

HK GAAP AND IAS RECONCILIATION

The Financial Statements of the Company are prepared in accordance with Hong Kong Generally Accepted Accounting Principles (HK GAAP). For the benefit of international investors, there follows a reconciliation between HK GAAP and International Accounting Standards (IAS) which sets out the principal differences between HK GAAP and IAS that would materially impact the consolidated profit/(loss) attributable to ordinary shareholders and shareholders' equity/(deficit).

For details of HK GAAP and IAS accounting treatments in respect of goodwill and deferred tax, please refer to page 83 of First Pacific's 2001 Annual Report.

The following is a summary of the estimated material adjustments between HK GAAP and IAS.

PROFIT/(LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

Six months ended 30 Jun	2002	2001
US\$ millions		
PROFIT/(LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS AS REPORTED UNDER HK GAAP	26.8	(12.1)
Estimated material IAS adjustments		
- Reversal of goodwill reinstated on disposals and dilutions	1.4	3.0
- Purchased goodwill amortization ⁽ⁱ⁾	(25.2)	(50.4)
- Net deferred tax liabilities recognized	(5.2)	(1.7)
ESTIMATED LOSS ATTRIBUTABLE TO ORDINARY SHAREHOLDERS UNDER IAS	(2.2)	(61.2)
U.S. cents		
ESTIMATED BASIC AND DILUTED LOSS PER SHARE UNDER IAS	(0.1)	(1.9)

SHAREHOLDERS' EQUITY/(DEFICIT)

	At 30 Jun	At 31 Dec
US\$ millions	2002	2001
SHAREHOLDERS' DEFICIT AS REPORTED UNDER HK GAAP	(117.6)	(191.2)
Estimated material IAS adjustments		
- Capitalization of purchased goodwill	926.8	960.0
- Net deferred tax liabilities recognized	(26.2)	(21.2)
ESTIMATED SHAREHOLDERS' EQUITY UNDER IAS	783.0	747.6
U.S. cents		
ESTIMATED SHAREHOLDERS' EQUITY PER SHARE UNDER IAS	24.9	23.8

(i) Assumes goodwill is amortized over 20 years.