

Significant Differences between Accounts Prepared under PRC GAAP and HK GAAP

Differences between the accounts prepared under PRC GAAP and HK GAAP for the year ended 31st December 2000 are as follows:

	Profit attributable to shareholders		Net asset value
	Group	Company	Group and Company
	Rmb'000	Rmb'000	Rmb'000
As reported under PRC GAAP	168,604	91,534	1,406,654
Reversal of amortisation of intangible assets (note 1)	4,104	796	—
Reversal of equity accounting of the profit and reserves of the subsidiaries	—	(114,100)	—
Income derived from disposal of subsidiaries based on cost method	—	207,811	—
Government grants for technological development (note 2)	5,383	—	—
As reported under HK GAAP	178,091	186,041	1,406,654

Notes:

- (1) Intangible assets reported in the accounts prepared under PRC GAAP represent trademarks at valuation which are amortised using the straight line method over their estimated useful lives of 10 years. However, the trademarks have not been recognised in the accounts prepared under HK GAAP in accordance with the historical cost convention.
- (2) Government grants for technological development is recorded as capital reserve fund in the accounts prepared under PRC GAAP. However, the government grant is recognised as subsidy income in the accounts prepared under HK GAAP.