

CONNECTED TRANSACTIONS (cont'd)

4. The restructuring of Guangzhou Hua De Automobile Spring Company Limited ("Hua De"), an indirect non-wholly owned subsidiary of the Company, which turned from loss to profit in 2000, is still in process. It is expected that the restructuring may be completed before 30th June 2001 and the loans advanced by Weida to Hua De may be thereby capitalized and the guarantees provided be released respectively.
5. Weida's loan to Guangzhou Densheng Valve Company Limited ("Densheng") was same as that stated in the Company's announcement dated 31st August 2000. There has not been any change in the amount and terms of the loan from the connected party in Densheng since the Company's announcement dated 31st August 2000. Weida's loan to Densheng is less than the amount to be contributed in proportion to Weida's shareholding in Densheng. Both loans from Weida and Jinda are interest-free.
6. Short-term loans advanced to Guangzhou Xilong Automotive Maintenance Centre by Weida and Guangzhou Auto Group Corporation were same as those stated in the Company's announcement dated 31st August 2000.

PRACTICE NOTE 19 OF THE LISTING RULES

As at 31st December 2000, the Group had provided advances in the aggregate sum of HK\$19,586,000 (1999:HK\$17,726,000) to a non-consolidated subsidiary and an associated company and had given guarantee for bank loans in the total sum of HK\$2,804,000 (1999: HK\$2,804,000) to a non-consolidated subsidiary. In addition, another guarantees for bank loans given to a jointly-controlled entity in 1999 amounted to HK\$60,748,000 were withdrawn during the year. The financial assistance given to the above companies during the year or as at 31st December 2000, in aggregate, represented less than 25% of the consolidated net assets of the Group at the balance sheet date. Accordingly, no separate disclosure in accordance with the requirements under Practice Note 19 of the Listing Rules is provided.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The 2000 Annual Report of the Company containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 to the Listing Rules is also published on the website of the Stock Exchange in due course.

CODE OF BEST PRACTICE

In the opinion of the Board, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the accounting year covered by the annual accounts. The independent non-executive directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the Annual General Meeting of the Company in accordance with the Company's Articles of Association.

CHANGE OF NAME

By a special resolution passed on 19th June 2000 and with the approval of the Registrar of Companies in Hong Kong, the name of the Company was changed from Denway Investment Limited to “Denway Motors Limited 駿威汽車有限公司” with effect from 26th June 2000.

AUDITORS

The accounts have been audited by PricewaterhouseCoopers, who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Zhang Fangyou

Chairman and Managing Director

Hong Kong, 18th April 2001