

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2003

(All amounts expressed in thousands of Renminbi ("Rmb"))

	Note	Share capital	Share premium	Revaluation surplus	Statutory and discretionary reserves	Retained earnings	Total
The Group and the Company							
Balance as at 1 January 2002, as previously reported		3,846,150	2,253,003	229,862	260,047	371,611	6,960,673
Effect of accounting for defined benefit pension and post-retirement benefit obligations		—	(43,355)	—	—	(16,902)	(60,257)
Balance as at 1 January 2002, as restated		3,846,150	2,209,648	229,862	260,047	354,709	6,900,416
Excess of the cost of acquisition over the value of the net assets acquired from the Parent Company		—	—	—	—	(6,648)	(6,648)
Net profit		—	—	—	—	506,817	506,817
Dividends	12						
— 2001 final dividend		—	—	—	—	(131,692)	(131,692)
— 2002 interim dividend		—	—	—	—	(67,615)	(67,615)
Transfer to statutory and discretionary reserves	35	—	—	—	175,042	(175,042)	—
Balance as at 31 December 2002		<u>3,846,150</u>	<u>2,209,648</u>	<u>229,862</u>	<u>435,089</u>	<u>480,529</u>	<u>7,201,278</u>
Representing:							
Share capital and reserves		3,846,150	2,209,648	229,862	435,089	272,683	6,993,432
2002 proposed final dividend		—	—	—	—	207,846	207,846
Balance as at 31 December 2002		<u>3,846,150</u>	<u>2,209,648</u>	<u>229,862</u>	<u>435,089</u>	<u>480,529</u>	<u>7,201,278</u>
The Group and the Company							
Balance as at 1 January 2003		3,846,150	2,209,648	229,862	435,089	480,529	7,201,278
Net profit		—	—	—	—	393,006	393,006
Dividends	12						
— 2002 final dividend		—	—	—	—	(207,846)	(207,846)
— 2003 interim dividend		—	—	—	—	(49,654)	(49,654)
Transfer to statutory and discretionary reserves	35	—	—	—	173,119	(173,119)	—
Balance as at 31 December 2003		<u>3,846,150</u>	<u>2,209,648</u>	<u>229,862</u>	<u>608,208</u>	<u>442,916</u>	<u>7,336,784</u>
Representing:							
Share capital and reserves		3,846,150	2,209,648	229,862	608,208	288,801	7,182,669
2003 proposed final dividend		—	—	—	—	154,115	154,115
Balance as at 31 December 2003		<u>3,846,150</u>	<u>2,209,648</u>	<u>229,862</u>	<u>608,208</u>	<u>442,916</u>	<u>7,336,784</u>

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