

## **A. OVERVIEW**

The forecast combined profit attributable to the equity holders of the Company for the year ending December 31, 2009 is set out in the section headed "Financial Information – Profit Forecast" in this document.

## **B. BASES AND ASSUMPTIONS**

The directors have prepared the forecast of the combined profit attributable to the equity holders of the Company for the year ending December 31, 2009 based on the audited combined results of the Group for the six months ended June 30, 2009 and a forecast of the combined results of our Group for the remaining six months ending December 31, 2009. The profit forecast has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by the Group as summarized in the Accountants' Report set forth in Appendix I of this document, and on the following principal bases and assumptions:

- There will be no material changes in the existing government policies or political, legal, fiscal, market or economic conditions in the PRC, Hong Kong or any other countries or territories in which the Group operates.
- There will be no changes in policies, legislation, or practices in the PRC, Hong Kong or any other countries or territories in which the Group operates or has arrangements or agreements, which may materially and adversely affect the Group's business or operations.
- There will be no material changes in the bases or rates of taxation in the PRC, Hong Kong and any other countries applicable to the activities of the Group.
- There will be no material change in interest rates and exchange rates from those currently prevailing.
- The Group's operations and business will not be severely interrupted by any force majeure events or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Company, including the occurrence of natural disaster or catastrophes (such as floods, earthquake and typhoons), epidemics (including SARS, H5N1 influenza or H1N1 influenza) or serious accidents.
- The Group's operations, results and financial position will not be materially and adversely affected by the risk factors set forth in the section headed "Risk Factors" in this document.
- US\$14 million of the principal amount of the Group's Convertible Redeemable Preference Shares will be converted into the Shares immediately prior to the commencement of dealings of the Shares on the Hong Kong Stock Exchange.

Bases and assumptions on forecast fair value changes on derivative component of the connectible redeemable preference shares ("CRPS").

- Changes in the fair value of the CRPS are dependent on a number of variables and other factors affected by market conditions that are beyond the control of the Company at the relevant time.
- Under IFRS, the derivative component of the CRPS are required to be recorded at fair value on the balance sheet date, and any increase or decrease in fair value in any applicable accounting period is required to be recognized as a charge or credit to profit or loss. This charge or credit is a non-cash item representing the increase or decrease in fair value of the derivative component of the CRPS.
- The forecast profit of RMB450 million for the year ending 31 December 2009 includes a charge in respect of fair value charge estimated at RMB12 million, which is estimated based on the best-estimate assumptions made by the directors. Should the actual increase or decrease in fair value of the derivative component of the CRPS differ from the amount estimated by the directors, such difference would have the effect of decreasing or increasing the forecast combined profit attributable to the equity holders of Company for the year ending 31 December 2009.