## **CHANGES IN EQUITY**

Year ended 31 December 2004 (All amounts expressed in thousands of Renminbi)

| Balances at 1 January 2003     876,978     20,761,205     274,671     (13,596)     2,232,410     16,436,820     40,568,488       Net profit for the year     —     —     —     —     —     —     11,535,490     11,535,490       Appropriation to statutory reserve     —     —     —     818,079     (818,079)     —       Dividends (note 16)     —     —     —     —     5,000,000     (5,000,000)     —       Foreign currency translation differences     —     —     36,243     —     —     36,243       Net gains not recognised in the income statement     —     —     —     36,243     —     —     36,243       Repurchase of shares (note 31)     (392)     —     —     —     —     (60,761)     (61,753)       Transfer of reserves upon shares     —     —     —     —     —     —     —     —     —     —     —     —     —     —     —     36,243     —     —     …     36,243     …     …     …                                                                        |                                          | lssued<br>share<br>capital | Share<br>premium<br>account<br>and capital<br>redemption<br>reserve | Revaluation<br>reserve | Cumulative<br>translation<br>reserve | Statutory<br>and non-<br>distributable<br>reserve | Retained<br>earnings | Total       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------|---------------------------------------------------------------------|------------------------|--------------------------------------|---------------------------------------------------|----------------------|-------------|
| Appropriation to statutory reserve     -     -     -     818,079     (818,079)     -       Dividends (note 16)     -     -     -     -     5,000,000     (5,403,689)       Transfer to/(from) reserve     -     -     -     5,000,000     (5,000,000)     -       Foreign currency translation differences     -     -     36,243     -     -     36,243       Net gains not recognised in the income statement     -     -     36,243     -     -     36,243       Balances at 1 January 2004     876,978     20,761,205     274,671     22,647     8,050,489     16,750,542     46,736,532       Repurchase of shares (note 31)     (392)     -     -     -     (60,761)     (61,153)       Transfer of reserves upon shares     -     -     -     (60,761)     (61,153)       Transfer of reserves upon shares     -     -     -     -     (61,01,395)     -       Net profit for the year     -     -     -     -     16,185,778     16,185,778     16,185,778     16,101,395)<    | Balances at 1 January 2003               | 876,978                    | 20,761,205                                                          | 274,671                | (13,596)                             | 2,232,410                                         | 16,436,820           | 40,568,488  |
| Dividends (note 16)         (5,403,689)     (5,403,689)       Transfer to/(from) reserve       5,000,000     (5,000,000)        Foreign currency translation differences       36,243       36,243       Net gains not recognised in the income statement       36,243       36,243       Balances at 1 January 2004     876,978     20,761,205     274,671     22,647     8,050,489     16,750,542     46,736,532       Repurchase of shares (note 31)     (392)        (60,761)     (61,153)       Transfer of reserves upon shares repurchase (note 31)      392       (80,778)     16,185,778       Appropriation to statutory reserve        (13,63,121)        Dividends (note 16)        (42,301)      (42,301)       Net losses not recognised in the income statement     -     -     (42,201)     -     -     (42,201) </td <td>Net profit for the year</td> <td>_</td> <td>_</td> <td>_</td> <td>_</td> <td>_</td> <td>11,535,490</td> <td>11,535,490</td>                  | Net profit for the year                  | _                          | _                                                                   | _                      | _                                    | _                                                 | 11,535,490           | 11,535,490  |
| Transfer to/(from) reserve     -     -     -     5,000,000     (5,000,000)     -       Foreign currency translation differences     -     -     -     36,243     -     -     36,243       Net gains not recognised in the<br>income statement     -     -     -     36,243     -     -     36,243       Balances at 1 January 2004     876,978     20,761,205     274,671     22,647     8,050,489     16,750,542     46,736,532       Repurchase of shares (note 31)     (392)     -     -     -     (60,761)     (61,153)       Transfer of reserves upon shares     -     -     -     16,185,778     16,185,778     16,185,778       repurchase (note 31)     -     392     -     -     -     13,63,121     (1,363,121)     -       Net profit for the year     -     -     -     13,63,121     (1,363,121)     -     -       Dividends (note 16)     -     -     -     -     (42,301)     -     -     (42,301)       Net losses not recognised in the income statement             | Appropriation to statutory reserve       | _                          | _                                                                   | _                      | _                                    | 818,079                                           | (818,079)            | _           |
