

**Consolidated Statement of Changes in Equity***For the year ended December 31, 2005*

	Attributable to equity holders of the company								
	Share capital	Share premium	Capital reserve	Statutory reserve	Revaluation reserve	Other reserve	Retained earnings	Minority interest	Total equity
	RMB million (Note 34)	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Balance as at January 1, 2004, as previously reported	1,819	34,168	—	—	1,998	—	5,391	3	43,379
Adjusted for the Acquisition (Note 2)	—	—	—	—	—	10,283	—	—	10,283
Balance as at January 1, 2004, as restated	1,819	34,168	—	—	1,998	10,283	5,391	3	53,662
Appropriation to statutory reserve (Note 11)	—	—	—	723	—	—	(723)	—	—
Revaluation surplus (Note 21(c))	—	—	—	—	3,863	—	—	—	3,863
Movement of deferred tax recognized in equity (Note 33)	—	—	—	—	846	2,355	(137)	—	3,064
Transfer to retained earnings	—	—	—	—	(697)	(241)	938	—	—
Transfer to capital reserve upon Listing Reorganization	—	—	265	—	—	—	(265)	—	—
Transfer from retained earnings to other reserve due to the Acquisition	—	—	—	—	—	(6,531)	6,531	—	—
Revaluation tax credit (Note 33)	—	—	—	—	(1,275)	—	—	—	(1,275)
Net income/(expense) recognized directly in equity	—	—	265	723	2,737	(4,417)	6,344	—	5,652
Profit for the year	—	—	—	—	—	—	2,699	—	2,699
Total income recognized for 2004	—	—	265	723	2,737	(4,417)	9,043	—	8,351
Issue of shares through global offering ("Global Offering") net of issue expense	362	8,582	—	—	—	—	—	—	8,944
Contributions from owner	—	—	—	—	—	—	3,995	—	3,995
Distributions to owner	—	—	—	—	—	—	(2,600)	—	(2,600)
Tax loss as utilized by owner (Note 33)	—	—	—	—	—	—	(704)	—	(704)
Net assets distributed to owner in accordance with Listing Reorganization	—	—	—	—	—	—	(6,047)	(3)	(6,050)
Distribution to an owner upon assignment of loan	—	—	—	—	—	—	(1,021)	—	(1,021)
Share-based payments (Note 3(a))	—	—	18	—	—	—	—	—	18
Balance at December 31, 2004	2,181	42,750	283	723	4,735	5,866	8,057	—	64,595

The notes on pages 87 to 158 are an integral part of these consolidated financial statements.



## Consolidated Statement of Changes in Equity (continued)

For the year ended December 31, 2005

	Attributable to equity holders of the company							Total equity
	Share capital	Share premium	Capital reserve	Statutory reserve	Revaluation reserve	Other reserve	Retained earnings	
	RMB million (Note 34)	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	
Balance as at December 31, 2004	2,181	42,750	283	723	4,735	5,866	8,057	64,595
Effect of adoption of HKFRSs:								
Derecognition of negative goodwill (Note 3(b))	—	—	—	—	—	—	166	166
Financial Instruments (Note 3(d))	—	—	—	—	—	—	1	1
Balance as at January 1, 2005, as restated	2,181	42,750	283	723	4,735	5,866	8,224	64,762
Transfer to statutory reserve (Note 11)	—	—	—	6,783	—	—	(6,783)	—
Appropriation to statutory reserve (Note 11)	—	—	—	1,044	—	—	(1,044)	—
Transfer to retained earnings	—	—	—	—	(1,731)	(96)	1,827	—
Currency translation differences	—	—	—	—	—	(56)	—	(56)
Movement of deferred tax recognized in equity (Note 33)	—	—	—	—	1,097	843	(2,174)	(234)
Transfer from retained earnings to other reserve due to the Acquisition	—	—	—	—	—	1,040	(1,040)	—
Net income/(expense) recognized directly in equity	—	—	—	7,827	(634)	1,731	(9,214)	(290)
Profit for the year	—	—	—	—	—	—	13,888	13,888
Total income recognized for 2005	—	—	—	7,827	(634)	1,731	4,674	13,598
Contributions from owner	—	—	—	—	—	—	68	68
Distributions to owner	—	—	—	—	—	—	(930)	(930)
Dividend distributed during the year (Note 12)	—	—	—	—	—	—	(259)	(259)
Net assets distributed to owner in accordance with reorganization for the Acquisition	—	—	—	—	—	—	(1,533)	(1,533)
Consideration for the Acquisition (Note 1)	—	—	—	—	—	(12,800)	—	(12,800)
Share-based payments (Note 3(a))	—	—	104	—	—	—	—	104
Balance as at December 31, 2005	2,181	42,750	387	8,550	4,101	(5,203)	10,244	63,010