

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2008  
(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	Statutory reserves RMB	Other reserves RMB	Exchange reserve RMB	Retained earnings RMB	Total RMB	Minority interests RMB	
Balance as at 1 January 2007, as previously reported		80,932	(2,804)	10,746	7,357	49,818	11,656	(479)	48,975	206,201	1,448	207,649
Adjusted for the Fourth Acquisition	1	—	—	—	—	—	3,148	—	—	3,148	—	3,148
Balance as at 1 January 2007, as restated		80,932	(2,804)	10,746	7,357	49,818	14,804	(479)	48,975	209,349	1,448	210,797
Gains and losses recognised directly in equity:												
Effect of changes in tax rates	10	—	—	—	—	—	(1,577)	—	—	(1,577)	—	(1,577)
Surplus on revaluation of property, plant and equipment		—	—	—	4,809	—	—	—	—	4,809	—	4,809
Deferred tax on revaluation surplus	10	—	—	—	—	—	(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)
Profit for the year ended 31 December 2007, as restated		—	—	—	4,809	—	(2,649)	(103)	—	2,057	—	2,057
		—	—	—	—	—	—	—	24,195	24,195	97	24,292
Total recognised income and expenses		—	—	—	4,809	—	(2,649)	(103)	24,195	26,252	97	26,349
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	—	—	—
Distribution to minority interests		—	—	—	—	—	—	—	—	—	(94)	(94)
Dividends	30	—	—	—	—	—	—	—	(6,741)	(6,741)	—	(6,741)
Appropriations	20	—	—	—	—	5,388	—	—	(5,388)	—	—	—
Distribution to China Telecom		—	—	—	—	—	(2,931)	—	—	(2,931)	—	(2,931)
Transfer from retained earnings to other reserves		—	—	—	—	—	649	—	(649)	—	—	—
Adjustment to statutory reserves		—	—	—	—	(2,839)	—	—	2,839	—	—	—
Consideration for the acquisition of the Third Acquired Group		—	—	—	—	—	(1,408)	—	—	(1,408)	—	(1,408)
Balance as at 31 December 2007, as restated		80,932	(2,804)	10,746	11,972	52,367	8,327	(582)	63,563	224,521	1,451	225,972
Gains and losses recognised directly in equity:												
Change in fair value of available-for-sale equity securities (net of deferred tax of RMB23 million)		—	—	—	—	—	(69)	—	—	(69)	—	(69)
Exchange difference on translation of financial statements of subsidiaries outside mainland PRC		—	—	—	—	—	—	(83)	—	(83)	—	(83)
Profit for the year ended 31 December 2008		—	—	—	—	—	(69)	(83)	—	(152)	—	(152)
		—	—	—	—	—	—	—	884	884	95	979
Total recognised income and expenses		—	—	—	—	—	(69)	(83)	884	732	95	827
Deferred tax on revaluation surplus of property, plant and equipment realised		—	—	—	—	—	127	—	(127)	—	—	—
Revaluation surplus realised		—	—	—	(562)	—	—	—	562	—	—	—
Deferred tax on land use rights realised		—	—	—	—	—	(132)	—	132	—	—	—
Distributions to minority interests		—	—	—	—	—	—	—	—	—	(34)	(34)
Dividends	30	—	—	—	—	—	—	—	(6,125)	(6,125)	—	(6,125)
Appropriations	20	—	—	—	—	—	—	—	—	—	—	—
Distribution to China Telecom		—	—	—	—	—	(535)	—	—	(535)	—	(535)
Adjustment to statutory reserves		—	—	—	—	3,718	—	—	(3,718)	—	—	—
Transfer from retained earnings to other reserves		—	—	—	—	—	425	—	(425)	—	—	—
Consideration for the acquisition of the Fourth Acquired Company	1	—	—	—	—	—	(5,557)	—	—	(5,557)	—	(5,557)
Balance as at 31 December 2008		80,932	(2,804)	10,746	11,410	56,085	2,586	(665)	54,746	213,036	1,512	214,548

The notes on pages 98 to 154 form part of these financial statements.