

For Information Only – Reconciliation between US GAAP and HK GAAP

For the year ended 31 December 2006

The Group's financial statements are prepared in accordance with the accounting principles generally accepted in Hong Kong ("HK GAAP"), which differ in certain significant respects from those in the United States ("US GAAP"). The significant differences between HK GAAP and US GAAP relate principally to the following item:

Compensation cost for share options

The Group adopts HKFRS 2 "Share-based Payments" of which the accounting policy is set out in note 1 to the financial statements.

Under US GAAP, through 31 December 2005, the Group should have accounted for its employee share-based compensation programmes using the intrinsic value method in accordance with Accounting Principles Board Opinion No. 25 "Accounting for Stock Issued to Employees" ("APB 25") and related interpretations. Under APB 25, compensation cost for share options is recognised at its intrinsic value (i.e. the excess, if any, of the quoted market price of the shares over the exercise price) at the date of grant and amortised over the vesting period. If an employee forfeits the share options solely because of termination of employment, any compensation cost previously recognised would be reversed in the period of termination. Accordingly, stock compensation cost of HK\$256,000 should have been reversed during the year ended 31 December 2005 upon the termination of certain participants in the Old Share Option Scheme. No stock compensation cost should be reversed for the year ended 31 December 2006 as no termination of participants have occurred. In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123 (revised) "Share-Based Payment" ("SFAS No. 123R"), which was effective for all public entities as of the beginning of the first annual accounting period that begins after 15 December 2005 and supersedes APB 25 adopted by the Group prior to 1 January 2006. Since all of the share options granted had been vested prior to the effective date of SFAS No. 123R, the adoption of SFAS No. 123R would not have any impact on the Group's financial position and results of operations.

	Year ended December 31		
	2006	2006	2005
	<i>US\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Reconciliation of net profit attributable to shareholders			
Net profit attributable to shareholders as reported under HK GAAP	5,209	40,632	47,076
US GAAP adjustment:			
Write-back of stock compensation cost previously recognised under US GAAP	–	–	256
Net profit attributable to shareholders under US GAAP	<u>5,209</u>	<u>40,632</u>	<u>47,332</u>
Basic earnings per share under US GAAP	<u>US\$0.01</u>	<u>HK\$0.09</u>	<u>HK\$0.10</u>

	As at December 31		
	2006	2006	2005
	<i>US\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Reconciliation of shareholders' equity			
Shareholders' equity as reported under HK GAAP	16,938	132,117	91,072
US GAAP adjustments:			
Stock compensation cost	(606)	(4,728)	(4,728)
Additional paid-in capital in respect of compensation cost for share options	606	4,728	4,728
Shareholders' equity under US GAAP	<u>16,938</u>	<u>132,117</u>	<u>91,072</u>