

## Basis of Presentation of the Proforma Financial Information

Note 1(b) to the financial statements on page 27 describes the reorganisation of the group that took place prior to its listing on The Stock Exchange of Hong Kong Limited on 29 April 2002 ("the reorganisation"). As explained in note 1(c) to the financial statements, since the reorganisation took place on 11 April 2002, in accordance with Statement of Standard Accounting Practice 27 "Accounting for group reconstructions" issued by the Hong Kong Society of Accountants, the effect of the reorganisation is not reflected in the company's financial statements for the year ended 31 March 2002. However, since all of the entities which took part in the reorganisation were owned by the same group of ultimate shareholders before and immediately after the reorganisation and, consequently, there was a continuation of the risks and benefits to the ultimate shareholders that existed prior to the reorganisation, additional proforma financial information, prepared using the merger basis of accounting, has been presented on pages 32 to 63.

The proforma combined income statement of the group for the year ended 31 March 2002 includes the financial results of the companies which now comprise the group for the period from 1 April 2001 (or the later of the date of incorporation and the date of commencement of the group's effective control) to 31 March 2002 as if the current group structure had been in existence and remained unchanged throughout the period presented. The proforma combined balance sheet of the group as at 31 March 2002 has been prepared to present the combined assets and liabilities of the companies which now comprise the group as at that date as if the current group structure was in existence then. The comparative figures as at and for the year ended 31 March 2001 have been presented on the same basis.