

Consolidated Statement of Changes in Shareholders' Equity

(Prepared in accordance with International Financial Reporting Standards)
For the year ended 31st December, 2004
(Amounts expressed in thousands of RMB)

	The Company and its subsidiaries							Total
	Share Capital	Additional Paid-in Capital	Dedicated Capital			Equity Component of	Retained Earnings	
			Statutory and discretionary surplus reserve fund	Statutory public welfare fund	Sub-total	Convertible Notes		
Balance at 1st January, 2003	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 20)	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 (Note 21)	—	—	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
Dividend relating to 2003	—	—	—	—	—	—	(3,013,836)	(3,013,836)
Ordinary shares split (Note 20)	6,027,671	(1,808,301)	(1,205,534)	—	(1,205,534)	—	(3,013,836)	—
Net profit for the year ended 31st December, 2004	—	—	—	—	—	—	5,323,876	5,323,876
Conversion of convertible notes to share capital and redemption of convertible notes (Note 20)	41	352	(4)	—	(4)	(255)	(10)	124
Transfer from statutory public welfare fund to discretionary surplus reserve fund	—	—	1,600	(1,600)	—	—	—	—
Transfer to dedicated capital (Note 21)	—	—	538,906	404,179	943,085	—	(943,085)	—
Balance at 31st December, 2004	12,055,383	8,972,184	2,202,689	1,863,281	4,065,970	—	11,171,982	36,265,519

The notes on pages 101 to 150 is an integral part of these financial statements.