

DIFFERENCES BETWEEN IFRS AND PRC GAAP AS APPLICABLE TO THE GROUP

The consolidated balance sheet of the Group prepared under IFRS and that prepared under PRC GAAP have the following major differences:

	2005 <i>RMB'000</i>	2004 <i>RMB'000</i> (Restated)
Equity attributable to equity holders of the Company as per financial statements prepared under IFRS	(1,066,238)	2,555,447
Adjustment on property, plant and equipment revaluation and related depreciation	10,348	1,934
Adjustment on pre-operating expenses	–	9,938
Adjustment on contribution from minority shareholders	26,684	26,684
Impairment loss on goodwill	11,200	–
Effect of adoption of IFRS 3	(71,846)	–
Equity attributable to equity holders of the Company as per financial statements prepared under PRC GAAP	(1,089,852)	2,594,003

The consolidated income statement of the Group prepared under IFRS and that prepared under PRC GAAP have the following major differences:

	2005 <i>RMB'000</i>	2004 <i>RMB'000</i> (Restated)
Net loss attributable to equity holders of the Company as per financial statements prepared under IFRS	(3,702,172)	(226,294)
Adjustment on property, plant and equipment revaluation and related depreciation	3,530	3,532
Release of discount on acquisition of a subsidiary	–	(12,429)
Notional rental expenses	–	(17,660)
Adjustment on pre-operating expenses	(9,938)	9,938
Adjustment on impairment loss on goodwill	11,200	–
Release of negative goodwill to income	4,790	–
Government grants recognised as income under IAS 20	(2,471)	–
Others	1,446	(2,885)
Net loss attributable to equity holder of the Company as per financial statements prepared under PRC GAAP	(3,693,615)	(245,798)

There are differences in other items in the financial statements due to differences in classification between IFRS and PRC GAAP.