	22,585	598,519
At 31 December 2001	165,778	173,652	62,428	11,633	82,159	-	495,650

15 PROPERTY, PLANT AND EQUIPMENT (continued)

(i) An analysis of net book value of land and buildings is as follows:

	<i>Land</i>		<i>Buildings</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
In Hong Kong				
- Medium term lease	-	-	7,851	8,052
Outside Hong Kong				
- Freehold	203,529	165,778	71,450	50,599
- Long lease	-	-	36,579	35,133
- Medium term lease	-	-	97,502	79,868
	203,529	165,778	213,382	173,652

(ii) Certain land and buildings were revalued by the directors based on independent professional valuations in 1984. These properties are carried at the respective revalued amounts (or deemed cost) totalling \$284,319,000 (2001: \$250,138,000) as the amount of the adjustments relating to prior periods could not be reasonably determined when International Accounting Standards were adopted for the purpose of preparing financial statements prior to listing. The requirements of IAS 16 "Property, plant and equipment" with respect to carrying assets at amounts other than cost less accumulated depreciation are therefore not applicable.

(iii) The Group rents out certain motor vehicles, machinery and equipment. The rental period typically runs for an initial period of one to three years, with an option to renew after that date at which time all terms are renegotiated. None of the rental agreements includes contingent rentals.

The gross carrying amounts of motor vehicles, machinery and equipment of the Group held for rental were \$204,265,000 (2001: \$192,496,000) and the related accumulated depreciation charges were \$79,139,000 (2001: \$71,583,000).

15 PROPERTY, PLANT AND EQUIPMENT (continued)*(b) The Company*

	<i>Office equipment \$'000</i>	<i>Furniture and fittings \$'000</i>	<i>Motor vehicles \$'000</i>	<i>Total \$'000</i>
Cost:				
At 1 January 2002	113	264	431	808
Additions	19	-	-	19
Disposals	-	-	(431)	(431)
At 31 December 2002	132	264	-	396
Accumulated depreciation:				
At 1 January 2002	65	152	344	561
Charge for the year	25	39	-	64
Written back on disposals	-	-	(344)	(344)
At 31 December 2002	90	191	-	281
Net book value:				
At 31 December 2002	42	73	-	115
At 31 December 2001	48	112	87	247

16 LEASE PREPAYMENTS

	<i>The Group</i>	
	<i>2002 \$'000</i>	<i>2001 \$'000</i>
At 1 January	107,899	117,121
Exchange adjustments	4,535	(4,638)
Additions	6,137	-
Amortisation	(3,253)	(4,584)
Disposals	(2,106)	-
At 31 December	113,212	107,899
Lease prepayments in respect of:		
Owner-occupied properties	66,762	61,548
Investment properties	46,450	46,351
	113,212	107,899

16 LEASE PREPAYMENTS (continued)

An analysis of lease prepayments is as follows:

	2002	2001
	\$'000	\$'000
In Hong Kong		
- Long lease	28,726	29,230
- Medium term lease	2,618	2,685
Outside Hong Kong		
- Long lease	28,614	27,660
- Medium term lease	53,254	48,324
	113,212	107,899

17 INVESTMENTS IN SUBSIDIARIES

	<i>The Company</i>	
	2002	2001
	\$'000	\$'000
Unlisted shares, at cost	2,292,080	2,292,080
Loan to a subsidiary	47,000	47,000
	2,339,080	2,339,080

The loan to a subsidiary is unsecured, interest free and has no fixed repayment terms.

The following list contains the particulars of subsidiaries as at 31 December 2002 which principally affected the results or assets of the Group:

<i>Name</i>	<i>Place of incorporation and operation</i>	<i>Particulars of issued and paid up capital (All being ordinary unless otherwise stated)</i>	<i>Percentage of equity indirectly held through subsidiaries</i>	<i>Principal activities</i>
Tan Chong & Sons Motor Company (Singapore) Private Limited	Singapore	SGD100,000,000 Redeemable preference SGD50,000,000	100%	Distribution of motor vehicles
Tan Chong Motor Sales Pte Ltd	Singapore	SGD10,000,000	100%	Distribution of motor vehicles

