

Significant Differences Between the Financial Statements of the Group and the Company Prepared in Accordance with the PRC Accounting Rules and Regulations and International Accounting Standards ("IAS")

For the year ended 31 December 2001
(Expressed in Thousand Renminbi Yuan)

Other than the differences in the classification of certain financial statement assertions and the accounting treatment of the items describe below, there are no material differences between the financial statements of the Group and the Company prepared in accordance with the PRC Accounting Rules and Regulations and IAS. The major differences are:

- (i) Under the PRC Accounting Rules and Regulations, dividends are recognised as a liability in the period to which they relate. Under IAS, dividends are recognised in the period in which they are declared or approved.
- (ii) Under IAS, the negative goodwill was used to reduce proportionately the fair values of the non-monetary assets acquired. Under the PRC Accounting Rules and Regulations, negative goodwill was carried forward in an "Equity-investment difference" account and no amortisation was allowed until 1 January 1998. The difference represents the reduced accumulated depreciation in the IAS financial statements before 1 January 1998.

Reconciliation of the shareholders' funds of the Group and the Company in the financial statements prepared in accordance with the PRC Accounting Rules and Regulations and IAS are summarised below:

	The Group		The Company	
	2001	2000	2001	2000
	<i>Rmb'000</i>	<i>restated Rmb'000</i>	<i>Rmb'000</i>	<i>restated Rmb'000</i>
Shareholders' funds under PRC Accounting Rules and Regulations	8,801,868	8,711,079	8,810,542	8,726,748
Differences:				
Dividends (note(i))	80,000	360,000	80,000	360,000
Negative goodwill (note(iii))	7,354	7,354	7,354	7,354
Shareholders' funds under IAS	<u>8,889,222</u>	<u>9,078,433</u>	<u>8,897,896</u>	<u>9,094,102</u>

Profit attributable to shareholders for the years ended 31 December 2001 and 2000 under the PRC Accounting Rules and Regulations are the same as those prepared under IAS.