

Interim Report
中期報告

2009



Dragon Hill Wuling Automobile Holdings Limited
俊山五菱汽車集團有限公司

(Stock Code 股份代號: 305)

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MESSAGES FROM THE BOARD OF DIRECTORS

Performance

We are pleased to present the unaudited results of Dragon Hill Wuling Automobile Holdings Limited for the six months ended 30 June 2009.

To cope with the anticipated adversities caused by the financial tsunami broke out in the second half of 2008, the Chinese government implemented comprehensive stimulus programs to boost the local economy in China. Specific favourable policies towards the China automobile industry were included in the programs and had effectively stimulated local demands of our customers' products in the first half of 2009, which in turn benefited the Group with an impressive growth in revenue. During the first half of 2009, the Group recorded total revenue of RMB4,813,928,000, representing a significant 31% increase as compared to prior year's comparative figures.

Meanwhile, gross profit for the period under review was RMB404,360,000, representing a 21% increase as compared to prior year's comparative figure. This lower increase rate was mainly due to the impact of certain undesirable factors caused by a sudden surge in demands with the initial stage operations of certain new facilities of the Group in the first half of 2009, which drove up cost of production in these facilities.

Taking into account of the loss on fair value adjustment of RMB61,437,000 relating to the convertible loan notes issued by the Company in January 2009 for the purpose of financing the capital injection to Liuzhou Wuling Motors Industrial Company Limited ("Wuling Industrial"), the Group recorded net profits of RMB29,867,000 for the first half of 2009 and a loss attributable to the owners of the Company for the respective reporting period amounted to RMB41,440,000.

On the basis of the exclusion of the aforementioned fair value adjustment, net profits and profit attributable to the owners of the Company will be adjusted to RMB91,304,000 and RMB19,997,000 respectively, representing respective increases of 2.5% and 138% as compared to prior year's comparative figures.

董事會致辭

業績

我們欣然提交俊山五菱汽車集團有限公司截至二零零九年六月三十日止六個月之未經審核業績。

為應付預期因二零零八年下半年金融海瀾爆發而引致之逆境情況，中國政府推出全面刺激措施推動中國本土經濟。措施內對中國汽車工業之特別優惠政策，有效地刺激二零零九年上半年我們客戶產品之內部需求，使本集團受惠，收入顯著增長。於二零零九年上半年本集團錄得總收入為人民幣4,813,928,000元，與去年之數字比較，大幅增加31%。

與此同時，是期毛利為人民幣404,360,000元。與去年之數字比較，增幅為21%。這較低之升幅主要由於受到需求之突然增加，而個別生產設施於二零零九年上半年仍處於剛投產階段，因而生產成本被推高等不利影響所導致。

在計入為柳州五菱汽車工業有限公司(「五菱工業」)之注資融資，而於二零零九年一月發行之可換股貸款票據之公平值調整人民幣61,437,000元虧損後，本集團於二零零九年上半年錄得之淨利潤為人民幣29,867,000元，同期本公司擁有人應佔虧損為人民幣41,440,000元。

按扣除上述公平值調整作基礎計算，淨利潤及本公司擁有人應佔溢利將分別調整為人民幣91,304,000元及人民幣19,997,000元，與去年之數字比較，增幅分別為2.5%及138%。

On 12 January 2009, the Company issued convertible loan notes with principal amount of HK\$100,000,000 to a substantial shareholder, Wuling (Hong Kong) Holdings Limited, a wholly owned subsidiary of Liuzhou Wuling Motors Company Limited ("Liuzhou Wuling") which bears interest at 6% per annum. Net proceeds amounting to approximately HK\$99,000,000 from the issue had been injected into Wuling Industrial subsequently for providing additional working capital for its operations. Subsequent to this capital injection, the percentage of the paid up capital of the Company in Wuling Industrial was increased from 17.2% to 30.5%, which was used as the basis to calculate the profits or loss attributable to the equity holders for the first half of 2009.

Opportunities and Challenges

On the back of the stimulus programs implemented by the government, the performance of the China automobile industry had been significantly improved in the first half of 2009. Total motor vehicles sold from January to June 2009 reached 6,100,000, representing a 18% growth on a year-to-year basis, in which local mini-vehicles industry alone achieved an impressive growth rate of 55% during this six-month period.

The stimulus programs which are favourable to our core businesses, are summarized below:

- a. Reduction of purchase tax for the 1.6L or lower capacity passenger cars to 5% during the period of 20 January 2009 to 31 December 2009;
- b. Government subsidy amounting to an aggregate RMB5 billion provided to the farmers for purchasing light truck or mini-vans with capacity below 1.3L during the period from 1 March 2009 to 31 December 2009;
- c. Direct government subsidies amounting to RMB10 billion in the following three years to support technical innovation, technical improvement, new energy vehicles and auto parts development. The government will also support the automobile corporations to develop their own brands, encourage automobile exports and strengthen automobile financing; and
- d. Other favourable measures such as the cancellation of the regulations to limit car purchase, trade-in policy relating to the replacement of old vehicles by new vehicles, adjustments on consumption tax applicable to oil products, cancellation of road maintenance cost, the two successive price reductions of oil products and the encouragement policy for developing the public transport of towns and villages.

於二零零九年一月十二日，本公司向主要股東一五菱(香港)控股有限公司(柳州五菱汽車有限責任公司(「柳州五菱」)之全資附屬公司)發行本金總額為港幣100,000,000元之可換股貸款票據，年息率6%。發行該項可換股貸款票據所得之淨額約港幣99,000,000元，隨後已被注入五菱工業，為其經營提供額外之營運資金。繼該項注資完成後，本公司於五菱工業所佔之實繳股本已從17.2%增至30.5%，並以此作為二零零九年上半年本公司擁有人應佔溢利或虧損之計算基準。

機會及挑戰

藉著政府推行之刺激措施，中國汽車工業於二零零九年上半年之表現獲得重大改善。於二零零九年一月至六月，汽車總銷售量達6,100,000輛，按年計增長率約為18%，當中本土微車之增長率，於此六個月期間，獨立計算為可觀之55%。

對我們之核心業務有利之刺激措施簡述如下：

- a. 從二零零九年一月二十日至二零零九年十二月三十一日，對1.6升及以下排量乘用車徵收之車輛購置稅減至5%；
- b. 從二零零九年三月一日至二零零九年十二月三十一日，對農民購買1.3升以下排量的輕型載貨車或微型客車，給予一次性財政補貼，總額達人民幣50億元；
- c. 今後三年中央安排人民幣100億元專項資金，重點支援企業技術創新、技術改造和新能源汽車及零部件發展。中央支援汽車企業發展自主品牌；鼓勵汽車出口及完善汽車消費信貸；及
- d. 其它措施如取消限購汽車規定、汽車以舊換新實施方法、成品油消費稅調整、取消養路費以及連續兩次降低成品油價格、國家鼓勵村鎮公交發展等利好政策。

As an enterprise with specific business focus on the commercial-type mini-vehicles serving the local market, we also identify opportunities associated with the following market trends in China:

- i. Driven by the government policies, mini-vehicles will have greater potential in the rural, second-tier and third-tier cities in China;
- ii. The trend of an increase in demand of low emission vehicles due to environmental concern;
- iii. Increased popularity of mini-vehicles during the course of development in China which is similar to the track record of other Asian countries, such as Japan; and
- iv. Huge growth potential for specialized vehicles due to vast and diversified demands in market.

Strategies

The Board is full of confidence in the long term growth potential in China automobile industry and is determined to meet with the opportunities arisen with appropriate and effective strategies which are summarized below:

- a. Technical re-engineering projects such as certain specialization programs in our engines and parts division through the setup of the new production plant for the parts of the engine's cylinder, which not only serves as an vertical integration process for our existing products, but can also extend to supply to the engine products manufactured by our customers, including SAIC-GM-Wuling Automobile Co., Limited ("SGMW");
- b. Business expansion programs aiming at other car manufacturers in the PRC to develop a healthy diversification of businesses of our (1) engines and parts and (2) automotive components division which include the co-operation project with Liugong Machinery namely "Liugong Driver Cabinet Co-operation Project" for actively explore the opportunities in the construction machinery industry;
- c. Various capacity expansion programs in our automotive components and specialized vehicles divisions through the setup of the new production facilities such as the new integrated plant for car axle and brake systems and the new Qingdao factory with the objectives to enhance productivity and to increase capacity to cope with the increasing demands coming from existing and new customers;

以國內市場之商用微型汽車為業務重心之企業，我們同時察覺下述中國市場趨勢所帶來之商機：

- i. 在政府政策之帶動下，微車在中國農村和第二、三線城市的發展潛力將更增強；
- ii. 隨著環保意識的提高，消費者對低排量汽車的需求呈現增加之趨勢；
- iii. 在中國發展之過程中，微車之受歡迎程度正在提升，情況與其它亞洲國家如日本之往績相似；及
- iv. 專用車具有廣闊市場及多元需求的特色，具龐大增長空間。

策略

我們對中國汽車工業之長期發展潛力充滿信心，並堅決以如下適當及有效之策略面對其所提供之商機：

- a. 推行技術改造方案，如為發動機及部件分部進行專門化之規劃工作，透過新建立之發動機汽缸零件之生產設施，不僅能為我們現有的產品提供垂直整合之生產流程，並且能將業務推展至包括上汽通用五菱汽車股份有限公司(「上汽通用五菱」)在內的現有客戶；
- b. 進行業務拓展計劃，目標為國內其它汽車製造商，並通過與柳工股份合作推進“柳工駕駛室合作專案”，積極進入工程機械製造領域，從而使(1)發動機及部件及(2)汽車零部件分部獲得有益及業務多元化之發展；
- c. 實施產能擴充計劃，透過車橋廠及制動器廠之新整合工廠及青島新工廠之建立，為汽車零部件及專用汽車分部擴充產能，目的為提升生產效率及增加產量以應付來自現有客戶和新客戶不斷增長的需求；

- d. Strengthening of the technical capability through research and innovation with market oriented strategies to intensify new product development projects. Through the launch of various new models of specialized vehicles, including the V2 mini-van, new energy vehicles such as electrical community car, electrical sight-seeing bus and electrical mini-truck for aiming at both the local and international markets for improving the overall profitability of the Group; and
- e. An effective cost control program under the supervision of Wuling Industrial with the objective to control cost of production which allows the Group together with its customers to stay highly competitive and to maintain the leading position in the market.
- d. 加強技術研發與創新，以市場為導向加大新產品開發力度，透過開發及推廣各種各樣的新型號專用汽車，包括V2小型客車、新能源汽車如電動社區車、電動觀光車、微型電動貨車等新產品去支援國際及國內市場拓展，使本集團的總體獲利能力得以提升；及
- e. 成本控制之規劃工作，在五菱工業之監管下統一實施，目的為借著控制生產成本，使本集團及其客戶保持高度的競爭力，以維持市場之主導地位。

Outlook

The stimulus programs implemented by the government have effectively led to a boost in the short term demands and benefit the performance of the China automobile industry. In the first quarter of 2009, based on the number of vehicles sold, China had surpassed the United States to become the largest motor vehicles manufacturing country in the world.

In response to the encouraging market condition in the first half of 2009, most of the enterprises in the China automobile industry optimistically revised their annual targets and carried out aggressive expansion programs in order to take advantages from this unprecedented favourable condition. It is generally expected that the number of vehicles sold in China will exceed 11 million for the full year of 2009, representing an annual increase of nearly 20% as compared to last year.

The short term benefits of the stimulus programs to the China automobile industry are obvious. However, the potential competitions associated with excessive capacities from the aggressive expansion programs should not be underestimated. Therefore, apart from implementing capacity expansions, the Group will continue to undertake quality after-sale services and planned technical re-engineering programs to further our product quality standard and technical capability.

Through conscientious plans and efforts of the Group, the management is confident that our long term business potential in the China automobile industry will be further strengthened subsequent to this unprecedented favourable business environment.

展望

政府推出之刺激措施有效地帶動短期需求及使中國汽車工業受惠。於二零零九年第一季度，以車輛銷售數量計算，中國已超越美國成為世界汽車生產最大之國家。

面對二零零九年上半年令人鼓舞之市場情況，中國汽車工業內之大多數企業樂觀地調整其年度目標，並實行進取的擴充措施，以期在此前所未有之有利市況下受惠。普遍估計，二零零九年全年中國汽車銷售量將突破一千一百萬輛，較去年增長近20%。

刺激措施明顯對中國汽車工業帶來短期效益，但是，因隨著實行進取的擴充措施，導致產能過盛而引發之潛在競爭亦絕不能低估。因此，除實施產能擴充外，集團亦將繼續執行良好之售後服務及計劃中之技術改造專案，以提升我們產品之品質標準及技術能力。

透過集團嚴謹之計劃及努力，管理層相信我們在中國汽車工業之長遠業務前景，在經歷此前所未有之有利經營情況後，將會更為強壯。

With the continuous supports from Liuzhou Wuling, our substantial shareholder, and our customers, we firmly believe the business prospect of the Group is promising and will bring rewards to our shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS OPERATION REVIEW – BY KEY BUSINESS SEGMENTS

The business performance and evaluation of the Group's four main business segments namely (1) engines and parts; (2) automotive components; (3) specialized vehicles; and (4) trading and supply services for the first half of 2009 are detailed below:

Engines and Parts – Liuzhou Wuling Liuji Motors Company Limited (“Wuling Liuji”)

Turnover (based on external sales) of the engines and parts division for the six months ended 30 June 2009 was RMB1,622,373,000, representing a modest increase of 9% as compared to prior year's comparative figures. Operating profits for the respective period was RMB80,393,000, representing an increase of 22% as compared to prior year's comparative figures.

The engines and parts division undertaken by Wuling Liuji continued to be the major contributor to the Group's operating profits for the first half of 2009.

During this six months period, Wuling Liuji continued to deliver a set of solid results to the Group. The satisfactory results achieved by Wuling Liuji were mainly attributable to the continuous strong market demands for the main models. Total sale volume was approximately 350,000 units, with 90% of which were sold to SGMW. The significant volume growth of business of SGMW in the first half of 2009 benefited the business performance of this division.

Operating margin maintained at 5.0% as compared to 4.4% recorded in prior year's corresponding period. Despite a significant improvement in the gross margin resulting from lower material costs, increase in research and development expenses of approximately RMB8,000,000 incurred in this period kept the operating margin at the similar level recorded in prior year's corresponding period. The research and development expenses were primarily incurred for the on-going technical development projects for new products and models which will contribute to the profitability of the division in future.

在我們的重要股東—柳州五菱，及我們的客戶的繼續支援下，我們堅信本集團的業務前景一片光明，並將為我們的股東帶來回報。

管理層討論及分析

經營回顧—主要業務部門

本集團之四個主要業務分部，即(1)發動機及部件；(2)汽車零部件；(3)專用汽車；(4)貿易及供應服務，二零零九年度上半年的經營業績及評論詳情如下：

發動機及部件—柳州五菱柳機動力有限公司(「五菱柳機」)

截至二零零九年六月三十日止六個月，發動機及部件分部的營業額(以對外銷售為基準)為人民幣1,622,373,000元，與去年之數字比較，穩步增加9%。相應期間的經營溢利為人民幣80,393,000元，與去年之數字比較，增加22%。

由五菱柳機負責營運的發動機及部件部門，繼續成為本集團二零零九年度上半年經營溢利內最主要的貢獻者。

在此六個月期間，五菱柳機繼續為本集團提交一份堅實的業績。五菱柳機錄得理想業績之主要原因，乃由於市場對各主要型號產品的需求持續殷切所致。總銷售量約為350,000台，當中約90%銷售予上汽通用五菱。此分部之業務表現，受惠於上汽通用五菱二零零九年上半年之強勁業務增長。

經營溢利率為5.0%，與去年同期錄得4.4%相比，保持平穩。縱使由於原材料成本下降使毛利率得以提升，研發費用期內增加約人民幣8,000,000元，使經營溢利率維持在去年同期錄得之接近水準。該研發費用主要用於新產品及新型號之持續技術發展專案，未來將為此分部之利潤帶來貢獻。

The new production line for the nonferrous metallic parts for the engine's cylinder, which commenced operation in last year had begun to contribute to the business performance of this division. The parts produced by this new production line were primarily applied for the existing models of SGMW. Following the completion of this nonferrous metallic parts project, the Group has plan to further strengthen its capability in the engines business by launching a cylinder casting project with a targeted capacity of 600,000 units with the objectives of promoting better production efficiency and profitability.

