

The board of directors of Qingling Motors Co. Ltd (the “Company”) are pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (together the “Group”) for the six months ended 30th June, 2003, which have been reviewed by the Company’s auditors, Messrs. Deloitte Touche Tohmatsu, together with comparative figures for the corresponding period in 2002:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June, 2003

		1.1.2003 to 30.6.2003 (Unaudited) RMB'000	1.1.2002 to 30.6.2002 (Unaudited) RMB'000
	<i>Notes</i>		
Turnover		1,717,112	1,475,696
Cost of sales		<u>(1,384,946)</u>	<u>(1,235,327)</u>
Gross profit		332,166	240,369
Other operating income		37,475	27,188
Distribution costs		(209,867)	(98,591)
Administrative expenses		<u>(57,019)</u>	<u>(44,455)</u>
Profit from operations	3	102,755	124,511
Finance costs	4	<u>(21,984)</u>	<u>(54,986)</u>
Profit before taxation		80,771	69,525
Taxation	5	<u>(11,895)</u>	<u>(10,492)</u>
Profit before minority interests		68,876	59,033
Minority interests		<u>(542)</u>	<u>384</u>
Net profit for the period		<u><u>68,334</u></u>	<u><u>59,417</u></u>
Earnings per share	7		
— Basic		<u><u>RMB0.0275</u></u>	<u><u>RMB0.0245</u></u>
— Diluted		<u><u>N/A</u></u>	<u><u>RMB0.0244</u></u>