

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2006

(All amounts in RMB unless otherwise stated)

|  | Note | Attributable to equity holders of the Company |               |                 |                        |                                |                  |                   |             | Minority Interests | Total Equity |
|--|------|---|---------------|-----------------|------------------------|--------------------------------|------------------|-------------------|-------------|--------------------|--------------|
|  |      | Share Capital                                 | Share Premium | Capital Reserve | Statutory Reserve Fund | Investment Revaluation Reserve | Exchange Reserve | Retained Earnings | Total       |                    |              |
|  |      | RMB million                                   | RMB million   | RMB million     | RMB million            | RMB million                    | RMB million      | RMB million       | RMB million | RMB million        | RMB million  |
| <b>At 1 January 2005</b>   | 22   | 10,800  | —             | (5,278)         | —                      | 1,020                          | —                | —                 | 6,542       | 2,707              | 9,249        |
| Profit for the year  |      | —   | —             | 2,195           | —                      | —                              | —                | —                 | 2,195       | 776                | 2,971        |
| Currency translation differences   |      | —   | —             | (18)            | —                      | —                              | —                | —                 | (18)        | —                  | (18)         |
| Changes in fair value of available-for-sale financial assets, net of deferred tax  |      | —   | —             | —               | —                      | 223                            | —                | —                 | 223         | —                  | 223          |
| Dividends paid to minority shareholders of subsidiaries  |      | —   | —             | —               | —                      | —                              | —                | —                 | —           | (116)              | (116)        |
| Contribution from minority shareholders of subsidiaries  |      | —   | —             | —               | —                      | —                              | —                | —                 | —           | 138                | 138          |
| <b>At 31 December 2005</b>   |      | 10,800  | —             | (3,101)         | —                      | 1,243                          | —                | —                 | 8,942       | 3,505              | 12,447       |
| <b>At 1 January 2006</b>   |      | 10,800  | —             | (3,101)         | —                      | 1,243                          | —                | —                 | 8,942       | 3,505              | 12,447       |
| Profit for the year  |      | —   | —             | —               | —                      | —                              | —                | 3,199             | 3,199       | 1,087              | 4,286        |
| Currency translation differences   |      | —   | —             | —               | —                      | —                              | (9)              | —                 | (9)         | (8)                | (17)         |
| Changes in fair value of available-for-sale financial assets, net of deferred tax  |      | —   | —             | —               | —                      | 2,923                          | —                | —                 | 2,923       | —                  | 2,923        |
| Issue of new shares  |      | 4,025   | 14,601        | —               | —                      | —                              | —                | —                 | 18,626      | —                  | 18,626       |
| Share issue expenses, net  |      | —   | (748)         | —               | —                      | —                              | —                | —                 | (748)       | —                  | (748)        |
| Transactions with minority shareholders resulting from share reform schemes of subsidiaries                                    | 22   | —   | —             | (496)           | —                      | —                              | —                | —                 | (496)       | 496                | —            |
| Dividends paid to minority shareholders of subsidiaries  |      | —   | —             | —               | —                      | —                              | —                | —                 | —           | (267)              | (267)        |
| Contribution from minority shareholders of subsidiaries  |      | —   | —             | —               | —                      | —                              | —                | —                 | —           | 95                 | 95           |
| Appropriations   |      | —   | —             | —               | 73                     | —                              | —                | (73)              | —           | —                  | —            |
| Deferred tax assets arising from the assets revaluation surplus (deductible for income tax purposes) during the Reorganisation |      | —   | —             | 1,465           | —                      | —                              | —                | —                 | 1,465       | —                  | 1,465        |
| Contribution   | 22   | —   | —             | 220             | —                      | —                              | —                | —                 | 220         | —                  | 220          |
| Distributions  | 40   | —   | —             | (245)           | —                      | —                              | —                | (2,052)           | (2,297)     | (6)                | (2,303)      |
| <b>At 31 December 2006</b>   |      | 14,825  | 13,853        | (2,157)         | 73                     | 4,166                          | (9)              | 1,074             | 31,825      | 4,902              | 36,727       |
| <b>Representing:</b>   |      |   |               |                 |                        |                                |                  |                   |             |                    |              |
| Share capital and reserves   |      | 14,825  | 13,853        | (2,157)         | 73                     | 4,166                          | (9)              | 1,000             | 31,751      | 4,902              | 36,653       |
| 2006 proposed final dividend   |      | —   | —             | —               | —                      | —                              | —                | 74                | 74          | —                  | 74           |
| <b>At 31 December 2006</b>   |      | 14,825  | 13,853        | (2,157)         | 73                     | 4,166                          | (9)              | 1,074             | 31,825      | 4,902              | 36,727       |

The notes on pages 54 to 117 are an integral part of these financial statements.

