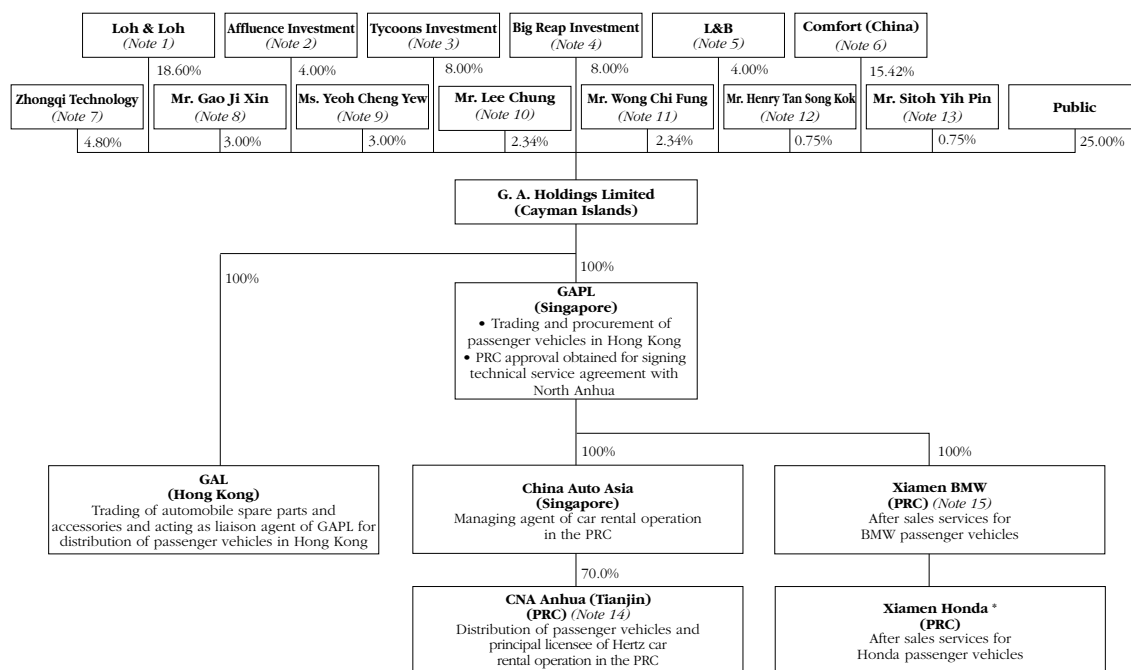


GENERAL OVERVIEW OF THE GROUP

GROUP STRUCTURE

The following chart shows the structure of the Group immediately following completion of the Placing:



* Xiamen Honda was set up as a branch operation of Xiamen BMW.

Notes:

1. The entire issued share capital of Loh & Loh is legally and beneficially owned as to 49% by Mr. Anthony Chan, 15% by Mr. Loh Kim Her, 15% by Mr. Loh Nee Peng and the remaining 21% by Mr. Loh Boon Cha. Mr. Loh Boon Cha (brother of Loh Kim Her) is not in the management of the Company.
2. The entire issued share capital of Affluence Investment is legally and beneficially owned as to 100% by Mr. Loh Kim Her. Together with the respective interests of the Loh Family in L&B, Mr. Loh Nee Peng in Loh and Loh and in Big Reap Investment and Mr. Loh Boon Cha in Loh & Loh, Mr. Loh Kim Her is deemed to be interested in approximately 25.49% of the entire issued share capital of the Company immediately after the Placing. Mr. Loh Kim Her is the uncle of Mr. Loh Nee Peng. Mr. Loh Boon Cha is the brother of Mr. Loh Kim Her and father of Mr. Loh Nee Peng.
3. The entire issued share capital of Tycoons Investment is legally and beneficially owned as to 100% by Mr. Anthony Chan. Together with his interest in Loh & Loh, Mr. Anthony Chan is interested in approximately 17.12% of the entire issued share capital of the Company immediately after the Placing.

