

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2003 (Expressed in Renminbi)

| | Note | 2003 RMB million | 2002 RMB million |
|---|-------|---------------------|---------------------|
| Shareholders' equity at 1 January | | | |
| — as previously reported | | 172,202 | 111,779 |
| — prior year adjustment arising from change in accounting policy for deferred taxation | 2 | 1,063 | 1,204 |
| — as restated | | 173,265 | 112,983 |
| Net profit for the year (2002: restated) | | | |
| — as previously reported | | | 32,742 |
| — prior year adjustment arising from change in accounting policy for deferred taxation | 2 | | (141) |
| Net profit for the year (2002: as restated) | 33(a) | 35,556 | 32,601 |
| Dividends declared or approved during the year | | (10,018) | — |
| Movements in share capital: | | | |
| Issue of new shares | 31 | — | 25 |
| Issue of consideration shares for acquisition of subsidiaries | 31 | — | 88 |
| Net share premium arising on issuance of shares | 33(a) | — | 27,568 |
| Net increase in shareholders' equity arising from capital transactions with shareholders | | — | 27,681 |
| Shareholders' equity at 31 December | | 198,803 | 173,265 |

The notes on pages 74 to 112 form part of these financial statements.