17 INVESTMENTS IN SUBSIDIARIES (continued)

<i>Name</i>	<i>Place of incorporation and operation</i>	<i>Particulars of issued and paid up capital (All being ordinary unless otherwise stated)</i>	<i>Percentage of equity indirectly held through subsidiaries</i>	<i>Principal activities</i>
Singapore Automotive Industries Private Limited	Singapore	SGD2,000,000	100%	Distribution of auto spare parts
Tan Chong Industrial Machinery (Pte) Ltd	Singapore	SGD4,000,000 Redeemable preference SGD12,500,000	100%	Distribution of heavy commercial vehicles and industrial equipment, rental of machinery and provision of workshop services
Motor Image Enterprises Pte Ltd	Singapore	SGD8	100%	Distribution of motor vehicles
Tan Chong Credit Private Ltd	Singapore	SGD34,100,000 Redeemable preference SGD12,500,000	100%	Hire-purchase financing and insurance agency
Tan Chong Realty (Private) Limited	Singapore	SGD32,900,000 Redeemable preference SGD25,000,000	100%	Property holding and development
Advance Pacific Holdings Limited	Hong Kong	HKD8,500,000	100%	Investment holding
Motor Image (H.K.) Limited	Hong Kong	HKD8,000,000	100%	Distribution of motor vehicles
Nissan Diesel (Thailand) Company Limited	Thailand	BAHT 1,646,458,000 Redeemable preference BAHT 250,000,000	100%	Distribution of heavy commercial vehicles and related products and provision of workshop services

18 INTEREST IN ASSOCIATES

	<i>The Group</i>	
	<i>2002</i>	<i>2001</i>
	<i>\$'000</i>	<i>\$'000</i>
Share of net assets	176,544	147,035
Amounts due from associates	-	1,134
	176,544	148,169

Details of the major associates are as follows:

<i>Name of company</i>	<i>Place of incorporation</i>	<i>Percentage of equity held by the Group</i>	<i>Principal activities</i>
Orix Car Rentals Pte Ltd	Singapore	50%	Car rental
Tyre Pacific (HK) Limited	Hong Kong	50%	Distribution of tyres

19 INVESTMENTS*(a) Non-current investments*

	<i>The Group</i>	
	<i>2002</i>	<i>2001</i>
	<i>\$'000</i>	<i>\$'000</i>
Equity investments available for sale		
- unlisted, at cost	43,024	30,123
- listed, at fair value	43,032	46,760
	86,056	76,883
Debt securities investments held to maturity		
- listed, at amortised cost	38,698	38,691
	124,754	115,574
Fair value of listed debt securities investments	45,559	41,271

The unlisted equity investments available for sale are stated at cost less impairment losses because the fair value cannot be measured reliably. The unlisted equity investments are not traded in an open market.

19 INVESTMENTS (continued)*(b) Current investments*

	<i>The Group</i>	
	<i>2002</i>	<i>2001</i>
	<i>\$'000</i>	<i>\$'000</i>
Debt securities investments available for sale		
- unlisted, at cost	386,604	362,413

The unlisted debt securities are stated at cost less impairment losses because the fair value cannot be measured reliably. The unlisted debt securities are not traded in an open market. As they represent the Group's significant investments, the Group monitors them on an ongoing basis.

20 INVENTORIES

	<i>The Group</i>	
	<i>2002</i>	<i>2001</i>
	<i>\$'000</i>	<i>\$'000</i>
Raw materials	19,293	5,332
Work-in-progress	3,582	451
Spare parts and others	83,173	76,812
Finished goods and trading inventories	267,476	356,376
Goods in transit	26,149	13
	399,673	438,984
Inventories, included above, which are stated at net realisable value	314,859	410,136

21 TRADE DEBTORS

Included in trade debtors are debtors (net of specific provisions for bad and doubtful debts) with the following ageing analysis:

	<i>The Group</i>	
	<i>2002</i>	<i>2001</i>
	<i>\$'000</i>	<i>\$'000</i>
Current	262,635	104,677
1 to 3 months overdue	31,758	30,340
More than 3 months overdue but less than 12 months overdue	3,496	2,792
	297,889	137,809

21 TRADE DEBTORS (continued)

Debts are due within 1 month from the date of billing. Debtors with balances that are more than 3 months overdue are requested to settle all outstanding balances before any further credit is granted.

