

# Consolidated Statement of Changes in Equity

for the year ended 31 December 2012

	Attributable to								
	Ordinary shareholders					Holders of perpetual capital securities	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	HK\$ millions
At 1 January 2012	29,425	6,968	3,632	303,823	343,848	15,764	359,612	39,171	398,783
Profit for the year	-	-	-	26,128	26,128	1,240	27,368	4,992	32,360
Other comprehensive income (losses)									
Available-for-sale investments:									
Valuation gains recognised directly in reserves	-	-	1,557	-	1,557	-	1,557	204	1,761
Valuation gains previously in reserves recognised in income statement for the year	-	-	(168)	-	(168)	-	(168)	(42)	(210)
Net actuarial losses of defined benefit plans recognised directly in reserves	-	-	-	(748)	(748)	-	(748)	(77)	(825)
Cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts:									
Losses recognised directly in reserves	-	-	(48)	-	(48)	-	(48)	(9)	(57)
Gains on translating overseas subsidiaries' net assets recognised directly in reserves	-	1,862	-	-	1,862	-	1,862	(29)	1,833
Losses previously in exchange and other reserves related to subsidiaries disposed / de-recognised during the year recognised in income statement for the year	-	69	-	-	69	-	69	-	69
Share of other comprehensive income (losses) of associated companies for the year	-	2,486	(521)	79	2,044	-	2,044	261	2,305
Share of other comprehensive income (losses) of jointly controlled entities for the year	-	729	151	(7)	873	-	873	63	936
Tax relating to components of other comprehensive income (losses)	-	-	(66)	82	16	-	16	(11)	5
Other comprehensive income (losses)	-	5,146	905	(594)	5,457	-	5,457	360	5,817
Total comprehensive income	-	5,146	905	25,534	31,585	1,240	32,825	5,352	38,177
Dividends paid relating to 2011	-	-	-	(6,523)	(6,523)	-	(6,523)	-	(6,523)
Dividends paid relating to 2012	-	-	-	(2,345)	(2,345)	-	(2,345)	-	(2,345)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(2,693)	(2,693)
Distributions paid on perpetual capital securities	-	-	-	-	-	(1,170)	(1,170)	-	(1,170)
Equity contribution from non-controlling interests	-	-	-	-	-	-	-	7,019	7,019
Transaction costs in relation to equity contribution from non-controlling interests	-	-	-	(39)	(39)	-	(39)	(10)	(49)
Share option schemes of subsidiaries	-	-	6	-	6	-	6	2	8
Share option lapsed	-	-	(2)	2	-	-	-	-	-
Unclaimed dividends write back	-	-	-	11	11	-	11	-	11
Issuance of perpetual capital securities <sup>(c)</sup>	-	-	-	-	-	7,800	7,800	-	7,800
Transaction costs in relation to issuance of perpetual capital securities	-	-	-	(54)	(54)	-	(54)	-	(54)
Relating to purchase of non-controlling interests	-	-	(174)	-	(174)	-	(174)	(198)	(372)
Relating to partial disposal / disposal / de-recognition of subsidiary companies	-	(50)	1,660	-	1,610	-	1,610	(1,610)	-
At 31 December 2012	29,425	12,064	6,027	320,409	367,925	23,634	391,559	47,033	438,592

	Attributable to								
	Ordinary shareholders					Holders of perpetual capital securities	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	HK\$ millions
At 1 January 2011	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

## Consolidated Statement of Changes in Equity

for the year ended 31 December 2012

- (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 2012, revaluation reserve surplus amounted to HK\$3,690 million (1 January 2012 – HK\$2,277 million and 1 January 2011 – HK\$2,273 million), hedging reserve deficit amounted to HK\$1,125 million (1 January 2012 – HK\$623 million and 1 January 2011 – surplus of HK\$501 million) and other capital reserves surplus amounted to HK\$3,462 million (1 January 2012 – HK\$1,978 million and 1 January 2011 – HK\$610 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 May 2012, a wholly owned subsidiary company of the Group issued subordinated guaranteed perpetual capital securities (the “perpetual capital securities”) with a nominal amount of US\$1,000 million (approximately HK\$7,800 million) for cash, which are classified as equity under Hong Kong Financial Reporting Standards.