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4. The entire issued share capital of Big Reap Investment is legally and beneficially owned as to 100% by Mr. Loh Nee Peng. Together with the respective interests of Mr. Loh Nee Peng, Mr. Loh Kim Her in Loh & Loh, L&B and Affluence Investment, Mr. Loh Boon Cha in Loh & Loh and the Loh Family in L&B, Mr. Loh Nee Peng is deemed to be interested in approximately 25.49% of the entire issued share capital of the Company immediately after the Placing. Mr. Loh Nee Peng is the nephew of Mr. Loh Kim Her. Mr. Loh Boon Cha is the brother of Mr. Loh Kim Her and father of Mr. Loh Nee Peng.
5. The entire issued share capital in L&B is legally and beneficially owned as to 18.94% by Mr. Loh Kim Her and the remaining 81.06% by the Loh Family.
6. Comfort (China) is a wholly-owned subsidiary of Comfort Group, a company listed on the main board of the Singapore Exchange Securities Trading Limited. As far as the directors of Comfort Group are aware, no shareholder of Comfort Group holding 5.00% or more interest in Comfort Group is connected with the directors, chief executives, substantial shareholders or management shareholders of any member of the Group.
7. The entire issued share capital in Zhongqi Technology is legally and beneficially owned as to 50% by Mr. Tan Cheng Kim, the general manager of motor vehicle distribution division of the Company, and 50% by Mr. Lim Tee Peng, the general manager of auto parts and accessories division of the Company. Accordingly, each of Mr. Tan Cheng Kim and Mr. Lim Tee Peng is deemed to be interested in approximately 2.4% of the entire issued share capital of the Company immediately after the Placing.
8. Mr. Gao Ji Xin is an independent third party to the Group.
9. Ms. Yeoh Cheng Yew is an independent third party to the Group.
10. Mr. Lee Chung is an independent third party to the Group.
11. Mr. Wong Chi Fung is an independent third party to the Group.
12. Mr. Henry Tan Song Kok is an independent third party to the Group.
13. Mr. Sitoh Yih Pin is an independent third party to the Group.
14. CNA Anhua (Tianjin) is a sino-foreign equity joint venture approved by MOFTEC to be incorporated in the PRC and is owned as to 70% by the Group and 30% by North Anhua. The registered capital of CNA Anhua (Tianjin) is US\$1,000,000 of which US\$700,000 and US\$300,000 were fully paid up by the Group and North Anhua, respectively. Its dividends are distributable in accordance with the proportions of the shareholders' capital contributions.
15. Xiamen BMW is a sino-foreign co-operative joint venture approved by MOFTEC to be incorporated in the PRC. The registered capital of Xiamen BMW is US\$3,000,000 which was fully paid up by the Group. Xiamen Economic Special Zone Transportation Corporation, the Chinese joint venture partner who is an independent third party, contributed land and building to Xiamen BMW.

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HISTORY AND DEVELOPMENT

The Group was established by Mr. Anthony Chan and Mr. Loh Nee Peng in August 1993 via the incorporation of GAPL when they foresaw the tremendous market potential of importing luxury and mid-market passenger vehicles into the PRC. GAPL was appointed by BMW AG as an authorised distributor of BMW passenger vehicles, auto parts and accessories in Fujian Province, the PRC as the procurement centre for the Group.

In January 1994, GAPL was appointed by BMW AG as a non-exclusive distributor of BMW passenger vehicles, auto parts and accessories in Fujian Province. In the same year, the Group opened its first authorised BMW service centre in the Xiamen Special Economic Zone, Fujian Province by establishing Xiamen BMW. It provides maintenance and repair services for BMW passenger vehicles in the PRC. In order to rapidly establish a foothold in the PRC in respect of its distribution of motor vehicles, the Group entered into alliance arrangements with North Anhua, a motor vehicle distributor in the PRC, in January 1994, to enhance its motor vehicle distribution network in the PRC. North Anhua distributes motor vehicles on behalf of the Group. Since then, the Group continues to explore its potential sales and distribution network in the PRC through its own efforts and cooperations with its business partner, North Anhua.

In November 1995, the Group was appointed by Honda Motor (China) Co., Ltd as one of the importers of Honda passenger vehicles in the PRC.

In February 1996, Xiamen BMW set up its branch, Xiamen Honda, as the service centre for the Honda passenger vehicles. The service centre was specifically designed and built for repairing Honda passenger vehicles.

In September 1997, the Group was granted by Land Rover Exports Limited a non-exclusive distribution rights of Land Rover passenger vehicles and auto parts in Fujian Province for an indefinite period until termination by either party giving a 12-month written notice.

