

FINANCIAL HIGHLIGHT

MAJOR ASSOCIATES

A summary of the combined results and the assets and liabilities of the Group's major associates, namely Zhejiang Geely Automobile Company Limited and Shanghai Maple Guorun Automobile Company Limited is set out below:

Combined results - Major associates (unaudited)

	For the six months ended	
	30 June	
	2005	2004
	HK\$'000	HK\$'000
		(restated)
Turnover	1,951,217	943,701
Cost of sales	(1,647,478)	(792,332)
Sales tax	(46,086)	(871)
Gross profit	257,653	150,498
Other net operating income	112,103	3,876
Distribution and selling expenses	(129,519)	(86)
Administration expenses	(99,136)	(30,381)
Profit from operations	141,101	123,907
Finance costs	(23,435)	159
Non-operating income	117,666	124,066
Non-operating expenses	464	83
Non-operating expenses	(2,622)	(572)
Profit before tax	115,508	123,577
Income tax	(13,934)	(1,054)
Profit for the period	101,574	122,523
Attributable to:		
Shareholders of the parent company	101,380	122,523
Minority interests	194	-
Profit for the period	101,574	122,523
Gross profit margin	13.2%	15.9%
Profit margin	5.2%	13.1%

Combined assets and liabilities – Major associates (unaudited)

	As at 30 June 2005 HK\$'000	As at 31 December 2004 HK\$'000 (restated)
Non-current assets		
Property, plant and equipment	1,611,542	1,513,250
Other long-term assets	391,409	406,337
Goodwill	189,943	189,942
	2,192,894	2,109,529
Current assets		
Inventories	416,584	421,164
Trade and other receivables	359,034	1,661,225
Amounts due from related companies	1,482,767	–
Short term investment	7,533	–
Bank balances and cash	958,022	426,832
	3,223,940	2,509,221
Current liabilities		
Bank borrowing	(307,910)	(263,654)
Trade and other payables	(2,815,896)	(2,375,120)
Amounts due to related companies	(246,764)	–
Taxation	(11,564)	–
Dividend payables	(55,325)	–
	(3,437,459)	(2,638,774)
Net current liabilities	(213,519)	(129,553)
Total assets less current liabilities	1,979,375	1,979,976
Non-current liabilities		
Shareholder's loan and other long-term liabilities	(552,415)	(551,943)
Net assets	1,426,960	1,428,033
Equity		
Share capital	1,047,546	1,047,546
Reserves	342,444	345,082
Equity attributable to shareholders of the parent company	1,389,990	1,392,628
Minority interests	36,970	35,405
Total equity	1,426,960	1,428,033