

Appendix III. Consolidated Statement of Changes in Equity

| | Notes V | 2006 In RMB thousand | 2005 In RMB thousand |
|--|---------|-------------------------|-------------------------|
| Share capital | 39 | | |
| Beginning/end of year | | 6,195,053 | 6,195,053 |
| Capital reserve | 40 | | |
| Beginning of year | | 15,162,575 | 15,146,431 |
| Additions | | 314 | 16,144 |
| End of year | | 15,162,889 | 15,162,575 |
| Statutory surplus reserve fund | 41 | | |
| Beginning of year | | 1,718,832 | 1,384,989 |
| Transferred from statutory public welfare fund | | 784,001 | – |
| Transferred from retained profits | | 599,682 | 333,843 |
| End of year | | 3,102,515 | 1,718,832 |
| Discretionary surplus reserve fund | | | |
| Beginning/end of year | | 3,023,577 | 3,023,577 |
| Statutory public welfare fund | 41 | | |
| Beginning of year | | 784,001 | 617,080 |
| Transferred to statutory surplus reserve fund | | (784,001) | 166,921 |
| End of year | | – | 784,001 |
| General reserve | | | |
| Beginning/end of year | | 394,510 | 394,510 |
| General risk provision | 42 | | |
| Beginning of year | | – | – |
| Transferred from retained profits | | 16,752 | – |
| End of year | | 16,752 | – |
| General provision | 42 | | |
| Beginning of year | | 35,679 | – |
| Transferred from retained profits | | 40,954 | 35,679 |
| End of year | | 76,633 | 35,679 |
| Loss provision for trust business | 42 | | |
| Beginning of year | | – | – |
| Transferred from retained profits | | 28,774 | – |
| End of year | | 28,774 | – |
| Retained profits | 43 | | |
| Beginning of year | | 5,349,779 | 3,415,101 |
| Net profit for the year | | 5,985,962 | 3,338,428 |
| Appropriation to statutory surplus reserve fund | | (599,682) | (333,843) |
| Appropriation to statutory public welfare fund | | – | (166,921) |
| Appropriation to general risk provision | | (16,752) | – |
| Appropriation to general provision | | (40,954) | (35,679) |
| Appropriation to loss provision for trust business | | (28,774) | – |
| Dividends | | (1,982,417) | (867,307) |
| End of year | | 8,667,162 | 5,349,779 |
| Total shareholders' equity | | 36,667,865 | 32,664,006 |