Financial statements of the Group prepared under International Financial Reporting Standards ("IFRS") for 2003 and 2004 are audited by KPMG, Certified Public Accountants.

Financial statement of the Group prepared under PRC Accounting Standards and Regulations ("PRC") GAAP for 2003 and 2004 are audited by KPMG Huazhen.

Effects of major differences between PRC GAAP and IFRS on net profit, are analysed as follows:

	Note	**2004** ***Rmb'000***	2003 *Rmb'000*
Net profits under PRC GAAP		**1,044,058**	1,023,534
Adjustments:			
Net fair value adjustment	(a)	**(32,721)**	(35,025)
Adjustment of goodwill/consolidation difference	(b)	**25,653**	22,587
Other adjustments	(c)	**605**	8,039
Effects of the above adjustments on taxation		**8,113**	9,512
Net profit under IFRS		**1,045,708**	1,028,647

Effects of major differences between PRC GAAP and IFRS on shareholders' equity, are analysed as follows:

	Note	**2004** ***Rmb'000***	2003 *Rmb'000*
Shareholders' equity under PRC GAAP		**9,814,755**	9,059,177
Adjustments:			
Net fair value adjustment	(a)	**374,916**	368,850
Adjustment on goodwill/consolidation difference	(b)	**(225,362)**	(218,639)
Other adjustments	(c)	**(127)**	(127)
Effects of the above adjustments on taxation		**(90,623)**	(92,325)
Shareholders' equity under IFRS		**9,873,559**	9,116,936

Notes:

(a) When preparing consolidated financial statements, according to PRC GAAP, consolidated financial statements are prepared based on respective financial statements of the Company and subsidiaries and jointly controlled entities. According to IFRS, consolidated financial statements are prepared based on the respective financial statements of the Company and assets and liabilities, being adjusted to fair values at the time of acquisition, of subsidiaries and jointly controlled entities. There are differences between the carrying value and the fair value of net assets, at the time of acquisition, of subsidiaries and jointly controlled entities of the Company and such differences are mainly attributable to fixed assets.

Fair value adjustment mainly represents the difference between the carrying value and the fair value of fixed assets, at the time of acquisition, of subsidiaries and jointly controlled entities and the related adjustment in depreciation in respect of the difference between the carrying value and the fair value after the acquisition.

(b) According to PRC GAAP, consolidation difference represents the excess of the cost of investment over the carrying value of the net assets acquired. According to IFRS, goodwill represents the excess of the cost of acquisition over the fair value of net identifiable assets acquired. As mentioned in note (a), there are differences between the carrying value and the fair value of net assets acquired, and so there are differences between consolidated difference and goodwill and hence differences in annual amortisation.

(c) No material individual adjustments included in other adjustments.