The Group expects the strong market demands for SGMW models will continue in the second half of 2009 which will benefit the business performance of this division for the full year.

Automotive Component – Liuzhou Wuling Motors United Development Limited (“Wuling United”)

Turnover (based on external sales) of the automotive components division for the six months ended 30 June 2009 was RMB2,508,534,000, representing a significant increase of 52% as compared to prior year's comparative figures. Operating profits for the respective period was RMB12,647,000, representing a decrease of 30% as compared to prior year's comparative figures.

The automotive components division undertaken by Wuling United experienced a strong growth in revenue in the first half of 2009 and developed to become the largest contributor to the total revenue of the Group.

During this six months period, Wuling United, being the key supplier supplying a majority portion of the key automotive components to SGMW, registered another record revenue figure. This remarkable result was mainly attributable to the continuous strong market demands for the vehicles produced by SGMW. Total sale volume was approximately 480,000 units/sets, equivalent to nearly 80% of the total volume for the year 2008, in which sales to SGMW accounted for more than 95% of the total turnover.

Profitability performance was, on the other hand, adversely affected by the loss making situation of the Qingdao factory caused by a sudden surge in demands and the initial stage operations of this new facility which resulted in an undesirable higher cost of production.

生產發動機汽缸有色金屬零件的新生產線已於去年正式投產，並為此分部之業務表現帶來貢獻。新生產線所生產之部件主要用於上汽通用五菱現時之型號。隨著此有色金屬零件專案之落成，集團計劃繼續加強發動機業務之能力，實施缸體鑄造專案，預計產能達600,000件，目標為增強生產效率及盈利能力。

集團預期上汽通用五菱各型號之強勁市場需求在二零零九年下半年將會維持，並將有利於此分部全年之業務表現。

汽車零部件－柳州五菱汽車聯合發展有限公司(「五菱聯發」)

截至二零零九年六月三十日止六個月，汽車零部件分部的營業額(以對外銷售為基準)為人民幣2,508,534,000元，與去年之數字比較，顯著增加52%。相應期間的經營溢利為人民幣12,647,000元，與去年之數字比較，減少30%。

由五菱聯發營運之汽車零部件分部，在二零零九年度的上半年的營業收入增長勢頭強勁，並發展成為本集團的總收入貢獻最大的部門。

在此六個月期間，五菱聯發，作為向上汽通用五菱供應大部份關鍵汽車配件的主要供應商，錄得創紀錄的收入總額。此一矚目的業績，主要是市場對上汽通用五菱生產汽車的需求持續殷切所致。總銷售量約480,000台/套，相等於二零零八年全年銷售量差不多80%，當中上汽通用五菱之銷售佔此分部之總收入95%。

另一方面，盈利表現卻受到青島廠出現虧損狀況之負面影響。這主要由於受到需求之突然增加，惟此生產設施仍處於剛投產階段，從而引發高生產成本此等不利狀況所導致。

To cope with the tremendous increases in demands from SGMW, production facilities of the automotive components division were required to be operated at an above full capacity level during this six months period. This overloaded operating environment was in particular undesirable for the new facility in Qingdao, which drove up the cost of production and resulted in a loss making situation in this new plant for the first half of 2009. With the installation of additional plant and machinery and better operation stability, such undesirable condition would be gradually improved in the second half of the year.

The Group expects the growth of business of SGMW from the existing models and the launch of new models will continue to boost the revenue of the automotive components and accessories division in the second half of 2009. At the same time, implementation of appropriate measures in lowering the cost of production of the Qingdao factory will benefit the profitability of the division for the full year.

Specialized Vehicles – Liuzhou Wuling Specialized Vehicles Manufacturing Company Limited (“Wuling Specialized Vehicles”)

Turnover (based on external sales) of the specialized vehicles division for the six months ended 30 June 2009 was RMB490,505,000, representing an increase of 88% as compared to prior year’s comparative figures. Operating profits for the respective period was RMB7,297,000, representing an increase of 17% as compared to prior year’s comparative figures.

Successful launch of new models continued to benefit the operations of our specialized vehicles division undertaken by Wuling Specialized Vehicles.

During this six months period, through active marketing and promotion programs, Wuling Specialized Vehicles sold approximately 16,000 specialized vehicles in the first half of 2009, representing an impressive increase of nearly 80% as compared to the 9,000 specialized vehicles sold in prior year’s corresponding period. Its main products comprised mainly multi-purpose mini-vans, redecorated vans and mini-container wagons, etc.

Operating margin reduced to 1.5% from 2.4% recorded in prior year’s corresponding period as a result of a substantial increase in the distribution costs incurred for the selling of certain specialized vehicles to those provinces located far away from Liuzhou.

In view of the increasing demands of the specialized vehicles and the Group’s nationwide marketing strategy to promote its products across the whole China, the Group has plan to expand its production capacity by establishing a new production plant in Qingdao to facilitate geographical diversification which enables quality services and cost effectiveness.

為應付上汽通用五菱需求之強勁增長，汽車零部件分部之生產設施於此六個月期間須於最高產能水準以上運作。此超出負荷之運作對青島新生產設施特別不利，導致生產成本被推高，此新廠於二零零九年上半年因而出現虧損。隨著機械設備之添置及運作漸趨穩定，此不利情況於下半年將逐步改善。

本集團預期，上汽通用五菱現有型號的業務增長及新型號的推出，將繼續推動汽車零部件分部二零零九年下半年之收入。與此同時，實施適當之措施減低青島工廠之生產成本亦將有利於此分部全年之盈利表現。

專用汽車 – 柳州五菱專用汽車製造有限公司(「五菱專用車」)

截至二零零九年六月三十日止六個月，專用汽車分部的營業額(以對外銷售為基準)為人民幣490,505,000元，與去年之數字比較，顯著增加88%。相應期間的經營溢利為人民幣7,297,000元，與去年之數字比較，穩步增加17%。

新型號的成功開發及推售，繼續有利於由五菱專用車負責營運的專用汽車部門。

在此六個月期間，透過積極之市場推廣活動，五菱專用車於二零零九年上半年共售出專用車約16,000輛，較去年同期銷售之約9,000輛專用車，顯著增加近80%。主要產品為多用途小型客車、改裝廂式客貨車及微型廂式運輸車等。

經營溢利率從去年同期錄得2.4%減至1.5%，主要由於部份專用車銷售往離柳州較遠之省份，導致分銷成本之顯著增加。

面對專用車需求之增加及本集團覆蓋全中國之全國性產品市場推廣策略，本集團計畫在青島設立新工廠，擴充產能，達致地區多元化，從而確保良好服務及成本效益。

The Group expects the market growth of the specialized vehicles products will continue in the second half of 2009 due to the favourable market conditions, which in turn will benefit the business performance of this division for the full year.

Trading and Supply Services – Liuzhou Wuling Motors Industrial Company Limited (“Wuling Industrial”)

Turnover (based on external sales) of the trading and supply services division for the six months ended 30 June 2009 was RMB191,735,000, representing a decrease of 29% compared to prior year’s comparative figures. Inter-segment sales which were primarily contributed from the sales to Wuling United was RMB1,472,850,000, representing an increase of 49% compared to prior year’s comparative figures. Operating profits for the respective period was RMB21,368,000, representing a decrease of 45% compared to prior year’s comparative figures.

The trading and supply services undertaken by Wuling Industrial provided a steady income stream to the Group and recorded a decent segmental share in the Group’s operating profits.

Apart from the inter-segment sales, revenue from the trading and supply services was mainly generated from SGMW and its suppliers, which relied on Wuling Industrial to provide the necessary factors of production such as the raw materials, water and energy supply through a centralized procurement platform. This centralized procurement model guaranteed benefits from bulk purchases and scale operations to the participated entities and ensured their competitiveness in the industry.

During this six months period, the trading and supply services division continued to experience business expansion resulting from the continuous strong market demands for the vehicles produced by SGMW.

Operating margin was, on the other hand, reduced as compared to prior year’s corresponding period due to an increase in research and development expenses of approximately RMB17,000,000 incurred in the current period. These research and development expenses were primarily incurred for certain business development projects for new products and models which will contribute to the profitability of the division in future.

The Group expects the growth of business of SGMW from the existing models and the launch of new models will continue to boost the revenue of the trading and supply services division in the second half of 2009 which will contribute to the business performance of the division for the full year.

集團預期專用車產品之需求增長在有利之市場環境下，在二零零九年下半年將會維持，並將有利於此分部全年之業務表現。

貿易及供應服務－柳州五菱汽車工業有限公司(「五菱工業」)

截至二零零九年六月三十日止六個月，貿易及供應服務分部的營業額(以對外銷售為基準)為人民幣191,735,000元，與去年之數字比較，減少29%。分部間銷售(主要為向五菱聯發之銷售)則為人民幣1,472,850,000元，與去年之數字比較，增加49%。相應期間的經營溢利為人民幣21,368,000元，與去年之數字比較，減少45%。

由五菱工業負責營運的貿易及供應服務部門，為本集團提供了穩定的收益流，並且在本集團的經營溢利中錄得不俗的分部份額。

除了分部間之銷售外，這些採購服務的收入，主要來自上汽通用五菱及其供應商，它們依賴五菱工業此集中採購平臺，提供必須之生產因素，如原材料、用水及動力供應。這種集中採購模式，保證了各參與機構從大宗採購及規模經營所帶來的利益，並確保了其在業界中的競爭能力。

在此六個月期間，貿易及供應服務分部之業務增長持續，乃由於市場對上汽通用五菱生產之汽車之持續強勁需求所致。

另一方面，經營溢利率較去年同期倒退，主要由於研發費用期內增加約人民幣17,000,000元。該研發費用主要用於新產品及新型號之若干業務拓展計劃，未來將為此分部之盈利提供貢獻。

本集團預期，上汽通用五菱現有型號的業務增長及新型號的推出，將繼續推動貿易及供應服務分部二零零九年下半年之收入，並將為分部全年之業務表現帶來貢獻。

FINANCIAL REVIEW

Income Statement

Group's turnover for the six months ended 30 June 2009 was RMB4,813,928,000 representing a significant 31% increase as compared to prior year's comparative figures which were mainly attributable to the continuous strong market demands for the vehicles produced by our key customer, SGMW, and the increasing sales of specialized vehicles on the back of the favourable policies implemented by the government during the period.

Gross profits for the six months ended 30 June 2009 was RMB404,360,000, representing a less impressive 21% as compared to prior year's comparative figures. This was due to the impact of certain undesirable effects caused by a sudden surge in demands and the initial stage operations of certain new facilities of the Group in the first half of 2009 which drove up the cost of production in these facilities. Accordingly, gross margin of the Group was slightly declined to 8.4% from 9.1% recorded in prior year's corresponding period. The single digit gross margin condition was also a reflection of the keen competition environment in the automobile industry in China.

Taking into account of the loss on fair value adjustment of RMB61,437,000 relating to the convertible loan notes issued by the Company in January 2009 for the purpose of financing the capital injection to Wuling Industrial, the Group recorded net profits of RMB29,867,000 for the first half of 2009 and a loss attributable to the owners of the Company for the respective reporting period amounted to RMB41,440,000.

On the basis of the exclusion of the aforementioned fair value adjustment, net profits and profit attributable to the owners of the Company will be adjusted to RMB91,304,000 and RMB19,997,000 respectively, representing respective increases of 2.5% and 138% as compared to prior year's comparative figures.

On 12 January 2009, the Company issued convertible loan notes with principal amount of HK\$100,000,000 to a substantial shareholder, Wuling (Hong Kong) Holdings Limited which bears interest at 6% per annum. Net proceeds amounting to approximately HK\$99,000,000 from the issue had been injected into Wuling Industrial subsequently for providing additional working capital for its operations. Subsequent to this capital injection, the percentage of the paid up capital of the Company in Wuling Industrial was increased from 17.2% to 30.5%, which was used as the basis to calculate the profits or loss attributable to the equity holders for the first half of 2009.

財務回顧

收益表

截至二零零九年六月三十日止六個月，集團營業額為人民幣4,813,928,000元，與去年之數字比較，顯著增加31%。這主要由於政府推行之刺激措施致使我們客戶上汽通用五菱之汽車持續強勁之市場需求及專用車銷售增加所導致。

截至二零零九年六月三十日止六個月之毛利為人民幣404,360,000元。與去年之數字比較，增幅約為21%，未算十分理想。這主要由於受到需求之突然增加，惟個別生產設施於二零零九年上半年仍處於剛投產階段，生產成本被推高此不利狀況所導致。據此，毛利率從去年同期錄得之9.1%，輕微下降至8.4%。單位數之毛利率狀況，亦反映了中國汽車工業中激烈的競爭環境。

在計入為五菱工業之注資融資而於二零零九年一月發行之可換股貸款票據之公平值調整之人民幣61,437,000元虧損後，本集團於二零零九年上半年錄得之淨利潤為人民幣29,867,000元，同期本公司擁有人應佔虧損為人民幣41,440,000元。

按扣除上述公平值調整作基礎計算，淨利潤及本公司擁有人應佔溢利將分別調整為人民幣91,304,000元及人民幣19,997,000元，與去年之數字比較，增幅分別為2.5%及138%。

於二零零九年一月十二日，本公司向主要股東—五菱(香港)控股有限公司(柳州五菱之全資附屬公司)發行本金總額為港幣100,000,000元之可換股貸款票據，年息率6%。發行該項可換股貸款票據所得之淨額約港幣99,000,000元，隨後已被注入五菱工業，為其經營提供額外之營運資金。繼該項注資完成後，本公司於五菱工業所佔之實繳股本已從17.2%增至30.5%，並以此作為二零零九年上半年本公司擁有人應佔溢利或虧損之計算基準。

Other income comprised primarily sales of scrap materials, bank interest income and gain on disposal of the Group's certain properties in Hong Kong was in aggregate RMB40,162,000 for the six months ended 30 June 2009, representing a decrease of 35% as compared to prior year's comparative figures. The decrease was mainly attributable to a substantial decline in the sale values of scrap materials.

Distribution costs of the Group comprised primarily transportation costs, warranty expenses and other marketing expenses was in aggregate RMB78,312,000 for the six months ended 30 June 2009, representing an increase of 18% as compared to prior year's comparative figures. The increase was mainly attributable to the significant increase in the transportation cost incurred by the specialized vehicles division as abovementioned.

General and administrative expenses of the Group comprised primarily salary and allowances, various insurance expenses, rental expenses and other administrative expenses was in aggregate RMB195,705,000 for the six months ended 30 June 2009, representing an increase of 9% as compared to prior year's comparative figures. The increase was in line with the increasing scale of operation resulting from the continuous business expansion of the Group.

Research and development expenses for the six months ended 30 June 2009 amounted to RMB40,979,000, representing an increase of 102% as compared to prior year's comparative figure. The research and development expenses were mainly incurred for new products and continuing development of new models projects, as well as certain business development plans.

Finance costs for the six months ended 30 June 2009 amounted to RMB22,004,000, representing an increase of 31% as compared to prior year's comparative figures. The balances included the finance cost of RMB4,014,000 incurred for the abovementioned convertible loan notes issued by the Company.

Taking into account of the loss on fair value adjustment on the convertible loan notes as aforementioned, the Company recorded a loss per share of RMB4.52 cents for the six months ended 30 June 2009. On the basis of the exclusion of the aforementioned fair value adjustment, the Company will record an earnings per share for of RMB2.18 cents for the respective period, representing an increase of 137% as compared to prior year's comparative results.

