CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Prepared under Hong Kong accounting standards)

Year ended 31 December 2004

At 1 January 2003 556,080 2,190 Issue of bonus shares 111,216 (111 Final 2002 dividend declared – – Exchange realignments and net gains not recognised in the profit and loss account – – Net profit from ordinary activities attributable to shareholders – – Transfer from retained profits 35 – – Proposed final 2003 dividend 12 – – At 31 December 2003 and 1 January 2004 667,296 2,079 Issue of bonus shares 34 160,151 3,574 Conversion of state owned equity interest shares 34 (1,384) (29 Share issue expenses 34 (1,384) (29 Share issue expenses 34 (1,384) (29 Share issue expenses 34 - (161 Final 2003 dividend declared – – Exchange realignments and net gains not recognised in the profit and loss account – – Net profit from ordinary activities attributable to shareholders – – Transfer from retained profits – –	apital Statutory serve reserves '000 RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Proposed final dividend RMB'000	Total RMB'000
Exchange realignments and net gains not recognised in the profit and loss account Net profit from ordinary activities attributable to shareholders Transfer from retained profits Proposed final 2003 dividend At 31 December 2003 and 1 January 2004 Issue of bonus shares Issue of H shares Conversion of state owned equity interest shares Final 2003 dividend declared Exchange realignments and net gains not recognised in the profit and loss account Net profit from ordinary activities attributable to shareholders Transfer from retained profits Proposed final 2004 dividend At 31 December 2004 Reserves retained by: Company and subsidiaries Associates At 31 December 2004 Company and subsidiaries Company and subsidiaries Associates At 31 December 2004 Company and subsidiaries Company and subsidiaries Company and subsidiaries Associates At 31 December 2004 Company and subsidiaries	,320 460,814	806	363,367	111,216	3,682,603
Exchange realignments and net gains not recognised in the profit and loss account Net profit from ordinary activities attributable to shareholders Transfer from retained profits Proposed final 2003 dividend At 31 December 2003 and 1 January 2004 Issue of bonus shares Issue of H shares Conversion of state owned equity interest shares Share issue expenses Final 2003 dividend declared Exchange realignments and net gains not recognised in the profit and loss account Net profit from ordinary activities attributable to shareholders Transfer from retained profits Proposed final 2004 dividend At 31 December 2004 Reserves retained by: Company and subsidiaries At 31 December 2004 Company and subsidiaries	,216) –	-	-	-	-
net gains not recognised in the profit and loss account Net profit from ordinary activities attributable to shareholders Transfer from retained profits Proposed final 2003 dividend At 31 December 2003 and 1 January 2004 Issue of bonus shares Issue of H shares Conversion of state owned equity interest shares Share issue expenses Final 2003 dividend declared Exchange realignments and net gains not recognised in the profit and loss account Net profit from ordinary activities attributable to shareholders Transfer from retained profits Proposed final 2004 dividend At 31 December 2004 Reserves retained by: Company and subsidiaries At 31 December 2004 Company and subsidiaries		-	-	(111,216)	(111,216
Profit and loss account Net profit from ordinary activities attributable to shareholders Transfer from retained profits Proposed final 2003 dividend At 31 December 2003 and 1 January 2004 Issue of bonus shares Issue of H shares Issue expenses Issue expenses If inal 2003 dividend declared Issue expenses Issue expe					
Net profit from ordinary activities attributable to shareholders Transfer from retained profits Proposed final 2003 dividend At 31 December 2003 and 1 January 2004 Issue of bonus shares Issue of H shares Conversion of state owned equity interest shares Share issue expenses Final 2003 dividend declared Exchange realignments and net gains not recognised in the profit and loss account Net profit from ordinary activities attributable to shareholders Transfer from retained profits Proposed final 2004 dividend At 31 December 2004 Reserves retained by: Company and subsidiaries At 31 December 2004 Company and subsidiaries Company and subsidiaries At 31 December 2004 Company and subsidiaries					
