

# Consolidated Statement of Changes in Equity

for the year ended 31 December 2010

	Attributable to									
	Ordinary shareholders					Sub-total	Holders of perpetual capital securities <sup>(c)</sup>	Total ordinary shareholders' funds and perpetual capital securities	Non-controlling interests	Total equity
	Share capital and premium <sup>(a)</sup>	Exchange reserve	Other reserves <sup>(b)</sup>	Retained profit	HK\$ millions					
	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	
At 1 January 2010, as previously reported	29,425	6,117	2,233	245,756	283,531	–	283,531	37,413	320,944	
Prior year adjustments in respect of changes in accounting policies (see note 1)	–	(17)	–	(1,015)	(1,032)	–	(1,032)	–	(1,032)	
At 1 January 2010, as restated	29,425	6,100	2,233	244,741	282,499	–	282,499	37,413	319,912	
Profit for the year	–	–	–	20,038	20,038	164	20,202	5,378	25,580	
Other comprehensive income										
Available-for-sale investments:										
Valuation gains recognised directly in reserves	–	–	833	–	833	–	833	168	1,001	
Valuation gains previously in reserves recognised in income statement for the year	–	–	(679)	–	(679)	–	(679)	(160)	(839)	
Net actuarial gains of defined benefit plans	–	–	–	454	454	–	454	9	463	
Cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts:										
Gains recognised directly in reserves	–	–	44	–	44	–	44	8	52	
Gains previously in reserves recognised in initial cost of non-financial items for the year	–	–	(25)	–	(25)	–	(25)	–	(25)	
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	–	(6,244)	–	–	(6,244)	–	(6,244)	92	(6,152)	
Losses (gains) previously in reserves related to subsidiaries disposed during the year recognised in income statement for the year	–	(13)	1	–	(12)	–	(12)	(5)	(17)	
Share of other comprehensive income of associated companies for the year	–	2,015	380	(27)	2,368	–	2,368	152	2,520	
Share of other comprehensive income of jointly controlled entities for the year	–	1,619	26	(8)	1,637	–	1,637	204	1,841	
Tax relating to components of other comprehensive income	–	–	(9)	(135)	(144)	–	(144)	4	(140)	
Other comprehensive income (losses)	–	(2,623)	571	284	(1,768)	–	(1,768)	472	(1,296)	
Total comprehensive income (losses)	–	(2,623)	571	20,322	18,270	164	18,434	5,850	24,284	
Dividends paid relating to 2009	–	–	–	(5,201)	(5,201)	–	(5,201)	–	(5,201)	
Dividends paid relating to 2010	–	–	–	(2,174)	(2,174)	–	(2,174)	–	(2,174)	
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(2,620)	(2,620)	
Equity contribution from non-controlling interests	–	–	–	–	–	–	–	7,973	7,973	
Transaction costs in relation to equity contribution from non-controlling interests	–	–	–	(107)	(107)	–	(107)	(19)	(126)	
Share option schemes of subsidiaries	–	–	(40)	–	(40)	–	(40)	2	(38)	
Share option lapsed	–	–	(28)	28	–	–	–	–	–	
Unclaimed dividends write back	–	–	–	5	5	–	5	–	5	
Issuance of perpetual capital securities	–	–	–	–	–	15,600	15,600	–	15,600	
Transaction costs in relation to issuance of perpetual capital securities	–	–	–	(136)	(136)	–	(136)	–	(136)	
Relating to purchase of non-controlling interests	–	–	617	–	617	–	617	(5,387)	(4,770)	
Relating to disposal of subsidiary companies	–	–	–	–	–	–	–	(7)	(7)	
At 31 December 2010	29,425	3,477	3,353	257,478	293,733	15,764	309,497	43,205	352,702	

