

SHAREHOLDERS EQUITY STATEMENT

(prepared under PRC accounting Standards and Systems)
As at 31st December 2004

Unit: RMB

Item	This period	Last period
Share capital		
Opening balance	494,677,580.00	494,677,580.00
Increase in the year	—	—
Including: transfer of capital reserve	—	—
transfer of surplus reserves	—	—
transfer of profit distribution	—	—
New share capital	—	—
Decrease in the year	—	—
Closing balance	494,677,580.00	494,677,580.00
Capital reserve		
Opening balance	651,977,481.72	651,977,481.72
Increase in the year	—	—
Including: excessive value of share capital	—	—
Provision of accepting contribution with non-cash assets	—	—
Accepting contribution in cash	—	—
Provision of dividend investment	—	—
Balance of connected transactions	—	—
Transfer of appropriate funds	—	—
Converting balance of foreign capital	—	—
Other capital reserves	—	—
Decrease in the year	—	—
including: share capital increment	—	—
Closing balance	651,977,481.72	651,977,481.72
Statutory and discretionary surplus fund		
Opening balance	69,554,695.93	69,453,995.93
Increase in the year	—	100,700.00
Including: recover from net profit	—	—
Statutory surplus fund	—	—
Discretionary surplus fund	—	100,700.00
Reserve fund	—	—
Company development fund	—	—
Transfer from discretionary surplus fund	—	—
Decrease in the year	—	—
Including: offset loss	—	—
Capital increment	—	—
Cash dividend or profit distribution	—	—
Shares dividend distribution	—	—
Closing balance	69,554,695.93	69,554,695.93
Including: Statutory surplus fund	48,998,046.01	48,998,046.01
Reserve fund	—	—
Company development fund	—	—
Statutory public welfare fund		
Opening balance	30,592,815.41	30,693,515.41
Increase in the year	—	—
Including: recover from net profit	—	—
decrease in the year	—	100,700.00
Including: other staff welfare expenses	—	100,700.00
Closing balance	30,592,815.41	30,592,815.41
Retained earnings		
Opening balance	-570,212,867.94	-613,264,642.69
Net profit of the year	33,672,983.77	43,051,774.75
Profit distribution	—	—
Closing balance	-536,539,884.17	-570,212,867.94