

## Basis of Presentation of the Proforma Financial Information

Note 1(b) to the financial statements on page 33 describes the Group Reorganisation of the Group that took place prior to its listing on the Main Board on 26 March 2004. As stated in note 1(c) to the financial statements, since the Group Reorganisation took place on 10 March 2004, in accordance with SSAP 27 “Accounting for group reconstructions” issued by the HKSA, the effect of the Group Reorganisation is not reflected in the Company’s financial statements for the period ended 31 December 2003.

However, since all entities which took part in the Group Reorganisation were under common control before and immediately after the Group Reorganisation, consequently, there was a continuation of the risks and benefits to the then shareholders that existed prior to the Group Reorganisation, additional proforma financial information, prepared using the merger basis of accounting, has been presented on pages 41 to 78.

The proforma combined income statement, statement of changes in equity and cash flow statement of the Group for the year ended 31 December 2003 include the financial results of the companies now comprising the Group for the period from 1 January 2003 (or the date of incorporation or the date that the Group’s effective control commenced, if later) to 31 December 2003 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 December 2003 has been prepared to present the combined assets and liabilities of the Group as at that date as if the current group structure had been in existence then. The comparative figures as at and for the year ended 31 December 2002 have been presented on the same basis.

Although this proforma financial information does not form part of the financial statements for the year ended 31 December 2003, it will form the basis of the comparative information in the financial statements for the year ending 31 December 2004. This is because, when adopting the merger basis of accounting in accordance with SSAP 27, in the period in which the Group Reorganisation is first reflected in the financial statements, the financial statement items for any comparative periods should be included in the financial statements as if the Group Reorganisation had taken place from the beginning of the earliest period presented.