截至二零零九年六月三十日止六個月，其它收入主要包括廢料銷售、銀行利息收入及出售集團位於香港之物業收益，總計為人民幣40,162,000元，與去年之數字比較，減幅為35%。其主要原因為廢料銷售顯著減少所導致。

截至二零零九年六月三十日止六個月，本集團之分銷成本（主要包括運輸成本、保養費用及其它市場推廣開支）之總額為人民幣78,312,000元，與去年之數字比較，增幅為18%。前述專用汽車分部運輸費用之大幅增加為其主要原因。

截至二零零九年六月三十日止六個月，本集團之一般及行政開支（主要包括員工薪金及福利開支、保險費、租金及其它管理費用）之總額為人民幣195,705,000元。與去年之數字比較，增幅為9%。增加符合集團營運規模之增大及持續業務擴充。

截至二零零九年六月三十日止六個月，本集團研發費用之總額為人民幣40,979,000元。與去年之數字比較，增幅為102%。研發費用主要用於新產品及新型號之持續技術發展專案及若干業務拓展計劃。

截至二零零九年六月三十日止六個月的融資成本為人民幣22,004,000元，與去年之數字比較，增幅為31%。該項成本包括上述本公司發行可換股票據之融資成本人民幣4,014,000元。

在計入上述可換股票據之公平值調整之虧損後，本公司截至二零零九年六月三十日止六個月的每股虧損為人民幣4.52分，按扣除上述公平值調整作基礎計算，本公司是期將錄得之每股盈利為人民幣2.18分，與去年之數字比較，增幅為137%。

Financial Positions

As at 30 June 2009, total assets and total liabilities of the Group stood at RMB7,195,275,000 and RMB6,538,906,000 respectively.

Non-current assets amounted to RMB713,146,000 comprised mainly property, plant and equipment and prepaid lease payment, etc.

Current assets amounted to RMB6,482,129,000 comprised mainly inventory of RMB588,170,000, trade and other receivables and bill receivables discounted with recourse of RMB4,194,983,000, bank and cash balances (inclusive of pledged bank deposits) of RMB1,693,221,000. Amount due from SGMW, a related company and a key customer in the engines and automotive components businesses of the Group amounted to RMB2,281,997,000 was recorded as trade and other receivables in the balance sheet. These receivables balances were subject to normal commercial settlement terms. Total cash and bank balances amounted to RMB1,693,221,000, in which RMB922,263,000 were pledged bank deposits to secure the banking facilities offered to the Group. Overall, the Group had cash (excluding pledged bank deposits) net of bank borrowings amounting to RMB559,112,000 as at 30 June 2009.

Current liabilities amounted to RMB6,457,849,000 comprised mainly trade and other payables and advances drawn on bill receivables discounted with recourse of RMB5,027,606,000, amount due to related companies of RMB1,028,843,000, provision for warranty of RMB77,061,000, tax payable of RMB35,880,000, bank borrowings – due within one year of RMB205,924,000 and derivative financial instrument of RMB79,796,000. Amount due to Liuzhou Wuling, a substantial shareholder of the Company and the joint venture partner of Wuling Industrial which amounted to RMB1,027,761,000 was recorded under current liabilities. The derivative financial instrument represented the fair value of the conversion option embedded in the convertible loan notes by an independent valuer as at 30 June 2009.

Net current assets decreased to RMB24,280,000 as at 30 June 2009 from RMB82,815,000 as at 31 December 2008, primarily attributable to the inclusion of the derivative financial instrument in relation to the convertible loan notes. As a non-cash item, the derivative financial instrument is not expected to have a material impact on the operating cashflow of the Group.

Non-current liabilities amounted to RMB81,057,000 comprised mainly bank borrowings of RMB5,922,000 and the liability component of the convertible loan notes of RMB71,357,000.

財務狀況

於二零零九年六月三十日，本集團的總資產及總負債分別為人民幣7,195,275,000元及人民幣6,538,906,000元。

非流動資產總計為人民幣713,146,000元，主要包括物業，工廠及設備及預付租賃款項等。

流動資產總計為人民幣6,482,129,000元，主要包括存貨共計人民幣588,170,000元、應收賬項及其它應收款項及附追索權之已貼現票據共計人民幣4,194,983,000元及現金及現金等值共計人民幣1,693,221,000元(包括已質押銀行存款)。來自上汽通用五菱(本集團的關連公司及在發動機與汽車配件業務上的主要客戶)之應收賬款為人民幣2,281,997,000元，被列作應收賬項及其它應收款項並記錄於資產負債表內。該應收賬款受正常的商務結算條款所約束。現金及銀行帳目餘額總額共計人民幣1,693,221,000元，其中人民幣922,263,000元為已質押銀行存款。總的說來，本集團於二零零九年六月三十日擁有扣除借貸後的現金(未計已質押銀行存款)總計為人民幣559,112,000元。

流動負債總計為人民幣6,457,849,000元，主要包括應付帳項及其它應付款項及銀行貼現票據墊款共計人民幣5,027,606,000元、應付關聯公司共計人民幣1,028,843,000元、保養撥備共計人民幣77,061,000元、應付稅項共計人民幣35,880,000元、銀行借貸—於一年內到期共計人民幣205,924,000元及衍生金融工具共計人民幣79,796,000元。來自柳州五菱(本公司之主要股東及五菱工業合資企業之合股方)的應付帳款為人民幣1,027,761,000元，已被記錄在流動負債項下。衍生金融工具乃指由獨立估值師評估包函在可換股票據內換股期權於二零零九年六月三十日之公平值。

流動資產淨值從二零零八年十二月三十一日止之人民幣82,815,000元減至二零零九年六月三十日止之人民幣24,280,000元，主要是由於計入上述衍生金融工具所導致。該衍生金融工具為一非現金項目，並預計不會為本集團之經營現金流造成重大影響。

非流動負債總額為人民幣81,057,000元，主要為銀行借款共計人民幣5,922,000元及可換股票據之負債部份共計人民幣71,357,000元。

Liquidity and Capital Structure

The Group was operating under a net cash inflow position for the six months ended 30 June 2009, in which net cash from operating activities amounted to RMB552,679,000.

As at 30 June 2009, the Group maintained cash and cash equivalents of RMB770,958,000, which was increased by RMB174,892,000 as compared to the reporting balances as at 31 December 2008.

Group's bank borrowings decreased slightly from RMB217,316,000 as at 31 December 2008 to RMB211,846,000 as at 30 June 2009. Apart from bank borrowings, five-year convertible loan notes with principal amount of HK\$100,000,000 and maturity date on 12 January 2014 were issued by the Company to a substantial shareholder during the period for financing the capital injection in Wuling Industrial.

Overall, the Group had cash net of bank borrowings amounting to RMB559,112,000 as at 30 June 2009.

As 30 June 2009, the Group had a gearing ratio of 32.4% calculated based on the Group's total bank borrowings and the Group's net assets, which was slightly increased as compared to the gearing ratio of 30.8% as recorded at 31 December 2008.

Issued capital was RMB3,659,000 as at 30 June 2009 which was the same as the amount recorded on 31 December 2008.

Total shareholders' equity comprised primarily the share premium account, contributed surplus and after deducting the accumulated losses, amounted to RMB105,114,000 as at 30 June 2009. Net asset value per share was RMB11.5 cents as at 30 June 2009.

Pledge of Assets

As at 30 June 2009, the property held by the Group in Hong Kong with an aggregate value of RMB1,418,000 were pledged to secure the bank loans granted to Group. Besides, bank deposits amounting to RMB922,263,000 were pledged to the banks to secure certain banking facilities offered to the member companies of the Wuling Industrial Group.

Exposure to Fluctuation in Exchange Rates

As at 30 June 2009, the Group maintained foreign currency and Hong Kong dollar bank loans of an aggregate amount of RMB6,190,000, Hong Kong dollar bank deposits of an aggregate amount of RMB5,623,000, foreign currency and Hong Kong dollar loan and trade receivable of RMB11,342,000, Hong Kong dollar trade payable of RMB19,727,000 and Hong Kong dollar convertible loan notes with principal value amounting to RMB88,000,000. In comparison with the relative size of

流動資金及資本結構

本集團在截至二零零九年六月三十日止六個月期間之經營屬淨現金流入狀況，期內經營業務所錄得現金淨額為人民幣552,679,000元。

於二零零九年六月三十日，本集團所結存之現金及現金等值為人民幣770,958,000元，較二零零八年十二月三十一日報告之數字增加人民幣174,892,000元。

集團銀行借貸款從二零零八年十二月三十一日之人民幣217,316,000元減少至二零零九年六月三十日之人民幣211,846,000元。為五菱工業之注資融資，本公司向一名重大股東發行本金100,000,000港元到期日為二零一四年一月十二日之五年期可換股票據。

整體而言，本集團於二零零九年六月三十日在扣除銀行借貸後結存之現金淨額為人民幣559,112,000元。

根據本集團銀行借貸總額及本集團之資產淨值計算，於二零零九年六月三十日本集團之資本負債比率為32.4%。較二零零八年十二月三十一日報告之資本負債比率30.8%，輕微上升。

於二零零九年六月三十日的已發行股本為人民幣3,659,000元，與二零零八年十二月三十一日所記錄之總額相同。

股權持有人應佔權益(主要包括股份溢價賬、實繳盈餘，並在扣除累積虧損後)於二零零九年六月三十日為人民幣105,114,000元。每股資產淨值則為人民幣11.5分。

資產抵押

於二零零九年六月三十日，由本集團所持有總值為人民幣1,418,000元位於香港之物業，已被抵押作為銀行向本集團貸款之擔保。此外，總額共計人民幣922,263,000元的銀行存款亦被抵押予銀行，作為銀行向五菱工業集團各成員公司提供銀行融資之擔保。

匯率波動之影響

在二零零九年六月三十日，本集團錄有總金額為人民幣6,190,000元之外幣及港元銀行貸款、總金額為人民幣5,623,000元之港元銀行存款、總金額為人民幣11,342,000元之外幣及港元之應收貸款及應收賬項，總金額為人民幣19,727,000元之港元之應付帳項，以及總面值為人民幣

the Group's assets, liabilities and main transactions which are denominated in RMB, the Group regarded its exposure to fluctuations in exchange rates and currencies to be minimal.

Commitments

As at 30 June 2009, the Group has outstanding commitments, contracted but not provided for in the financial statements, in respect of the acquisitions of construction in progress and property, plant and equipment amounting to RMB183,559,000.

Contingent Liabilities

As at 30 June 2009, Wuling Industrial, a subsidiary of the Company provided a corporate guarantee to a financial institution to the extent of RMB200,000,000 in respect of revolving banking facilities granted to Liuzhou Wuling. The directors do not consider it is probable that a claim will be made against Wuling Industrial under this corporate guarantee.

SUPPLEMENTARY NOTES ON THE SINO-FOREIGN JOINT VENTURE ENTERPRISE WITH LIUZHOU WULING

On 15 May 2007, the Company entered into the following agreements with Liuzhou Wuling in relation to the proposed formation of a sino-foreign joint venture enterprise for the development of the manufacturing and trading businesses of automotive engines, components and specialized vehicles in the People's Republic of China ("PRC"):

- a) an agreement in relation to the increase in the registered capital of Liuzhou Wuling Motors Industrial Company Limited ("Wuling Industrial") and the subscription of 51% of the enlarged registered capital of Wuling Industrial by the Company at the total amount of RMB391,000,000 ("Subscription Money"); and
- b) a joint venture agreement in relation to the establishment of Wuling Industrial as a sino-foreign joint venture enterprise in the PRC.

According to the aforementioned agreements, the Subscription Money shall be payable by the Company in cash in two stages as follows:

- i) 20% of the Subscription Money which amounts to RMB78,200,000 will be payable within 30 days from the set up date of Wuling Industrial as a sino-foreign joint venture enterprise ("First Subscription Money"); and

88,000,000元之港元可換股貸款票據。與本集團以人民幣為計價貨幣的資產、負債及主要交易的相對規模相比，本集團認為，其所承受的匯率及貨幣波動的影響是很小的。

承諾

於二零零九年六月三十日，本集團的已訂約、但未在財務報表中提供的，關於購入在建工程及物業、工廠及設備的尚未支付的承諾款項，合計為人民幣183,559,000元。

或有負債

於二零零九年六月三十日，本公司之附屬公司五菱工業，就柳州五菱獲授之循環銀行融資向金融機構提供為數人民幣200,000,000元之公司擔保。董事認為就此公司擔保而向五菱工業進行申索之可能性不大。

與柳州五菱建立中外合資企業之補充附註

於二零零七年五月十五日，本公司與柳州五菱就擬議在中華人民共和國（「中國」）發展汽車發動機、零部件及專用車產銷業務而組建一家中外合資企業而訂立以下協議：

- a) 關於增加柳州五菱汽車工業有限公司（「五菱工業」）註冊資本及由本公司按總額人民幣391,000,000元（「認購款項」）認購五菱工業51%經擴大的註冊資本的協議；及
- b) 關於把五菱工業成立為在中國的中外合資企業的合資協議。

按照上述的兩個協議，認購款項由本公司以現金分兩期支付如下：

- i) 認購款項的20%（數額為人民幣78,200,000元）（「首筆認購款項」）將於的五菱工業正式成為中外合資企業之成立日起計30天內支付；及

ii) the remaining 80% of the Subscription Money which amounts to RMB312,800,000 will be payable within 2 years from the set up date of Wuling Industrial as a sino-foreign joint venture enterprise.

The proposed formation of the sino-foreign joint venture with Liuzhou Wuling has been fully stated in the Company's circular dated 25 June 2007 and was subsequently approved by the independent shareholders in the special general meeting of the Company held on 12 July 2007. On 28 August 2007, the Company further announced that the sino-foreign joint venture enterprise had been formally set up.

On 31 August 2007, the Company remitted the First Subscription Money to the designated bank account of Wuling Industrial in accordance with the aforementioned agreements, representing approximately 17.2% of the current total paid up capital of Wuling Industrial.

On 14 January 2009, by the funds raised from the issue of the convertible loan notes as aforementioned, the Company further injected approximately RMB87,000,000 into Wuling Industrial. Subsequent to this capital injection, the percentage of the paid up capital of the Company in Wuling Industrial was increased from 17.2% to 30.5%.

On 17 August 2009, the Company announced the delay in the payment of the outstanding Subscription Money which amounted to approximately RMB225,800,000, in which the Company, Liuzhou Wuling and Wuling Industrial were in the process of negotiation due to the fact that more time is required for the Company to arrange for the fund raising activities for the purpose of financing the payment of the outstanding balances.

INTERIM DIVIDEND

The Board did not recommend the declaration of an interim dividend for the six months ended 30 June 2009.

