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

Tor the six months chaca so raile 2001		Unaudited Six months ended 30 June	
		2001	2000
	Note	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

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 64,738 Long-term investments 3,468 1,506 Current assets		Note	Unaudited 30 June 2001 <i>HK\$'000</i>	Audited 31 December 2000 <i>HK\$'000</i>
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 64,733 Long-term investments 3,468 1,500 Current assets 1 144,154 114,933 Trade and other receivables 10 222,660 213,137 Cash and balances - - 1,113,711 1,119,183 Current liabilities 76,894 42,256 42,256 - - others 670,003 748,857 - 1,113,711 1,119,183 Current liabilities 11 255,119 234,687 - - 1,255,119 234,687 - - 1,366 103,872 - - - 1,366 103,872 - - - 2,366 103,872 - - - - - - 2,366 - - - -	Goodwill	7	32,201	_
Investment in a jointly controlled entity 9 1,162,566 796,442 Investments in associated companies 60,985 64,735 Long-term investments 3,468 1,506 Current assets	Fixed assets	8		197,203
Investments in associated companies	Investments in non-consolidated subsidiaries		21,273	20,577
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 76,894 42,256 - pledged 670,003 748,857 - others 670,003 748,857 Current liabilities 11 255,119 234,687 Current portion of long-term liabilities 12 86,126 103,872 Taxation 9,608 7,346 Net current assets 762,858 773,278 Total assets less current liabilities 2,251,077 1,853,745 Financed by: 5hare capital 13 328,218 296,396 Reserves 1,846,446 1,496,181 1,496,181 Shareholders' funds 2,174,664 1,792,577	Investment in a jointly controlled entity	9	1,162,566	796,442
Current assets Inventories 144,154 114,933 Trade and other receivables 10 222,660 213,133 Cash and balances 76,894 42,256 - pledged 670,003 748,855 - others 670,003 748,855 Current liabilities 11 255,119 234,685 Current portion of long-term liabilities 12 86,126 103,872 Taxation 9,608 7,346 Net current assets 762,858 773,278 Total assets less current liabilities 2,251,077 1,853,745 Financed by: 5hare capital 13 328,218 296,396 Reserves 1,846,446 1,496,181 Shareholders' funds 2,174,664 1,792,577	Investments in associated companies		60,985	64,739
Inventories 144,154 114,933 Trade and other receivables 10 222,660 213,133 Cash and balances 76,894 42,256 - pledged 76,894 42,256 - others 670,003 748,857 Current liabilities 11 255,119 234,687 Current portion of long-term liabilities 12 86,126 103,872 Taxation 9,608 7,346 Net current assets 762,858 773,278 Total assets less current liabilities 2,251,077 1,853,745 Financed by: 5hare capital 13 328,218 296,396 Reserves 1,846,446 1,496,181 Shareholders' funds 2,174,664 1,792,577	Long-term investments		3,468	1,506
Trade and other receivables 10 222,660 213,137 Cash and balances 76,894 42,256 - pledged 670,003 748,857 - others 670,003 748,857 Current liabilities 11 255,119 234,687 Current portion of long-term liabilities 12 86,126 103,872 Taxation 9,608 7,346 Net current assets 762,858 773,278 Total assets less current liabilities 2,251,077 1,853,745 Financed by: 5hare capital 13 328,218 296,396 Reserves 1,846,446 1,496,181 Shareholders' funds 2,174,664 1,792,577	Current assets			
Cash and balances 76,894 42,256 - others 670,003 748,857 1,113,711 1,119,183 Current liabilities 11 255,119 234,687 Current portion of long-term liabilities 12 86,126 103,872 Taxation 9,608 7,346 Net current assets 762,858 773,278 Total assets less current liabilities 2,251,077 1,853,745 Financed by: 31 328,218 296,396 Reserves 1,846,446 1,496,181 Shareholders' funds 2,174,664 1,792,577			144,154	114,933