22 HIRE PURCHASE DEBTORS

	<i>The Group</i>	
	<i>2002</i>	<i>2001</i>
	<i>\$'000</i>	<i>\$'000</i>
Hire purchase debtors	456,499	341,780
Unearned interest charges	(69,658)	(50,872)
	386,841	290,908
Provision for bad and doubtful debts	(110,130)	(18,352)
	276,711	272,556
Balance due		
- within one year	113,174	99,449
- between one year and five years	154,872	163,502
- more than five years	8,665	9,605
	276,711	272,556

Additions of \$88,742,000 in the provision for bad and doubtful debts resulted from the acquisition of a subsidiary in Thailand during the year.

23 CASH AND CASH EQUIVALENTS

	<i>The Group</i>		<i>The Company</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Bank deposits	885,094	867,553	2,906	4,135
Bank balances	32,214	18,712	1,498	1,046
Cash on hand	324	234	-	-
Cash and cash equivalents	917,632	886,499	4,404	5,181
Bank overdrafts (unsecured)	(48,231)	(30,248)	-	-
Cash and cash equivalents in the statement of cash flows	869,401	856,251	4,404	5,181

23 CASH AND CASH EQUIVALENTS (continued)

The effective interest rate of deposits ranged from 0.325% to 4.5% (2001: 0.325% to 6.25%) per annum. The tenor of such deposits ranged from 1 day to 3 months.

Bank overdrafts bear interest ranging from 4.5% to 8.25% (2001: 4.5% to 6.25%) per annum.

24 BANK LOANS (UNSECURED)

At 31 December 2002, the bank loans were payable as follows:

	<i>The Group</i>	
	2002	2001
	\$'000	\$'000
Within 1 year	78,970	49,922
After 1 year but within 2 years	3,870	3,870
After 2 years but within 5 years	11,611	11,611
After 5 years	-	3,870
	15,481	19,351
	94,451	69,273

Bank loans totalling \$19,352,000 (2001: \$23,223,000) bear interest at the Hong Kong Inter Bank Offered Rate plus 1.5% per annum or at the bank's cost of funding plus 1.5% per annum, whichever is the higher.

The remaining portion of the bank loans carried floating interest rates ranging from 0.5% to 7% (2001: 0.6% to 8.2%) per annum during the year ended 31 December 2002.

25 TRADE CREDITORS

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

	<i>The Group</i>	
	2002	2001
	\$'000	\$'000
Due within one month or on demand	111,049	100,305
Due after 1 month but within 3 months	65,638	44,497
Due after 3 months but within 6 months	1,779	5,669
Due after 6 months but within 12 months	4,316	843
	182,782	151,314

26 AMOUNTS DUE TO RELATED COMPANIES

	<i>The Group</i>		<i>The Company</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Trading balances	1,438	2,665	36	28

27 PROVISIONS

	<i>The Group</i>	
	<i>2002</i>	<i>2001</i>
	<i>\$'000</i>	<i>\$'000</i>
<i>Provisions for warranties</i>		
Balance at 1 January	13,246	6,074
Provisions made	4,367	8,642
Provisions used	(1,203)	(1,470)
Balance at 31 December	16,410	13,246
Current	7,284	6,432
Non-current	9,126	6,814
	16,410	13,246

The provisions for warranties relate mainly to motor vehicles sold which is calculated based on estimates made from historical warranty data associated with similar products and services.

28 SHARE CAPITAL

	<i>The Group and the Company</i>	
	<i>2002</i>	<i>2001</i>
	<i>\$'000</i>	<i>\$'000</i>
<i>Authorised:</i>		
3,000,000,000 ordinary shares of \$0.50 each	1,500,000	1,500,000
<i>Issued and fully paid:</i>		
2,013,309,000 ordinary shares of \$0.50 each	1,006,655	1,006,655

