

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2006

(Expressed in millions of Renminbi unless otherwise stated)

	Note	2006						Total	
		Share capital	Capital reserve	Surplus reserve	Investment revaluation reserve	Regulatory general reserve	Retained profits		Proposed profit appropriations
At 1 January 2006		10,374	6,095	1,591	404	3,000	2,918	1,616	25,998
Net profit for the year		-	-	-	-	-	6,794	-	6,794
H-Shares issued	28	2,420	-	-	-	-	-	-	2,420
Share premium arising from H-Shares issued	29	-	18,085	-	-	-	-	-	18,085
Appropriations to statutory surplus reserve and statutory public welfare fund for the year 2005		-	-	786	-	-	-	(786)	-
Proposed dividends									
– for the year 2005	33(b)(ii)	-	-	-	-	-	(153)	153	-
– for the year 2006	33(b)	-	-	-	-	-	(1,764)	1,764	-
– special	33(b)(iii)	-	-	-	-	-	(2,210)	2,210	-
Dividends for the year 2005 and special dividend paid	33(a)	-	-	-	-	-	-	(3,193)	(3,193)
Transfer of retained profits to regulatory general reserve		-	-	-	-	3,500	(3,500)	-	-
Capital reserve transferred to share capital upon issue of A-Shares	28, 29	971	(971)	-	-	-	-	-	-
Conversion of convertible bonds	28, 29	938	4,327	-	-	-	-	-	5,265
Realised on disposal of available-for-sale financial assets	31	-	-	-	(42)	-	-	-	(42)
Changes in fair value of available-for-sale financial assets	31	-	-	-	(167)	-	-	-	(167)
Proposed appropriations to statutory surplus reserve for the year 2006	33(b)	-	-	-	-	-	(711)	711	-
At 31 December 2006		14,703	27,536	2,377	195	6,500	1,374	2,475	55,160

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for the year ended 31 December 2006

(Expressed in millions of Renminbi unless otherwise stated)

	Note	2005						Proposed profit appropriations	Total
		Share capital	Capital reserve	Surplus reserve	Investment revaluation reserve	Regulatory general reserve	Retained profits		
At 1 January 2005		6,848	9,046	962	(65)	-	3,785	1,382	21,958
Net profit for the year		-	-	-	-	-	3,749	-	3,749
Appropriations to statutory surplus reserve and statutory public welfare fund for the year 2004		-	-	629	-	-	-	(629)	-
Dividends paid for the year 2004	33(a)	-	-	-	-	-	-	(753)	(753)
Transfer of retained profits to regulatory general reserve		-	-	-	-	3,000	(3,000)	-	-
Capital reserve transferred to share capital upon issue of A-Shares	28, 29	3,424	(3,424)	-	-	-	-	-	-
Conversion of convertible bonds	28, 29	102	473	-	-	-	-	-	575
Realised on disposal of available-for-sale financial assets	31	-	-	-	110	-	-	-	110
Changes in fair value of available-for-sale financial assets	31	-	-	-	359	-	-	-	359
Proposed appropriations to statutory surplus reserve and statutory public welfare fund for the year 2005	33(b)	-	-	-	-	-	(786)	786	-
Proposed dividends for the year 2005	33(b)	-	-	-	-	-	(830)	830	-
At 31 December 2005		10,374	6,095	1,591	404	3,000	2,918	1,616	25,998

The notes on pages 141 to 219 form part of these financial statements.