

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2005

	Attributable to equity holders of the parent										
	Share capital	Share premium	Discretionary common reserve	Statutory public welfare fund	Statutory common reserve	Goodwill reserve	Investment property revaluation reserve	Dividend reserve	Accumulated profits	Total	Minority interests
	RMB'000	RMB'000	RMB'000 Note (a)	RMB'000 Note (b)	RMB'000 Note (c)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2004	1,197,742	996,660	173,304	134,882	151,387	(28,155)	-	-	471,048	3,096,868	1,789,977
Profit for the period	-	-	-	-	-	-	-	-	129,521	129,521	98,931
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	-	-	(12,699)
At 30 June 2004 (unaudited)	1,197,742	996,660	173,304	134,882	151,387	(28,155)	-	-	600,569	3,226,389	1,876,209
Minority interest arising on acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	1,922
Minority interest arising on dilution of interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	37,675
Revaluation surplus on investment property	-	-	-	-	-	-	2,737	-	-	2,737	426
Deferred tax liability arising from revaluation of investment properties	-	-	-	-	-	-	(474)	-	-	(474)	-
Profit for the period	-	-	-	-	-	-	-	-	70,252	70,252	144,874
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	-	-	(37,542)
Proposed final dividend	-	-	-	-	-	-	-	50,305	(50,305)	-	-
Transfer	-	-	-	48,222	63,863	-	-	-	(112,085)	-	-
At 31 December 2004 and 1 January 2005 (audited)	1,197,742	996,660	173,304	183,104	215,250	(28,155)	2,263	50,305	508,431	3,298,904	1,953,312
Effects of change in accounting policies (note 4)	-	-	-	-	-	28,155	(2,263)	-	(25,892)	-	-
Profit for the period	-	-	-	-	-	-	-	-	310,384	310,384	222,106
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	-	-	(102,562)
Declared of final dividend for 2004	-	-	-	-	-	-	-	(50,305)	-	(50,305)	-
Transfer	-	-	-	10,251	8,885	-	-	-	(19,136)	-	-
At 30 June 2005 (unaudited)	1,197,742	996,660	173,304	193,355	224,135	-	-	-	773,787	3,558,983	2,072,856

Notes:

- The discretionary common reserve represents the appropriation of certain percentage of profit after taxation of the subsidiaries in the People's Republic of China (the "PRC") as recommended by the directors of these subsidiaries as reported under the PRC statutory financial statements.
- The statutory public welfare fund represents the appropriation of 5% to 10% profit after taxation of the PRC subsidiaries as determined under the PRC accounting standards according to the relevant law and the regulations stipulated by the Ministry of Finance of the State Council. The fund can be applied only for the collective welfare of the employees of the Group in the PRC. The public welfare fund is not distributable to shareholders. There has been no utilisation of the public welfare fund during the period.
- The movement in the statutory common reserve represents the appropriation of 10% of profit after taxation of the PRC subsidiaries as determined under the PRC accounting standards in accordance with the relevant law and the regulations stipulated by the Ministry of Finance of the State Council. The appropriation may cease to apply if the balance of the statutory common reserve has reached or exceeded 50% of the registered capital of the PRC subsidiaries.

According to the Articles of Association of the Company and of its subsidiaries established in the PRC, discretionary and statutory common reserves can be used to offset prior year losses, to expand business operations of the PRC subsidiaries or to increase registered capital by way of conversion of reserve to registered capital, provided that the amount of unconverted statutory common reserve shall not be less than 25% of the registered capital of the PRC subsidiaries.