In October 1997, GAL was incorporated in Hong Kong. GAL serves as a logistic centre to the Group for the motor vehicles and auto parts and accessories inventory imported to the Group for distribution in the PRC market. Moreover, GAL conducts auto parts & accessories trading business. The Group also obtained the exclusive distribution right of auto parts in Fujian Province from AC Schnitzer for an indefinite period until termination by either party giving a 3-month notice.

In December 1998, the Group commenced sourcing and distributing of Toyota and Mercedes-Benz passenger vehicles. The Toyota and Mercedes-Benz passenger vehicles are sourced from the resellers in Hong Kong and will be further distributed in the PRC through resellers in Hong Kong and in the PRC. The sourcing arrangements are made on a case-by-case basis and no formal agreement has been signed between the Group and the suppliers of the Toyota and Mercedes-Benz passenger vehicles.

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In 1999, a strategic decision was made by the Group to diversify into car rental business. In that year, CNA Anhua (Tianjin) was formed by the Group to lay ground work for the involvement in car rental business in the PRC. On 21st December, 1999, CNA Anhua (Tianjin) entered into three non-exclusive license agreements with Hertz as its principal licensee to use or to sub-license its rights to use the Hertz System for the operation of car rental service in Guangdong Province, Beijing Municipality, Shanghai Municipality, Tianjin Municipality and the Xiamen Special Economic Zone in the PRC. As CNA Anhua (Tianjin) is not a licensed car rental operator in the PRC and is therefore not allowed to operate car rental business in the PRC, it designated its rights to use the Hertz System to CNA Anhua (Beijing), CNA Anhua (Shanghai) and CNA Anhua (Guangzhou) to operate car rental business in the PRC.

The Group signed a project development co-operation agreement in March 2000 with CNA Anhua (Hertz), a wholly-owned subsidiary of North Anhua and of which Mr. Loh Nee Peng is a director. Since the Group maintains close business relationship with North Anhua in respect of car distribution business, CNA Anhua (Hertz) was opted for the partner in the project development. The PRC legal adviser opined that such agreement does not require approval from the government. Approximately HK\$34 million which was negotiated based on commercial terms with reference to the market price of the sites and taken into account the prepayment made by the Company to finance the construction cost of the sites was provided by the Group to CNA Anhua (Hertz) for prepayment of rental expense for being the sole occupant of motor vehicle showrooms, service centres and other related facilities which are under construction by CNA Anhua (Hertz) in Guangdong Province, Fujian Province and Beijing Municipality. The service centre in Fujian Province will be used as the replacement of the current service centre in the Xiamen Special Economic Zone to prepare for business expansion of the Group and the Directors intend to employ approximately 20 staff in each of the service centre. The service centres in Beijing Municipality and Guangdong Province will be used to provide service to its sub-licensees, in return of a share of the respective annual profits of the said sub-licensees according to the agreements between, inter alia, the Group and each of its sub-licensees in November 2000. Under the said project development co-operation CNA Anhua (Hertz) will use the prepayment to subsidise and finance the construction cost and will provide land and buildings for the Group to use for 50 years rent free.

The Directors explained that it is the Group's intention to enter into such long-term arrangements in connection with the abovementioned sites to demonstrate its long-term commitment in running its car distribution and car rental businesses in the PRC. The decision for entering into the co-operation agreement with CNA Anhua (Hertz) structured for 50 years was not a result of that the Directors believe the future market growth will last for a definite 50 years term, but rather a business decision determined by the Group at that time. As the land use right to be granted by the PRC government for each of the abovementioned site generally has a maximum period of 50 years, the co-operation agreement was structured that the Group has the use of the lands and properties being developed for 50 years. The current 50-year arrangement stipulated in the co-operation agreement effectively grants to the Company an exclusive right to use the service centres for the entire possible land use right periods. Thus, it can be viewed as if the Company had acquired the service centres. The Directors

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believe that this is the most expeditious and cost effective way to acquire land and property without the hassle of complicated and time consuming procedures to deal with numerous relevant PRC authorities in order to apply for, and be granted, the land use right certificates and title certificates for the buildings. Therefore, the Company entered into the co-operation agreement with CNA Anhua (Hertz) as structured.

