

| | Note | Attributable to equity holders of the Company | | | Minority interests US\$'000 | Total US\$'000 |
|---|-----------|--|-------------------------------|--|-----------------------------------|-------------------|
| | | Share capital US\$'000 | Other reserves US\$'000 | Retained earnings/ (accumulated losses) US\$'000 | | |
| Balance at 1 January 2004, as previously reported as equity | | 815,240 | 1,516,097 | 292,664 | – | 2,624,001 |
| Balance at 1 January 2004, as previously separately reported as minority interests | | – | – | – | 305,515 | 305,515 |
| Currency translation differences arising from adjustment of depreciation for hotel properties and amortisation of leasehold land | 2(a)(i) | – | 38,601 | – | 397 | 38,998 |
| Depreciation for hotel properties and amortisation of leasehold land, net of deferred income tax liabilities | 2(a)(i) | – | – | (486,086) | (37,636) | (523,722) |
| Revaluation surplus of investment properties to be recognised in income statement, net of deferred income tax liabilities | 2(a)(i) | – | (131,064) | 131,064 | – | – |
| Reversal of revaluation reserves for hotel properties, net of deferred income tax liabilities | 2(a)(i) | – | (519,382) | – | (79,123) | (598,505) |
| Balance at 1 January 2004, as restated | | 815,240 | 904,252 | (62,358) | 189,153 | 1,846,287 |
| Currency translation differences | | – | 24,195 | – | 1,262 | 25,457 |
| Net expenses recognised directly in equity | | – | 24,195 | – | 1,262 | 25,457 |
| Profit for the year | | – | – | 113,518 | 9,005 | 122,523 |
| Total recognised income for the year ended 31 December 2004 | | – | 24,195 | 113,518 | 10,267 | 147,980 |
| Issue of convertible bonds – equity component | 2(a)(iii) | – | 20,075 | – | – | 20,075 |
| Issue of shares upon share placement | 17 | 174,110 | – | – | – | 174,110 |
| Allotment of shares upon exercise of share options | 17 | 22,195 | – | – | – | 22,195 |
| Allotment of shares upon issue of scrip dividend | 17 | 18,054 | – | – | – | 18,054 |
| Payment of 2003 final dividend | | – | – | (24,258) | – | (24,258) |
| Payment of 2004 interim dividend | | – | – | (27,298) | – | (27,298) |
| Dividend paid to and equity acquired from minority interests | | – | – | – | (8,119) | (8,119) |
| Disposal of partial interest in a subsidiary | | – | – | – | 4,133 | 4,133 |
| Reclassification from minority interests to loans from minority shareholders | | – | – | – | (7,715) | (7,715) |
| Transfer from retained earnings to other reserve | | – | 28 | (28) | – | – |
| | | 214,359 | 20,103 | (51,584) | (11,701) | 171,177 |
| Balance at 31 December 2004, as restated | | 1,029,599 | 948,550 | (424) | 187,719 | 2,165,444 |
| The Group's retained earnings/(accumulated losses) comprised: | | | | | | |
| Company and subsidiaries | | | | (271,002) | | |
| Associates | | | | 270,578 | | |
| | | | | <u>(424)</u> | | |

For the year ended 31 December 2005

| | Note | Attributable to equity holders of the Company | | | | Total US\$'000 |
|---|-----------|--|-------------------------------|--|-----------------------------------|-------------------|
| | | Share capital US\$'000 | Other reserves US\$'000 | Retained earnings/ (accumulated losses) US\$'000 | Minority interests US\$'000 | |
| Balance at 1 January 2005, as previously reported as equity | | 1,029,599 | 1,696,818 | 382,566 | – | 3,108,983 |
| Balance at 1 January 2005, as previously separately reported as minority interests | | – | – | – | 324,000 | 324,000 |
| Currency translation differences arising from adjustment of depreciation for hotel properties and amortisation of leasehold land | 2(a)(i) | – | 36,698 | – | 102 | 36,800 |
| Depreciation for hotel properties and amortisation of leasehold land, net of deferred income tax liabilities | 2(a)(i) | – | – | (520,192) | (40,360) | (560,552) |
| Revaluation surplus of investment properties to be recognised in income statement, net of deferred income tax liabilities | 2(a)(i) | – | (139,693) | 139,693 | – | – |
| Reversal of revaluation reserves for hotel properties, net of deferred income tax liabilities | 2(a)(i) | – | (665,348) | – | (96,023) | (761,371) |
| Issue of convertible bonds – equity component | 2(a)(iii) | – | 20,075 | – | – | 20,075 |
| Increase in finance costs of convertible bonds | 2(a)(iii) | – | – | (2,491) | – | (2,491) |
| Opening adjustment for adoption of HKAS 38 | 2(a)(iv) | – | – | 184,471 | – | 184,471 |
| Opening adjustment for adoption of HKAS 39 | 2(a)(v) | – | – | (12,196) | – | (12,196) |
| Balance at 1 January 2005, as restated | | 1,029,599 | 948,550 | 171,851 | 187,719 | 2,337,719 |
| Currency translation differences | | – | 2,504 | – | (2,297) | 207 |
| Net expenses recognised directly in equity | | – | 2,504 | – | (2,297) | 207 |
| Profit for the year | | – | – | 150,990 | 16,541 | 167,531 |
| Total recognised income for the year ended 31 December 2005 | | – | 2,504 | 150,990 | 14,244 | 167,738 |
| Issue of shares upon conversion of convertible bonds – equity component | 17 | 145,627 | (13,953) | – | – | 131,674 |
| Allotment of shares upon exercise of share options | 17 | 5,891 | – | – | – | 5,891 |
| Granting of option shares – value of employee service | 2(a)(ii) | – | 3,468 | – | – | 3,468 |
| Payment of 2004 final dividend | | – | – | (30,878) | – | (30,878) |
| Payment of 2005 interim dividend | | – | – | (32,612) | – | (32,612) |
| Dividend paid to and equity acquired from minority interests | | – | – | – | (11,437) | (11,437) |
| Equity injected from minority interests | | – | – | – | 282 | 282 |
| Net change in equity loans from minority interests | | – | – | – | 58,369 | 58,369 |
| | | 151,518 | (10,485) | (63,490) | 47,214 | 124,757 |
| Balance at 31 December 2005 | | 1,181,117 | 940,569 | 259,351 | 249,177 | 2,630,214 |
| The Group's retained earnings/(accumulated losses) comprised: | | | | | | |
| Company and subsidiaries | | | | (18,883) | | |
| Associates | | | | 278,234 | | |
| | | | | 259,351 | | |

Included in the retained profits of subsidiaries and associates are statutory funds of approximately US\$259,000 and US\$18,756,000 respectively (2004: US\$243,000 and US\$18,545,000). These funds are set up by way of appropriation from the profit after taxation of the respective companies, established and operating in the PRC, in accordance with the relevant laws and regulations.