

# Statement of Movements in Shareholders Equity

(prepared under PRC accounting Standards and Systems)  
For the year ended 31st December 2002

Unit: RMB

| Item   | This year      | Last year      |
|--|----------------|----------------|
| 1. Share capital                               |                |                |
| Balance at beginning of year                   | 494,677,580.00 | 494,677,580.00 |
| Addition in the year                           | —              | —              |
| Including: Transfer from capital reserve       | —              | —              |
| Transfer from surplus reserve                  | —              | —              |
| Transfer from profit distribution              | —              | —              |
| New share capital                              | —              | —              |
| Deduction in the year                          | —              | —              |
| Balance at end of year                         | 494,677,580.00 | 494,677,580.00 |
| 2. Capital reserve                             |                |                |
| Balance at the beginning of year               | 651,976,983.72 | 651,976,983.72 |
| Addition in the year                           |                | 498.00         |
| Including: share premium                       |                |                |
| Donation in the form of assets                 |                |                |
| Donation in the form of cash                   |                |                |
| Provision for share investment                 |                | 498.00         |
| Transfer from appropriation                    |                |                |
| Exchange reserve                               |                |                |
| Other capital reserve                          |                |                |
| Deduction in the year                          | —              | —              |
| Including: capitalization as share capital     |                |                |
| Balance at end of year                         | 651,976,983.72 | 651,977,481.72 |
| 3. Statutory and discretionary surplus reserve |                |                |
| Balance at the beginning of year               | 68,676,008.93  | 67,873,745.09  |
| Addition in the year                           | 777,987.00     | 802,263.84     |
| Including: profit appropriation                | —              | —              |
| Including: statutory surplus reserve           | —              | —              |
| Discretionary surplus reserve                  |                | 87,813.84      |
| Reserve fund                                   | —              | —              |
| Company development fund                       | —              | —              |
| Transfer from statutory public welfare fund    | 777,987.00     | 714,450.00     |
| Deduction in the year                          | —              | —              |
| Including: set off losses                      | —              | —              |
| Capitalization as share capital                | —              | —              |
| Cash dividend distribution                     | —              | —              |
| Bonus share distribution                       | —              | —              |
| Balance at end of year                         | 69,453,995.93  | 68,676,008.93  |
| Including: statutory surplus reserve           | 48,998,046.01  | 48,998,046.01  |
| Reserve fund                                   | —              | —              |
| Company development fund                       | —              | —              |

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| 4. Statutory public welfare fund                              | —                | —                |
| Balance at the beginning of the year                          | 31,471,502.41    | 32,185,952.41    |
| Addition in the year  | —                | —                |
| Including: profit appropriation                               | —                | —                |
| Deduction in the year   | 777,987.00       | 714,450.00       |
| Including: collective welfare                                 | 777,987.00       | 714,450.00       |
| Balance at end of year  | 30,693,515.41    | 31,471,502.41    |
| 5. Profit distribution  |                  |                  |
| Balance at the beginning of year                              | (629,072,774.99) | (638,051,089.36) |
| Net profit in the year (prefix of "-" for loss)               | 15,916,851.36    | 8,978,314.37     |
| Profit distribution and appropriation                         | 108,719.06       |                  |
| Balance at end of year (prefix of "-" for accumulated losses) | (613,264,642.69) | (629,072,774.99) |