DISCLOSURE OF INTERESTS

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 June 2009, the interests of the directors of the Company and their associates in the shares and underlying shares of the Company and its associated corporations, within the meaning of Part XV of the Securities Future Ordinance (the "SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), contained in the Listing Rules were as follows:

ii) 認購款項餘下的80% (數額為人民幣312,800,000元) 將於的五菱工業正式成為中外合資企業之成立日起計兩年內支付。

有關擬議與柳州五菱組建該中外合資企業的詳情，已刊載於日期為二零零七年六月二十五日之本公司通函內，並已於二零零七年七月十二日舉行的本公司特別股東大會上，獲得了獨立股東的批准。二零零七年八月二十八日，本公司進一步宣佈該中外合資企業已正式成立。

二零零七年八月三十一日，依據上述各協議，本公司已把首筆認購款項，匯到了五菱工業所指定的銀行帳戶。

二零零九年一月十四日，本公司透過發行可換股貸款票據，向五菱工業增資約人民幣87,000,000元。繼該項注資完成後，本公司於五菱工業所佔之實繳股本已從17.2%增至30.5%。

二零零九年八月十七日，本公司公佈認購款項餘額約人民幣225,800,000元之延遲支付情況，基於本公司需要更長時間為支付餘額之融資進行集資活動，本公司、柳州五菱及五菱工業，現正為此進行商議。

中期股息

董事會建議不宣派截至二零零九年六月三十日止六個月之中期股息。

權益披露

董事於本公司或任何相聯法團股份及相關股份之權益及淡倉

於二零零九年六月三十日，按本公司根據證券及期貨條例（「證券及期貨條例」）第352條規定置存之登記冊所記錄，或本公司及香港聯合交易所有限公司（「聯交所」）根據上市規則所載上市發行人董事進行證券交易之標準守則（「標準守則」）另行獲得之通知，本公司董事及其聯繫人士於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份及相關股份中之權益如下：

Long positions in the shares of the Company

於本公司股份之好倉

Name of Director	Capacity	Number of Shares held	Approximate% of the issued share capital
董事姓名	身份	持有股份數目	所佔已發行股本概約百分比(%)
Mr. Lee Shing ("Mr. Lee") 李誠先生(「李先生」)	Held by controlled corporation (Note 1) 通過受控制公司持有(附註1)	278,259,613	30.34%
Mr. Zhou Sheji ("Mr. Zhou") 周舍己先生(「周先生」)	Held by controlled corporation (Note 2) 通過受控制公司持有(附註2)	44,770,000	4.88%

Note:

附註：

- (1) The 278,259,613 Shares are owned by Dragon Hill Development Limited (俊山發展有限公司) ("Dragon Hill"), a company wholly-owned by Mr. Lee. Reference is made to the circular of the Company issued on 25 June 2007 (the "Circular") and unless the context herewith otherwise requires, terms used in this note shall have the same meanings as in the Circular. A share charge has been created on 280,959,613 Shares held by Dragon Hill in favour of 柳州五菱汽車責任有限公司(Liuzhou Wuling Motors Company Limited, "Liuzhou Wuling") pursuant to the execution of the Share Charge Documents on 28 August 2007 in which Dragon Hill has agreed to guarantee and undertake to procure (i) the due performance of the Company under the JV Agreements, and (ii) the Company not to allot and issue any of the new shares of the Company without the prior written consent of Liuzhou Wuling during the Guarantee Period (i.e., the 36 month-period from the date of the Share Charge). According to the Share Sale Agreement, the Share Charge Documents should be executed simultaneously with the completion of the Share Sale Agreement and that if the Company fails to duly perform its obligations pursuant to any of the JV Agreements or if the Company issues any of the new shares in breach of its undertaking, Liuzhou Wuling (or its wholly-owned subsidiary(ies)) shall have the right to acquire the Charged Shares (i.e., the 280,959,613 Shares held by Dragon Hill, being all of the shares of the Company held by Dragon Hill upon completion of the Share Sale Agreement which are agreed to be charged to Liuzhou Wuling (or its wholly-owned subsidiary(ies)) by Dragon Hill under the Share Charge) from Dragon Hill at the price of HK\$0.29 per Charged Shares during the Guaranteed Period. Pursuant to a consent letter issued by Liuzhou Wuling, the number of Charged Shares has been reduced to 272,959,613 Shares with effect from 28 October 2008.
- (2) Mr. Zhou is beneficially interested in 44,770,000 Shares, which interests are held by his controlled corporation, Gao Bao Development Limited.
- (1) 該278,259,613股股份由李先生全資擁有之俊山發展有限公司(「俊山」)擁有。謹提述本公司於二零零七年六月二十五日刊發之通函(「該通函」)及除本文另有規定外，本附註所使用之詞彙與該通函內具相同涵義。根據於二零零七年八月二十八日簽立之股份質押文件，已就俊山所持有之280,959,613股股份而增設一項以柳州五菱汽車有限責任公司(「柳州五菱」)為受益人之股份質押，據此俊山已同意擔保及承擔促使(i)本公司適當履行合資協議，及(ii)本公司未經柳州五菱事先書面同意下，於擔保期(即股份質押當日起計36個月)內不得配發及發行本公司任何新股份。按照股份出售協議，簽訂股份質押文件應與完成股份出售協議同步，而若本公司未有正式履行其於任何合資協議下之責任或若本公司發行任何新股份而違反承諾，柳州五菱(或其全資附屬公司)有權於擔保期內，以每股質押股份0.29港元之價格向俊山購入質押股份(即俊山所持有之280,959,613股股份，並即為俊山於完成股份出售協議時所持有而且由俊山根據股份質押而同意質押予柳州五菱(或其全資附屬公司)之全部本公司股份)。根據柳州五菱發出之同意書，質押股份自二零零八年十月二十八日起已削減至272,959,613股股份。
- (2) 周先生通過受控制公司高寶發展有限公司持有之權益實益擁有44,770,000股股份。

Save as disclosed above and the interests as disclosed under the section headed "Directors" Rights to Acquire Shares below, none of the directors of the Company nor their associates had any interests or short positions in any shares, underlying shares of the Company or any of its associated corporations as at 30 June 2009 which had been entered in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者及下文「董事購買股份之權利」一節所披露之權益外，於二零零九年六月三十日，本公司各董事及其聯繫人士於本公司或其任何相聯法團之任何股份或相關股份中概無任何權益或淡倉，而須記錄於本公司根據證券及期貨條例第352條置存之登記冊內或須根據標準守則知會本公司及聯交所。

DIRECTORS' RIGHTS TO ACQUIRE SHARES

董事購買股份之權利

As at 30 June 2009, the number of outstanding option shares granted by the Company under the option scheme adopted on 11 June 2002 (the "Scheme") for the directors of the Company to subscribe for the share of the Company, as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code is set out below:

於二零零九年六月三十日，按照證券及期貨條例第352條須置存之登記冊所記錄或根據標準守則另行向本公司及聯交所知會，本公司根據於二零零二年六月十一日採納之購股權計劃（「該計劃」）授予本公司董事認購本公司股份之尚未行使購股權數目載於下文：

Name of Director 董事姓名	Capacity 身份	Number of options granted 所授出購股權數目	Approximate % of the issued share capital 所佔已發行股本概約百分比	Exercise period 行使期	Price of grant 授出價格	Subscription price per share 每股認購價
Ms. Liu Yaling 劉亞玲女士	Beneficial Owner 實益擁有人	350,000	0.04%	From 21 January 2008 to 31 December 2009 二零零八年一月二十一日至二零零九年十二月三十一日	HK\$1 1港元	HK\$2.318 2.318港元
Mr. Pei Qingrong 裴清榮先生	Beneficial Owner 實益擁有人	350,000	0.04%	From 21 January 2008 to 31 December 2009 二零零八年一月二十一日至二零零九年十二月三十一日	HK\$1 1港元	HK\$2.318 2.318港元
Mr. Wang Shaohua 王少華先生	Beneficial Owner 實益擁有人	350,000	0.04%	From 21 January 2008 to 31 December 2009 二零零八年一月二十一日至二零零九年十二月三十一日	HK\$1 1港元	HK\$2.318 2.318港元
Mr. Yu Xiumin 于秀敏先生	Beneficial Owner 實益擁有人	180,000	0.04%	From 21 January 2008 to 31 December 2009 二零零八年一月二十一日至二零零九年十二月三十一日	HK\$1 1港元	HK\$2.318 2.318港元
Mr. Zuo Duofu 左多夫先生	Beneficial Owner 實益擁有人	180,000	0.04%	From 21 January 2008 to 31 December 2009 二零零八年一月二十一日至二零零九年十二月三十一日	HK\$1 1港元	HK\$2.318 2.318港元

Save as disclosed herein, at no time during the period was the Company, its subsidiaries, its fellow subsidiaries or its holding companies a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

除上文所披露者外，於期間內任何時間，本公司、其附屬公司、其同系附屬公司或其控股公司概無訂立任何安排，致使本公司之董事可透過購買本公司或任何其他法人之股份或債券之途徑而獲利。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, as at 30 June 2009, other than the interests disclosed above in respect of the directors of the Company, the following shareholders of the Company had notified the Company of their relevant interests in the issued share capital of the Company:

Long positions in the shares of the Company

於本公司股份之好倉

主要股東於本公司股份及相關股份之權益及淡倉

本公司根據證券及期貨條例第336條置存之主要股東登記冊顯示，於二零零九年六月三十日，除上文所披露有關本公司董事之權益外，下列本公司股東已向本公司知會彼等於本公司已發行股本中之有關權益：

Name of Shareholders	Capacity	Nature of interest	Number of ordinary shares	Approximate % of the issued share capital
董事姓名	身份	權益性質	普通股數目	所佔已發行股本概約百分比(%)
Dragon Hill (Notes 1 and 2) 俊山(附註1及2)	Beneficial Owner 實益擁有人	Corporate 公司	278,259,613	30.34%
Wuling (Hong Kong) Holdings Limited ("Wuling HK Holdings") (Notes 2, 3 and 4) 五菱(香港)控股有限公司 (「五菱香港控股」) (附註2、3及4)	Beneficial Owner 實益擁有人	Corporate 公司	682,594,743	74.41%
Wuling Motors (Hong Kong) Company Limited ("Wuling HK") (Notes, 2 3 and 4) 五菱汽車(香港)有限公司 (「五菱香港」) (附註2、3及4)	Interest in controlled corporation 受控制公司之權益	Corporate 公司	682,594,743	74.41%
Liuzhou Wuling Motors Company Limited* ("Liuzhou Wuling") (Notes 2, 3 and 4) 柳州五菱汽車有限責任公司 (「柳州五菱」) (附註2、3及4)	Interest in controlled corporation 受控制公司之權益	Corporate 公司	682,594,743	74.41%

* For identification purpose only 僅供識別

Notes:

附註：

(1) The entire issued share capital of Dragon Hill is legally and beneficially owned by Mr. Lee, a director and the controlling Shareholder. Accordingly, this parcel of shares of the Company has also been disclosed as long position of Mr. Lee under the above section of "Directors' Interests in Shares and Short Positions in Shares and Underlying Shares of the Company or any Associated Corporations".

(1) 俊山全部已發行股本由董事及控股股東李先生合法及實益擁有。故此，該批本公司股份亦於上文「董事於本公司或任何相聯法團股份及相關股份之權益及淡倉」一節內披露為李先生之好倉。

- (2) Reference is made to the circular of the Company issued on 25 June 2007 (the "Circular") and unless the context herewith otherwise requires, terms used in this note shall have the same meanings as in the Circular. A share charge has been created on 280,959,613 Shares held by Dragon Hill in favour of Liuzhou Wuling pursuant to the execution of the Share Charge Documents on 28 August 2007 in which Dragon Hill has agreed to guarantee and undertake to procure (i) the due performance of the Company under the JV Agreements, and (ii) the Company not to allot and issue any of the new shares of the Company without the prior written consent of Liuzhou Wuling during the Guarantee Period (i.e., the 36 month-period from the date of the Share Charge). According to the Share Sale Agreement, the Share Charge Documents should be executed simultaneously with the completion of the Share Sale Agreement and that if the Company fails to duly perform its obligations pursuant to any of the JV Agreements or if the Company issues any of the new shares in breach of its undertaking, Liuzhou Wuling (or its wholly-owned subsidiary(ies) shall have the right to acquire the Charged Shares (i.e., the 280,959,613 Shares held by Dragon Hill, being all of the shares of the Company held by Dragon Hill upon completion of the Share Sale Agreement which are agreed to be charged to Liuzhou Wuling (or its wholly-owned subsidiary(ies) by Dragon Hill under the Share Charge) from Dragon Hill at the price of HK\$0.29 per Charged Shares during the Guaranteed Period. Pursuant to a consent letter issued by Liuzhou Wuling, the number of Charged Shares had been reduced to 272,959,613 Shares with effect from 28 October 2008.
- (2) 謹提述本公司於二零零七年六月二十五日刊發之通函(「該通函」)及除本文另有規定外，本附註所使用之詞彙與該通函內具相同涵義。根據於二零零七年八月二十八日簽立之股份質押文件，已就俊山所持有之280,959,613股股份而增設一項以柳州五菱為受益人之股份質押，據此俊山已同意擔保及承擔促使(i)本公司適當履行合資協議，及(ii)本公司未經柳州五菱事先書面同意下，於擔保期(即股份質押當日起計36個月)內不得配發及發行本公司任何新股份。按照股份出售協議，簽訂股份質押文件應與完成股份出售協議同步，而若本公司未有正式履行其於任何合資協議下之責任或若本公司發行任何新股份而違反承諾，柳州五菱(或其全資附屬公司)有權於擔保期內，以每股質押股份0.29港元之價格向俊山購入質押股份(即俊山所持有之280,959,613股股份，並即為俊山於完成股份出售協議時所持有而且由俊山根據股份質押而同意質押予柳州五菱(或其全資附屬公司)之全部本公司股份)。根據柳州五菱發出之同意書，質押股份自二零零八年十月二十八日起已削減至272,959,613股股份。
- (3) The entire issued share capital of Wuling HK Holdings is held by Wuling HK, whereas the entire issued share capital of Wuling HK is held by Liuzhou Wuling. Accordingly, Wuling HK and Liuzhou Wuling are deemed to have an interests in the Shares in which Wuling HK Holdings is interested under the SFO.
- (3) 五菱香港控股全部已發行股本由五菱香港持有，而五菱香港之全部已發行股本則由柳州五菱持有。故此，五菱香港及柳州五菱根據證券及期貨條例被視作於五菱香港控股擁有權益之股份中擁有權益。
- (4) The long positions held by the substantial shareholders include: (i) the 274,500,000 Shares beneficially owned by Wuling HK Holding as at 30 June 2009; (ii) the 272,959,613 Shares held as security interest pursuant to Note 2 above; and (iii) the 135,135,130 Shares issuable to Wuling HK Holdings upon exercise in full the conversion rights attaching to a convertible notes issued by the Company to Wuling HK Holdings on 12 January 2009 according to a subscription agreement dated 28 November 2008, details of which have been fully disclosed in the circular of the Company dated 16 December 2008.
- (4) 主要股東持有之好倉包括：(i)於二零零九年六月三十日由五菱香港控股實益擁有之274,500,000股股份；(ii)根據上文附註2持作質押權益之272,959,613股股份；及(iii)根據日期為二零零八年十一月二十八日之認購協議，本公司於二零零九年一月十二日向五菱香港控股發行可換股票據附帶之兌換權獲悉數行使後可發行予五菱香港控股之135,135,130股股份，有關詳情於本公司二零零八年十二月十六日刊發之通函中詳盡披露。

Other than as disclosed above as at 30 June 2009, the Company has not been notified of any other relevant interests and short position in the shares capital of the Company, which had been recorded in the register required to be kept under section 336 of the SFO.

除上文所披露者外，於二零零九年六月三十日，本公司並無獲知會須記錄於根據證券及期貨條例第336條置存之登記冊內之本公司股本中任何其他有關權益及淡倉。

OTHER INFORMATION SHARE OPTION SCHEME

On 11 June 2002, the Company adopted a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

(a) A summary of the Scheme is as follows:

以下為該計劃之概要：

Purpose
目的

Provide incentives and rewards to eligible participants.
向合資格參與者提供鼓勵及獎勵。

Participants
參與者

Eligible participants include:
合資格參與者包括：

- (i) any employee(s) (whether full-time or part-time employee(s), including any executive director but not any non-executive director) of the Company and its subsidiaries;
本公司及其附屬公司之任何僱員(不論全職或兼職僱員，包括任何執行董事但不包括任何非執行董事)；
- (ii) any non-executive director (including independent non-executive directors) of the Company and its subsidiaries;
本公司及其附屬公司之任何非執行董事(包括獨立非執行董事)；
- (iii) any supplier of goods or services to any member of the Group;
本集團任何成員公司之任何貨品或服務供應商；
- (iv) any customer of the Group;
本集團之任何客戶；
- (v) any person or entity that provides research, development or other technological support to the Group; and
向本集團提供研究、開發或其他技術支援之任何人士或實體；及
- (vi) any shareholder of any member of the Group or any holder of any securities issued by any member of the Group.
本集團任何成員公司之任何股東或本集團任何成員公司所發行任何證券之任何持有人。

Total number of ordinary shares available for issue and the percentage of the issued share capital that it represents as at the date of the interim report
可供發行之普通股總數及其於本中期報告日期所佔已發行股本之百分比

91,728,804 ordinary shares, being 10% of the issued share capital, which was refreshed by the shareholders of the Company on 23 May 2008.

