

FINANCIAL SUMMARY

The Group's turnover for the six months ended 30th June 2002 was about HK\$657,223,000, representing about 11.5% higher than that in the same period of 2001. Including the trading of motor vehicles increased slightly of about 4.3% compared to that of 2001 and reached around HK\$419,177,000. The second major revenue source of the Group was the manufacturing and assembly of motor vehicles which registered a turnover of around HK\$121,119,000, representing an increase of about 32.5% compared to that of 2001. The orders on hand of the Company's subsidiaries for the business of the manufacturing and assembly of motor vehicles, the trading of motor vehicles and the manufacturing and trading of audio equipment were about RMB9,370,000 (or equivalent to HK\$8,757,000), RMB229,000,000 (or equivalent to HK\$214,019,000) and HK\$95,000,000 respectively as at 30th June 2002.

The total bank loans and other loans of the Group further decreased by around HK\$50,133,000 during the six months period and reached HK\$82,677,000 from the balance of HK\$132,810,000 as at 31st December 2001. The ratio of bank borrowings and other loans relative to total equity was decreased to only 2.9% as at 30th June 2002 from 5.4% as at 31st December 2001. The ratio of total liabilities (including minority interests) relative to total equity was decreased to 16.8% from the ratio of 20.0% as at 31st December 2001.

The Group's bank borrowings were secured by land and buildings and investment properties with a total net book value of HK\$22,635,000 and bank balance of HK\$67,844,000. At 30th June 2002, the Group had contingent liabilities of about HK\$15,967,000 which mainly represented guarantees for bank loans borrowed by a non-consolidated subsidiary.

As at 30th June 2002, the Group had cash and cash equivalents of about HK\$956,915,000, included the pledged bank balance of HK\$67,844,000. This had included the cash inflow from operating activities of around HK\$6,138,000.

During the first six months in 2002, general and administrative expenses for the Group increased about by HK\$24,740,000 and reached HK\$68,913,000. The restructuring expenses of the subsidiary, Guangzhou Denway Bus Company Limited, absorbed most of the dollar increase of the general and administrative expenses after the disposal of 45% interest in March this year. These expenses were always tightly controlled by the Group. The finance cost further reduced to around HK\$3,653,000, the interest cover also reached a recorded high level of 154 multiples from the high level of 93 multiples of the same period of 2001. The Group did not experience significant exchange rate fluctuation in terms of Renminbi, the major operating currency of the Group during the first six months in 2002.

Share of net profits of non-consolidated subsidiaries was around HK\$1,020,000 for the six months ended 30th June 2002, representing an increase of about 46.6% compared to that of the same period of 2001. However, share of loss of associated companies increased and reached around HK\$4,385,000, representing about 16.8% higher compared to that of 2001.