

Consolidated Statement of Changes in Equity

For the year ended 31 December 2005

	Attributable to equity holders of the Company							
	Share capital	Share premium	Statutory surplus reserve	Statutory public welfare fund	Retained profits	Total	Minority interests	Total
At 1 January 2004 as originally stated	5,037,748	5,730,454	510,920	255,461	1,544,544	13,079,127	400,250	13,479,377
Effects of changes in accounting policies (Note 2)	—	—	—	—	(60,638)	(60,638)	—	(60,638)
At 1 January 2004 as restated	5,037,748	5,730,454	510,920	255,461	1,483,906	13,018,489	400,250	13,418,739
Profit for the year and total income recognised	—	—	—	—	979,391	979,391	40,118	1,019,509
Appropriations	—	—	106,108	53,054	(159,162)	—	—	—
Dividends	—	—	—	—	(730,473)	(730,473)	—	(730,473)
Dividends paid to minority shareholders	—	—	—	—	—	—	(26,904)	(26,904)
At 31 December 2004	5,037,748	5,730,454	617,028	308,515	1,573,662	13,267,407	413,464	13,680,871
Effects of changes in accounting policies (Note 2)	—	—	—	—	2,855	2,855	—	2,855
At 1 January 2005 as restated	5,037,748	5,730,454	617,028	308,515	1,576,517	13,270,262	413,464	13,683,726
Profit for the year and total income recognised	—	—	—	—	668,028	668,028	32,854	700,882
Appropriations	—	—	88,591	44,296	(132,887)	—	—	—
Dividends	—	—	—	—	(730,473)	(730,473)	—	(730,473)
Dividends paid to minority shareholders	—	—	—	—	—	—	(29,410)	(29,410)
At 31 December 2005	<u>5,037,748</u>	<u>5,730,454</u>	<u>705,619</u>	<u>352,811</u>	<u>1,381,185</u>	<u>13,207,817</u>	<u>416,908</u>	<u>13,624,725</u>

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For the year ended 31 December 2005



Statutory surplus reserve

In accordance with the PRC Company Law and the articles of association, each of the Company and its subsidiaries registered in the PRC are required to appropriate 10% of the annual statutory profit after taxation (after offsetting any prior years' losses) to the statutory surplus reserve. When the balance of such reserve fund reaches 50% of each entity's capital, any further appropriation is optional. The statutory surplus reserve can be utilised to offset prior years' losses or to increase capital. However, such balance of the statutory surplus reserve must be maintained at a minimum of 25% of capital after such usages.

Statutory public welfare fund

In accordance with the PRC Company Law and the articles of association, each of the Company and its subsidiaries registered in the PRC are required to appropriate 5% of the annual statutory profit after taxation (after offsetting any prior years' losses) to statutory public welfare fund, which will be utilised to build or acquire capital items, such as dormitories and other facilities for the Company and its subsidiaries' employees, and cannot be used to pay for staff welfare expenses.

Titles of these reserve items will remain with the respective companies comprising the Group.

The above statutory reserves cannot be used for purposes other than those for which they are created and are not distributable as cash dividends.