29 RESERVES**(a) The Group**

	<i>Note</i>	<i>Share premium \$'000</i>	<i>Capital reserve \$'000</i>	<i>Translation reserve \$'000</i>	<i>Contributed surplus \$'000</i>	<i>Retained profits \$'000</i>	<i>Total \$'000</i>
Balance at 1 January 2001		550,547	9,549	(430,453)	377,690	1,630,641	2,137,974
Total recognised gains and losses		-	-	(198,194)	-	320,143	121,949
Dividends to shareholders	11	-	-	-	-	(90,599)	(90,599)
Balance at 31 December 2001		550,547	9,549	(628,647)	377,690	1,860,185	2,169,324
Balance at 1 January 2002		550,547	9,549	(628,647)	377,690	1,860,185	2,169,324
Total recognised gains and losses		-	-	201,285	-	238,238	439,523
Dividends to shareholders	11	-	-	-	-	(100,666)	(100,666)
Balance at 31 December 2002		550,547	9,549	(427,362)	377,690	1,997,757	2,508,181

(b) The Company

	<i>Note</i>	<i>Share premium \$'000</i>	<i>Contributed surplus \$'000</i>	<i>Retained profits \$'000</i>	<i>Total \$'000</i>
Balance at 1 January 2001		550,547	623,313	162,109	1,335,969
Total recognised gains and losses		-	-	100,277	100,277
Dividends to shareholders	11	-	-	(90,599)	(90,599)
At 31 December 2001		550,547	623,313	171,787	1,345,647
Balance at 1 January 2002		550,547	623,313	171,787	1,345,647
Total recognised gains and losses		-	-	98,076	98,076
Dividends to shareholders	11	-	-	(100,666)	(100,666)
At 31 December 2002		550,547	623,313	169,197	1,343,057

29 RESERVES (continued)

(b) *The Company (continued)*

Capital reserve

The capital reserve mainly comprises revaluation surplus arising on revaluation in 1984 of land and buildings other than investment properties.

Translation reserve

The translation reserve mainly comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operation of the Company.

Contributed surplus

The excess of the value of the consolidated net assets represented by the shares acquired over the nominal value of the shares issued by the Company in exchange was credited to contributed surplus. Under the Companies Act of Bermuda, contributed surplus is available for distribution to shareholders, except if there are reasonable grounds for believing that:

- (a) the Company is, or would after the payment, be unable to pay its liabilities as they become due; or
- (b) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

The Company's reserves available for distribution to shareholders at 31 December 2002 are as follows:

	2002	2001
	\$'000	\$'000
Contributed surplus	623,313	623,313
Retained profits (refer to note 29(b))	169,197	171,787
	792,510	795,100

30 FINANCIAL INSTRUMENTS

Financial assets of the Group include cash, equity and debt securities investments, trade, hire purchase and other debtors. Financial liabilities of the Group include loans, borrowings, trade and other creditors. Accounting policies for financial assets and liabilities are set out in note 1.

30 FINANCIAL INSTRUMENTS (continued)

(a) Interest rate risk

The interest rates and terms of repayment of loans and borrowings of the Group are disclosed in notes 23 and 24.

The contractual repricing period for cash and cash equivalents, bank overdrafts and unsecured bank loans are all within 6 months.

(b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties failed to perform as contracted. The Group does not have a significant exposure to any individual customer. The Group invests available cash and cash equivalents with various banks with high credit ratings.

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(c) Foreign currency risk

The Group has exposures to foreign currencies as its major operations and income are denominated mainly in Singapore dollars ("SGD"). Depreciation and appreciation of SGD against Hong Kong dollars affects the Group's results.

The Group's operating subsidiaries regularly monitor their exchange exposure and may hedge their position discriminately, depending on the size of the exposure and the future outlook of the particular currency unit. There were no forward exchange contracts outstanding as at 31 December 2002.

(d) Fair value

The fair value of listed investments is shown in note 19.

The fair values of cash, trade, hire purchase and other debtors, trade and other creditors, loans and borrowings are not materially different from their carrying amounts.

Fair value has been determined either by reference to the market value at the balance sheet date or by discounting the relevant cash flows using current interest rates for similar instruments.

