

Consolidated

Statement of Changes in Equity

For the year ended 31st December, 2006

	Attributable to equity holders of the Company										
	Share capital	Share premium	Capital reserve	Statutory surplus reserve	Statutory welfare reserve	Revaluation reserve	Retained profits	Total	Minority interests	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
At 1st January, 2005	330,000	1,106,042	30,607	81,328	40,663	—	598,688	2,187,328	—	2,187,328	
Profit for the year, representing total recognised income for the year	—	—	—	—	—	—	315,203	315,203	1,480	316,683	
Shares issued by subsidiaries to minority interests	—	—	—	—	—	—	—	—	60,900	60,900	
Dividends paid	—	—	—	—	—	—	(103,950)	(103,950)	—	(103,950)	
Transfer	—	—	—	30,791	15,395	—	(46,186)	—	—	—	
At 31st December, 2005	330,000	1,106,042	30,607	112,119	56,058	—	763,755	2,398,581	62,380	2,460,961	
Revaluation increase on acquisition of additional interests in an associate and income recognised directly in equity (Note 30)	—	—	—	—	—	3,736	—	3,736	—	3,736	
Profit for the year	—	—	—	—	—	—	702,695	702,695	5,315	708,010	
Total recognised income for the year	—	—	—	—	—	3,736	702,695	706,431	5,315	711,746	
Dividends paid	—	—	—	—	—	—	(120,450)	(120,450)	—	(120,450)	
Transfer	—	—	—	68,495	—	—	(68,495)	—	—	—	
At 31st December, 2006	330,000	1,106,042	30,607	180,614	56,058	3,736	1,277,505	2,984,562	67,695	3,052,257	

As stipulated by the relevant regulations of the People's Republic of China (the "PRC"), the aggregate allocations to the statutory surplus reserve is 10% of the Group's profit after tax under the relevant accounting principles and financial regulations applicable to companies established in the PRC (the "PRC GAAP").

For and up to 31st December, 2005, the aggregate allocations of the statutory welfare reserve was 5% of the Group's profit after tax under the PRC GAAP. No such statutory allocation is required from 1st January, 2006.

According to the provision of Articles of Association of the Company and its subsidiaries, the statutory surplus reserve shall only be used for making up losses, capitalisation into share capital and expansion of the relevant entity's production and operation. The statutory welfare fund is used for the collective welfare of the relevant entity's staff and workers.

According to the Company's Articles of Association, distribution of profit by the Company is determined with reference to the profit as reported under the PRC GAAP or Hong Kong Financial Reporting Standards, whichever is less.

Pursuant to the merger agreement as detailed in note 13, the Company had committed not to declare or pay a dividend or make a distribution to its shareholders which exceed the Company's 2006 interim dividend if the merger was not completed by 30th April, 2007.