91,728,804股普通股，即已發行股本10%，已由本公司股東於二零零八年五月二十三日更新。

其他資料 購股權計劃

於二零零二年六月十一日，本公司採納一項購股權計劃(「該計劃」)，藉此向對本集團業務之成功作出貢獻之合資格參與者提供鼓勵及獎勵。

<p>Maximum entitlement of each participant 每位參與者之最高配額</p>	<p>The maximum number of ordinary shares shall not exceed 1% of the issued ordinary share capital of the Company in issue in any 12-month period. 普通股數目最多不得超過本公司於任何十二個月期間已發行普通股股本之1%。</p>
<p>Period within which the securities must be taken up under an option 證券須根據購股權獲認購之期限</p>	<p>Subject to the discretion on issuance of board of directors. 發行時由董事會酌情釐定。</p>
<p>Minimum period for which an option must be held before it can be exercised 購股權可行使前須持有之最短期限</p>	<p>Not applicable. 不適用。</p>
<p>Amount payable on acceptance 接納時須繳付之款項</p>	<p>HK\$1.00. 1.00港元。</p>
<p>Period within which payments/calls/loans must be made/repaid 付款／催繳股款／償還貸款之期限</p>	<p>Not applicable. 不適用。</p>
<p>Basis of determining the exercise price 釐定行使價之基準</p>	<p>Determined by the directors at their discretion and shall not be lower than the highest of: 由董事酌情釐定，及不得低於下列各項之最高者：</p> <ul style="list-style-type: none"> (i) the closing price of the ordinary shares on the Stock Exchange at the offer date, which must be a trading day; 授出日期(必須為交易日)普通股在聯交所之收市價； (ii) the average closing price of the ordinary shares on the Stock Exchange for the five business days immediately preceding the offer date; and 緊接授出日期前五個營業日普通股在聯交所之平均收市價；及 (iii) the nominal value of an ordinary share. 普通股之面值。
<p>The remaining life of the Scheme 該計劃之剩餘有效期</p>	<p>The scheme will be valid and effective until 7 July 2012, after which no further options will be granted but the provisions of the Scheme shall remain in full force and effect in all other respects. Options complying with the provisions of the Listing Rules which are granted during the duration of the Scheme and remain unexercised immediately prior to 7 July 2012 shall continue to be exercisable in accordance with their terms of grant within the option period for which such options are granted, notwithstanding the expiry of the Scheme. 該計劃將一直有效，直至二零一二年七月七日為止，其後不會再授出任何購股權，惟該計劃之條文在所有其他方面將保持十足效力。即使該計劃經已屆滿，於該計劃有效期間內授出而於緊接二零一二年七月七日前仍未行使且符合上市規則規定之購股權，將可於該等購股權獲授之購股權期間內依據其授出條款繼續行使。</p>

(b) Movements of the Scheme during the period ended 30 June 2009 are listed below in accordance with rule 17.07 of the Listing Rules:

(b) 根據上市規則第17.07條，於截至二零零九年六月三十日止期間該計劃之變動詳情如下：

Category 類別	As at 1 January 2009 ⁽¹⁾ 於二零零九年 一月一日 ⁽¹⁾	Granted 授出	Exercised 行使	Lapsed/ cancelled/ 失效/註銷	As at 30 June 2009 於二零零九年 六月三十日	Exercise period 行使期	Subscription price per Shares 每股認購價
Director							
董事							
Ms. Liu Yaling 劉亞玲女士	350,000	-	-	-	350,000	From 21 January 2008 to 31 December 2009 二零零八年一月二十一日至 二零零九年十二月三十一日	HK\$2.318 2.318港元
Mr. Pei Qingrong 裴清榮先生	350,000	-	-	-	350,000	From 21 January 2008 to 31 December 2009 二零零八年一月二十一日至 二零零九年十二月三十一日	HK\$2.318 2.318港元
Mr. Wang Shaohua 王少華先生	350,000	-	-	-	350,000	From 21 January 2008 to 31 December 2009 二零零八年一月二十一日至 二零零九年十二月三十一日	HK\$2.318 2.318港元
Mr. Yu Xiumin 于秀敏先生	180,000	-	-	-	180,000	From 21 January 2008 to 31 December 2009 二零零八年一月二十一日至 二零零九年十二月三十一日	HK\$2.318 2.318港元
Mr. Zuo Duofu 左多夫先生	180,000	-	-	-	180,000	From 21 January 2008 to 31 December 2009 二零零八年一月二十一日至 二零零九年十二月三十一日	HK\$2.318 2.318港元
Resigned director							
辭任董事							
Mr. Cheng Kin Wah Thomas ⁽²⁾ 鄭健華先生 ⁽²⁾	180,000	-	-	-	180,000	From 21 January 2008 to 31 December 2009 二零零八年一月二十一日至 二零零九年十二月三十一日	HK\$2.318 2.318港元
Continuous contract employees							
持續合約僱員							
In aggregate 合共	13,480,000	-	-	-	13,480,000	From 21 January 2008 to 31 December 2009 二零零八年一月二十一日至 二零零九年十二月三十一日	HK\$2.318 2.318港元
	15,070,000	-	-	-	15,070,000		

Notes:

- (1) All the options were granted on 2 January 2008 and were vested immediately on the date of acceptance.
- (2) Mr. Cheng Kin Wah Thomas resigned on 31 March 2009 and the exercise period of his share options remained effective until 31 December 2009.

附註：

- (1) 所有授出購股權於二零零八年一月二日授出並於接納授出日期立即歸屬。
- (2) 鄭健華先生於二零零九年三月三十一日辭任，其購股權之行使期直至二零零九年十二月三十一日止一直有效。

PURCHASE, REDEMPTION AND SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the period ended 30 June 2009 (Period ended 30 June 2008: Nil).

RESIGNATION AND CHANGE IN DETAILS OF DIRECTOR(S)

During the period, Mr. Cheng Kin Wah Thomas resigned as independent non-executive director of the Company with effect from 31 March 2009.

During the period, in consideration of the increasing level of duties and responsibilities as well as the market conditions, the remuneration packages of the independent non-executive directors were revised with effect from 1 April 2009, in which the director's fee payable to Messrs. Yu Xiumin and Zuo Duofu was revised from HK\$5,000 to HK\$10,000 per month, whereas the director's fee payable to Mr. Ye Xiang was revised from HK\$10,000 to HK\$15,000 per month.

Mr. Lee Shing was appointed as executive director of Grand T G Gold Holdings Limited (stock code: 8299, a company listed on the Growth Enterprise Market of the Stock Exchange) on 17 July 2009.

CORPORATE GOVERNANCE PRACTICES

The Company recognizes the importance of good corporate governance to the Company's healthy growth and has devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the Company's needs.

The Company has applied the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time, ("Stock Exchange") ("Listing Rules") sets out the principles of good corporate governance and the code provisions as set out in the CG Code and complied with most of these code provisions save for certain deviation from the CG Code provisions in respect of A.2.1.

購買、贖回及出售本公司之上市證券

於截至二零零九年六月三十日止六個月期間內，本公司或其任何附屬公司概無購買、贖回及出售本公司之任何上市證券（二零零八年六月三十日止六個月期間：無）。

董事辭任及資料變更

於期內，鄭健華先生辭任本公司之獨立非執行董事，自二零零九年三月三十一日起生效。

於期內，鑒於職務及職責加重及市場情況，獨立非執行董事之薪酬待遇已作出調整，自二零零九年四月一日起生效。因此，應付于秀敏先生及左多夫先生之董事袍金由每月5,000港元調整為10,000港元，而應付葉翔先生之董事袍金由每月10,000港元調整為15,000港元。

李誠先生已於二零零九年七月十七日獲委任為聯交所創業板上市公司大唐潼金控股有限公司(股份代號：8299)之執行董事。

企業管治常規

本公司深明優良之企業管治對本公司健康發展之重要性，故致力尋求及釐定切合本公司需求之企業管治常規。

本公司已應用載列於香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄14之企業管治常規(「企管常規」)之所載之良好企業管治原則及企管守則所載之守則條文(經不時修訂)，並遵守大部份企管守則，惟偏離A.2.1條守則條文之若干規定。

The CG Code provision A.2.1 stipulates that the role of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The present Chairman of the Company, Mr. Lee Shing also acts as the Chief Executive Officer of the Company. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

The Board also considers that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same person do not impair the balance of power and authority between the Board and the management of the Company.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding directors' dealings in the Company's securities (the "Own Code") on terms no less exacting than the Model Code, as amended from time to time.

Specific enquiry has been made of all the directors of the Company and the directors of the Company have confirmed that they have complied with the Own Code and the Model Code throughout the period ended 30 June 2009.

AUDIT COMMITTEE

The Audit Committee, comprising the three independent non-executive directors, namely Mr. Ye Xiang (the Chairman), Mr. Yu Xiumin and Mr. Zuo Duofu, is established in accordance with the requirements of the Code, for the purpose of reviewing and providing, inter alia, supervision over the Group's financial reporting process and internal controls. The terms of reference of the Audit Committee are disclosed on the website of the Company.

At the request of the Audit Committee, the Company's auditors, Deloitte Touche Tohmatsu, had carried out a review of the unaudited interim financial information for the six months ended 30 June 2009 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The independent interim financial information for the six months ended 30 June 2009 have also been reviewed by the Audit Committee.

企管守則A.2.1條訂明，主席及行政總裁之角色須作區分，且不應由同一人士擔任。本公司現任主席李誠先生同時擔任本公司行政總裁之角色。董事會相信，由同一人擔當主席及行政總裁之角色使領導本公司方面更具效益及方向一致，同時有助於有效及具效率地策劃及實行業務決策及策略。

董事會亦認為，配由同一人擔當主席及行政總裁角色之架構不會使董事會與本公司管理層之間之權力及權限失衡。

遵守董事進行證券交易的標準守則

本公司就公司董事買賣本公司證券已採納其管理守則(「公司守則」)，其條款不遜於標準守則(經不時修訂)。

本公司已向全體本公司董事作出具體查詢，本公司董事已確認彼等於二零零九年六月三十日止六個月內一直遵守公司守則及標準守則。

審核委員會

審核委員會現由三名獨立非執行董事組成，分別為葉翔(主席)、于秀敏先生及左多夫先生，並已按企管守則之規定成立，以審閱及監察本集團之(包括其他)財務申報程序及內部監控。審核委員會之職責範圍資料披露於本公司之網頁。

按審核委員會之要求，本公司核數師德勤·關黃陳方會計師事務所按照香港會計師公會頒佈之《香港審閱工作準則》第2410號「獨立核數師對中期財務信息的審閱」對截至二零零九年六月三十日止六個月之未經審核中期財務資料進行審閱。截至二零零九年六月三十日止六個月之獨立中期財務資料亦經過審核委員會審閱。

HUMAN RESOURCES AND REMUNERATION POLICY

At 30 June 2009, the Group had approximately 5,100 employees, including directors. Total staff costs for the six months ended 30 June 2009 were approximately RMB162,005,000. The remuneration policy was reviewed in line with the current applicable legislation, market conditions as well as the performance of the Company and the individual.

Besides, the Remuneration Committee of the Company, comprising the three independent non-executive directors, namely Mr. Zuo Duofu (the Chairman), Mr. Yu Xiumin and Mr. Ye Xiang, established under the Board, will also make recommendations on and give approval to the remuneration policy, structure and remuneration packages of the directors and the senior management. The terms of reference of the Remuneration Committee of the Company are disclosed on the website of the Company.

The Group regards human resources as an essential element for the growth of a corporation and therefore pays serious attention to its human resources management. The Group maintains a set of established and comprehensive management policy aiming at promoting common corporate goals among employees. The policy which covers the remuneration structure, training and staff development encourages healthy competitive environment which will bring mutual benefits to both the Group and the employees.

APPROVAL OF INTERIM REPORT

The interim report and the unaudited condensed consolidated financial statements for the six months ended 30 June 2009 were approved and authorized for issue by the Board on 21 September 2009.

人力資源及薪酬政策

在二零零九年六月三十日，本集團的僱員總數(包括董事在內)約為5,100名。截至二零零九年六月三十日止的六個月的員工總成本約為人民幣162,005,000元。本公司已按照現行的適用法律、市場狀況以及本公司業績和個別員工的表現，檢討薪酬政策。

此外，由三名獨立非執行董事包括左多夫先生(主席)、于秀敏先生及葉翔先生組成之薪酬委員會亦會就董事及高級管理層之薪酬政策和架構及薪酬組合提出意見，以及就此作出批准。薪酬委員會之職責範圍資料披露於本公司之網頁。

本集團視人力資源為一個企業發展之重要元素，因此極為關注集團內之人力資源管理。本集團持有一套明確及全面之人力資源管理政策，宗旨為於僱員間培養共同目標。該套政策函蓋薪酬架構、培訓及員工發展方面，鼓勵良性競爭之環境，從而為集團及僱員帶來共同利益。

中期報告之核准

本中期報告及截至二零零九年六月三十日止六個月之未經審核簡明綜合財務報表經董事會於二零零九年九月二十一日核准及授權刊發。

INDEPENDENT REVIEW REPORT

Deloitte.**德勤****TO THE BOARD OF DIRECTORS OF
DRAGON HILL WULING AUTOMOBILE HOLDINGS LIMITED**
*(incorporated in Bermuda with limited liability)***Introduction**

We have reviewed the interim financial information set out on pages 28 to 50, which comprises the condensed consolidated statement of financial position of Dragon Hill Wuling Automobile Holdings Limited and its subsidiaries as of 30 June 2009 and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

獨立審閱報告

致俊山五菱汽車集團有限公司董事會
(於百慕達註冊成立之有限公司)**緒言**

我們已審閱刊載於第28頁至第50頁之中期財務資料，包括俊山五菱汽車集團有限公司及其附屬公司於二零零九年六月三十日之簡明綜合財務狀況報表及截至該日止六個月期間之相關簡明綜合收益表、全面收益報表、權益變動表及現金流量表，以及若干說明附註。香港聯合交易所有限公司主板證券上市規則規定，編製中期財務資料報告須遵照其有關條文及香港會計師公會頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」。本公司董事負責按照香港會計準則第34號編製及呈報本中期財務資料。我們之責任為遵照我們已同意之受聘條款，根據我們之審閱結果就本中期財務資料作出總結，並向全體董事報告。除此之外，本報告不作其他用途。我們不會就本報告內容向任何其他人士負上或承擔任何責任。

審閱範圍

我們按照香港會計師公會頒佈之《香港審閱工作準則》第2410號「實體之獨立核數師對中期財務資料之審閱」進行審閱。中期財務資料之審閱包括作出查詢，而主要查詢對象為負責財務及會計事宜之人士，以及運用分析及其他審閱程序。由於審閱範圍遠小於按照香港審核準則進行審核之範圍，故未能保證我們能知悉審核可辨識之所有重大事宜。因此，我們並不提出審核意見。

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

21 September 2009

總結

根據我們之審閱結果，我們並不知悉任何事宜，致使我們相信中期財務資料於所有重大方面未有按照香港會計準則第34號編製。

德勤·關黃陳方會計師行

執業會計師

香港

二零零九年九月二十一日

INTERIM FINANCIAL INFORMATION

中期財務資料

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

For the six months ended 30 June 2009

截至二零零九年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2009 二零零九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2008 二零零八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
	NOTES 附註		
Revenue	收入	3	3,674,925
Cost of sales	銷售成本		(3,341,597)
Gross profit	毛利		404,360
Other income	其他收入		40,162
Distribution costs	分銷成本		(78,312)
General and administrative expenses	一般及行政開支		(195,705)
Research and development expenses	研發開支		(40,979)
Net gain (loss) held-for-trading investments	持作買賣投資之淨收益(虧損)		3
Change in fair value of derivative financial instrument	衍生金融工具之公平值變動	12	(61,437)
Change in fair value of investment properties	投資物業之公平值變動	8	260
Share of result of an associate	分佔一間聯營公司業績		645
Finance costs	融資成本		(22,004)
Profit before taxation	除稅前溢利		46,993
Income tax expense	所得稅開支	4	(17,126)
Profit for the period	本期溢利	5	29,867
(Loss) profit for the period attributable to:	以下各方應佔本期(虧損)溢利:		
Owners of the Company	本公司擁有人		(41,440)
Minority interests	少數股東權益		71,307
			29,867
(Loss) earnings per share	每股(虧損)盈利	6	
– Basic	– 基本		RMB(4.52) cents 人民幣(4.52)分
– Diluted	– 攤薄		RMB(4.52) cents 人民幣(4.52)分

**CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**

For the six months ended 30 June 2009

簡明綜合全面收益報表

截至二零零九年六月三十日止六個月

		Six months ended 30 June	
		截至六月三十日止六個月	
		2009	2008
		二零零九年	二零零八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Profit for the period	本期溢利	29,867	89,088
Other comprehensive expense:	其他全面開支：		
Exchange differences arising from translation of foreign operation	換算海外業務所產生之匯兌差額	(190)	(4,459)
Total comprehensive income for the period	本期全面收益總額	29,677	84,629
Total comprehensive (expense) income attributable to:	以下各方應佔全面(開支)收益總額：		
Owners of the Company	本公司擁有人	(41,630)	3,947
Minority interests	少數股東權益	71,307	80,682
		29,677	84,629

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2009

簡明綜合財務狀況報表

於二零零九年六月三十日

		NOTES 附註	30 June 2009 二零零九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2008 二零零八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	8	604,136	570,065
Prepaid lease payments	預付租賃款項		45,120	13,912
Premium on prepaid lease payments	預付租賃款項之溢價		1,035	1,047
Investment properties	投資物業	8	–	6,172
Intangible assets	無形資產		876	928
Interest in an associate	於一間聯營公司之權益		3,049	3,304
Available-for-sale investments	可供出售投資		495	495
Deposits for trading rights	交易權利之按金		180	180
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備 之已付按金		58,255	51,170
			713,146	647,273
CURRENT ASSETS	流動資產			
Inventories	存貨		588,170	600,273
Loan receivables	應收貸款		169	68
Trade and other receivables	應收賬項及其他應收款項	9(i)	3,862,753	2,861,209
Bills receivables discounted with recourse	附追索權之已貼現票據	9(ii)	332,230	342,008
Prepaid lease payments	預付租賃款項		803	201
Held-for-trading investments	持作買賣投資		6	3
Client trust bank accounts	客戶信託銀行賬戶		4,777	2,350
Pledged bank deposits	已質押銀行存款		922,263	624,601
Cash and cash equivalents	現金及現金等值項目		770,958	596,066
			6,482,129	5,026,779
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付賬項及其他應付款項	10(i)	4,695,376	3,279,598
Advances drawn on bills receivables discounted with recourse	附追索權之已貼現 票據墊款	10(ii)	332,230	342,008
Amount due to a shareholder	應付一名股東款項	15	1,027,761	989,580
Amount due to an associate	應付一間聯營公司款項	15	1,082	20,467
Provision for warranty	保養撥備	11	77,061	83,226
Tax payable	應付稅項		35,880	31,787
Derivative financial instrument	衍生金融工具	12	79,796	–
Bank borrowings – due within one year	銀行借貸 – 一年內到期	13	205,924	197,028
Convertible loan notes	可換股貸款票據	12	2,468	–
Obligations under finance leases – due within one year	融資租賃責任 – 一年內到期		271	270
			6,457,849	4,943,964
NET CURRENT ASSETS	流動資產淨值		24,280	82,815
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		737,426	730,088

**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

At 30 June 2009

簡明綜合財務狀況報表

於二零零九年六月三十日

		NOTES 附註	30 June 2009 二零零九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2008 二零零八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
NON-CURRENT LIABILITIES	非流動負債			
Bank borrowings – due after one year	銀行借貸 – 一年後到期	13	5,922	20,288
Deferred tax liabilities	遞延稅項負債		3,500	2,158
Obligations under finance leases – due after one year	融資租賃責任 – 一年後到期		278	412
Convertible loan notes	可換股貸款票據	12	71,357	–
			81,057	22,858
			656,369	707,230
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	14	3,659	3,659
Reserves	儲備		101,455	143,085
Equity attributable to owners of the Company	本公司擁有人應佔權益		105,114	146,744
Minority interests	少數股東權益		551,255	560,486
			656,369	707,230

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2009

截至二零零九年六月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔										
		Issued share capital	Share premium account	Exchange reserve	Contributed surplus	Share option reserve	PRC general reserve	Capital reserve	Accumulated losses	Total	Minority interests	Total equity
		已發行股本	股份溢價賬	匯兌儲備	實繳盈餘	購股權儲備	中國一般儲備	資本儲備	累計虧損	總計	少數股東權益	總權益
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
					note (i) 附註(i)		note (ii) 附註(ii)	note (iii) 附註(iii)				
At 1 January 2008 (audited)	於二零零八年一月一日 (經審核)	3,659	279,305	(3,349)	97,435	-	9,085	18,505	(296,064)	108,576	472,113	580,689
Profit for the period	本期溢利	-	-	-	-	-	-	-	8,406	8,406	80,682	89,088
Exchange difference arising from translation of foreign operation	換算海外業務所產生之匯兌差額	-	-	(4,459)	-	-	-	-	-	(4,459)	-	(4,459)
Total comprehensive (expense) income for the period	本期全面(開支)收益總額	-	-	(4,459)	-	-	-	-	8,406	3,947	80,682	84,629
Deregistration of a subsidiary (note iv)	註銷附屬公司(附註iv)	-	-	-	-	-	-	-	-	-	(3,169)	(3,169)
Share-based payments	以股份為基礎之付款	-	-	-	-	5,381	-	-	-	5,381	-	5,381
Dividend paid to minority interests	支付予少數權益股東之股息	-	-	-	-	-	-	-	-	-	(6,162)	(6,162)
Transfers	轉撥	-	-	-	-	-	12,598	-	(12,598)	-	-	-
Subtotal	小計	-	-	-	-	5,381	12,598	-	(12,598)	5,381	(9,331)	(3,950)
At 30 June 2008 (unaudited)	於二零零八年六月三十日 (未經審核)	3,659	279,305	(7,808)	97,435	5,381	21,683	18,505	(300,256)	117,904	543,464	661,368
Profit for the period	本期溢利	-	-	-	-	-	-	-	24,241	24,241	23,558	47,799
Exchange difference arising from translation of foreign operation	換算海外業務所產生之匯兌差額	-	-	4,599	-	-	-	-	-	4,599	-	4,599
Total comprehensive income for the period	本期全面收益總額	-	-	4,599	-	-	-	-	24,241	28,840	23,558	52,398
Deregistration of a subsidiary (note iv)	註銷附屬公司(附註iv)	-	-	-	-	-	-	-	-	-	(2,123)	(2,123)
Transfer to accumulated losses on lapse of share options	於購股權失效時轉撥往累計虧損	-	-	-	-	(88)	-	-	88	-	-	-
Dividend paid to minority interests	支付予少數權益股東之股息	-	-	-	-	-	-	-	-	-	(4,413)	(4,413)
Transfers	轉撥	-	-	-	-	-	17,302	-	(17,302)	-	-	-
Subtotal	小計	-	-	-	-	(88)	17,302	-	(17,214)	-	(6,536)	(6,536)
At 31 December 2008 (audited)	於二零零八年十二月三十一日 (經審核)	3,659	279,305	(3,209)	97,435	5,293	38,985	18,505	(293,229)	146,744	560,486	707,230
(Loss) profit for the period	本期(虧損)溢利	-	-	-	-	-	-	-	(41,440)	(41,440)	71,307	29,867
Exchange difference arising from translation of foreign operation	換算海外業務所產生之匯兌差額	-	-	(190)	-	-	-	-	-	(190)	-	(190)
Total comprehensive (expense) income for the period	本期全面(開支)收益總額	-	-	(190)	-	-	-	-	(41,440)	(41,630)	71,307	29,677
Dividend paid to minority interests	支付予少數權益股東之股息	-	-	-	-	-	-	-	-	-	(80,538)	(80,538)
Transfers	轉撥	-	-	-	-	-	4,274	-	(4,274)	-	-	-
Subtotal	小計	-	-	-	-	-	4,274	-	(4,274)	-	(80,538)	(80,538)
At 30 June 2009 (unaudited)	於二零零九年六月三十日 (未經審核)	3,659	279,305	(3,399)	97,435	5,293	43,259	18,505	(338,943)	105,114	551,255	656,369

Notes:

- (i) The Group's contributed surplus represents (i) the difference between the nominal value of the shares of the subsidiaries acquired pursuant to a group reorganisation on 30 October 1992, over the nominal value of the Company's shares issued in exchange therefor; and (ii) the transfer of the credit which arose from the cancellation of the paid-up capital on reduction of the par value of each issued ordinary share on 19 June 2006.
- (ii) According to the relevant requirement in the memorandum of association of the PRC subsidiaries, a portion of their profits after taxation, as determined by the board of the directors of those subsidiaries, is transferred to PRC general reserve. The transfer to this reserve must be made before the distribution of a dividend to equity owners. The general reserve fund can be used to offset the losses of the previous years, if any. The general reserve fund is non-distributable other than upon liquidation.
- (iii) The capital reserve represents the deemed capital contribution arising on acquisition of a subsidiary, Liuzhou Wuling Motors Industrial Company Limited ("Wuling Industrial"), from Liuzhou Wuling Motors Company Limited ("Liuzhou Wuling"), a substantial shareholder of the Company, in August 2007.
- (iv) During the year ended 31 December 2008, 北京北汽發動機有限公司 and 柳州五菱汽車有限責任公司柳州機械廠無錫分公司, being a 51% owned subsidiary and a branch respectively, were deregistered. No gain or loss was resulted from the deregistration.

附註：

- (i) 本集團之實繳盈餘指(i)根據於一九九二年十月三十日進行之集團重組，所收購附屬公司之股份面值與本公司發行以作交換之股份面值之差額；(ii)二零零六年六月十九日就削減每股已發行普通股之面值，註銷實繳資本產生之進賬額之轉撥。
- (ii) 根據中國附屬公司組織章程之有關規定，該等公司需轉撥部分除稅後溢利予中國一般儲備，轉撥款額由有關附屬公司之董事會釐定。公司必須向該儲備作出轉撥後，方可向股權擁有者分派股息。一般儲備可用作抵銷以往年度之虧損(如有)。除清盤外，一般儲備金不得分派。
- (iii) 資本儲備指於二零零七年八月向本公司之主要股東柳州五菱汽車有限責任公司(「柳州五菱」)收購一間附屬公司柳州五菱汽車工業有限公司(「五菱工業」)所產生之視作資本出資。
- (iv) 截至二零零八年十二月三十一日止年度內，由本公司擁有51%權益之附屬公司北京北汽發動機有限公司及分支柳州五菱汽車有限責任公司柳州機械廠無錫分公司均被註銷。註銷並未產生任何收益或虧損。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2009

簡明綜合現金流量表

截至二零零九年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月	
		2009 二零零九年 RMB'000 人民幣千元 (unaudited) (未經審核)	2008 二零零八年 RMB'000 人民幣千元 (unaudited) (未經審核)
Net cash from operating activities	經營活動所得現金淨額	552,679	209,337
Net cash (used in) from investing activities	投資活動(所用)所得現金淨額		
(Increase) decrease in pledged bank deposits	已質押銀行存款(增加)減少	(297,662)	148,390
Deposits paid for acquisition of property, plant and equipment	購買物業、廠房及設備之已付按金	(58,255)	(68,098)
Purchase of property, plant and equipment	購買物業、廠房及設備	(29,379)	(17,764)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	18,220	4,286
Other investing cash flows	其他投資現金流	(13,327)	7,901
		(380,403)	74,715
Net cash from (used in) financing activities	融資活動所得(所用)現金淨額		
Proceeds from the issue of convertible loan notes	發行可換股貸款票據所得款項	88,069	-
Bank borrowings raised	新增銀行借貸	70,000	151,195
Advance from (repayment to) a shareholder	來自(償還)一名股東之墊款	38,181	(302,798)
Dividends paid to minority shareholders of subsidiaries	支付予附屬公司少數權益股東之股息	(80,538)	(5,388)
Repayment of bank borrowings	償還銀行借貸	(75,539)	(43,215)
Interest paid	已付利息	(17,990)	(16,753)
Repayment of amount due to an associate	償還結欠一間聯營公司之款項	(19,385)	(7,786)
Other financing cash flows	其他融資現金流	(132)	(139)
		2,666	(224,884)
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	174,942	59,168
Cash and cash equivalents at the beginning of period	期初現金及現金等值項目	596,066	601,617
Effect of foreign exchange rate changes	外幣匯率變動之影響	(50)	(669)
Cash and cash equivalents at the end of period, representing bank balances and cash	期末現金及現金等值項目(指銀行結餘及現金)	770,958	660,116

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2009

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with the Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The Group's principal operations are conducted in the People's Republic of China (the "PRC"). The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and investment properties, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008. In addition, the Group has adopted the following policy upon issuance of convertible loan notes:

Convertible loan notes

Convertible loan notes issued by the Company that contain liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative. At the date of issue, the liability and conversion option components are recognized at fair value.

In subsequent periods, the liability component of the convertible loan notes is carried at amortized cost using the effective interest method. The conversion option derivative is measured at fair value with changes in fair value recognized in profit or loss.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and conversion option proportion to their relative fair values. Transaction costs relating to the conversion option derivative is charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortized over the period of the convertible loan notes using the effective interest method.

簡明綜合財務報表附註

截至二零零九年六月三十日止六個月

1. 編製基準

簡明綜合財務報表乃根據香港聯合交易所有限公司證券上市規則(「上市規則」)附錄16之適用披露規定及香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」編製。

本集團之主要業務均在中華人民共和國(「中國」)營運。簡明綜合財務報表以人民幣(「人民幣」)計值，而人民幣亦為本公司之功能貨幣。

2. 主要會計政策

本簡明綜合財務報表乃根據歷史成本為基礎編製，惟若干金融工具及投資物業乃以公平值計量。

本簡明綜合財務報表所採用之會計政策與本集團編製截至二零零八年十二月三十一日止年度全年財務報表所採納者一致。此外，本集團已就發行可換股貸款票據採納下列政策：

可換股貸款票據

本公司發行之可換股貸款票據包括負債及兌換權部份，乃於初步確認時獨立分類為各個項目。以固定金額現金或其他金融資產交換本公司固定數目之股本工具以外之方式結清之兌換權乃兌換權衍生工具。於發行日期，負債及兌換權部份乃按公平值確認。

於往後期間，可換股貸款票據之負債部份乃以實際利息法按攤銷成本列賬。兌換權衍生工具以公平值計量，而公平值之變動於損益表確認。

發行可轉換貸款票據相關之交易成本，根據彼等相關公平值之比例，分配於負債及兌換權。兌換權衍生工具相關之交易成本即時於損益表中扣除。負債部份相關之交易成本計入負債部份之賬面值，並以實際利息法於可換股貸款票據期間予以攤銷。

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial year beginning 1 January 2009.

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
Hong Kong Financial Reporting Standard (“HKFRS”) 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC)-Interpretation (“Int”) 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

HKAS 1 (Revised 2007) has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure.

HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard, HKAS 14 *Segment Reporting*, required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group’s primary reporting format was business

於本中期期間，本集團首次應用香港會計師公會頒佈於二零零九年一月一日開始之本集團財政年度生效之以下新訂及經修訂準則、修訂及詮釋（「新訂及經修訂香港財務報告準則」）。

香港會計準則第1號 (二零零七年經修訂)	財務報表之呈列
香港會計準則第23號 (二零零七年經修訂)	借貸成本
香港會計準則第32號及 第1號(修訂本)	可沽售金融工具及 清盤時產生之承擔
香港財務報告準則 (「香港財務報告準則」)第1號 及香港會計準則第27號(修訂本)	於附屬公司、共同控制 實體或聯營公司之 投資成本
香港財務報告準則第2號(修訂本)	歸屬條件及註銷
香港財務報告準則第7號(修訂本)	改善金融工具之披露
香港財務報告準則第8號	經營分部
香港(國際財務報告詮釋委員會) — 詮釋(「詮釋」)第9號及 香港會計準則第39號(修訂本)	嵌入式衍生工具
香港(國際財務報告詮釋委員會) — 詮釋第13號	忠實客戶計劃
香港(國際財務報告詮釋委員會) — 詮釋第15號	房地產建築協議
香港(國際財務報告詮釋委員會) — 詮釋第16號	海外業務投資淨額對沖
香港財務報告準則(修訂本)	對於二零零八年頒佈之 香港財務報告準則之 改進，惟香港財務報告 準則第5號之修訂 (於二零零九年 七月一日或之後開始 之年度期間生效)除外
香港財務報告準則(修訂本)	對於二零零九年頒佈 有關修訂香港會計 準則第39號第80段 之香港財務報告準則 之改進

香港會計準則第1號(二零零七年經修訂)引入多項用詞改動，包括修訂簡明綜合財務報表之標題，因而導致呈列及披露出現若干變動。

香港財務報告準則第8號為披露準則，規定經營分部按就於分部間分配資源及評估其表現內部呈報財務資料之相同基準劃分。前身準則香港會計準則第14號「分部報告」規定採用風險與回報方法劃分兩個分部(業務及地區)。過往，本集團之主要呈報方式為業務分部。較之根據香港會計準則第14號所釐定主要呈報分部，應用香港財務報告準則第8號並無

segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. The adoption of the new and revised HKFRSs has had no material effect on the reported results and financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognized.

