

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2004
(prepared in accordance with HK GAAP)

Reconciliation of differences between PRC GAAP and HK GAAP

Differences between PRC GAAP and HK GAAP give rise to differences in the reported balances of assets, liabilities and net profit of the Group. The financial effects of the material differences between PRC GAAP and HK GAAP are summarised and explained in the following table:

Impact on the consolidated net assets:

	2004	2003
	RMB'000	RMB'000
Net assets as per accounts prepared under PRC GAAP	3,586,682	3,513,903
HK GAAP adjustments:		
Adjustments arising from different exchange rates used under HK GAAP and PRC GAAP	141,253	141,253
Additional depreciation charges for assets acquired before unification of the two-tier exchange rate system in the PRC	(129,407)	(117,927)
Difference between the amortisation of investment differences under PRC GAAP and amortisation of goodwill and negative goodwill under HK GAAP	(64,472)	(58,106)
Deferred tax arising from depreciation of fixed assets	(5,647)	(2,001)
Difference in accounting for the principal balance of convertible bonds and the corresponding interest charges	1,228,787	938,231
Others	(3,068)	(527)
Net assets as per accounts prepared under HK GAAP	4,754,128	4,414,826

SUPPLEMENTARY INFORMATION (Continued)

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Impact on the consolidated net profit:

	2004	2003
	RMB'000	RMB'000
Net profit under PRC GAAP	279,724	253,872
HK GAAP adjustments:		
Additional depreciation charges for assets acquired before unification of the two-tier exchange rate system in the PRC	(11,480)	(11,480)
Difference between the amortisation of investment differences under PRC GAAP and amortisation of goodwill and negative goodwill under HKGAAP	(6,833)	(11,953)
Waiver of payables	4,331	840
Deferred tax arising from depreciation of fixed assets	(3,646)	(785)
Difference in accounting for interest charges of convertible bonds	23,102	14,493
Others	(35)	58
Profit attributable to shareholders under HK GAAP	285,163	245,045