

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			
		2002	2002	2001	
Notes		US\$'000	HK\$'000	HK\$'000	
	Net income as reported under HK GAAP	3,927	30,632	52,882	
	Adjustments:				
	Recognition of revenue	(474)	(3,697)	(2,193)	
	Depreciation of investment property	(5)	(42)	(24)	
	Stock option compensation	(481)	(3,751)	(184)	
	Tax effect of reconciling items	76	591	351	
	Amortisation of goodwill	14	110	–	
	Approximate net income as reported under US GAAP	3,057	23,843	50,832	
	Earnings per share under US GAAP				
	– Basic	1	US\$0.74 cents	HK5.78 cents	HK12.31 cents
	– Diluted	2	US\$0.74 cents	HK5.76 cents	HK12.31 cents
	Earnings per ADS under US GAAP				
	– Basic	3	US\$5.93 cents	HK46.22 cents	HK98.51 cents
	– Diluted		US\$5.91 cents	HK46.06 cents	HK98.44 cents

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		
	2002 US\$'000	2002 HK\$'000	2001 HK\$'000
Shareholders' equity as reported under HK GAAP	317,290	2,474,861	2,439,702
Adjustments:			
Recognition of revenue	–	–	2,980
Investment property	43	339	423
Tax effect of reconciling items	–	–	(476)
Amortisation of goodwill	14	110	–
Shareholders' equity as reported under US GAAP	317,347	2,475,310	2,442,629

Notes:

- (1) The calculation of basic earnings per share is based on weighted average of 412,720,000 (2001: 412,800,000) shares in issue during the period.
- (2) The calculation of diluted earnings per share is based on weighted average of 414,092,000 (2001: 413,082,000) shares issued and issuable during the six months ended 30 June 2002 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\$7.80. No representation is made that the HK\$ amount could have been, or could be, converted into US\$ at that rate.