

Consolidated Statement of Changes in Shareholders' Equity

(Prepared in accordance with International Financial Reporting Standards)

FOR THE YEAR ENDED 31ST DECEMBER, 2002

(Amounts expressed in thousands of Rmb)

| The Company and its subsidiaries | | | | | | | | |
|--|----------------------------|---|--|-------------------------------|--|-------------------|-------------|-------------|
| | Share Capital (Note 19) | Additional Paid-in Capital (Note 19) | Dedicated Capital (Note 20) | | Equity Component of Convertible Notes (Note 22) | Retained Earnings | Total | |
| | | | Statutory and discretionary surplus reserve fund | Statutory public welfare fund | Sub-total | | | |
| Balance at 1st January, 2001 | 5,650,000 | 7,717,674 | 1,532,664 | 490,037 | 2,022,701 | 510,506 | 7,878,854 | 23,779,735 |
| Effect of adoption of IAS 39 (Note 22) | — | — | — | — | — | — | (463,921) | (463,921) |
| Dividend relating to 2000 | — | — | — | — | — | — | (1,243,000) | (1,243,000) |
| Net profit for the year ended 31st December, 2001 | — | — | — | — | — | — | 3,450,658 | 3,450,658 |
| Transfer to dedicated capital | — | — | 363,606 | 272,705 | 636,311 | — | (636,311) | — |
| Issuance and sale of 350,000,000 new Domestic Shares, net of direct issuance costs (Note 19) | 350,000 | 2,420,058 | — | — | — | — | — | 2,770,058 |
| Balance at 31st December, 2001 | 6,000,000 | 10,137,732 | 1,896,270 | 762,742 | 2,659,012 | 510,506 | 8,986,280 | 28,293,530 |
| Dividend relating to 2001 | — | — | — | — | — | — | (1,800,000) | (1,800,000) |
| Net profit for the year ended 31st December, 2002 | — | — | — | — | — | — | 3,921,004 | 3,921,004 |
| Conversion of convertible notes to share capital (Note 22) | 274 | 1,696 | — | — | — | (444) | — | 1,526 |
| Redemption of convertible notes (Note 22) | — | 465,415 | — | — | — | (465,415) | — | — |
| Transfer from statutory public welfare fund to discretionary surplus reserve fund | — | — | 15,398 | (15,398) | — | — | — | — |
| Transfer to dedicated capital | — | — | 408,235 | 306,176 | 714,411 | — | (714,411) | — |
| Balance at 31st December, 2002 | 6,000,274 | 10,604,843 | 2,319,903 | 1,053,520 | 3,373,423 | 44,647 | 10,392,873 | 30,416,060 |

The accompanying notes are an integral part of these financial statements.