

Supplementary information on US GAAP reconciliation

The effect on net income of significant differences between Hong Kong Generally Accepted Accounting Principles (“HK GAAP”) and United States Generally Accepted Accounting Principles (“US GAAP”) is as follows:

		For the six months ended 30 June		
Notes		2001 US\$'000	2001 HK\$'000	2000 HK\$'000
Net income as reported under HK GAAP		6,780	52,882	29,597
Adjustments:				
Recognition of revenue		(281)	(2,193)	(1,059)
Depreciation of investment property		(3)	(24)	–
Stock option compensation		(24)	(184)	–
Tax effect of reconciling items		45	351	169
Approximate net income as reported under US GAAP		6,517	50,832	28,707
Earnings per share under US GAAP				
– Basic	1	US\$0.016	HK\$0.123	HK\$0.068
– Diluted	2	US\$0.016	HK\$0.123	N/A
Earnings per ADS under US GAAP				
– Basic	3	US\$0.126	HK\$0.984	HK\$0.544
– Diluted		US\$0.126	HK\$0.984	N/A

Supplementary information on US GAAP reconciliation (Continued)

The effect on shareholders' equity of significant differences between HK GAAP and US GAAP is as follows:

	At 30 June		
	2001 US\$'000	2001 HK\$'000	2000 HK\$'000 (Restated)
Shareholders' equity as reported under HK GAAP	312,782	2,439,702	2,388,395
Adjustments:			
Recognition of revenue	382	2,980	7,749
Investment property	54	423	447
Tax effect of reconciling items	(61)	(476)	(1,240)
Shareholders' equity as reported under US GAAP	313,157	2,442,629	2,395,351

Notes:

- (1) The calculation of earnings per share is based on 412,800,000 (2000: 420,000,000) shares in issue during the period.
- (2) The calculation of diluted earnings per share is based on 413,082,000 shares issued and issuable during the six months ended 30 June 2001 after adjusting the effect on the outstanding options granted.
- (3) 1 American depositary share ("ADS") is equivalent to 8 ordinary shares of the Company.
- (4) For the convenience of the reader, amounts in HK\$ have been translated into US\$ at the rate of US\$1=HK\$7.8 (2000: HK\$7.75). No representation is made that the HK\$ amount could have been, or could be, converted into US\$ at that rate.

