

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 30 June 2001, those persons or corporations having an interest in 10 per cent or more of the issued share capital of the Company as recorded in the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance were as follows :

Substantial shareholders	Number of shares held	Notes
Guangzhou Automobile Group Co. Ltd. ("Guangzhou Automobile")	1,277,069,321	(a)(d)
Guangzhou Jinda Motors Holdings Enterprises ("Jinda")	1,277,069,321	(b)(d)
China Lounge Investments Limited ("China Lounge Investments")	1,277,069,321	(c)(d)

Notes:

- This interest represents the total number of shares of the Company held by certain subsidiaries of Guangzhou Automobile where Guangzhou Automobile is taken to be interested in such shares under Section 8 of the SDI Ordinance.
- Jinda is a subsidiary of Guangzhou Automobile and its interest in the shares of the Company are duplicated in the interest of Guangzhou Automobile.
- China Lounge Investments is a subsidiary of Jinda and its interest in the shares of the Company are duplicated in the interests of Jinda.
- This interest has not included the 127,646,931 bonus shares received pursuant to the Bonus Issue.

Save as disclosed herein, no other person is recorded in the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance as having an interest in 10 per cent or more of the issued share capital of the Company as at 30 June, 2001.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the period, the Company has not redeemed any of its shares. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

## PRACTICE NOTE 19 OF THE LISTING RULES

As at 30 June 2001, the Group had provided advances in the aggregate sum of HK\$27,677,000 to a non-consolidated subsidiary and had given guarantee for bank loans in the sum of HK\$2,804,000. The financial assistance given to the above company during the period or as at 30 June 2001, in aggregate, represented less than 25% of the consolidated net tangible 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

The 2001 Interim Report of the Company containing all the information required by paragraphs 46(1) to 46(6) of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") will be published on the website of the Stock Exchange in due course.

## CODE OF BEST PRACTICE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 June 2000, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except that 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. The audit committee was established with written terms of reference which deal clearly with its authority and duties in pursuance of paragraph 14 of Appendix 14 of the Listing Rules. Amongst the audit committee's principal duties are the review and supervision of the Company's financial reporting process and internal control systems.

By the Order of the Board  
**Zhang Fangyou**  
*Chairman*

Hong Kong, 20 August 2001