

PEARL RIVER TYRE (HOLDINGS) LIMITED

(Registered under the Companies Act 1981 of Bermuda with limited liability)

(A.R.B.N. 067 062 408)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2001

The Board of Directors of Pearl River Tyre (Holdings) Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months period ended 30 June 2001 (the “current period”) together with the comparative figures for the corresponding period last year (the “corresponding period”).

CONSOLIDATED INCOME STATEMENTS

		As Restated		As
		Six Months Ended 30 June		Previously
		2001	2000	Reported
	NOTE	A\$'000	A\$'000	2000
				A\$'000
Total revenue	4	<u>1,029</u>	<u>7,666</u>	<u>43,054</u>
Sales revenue		–	–	35,060
Cost of sales		<u>–</u>	<u>–</u>	<u>(31,288)</u>
Gross profit		–	–	3,772
Other revenue				
Dividend income		47	85	85
Gain on foreign exchange		547	215	215
Gain on sale of plant and equipment		–	–	101
Gain on sale of equity investments		–	1,568	1,568
Interest income		66	67	94
Management fee		–	–	18
Other income		–	–	224
		<u>660</u>	<u>1,935</u>	<u>2,305</u>
Total income		660	1,935	6,077
Operating expenses				
General and administrative		(737)	(525)	(4,574)
Selling and distribution		–	–	(2,696)
Financial		(1)	(5)	(1,096)
		<u>(738)</u>	<u>(530)</u>	<u>(8,366)</u>

CONSOLIDATED INCOME STATEMENTS (Continued)

		As Restated		As
		Six Months Ended 30 June		Previously
		2001	2000	2000
	<i>NOTE</i>	<i>A\$'000</i>	<i>A\$'000</i>	<i>A\$'000</i>
Operating (loss)/profit before share of profit of associate entity and loss of the Joint Venture		(78)	1,405	(2,289)
Share of profit of associate entity	5	232	–	–
Share of loss of the Joint Venture		(655)	(3,656)	–
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Operating loss before abnormal item		(501)	(2,251)	(2,289)
Abnormal item	6	–	252	252
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Operating loss for the period		(501)	(1,999)	(2,037)
Income tax of the Joint Venture	7	–	–	(1,540)
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Operating loss after income tax		(501)	(1,999)	(3,577)
Outside equity interest in operating loss after income tax		–	–	1,578
		<hr/>	<hr/>	<hr/>
Operating loss after income tax attributable to members of the Company	8	(501)	(1,999)	(1,999)
Retained profits at the beginning of the period		3,131	11,232	11,232
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Retained profits at the end of the period		<u>2,630</u>	<u>9,233</u>	<u>9,233</u>
Loss per share	9	<u>(0.5) cents</u>	<u>(1.9) cents</u>	<u>(1.9) cents</u>

CONSOLIDATED INCOME STATEMENTS (Continued)

		As Restated		As
		Six Months Ended		Previously
		30 June		Reported
		2001	2000	2000
	<i>NOTE</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Total revenue	4	<u>4,295</u>	<u>36,550</u>	<u>205,262</u>
Sales revenue		–	–	167,149
Cost of sales		–	–	(149,288)
Gross profit		–	–	17,861
Other revenue				
Dividend income		196	407	407
Gain on foreign exchange		2,283	1,027	1,027
Gain on sale of plant and equipment		–	–	481
Gain on sale of equity investments		–	7,474	7,474
Interest income		275	318	450
Management fee		–	–	87
Other income		–	–	1,064
		<u>2,754</u>	<u>9,226</u>	<u>10,990</u>
Total income		2,754	9,226	28,851
Operating expenses				
General and administrative		(3,076)	(2,503)	(21,807)
Selling and distribution		–	–	(12,853)
Financial		(4)	(25)	(5,223)
		<u>(3,080)</u>	<u>(2,528)</u>	<u>(39,883)</u>
Operating (loss)/profit before share of profit of associate entity and loss of the Joint Venture		(326)	6,698	(11,032)
Share of profit of associate entity	5	967	–	–
Share of loss of the Joint Venture		(2,839)	(12,411)	–
Operating loss before abnormal item		(2,198)	(5,713)	(11,032)
Abnormal item	6	–	1,201	1,201
Operating loss for the period		(2,198)	(4,512)	(9,831)
Share of income tax of the Joint Venture	7	–	(5,139)	(7,342)
Operating loss after income tax		(2,198)	(9,651)	(17,173)
Outside equity interest in operating loss after income tax		–	–	7,522
Operating loss after income tax attributable to members of the Company	8	(2,198)	(9,651)	(9,651)
Retained profits at the beginning of the period		29,742	67,312	67,312
Retained profits at the end of the period		<u>27,544</u>	<u>57,661</u>	<u>57,661</u>
Loss per share	9	<u>(2.1) cents</u>	<u>(9.2) cents</u>	<u>(9.2) cents</u>