

Supplementary Information

RECONCILIATION OF DIFFERENCES BETWEEN PRC GAAP AND HKFRS

The Group has prepared a separate set of financial information for the year ended 31 December 2006 in accordance with “Accounting Standards for Business Enterprises”, “Accounting Regulations for Business Enterprises” and relevant regulations (“PRC GAAP”) for shareholders of A shares of the Company.

Differences between PRC GAAP and HKFRs 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 HKFRS are summarised and explained in the following table:

Impact on the consolidated net assets:

	As at 31 December	
	2006 RMB'000	2005 RMB'000
Net assets as per accounts prepared under PRC GAAP	5,223,722	4,941,430
HKFRS adjustments:		
Adjustments arising from different exchange rates used in valuation of carrying values of fixed assets under HKFRS 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	(141,253)	(140,887)
Difference between the accounting for business combination under PRC GAAP and HKFRS	(26,757)	(49,332)
Adjustment for negative goodwill brought forward to retained earnings upon adoption of HKFRS 3 on 1 January 2005	71,760	80,971
Recognition of derivative financial instruments at fair value	(3,659)	(90)
Deferred tax liability arising from depreciation of fixed assets	(5,090)	(5,090)
Difference between the accounting for impairment loss of tangible and intangible assets	(16,705)	—
Goodwill impairment loss recognised upon cessation of business of a subsidiary	—	(9,121)
Others	4,158	(2,744)
Net assets attributable to the Company's shareholders as per financial statements prepared under HKFRS	5,247,429	4,956,390

Impact on the consolidated net profit:

	Year ended 31 December	
	2006 RMB'000	2005 RMB'000
Net profit under PRC GAAP	434,897	303,958
HKFRS adjustments:		
Additional depreciation charges for assets acquired before unification of the two-tier exchange rate system in the PRC	(366)	(11,480)
Waiver of loans and other share premium adjustment	10,526	8,248
Deferred tax liability and assets arising from depreciation of fixed assets	557	557
Difference between the accounting for business combination under PRC GAAP and HKFRS	22,575	15,140
Difference in accounting for interest expenses relating to the convertible bonds	—	9,764
Recognition of derivative financial instruments at fair value	(3,659)	(10,802)
Difference between the accounting for impairment loss of tangible and intangible assets	(16,705)	—
Goodwill impairment loss recognised upon cessation of business of a subsidiary	—	(9,121)
Others	42	325
Profit attributable to shareholders of the Company under HKFRS	447,867	306,589