

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th June, 2006

	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000	Translation reserve RMB'000	Non- distributable reserve RMB'000	PRC statutory reserves RMB'000	Retained profits RMB'000	Attributable to equity holders of the Company RMB'000	Minority interests RMB'000	Total RMB'000
At 1st January, 2006	101,342	885,259	(7,469)	(97)	87,245	31,959	440,204	1,538,443	—	1,538,443
Exchange differences arising from translation of overseas operations, representing net expense recognised in equity	—	—	—	(685)	—	—	—	(685)	—	(685)
Profit for the period	—	—	—	—	—	—	276,291	276,291	(6)	276,285
Total recognised (expense) income for the period	—	—	—	(685)	—	—	276,291	275,606	(6)	275,600
Capital contribution from a minority shareholder of a subsidiary	—	—	—	—	—	—	—	—	1,605	1,605
Transfers	—	—	—	—	—	10,063	(10,063)	—	—	—
At 30th June, 2006	101,342	885,259	(7,469)	(782)	87,245	42,022	706,432	1,814,049	1,599	1,815,648
At 1st January, 2005	37,780	—	(5,769)	(1,104)	2,822	31,938	191,127	256,794	3,001	259,795
Exchange differences arising from translation of overseas operations, representing net income recognised in equity	—	—	—	869	—	—	—	869	—	869
Profit for the period	—	—	—	—	—	—	133,195	133,195	462	133,657
Total recognised income for the period	—	—	—	869	—	—	133,195	134,064	462	134,526
Arising on group reorganisation	(30,298)	—	(1,700)	—	—	21	641	(31,336)	(3,463)	(34,799)
Capitalisation of retained profits	—	—	—	—	84,423	—	(84,423)	—	—	—
At 30th June, 2005	7,482	—	(7,469)	(235)	87,245	31,959	240,540	359,522	—	359,522

As stipulated by the relevant laws and regulations for foreign investment enterprises in the People's Republic of China (the "PRC"), the PRC subsidiaries of the Company are required to maintain three statutory reserves, being a statutory surplus reserve fund, an enterprise expansion fund and a staff welfare fund which are non-distributable. Appropriations to such reserves are made out of net profit after taxation of the statutory financial statements of the PRC subsidiaries of the Company and the allocation basis are decided by their board of directors annually. The statutory surplus reserve fund can be used to make up its prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue. The enterprise expansion fund is used for expanding the capital base of the PRC subsidiaries of the Company by means of capitalising issue. The staff welfare fund, which is to be used for the welfare of the staff and workers of the PRC subsidiaries of the Company, is of a capital nature.

The special reserve of the Group represents the difference between the nominal amount of the shares issued by the Company and the aggregate amount of the paid-in capital of subsidiaries acquired pursuant to the Group's reorganisation in preparation for the listing of the Company's shares.

The non-distributable reserve of the Group arose as a result of capitalisation of retained profits by subsidiaries of the Company.