

Consolidated Statement of Changes in Equity

For the year ended 31 December 2005

	Attributable to equity holders of the Company									
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000 (Note)	Translation reserve RMB'000	Statutory surplus reserve RMB'000	Public welfare fund RMB'000	Accumulated profits RMB'000	Total RMB'000	Minority interests RMB'000	Total RMB'000
At 1 January 2004	20,001	-	-	-	3,423	1,711	39,266	64,401	234	64,635
Exchange differences on translation of foreign subsidiaries	-	-	-	90	-	-	-	90	-	90
Profit for the year	-	-	-	-	-	-	34,901	34,901	(82)	34,819
Total recognised income (loss) for the year	-	-	-	90	-	-	34,901	34,991	(82)	34,909
Share swap in accordance with the Reorganisation	(20,001)	-	20,001	-	-	-	-	-	-	-
Transfer	-	-	-	-	4,480	2,239	(6,719)	-	-	-
New shares issued	9,016	63,111	-	-	-	-	-	72,127	-	72,127
Shares issued on conversion of convertible notes	4,210	29,470	-	-	-	-	-	33,680	-	33,680
Capitalisation issue of shares	29,202	(29,202)	-	-	-	-	-	-	-	-
Share issue expenses	-	(16,133)	-	-	-	-	-	(16,133)	-	(16,133)
Dividend	-	-	-	-	-	-	(31,869)	(31,869)	-	(31,869)
At 31 December 2004 and at 1 January 2005	42,428	47,246	20,001	90	7,903	3,950	35,579	157,197	152	157,349
Exchange differences on translation of foreign subsidiaries	-	-	-	(814)	-	-	-	(814)	-	(814)
Profit for the year	-	-	-	-	-	-	9,469	9,469	(55)	9,414
Total recognised income (loss) for the year	-	-	-	(814)	-	-	9,469	8,655	(55)	8,600
Transfer	-	-	-	-	3,512	1,054	(4,566)	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(92)	(92)
Dividend	-	-	-	-	-	-	(10,187)	(10,187)	-	(10,187)
At 31 December 2005	42,428	47,246	20,001	(724)	11,415	5,004	30,295	155,665	5	155,670

Note: The special reserve represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of Reorganisation prior to the listing of the Company's shares.

Articles of Association of the Company's PRC subsidiaries require the appropriation of certain percentage of their profit after taxation each year to the statutory surplus reserve fund until the balance reaches 50% of the registered capital. In normal circumstances, the statutory surplus reserve fund shall only be used for making up losses, capitalisation into registered capital and expansion of the subsidiaries' production and operation. For the capitalisation of statutory surplus reserve fund into registered capital, the remaining amount of such reserve shall not be less than 25% of the registered capital.

Pursuant to their Articles of Association, the Company's PRC subsidiaries shall make allocation from their profit after taxation at the rate of 5% to 10% to the public welfare fund. The public welfare fund can only be utilised on capital items for employees collective welfare. The public welfare fund forms part of the shareholders' equity but it is not distributable other than in liquidation.