

INTERIM RESULTS

The directors of Denway Motors Limited (the "Company") announce the unaudited consolidated results of the Company and its subsidiaries, including the results of a jointly controlled entity and associated companies (the "Group") for the six months ended 30 June 2001, together with comparative figures for the corresponding period in 2000, as follows:

Condensed Consolidated Profit and Loss Account

For the six months ended 30 June 2001

	Note	Unaudited	
		Six months ended 30 June	
		2001	2000
		HK\$'000	HK\$'000
Turnover	2	589,334	327,545
Cost of sales		(526,261)	(287,644)
Gross profit		63,073	39,901
Other revenues		16,481	9,416
Selling and distribution costs		(8,972)	(6,045)
General and administrative expenses		(44,173)	(44,373)
Net other operating (expense)/income		(647)	3,000
Operating profit	3	25,762	1,899
Finance costs		(4,182)	(7,161)
Share of profits/(losses) of:			
A jointly controlled entity	9	366,124	169,303
Associated companies		(3,753)	(14)
Non-consolidated subsidiaries		696	54
		363,067	169,343
Profit before taxation		384,647	164,081
Taxation	4	(5,094)	(121)
Profit after taxation		379,553	163,960
Minority interests		(5,403)	(3,085)
Profit attributable to shareholders		374,150	160,875
Interim dividend	5	65,943	–
Interim dividend per share	5	2.00 cents	–
Earnings per share	6	11.44 cents	5.60 cents

Condensed Consolidated Balance Sheets

As at 30 June 2001 and 31 December 2000

		Unaudited	Audited
		30 June	31 December
		2001	2000
	<i>Note</i>	HK\$'000	<i>HK\$'000</i>
Goodwill	7	32,201	–
Fixed assets	8	207,726	197,203
Investments in non-consolidated subsidiaries		21,273	20,577
Investment in a jointly controlled entity	9	1,162,566	796,442
Investments in associated companies		60,985	64,739
Long-term investments		3,468	1,506
Current assets			
Inventories		144,154	114,933
Trade and other receivables	10	222,660	213,137
Cash and balances			
– pledged		76,894	42,256
– others		670,003	748,857
		<u>1,113,711</u>	<u>1,119,183</u>
Current liabilities			
Trade and other payables	11	255,119	234,687
Current portion of long-term liabilities	12	86,126	103,872
Taxation		9,608	7,346
		<u>350,853</u>	<u>345,905</u>
Net current assets		<u>762,858</u>	<u>773,278</u>
Total assets less current liabilities		<u>2,251,077</u>	<u>1,853,745</u>
Financed by:			
Share capital	13	328,218	296,396
Reserves		1,846,446	1,496,181
Shareholders' funds		2,174,664	1,792,577
Minority interests		53,332	35,579
Long-term liabilities	12	21,893	24,401
Deferred taxation		1,188	1,188
		<u>2,251,077</u>	<u>1,853,745</u>

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2001

	Unaudited Six months ended 30 June 2001 HK\$'000
Net cash outflow from operating activities	(7,910)
Net cash inflow from returns on investment and servicing of finance	6,470
Total taxation paid	(6,401)
Net cash outflow from investing activities	<u>(22,374)</u>
Net cash outflow before financing	(30,215)
Net cash outflow from financing	<u>(14,001)</u>
Decrease in cash and cash equivalents	(44,216)
Net change in bank deposits pledged	(34,638)
Cash and cash equivalents as at 1 January	<u>748,857</u>
Cash and cash equivalents as at 30 June	<u><u>670,003</u></u>
Analysis of the balances of cash and cash equivalents:	
Cash and bank balances	<u><u>670,003</u></u>

Condensed Consolidated Statement of Recognised Gains and Losses

For the six months ended 30 June 2001

	Unaudited	
	Six months ended 30 June	
	2001	2000
	HK\$'000	HK\$'000
Net loss not recognised in the profit and loss account :		
Exchange differences arising on translation of accounts of overseas subsidiaries, non-consolidated subsidiaries, associated companies and a jointly controlled entity	(483)	–
Profit for the period	374,150	160,875
Add: release of debit balance of exchange reserves to the profit and loss account upon disposal of subsidiaries	629	334
Less: release of capital reserve to the profit and loss account upon disposal of subsidiaries	–	(114)
Total recognised gains and losses	<u>374,296</u>	<u>161,095</u>