

# Consolidated Statement of Changes in Equity

for the year ended 31 December 2013

	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 2013, as previously reported	29,425	12,064	6,027	320,409	367,925	23,634	391,559	47,033	438,592
Prior year adjustments in respect of changes in accounting policies (see note 1)	-	-	-	(40)	(40)	-	(40)	(11)	(51)
At 1 January 2013, as restated	29,425	12,064	6,027	320,369	367,885	23,634	391,519	47,022	438,541
Profit for the year	-	-	-	31,112	31,112	1,774	32,886	6,007	38,893
Other comprehensive income (losses)									
Available-for-sale investments									
Valuation gains recognised directly in reserves	-	-	309	-	309	-	309	73	382
Valuation losses previously in reserves recognised in income statement	-	-	6	-	6	-	6	-	6
Remeasurement of defined benefit obligations recognised directly in reserves	-	-	-	551	551	-	551	143	694
Gains on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised directly in reserves	-	-	318	-	318	-	318	28	346
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	-	(1,696)	-	-	(1,696)	-	(1,696)	(78)	(1,774)
Gains previously in exchange reserve related to subsidiaries and associated companies disposed during the year recognised in income statement	-	(146)	-	-	(146)	-	(146)	(6)	(152)
Share of other comprehensive income (losses) of associated companies	-	(4,044)	352	472	(3,220)	-	(3,220)	(17)	(3,237)
Share of other comprehensive income (losses) of joint ventures	-	610	(43)	(84)	483	-	483	(9)	474
Tax relating to components of other comprehensive income (losses)	-	-	(59)	104	45	-	45	(37)	8
Other comprehensive income (losses)	-	(5,276)	883	1,043	(3,350)	-	(3,350)	97	(3,253)
Total comprehensive income (losses)	-	(5,276)	883	32,155	27,762	1,774	29,536	6,104	35,640
Dividends paid relating to 2012	-	-	-	(6,523)	(6,523)	-	(6,523)	-	(6,523)
Dividends paid relating to 2013	-	-	-	(2,558)	(2,558)	-	(2,558)	-	(2,558)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(3,532)	(3,532)
Distributions paid on perpetual capital securities	-	-	-	-	-	(1,351)	(1,351)	-	(1,351)
Equity contribution from non-controlling interests	-	-	-	-	-	-	-	108	108
Share option schemes of subsidiaries	-	-	(11)	-	(11)	-	(11)	1	(10)
Share option lapsed	-	-	(1)	1	-	-	-	-	-
Unclaimed dividends write back	-	-	-	5	5	-	5	-	5
Issuance of perpetual capital securities <sup>(c)</sup>	-	-	-	-	-	17,879	17,879	-	17,879
Transaction costs in relation to issuance of perpetual capital securities	-	-	-	(158)	(158)	-	(158)	-	(158)
Repurchase of perpetual capital securities <sup>(c)</sup>	-	-	-	(110)	(110)	(1,692)	(1,802)	-	(1,802)
Relating to acquisition of subsidiary companies	-	-	-	-	-	-	-	2	2
Relating to purchase of non-controlling interests	-	-	21	-	21	-	21	(30)	(9)
Relating to partial disposal of subsidiary companies	-	1	52	(1)	52	-	52	(52)	-
At 31 December 2013	29,425	6,789	6,971	343,180	386,365	40,244	426,609	49,623	476,232

	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, as previously reported	29,425	6,968	3,632	303,823	343,848	15,764	359,612	39,171	398,783
Prior year adjustments in respect of changes in accounting policies (see note 1)	–	–	–	(41)	(41)	–	(41)	(12)	(53)
At 1 January 2012, as restated	29,425	6,968	3,632	303,782	343,807	15,764	359,571	39,159	398,730
Profit for the year, as restated	–	–	–	25,897	25,897	1,240	27,137	4,970	32,107
Other comprehensive income (losses), as restated									
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	–	–	(168)	–	(168)	–	(168)	(42)	(210)
Remeasurement of defined benefit obligations recognised directly in reserves	–	–	–	(525)	(525)	–	(525)	(52)	(577)
Losses on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts 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 reserve related to subsidiaries disposed during the year recognised in income statement	–	69	–	–	69	–	69	–	69
Share of other comprehensive income (losses) of associated companies	–	1,860	(427)	198	1,631	–	1,631	141	1,772
Share of other comprehensive income (losses) of joint ventures	–	1,355	57	(102)	1,310	–	1,310	185	1,495
Tax relating to components of other comprehensive income (losses)	–	–	(66)	67	1	–	1	(15)	(14)
Other comprehensive income (losses), as restated	–	5,146	905	(362)	5,689	–	5,689	383	6,072
Total comprehensive income, as restated	–	5,146	905	25,535	31,586	1,240	32,826	5,353	38,179
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 of subsidiary companies	–	(50)	1,660	–	1,610	–	1,610	(1,610)	–
At 31 December 2012, as restated	29,425	12,064	6,027	320,369	367,885	23,634	391,519	47,022	438,541

## Consolidated Statement of Changes in Equity

for the year ended 31 December 2013

- (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 2013, revaluation reserve surplus amounted to HK\$3,883 million (1 January 2013 - HK\$3,690 million and 1 January 2012 - HK\$2,277 million), hedging reserve deficit amounted to HK\$440 million (1 January 2013 - HK\$1,125 million and 1 January 2012 - HK\$623 million) and other capital reserves surplus amounted to HK\$3,528 million (1 January 2013 - HK\$3,462 million and 1 January 2012 - HK\$1,978 million). 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) During the year ended 31 December 2013, the Group had repurchased US\$217 million (approximately HK\$1,692 million) nominal amount of subordinated guaranteed perpetual capital securities (the "perpetual capital securities") that were originally issued in October 2010 at an aggregate nominal amount of US\$2,000 million (approximately HK\$15,600 million).

In May 2013 and May 2012, wholly owned subsidiary companies of the Group issued perpetual capital securities with a nominal amount of €1,750 million (approximately HK\$17,879 million) and US\$1,000 million (approximately HK\$7,800 million) for cash, which are classified as equity under Hong Kong Financial Reporting Standards.