attributable to shareholders Transfer from retained profits Proposed final 2003 dividend At 31 December 2003 and 1 January 2004 Issue of bonus shares Issue of H shares Conversion of state owned equity interest shares Share issue expenses Transfer rom retained profits Profit and loss account Net profit from ordinary activities attributable to shareholders Transfer from retained profits Proposed final 2004 dividend At 31 December 2004 Reserves retained by: Company and subsidiaries At 31 December 2004 Company and subsidiaries		237	-	-	237
Transfer from retained profits Proposed final 2003 dividend At 31 December 2003 and 1 January 2004 Issue of bonus shares Issue of H shares Issue of H shares Issue of H shares Issue expenses Issue of H shares Is					
Proposed final 2003 dividend 12 – At 31 December 2003 and 667,296 2,079 Issue of bonus shares 133,459 1850,151 3,574 Conversion of state owned equity interest shares 34 (1,384) (29 Share issue expenses 34 – (161 Final 2003 dividend declared – – (161 Exchange realignments and net gains not recognised in the profit and loss account – – Net profit from ordinary activities attributable to shareholders – – Transfer from retained profits – – Proposed final 2004 dividend 12 – At 31 December 2004 959,522 5,462 Reserves retained by: 959,522 5,462 Company and subsidiaries – 959,522 5,462 At 31 December 2004 959,522 5,462 Company and subsidiaries – 667,296 2,079		_	1,028,306	_	1,028,306
At 31 December 2003 and 1 January 2004 Issue of bonus shares Issue of H shares Issue of honus	- 259,394	_	(259,394)	_	-
At 31 December 2003 and 1 January 2004 Issue of bonus shares Issue of H shares Issue expenses Issue expen		_	(200,188)	200,188	-
1 January 2004 667,296 2,079 Issue of bonus shares 133,459 133,459 Issue of H shares 34 160,151 3,574 Conversion of state owned equity interest shares 34 (1,384) (29 Share issue expenses 34 - (161 Final 2003 dividend declared - - Exchange realignments and net gains not recognised in the profit and loss account - - Net profit from ordinary activities attributable to shareholders - - Transfer from retained profits - - Proposed final 2004 dividend 12 - At 31 December 2004 959,522 5,462 Reserves retained by: - 959,522 5,462 Company and subsidiaries - 959,522 5,462 At 31 December 2004 959,522 5,462 Company and subsidiaries - 959,522 5,462 Company and subsidiaries 667,296 2,079					
Issue of bonus shares 133,459 Issue of H shares 34 160,151 3,574 Conversion of state owned equity interest shares 34 (1,384) (29 Share issue expenses 34 - (161 Final 2003 dividend declared - - Exchange realignments and net gains not recognised in the profit and loss account - - Net profit from ordinary activities attributable to shareholders - - Transfer from retained profits - - Proposed final 2004 dividend 12 - At 31 December 2004 959,522 5,462 Reserves retained by: 959,522 5,462 Company and subsidiaries - - At 31 December 2004 959,522 5,462 Company and subsidiaries - - At 31 December 2004 959,522 5,462 Company and subsidiaries 667,296 2,079	,104 720,208	1,043	932,091	200,188	4,599,930
Issue of H shares 34 160,151 3,574 Conversion of state owned equity interest shares 34 (1,384) (29 Share issue expenses 34 - (161 Final 2003 dividend declared - - Exchange realignments and net gains not recognised in the profit and loss account - - Net profit from ordinary activities attributable to shareholders - - Transfer from retained profits - - Proposed final 2004 dividend 12 - At 31 December 2004 959,522 5,462 Reserves retained by: 959,522 5,462 Company and subsidiaries - - At 31 December 2004 959,522 5,462 Company and subsidiaries - 959,522 5,462 Company and subsidiaries - 959,522 5,462	, 10+ 720,200	-	(133,459)		-,000,000
Conversion of state owned equity interest shares 34 (1,384) (29 Share issue expenses 34 - (161 Final 2003 dividend declared - - Exchange realignments and net gains not recognised in the profit and loss account - - Net profit from ordinary activities attributable to shareholders - - Transfer from retained profits - - Proposed final 2004 dividend 12 - At 31 December 2004 959,522 5,462 Reserves retained by: 959,522 5,462 Company and subsidiaries - - At 31 December 2004 959,522 5,462 Company and subsidiaries - 959,522 5,462 Company and subsidiaries - 959,522 5,462		_	(100,400)	_	3,734,722
equity interest shares Share issue expenses 34 - (161 Final 2003 dividend declared Exchange realignments and net gains not recognised in the profit and loss account Net profit from ordinary activities attributable to shareholders Transfer from retained profits Proposed final 2004 dividend At 31 December 2004 Reserves retained by: Company and subsidiaries At 31 December 2004 Q59,522 D462 Q59,522 D5,462 Q59,522 D462	371				0,704,722
