

Changes in Share Capital Structure and Substantial Shareholders

Changes in Share Capital Structure

For the year ended December 31, 2003

| | As at January 1, 2003 | Unit: '000 shares Par value: RMB1.00 Increase/(decrease) during 2003 | | | | | Subtotal | As at December 31, 2003 |
|--|-----------------------------|--|-------|--------------------------------|---------------------|--------|----------|-------------------------------|
| | | Share placing | Bonus | Transferred from premium | Additional issue | Others | | |
| 1. Unlisted shares | | | | | | | | |
| Promoter shares of which: | 2,396,300 | - | - | - | - | - | - | 2,396,300 |
| State-owned shares | 2,396,300 | - | - | - | - | - | - | 2,396,300 |
| Domestic legal person shares | - | - | - | - | - | - | - | - |
| Foreign legal person shares | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - |
| Subscribed legal person shares | - | - | - | - | - | - | - | - |
| Employees' shares | - | - | - | - | - | - | - | - |
| Preference shares and others of which: | | | | | | | | |
| Transferred or placed shares | - | - | - | - | - | - | - | - |
| Total unlisted shares | 2,396,300 | - | - | - | - | - | - | 2,396,300 |
| 2. Listed shares | | | | | | | | |
| Domestic listed RMB ordinary shares of which: | 200,000 | - | - | - | - | - | - | 200,000 |
| Held by senior management | 17.65 | - | - | - | - | - | - | 17.65 |
| Domestic listed foreign shares | - | - | - | - | - | - | - | - |
| Overseas listed foreign shares | 964,778 | - | - | - | - | - | - | 964,778 |
| Others | - | - | - | - | - | - | - | - |
| Total listed shares | 1,164,778 | - | - | - | - | - | - | 1,164,778 |
| 3. Total number of shares | 3,561,078 | - | - | - | - | - | - | 3,561,078 |

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Share Issue and Exchange Listing

From January 1, 2001 to December 31, 2003, the Company has not issued additional shares. The following table sets out trade information of the Company's shares for the two years ended December 31, 2003:

| Class | 2003 | | | 2002 | | |
|-----------------------------------|-------------------|--------------------|---------------|-------------------|--------------------|---------------|
| | A shares (RMB) | H shares (HK\$) | ADs (US\$) | A shares (RMB) | H shares (HK\$) | ADs (US\$) |
| Open price as at January 1 | 4.90 | 0.59 | 7.40 | 5.00 | 0.52 | 6.45 |
| The highest price during the year | 5.87 | 1.72 | 22.84 | 6.99 | 0.81 | 9.80 |
| The lowest price during the year | 4.42 | 0.57 | 7.35 | 2.90 | 0.48 | 5.75 |
| Close price as at December 31 | 4.78 | 1.53 | 20.34 | 4.48 | 0.59 | 7.40 |

Breakdown of Shareholders

As at December 31, 2003, the Company had a total of 58,254 shareholders, comprising 458 H shares shareholders, 57,795 A shares shareholders and one state-owned legal person shareholder.

Substantial Shareholders of Unlisted shares and Listed shares

As at December 31, 2003, the ten largest shareholders of the Company were as follows:

| Name of shareholders | Class | Number of shares held (shares) | Increase/ (decrease) since December 31, 2002 (shares) | Percentage of holding (%) |
|--|----------|-----------------------------------|---|------------------------------|
| 1. PetroChina Company Limited (holder of state-owned legal person shares)* | A shares | 2,396,300,000 | – | 67.2914 |
| 2. HKSCC Nominees Limited | H shares | 812,320,699 | 9,488,000 | 22.8111 |
| 3. Hong Kong & Shanghai Banking Corporation (Nominees) Limited | H shares | 135,287,300 | 192,000 | 3.7991 |
| 4. Zhang You Mei | A shares | 4,827,676 | 4,827,676 | 0.1356 |
| 5. Lu Yin Hua | A shares | 3,274,948 | 3,274,948 | 0.0920 |
| 6. Zeng Xian Kun | A shares | 2,843,689 | 2,843,689 | 0.0799 |
| 7. Qing Hai Securities Company Limited | A shares | 2,564,320 | 2,564,320 | 0.0720 |
| 8. Shenzhen Yin Tong Li Development Company Limited | A shares | 1,694,463 | 1,694,463 | 0.0475 |
| 9. Chen Yu | A shares | 1,690,000 | 1,690,000 | 0.0475 |
| 10. Jia Hong Li | A shares | 1,527,611 | 1,527,611 | 0.0429 |

Changes in Share Capital Structure and Substantial Shareholders

Notes:

1. No relationship was found among the ten largest shareholders of unlisted and listed shares of the Company.
2. The Company's shares held by PetroChina Company Limited ("PetroChina") are unlisted shares, the rest of the shares of the Company are listed shares.
- * The legal representative of PetroChina is Mr. Ma Fucai. PetroChina was established on November 5, 1999 and has a registered capital of RMB175,824,176,000. The total share capital of PetroChina is 175,824,176,000 shares, of which state-owned shares amounted to 158,241,758,000 shares and foreign invested shares (H shares and ADSs) amounted to 17,582,418,000 shares, representing 90% and 10% of the aggregate shares in issue, respectively. PetroChina's principal businesses consist of the exploration and production of crude oil and natural gas, crude oil refining, pipeline transportation and the production and sale of petrochemical products and natural gas products. No shares of the Company held by PetroChina were pledged in 2003.

China National Petroleum Corporation ("CNPC") is the controlling shareholder of PetroChina, holding 90% of the total share capital of PetroChina. CNPC was established in July 1998 with a registered capital of RMB114.9 billion. Mr. Ma Fucai is the legal representative of CNPC. The business scope of CNPC consists of exploration, production and sale of crude oil and natural gas, the production and sale of petroleum and petrochemical products, the transmission of natural gas, the construction of international and domestic petroleum projects, and the import and export of petroleum technology.

The above shareholders' interests as at December 31, 2003 had been recorded in the register of the Company kept pursuant to Section 336 of the Securities and Futures Ordinance.

As at December 31, 2003, there were no shareholders for whom HKSCC Nominees Limited and Hong Kong & Shanghai Banking Corporation (Nominees) Limited acted as agents, whose shareholding accounted for more than 5% of the total number of issued shares of the Company.

Substantial shareholders of Listed shares

As at December 31, 2003, the ten largest shareholders of listed shares of the Company were as follows:

| Name of shareholders | Class | Number of shares held (shares) |
|--|----------|-----------------------------------|
| 1. HKSCC Nominees Limited | H shares | 812,320,699 |
| 2. Hong Kong & Shanghai Banking Corporation (Nominees) Limited | H shares | 135,287,300 |
| 3. Zhang You Mei | A shares | 4,827,676 |
| 4. Lu Yin Hua | A shares | 3,274,948 |
| 5. Zeng Xian Kun | A shares | 2,843,689 |
| 6. Qing Hai Securities Company Limited | A shares | 2,564,320 |
| 7. Shenzhen Yin Tong Li Development Company Limited | A shares | 1,694,463 |
| 8. Chen Yu | A shares | 1,690,000 |
| 9. Jia Hong Li | A shares | 1,527,611 |
| 10. Zhang Li | A shares | 1,490,000 |

Note: No relationship was found among the ten largest shareholders of listed shares of the Company.

Change of Controlling Shareholder

During the reporting period, there was no change in the controlling shareholder of the Company.