

D. Supplementary Information for North American Shareholders

Effects on the profit attributable to shareholders and on shareholders' equity of significant differences between IAS and accounting principles generally accepted in the United States of America ("U.S. GAAP") are summarised below:

	Note	Six-month periods ended 30 June		
		2001	2001	2000
		US\$'000	RMB'000	RMB'000
Profit attributable to shareholders under IAS		19,308	159,809	414,303
U.S. GAAP adjustments:				
Foreign exchange gains and losses	(a)	2,238	18,527	18,527
Capitalisation of property, plant and equipment	(b)	1,311	10,852	10,852
Depreciation charge on revalued property, plant and equipment	(c)	8,064	66,746	66,746
Tax effect of the above adjustments		(1,742)	(14,418)	(14,418)
Profit attributable to shareholders under U.S. GAAP		<u>29,179</u>	<u>241,516</u>	<u>496,010</u>
Basic earnings per share under U.S. GAAP	(d)	<u>US\$0.004</u>	<u>RMB0.034</u>	<u>RMB0.069</u>
Basic earnings per ADS under U.S. GAAP	(d)	<u>US\$0.405</u>	<u>RMB3.354</u>	<u>RMB6.889</u>
		As at 30 June		As at 31 December
	Note	2001	2001	2000
		US\$'000	RMB'000	RMB'000
Shareholders' equity under IAS		1,598,338	13,229,443	13,501,634
U.S. GAAP adjustments:				
Foreign exchange gains and losses	(a)	(11,491)	(95,108)	(113,635)
Capitalisation of property, plant and equipment	(b)	(9,178)	(75,964)	(86,816)
Revaluation of property, plant and equipment	(c)	(80,175)	(663,606)	(730,352)
Tax effect of the above adjustments		15,127	125,203	139,621
Shareholders' equity under U.S. GAAP		<u>1,512,601</u>	<u>12,519,968</u>	<u>12,710,452</u>

Notes:

(a) Foreign exchange gains and losses

Foreign exchange differences on funds borrowed for construction are capitalised as property, plant and equipment to the extent that they are regarded as an adjustment to interest costs during the construction period. In the six-month periods ended 30 June 2000 and 30 June 2001, no material foreign exchange differences were capitalised to property, plant and equipment. Under U.S.GAAP, all foreign exchange gains and losses on foreign currency debt are included in current earnings. In 2000 and 2001, the U.S.GAAP adjustments represent the effect of amortisation of amounts previously capitalised.

(b) Capitalisation of property, plant and equipment

In periods prior to those presented herein, certain adjustments arose between IAS and U.S.GAAP with regard to the capitalisation of interest and pre-production results under IAS, that were reversed and expensed under U.S.GAAP. For the periods presented herein, no material adjustments related to the capitalisation of construction costs, including capitalised interest, are necessary. Accordingly, the U.S.GAAP adjustments for 2000 and 2001 represent the amortisation effect of such originating adjustments described above.

(c) Revaluation of property, plant and equipment

In connection with the June 1993 restructuring, the net assets of the Company were revalued to reflect current fair values. The revaluation surplus of RMB 1,152,027,000 has been taken up in the accounts for the year ended 31 December 1993 reflecting the RMB 1,751,158,000 revaluation of property, plant and equipment, net of the related RMB 599,131,000 elimination of the deferred taxation assets. Additional depreciation charges have been taken in the periods ended 30 June 2000 and 30 June 2001 on the revalued amount of RMB 1,751,158,000.

Under U.S.GAAP, property, plant and equipment are stated at cost. Accordingly, the revaluation surplus and the related depreciation on revalued property, plant and equipment are eliminated from the U.S. GAAP accounts.

(d) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders under U.S.GAAP of RMB 241,516,000, (2000: RMB 496,010,000) and the number of shares in issue during the period of 7,200,000,000, (2000: 7,200,000,000). Basic earnings per ADS is calculated on the basis that one ADS is equivalent to 100 shares.

(e) United States dollar equivalent

For the convenience of the reader, amounts in Renminbi ("RMB") have been translated into United States dollars at the rate of US\$ 1,000=RMB 8.2770 being the average of the buying and selling rates quoted by the People's Bank of China on 29 June 2001. No representation is made that the RMB amounts could have been, or could, be converted into United States dollars at that rate.