Share issue expenses 34 - (161 Final 2003 dividend declared Exchange realignments and net gains not recognised in the profit and loss account Net profit from ordinary activities attributable to shareholders Transfer from retained profits Proposed final 2004 dividend 12 - At 31 December 2004 Reserves retained by: Company and subsidiaries Jointly-controlled entities Associates At 31 December 2004 Gompany and subsidiaries 667,296 2,079	4751 _	_	_	_	(30,859
Final 2003 dividend declared Exchange realignments and net gains not recognised in the profit and loss account Net profit from ordinary activities attributable to shareholders Transfer from retained profits Proposed final 2004 dividend At 31 December 2004 Reserves retained by: Company and subsidiaries Jointly-controlled entities Associates At 31 December 2004 Q59,522 Company and subsidiaries Associates At 31 December 2004 Company and subsidiaries G67,296 2,079	•				(161,685
Exchange realignments and net gains not recognised in the profit and loss account Net profit from ordinary activities attributable to shareholders Transfer from retained profits Proposed final 2004 dividend At 31 December 2004 Reserves retained by: Company and subsidiaries Jointly-controlled entities Associates At 31 December 2004 Q59,522 D462 Q59,522 D5,462	.000) –			(200,188)	(200,188
profit and loss account Net profit from ordinary activities attributable to shareholders Transfer from retained profits Proposed final 2004 dividend At 31 December 2004 Reserves retained by: Company and subsidiaries Jointly-controlled entities At 31 December 2004 959,522 5,462 959,522 5,462 Gompany and subsidiaries 4 31 December 2004 Company and subsidiaries 667,296 2,079				(200, 100)	(200,100
Net profit from ordinary activities attributable to shareholders Transfer from retained profits Proposed final 2004 dividend At 31 December 2004 Reserves retained by: Company and subsidiaries Jointly-controlled entities Associates At 31 December 2004 959,522 5,462 959,522 5,462 959,522 5,462 667,296 959,522 5,462		2,743	_	_	2,743
attributable to shareholders Transfer from retained profits Proposed final 2004 dividend At 31 December 2004 Reserves retained by: Company and subsidiaries Jointly-controlled entities Associates At 31 December 2004 959,522 5,462 959,522 5,462 667,296 959,522 5,462					
Proposed final 2004 dividend 12 – At 31 December 2004 959,522 5,462 Reserves retained by: 959,522 5,462 Company and subsidiaries 959,522 5,462 Jointly-controlled entities – - Associates – - At 31 December 2004 959,522 5,462 Company and subsidiaries 667,296 2,079		_	1,272,489	_	1,272,489
Proposed final 2004 dividend 12 – At 31 December 2004 959,522 5,462 Reserves retained by: 959,522 5,462 Company and subsidiaries 959,522 5,462 Jointly-controlled entities – - Associates – - At 31 December 2004 959,522 5,462 Company and subsidiaries 667,296 2,079	- 265,148	_	(265,148)	_	
At 31 December 2004 959,522 5,462 Reserves retained by: Company and subsidiaries 959,522 5,462 Jointly-controlled entities - Associates - At 31 December 2004 959,522 5,462 Company and subsidiaries 667,296 2,079		_	(239,880)	239,880	
Reserves retained by: 959,522 5,462 Company and subsidiaries 959,522 5,462 Jointly-controlled entities - - Associates - - At 31 December 2004 959,522 5,462 Company and subsidiaries 667,296 2,079	,515* 985,356*	* 3,786*			9,217,152
Jointly-controlled entities – Associates – At 31 December 2004 959,522 5,462 Company and subsidiaries 667,296 2,079	,010 000,000	2,733	1,000,000	200,000	0,217,102
Jointly-controlled entities – Associates – At 31 December 2004 959,522 5,462 Company and subsidiaries 667,296 2,079	,515 984,596	3,631	1,563,490	239,880	9,213,634
Associates - At 31 December 2004 959,522 5,462 Company and subsidiaries 667,296 2,079	- 760	155	1,673		2,588
At 31 December 2004 959,522 5,462 Company and subsidiaries 667,296 2,079		-	930	_	930
Company and subsidiaries 667,296 2,079	,515 985,356	3,786	1,566,093	239,880	9,217,152
· · ·		957	932,861	200,188	4,599,854
- Contrary Contrar Officer Children	- 760	86	(1,668)	200, 100	(82
Associates –		-	898		898
At 31 December 2003 667,296 2,079	,104 720,208	1,043	932,091	200,188	4,599,930

^{*} These reserve accounts comprise the consolidated reserve of approximately RMB8,017,750,000 (2003: RMB3,732,446,000) in the consolidated balance sheet.