

EXECUTIVE SUMMARY

The Board of Directors (“Board”) is pleased that despite the harsh economic climate and intense market competition the Group produced a healthy set of financial results in year 2003. Revenue of HK\$4,281 million represents a year on year improvement of 9 %. Vehicle sales, our anchor business, moved up steadily by 7 % to 15,548 units. Likewise, profit attributable to shareholders contributed a further HK\$289 million or 8 % to shareholders’ fund. Operating profit not only stabilized as expected in year 2002 it increased 22 % year on year.

In Singapore Nissan vehicle sales increased 7 % to 14012 units and Subaru car sales improved another 19 % year on year to 1210 units. Face-lifted and new Nissan and Subaru car models launched during the year boosted sales. Regional sales of Subaru cars were steady although weak market conditions dampened sales in Hong Kong.

In Singapore the Industrial Machinery Division continued to be affected by the slow down in construction activities and the logistic sector. Sales volume of trucks and forklifts picked up slightly but revenue dropped because of intense price competition and the appreciation of the Japanese Yen currency eroded margins. Our Nissan Diesel distribution business in Thailand turned in a robust performance by doubling unit sales on the back of a strong economic growth in Thailand.

Our financial position remains healthy with net cash increase of 9 % to HK\$842 million year on year. Debtors’ turnover improved to 21 days from 28 days in 2002. Higher stock level was due to stocking up of the New Nissan Cefiro and New Subaru models in anticipation of increased sales. Amounts committed on capital projects totaled HK\$228 million.

The Board is proposing a final dividend payment of 3.5 cents per share, which will be payable on 10 June 2004 to shareholders whose names appear on the Register of Members on 12 May 2004, subject to the approval of shareholders at the Annual General Meeting to be held on 12 May 2004. The total dividend for the whole year therefore amounts to 5.0 cents per share in line with 2002.

We appreciate the conscientiousness and dedication of staff and management and trust that they shall continue to work efficiently and resolutely to meet the challenges ahead.

Dato’ Tan Kim Hor

Chairman

Hong Kong,

10 March, 2004