

Consolidated Statement of Changes in Equity

For the year ended December 31, 2004

Notes	Share capital	Capital reserve	Revenue reserve fund	Reserves			Net unrealized gains/ (losses)	Retained profits/ (accumulated deficits)	Total
				Common welfare fund	General reserve				
	RMB Million	RMB Million	RMB Million	RMB Million	RMB Million	RMB Million	RMB Million	RMB Million	
Balance, January 1, 2003	2,467	5,284	2,880	381	395	382	(102)	11,687	
Transfer from capital reserve to share capital	32	2,466	(2,466)	-	-	-	-	-	
Net profit for the year ended December 31, 2003	-	-	-	-	-	-	2,320	2,320	
Net losses on available-for-sale investments	-	-	-	-	-	(768)	-	(768)	
Net losses on available-for-sale investments removed from equity and reported in net profit	-	-	-	-	-	107	-	107	
Deferred tax recognized, net	30	-	-	-	-	99	-	99	
Appropriation to discretionary reserve	-	-	1,057	-	-	-	(1,057)	-	
2002 dividends declared	-	-	-	-	-	-	(493)	(493)	
Appropriations to statutory reserves	33	-	-	211	105	-	(316)	-	
Balance, December 31, 2003	4,933	2,818	4,148	486	395	(180)	352	12,952	
Issue of shares through initial public offering	32	1,262	12,564	-	-	-	-	13,826	
Share issue expenses	-	(547)	-	-	-	-	-	(547)	
Net profit for the year ended December 31, 2004	-	-	-	-	-	-	3,116	3,116	
Net losses on available-for-sale investments	-	-	-	-	-	(659)	-	(659)	
Net losses on available-for-sale investments removed from equity and reported in net profit	-	-	-	-	-	69	-	69	
Deferred tax recognized, net	30	-	-	-	-	88	-	88	
2003 dividends declared	33	-	-	-	-	-	(592)	(592)	
Appropriations to statutory reserves	33	-	-	261	130	-	(391)	-	
Balance, December 31, 2004	6,195	14,835	4,409	616	395	(682)	2,485	28,253	

The accompanying notes form an integral part of these financial statements.