

Consolidated Statement of Changes in Equity

For the year ended 31 December 2007

(Amounts in millions)

	Note	Attributable to equity holders of the Company									Minority interests	Total equity
		Share capital	Capital reserve	Share premium	Re-valuation reserve	Statutory reserves	Other reserves	Exchange reserve	Retained earnings	Total		
		RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
Balance as at 1 January 2006, as previously reported		80,932	(2,804)	10,746	7,451	42,216	7,501	-	35,475	181,517	1,444	182,961
Adjusted for the Third Acquisition	1	-	-	-	-	-	3,387	(170)	-	3,217	-	3,217
Balance as at 1 January 2006, as restated		80,932	(2,804)	10,746	7,451	42,216	10,888	(170)	35,475	184,734	1,444	186,178
Gains and losses recognised directly in equity:												
Effect of change in tax rate	9	-	-	-	-	-	5	-	-	5	-	5
Change in fair value of available-for-sale equity securities (net of deferred tax of RMB22 million)		-	-	-	-	-	44	-	-	44	-	44
Exchange difference on translation of financial statements of subsidiaries outside mainland PRC		-	-	-	-	-	-	(309)	-	(309)	-	(309)
		-	-	-	-	-	49	(309)	-	(260)	-	(260)
Profit for the year ended 31 December 2006, as restated		-	-	-	-	-	-	-	27,241	27,241	83	27,324
Total recognised income and expenses		-	-	-	-	-	49	(309)	27,241	26,981	83	27,064
Deferred tax on revaluation surplus of property, plant and equipment realised		-	-	-	-	-	33	-	(33)	-	-	-
Revaluation surplus realised		-	-	-	(94)	-	-	-	94	-	-	-
Deferred tax on land use rights realised		-	-	-	-	-	(182)	-	182	-	-	-
Distribution to minority interests		-	-	-	-	-	-	-	-	-	(79)	(79)
Dividends	29	-	-	-	-	-	-	-	(6,283)	(6,283)	-	(6,283)
Appropriations	19	-	-	-	-	7,602	-	-	(7,602)	-	-	-
Contribution from China Telecom		-	-	-	-	-	769	-	-	769	-	769
Transfer from retained earnings to other reserves		-	-	-	-	-	99	-	(99)	-	-	-
Balance as at 31 December 2006, as restated		80,932	(2,804)	10,746	7,357	49,818	11,656	(479)	48,975	206,201	1,448	207,649
Gains and losses recognised directly in equity:												
Effect of change in tax rate	9	-	-	-	-	-	(1,577)	-	-	(1,577)	-	(1,577)
Surplus on revaluation of property, plant and equipment	3	-	-	-	4,809	-	-	-	-	4,809	-	4,809
Deferred tax on revaluation surplus	9	-	-	-	-	-	(1,136)	-	-	(1,136)	-	(1,136)
Change in fair value of available-for-sale equity securities (net of deferred tax of RMB14 million)		-	-	-	-	-	64	-	-	64	-	64
Exchange difference on translation of financial statements of subsidiaries outside mainland PRC		-	-	-	-	-	-	(103)	-	(103)	-	(103)
		-	-	-	4,809	-	(2,649)	(103)	-	2,057	-	2,057
Profit for the year ended 31 December 2007		-	-	-	-	-	-	-	23,702	23,702	97	23,799
Total recognised income and expenses		-	-	-	4,809	-	(2,649)	(103)	23,702	25,759	97	25,856
Deferred tax on revaluation surplus of property, plant and equipment realised		-	-	-	-	-	31	-	(31)	-	-	-
Revaluation surplus realised		-	-	-	(194)	-	-	-	194	-	-	-
Deferred tax on land use rights realised		-	-	-	-	-	(169)	-	169	-	-	-
Distributions to minority interests		-	-	-	-	-	-	-	-	-	(94)	(94)
Dividends	29	-	-	-	-	-	-	-	(6,741)	(6,741)	-	(6,741)
Appropriations	19	-	-	-	-	5,388	-	-	(5,388)	-	-	-
Distribution to China Telecom		-	-	-	-	-	(2,890)	-	-	(2,890)	-	(2,890)
Transfer from retained earnings to other reserves		-	-	-	-	-	156	-	(156)	-	-	-
Adjustment to surplus reserves	19	-	-	-	-	(2,839)	-	-	2,839	-	-	-
Consideration for the acquisition of the Third Acquired Group	1	-	-	-	-	-	(1,408)	-	-	(1,408)	-	(1,408)
Balance as at 31 December 2007		80,932	(2,804)	10,746	11,972	52,367	4,727	(582)	63,563	220,921	1,451	222,372

The notes on pages 122 to 194 form part of these financial statements.