Pursuant to the said agreement, CNA Anhua (Hertz) is obliged to refund the prepayment of HK\$34 million to the Group if appropriate title certificates in the name of CNA Anhua (Hertz) for such land and buildings cannot be obtained by June 2003. Mr. Loh Kim Her and Mr. Anthony Chan have undertaken to indemnify the Group in full for the loss incurred or suffered by it in the event that CNA Anhua (Hertz) fails to obtain the appropriate title certificate in accordance with the terms of the said agreement and such indemnity is secured by the Shares to be placed with as escrow agent by Mr. Loh Kim Her, Mr. Anthony Chan and Loh & Loh, and Sale Share proceeds to be placed with as escrow agent by Loh & Loh (please refer to paragraph headed "Relationship with North Anhua" of the "Business of the Group" section of this prospectus for further details). The development of the service centre in Beijing Municipality was completed in December 2001 whereas the service centres in Guangdong Province and Fujian Province are expected to be completed in the first half of 2003.

On 22nd August, 2000, Comfort (China), a subsidiary of Comfort Group, and a company principally engaged in land transportation business whose shares are listed on the main board of the Singapore Exchange Securities Trading Limited, entered into agreements with GAPL for the acquisition of 1,062,589 shares and the subscription of 455,396 shares of GAPL. The aggregate 1,517,985 shares represented approximately 19.27% interest in GAPL. Among the 1,062,589 sale shares in GAPL, 796,942 shares and 265,647 shares were respectively transferred from Mr. Anthony Chan and Mr. Loh Kim Her. The total consideration for the acquired shares was SGD4,736,842.20. Comfort (China) will be interested in approximately 15.42% of the issued share capital of the Company immediately after the Placing. The Directors believe that with the strong financial background of Comfort Group, the Group will be financially supported in the future.

In August 2001, CNA Anhua (Tianjin) entered into three revised non-exclusive license agreements with Hertz (which superseded the three non-exclusive license agreements made by the same parties in December 1999) and has designated CNA Anhua (Beijing), CNA Anhua (Shanghai) and CNA Anhua (Guangzhou), which are subsidiaries of North Anhua, to enter into three sub-license agreements with Hertz each for a term of 5 years commencing from 1st August, 2001 to commence car rental business in the Beijing Municipality, Shanghai Municipality and Guangzhou Municipality respectively. In addition, the Group also entered into 5-year management agreements with the above three sub-licensees for provision of management consulting and technical expertise services in relation to car rental operations with the assistance of management consultation from Hertz. The sub-licensees are required to pay the Group an one-time initial fee plus a share of their respective annual profit based on the audited net profit derived from these sub-licensees.

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In August 2001, foreseeing the long-term future growth and prospect of passenger vehicles market in the PRC, the Group intended to expeditiously set up additional service centres to capture the strong market growth and signed another project development co-operation agreement with Jin Tian Cheng, an independent third party to the Group which is owned as to 10% by North Anhua. Since the Directors believe that the location of the site provided by Jin Tian Cheng which belongs to Jin Tian Cheng and the terms and conditions are favorable to the Group, and in view of the close business relationship with North Anhua in respect of car distribution business, Jin Tian Cheng was opted for the partner in the project development. The PRC legal adviser opined that such agreement does not require approval from the government. Approximately HK\$17 million which was negotiated based on commercial terms with reference to the market price of the site and taken into account the prepayment made by the Company to finance the construction of the site, was provided by the Group to Jin Tian Cheng for the development of the motor vehicles maintenance and service centre in Fuzhou of Fujian Province. The Directors intend to employ approximately 20 staffs in the service centre and the service centre is expected to be completed in the first half of 2003.

In December 2001, the Group, Jin Tian Cheng and North Anhua entered into a project development co-operation agreement, in supplement to the agreement entered into between the Group and Jin Tian Cheng in August 2001. Pursuant to the said project development co-operation agreement, Jin Tian Cheng will provide the land and be responsible for the construction of the maintenance and service centre thereon while the Group will be entitled to use the land and building for 20 years. Jin Tian Cheng agreed to repay the Group approximately HK\$11 million by October 2002, out of which, approximately HK\$3.3 million has been received as at the Latest Practicable Date. It was also agreed by both parties that the total rent for the service centre in Fuzhou for a period of 20 years would be RMB9,050,000. The RMB6,650,000 which is equivalent to approximately HK\$6 million as up front amount provided by the Group will be used to subsidise and finance the construction and will be treated as the rental prepayment of the Group for the 20 years use of the said maintenance and service centre. The remaining amount will be settled by monthly rent of RMB10,000 for a period of 20 years. The Directors believed that the total cost of the project was a favorable consideration to the Group after comparing it with the market rental rate. In addition, the Directors believe that rather than prepaying up front the RMB9,050,000 in full to Jin Tian Cheng, the Group is able to negotiate and defer some of the rental payment, which will be beneficial to its current cashflow position.

