

Consolidated Statement of Changes in Equity

for the year ended 31 December 2011

	Attributable to								
	Ordinary shareholders					Holders of perpetual capital securities ^(c)	Total ordinary shareholders' funds and perpetual capital securities	Non- controlling interests	Total equity
	Share capital and premium ^(a)	Exchange reserve	Other reserves ^(b)	Retained profit	Sub-total				
	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions
At 1 January 2011, as previously reported	29,425	3,477	3,353	257,478	293,733	15,764	309,497	43,205	352,702
Prior year adjustments in respect of a change in accounting policy (see note 1)	–	(2)	31	4,507	4,536	–	4,536	21	4,557
At 1 January 2011, as restated	29,425	3,475	3,384	261,985	298,269	15,764	314,033	43,226	357,259
Profit for the year	–	–	–	56,019	56,019	936	56,955	16,907	73,862
Other comprehensive income (losses)									
Available-for-sale investments:									
Valuation gains recognised directly in reserves	–	–	273	–	273	–	273	25	298
Valuation gains previously in reserves recognised in income statement for the year	–	–	(236)	–	(236)	–	(236)	(44)	(280)
Net actuarial losses of defined benefit plans recognised directly in reserves	–	–	–	(1,394)	(1,394)	–	(1,394)	(213)	(1,607)
Cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts:									
Losses recognised directly in reserves	–	–	(199)	–	(199)	–	(199)	(41)	(240)
Losses previously in reserves recognised in initial cost of non-financial items for the year	–	–	7	–	7	–	7	–	7
Gains on translating overseas subsidiaries' net assets recognised directly in reserves	–	1,656	–	–	1,656	–	1,656	(36)	1,620
Losses (gains) previously in exchange and other reserves related to subsidiaries disposed / de-recognised during the year recognised in income statement for the year	–	1,074	(22)	(14)	1,038	–	1,038	(101)	937
Revaluation gains recognised directly in reserves upon transfer from other properties to investment properties	–	–	6	–	6	–	6	2	8
Share of other comprehensive income (losses) of associated companies for the year	–	(565)	(903)	(1,538)	(3,006)	–	(3,006)	(524)	(3,530)
Share of other comprehensive income (losses) of jointly controlled entities for the year	–	1,387	48	(25)	1,410	–	1,410	216	1,626
Tax relating to components of other comprehensive income (losses)	–	–	(54)	137	83	–	83	23	106
Other comprehensive income (losses)	–	3,552	(1,080)	(2,834)	(362)	–	(362)	(693)	(1,055)
Total comprehensive income (losses)	–	3,552	(1,080)	53,185	55,657	936	56,593	16,214	72,807
Dividends paid relating to 2010	–	–	–	(6,011)	(6,011)	–	(6,011)	–	(6,011)
Dividends paid relating to 2011	–	–	–	(2,345)	(2,345)	–	(2,345)	–	(2,345)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(16,057)	(16,057)
Distributions paid on perpetual capital securities	–	–	–	–	–	(936)	(936)	–	(936)
Equity contribution from non-controlling interests	–	–	–	–	–	–	–	3,505	3,505
Share option schemes of subsidiaries	–	–	9	–	9	–	9	3	12
Relating to acquisition of a subsidiary	–	–	–	–	–	–	–	7	7
Relating to purchase of non-controlling interests	–	–	(3,033)	–	(3,033)	–	(3,033)	(1,777)	(4,810)
Relating to partial disposal / disposal / de-recognition of subsidiary companies	–	(59)	4,352	(2,991)	1,302	–	1,302	(5,950)	(4,648)
At 31 December 2011	29,425	6,968	3,632	303,823	343,848	15,764	359,612	39,171	398,783

	Attributable to								
	Ordinary shareholders					Holders of perpetual capital securities ^(c)	Total ordinary shareholders' funds and perpetual capital securities	Non-controlling interests	Total equity
	Share capital and premium ^(a)	Exchange reserve	Other reserves ^(b)	Retained profit	Sub-total				
	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	6,100	2,233	244,741	282,499	–	282,499	37,413	319,912
Prior year adjustments in respect of a change in accounting policy (see note 1)	–	(1)	31	4,366	4,396	–	4,396	16	4,412
At 1 January 2010, as restated	29,425	6,099	2,264	249,107	286,895	–	286,895	37,429	324,324
Profit for the year	–	–	–	20,179	20,179	164	20,343	5,383	25,726
Other comprehensive income (losses)									
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 recognised directly in reserves	–	–	–	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 exchange and other reserves related to subsidiaries disposed / de-recognised during the year recognised in income statement for the year	–	(13)	1	–	(12)	–	(12)	(5)	(17)
Share of other comprehensive income (losses) of associated companies for the year	–	2,015	380	(27)	2,368	–	2,368	152	2,520
Share of other comprehensive income (losses) of jointly controlled entities for the year	–	1,618	26	(8)	1,636	–	1,636	204	1,840
Tax relating to components of other comprehensive income	–	–	(9)	(135)	(144)	–	(144)	4	(140)
Other comprehensive income (losses)	–	(2,624)	571	284	(1,769)	–	(1,769)	472	(1,297)
Total comprehensive income (losses)	–	(2,624)	571	20,463	18,410	164	18,574	5,855	24,429
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	3,475	3,384	261,985	298,269	15,764	314,033	43,226	357,259

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for the year ended 31 December 2011

- (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 2011, revaluation reserve surplus amounted to HK\$2,277 million (1 January 2011 - HK\$2,273 million and 1 January 2010 - HK\$2,084 million), hedging reserve deficit amounted to HK\$623 million (1 January 2011 - surplus of HK\$501 million and 1 January 2010 - surplus of HK\$120 million) and other capital reserves surplus amounted to HK\$1,978 million (1 January 2011 - HK\$610 million and 1 January 2010 - HK\$60 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, a wholly owned subsidiary company of 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 Hong Kong Financial Reporting Standards.
- (d) The Group's share of exchange reserve of associated companies and jointly controlled entities are losses of HK\$163 million (2010 - gains of HK\$1,597 million) and gains of HK\$1,110 million (2010 - losses of HK\$1,033 million) respectively. The Group's share of actuarial losses which are recognised directly in equity by associated companies and jointly controlled entities amounted to HK\$1,540 million (2010 - gains of HK\$242 million) and HK\$25 million (2010 - HK\$8 million) respectively.