

Consolidated Statement of Changes in Equity

For the year ended December 31, 2006

	Share capital Rmb'000	Share premium 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, 2005	4,343,115	3,645,726	892,951	431,448	651,467	755,504	10,720,211	1,092,295	11,812,506
Profit for the year and total recognised income	—	—	—	—	—	1,431,192	1,431,192	141,104	1,572,296
Dividend paid to minority interests	—	—	—	—	—	—	—	(65,449)	(65,449)
Interim dividend	—	—	—	—	—	(304,018)	(304,018)	—	(304,018)
Dividend paid to shareholders of the Company	—	—	—	—	(651,467)	—	(651,467)	—	(651,467)
Proposed final dividend	—	—	—	—	651,467	(651,467)	—	—	—
Transfer to reserve	—	—	175,103	—	—	(175,103)	—	—	—
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	(109,095)
Profit for the year and total recognised income	—	—	—	—	—	1,652,871	1,652,871	206,020	1,858,891
Dividend paid to minority interests	—	—	—	—	—	—	—	(109,095)	(109,095)
Interim dividend	—	—	—	—	—	(304,018)	(304,018)	—	(304,018)
Dividend paid to shareholders of the Company	—	—	—	—	(651,467)	—	(651,467)	—	(651,467)
Proposed final dividend (Note 13)	—	—	—	—	868,623	(868,623)	—	—	—
Transfer to reserve	—	—	588,388	(431,448)	—	(156,940)	—	—	—
Acquisition of a subsidiary	—	—	—	—	—	—	—	194,273	194,273
At December 31, 2006	4,343,115	3,645,726	1,656,442	—	868,623	1,379,398	11,893,304	1,459,148	13,352,452

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STATUTORY SURPLUS RESERVE

In accordance with the Company Law of the People's Republic of China (the "PRC") and the respective articles of association of the Entities (as defined below), 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 respective 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 respective Entities' 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 non-distributable except 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 property of the Entities.

Under the amended Company Law of the PRC effective January 1, 2006, the Group is no longer required to make appropriation to the statutory public welfare fund. Pursuant to a circular on enterprise financial treatments following the implementation of the amended Company law of the PRC issued by the Ministry of Finance (Cai Qi [2006] No. 67), the Group transferred the balance of the statutory public welfare fund at December 31, 2005 amounting to Rmb431,448,000 to the statutory surplus reserve.

According to the relevant regulations in the PRC, the amount of profit available for distribution is the lower of the amount determined under PRC accounting standards and financial regulations and the amount determined under Hong Kong Financial Reporting Standards.