



Other than the differences in the classifications of certain financial statement captions and the accounting treatment of the items described 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 IFRS. 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 IFRS, dividends are recognised in the period in which they are declared or approved.
- (ii) Under IFRS, 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 IFRS financial statements before 1 January 1998.
- (iii) Effective 1 January 2002, land use rights are carried at historical cost less amortisation and impairment losses under IFRS. Accordingly, the surplus on the revaluation of land use rights net of deferred tax asset was reversed to shareholders' funds. Under the PRC Accounting Rules and Regulations, the land use rights are carried at revalued amount.

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

	The Group		The Company	
	2002 Rmb'000	2001 Rmb'000	2002 Rmb'000	2001 Rmb'000
Net profit under the PRC Accounting Rules and Regulations	139,833	170,789	138,869	163,794
Differences:				
– Amortisation of revaluation of land use rights (iii)	5,280	–	5,280	–
– Effect of the above adjustment on taxation	(792)	–	(792)	–
Net profit under IFRS	144,321	170,789	143,357	163,794

	The Group		The Company	
	2002 Rmb'000	2001 Rmb'000	2002 Rmb'000	2001 Rmb'000
Shareholders' funds under the PRC Accounting Rules and Regulations	8,881,701	8,801,868	8,889,411	8,810,542
Differences:				
– Dividends (i)	60,000	80,000	60,000	80,000
– Negative goodwill (ii)	7,354	7,354	7,354	7,354
– Revaluation of land use rights (iii)	(215,600)	(220,880)	(215,600)	(220,880)
– Effect of the above adjustment on taxation	32,340	33,132	32,340	33,132
Shareholders' funds under IFRS	8,765,795	8,701,474	8,773,505	8,710,148