

## Consolidated Statement of Changes in Equity

For the year ended 31st December, 2005

	Attributable to equity holders of the parent						Total	Minority interests	Total
	Share capital	Share premium	Capital reserve	Statutory surplus reserve	Statutory welfare reserve	Retained profits			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1st January, 2004	215,000	—	—	27,641	13,820	218,039	474,500	—	474,500
Conversion of certain state-owned domestic shares to H shares	(11,500)	—	—	—	—	—	(11,500)	—	(11,500)
Issue of H shares (including those converted from domestic shares)	126,500	1,166,797	—	—	—	—	1,293,297	—	1,293,297
Expenses incurred in connection with the issue of shares (restated)	—	(60,755)	—	—	—	—	(60,755)	—	(60,755)
Profit for the year, representing total recognised income for the year (restated)	—	—	—	—	—	533,254	533,254	—	533,254
Dividends paid	—	—	—	—	—	(72,075)	(72,075)	—	(72,075)
Transfer	—	—	—	53,687	26,843	(80,530)	—	—	—
At 31st December, 2004 (restated)	330,000	1,106,042	—	81,328	40,663	598,688	2,156,721	—	2,156,721
Effects of changes in accounting policies (see Note 2)	—	—	30,607	—	—	—	30,607	—	30,607
At 1st January, 2005 (restated)	330,000	1,106,042	30,607	81,328	40,663	598,688	2,187,328	—	2,187,328
Shares issued by subsidiaries to minority interests	—	—	—	—	—	—	—	60,900	60,900
Profit for the year, representing total recognised income for the year	—	—	—	—	—	315,203	315,203	1,480	316,683
Dividends paid	—	—	—	—	—	(103,950)	(103,950)	—	(103,950)
Transfer	—	—	—	30,791	15,395	(46,186)	—	—	—
At 31st December, 2005	330,000	1,106,042	30,607	112,119	56,058	763,755	2,398,581	62,380	2,460,961

As stipulated by the relevant regulations of the People's Republic of China (the "PRC"), the aggregate allocations to the statutory surplus reserve and statutory welfare reserve are 10% and 5% respectively of the Group's profit after tax under the relevant accounting principles and financial regulations applicable to companies established in the PRC (the "PRC GAAP").

According to the provision of Articles of Association of the Company and its subsidiaries, the statutory surplus reserve shall only be used for making up losses, capitalisation into share capital and expansion of the relevant entity's production and operation. The statutory welfare fund is used for the collective welfare of the relevant entity's staff and workers.

According to the Company's Articles of Association, distribution of profit by the Company is determined with reference to the profit as reported under the PRC GAAP or Hong Kong Financial Reporting Standards, whichever is less.

At 31st December, 2005, the distributable reserves of the Company was RMB755,141,000 (2004: RMB598,688,000 as restated).