	Attributable to								
	Ordinary shareholders					Holders of perpetual capital securities <sup>(c)</sup>	Total ordinary shareholders' funds and perpetual capital securities	Non-controlling interests	Total equity
	Share capital and premium <sup>(a)</sup>	Exchange reserve	Other reserves <sup>(b)</sup>	Retained profit	Sub-total				
	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	
At 1 January 2009, as previously reported	29,425	(9,411)	1,983	238,322	260,319	–	260,319	31,812	292,131
Prior year adjustments in respect of changes in accounting policies (see note 1)	–	45	–	(478)	(433)	–	(433)	–	(433)
At 1 January 2009, as restated	29,425	(9,366)	1,983	237,844	259,886	–	259,886	31,812	291,698
Profit for the year	–	–	–	13,631	13,631	–	13,631	7,569	21,200
Other comprehensive income									
Available-for-sale investments:									
Valuation gains recognised directly in reserves	–	–	387	–	387	–	387	30	417
Valuation gains previously in reserves recognised in income statement for the year	–	–	(196)	–	(196)	–	(196)	(2)	(198)
Net actuarial gains of defined benefit plans	–	–	–	28	28	–	28	3	31
Cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts:									
Gains recognised directly in reserves	–	–	5	–	5	–	5	(4)	1
Losses previously in reserves recognised in initial cost of non-financial items for the year	–	–	4	–	4	–	4	–	4
Gains on translating overseas subsidiaries' net assets recognised directly in reserves	–	10,301	–	–	10,301	–	10,301	869	11,170
Gains on repayment of foreign currency loans from a jointly controlled entity previously in reserves recognised in income statement for the year	–	(930)	–	–	(930)	–	(930)	–	(930)
Gains previously in reserves related to subsidiaries disposed during the year recognised in income statement for the year	–	(347)	(597)	(189)	(1,133)	–	(1,133)	(776)	(1,909)
Surplus on revaluation of properties upon transfer from other properties to investment properties	–	–	7	–	7	–	7	–	7
Share of other comprehensive income of associated companies for the year	–	5,042	637	643	6,322	–	6,322	343	6,665
Share of other comprehensive income of jointly controlled entities for the year	–	1,400	–	4	1,404	–	1,404	143	1,547
Tax relating to components of other comprehensive income	–	–	(29)	155	126	–	126	23	149
Other comprehensive income	–	15,466	218	641	16,325	–	16,325	629	16,954
Total comprehensive income	–	15,466	218	14,272	29,956	–	29,956	8,198	38,154
Dividends paid relating to 2008	–	–	–	(5,201)	(5,201)	–	(5,201)	–	(5,201)
Dividends paid relating to 2009	–	–	–	(2,174)	(2,174)	–	(2,174)	–	(2,174)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(3,486)	(3,486)
Equity contribution from non-controlling interests	–	–	–	–	–	–	–	4,209	4,209
Share option schemes of subsidiaries	–	–	27	–	27	–	27	31	58
Share option lapsed	–	–	5	(5)	–	–	–	–	–
Unclaimed dividends write back	–	–	–	5	5	–	5	–	5
Relating to purchase of non-controlling interests	–	–	–	–	–	–	–	245	245
Relating to disposal of subsidiary companies	–	–	–	–	–	–	–	(3,596)	(3,596)
At 31 December 2009	29,425	6,100	2,233	244,741	282,499	–	282,499	37,413	319,912

## Consolidated Statement of Changes in Equity

for the year ended 31 December 2010

- (a) Share capital and premium comprise share capital of HK\$1,066 million, share premium of HK\$27,955 million and capital redemption reserve of HK\$404 million in all reporting years.
- (b) Other reserves comprise revaluation reserve, hedging reserve and other capital reserves. As at 31 December 2010, revaluation reserve surplus amounted to HK\$2,242 million (1 January 2010 - HK\$2,053 million and 1 January 2009 - HK\$2,444 million), hedging reserve surplus amounted to HK\$501 million (1 January 2010 - HK\$120 million and 1 January 2009 - deficit of HK\$523 million) and other capital reserves surplus amounted to HK\$610 million (1 January 2010 - HK\$60 million and 1 January 2009 - HK\$62 million). Fair value changes arising from business combination and revaluation surplus (deficit) arising from revaluation to market value of listed debt securities and listed equity securities which are available for sale are included in the revaluation reserve. Fair value changes arising from the effective portion of hedging instruments designated as cash flow hedges are included in the hedging reserve.
- (c) In October 2010, the group issued subordinated guaranteed perpetual capital securities (the "perpetual capital securities") with a nominal amount of US\$2,000 million (approximately HK\$15,600 million) for cash, which are classified as equity under HKFRSs.
- (d) The Group's share of exchange reserve of associated companies and jointly controlled entities are gains of HK\$1,597 million (2009 - HK\$3,624 million) and losses of HK\$1,033 million (2009 - HK\$332 million) respectively. The Group's share of actuarial gains and losses which are recognised directly in equity by associated companies and jointly controlled entities amounted to gains of HK\$242 million (2009 - HK\$463 million) and losses of HK\$8 million (2009 - gains of HK\$4 million) respectively.