

Consolidated Statement of Changes in Equity

For the year ended 31 December 2006

	Attributable to equity holders of the Company							
	Share capital RMB'000	Share premium RMB'000	Statutory surplus reserve RMB'000	Statutory public welfare fund RMB'000	Retained profits RMB'000	Total RMB'000	Minority interests RMB'000	Total RMB'000
At 1 January 2005	5,037,748	5,730,454	617,028	308,515	1,576,517	13,270,262	413,464	13,683,726
Profit for the year and total income recognised	—	—	—	—	668,028	668,028	32,854	700,882
Appropriations	—	—	88,591	44,296	(132,887)	—	—	—
Dividends	—	—	—	—	(730,473)	(730,473)	—	(730,473)
Dividends paid to minority shareholders	—	—	—	—	—	—	(29,410)	(29,410)
At 31 December 2005	5,037,748	5,730,454	705,619	352,811	1,381,185	13,207,817	416,908	13,624,725
At 1 January 2006	5,037,748	5,730,454	705,619	352,811	1,381,185	13,207,817	416,908	13,624,725
Transfer (note)	—	—	352,811	(352,811)	—	—	—	—
Profit for the year and total income recognised	—	—	—	—	1,174,111	1,174,111	39,167	1,213,278
Appropriations	—	—	135,704	—	(135,704)	—	—	—
Dividends	—	—	—	—	(730,473)	(730,473)	—	(730,473)
Dividends paid to minority shareholders	—	—	—	—	—	—	(28,247)	(28,247)
At 31 December 2006	5,037,748	5,730,454	1,194,134	—	1,689,119	13,651,455	427,828	14,079,283

Note:

In accordance with “Cai Qi [2006] No.67, Notice of accounting treatment as a result of the implementation of the PRC Company Law”, the balance of statutory public welfare fund at 31 December 2005 is transferred to the statutory surplus reserve. Further, effective from 1 January 2006, appropriation of the profit as reported under the People’s Republic of China (“PRC”) statutory financial statements to the statutory public welfare fund is no longer required.

In accordance with the PRC Company Law and the articles of association, each of the Company and its subsidiaries registered in the PRC are required to appropriate 10% of the annual profit after taxation (after offsetting any prior years’ losses), as reported under the PRC statutory financial statements to the statutory surplus reserve. When the balance of such reserve fund reaches 50% of each entity’s capital, any further appropriation is optional. The statutory surplus reserve can be utilised to offset prior years’ losses or to increase capital. However, such balance of the statutory surplus reserve must be maintained at a minimum of 25% of capital after such usages.

Title of statutory surplus reserve will remain with the respective companies comprising the Group.

Statutory surplus reserve cannot be used for purposes other than those for which they are created and are not distributable as cash dividends.