| Foreign currency translation differences     —     —     —     —     36,243     —     —     36,243       Net gains not recognised in the<br>income statement     —     —     —     36,243     —     —     36,243       Balances at 1 January 2004     876,978     20,761,205     274,671     22,647     8,050,489     16,750,542     46,736,532       Repurchase of shares (note 31)     (392)     —     —     —     —     (60,761)     (61,153)       Transfer of reserves upon shares<br>repurchase (note 31)     —     392     —     —     —     (392)     —       Net profit for the year     —     —     —     —     (16,153,778     16,185,778     16,185,778       Appropriation to statutory reserve     —     —     —     —     —     —     —     (61,01,395)     (61,01,395)     Foreign currency translation differences     —     —     —     —     —     —     42,301)     —     —     (42,301)       Net losses not recognised in the income statement     —     —     — | Dividends (note 16)                      | _                          | _                                                                   | _                      | _                                    | _                                                 | (5,403,689)          | (5,403,689) |
| Net gains not recognised in the<br>income statement     —     —     —     36,243     —     —     36,243       Balances at 1 January 2004     876,978     20,761,205     274,671     22,647     8,050,489     16,750,542     46,736,532       Repurchase of shares (note 31)     (392)     —     —     —     —     (60,761)     (61,153)       Transfer of reserves upon shares     —     —     —     —     —     (392)     —     —     —     —     (60,761)     (61,153)       Transfer of reserves upon shares     —     —     —     —     —     (60,761)     (61,153)       Net profit for the year     —     —     —     —     —     —     —     —     —     —     —     —     —     —     —     —     —     16,185,778     16,185,778     16,185,778     16,185,778     16,185,778     16,185,778     —     —     —     —     —     —     —     —     —     —     …     …     …     …                                                                                              | Transfer to/(from) reserve               | _                          | _                                                                   | _                      | _                                    | 5,000,000                                         | (5,000,000)          | _           |
| income statement     —     —     —     36,243     —     —     36,243       Balances at 1 January 2004     876,978     20,761,205     274,671     22,647     8,050,489     16,750,542     46,736,532       Repurchase of shares (note 31)     (392)     —     —     —     —     (60,761)     (61,153)       Transfer of reserves upon shares     —     —     —     —     (60,761)     (61,153)       Net profit for the year     —     —     —     —     —     (392)     —       Appropriation to statutory reserve     —     —     —     —     (61,185,778     16,185,778       Appropriation to statutory reserve     —     —     —     —     —     —     (6,101,395)     (6,101,395)       Foreign currency translation differences     —     —     —     —     —     —     —     (42,301)     —     —     (42,301)                                                                                                                                                                  | Foreign currency translation differences |                            |                                                                     |                        | 36,243                               |                                                   |                      | 36,243      |
| Balances at 1 January 2004     876,978     20,761,205     274,671     22,647     8,050,489     16,750,542     46,736,532       Repurchase of shares (note 31)     (392)     —     —     —     —     (60,761)     (61,153)       Transfer of reserves upon shares     —     392     —     —     —     (392)     —       Net profit for the year     —     392     —     —     —     (392)     —       Appropriation to statutory reserve     —     —     —     —     16,185,778     16,185,778       Appropriation to statutory reserve     —     —     —     —     —     —     (60,101,395)     (6,101,395)     (6,101,395)     (6,101,395)     (6,101,395)     (6,101,395)     (6,101,395)     (42,301)     —     —     (42,301)     —     —     (42,301)     —     —     (42,301)     —     —     (42,301)     —     —     (42,301)     —     —     (42,301)     —     —     (42,301)     —     —     (42,301)     —     —     <                                                     | Net gains not recognised in the          |                            |                                                                     |                        |                                      |                                                   |                      |             |
| Repurchase of shares (note 31)   (392)   -   -   -   -   (60,761)   (61,153)     Transfer of reserves upon shares   -   392   -   -   (392)   -     repurchase (note 31)   -   392   -   -   (392)   -     Net profit for the year   -   -   -   (16,185,778)   16,185,778     Appropriation to statutory reserve   -   -   -   1363,121   (1,363,121)   -     Dividends (note 16)   -   -   -   (42,301)   -   (42,301)   -   (42,301)     Net losses not recognised in the income statement   -   -   -   (42,301)   -   -   (42,301)                                                                                                                                                                                                                                                                                                                                                                                                                                                | income statement                         |                            |                                                                     |                        | 36,243                               |                                                   | _                    | 36,243      |
