

Consolidated Statement of Changes in Shareholders' Equity

(Prepared in accordance with International Financial Reporting Standards)
FOR THE YEAR ENDED 31st DECEMBER, 2003
(Amounts expressed in thousands of Rmb)

	The Company and its subsidiaries						Retained Earnings	Total
	Share Capital (Note 19)	Additional Paid-in Capital (Note 19)	Dedicated Capital (Note 20)		Equity Component of Convertible Notes (Note 22)	Sub-total		
			Statutory and discretionary surplus reserve fund	Statutory public welfare fund				
Balance at 1st January, 2002	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
Dividend relating to 2002	—	—	—	—	—	—	(2,049,408)	(2,049,408)
Net profit for the year ended 31st December, 2003	—	—	—	—	—	—	5,430,408	5,430,408
Conversion of convertible notes to share capital (Note 22)	27,397	175,290	—	—	—	(44,392)	—	158,295
Transfer from statutory public welfare fund to discretionary surplus reserve fund	—	—	2,104	(2,104)	—	—	—	—
Transfer to dedicated capital	—	—	545,714	409,286	955,000	—	(955,000)	—
Balance at 31st December, 2003	6,027,671	10,780,133	2,867,721	1,460,702	4,328,423	255	12,818,873	33,955,355

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