

Significant differences between the financial statements of the Group and the Company prepared in accordance with the PRC Accounting Rules and Regulations and IFRS

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 IFRS, land use rights are carried at historical cost less accumulated amortisation and impairment losses. Under the PRC Accounting Rules and Regulations, land use rights are carried at revalued amount less accumulated amortisation.
- (ii) Under IFRS, to the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the borrowing costs could be capitalised as part of the cost of that asset. Under the PRC Accounting Rules and Regulations, only borrowing costs on funds that are specifically borrowed for construction are eligible for capitalisation as property, plant and equipment.

Reconciliation of the profit attributable to shareholders 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 as follows:

	Note	The Group		The Company	
		2004 Rmb'000	2003 Rmb'000	2004 Rmb'000	2003 Rmb'000
Profit attributable to shareholders under the PRC Accounting Rules and Regulations		231,237	240,204	232,844	237,541
Adjustments:					
– Amortisation of revaluation of land use rights	(i)	5,280	5,280	5,280	5,280
– Capitalisation of general borrowing costs, net of depreciation effect	(ii)	1,900	16,987	1,900	16,987
– Others		3,043	–	3,043	–
– Effect of the above adjustments on taxation		(1,077)	(3,340)	(1,077)	(3,340)
Profit attributable to shareholders under IFRS		240,383	259,131	241,990	256,468
Shareholders' funds under the PRC Accounting Rules and Regulations		9,268,155	9,125,832	9,274,809	9,130,879
Adjustments:					
– Revaluation of land use rights	(i)	(205,040)	(210,320)	(205,040)	(210,320)
– Capitalisation of general borrowing costs	(ii)	18,887	16,987	18,887	16,987
– Others		10,397	7,354	10,397	7,354
– Effect of the above adjustments on taxation		27,923	29,000	27,923	29,000
Shareholders' funds under IFRS		9,120,322	8,968,853	9,126,976	8,973,900

