

SUPPLEMENTARY INFORMATION FOR AMERICAN DEPOSITARY SHAREHOLDERS

The Group's accounting policies conform with IFRS which differ in certain significant respects from accounting principles generally accepted in the United States of America ("US GAAP"). The differences, as they apply to the Group's financial statements, primarily relate to the following US GAAP requirements:

- (i) Property, plant and equipment be carried at historical cost and depreciated, whereas under IFRS, property, plant and equipment can be carried in the financial statements at the revalued amount and depreciated.
- (ii) Under IFRS, the effect of a change in tax rate that results in a change in the carrying amounts of deferred tax assets and liabilities is charged or credited directly to equity, to the extent that such deferred tax assets and liabilities are previously charged or credited to equity. Under US GAAP, the effect of a change in tax rate for all items of deferred tax assets and liabilities is recorded in the income statement.

The details of above differences are set out in the Group's annual report for the year ended 31 December 2006. The US GAAP reconciliation presented below is included as supplemental information and is not required as part of the basic interim financial statements and has not been subject to independent audit or review.

The effect on net profit of significant differences between IFRS and US GAAP for the six-month periods ended 30 June 2007 and 2006 is as follows:

	Six-month periods ended 30 June	
	2007 RMB millions	2006 RMB millions
Net profit attributable to equity holders of the Company under IFRS	13,482	14,155
US GAAP adjustments:		
Depreciation on revalued property, plant and equipment, net of minority interests of RMB6 million for the six-month period ended 30 June 2007 and RMB7 million for the six-month period ended 30 June 2006	(3,170)	(3,353)
Disposal of revalued property, plant and equipment	(102)	(55)
Effect of change in tax rate on deferred tax assets arising from revaluation of land use rights	(1,641)	5
Deferred tax effect of US GAAP adjustments	842	839
Net profit attributable to equity holders of the Company under US GAAP	9,411	11,591
Basic earnings per share under US GAAP	RMB0.12	RMB0.14
Basic earnings per ADS* under US GAAP	RMB11.63	RMB14.32

* Basic earnings per ADS is calculated on the basis that one ADS is equivalent to 100 H shares.

The effect on equity of significant differences between IFRS and US GAAP as at 30 June 2007 and 31 December 2006 is as follows:

	30 June 2007 RMB millions	31 December 2006 RMB millions
Equity attributable to equity holders of the Company under IFRS	207,078	206,228
US GAAP adjustments:		
Revaluation of property, plant and equipment, net of minority interests of RMB14 million as at 30 June 2007 and RMB8 million as at 31 December 2006	5,199	8,471
Deferred tax effect of US GAAP adjustment	(1,194)	(1,976)
Equity attributable to equity holders of the Company under US GAAP	211,083	212,723