31 COMMITMENTS

(a) Capital commitments outstanding at 31 December 2002 not provided for in the financial statements were as follows:

	<i>The Group</i>	
	<i>2002</i>	<i>2001</i>
	<i>\$'000</i>	<i>\$'000</i>
Authorised and contracted for:		
- Construction of properties	257,000	281,760

(b) Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	<i>The Group</i>	
	<i>2002</i>	<i>2001</i>
	<i>\$'000</i>	<i>\$'000</i>
Less than one year	9,970	12,269
Between one and five years	18,325	20,447
More than five years	39,443	38,959
	67,738	71,675

The Group leases a number of properties under operating leases. The leases typically run for an initial period of between 1 and 6 years, with an option to renew the lease after that date. None of the leases includes contingent rentals.

32 RELATED PARTY TRANSACTIONS

The following is a summary of significant transactions carried out in the normal course of business between the Group and its related companies during the year:

		<i>2002</i>	<i>2001</i>
	<i>Note</i>	<i>\$'000</i>	<i>\$'000</i>
Sales of goods and services to TCMH Group	(i)	1,813	2,069
Sales of goods and services to Ultima Group	(i)	18,750	3,187
Purchase of inventories from TCMH Group	(i)	7,712	14,039
Purchase of inventories from Ultima Group	(i)	4,263	5,595
Hire purchase financing income from Ultima Group	(ii)	1,218	1,338

32 RELATED PARTY TRANSACTIONS (continued)

Notes:

- (i) Tan Eng Soon is the managing director of TCMH and the Ultima Group is controlled by the Tan family. All sales and purchases and services rendered between the Group, the TCMH Group and the Ultima Group were on normal commercial terms.
- (ii) Hire purchase financing income represents interest charges on hire purchase financing on motor vehicles to the Ultima Group. Interest on the hire purchase financing was charged at a fixed interest rate with a fixed repayment term similar to other customers.

33 SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period.

Business segments

The Group comprises the following main business segments:

(i) Motor vehicle distribution

The Group is the exclusive distributor for Nissan vehicles in Singapore and for Subaru vehicles in Singapore and Hong Kong. It distributes all models of Nissan passenger and light commercial vehicles exported to Singapore and all models of Subaru passenger vehicles exported to Singapore and Hong Kong by the respective manufacturers.

(ii) Heavy commercial vehicle and industrial equipment distribution

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

(iii) Property rentals

The Group has significant property interest in Singapore and is engaged in the gradual development of various operating and investment properties in order to meet the property needs of the Group as well as for sales and rental income.

33 SEGMENT REPORTING (continued)

Geographical segments

The business segments detailed above operate in three principal geographical areas. Singapore is a major market for the Group's businesses. In Hong Kong, the Group is engaged in the distribution of Subaru vehicles, provision of workshop services and investment in property in return for rental income and in the PRC, the Group manufactures vehicle seats and shock absorbers targeting at the growing domestic market.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

33 SEGMENT REPORTING (continued)

	<i>Motor vehicle distribution</i>		<i>Heavy commercial vehicle and industrial equipment distribution</i>				<i>Property rentals</i>		<i>Other operations</i>		<i>Consolidated</i>	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers:												
- sales	3,289,206	4,456,756	271,555	216,874	-	-	-	-	47,700	48,056	3,608,461	4,721,686
- services	86,385	88,774	72,243	68,171	6,008	6,093	6,008	6,093	29,930	32,006	194,566	195,044
- hire purchase financing	-	-	-	-	-	-	-	-	36,391	35,374	36,391	35,374
- rentals	3,097	2,422	315	313	16,681	17,502	16,681	17,502	796	565	20,889	20,802
- others	44,044	33,887	499	2,912	2,492	5,315	2,492	5,315	4,490	6,005	51,525	48,119
Total revenue	3,422,732	4,581,839	344,612	288,270	25,181	28,910	25,181	28,910	119,307	122,006	3,911,832	5,021,025
Segment result												
Profit from operations	220,844	397,780	32,831	31,761	(11,511)	(38,308)	(11,511)	(38,308)	40,355	23,768	282,519	415,001
Net financing income/ (costs)	(11,724)	(11,369)	(4,212)	(104)	5,054	3,394	5,054	3,394	4,902	1,849	(5,980)	(6,230)
Income from associates	24,236	24,756	-	-	-	-	-	-	6,310	4,962	30,546	29,718
Income tax expense	(50,123)	(95,734)	(6,195)	(8,327)	(2,744)	(2,816)	(2,744)	(2,816)	(10,209)	(12,948)	(69,271)	(119,825)
Minority interests	-	-	-	-	-	-	-	-	424	1,479	424	1,479
Net profit for the year	183,233	315,433	22,424	23,330	(9,201)	(37,730)	(9,201)	(37,730)	41,782	19,110	238,238	320,143
Segment assets	1,607,146	1,831,596	434,324	199,165	796,550	514,784	796,550	514,784	1,136,535	1,082,264	3,974,555	3,627,809
Interest in associates	133,262	107,933	-	-	-	-	-	-	43,282	40,236	176,544	148,169