Jin Tian Cheng is in the process of obtaining appropriate title certificate for such land, and pursuant to the said project development co-operation agreement, Jin Tian Cheng is obliged to return the said HK\$6 million prepaid rental expense to the Group if it fails to perform the said project development co-operation agreement or complete the construction of the project contemplated thereunder by December 2002. North Anhua has agreed to guarantee the performance and discharge by Jin Tian Cheng of its obligations under the said project development co-operation agreement. Mr. Loh Kim Her and Mr. Anthony Chan have undertaken to indemnify the Group in the event that Jin Tian Cheng fails to repay the Group and such indemnity is secured by the Shares to be placed with an escrow agent by Mr. Loh Kim Her, Mr. Anthony Chan and Loh & Loh, and the Sale Share proceeds to be placed with an escrow agent by Loh & Loh (please refer to paragraph headed "Relationship with North Anhua" of the "Business of the Group" section of this prospectus for further details).

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In view of the expected growth of the motor vehicles market in the PRC as well as fulfilling its relevant obligations with its business partners, the Group intends to set up service centres in Beijing Municipality, Guangdong Province, Fujian Province and Fuzhou Municipality expeditiously so as to capture the market potential as soon as possible. As such, the Group entered into the project development co-operation agreements as mentioned above with CNA Anhua (Hertz) and Jin Tian Cheng respectively. During such time, since both CNA Anhua (Hertz) and Jin Tian Cheng needed extra financing to construct the facilities and the Directors considered that the obtaining of land titles after the commencement of construction was only a procedural process, the aggregate amount of approximately HK\$40 million was paid in advance to subsidies and finance the construction cost of the projects, including interior design, acquiring materials, labour costs, etc.

In January 2002, car rental businesses run by the sub-licensees of the Group were officially launched and operated in 9 rental locations in Beijing Municipality, Shanghai Municipality and Guangzhou Municipality. The Group provides management consulting and technical service in relation to the car rental businesses operated by such sub-licensees. Also, the Beijing service centre development project that the Group invested in March 2000 was completed in December 2001.

In April 2002, the Directors have been updated the construction progress of the said two development projects according to the progress reports from both CNA Anhua (Hertz) and Jin Tian Cheng, the Group entered into supplemental agreements with CNA Anhua (Hertz), Jin Tian Cheng and North Anhua respectively to amend the development co-operation agreements. Pursuant to such supplemental agreements, the respective deadline for CNA Anhua (Hertz) and Jin Tian Cheng to complete the said two projects and to obtain appropriate title certificates in accordance with the terms of the said agreements will be amended from June 2002 and December 2002 respectively to June 2003. Should CNA Anhua (Hertz) fail to obtain appropriate title certificates by June 2003, CNA Anhua (Hertz) is obliged to refund the prepayment of HK\$34 million by 3 equal installments by the end of June, September and December 2003. The Directors confirm there will be no further postponement of the projects.

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The following tables summarise the changes in the board representations and the shareholders of the Group:

Table 1 – Summary of Changes in Board Representations

Name of Directors	Period from Incorporation to Immediately after the Placing (including Track Record Period)							
	9/1993 to					Immediately prior to the	Immediately after the	Immediately after the
	8/1993	1/1999	12/1999	6/2000	9/2000	Reorganisation	Reorganisation	Placing
Mr. Anthony Chan	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Loh Kim Her	—	✓	✓	✓	✓	✓	✓	✓
Mr. Loh Nee Peng	✓	✓	✓	—	—	—	✓	✓
Mr. Goh Chee Wee	—	—	—	—	✓	✓	✓	✓

Mr. Anthony Chan and Mr. Loh Nee Peng were the co-founders and executive directors of GAPL at the time of incorporation in August 1993. Mr. Loh Nee Peng relinquished his directorship in GAPL in June 2000 with the intention to develop his auto parts business. Immediately after the intention was shelved, he has been serving the Group as a manager for the PRC development since January 2001. Since Mr. Loh Nee Peng no longer persists his intention to develop his auto parts business nowadays, he resumes his interest and directorship in the Company after the reorganisation. Mr. Loh Kim Her joined the Group also as an executive director of GAPL in November 1993. Throughout the Track Record Period, Mr. Anthony Chan and Mr. Loh Kim Her remain as executive directors of GAPL. Mr. Goh Chee Wee, the representative of the Comfort Group became a director of GAPL in September 2000. Immediately after the Reorganisation and the Placing, Mr. Anthony Chan, Mr. Loh Kim Her and Mr. Loh Nee Peng are the executive Directors of the Company and Mr. Goh Chee Wee is a non-executive director of the Company.

