

Condensed Statement of Changes in Equity (Unaudited)

For the six months ended 30th June, 2005

	Share capital RMB'000	Share premium RMB'000	Shareholder's contribution RMB'000	Statutory surplus reserve RMB'000	Statutory welfare reserve RMB'000	Accumulated profits RMB'000	Total RMB'000
At 1st January, 2004	215,000	—	—	27,641	13,820	218,039	474,500
Conversion of certain state-owned domestic shares to H shares	(11,500)	—	—	—	—	—	(11,500)
Issue of H shares (including those converted from domestic shares)	126,500	1,166,797	—	—	—	—	1,293,297
Expenses incurred in connection with the issue of shares	—	(60,755)	—	—	—	—	(60,755)
Profit for the period	—	—	—	—	—	242,973	242,973
Final dividend paid	—	—	—	—	—	(22,575)	(22,575)
Transfer	—	—	—	24,757	12,379	(37,136)	—
At 30th June, 2004	330,000	1,106,042	—	52,398	26,199	401,301	1,915,940
Profit for the period	—	—	—	—	—	290,281	290,281
Interim dividend paid	—	—	—	—	—	(49,500)	(49,500)
Transfer	—	—	—	28,930	14,464	(43,394)	—
At 31st December, 2004	330,000	1,106,042	—	81,328	40,663	598,688	2,156,721
At 1st January, 2005	330,000	1,106,042	—	81,328	40,663	598,688	2,156,721
Effects of changes in accounting policies	—	—	30,607	—	—	—	30,607
As restated	330,000	1,106,042	30,607	81,328	40,663	598,688	2,187,328
Profit for the period	—	—	—	—	—	250,223	250,223
Final dividend paid	—	—	—	—	—	(49,500)	(49,500)
Transfer	—	—	—	25,624	12,813	(38,437)	—
At 30th June, 2005	330,000	1,106,042	30,607	106,952	53,476	760,974	2,388,051

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 Company'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 the Company's Articles of Association, the statutory surplus reserve shall only be used for making up losses, capitalisation into share capital and expansion of the Company's production and operation. The statutory welfare fund is used for the collective welfare of the Company'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 the accounting policies generally accepted in Hong Kong, whichever is less.

At 30th June, 2005, the distributable reserves of the Company was RMB760,974,000 (31.12.2004: RMB598,688,000 as restated).