



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2005
(Amounts in millions)

Note	Attributable to equity holders of the Company										Total equity RMB	
	Share capital RMB	Capital reserve RMB	Share premium RMB	Re-valuation reserve RMB	Surplus reserves RMB	Statutory common welfare fund RMB	Other reserves RMB	Retained earnings RMB	Total RMB	(Note 3(i)) Minority interests RMB		
Balance as at 1 January 2004	75,614	6,567	3,362	6,424	15,461	3,372	24,246	15,748	150,794	1,269	152,063	
Net income recognised directly in equity:												
Revaluation surplus of property, plant and equipment	4	-	-	1,233	-	-	-	-	1,233	-	1,233	
Deferred tax on revaluation surplus of property, plant and equipment	9	-	-	-	-	-	(378)	-	(378)	-	(378)	
Effect of change in tax rate	9	-	-	-	-	-	(244)	-	(244)	-	(244)	
Revaluation surplus realised		-	-	(72)	-	-	-	72	-	-	-	
Deferred tax on land use rights realised		-	-	-	-	-	(165)	165	-	-	-	
Profit for the year		-	-	1,161	-	-	(787)	237	611	-	611	
Total recognised income and expenses		-	-	1,161	-	-	(787)	28,260	28,634	53	28,687	
Issue of shares, net of issuing expenses of RMB294 million		5,318	-	7,384	-	-	-	-	12,702	-	12,702	
Contributions from minority interests		-	-	-	-	-	-	-	-	91	91	
Contributions from China Telecom		-	-	-	-	-	-	100	100	-	100	
Transfer from retained earnings to other reserves		-	-	-	-	-	2,653	(2,653)	-	-	-	
Consideration for the acquisition of the Second Acquired Group	1	-	-	-	-	-	(27,800)	-	(27,800)	-	(27,800)	
Transfer from other reserves to capital reserve		-	(9,371)	-	-	-	9,371	-	-	-	-	
Appropriations	20	-	-	-	10,168	2,421	-	(12,589)	-	-	-	
Dividends		-	-	-	-	-	-	(5,224)	(5,224)	-	(5,224)	
Balance as at 31 December 2004		80,932	(2,804)	10,746	7,585	25,629	5,793	7,683	23,642	159,206	1,413	160,619
Net income recognised directly in equity:												
Effect of change in tax rate	9	-	-	-	-	-	(5)	-	(5)	-	(5)	
Revaluation surplus realised		-	-	(134)	-	-	-	134	-	-	-	
Deferred tax on revaluation surplus of property, plant and equipment realised		-	-	-	-	-	12	(12)	-	-	-	
Deferred tax on land use rights realised		-	-	-	-	-	(189)	189	-	-	-	
Profit for the year		-	-	(134)	-	-	(182)	311	(5)	-	(5)	
Total recognised income and expenses		-	-	(134)	-	-	(182)	28,223	27,907	42	27,949	
Contributions from minority interests		-	-	-	-	-	-	-	-	12	12	
Distributions to minority interests		-	-	-	-	-	-	-	-	(23)	(23)	
Appropriations	20	-	-	-	9,509	1,285	-	(10,794)	-	-	-	
Dividends	29	-	-	-	-	-	-	(5,596)	(5,596)	-	(5,596)	
Balance as at 31 December 2005		80,932	(2,804)	10,746	7,451	35,138	7,078	7,501	35,475	181,517	1,444	182,961

The notes on pages 81 to 122 form part of these financial statements.