

Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2004

(All amounts expressed in thousands of Rmb)

	Note	Share capital	Capital reserve	Statutory surplus reserve	Statutory public welfare fund	Discretionary surplus reserve	Restricted reserve	Other reserve	Retained earnings	Total reserves	Total shareholders' equity
Balance as at 1 January 2003		5,162,849	3,653,421	1,107,529	112,317	2,976,397	194,161	-	1,172,605	9,216,430	14,379,279
Dividends declared		-	-	-	-	-	-	-	(619,542)	(619,542)	(619,542)
Net profit		-	-	-	-	-	-	-	1,811,799	1,811,799	1,811,799
Transfer between reserves	15(c)	-	-	-	(56,466)	56,466	-	-	-	-	-
Transfer to restricted reserves	15(e)	-	-	-	-	-	(32,360)	-	32,360	-	-
Profit appropriations	15	-	-	204,538	201,130	-	-	-	(405,668)	-	-
Convertible bond - equity component	15(f)	-	-	-	-	-	-	149,796	-	149,796	149,796
Balance as at 31 December 2003		5,162,849	3,653,421	1,312,067	256,981	3,032,863	161,801	149,796	1,991,554	10,558,483	15,721,332
Dividends declared	27	-	-	-	-	-	-	-	(903,499)	(903,499)	(903,499)
Net profit		-	-	-	-	-	-	-	2,292,584	2,292,584	2,292,584
Transfer between reserves	15(c)	-	-	-	(51,545)	51,545	-	-	-	-	-
Transfer to restricted reserves	15(e)	-	-	-	-	-	(32,360)	-	32,360	-	-
Transfer to discretionary surplus reserve	15(d)	-	-	-	-	509,077	-	-	(509,077)	-	-
Profit appropriations	15	-	-	307,488	259,052	-	-	-	(566,540)	-	-
Balance as at 31 December 2004		5,162,849	3,653,421	1,619,555	464,488	3,593,485	129,441	149,796	2,337,382	11,947,568	17,110,417

The accompanying notes are integral part of these financial statements.