33 SEGMENT REPORTING (continued)

	<i>Motor vehicle distribution</i>		<i>Heavy commercial vehicle and industrial equipment distribution</i>				<i>Property rentals</i>		<i>Other operations</i>		<i>Consolidated</i>	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated total assets	1,740,408	1,939,529	434,324	199,165	796,550	514,784	1,179,817	1,122,500	4,151,099	3,775,978		
Consolidated total liabilities	338,357	385,008	108,855	48,544	70,617	51,029	109,583	106,144	627,412	590,725		
Capital expenditure	6,364	24,120	71,485	23,287	328	611	76,161	22,581	154,338	70,599		
Depreciation and amortisation expense	13,556	14,095	19,702	18,762	1,195	1,470	16,479	15,687	50,932	50,014		
(Reversal of)/increase in impairment loss	(11,619)	-	-	-	-	-	-	3,651	(11,619)	3,651		
Significant non-cash expenses	(2,459)	(25,074)	-	-	(8,681)	(56,189)	-	(1,220)	(11,140)	(82,483)		

33 SEGMENT REPORTING (continued)

In addition to the information on business segments based on the structure of the Group, the figures below present information for geographical segments.

	<i>Singapore</i>		<i>Hong Kong</i>		<i>PRC</i>		<i>Other</i>		<i>Consolidated</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Revenue from external customers	3,691,145	4,867,987	64,471	89,685	62,784	23,418	93,432	39,935	3,911,832	5,021,025
Segment assets	2,831,211	2,773,471	238,281	182,121	64,697	60,196	840,366	612,021	3,974,555	3,627,809
Capital expenditure	101,371	52,314	789	400	459	518	51,719	17,367	154,338	70,599

There is no major disparity in the ratios between turnover and profit in relation to the above geographical locations, hence no analysis is given of the profit contributions from the above geographical locations.

34 OPTION TO ACQUIRE A PROPERTY

In connection with the sale of an investment property under an asset securitisation arrangement in 2000, a subsidiary has been granted a call option (“the option”) at a consideration of S\$1 million to acquire the entire ordinary share capital of the company (“the property company”) which acquired the property. The exercise price of the option is S\$5 million and the exercisable period is from 15 March 2003 to 15 March 2004. Upon exercising the option, the subsidiary will be required to repay all the outstanding loan and accrued interest incurred by the property company under the securitisation arrangement.

35 COMPARATIVE FIGURES

Leasehold land included in property, plant and equipment and investment properties has been reclassified to lease prepayments during the year. The corresponding comparative figures have also been reclassified to conform with current year’s presentation.

GROUP PROPERTIES

<i>Location</i>	<i>Description</i>	<i>Land area (sq feet)</i>	<i>Tenure</i>	<i>Expiry date</i>	<i>Age of building (years)</i>
1/F Centro-Sound Industrial Building 6A Kung Ngam Village Road Shau Kei Wan Hong Kong	Offices and workshop (own use)	9,719	Leasehold	22 October 2051	26
Unit A on Ground Floor, Phase 1 Nan Fung Industrial Building 431-487 Avenida do Dr FranciscoVieira Machado and 354-408 Rua dos Pescadores Macau	Showroom and workshop (investment)	8,805	Leasehold	29 November 2012	30
30/F Shui On Centre 6-8 Harbour Road Wanchai Hong Kong	Offices (own use and investment)	13,770	Leasehold	20 May 2060	17
Villa House No 203 Phase 1 River Garden Villa North of Jingshun Highway Shunyi County Beijing China	Residential bungalow (investment)	5,335	Leasehold	14 December 2063	7