- others 670,003 748,855. 1,113,711 1,119,183 Current liabilities Trade and other payables Current portion of long-term liabilities Taxation 11 255,119 234,685 Taxation 9,608 7,346 350,853 345,905 Net current assets 762,858 773,278 Total assets less current liabilities 2,251,077 1,853,745 Financed by: Share capital 13 328,218 296,396 Reserves 1,846,446 1,496,181 Shareholders' funds 2,174,664 1,792,577		10	222,660	213,137
1,113,711 1,119,183 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 Net current assets 762,858 773,278 Total assets less current liabilities 2,251,077 1,853,745 Financed by: 33,28,218 296,396 Reserves 1,846,446 1,496,181 Share holders' funds 2,174,664 1,792,577	– pledged		76,894	42,256
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 Net current assets 762,858 773,278 Total assets less current liabilities 2,251,077 1,853,745 Financed by: 5hare capital 13 328,218 296,396 Reserves 1,846,446 1,496,181 Shareholders' funds 2,174,664 1,792,577	– others		670,003	748,857
Trade and other payables 11 255,119 234,687 Current portion of long-term liabilities 12 86,126 103,872 Taxation 9,608 7,346 350,853 345,905 Net current assets 762,858 773,278 Total assets less current liabilities 2,251,077 1,853,745 Financed by: 3328,218 296,396 Reserves 1,846,446 1,496,181 Shareholders' funds 2,174,664 1,792,577			1,113,711	1,119,183
Current portion of long-term liabilities 12 86,126 103,872 Taxation 9,608 7,346 350,853 345,905 Net current assets 762,858 773,278 Total assets less current liabilities 2,251,077 1,853,745 Financed by: 13 328,218 296,396 Reserves 1,846,446 1,496,181 Share holders' funds 2,174,664 1,792,577				
Taxation 9,608 7,346 350,853 345,905 Net current assets 762,858 773,278 Total assets less current liabilities 2,251,077 1,853,745 Financed by: 33,28,218 296,396 Reserves 1,846,446 1,496,181 Shareholders' funds 2,174,664 1,792,577	- ·			234,687
Net current assets 762,858 773,278 Total assets less current liabilities 2,251,077 1,853,745 Financed by: 330,853 345,905 Share capital 1,853,745 1,853,745 Reserves 1,846,446 1,496,181 Shareholders' funds 2,174,664 1,792,577		12		103,872
Net current assets 762,858 773,278 Total assets less current liabilities 2,251,077 1,853,745 Financed by: 13 328,218 296,396 Reserves 1,846,446 1,496,181 Shareholders' funds 2,174,664 1,792,577	Taxation		9,608	7,346
Total assets less current liabilities Financed by: Share capital Reserves Shareholders' funds 2,251,077 1,853,745 296,396 1,846,446 1,496,181 2,174,664 1,792,577			350,853	345,905
Financed by: Share capital Reserves 13 328,218 296,396 1,846,446 1,496,181 Shareholders' funds 2,174,664 1,792,577	Net current assets		762,858	773,278
Share capital 13 328,218 296,396 Reserves 1,846,446 1,496,181 Shareholders' funds 2,174,664 1,792,577	Total assets less current liabilities		2,251,077	1,853,745
Reserves 1,846,446 1,496,183 Shareholders' funds 2,174,664 1,792,577	Financed by:			
Shareholders' funds 2,174,664 1,792,577	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	Minority interests		53,332	35,579
	_	12	21,893	24,401
Deferred taxation 1,188 1,188	Deferred taxation		1,188	1,188
2,251,077 1,853,745			2,251,077	1,853,745

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	(22,374)
Net cash outflow before financing	(30,215)
Net cash outflow from financing	(14,001)
Decrease in cash and cash equivalents	(44,216)
Net change in bank deposits pledged	(34,638)
Cash and cash equivalents as at 1 January	748,857
Cash and cash equivalents as at 30 June	670,003
Analysis of the balances of cash and cash equivalents:	
Cash and bank balances	670,003

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	374,296	161,095