

Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31st December 2005

(Prepared in accordance with International Financial Reporting Standards)

(Amounts expressed in thousands of RMB)

| | Attributable to equity holders of the Company | | | | | Available-for-sale investment revaluation reserve | Equity component of convertible notes | Retained earnings | Minority interests (Note 2(a)) | Total equity |
|---|---|----------------------------|---|-------------------------------|------------------|---|---------------------------------------|-------------------|--------------------------------|-------------------|
| | Share capital | Additional paid-in capital | Dedicated capital | | Sub-total | | | | | |
| | | | Statutory and discretionary surplus reserve funds | Statutory public welfare fund | | | | | | |
| | | | | | | | | | | |
| Balance as at 1st January 2005, as previously reported as equity | 12,055,383 | 8,972,184 | 2,202,689 | 1,863,281 | 4,065,970 | — | — | 11,171,982 | — | 36,265,519 |
| Balance as at 1st January 2005, as previously separately reported as minority interests | — | — | — | — | — | — | — | — | 3,266,393 | 3,266,393 |
| Effect of changes in accounting policy (Note 2(a)) | — | — | — | — | — | — | — | 1,261,120 | — | 1,261,120 |
| Balance as at 1st January 2005, as restated | 12,055,383 | 8,972,184 | 2,202,689 | 1,863,281 | 4,065,970 | — | — | 12,433,102 | 3,266,393 | 40,793,032 |
| Minority interests arising on business combinations (Note 5) | — | — | — | — | — | — | — | — | 1,979,219 | 1,979,219 |
| Capital injection from minority shareholders of subsidiaries | — | — | — | — | — | — | — | — | 596,064 | 596,064 |
| Dividends waived by a shareholder of an associate | — | 15,923 | — | — | — | — | — | — | — | 15,923 |
| Dividends relating to 2004 | — | — | — | — | — | — | — | (3,013,846) | (196,992) | (3,210,838) |
| Dividends relating to 2005 | — | — | — | — | — | — | — | — | (214,088) | (214,088) |
| Net profit for the year ended 31st December 2005 | — | — | — | — | — | — | — | 4,871,794 | 676,117 | 5,547,911 |
| Fair value gains from available-for-sale investment – gross (Note 14) | — | — | — | — | — | 749,369 | — | — | — | 749,369 |
| Fair value gains from available-for-sale investment – tax (Note 29) | — | — | — | — | — | (112,405) | — | — | — | (112,405) |
| Transfer from statutory public welfare fund to discretionary surplus reserve fund | — | — | 3,473 | (3,473) | — | — | — | — | — | — |
| Transfer to dedicated capital (Note 22) | — | — | 476,262 | 357,197 | 833,459 | — | — | (833,459) | — | — |
| Balance as at 31st December 2005 | 12,055,383 | 8,988,107 | 2,682,424 | 2,217,005 | 4,899,429 | 636,964 | — | 13,457,591 | 6,106,713 | 46,144,187 |
| Balance as at 1st January 2004, as previously reported as equity | 6,027,671 | 10,780,133 | 2,867,721 | 1,460,702 | 4,328,423 | — | 255 | 12,818,873 | — | 33,955,355 |
| Balance as at 1st January 2004, as previously separately reported as minority interests | — | — | — | — | — | — | — | — | 1,155,197 | 1,155,197 |
| Balance as at 1st January 2004, as restated | 6,027,671 | 10,780,133 | 2,867,721 | 1,460,702 | 4,328,423 | — | 255 | 12,818,873 | 1,155,197 | 35,110,552 |
| Minority interests arising on business combinations (Note 5) | — | — | — | — | — | — | — | — | 1,342,872 | 1,342,872 |
| Capital injection from minority shareholders of subsidiaries | — | — | — | — | — | — | — | — | 677,034 | 677,034 |
| Dividends relating to 2003 | — | — | — | — | — | — | — | (3,013,836) | (165,763) | (3,179,599) |
| Ordinary shares split | 6,027,671 | (1,808,301) | (1,205,534) | — | (1,205,534) | — | — | (3,013,836) | — | — |
| Net profit for the year ended 31st December 2004 | — | — | — | — | — | — | — | 5,323,876 | 257,053 | 5,580,929 |
| Conversion of convertible notes to share capital and redemption of convertible notes | 41 | 352 | (4) | — | (4) | — | (255) | (10) | — | 124 |
| Transfer from statutory public welfare fund to discretionary surplus reserve fund | — | — | 1,600 | (1,600) | — | — | — | — | — | — |
| Transfer to dedicated capital (Note 22) | — | — | 538,906 | 404,179 | 943,085 | — | — | (943,085) | — | — |
| Balance as at 31st December 2004 | 12,055,383 | 8,972,184 | 2,202,689 | 1,863,281 | 4,065,970 | — | — | 11,171,982 | 3,266,393 | 39,531,912 |

The notes on pages 104 to 178 are an integral part of these financial statements.