

## Notes to the Unaudited Financial Statements

### 1 BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with the requirements of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), including compliance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Committee.

### 2 SEGMENTAL INFORMATION

	<i>Group Revenue</i> <i>Six months</i> <i>ended 30 June</i>		<i>Profit from operations</i> <i>Six months</i> <i>ended 30 June</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>By business segments</b>				
Motor vehicle distribution	1,802,512	2,608,310	74,484	244,130
Heavy commercial vehicle and industrial equipment distribution	112,349	143,558	10,954	17,863
Sale of telecommunication products	608	16,577	(116)	131
Property rentals	11,904	12,810	6,308	(5,948)
Other operations	88,123	66,798	26,944	11,178
	2,015,496	2,848,053	118,574	267,354

	<i>Group Revenue</i> <i>Six months ended 30 June</i>	
	<i>2002</i>	<i>2001</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>By geographical locations</b>		
Singapore	1,945,607	2,757,600
Hong Kong	33,637	49,098
PRC	14,619	12,403
Others	21,633	28,952
	2,015,496	2,848,053

### 3 PROFIT BEFORE TAXATION AND MINORITY INTERESTS

Profit before taxation and minority interests is arrived at after charging/(crediting):

	<i>Six months ended 30 June</i>	
	<i>2002</i>	<i>2001</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest expense	2,052	3,626
Decrease in fair value of investment properties	-	15,661
Depreciation	24,276	21,869
Gain on sale of fixed assets	(1,557)	(2,130)

### 4 TAXATION

The analysis of income tax expense is as follows:

	<i>Six months ended 30 June</i>	
	<i>2002</i>	<i>2001</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	Nil	Nil
Elsewhere	25,472	78,984
Associates	3,431	3,558
	28,903	82,542

The Group's applicable tax rate represents the weighted average of the statutory corporate income tax rates, which mainly range between 16% (2001: 16%) and 22.0% (2001: 24.5%), in the tax jurisdictions in which the Group operates.

## 5 DIVIDENDS

	<i>Six months ended 30 June</i>	
	<i>2002</i>	<i>2001</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
(i) At balance sheet date the following dividend has been approved and declared:		
Final dividend paid in respect of the prior year	70,466	60,399
(ii) After balance sheet date the following dividend has been declared by the directors.		
The dividend has not been provided for:		
Interim dividend of 1.5 cents		
(2001: 1.5 cents) per share	30,200	30,200

## 6 EARNINGS PER SHARE

Earnings per share for the six months ended 30 June 2002 is calculated by dividing the Group's profit attributable to shareholders of approximately HK\$102,885,000 (2001:HK\$192,087,000) by the weighted average number of shares of 2,013,309,000 (2001:2,013,309,000) in issue during the period. The amount of diluted earnings per share is not presented as there were no dilutive shares outstanding during the six months ended 30 June 2002 and 2001.

## 7 TRADE DEBTORS

Included in trade debtors are debtors (net of specific provisions for bad and doubtful debts) with the following ageing analysis:

	<i>at</i>	<i>at</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2002</i>	<i>2001</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current	162,855	104,677
1 to 3 months overdue	57,064	30,340
More than 3 months overdue but less than 12 months overdue	5,465	2,792
	225,384	137,809

Debts are due within 1 month from the date of billing. Debtors with balances that are more than 3 months overdue are requested to settle all outstanding balances before any further credit is granted.

## 8 CASH AND CASH EQUIVALENTS

	<i>at</i> <i>30 June</i> <i>2002</i> <i>HK\$'000</i>	<i>at</i> <i>31 December</i> <i>2001</i> <i>HK\$'000</i>
Bank deposits	841,508	867,553
Bank balances	18,743	18,712
Cash on hand	302	234
Cash and cash equivalents (exclude bank overdrafts)	860,553	886,499
Bank overdrafts (unsecured)	(35,731)	(30,248)
Cash and cash equivalents	824,822	856,251

## 9 TRADE CREDITORS

Included in trade creditors are creditors with the following ageing analysis:

	<i>at</i> <i>30 June</i> <i>2002</i> <i>HK\$'000</i>	<i>at</i> <i>31 December</i> <i>2001</i> <i>HK\$'000</i>
Due within one month or on demand	92,619	100,305
Due after 1 month but within 3 months	67,752	44,497
Due after 3 months but within 6 months	17,359	5,669
Due after 6 months but within 12 months	1,200	843
	178,930	151,314

**10 SHARE CAPITAL**

	<i>at</i> <b>30 June</b> <b>2002</b> <b>HK\$'000</b>	<i>at</i> <b>31 December</b> <b>2001</b> <b>HK\$'000</b>
<b><i>Authorised:</i></b>		
3,000,000,000 ordinary shares of HK\$0.50 each	1,500,000	1,500,000
<b><i>Issued and fully paid:</i></b>		
At 1 January	1,006,655	1,006,655
Movements during the period/year	-	-
	1,006,655	1,006,655

**11 RESERVES**

	<i>Note</i>	<i>Share premium</i> HK\$'000	<i>Capital reserve</i> HK\$'000	<i>Translation reserve</i> HK\$'000	<i>Contributed surplus</i> HK\$'000	<i>Retained profits</i> HK\$'000	<i>Total</i> HK\$'000
Balance at 1 January 2002		550,547	9,549	(628,647)	377,690	1,860,185	2,169,324
Total recognised gains and losses		-	-	143,180	-	102,885	246,065
Dividends to shareholders	5	-	-	-	-	(70,466)	(70,466)
Balance at 30 June 2002		550,547	9,549	(485,467)	377,690	1,892,604	2,344,923

**12 CAPITAL COMMITMENTS**

Capital commitments outstanding at 30 June 2002 not provided for in the financial statements were as follows:

	<i>at</i> <b>30 June</b> <b>2002</b> <b>HK\$'000</b>	<i>at</i> <b>31 December</b> <b>2001</b> <b>HK\$'000</b>
Contracted for:	105,700	92,126
Not Contracted for:	199,247	189,634
	304,947	281,760

### 13 CONTINGENT LIABILITIES

At 30 June 2002, the Group had contingent liabilities in respect of unsecured guarantees amounting to HK\$8,671,000 (31 December 2001: HK\$8,415,000) to banks in respect of credit facilities extended to an associate and a related company, out of which HK\$1,217,000 (31 December 2001: HK\$Nil) was utilised at 30 June 2002.

### 14 RELATED PARTY TRANSACTIONS

The following is a summary of significant transactions carried out in the normal course of business between the Group and its related companies during the period:

	<i>Six months ended 30 June</i>	
	<i>2002</i>	<i>2001</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sale of goods and services	8,897	2,842
Purchase of stocks	5,453	8,508

All the sales and purchases and services rendered were on normal commercial terms.

### 15 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current period's presentation.