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ²
HKAS 27 (Revised 2008)	Consolidated and Separate Financial Statements ¹
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters ³
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions ³
HKFRS 3 (Revised 2008)	Business Combinations ¹
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners ¹
HK(IFRIC) – Int 18	Transfers of Assets from Customers ⁴

¹ Effective for annual periods beginning on or after 1 July 2009

² Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate

³ Effective for annual periods beginning on or after 1 January 2010

⁴ Effective for transfers on or after 1 July 2009

The adoption of HKFRS 3 (Revised 2008) may affect the Group's accounting for business combinations for which the acquisition dates are on or after 1 January 2010. HKAS 27 (Revised 2008) will affect the accounting treatment for changes in Group's ownership interest in subsidiary.

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

導致本集團之呈報分部須重整。採納新訂及經修訂香港財務報告準則對本集團當期或往期會計期間之報告業績及財務狀況並無重大影響，故並無確認前期調整。

本集團並無提前應用以下已頒布但尚未生效之新訂或經修訂準則、修訂或詮釋。

香港財務報告準則(修訂本)	就改進於二零零八年頒佈之香港財務報告準則修訂香港財務報告準則第5號 ¹
香港財務報告準則(修訂本)	對於二零零九年頒佈之香港財務報告準則之改進 ² 綜合及獨立財務報表 ¹
香港會計準則第27號(二零零八年經修訂)	合資格對沖項目 ¹
香港會計準則第39號(修訂本)	首次採納者之額外豁免 ³
香港財務報告準則第1號(修訂本)	集團以現金結算之股份付款交易 ³
香港財務報告準則第2號(修訂本)	業務合併 ¹
香港財務報告準則第3號(二零零八年經修訂)	向非現金資產持有人分派 ¹
香港(國際財務報告詮釋委員會) – 詮釋第17號	從客戶轉撥資產 ⁴
香港(國際財務報告詮釋委員會) – 詮釋第18號	

¹ 於二零零九年七月一日或之後開始之年度期間生效

² 於二零零九年七月一日或二零一零年一月一日(倘適用)或之後開始之年度期間生效之修訂

³ 於二零一零年一月一日或之後開始之年度期間生效

⁴ 對二零零九年七月一日或之後之轉讓有效

若收購日期為二零一零年一月一日或之後，則採納香港財務報告準則第3號(二零零八年經修訂)可能影響本集團有關業務合併之會計處理。香港會計準則第27號(二零零八年經修訂)將影響對本集團於附屬公司擁有權變動之會計處理。

本公司董事預期應用其他新訂及經修訂準則、修訂或詮釋不會對本集團之業績及財務狀況造成重大影響。

3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 *Operating Segments* with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. In contrast, the predecessor standard (HKAS 14 *Segment Reporting*) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as starting point for the identification of such segments. In the past, the Group's primarily reporting format was business segment. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segment as compared with the primary reportable segment determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment of profit or loss.

The Group is organized into the following five operating segments:

- Manufacture and sale of engines and parts
- Manufacture and sale of automotive components and accessories
- Manufacture and sale of specialized vehicles
- Trading of raw materials, water and power supply services
- Others

3. 分部資料

本集團已採納於二零零九年一月一日生效之香港財務報告準則第8號「經營分部」。香港財務報告準則第8號規定經營分部按有關本集團構成要素之內部呈報基準劃分，而主要營運決策人會定期審閱內部報告，以對各分部作出資源分配及評估各分部表現。相反，前身準則（香港會計準則第14號「分類報告」），規定實體採用風險及回報方法劃分兩個分部（業務及地區），而實體之「向主要管理人員作內部財務報告之制度」僅為劃分有關分部之起點。過往，本集團之主要呈報方式為業務分部，較之根據香港會計準則第14號所釐定主要呈報分部，應用香港財務報告準則第8號並無導致本集團之呈報分部須重整。採納香港財務報告準則第8號並無導致損益分部之計量方法出現變動。

本集團分為下列五個業務分部：

- 製造及銷售發動機及部件
- 製造及銷售汽車零部件及組件
- 製造及銷售專用汽車
- 原材料貿易、用水及動力供應服務
- 其他

Segment profit (loss) represents profit (loss) attributable to each segment without allocation of corporate income, central administration costs, change in fair value of derivative financial instrument, share of result of an associate and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

4. INCOME TAX EXPENSE

Tax charge represents:	稅項支出指：
PRC income tax for the current period	本期中國所得稅
Deferred tax	遞延稅項
Current period	本期間

No provision for Hong Kong Profits Tax has been made for both periods as the Group has available tax losses brought forward from prior years to offset the estimated assessable profits arising in Hong Kong.

Pursuant to the tax notice, Caishui [2001] No. 202, other than Wuling Industrial which was subject to PRC income tax rate of 25%, all the major operating subsidiaries of the Group in the PRC are entitled to a preferential income tax rate of 15% until 2010 because (i) they are located in the western areas of China; (ii) their main business falls into the National Key Encouraged Industry and Technology Catalogue; and (iii) their revenue generated from their main business exceeds 70% of their total income.

Deferred tax has been provided in the condensed consolidated financial statements in respect of the undistributed profits earned by the Company's PRC subsidiaries to the non-PRC resident shareholders.

分部溢利(虧損)指各分部應佔溢利(虧損)，不包括分配公司收入、中央行政成本、衍生金融工具之公平值變動、分佔一間聯營公司業績及融資成本。此乃向主要營運決策人呈報之方法，以進行資源分配及評估分部表現。

4. 所得稅開支

For the six months
ended 30 June
截至六月三十日止六個月

	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
	14,171	24,453
	2,955	2,030
	17,126	26,483

由於本集團擁有過往期間滾存可動用稅項虧損，以抵銷在香港產生之估計應課稅溢利，故兩中期間均並無對香港利得稅作出撥備。

根據財稅[2001]第202號稅務通知，除五菱工業須按中國所得稅率25%繳稅外，直到二零一零年，本集團在中國之所有主要經營附屬公司享有優惠所得稅率15%，原因為(i)該等公司位於中國西部地區；(ii)彼等之主營業務屬於國家重點鼓勵發展之產業和技術目錄；及(iii)彼等來自自主營業務之銷售額佔總收入超過70%。

本公司已就本公司之中國附屬公司賺取之未分配溢利在簡明綜合財務報表為遞延稅項向中國以外股東作出撥備。

5. PROFIT FOR THE PERIOD

5. 本期溢利

		For the six months ended 30 June 截至六月三十日止六個月	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Profit for the period has been arrived at after charging (crediting):	本期溢利已扣除(計入):		
Directors' emoluments	董事酬金	1,773	2,176
Other staff costs	其他員工成本	111,847	111,650
Retirement benefit scheme contributions, excluding directors	退休金計劃供款 (不包括董事)	48,385	35,887
Total staff costs	員工成本總額	162,005	149,713
Gross property rental income	物業租金收入總額	(65)	(492)
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	賺取租金之投資物業產生之直接經營開支 (包括維修及保養)	4	2
Net rental income	租金收入淨額	(61)	(490)
Cost of inventories recognized as an expense	確認為開支之存貨成本	3,341,689	2,938,749
Depreciation of property, plant and equipment	物業、廠房及設備折舊	32,452	28,899
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	(4,150)	(1,217)
Amortization of prepaid lease payments (included in general and administrative expenses)	預付租賃款項攤銷 (計入一般及行政開支)	75	25
Amortization of premium on prepaid lease payments (included in general and administrative expenses)	預付租賃款項溢價攤銷 (計入一般及行政開支)	12	12
Bank interest income	銀行利息收入	(11,203)	(7,895)

6. (LOSS) EARNINGS PER SHARE

6. 每股(虧損)盈利

The calculation of the basic (loss) earnings per share attributable to the owners of the Company is based on the following data:

本公司擁有人應佔每股基本(虧損)盈利乃根據以下數據計算:

		For the six months ended 30 June 截至六月三十日止六個月	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
(Loss) earnings:	(虧損)盈利:		
(Loss) earnings for the purpose of basic (loss) earnings per share	用於計算每股基本(虧損)盈利之(虧損)盈利	(41,440)	8,406

		For the six months ended 30 June 截至六月三十日止六個月	
		2009 二零零九年 Number of shares 股份數目	2008 二零零八年 Number of shares 股份數目
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	用於計算每股基本(虧損)盈利之普通股加權平均數	917,288,049	917,288,049

The computation of diluted (loss) earnings per share for the periods ended 30 June 2009 and 2008 does not assume the conversion of the Company's outstanding share options since the exercise price of the outstanding share options was higher than the market value of the Company's share throughout the interim periods.

由於在整個中期期間，本公司未獲行使購股權之行使價高於本公司股份之市場價值，故截至二零零九年及二零零八年六月三十日止期間，每股攤薄(虧損)盈利計算並無假設轉換該等未獲行使購股權。

The computation of diluted loss per share for the period ended 30 June 2009 does not assume the conversion of the Company's outstanding convertible loan notes since the assumed exercise of the note would result in a decrease in loss per share.

由於行使本公司未獲行使可換股貸款票據將導致每股虧損減少，故截至二零零九年六月三十日止期間，每股攤薄虧損計算並無假設轉換該等未獲行使可換股貸款票據。

7. DIVIDEND

No dividend was declared by the Company in respect of the two periods ended 30 June 2009 and 2008.

7. 股息

本公司未就截至二零零八年及二零零九年六月三十日止兩個期間宣派任何股息。

8. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

The Group's investment properties are all situated in Hong Kong and are held under long term leases. During the six months ended 30 June 2009, the Group disposed of all investment properties at an aggregate consideration of RMB6,455,000. The resulting increase in fair value of investment properties of approximately RMB260,000 has been recognized directly in the condensed consolidated income statement.

8. 投資物業及物業、廠房及設備之變動

本集團之投資物業全部位於香港及以長期租賃持有。截至二零零九年六月三十日止六個月，本集團以總代價人民幣6,455,000元出售全部投資物業。由此而產生之投資物業公平值增加約人民幣260,000元已直接於簡明綜合收益表內確認。

During the period, additions to the Group's property, plant and equipment amounted to RMB80,549,000 (six months ended 30 June 2008: RMB76,858,000).

期內，本集團之物業、廠房及設備添置達人民幣80,549,000元(截至二零零八年六月三十日止六個月：人民幣76,858,000元)。

9. TRADE AND OTHER RECEIVABLES AND BILLS RECEIVABLES DISCOUNTED WITH RECOURSE

(i) Trade and other receivables

The Group has defined credit terms, ranging from 90 days to 180 days, which are agreed with each of its trade customers.

9. 應收賬項及其他應收款項及附追索權之已貼現票據

(i) 應收賬項及其他應收款項

本集團有介乎90日至180日之明確信用期限，乃與每位貿易客戶協商後釐定。

Included in trade and other receivables are trade receivables of RMB3,664,722,000 (31 December 2008: RMB2,691,796,000) and an aged analysis is presented as follows:

計入應收賬項及其他應收款項包括應收賬項人民幣3,664,722,000元(二零零八年十二月三十一日:人民幣2,691,796,000元),賬齡分析如下:

		At 30 June 2009 於二零零九年 六月三十日 RMB'000 人民幣千元	At 31 December 2008 於二零零八年 十二月三十一日 RMB'000 人民幣千元
0 to 90 days	零至90日	3,650,375	2,676,893
91 to 180 days	91至180日	13,687	14,474
181 – 365 days	181至365日	536	117
Over 365 days	超過365日	124	312
		3,664,722	2,691,796

(ii) *Bills receivables discounted with recourse*

The amount represents bills receivables discounted to banks with recourse with a maturity period of less than 150 days (31 December 2008: 180 days). The Group retains all the risks and rewards of such discounted bills receivables and accordingly, the Group continues to recognize the full amount as secured discounted bills in note 10 (ii).

(ii) *附追索權之已貼現票據*

該金額指給予銀行附追索權之已貼現票據,並於150日(二零零八年十二月三十一日:180日)內到期。本集團承受及享有該等貼現票據之一切風險及回報,因此,本集團繼續將全數金額確認為有抵押貼現票據(附註10(ii))。

10. TRADE AND OTHER PAYABLES AND ADVANCES DRAWN ON BILLS RECEIVABLES DISCOUNTED WITH RECOURSE

(i) *Trade and other payables*

Included in trade and other payables are trade payables of RMB4,195,845,000 (31 December 2008: RMB2,992,433,000) and an aged analysis is presented as follows:

10. 應付賬項及其他應付款項及附追索權之已貼現票據墊款

(i) *應付賬項及其他應付款項*

計入應付賬項及其他應付款項包括應付賬項人民幣4,195,845,000元(二零零八年十二月三十一日:人民幣2,992,433,000元),賬齡分析如下:

		At 30 June 2009 於二零零九年 六月三十日 RMB'000 人民幣千元	At 31 December 2008 於二零零八年 十二月三十一日 RMB'000 人民幣千元
0 to 90 days	零至90日	4,057,721	2,965,190
91 to 180 days	91至180日	84,175	8,125
181 to 365 days	181至365日	32,921	15,075
Over 365 days	超過365日	21,028	4,043
		4,195,845	2,992,433

(ii) *Advances drawn on bills receivables discounted with recourse*

The amount represents the Group's bank borrowings secured by bills discounted to banks with recourse (see note 9(ii)).

(ii) 附追索權之已貼現票據墊款

該金額指本集團給予銀行附追索權之已貼現票據，作為銀行借貸之擔保(見附註9(ii))。

11. PROVISION FOR WARRANTY

11. 保養撥備

		Six months ended 30 June 2009 截至二零零九年 六月三十日 止六個月 RMB'000 人民幣千元	Year ended 31 December 2008 截至二零零八年 十二月三十一日 止年度 RMB'000 人民幣千元
At the beginning of the period/year	於期初／年初	83,226	64,279
Additional provision in the period/year	本期／年度增提撥備	23,470	84,123
Utilization of provision	使用撥備	(29,635)	(65,176)
At the end of the period/year	於期末／年末	77,061	83,226

The warranty provision represents the management's best estimate, with reference to prior experience and industry averages for defective products, of the Group's liabilities under its 2-year product warranty granted to its motor vehicles and accessories customers.

保養撥備指管理層參照不良產品之過往經驗及業內平均數，對本集團給予兩年產品保養期予其汽車及組件客戶而承擔之責任所作最佳估計。

12. DERIVATIVE FINANCIAL INSTRUMENT/CONVERTIBLE LOAN NOTES

12. 衍生金融工具／可換股貸款票據

On 12 January 2009, the Company issued a convertible loan notes with principal amount of HK\$100,000,000 at par (equivalent to approximately RMB88,069,000) to Wuling (Hong Kong) Holdings Limited, a substantial shareholder of the Company ("CN 2014"). CN 2014 is denominated in Hong Kong dollars and carries interest at 6% per annum with maturity on 12 January 2014. CN 2014 entitles the holder to convert, in whole or in part, the principal amount into ordinary shares of the Company on any business days commencing from 12 January 2010 upto the fifth business days prior to the maturity date, at a conversion price of HK\$0.74 per ordinary share, subject to anti-dilutive adjustments. If not converted, CN 2014 will be redeemed on the maturity date at par.

