

# Consolidated Statement of Changes in Equity

For the Year ended December 31, 2005

	Issued capital Rmb'000	Share premium account Rmb'000	Goodwill reserve Rmb'000	Statutory surplus reserve Rmb'000	Statutory public welfare fund Rmb'000	Dividend reserve Rmb'000	Retained profits Rmb'000	Attributable to equity holders of the Company Rmb'000	Minority interests Rmb'000	Total Rmb'000
At January 1, 2004 as originally stated	4,343,115	3,645,726	(352,860)	710,497	340,221	477,743	981,537	10,145,979	—	10,145,979
Effect of change in accounting policy	—	—	—	—	—	—	—	—	1,012,417	1,012,417
At January 1, 2004 as restated	4,343,115	3,645,726	(352,860)	710,497	340,221	477,743	981,537	10,145,979	1,012,417	11,158,396
Profit for the year and total recognised income	—	—	—	—	—	—	1,225,699	1,225,699	130,758	1,356,457
Interim dividend (note 15)	—	—	—	—	—	—	(173,724)	(173,724)	—	(173,724)
Dividends paid to minority interests	—	—	—	—	—	—	—	—	(52,350)	(52,350)
Dividends paid to shareholders of the Company	—	—	—	—	—	(477,743)	—	(477,743)	—	(477,743)
Capital contribution by minority shareholders	—	—	—	—	—	—	—	—	1,470	1,470
Transfer to reserves	—	—	—	182,454	91,227	—	(273,681)	—	—	—
Proposed final dividend (note 15)	—	—	—	—	—	651,467	(651,467)	—	—	—
At December 31, 2004 and as restated beginning of year	4,343,115	3,645,726	(352,860)	892,951	431,448	651,467	1,108,364	10,720,211	1,092,295	11,812,506
Effect of change in accounting policy	—	—	352,860	—	—	—	(352,860)	—	—	—
	4,343,115	3,645,726	—	892,951	431,448	651,467	755,504	10,720,211	1,092,295	11,812,506
Interim dividend (note 15)	—	—	—	—	—	—	(304,018)	(304,018)	—	(304,018)
Profit for the year and total recognised income	—	—	—	—	—	—	1,431,192	1,431,192	141,104	1,572,296
Dividends paid to minority interests	—	—	—	—	—	—	—	—	(65,449)	(65,449)
Dividends paid to shareholders of the Company	—	—	—	—	—	(651,467)	—	(651,467)	—	(651,467)
Transfer to reserve	—	—	—	175,103	—	—	(175,103)	—	—	—
Proposed final dividend (note 15)	—	—	—	—	—	651,467	(651,467)	—	—	—
At December 31, 2005	4,343,115	3,645,726	—	1,068,054	431,448	651,467	1,056,108	11,195,918	1,167,950	12,363,868

## STATUTORY SURPLUS RESERVE

In accordance with the Company Law of the PRC and the companies' articles of association, the Company, its subsidiaries, associates and jointly-controlled entity (collectively the "Entities") are required to allocate 10% of the profit after tax, as determined in accordance with the PRC accounting standards and regulations applicable to the Entities, to the statutory surplus reserve until such reserve reaches 50% of the registered capital of the Entities. Subject to certain restrictions set out in the Company Law of the PRC and the respective articles of association of the Entities, part of the statutory surplus reserve may be converted to increase the Entities' share capital.

## STATUTORY PUBLIC WELFARE FUND

In prior years, in accordance with the Company Law of the PRC, the Entities are required to transfer 5% to 10% of the profit after tax, as determined in accordance with the PRC accounting standards and regulations applicable to the Entities, to the statutory public welfare fund, which is a non-distributable reserve other than in the event of the liquidation of the Entities. The statutory public welfare fund must be used for capital expenditure on staff welfare facilities and these facilities remain as the properties of the Entities.

Under the amended Company Law of the PRC, the Group does not require to make appropriation to statutory public welfare fund in 2005.

According to the relevant regulations in the PRC, the amount of profit available for distribution is the lower of the amount determined under the PRC accounting standards and financial regulations and the amount determined under HKFRSs.

As at December 31, 2005, in accordance with the Company Law of the PRC, the amount of approximately Rmb3,645,726,000 (2004: Rmb3,645,726,000) standing to the credit of the Company's share premium account was available by way of capitalisation issues.