

Consolidated Statement of Changes in Equity

for the year ended 31 December 2014

	Attributable to								
	Ordinary shareholders				Sub-total	Holders of perpetual capital securities	Total ordinary shareholders' funds and perpetual capital securities	Non-controlling interests	Total equity
	Share capital ^(a)	Other reserves ^(b)	Retained profit						
	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	
At 1 January 2014*	29,425	13,760	343,180	386,365	40,244	426,609	49,623	476,232	
Profit for the year	–	–	67,156	67,156	1,961	69,117	12,634	81,751	
Other comprehensive income (losses)									
Available-for-sale investments									
Valuation gains recognised directly in reserves	–	1,017	–	1,017	–	1,017	159	1,176	
Valuation gains previously in reserves recognised in income statement	–	(381)	–	(381)	–	(381)	(99)	(480)	
Remeasurement of defined benefit obligations recognised directly in reserves	–	–	(234)	(234)	–	(234)	(90)	(324)	
Losses on cash flow hedges arising from forward foreign currency contracts and interest rate swap contracts recognised directly in reserves	–	(17)	–	(17)	–	(17)	12	(5)	
Losses on translating overseas subsidiaries' net assets recognised directly in reserves	–	(15,626)	–	(15,626)	–	(15,626)	(1,027)	(16,653)	
Gains previously in exchange and other reserves related to subsidiaries, associated companies and joint ventures disposed during the year recognised in income statement	–	(1,848)	–	(1,848)	–	(1,848)	(1,788)	(3,636)	
Gains previously in other reserves related to subsidiaries disposed during the year transferred directly to retained profit	–	(8)	8	–	–	–	–	–	
Share of other comprehensive income (losses) of associated companies	–	(4,584)	(48)	(4,632)	–	(4,632)	(222)	(4,854)	
Share of other comprehensive income (losses) of joint ventures	–	(4,357)	38	(4,319)	–	(4,319)	(886)	(5,205)	
Tax relating to components of other comprehensive income (losses)	–	(42)	61	19	–	19	3	22	
Other comprehensive income (losses)	–	(25,846)	(175)	(26,021)	–	(26,021)	(3,938)	(29,959)	
Total comprehensive income (losses)	–	(25,846)	66,981	41,135	1,961	43,096	8,696	51,792	
Dividends paid relating to 2013	–	–	(7,248)	(7,248)	–	(7,248)	–	(7,248)	
Dividends paid relating to 2014	–	–	(2,814)	(2,814)	–	(2,814)	–	(2,814)	
Special dividends paid	–	–	(29,843)	(29,843)	–	(29,843)	–	(29,843)	
Dividends paid to non-controlling interests	–	–	–	–	–	–	(4,182)	(4,182)	
Distributions paid on perpetual capital securities	–	–	–	–	(1,980)	(1,980)	–	(1,980)	
Equity contribution from non-controlling interests ^(d)	–	–	–	–	–	–	43,805	43,805	
Redemption of capital securities by a subsidiary	–	–	–	–	–	–	(2,340)	(2,340)	
Redemption of preferred shares by non-controlling interests	–	–	–	–	–	–	(3,714)	(3,714)	
Share option schemes of subsidiaries	–	1	–	1	–	1	2	3	
Share option lapsed	–	(1)	1	–	–	–	–	–	
Unclaimed dividends write back	–	–	5	5	–	5	–	5	
Repurchase of perpetual capital securities ^(c)	–	–	(30)	(30)	(587)	(617)	–	(617)	
Relating to purchase of non-controlling interests	–	(68)	–	(68)	–	(68)	31	(37)	
Relating to deemed dilution of subsidiary companies ^(d)	–	39,077	–	39,077	–	39,077	(39,077)	–	
At 31 December 2014	29,425	26,923	370,232	426,580	39,638	466,218	52,844	519,062	

	Attributable to							
	Ordinary shareholders				Holders of perpetual capital securities	Total ordinary shareholders' funds and perpetual capital securities	Non-controlling interests	Total equity
	Share capital ^(a)	Other reserves ^(b)	Retained profit	Sub-total				
	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions	HK\$ millions
At 1 January 2013*	29,425	18,091	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	–	(3,692)	472	(3,220)	–	(3,220)	(17)	(3,237)
Share of other comprehensive income (losses) of joint ventures	–	567	(84)	483	–	483	(9)	474
Tax relating to components of other comprehensive income (losses)	–	(59)	104	45	–	45	(37)	8
Other comprehensive income (losses)	–	(4,393)	1,043	(3,350)	–	(3,350)	97	(3,253)
Total comprehensive income (losses)	–	(4,393)	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 ^(c)	–	–	–	–	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 ^(c)	–	–	(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	–	53	(1)	52	–	52	(52)	–
At 31 December 2013	29,425	13,760	343,180	386,365	40,244	426,609	49,623	476,232

* Share capital as at 1 January 2013, 31 December 2013 and 1 January 2014 include the balance on the share premium account and capital redemption reserve created under the sections 48B and 49H of the predecessor Hong Kong Companies Ordinance (Cap. 32) totalling HK\$28,359 million, which under the Hong Kong Companies Ordinance (Cap. 622) effective on 3 March 2014 have been included in share capital. Also see note (a).

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for the year ended 31 December 2014

- (a) In accordance with the transitional provisions set out in section 37 of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622), on 3 March 2014, the amounts standing to the credit of the share premium account and capital redemption reserve created under the sections 48B and 49H of the predecessor Hong Kong Companies Ordinance (Cap. 32) have become part of the Company's share capital.
- (b) See note 33 for further details on other reserves.
- (c) During the year ended 31 December 2014, the Group had repurchased US\$75 million (approximately HK\$587 million) (2013 - 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, a wholly owned subsidiary company of the Group issued perpetual capital securities with a nominal amount of €1,750 million (approximately HK\$17,879 million) for cash, which are classified as equity under Hong Kong Financial Reporting Standards.

- (d) During the year ended 31 December 2014, the Group entered into a strategic alliance with Temasek Holdings (Private) Limited ("Temasek") with Temasek acquiring 24.95% equity interests in the Retail division for approximately HK\$44 billion, resulting in an increase of approximately HK\$39 billion in the Group's ordinary shareholders' funds.