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Table 2 – Summary of Changes in Shareholders

Name of Shareholders	Period from Incorporation to Immediately after the Placing (including Track Record Period)							
	8/1993	12/1993	12/1999	7/2000	9/2000	Immediately prior to the Reorganisation	Immediately after the Reorganisation	Immediately after the Placing
Anthony Chan	50.00%	55.00%	53.00%	53.00%	39.80%	39.80%	—	—
Tycoons Investment ¹	—	—	—	—	—	—	10.00%	8.00%
L&B ²	—	25.00%	25.00%	25.00%	23.56%	23.56%	5.00%	4.00%
Loh Kim Her	—	—	—	20.00%	15.48%	15.48%	—	—
Affluence Investment ³	—	—	—	—	—	—	5.00%	4.00%
Loh & Loh ⁴	—	—	—	—	—	—	29.51%	18.60%
Loh Nee Peng	50.00%	20.00%	20.00%	—	—	—	—	—
Big Reap Investment ⁵	—	—	—	—	—	—	10.00%	8.00%
Comfort (China) ⁶	—	—	—	—	19.28%	19.28%	19.27%	15.42%
Mr. Henry Tan Song Kok	—	—	1.00%	1.00%	0.94%	0.94%	0.94%	0.75%
Mr. Sitoh Yih Pin	—	—	1.00%	1.00%	0.94%	0.94%	0.94%	0.75%
Mr. Gao Ji Xin	—	—	—	—	—	—	3.75%	3.00%
Ms. Yeoh Cheng Yew	—	—	—	—	—	—	3.75%	3.00%
Mr. Wong Chi Fung	—	—	—	—	—	—	2.92%	2.34%
Mr. Lee Chung	—	—	—	—	—	—	2.92%	2.34%
Zhongqi Technology ⁷	—	—	—	—	—	—	6.00%	4.80%
Institutional/ Professional investors	—	—	—	—	—	—	—	25.00%

Notes:

1. The entire issued share capital of Tycoons Investment is legally and beneficially owned as to 100% by Mr. Anthony Chan.
2. The entire issued share capital of L&B is legally and beneficially owned as to 18.94% by Mr. Loh Kim Her and the remaining 81.06% by the Loh Family.

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3. The entire issued share capital of Affluence Investment is legally and beneficially owned as to 100% by Mr. Loh Kim Her.
4. The entire issued share capital of Loh & Loh is legally and beneficially owned as to 49% by Mr. Anthony Chan, 15% by Mr. Loh Kim Her, 15% by Mr. Loh Nee Peng and the remaining 21% by Mr. Loh Boon Cha (who is the brother of Mr. Loh Kim Her and the father of Mr. Loh Nee Peng). Mr. Loh Nee Peng is one of the Directors of 2 North Anhua subsidiaries in which the Group has no equity interest. He is appointed as the Director in view of his position of technical advice to the company.
5. The entire issued share capital of Big Reap Investment is legally and beneficially owned as to 100% by Mr. Loh Nee Peng.
6. Comfort (China) is a wholly-owned subsidiary of Comfort Group, a company whose shares are listed on the main board of the Singapore Exchange Securities Trading Limited.
7. The entire issued share capital of Zhongqi Technology is legally and beneficially owned as to 50% by Mr. Tan Cheng Kim, the general manager of motor vehicle distribution division of the Company, and 50% by Mr. Lim Tee Peng, the general manager of auto parts and accessories division of the Company.

As indicated in Table 1 and Table 2 above, Mr. Anthony Chan and Mr. Loh Kim Her (through his nephew (Mr. Loh Nee Peng) and his family companies (L&B and Loh & Loh)) together effectively control the Board and hold the majority shares in, and the voting power at general meetings of, the Company throughout the Track Record Period (at least 59.51%) and immediately after the Placing (as to 42.60%).