| Transfer of reserves upon shares     repurchase (note 31)   -   392   -   -   (392)   -     Net profit for the year   -   -   -   16,185,778   16,185,778     Appropriation to statutory reserve   -   -   -   1,363,121   (1,363,121)   -     Dividends (note 16)   -   -   -   (6,101,395)   (6,101,395)   (6,101,395)     Foreign currency translation differences   -   -   -   (42,301)   -   (42,301)     Net losses not recognised in the income statement   -   -   -   (42,301)   -   -   (42,301)                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Balances at 1 January 2004               | 876,978                    | 20,761,205                                                          | 274,671                | 22,647                               | 8,050,489                                         | 16,750,542           | 46,736,532  |
| repurchase (note 31)   -   392   -   -   (392)   -     Net profit for the year   -   -   -   -   16,185,778   16,185,778     Appropriation to statutory reserve   -   -   -   1,363,121   (1,363,121)   -     Dividends (note 16)   -   -   -   -   (6,101,395)   (6,101,395)     Foreign currency translation differences   -   -   -   (42,301)   -   (42,301)     Net losses not recognised in the income statement   -   -   -   (42,301)   -   -   (42,301)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Repurchase of shares (note 31)           | (392)                      | _                                                                   | _                      | _                                    | _                                                 | (60,761)             | (61,153)    |
| Net profit for the year   -   -   -   -   -   16,185,778   16,185,778     Appropriation to statutory reserve   -   -   -   1,363,121   (1,363,121)   -     Dividends (note 16)   -   -   -   -   (6,101,395)   (6,101,395)     Foreign currency translation differences   -   -   -   (42,301)   -   (42,301)     Net losses not recognised in the income statement   -   -   (42,301)   -   -   (42,301)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Transfer of reserves upon shares         |                            |                                                                     |                        |                                      |                                                   |                      |             |
| Appropriation to statutory reserve   -   -   -   -   1,363,121   (1,363,121)   -     Dividends (note 16)   -   -   -   -   -   (6,101,395)   (6,101,395)     Foreign currency translation differences   -   -   -   (42,301)   -   -   (42,301)     Net losses not recognised in the income statement   -   -   (42,301)   -   -   (42,301)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | repurchase (note 31)                     | _                          | 392                                                                 | _                      | _                                    | _                                                 | (392)                | _           |
| Dividends (note 16)   -   -   -   -   -   -   (6,101,395)   (6,101,395)     Foreign currency translation differences   -   -   -   (42,301)   -   -   (42,301)     Net losses not recognised in the income statement   -   -   -   (42,301)   -   -   (42,301)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Net profit for the year                  | _                          | _                                                                   | _                      | _                                    | _                                                 | 16,185,778           | 16,185,778  |
| Foreign currency translation differences — — — — (42,301)   Net losses not recognised in the income statement — — — — (42,301)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Appropriation to statutory reserve       | _                          | _                                                                   | _                      | _                                    | 1,363,121                                         | (1,363,121)          | _           |
| Net losses not recognised in the income statement — — — — (42,301) — — (42,301)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Dividends (note 16)                      | _                          | _                                                                   | _                      | _                                    | _                                                 | (6,101,395)          | (6,101,395) |
| income statement — — — — (42,301) — — (42,301)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Foreign currency translation differences |                            | _                                                                   | _                      | (42,301)                             | _                                                 | _                    | (42,301)    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Net losses not recognised in the         |                            |                                                                     |                        |                                      |                                                   |                      |             |
| Balances at 31 December 2004 876,586 20,761,597 274,671 (19,654) 9,413,610 25,410,651 56,717,461                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | income statement                         |                            | _                                                                   | _                      | (42,301)                             | _                                                 | _                    | (42,301)    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Balances at 31 December 2004             | 876,586                    | 20,761,597                                                          | 274,671                | (19,654)                             | 9,413,610                                         | 25,410,651           | 56,717,461  |

\* These reserve accounts comprise the consolidated reserves of RMB55,840,875,000 (2003: RMB45,859,554,000) in the consolidated balance sheet.