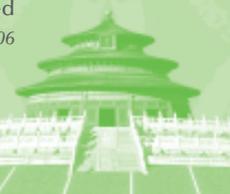


## Consolidated Statement of Changes in Equity

For the year ended December 31, 2006

	Attributable to equity holders of the Company							Total equity RMB million
	Share capital RMB million (Note 34)	Share premium RMB million	Capital reserve RMB million	Statutory reserve RMB million	Revaluation reserve RMB million	Other reserve RMB million	Retained earnings RMB million	
Balance as at January 1, 2005	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 of New Horizon	—	—	—	—	—	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 for 2004 distributed during 2005 (Note 12)	—	—	—	—	—	—	(259)	(259)
Net assets distributed to owner in accordance with reorganization for the Acquisition of New Horizon	—	—	—	—	—	—	(1,533)	(1,533)
Consideration for the Acquisition of New Horizon (Note 1)	—	—	—	—	—	(12,800)	—	(12,800)
Share-based payments	—	—	104	—	—	—	—	104
Balance as at December 31, 2005	2,181	42,750	387	8,550	4,101	(5,203)	10,244	63,010

The notes on pages 86 to 144 are an integral part of these consolidated financial statements.



## Consolidated Statement of Changes in Equity

For the year ended December 31, 2006

	Attributable to equity holders of the Company							Total equity RMB million
	Share capital RMB million (Note 34)	Share premium RMB million	Capital reserve RMB million	Statutory reserve RMB million	Revaluation reserve RMB million	Other reserve RMB million	Retained earnings RMB million	
Balance as at January 1, 2006	2,181	42,750	387	8,550	4,101	(5,203)	10,244	63,010
Transfer to statutory reserve (Note 11)	—	—	—	2,406	—	—	(2,406)	—
Appropriation to statutory reserve (Note 11)	—	—	—	855	—	—	(855)	—
Transfer to retained earnings	—	—	—	—	(1,933)	(51)	1,984	—
Revaluation surplus (Note 20)	—	—	—	—	1,071	—	—	1,071
Currency translation differences (i)	—	—	—	—	—	(79)	—	(79)
Movement of deferred tax recognized in equity (Note 33)	—	—	—	—	(353)	—	—	(353)
Net income/(expense) recognized directly in equity	—	—	—	3,261	(1,215)	(130)	(1,277)	639
Profit for the year	—	—	—	—	—	—	12,960	12,960
Total income recognized for 2006	—	—	—	3,261	(1,215)	(130)	11,683	13,599
Dividend for 2005 distributed during 2006 (Note 12)	—	—	—	—	—	—	(3,196)	(3,196)
Exercise of share options (Note 34)	18	545	(73)	—	—	—	—	490
Share-based payments	—	—	75	—	—	—	—	75
Balance at December 31, 2006	2,199	43,295	389	11,811	2,886	(5,333)	18,731	73,978

(i) Including accumulated currency translation differences realized upon disposal of ANC Group amounting to RMB29 million (See Note 37(c))

The notes on pages 86 to 144 are an integral part of these consolidated financial statements.