

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 December 2003

(All amounts expressed in thousands of Renminbi)

	Issued share capital	Share premium account	Revaluation reserve	Cumulative translation reserve	Statutory and non-distributive reserve	Retained earnings	Total
Balances at 1 January 2002	876,978	20,761,205	274,671	(5,648)	1,535,360	10,166,097	33,608,663
Net profit for the year	-	-	-	-	-	9,232,827	9,232,827
Appropriation to statutory reserve	-	-	-	-	697,050	(697,050)	-
Dividends (Note 16)	-	-	-	-	-	(2,265,054)	(2,265,054)
Foreign currency translation differences	-	-	-	(7,948)	-	-	(7,948)
Net losses not recognised in the income statement	-	-	-	(7,948)	-	-	(7,948)
Balances at 1 January 2003	876,978	20,761,205	274,671	(13,596)	2,232,410	16,436,820	40,568,488
Net profit for the year	-	-	-	-	-	11,535,490	11,535,490
Appropriation to statutory reserve	-	-	-	-	818,079	(818,079)	-
Dividends (Note 16)	-	-	-	-	-	(5,403,689)	(5,403,689)
Transfer to/(from) reserve (Note 1)	-	-	-	-	5,000,000	(5,000,000)	-
Foreign currency translation differences	-	-	-	36,243	-	-	36,243
Net gains not recognised in the income statement	-	-	-	36,243	-	-	36,243
Balances at 31 December 2003	876,978	20,761,205	274,671	22,647	8,050,489	16,750,542	46,736,532

Note 1: During the year, one of the Company's subsidiaries - CNOOC China Limited increased its share capital through the reinvestment of its retained earnings from prior periods. The reinvestment was approved by the relevant government authorities in October 2003.

\* These reserve accounts comprise the consolidated reserves of RMB45,859,554,000 (2002: RMB39,691,510,000) on the consolidated balance sheet.