於二零零九年一月十二日，本公司按面值發行本金總額達100,000,000港元(約人民幣88,069,000元)之可換股貸款票據(「二零一四年到期可換股票據」)予本公司主要股東五菱(香港)控股有限公司。二零一四年到期可換股票據以港元計值，設定年利率為6%，並於二零一四年一月十二日到期。二零一四年到期可換股票據賦予持有人由二零一零年一月十二日起計至到期日前第五個營業日止期間之任何營業日將全部或部分本金額轉換為本公司普通股，兌換價為每股普通股0.74港元，惟可因應反攤薄影響予以調整。若未獲轉換，則二零一四年到期可換股票據於到期日按面值贖回。

The fair values at initial recognition of the liability component and conversion option component of HK\$79,248,000 (approximately RMB69,755,000) and HK\$20,752,000 (approximately RMB18,314,000) respectively, are determined based on the valuation provided by Grant Sherman Appraisal Limited, independent professional qualified valuers not connected with the Group. Subsequent to initial recognition, the liability component is carried at amortized cost using the effective interest method at an interest rate of 13.25%.

於初步確認時，負債部份及兌換權部份之公平值分別達79,248,000港元(約人民幣69,755,000元)及20,752,000港元(約人民幣18,314,000元)，乃根據獨立於本集團之專業合資格估值師中證評估有限公司作出之估值釐定。於初步確認後，負債部份以實際利率法按已攤銷成本列賬，利率為13.25%。

The movement of the liability and the conversion option components of CN 2014 during the period is as follows:

本期間，二零一四年到期可換股票據之負債部份及兌換權部份變動如下：

		Liability component 負債部份 RMB'000 人民幣千元	Conversion option component 兌換權部份 RMB'000 人民幣千元
At date of issue	於發行日期	69,755	18,314
Effective interest expenses	實際利息支出	4,014	-
Changes in fair value during the period	期內公平值變動	-	61,437
Exchange difference	匯兌差額	56	45
At 30 June 2009	於二零零九年六月三十日	73,825	79,796
Less: amount included in current liabilities	扣減：流動負債項下款項	(2,468)	-
Amount due after one year	於一年後到期之款項	71,357	79,796

The methods and assumptions applied for the valuation of the convertible loan notes are as follows:

評估可換股貸款票據價值時應用之方法及假設如下：

(i) *Valuation of liability component*

The fair value of the liability component on initial recognition was calculated based on the present value of contractually determined stream of future cash flows discounted at the required yield, which was determined with reference to the credit rating of the Company and remaining time to maturity.

(i) *負債部份之估值*

於初步確認時，負債部份之公平值根據合約釐定之未來現金流量按規定收益率折現之現值計算，未來現金流量乃經參考本公司信用評級及到期前尚餘時間而釐定。

(ii) *Valuation of conversion option component*

The conversion option component is measured at fair value using the Binomial Option Pricing Model, at initial recognition and at the end of the reporting period. The inputs into the model as at the respective dates are as follows:

(ii) *兌換權部份之估值*

兌換權部份於初步確認及於報告期末使用二項式期權定價模式按公平值計量。於各日期該模式之輸入數據如下：

		At 30 June 2009 於二零零九年 六月三十日	At date of issue 於發行日期
Stock price	股價	HK\$1.09港元	HK\$0.49港元
Conversion price	換股價	HK\$0.74港元	HK\$0.74港元
Expected dividend yield	預期股息率	0%	0%
Volatility	波幅	59.88%	46.64%

13. BANK BORROWINGS

During the period, the Group obtained new bank borrowings of RMB70 million (six months ended 30 June 2008: RMB151 million) which were used to repay existing bank borrowings and to finance the Group's daily operation.

The Group's borrowings carry interest at market rates ranging from 1.2% to 5.3% per annum (six months ended 30 June 2008: 2.5% to 7.5%).

14. SHARE CAPITAL**13. 銀行借貸**

於期內，本集團新獲得銀行借貸人民幣70,000,000元(二零零八年六月三十日止六個月：人民幣151,000,000元)，乃用於償還現有銀行借貸，並為本集團之日常營運提供資金。

本集團之借貸以市場年利率介乎1.2厘至5.3厘計息(二零零八年六月三十日止六個月：2.5厘至7.5厘)。

14. 股本

		At 30 June 2009 於二零零九年 六月三十日 RMB'000 人民幣千元	At 31 December 2008 於二零零八年 十二月三十一日 RMB'000 人民幣千元
Authorized:	法定股本：		
25,000,000,000 (2008: 25,000,000,000) ordinary shares of HK\$0.004 each (2008: HK\$0.004 each)	25,000,000,000股(二零零八年：25,000,000,000股)普通股 每股面值0.004港元(二零零八年：每股面值0.004港元)	100,000	100,000
1,521,400,000 (2008: 1,521,400,000) convertible preference shares of HK\$0.001 each (2008: HK\$0.001 each)	1,521,400,000股(二零零八年：1,521,400,000股)可兌換優先股 每股面值0.001港元(二零零八年：每股面值0.001港元)	1,521	1,521
		101,521	101,521
Issued and fully paid:	已發行及已繳足股本：		
917,288,049 (2008: 917,288,049) ordinary shares of HK\$0.004 each (2008: HK\$0.004 each)	917,288,049股(二零零八年：917,288,049股)普通股 每股面值0.004港元(二零零八年：每股面值0.004港元)	3,659	3,659

15. RELATED PARTY DISCLOSURES
(1) Related party transactions
15. 關連人士披露資料
(1) 關連人士交易

Company 公司	Transactions 交易	For the six months ended 30 June 截至六月三十日止六個月		
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	
SAIC-GM-Wuling Automobile Co., Ltd. ("SGMW") (note i) 上汽通用五菱汽車股份 有限公司 (「上汽通用五菱」) (附註i)	Sales of goods	銷售貨物	4,111,447	2,740,591
	Purchases of materials	購買材料	855,305	806,993
	Sales of raw materials	銷售原材料	–	15,514
	Warranty expense paid	已付保養開支	27,548	29,091
	Project income	項目收入	2,359	195
Liuzhou Wuling Group (note ii) 柳州五菱集團(附註ii)	License fee paid	已付特許權費用	1,650	1,650
	Rental expense	租金開支	14,076	14,076
	Sales of goods	銷售貨物	2,336	4,250
	Sales of raw materials and automotive components	銷售原材料及汽車零部件 及其他組件	41,137	13,421
	Supply services of water and power	用水及動力供應服務	578	495
	Purchases of automotive components and other accessories	購買汽車零部件及 其他組件	25,092	11,537

Notes:

- (i) Liuzhou Wuling holds a 15.83% equity interest in SGMW.
- (ii) Liuzhou Wuling Group represents Liuzhou Wuling and its affiliates other than the Group and SGMW.

附註:

- (i) 柳州五菱持有上汽通用五菱15.83%權益。
- (ii) 柳州五菱集團指柳州五菱及其聯屬公司(不包括本集團及上汽通用五菱)。

(II) Related party balances

		At 30 June 2009 於二零零九年 六月三十日 RMB'000 人民幣千元	At 31 December 2008 於二零零八年 十二月三十一日 RMB'000 人民幣千元
Trade receivables	應收賬款		
– SGMW	– 上汽通用五菱	2,281,997	2,062,678
– Liuzhou Wuling Group	– 柳州五菱集團	–	8,437
Trade payables	應付賬款		
– Liuzhou Wuling Group	– 柳州五菱集團	1,089	–
Amount due to a shareholder/an associate	應付一名股東/ 一間聯營公司款項		
– Liuzhou Wuling (note ii)	– 柳州五菱(附註ii)	1,027,761	989,580
– 柳州五菱物流有限公司 (notes i & ii)	– 柳州五菱物流有限公司 (附註i及ii)	1,082	20,467

Notes:

- (i) 柳州五菱物流有限公司 is a 30% associate of the Group
- (ii) Both balances are unsecured, non-interest bearing and repayable on demand.

附註：

- (i) 柳州五菱物流有限公司為本集團擁有30%之聯營公司。
- (ii) 該兩項結餘均為無抵押、不附帶利息及須應要求而償還。

(III) Guarantees provided by related parties

The Group's unsecured bank borrowings are supported by:

- (i) A personal guarantee to the extent HK\$20,000,000 given by Mr. Lee Shing, a director of the Company.
- (ii) Corporate guarantees to the extent of RMB400,000,000 given by Liuzhou Wuling.

(III) 關連人士提供之擔保

本集團之無抵押銀行貸款乃由以下各項支持：

- (i) 本公司董事李誠先生所作出之個人擔保達20,000,000港元。
- (ii) 柳州五菱所作出之公司擔保達人民幣400,000,000元。

(IV) Guarantee provided to a related party

Wuling Industrial has provided a corporate guarantee to a financial institution to the extent of RMB200,000,000 in respect of revolving banking facilities granted to Liuzhou Wuling. In the opinion of the directors, the fair value of financial guarantee contract is insignificant at initial recognition and subsequent reporting date.

(IV) 提供予關連人士之擔保

五菱工業已就柳州五菱獲授之循環銀行融資向金融機構提供為數人民幣200,000,000元之公司擔保。董事認為，財務擔保合同於初步確認時及於報告日期後之公平值屬微不足道。

(V) Convertible loan notes issued to a substantial shareholder

As disclosed in note 12, the Company issued convertible loan notes with principal amount of HK\$100,000,000 at par (equivalent to approximately RMB88,069,000) to Wuling (Hong Kong) Holdings Limited, a substantial shareholder of the Company.

(V) 發行予主要股東之可換股貸款票據

如附註12所披露，本公司向本公司主要股東五菱(香港)控股有限公司以票面值發行本金為100,000,000港元(約相等於人民幣88,069,000元)之可換股貸款票據。

(VI) Compensation of key management personnel

The remunerations of the members of key management of the Group in respect of the period are as follows:

(VI) 主要管理人員之薪酬

期內，本集團主要管理層成員之薪酬如下：

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2009	2008
		二零零九年	二零零八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short-term benefits	短期福利	2,138	2,254
Post-employment benefits	退休福利	120	34
Share-based payments	以股份為基礎之付款	-	2,935
		2,258	5,223

16. CAPITAL COMMITMENTS**16. 資本承擔**

		At	At
		30 June	31 December
		2009	2008
		於二零零九年	於二零零八年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:	已簽約但未在簡明綜合財務報表撥備之有關下列者之資本開支：		
- construction in progress	- 在建工程	47,735	18,214
- acquisition of property, plant and equipment	- 收購物業、廠房及設備	135,824	120,569
		183,559	138,783

In addition, at 30 June 2009, the Company is committed to make further capital contribution of RMB225,857,478 to its 51% subsidiary, Wuling Industrial, in proportion to its shareholding in Wuling Industrial. See note 18(b) for further details.

此外，於二零零九年六月三十日，本公司承諾按其於擁有51%權益之附屬公司五菱工業之股權比例向五菱工業額外出資人民幣225,857,478元。進一步詳情，敬請參閱附註18(b)。

17. OPERATING LEASES*The Group as lessor*

At the balance sheet date, the Group had contracted with lessees for the following future minimum lease receipts:

		At 30 June 2009 於二零零九年 六月三十日 RMB'000 人民幣千元	At 31 December 2008 於二零零八年 十二月三十一日 RMB'000 人民幣千元
Within one year	一年內	8	127
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	2	4
		10	131

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		At 30 June 2009 於二零零九年 六月三十日 RMB'000 人民幣千元	At 31 December 2008 於二零零八年 十二月三十一日 RMB'000 人民幣千元
Within one year	一年內	16,131	29,884
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	-	94
		16,131	29,978

Operating lease payments represent rental payable by the Group for certain of its factory, office and warehouse properties with fixed monthly rentals for an average term of three years.

17. 經營租賃*本集團作為出租方*

於結算日，本集團已就下列未來最低租賃收入而與承租方訂約：

本集團作為承租方

於結算日，本集團根據不可撤銷經營租賃承擔之未來最低租賃款項於下列期間到期：

經營租賃付款指本集團就其若干廠房、辦公室及倉庫物業應付之每月租金，平均租期為三年。

18. POST BALANCE SHEET EVENTS

Subsequent to 30 June 2009, the following significant events took place:

- (a) On 6 August 2009, the Group acquired two investment properties in Hong Kong at an aggregation consideration of HK\$25,600,000.
- (b) On 17 August 2009, the Company announced that it would delay the payment of the second (and final) instalment of subscription money payable of RMB225,857,478 in respect of the outstanding capital contribution to its 51% subsidiary, Wuling Industrial, as set out in the Company's circular dated 25 June 2007. As at the date of this interim report, the Company, Liuzhou Wuling (a substantial shareholder of the Company who is also the other shareholder of Wuling Industrial) and Wuling Industrial are still in the process of negotiation relating to the timing arrangement for payment of such balance.

18. 結算日後事項

於二零零九年六月三十日後，發生下列重大事件：

- (a) 於二零零九年八月六日，本集團按總代價25,600,000港元收購兩項香港投資物業。
- (b) 於二零零九年八月十七日，本公司宣佈延遲支付有關向其於擁有51%權益之附屬公司五菱工業之未完成出資(見本公司日期為二零零七年六月二十五日之通函)之第二期(並為最後一期)認購款項為數人民幣225,857,478元。於本中報日期，本公司、柳州五菱(本公司之一主要股東，其亦為五菱工業之另一股東)及五菱工業仍在為支付有關結餘之時間安排進行商議。

CORPORATE INFORMATION**BOARD OF DIRECTORS***Executive Directors*

Mr. Lee Shing (*Chairman & Chief Executive Officer*)
 Mr. He Shiji (*Vice-Chairman*)
 Mr. Sun Shaoli
 Mr. Wei Hongwen
 Ms. Liu Yaling
 Mr. Pei Qingrong
 Mr. Wang Shaohua
 Mr. Zhou Sheji

Independent Non-Executive Directors

Mr. Yu Xiumin
 Mr. Zuo Duofu
 Mr. Ye Xiang

AUDIT COMMITTEE

Mr. Ye Xiang (*Chairman*)
 Mr. Yu Xiumin
 Mr. Zuo Duofu

REMUNERATION COMMITTEE

Mr. Zuo Duofu (*Chairman*)
 Mr. Yu Xiumin
 Mr. Ye Xiang

COMPANY SECRETARY

Mr. Lai Shi Hong Edward

PRINCIPAL BANKERS

Bank of Communications
 China Construction Bank
 Bank of China
 The Hong Kong and Shanghai Banking Corporation Limited
 Hang Seng Bank Limited
 Standard Chartered Bank (Hong Kong) Limited

AUDITORS

Deloitte Touche Tohmatsu

SOLICITORS

K & L Gates
 Sidley Austin Brown & Wood

公司資料**董事會***執行董事*

李誠先生(*主席兼行政總裁*)
 何世紀先生(*副主席*)
 孫少立先生
 韋宏文先生
 劉亞玲女士
 裴清榮先生
 王少華先生
 周舍己先生

獨立非執行董事

于秀敏先生
 左多夫先生
 葉翔先生

審核委員會

葉翔先生(*主席*)
 于秀敏先生
 左多夫先生

薪酬委員會

左多夫先生(*主席*)
 于秀敏先生
 葉翔先生

公司秘書

黎士康先生

主要往來銀行

交通銀行
 中國建設銀行
 中國銀行
 香港上海滙豐銀行有限公司
 恒生銀行有限公司
 渣打銀行(香港)有限公司

核數師

德勤•關黃陳方會計師行

律師

高蓋茨律師事務所
 盛德律師事務所

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

35/F., Morrison Plaza
9 Morrison Hill Road, Wanchai
Hong Kong

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudianna Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

STOCK CODE

Stock Exchange of Hong Kong: 305

總辦事處及香港主要營業地點

香港灣仔
摩理臣山道9號
天樂廣場35樓

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

股份過戶登記總處

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudianna Road
Pembroke HM08
Bermuda

股份過戶登記香港分處

卓佳登捷時有限公司
香港
灣仔
皇后大道東28號
金鐘匯中心26樓

股份代號

香港聯合交易所：305

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