<i>Location</i>	<i>Description</i>	<i>Land area (sq feet)</i>	<i>Tenure</i>	<i>Expiry date</i>	<i>Age of building (years)</i>
Unit Nos B1701, B1702 and B1703 Level 17, Tower B Vantone New World Plaza 2 Funchengmen Outer Avenue Xicheng District Beijing China	Offices (investment)	3,682	Leasehold	2 November 2043	7
Jiangyin Chengchang-kunpeng Auto Parts Factory Liwangli Village Qingyang Town Jiangyin Jiangsu Province China	Office, factory and warehouse (own use)	268,277	Leasehold	24 March 2046	5
Unit Nos 201 and 202 No. East 1, Block No. 18 Hongqiao 4th Village Jiangyin Jiangsu Province China	Residential apartment (own use)	1,823	Leasehold	unspecified term	6
No.230 Jingyang South Road Qingyang Town Jiangyin Jiangsu Province China	Residential terraced house (own use)	1,422	Leasehold	unspecified term	5
Xijin Minor District Qingyang Town Jiangyin Jiangsu Province China	Residential terraced house (own use)	1,744	Leasehold	unspecified term	5

<i>Location</i>	<i>Description</i>	<i>Land area (sq feet)</i>	<i>Tenure</i>	<i>Expiry date</i>	<i>Age of building (years)</i>
Unit 301 Block No 48 Huayuan 5th Village Jiangyin Jiangsu Province	Residential apartment (own use)	945	Leasehold	unspecified term	6
911 and 913 Bukit Timah Road Tan Chong Motor Centre Singapore 589622	Showroom, workshop and office (own use)	198,606	Freehold	-	20
14 Upper Aljunied Road Singapore 367843	Property under development	222,876	Freehold	-	-
700 Woodlands Road Singapore 738664	Workshop and office (own use)	233,188	Freehold	-	17
25 Leng Kee Road Singapore 159097	Showroom, workshop and office (own use)	23,998	Leasehold	10 April 2059	7
15 Queen Street Tan Chong Tower Singapore 188537	Office, showroom and apartments for rental (investment)	22,193	Freehold	-	20
798 & 800 Upper Bukit Timah Road Singapore 678138/139	Factory and warehouse for rental (investment)	44,794 1,141 168,046	Freehold Leasehold Leasehold	- 16 April 2874 6 April 2082	12

<i>Location</i>	<i>Description</i>	<i>Land area (sq feet)</i>	<i>Tenure</i>	<i>Expiry date</i>	<i>Age of building (years)</i>
210 New Upper Changi Road #01-703 Singapore 460210	Showroom and office (investment)	4,058	Leasehold	1 July 2078	23
23 Jalan Buroh Singapore 619479	Showroom, workshop, office and warehouse (own use)	161,631	Leasehold	1 October 2027	18
15 Tuas Avenue 3 Singapore 639412	Workshop and office (own use)	110,790	Leasehold	16 November 2013	19
17 Lorong 8, Toa Payoh Singapore 319254	Showroom, workshop and office (own use)	58,737	Leasehold	28 February 2023	7
MK 23 Lot 4771 PT Ubi Road 4 Singapore	Land under development (own use)	59,379	Leasehold	1 October 2030	-
Lot 2858L of MuKim 6 (Private Lot A2825) 1 Sixth Lok Yang Road Singapore 628099	Land under development (own use)	223,908	Leasehold	15 April 2033	29
Unit 4.01 Block A Greenview Apartments Jalan Sekolah Kencana IV Pondok Indah Jakarta 12310 Indonesia	Residential apartment (own use)	2,045	Leasehold	24 August 2024	9

<i>Location</i>	<i>Description</i>	<i>Land area (sq feet)</i>	<i>Tenure</i>	<i>Expiry date</i>	<i>Age of building (years)</i>
59 M001, Rangsit-Pathumthani Road, Banklang, Musang District, Pathumthani Province, Thailand	Showroom, workshop, office and warehouse (own use)	557,754	Freehold	-	15
Area No. 56, 148, 149, 194, 197, Sub-district of Khleng Prawet Fang Tai, District of Prakanong , Bangkok, Thailand	Workshop and office (own use)	60,278	Leasehold	12 November 2018	5