

# UNAUDITED CONSOLIDATED STATEMENT OF RECOGNIZED GAINS AND LOSSES

For the six months ended June 30, 2001

(Amounts expressed in millions of Hong Kong dollars)

|   | Note | Six months ended |               |
|---|------|------------------|---------------|
|   |      | June 30, 2001    | June 30, 2000 |
| Surplus on revaluation of investment properties   |      | \$ –             | \$ 43         |
| Exchange differences on translation of the financial statements of foreign companies                    |      | (98)             | 2             |
| <b>Net (losses)/gains not recognized in the consolidated income statement</b>                           |      | (98)             | 45            |
| Net profit/(loss) for the period  |      | 935              | (35)          |
| <b>Total recognized gains and losses</b>  |      | 837              | 10            |
| Goodwill arising from acquisition of subsidiary eliminated directly against reserves                    |      | –                | (11)          |
| Goodwill arising from acquisitions of jointly controlled companies eliminated directly against reserves |      | –                | (103)         |
| Goodwill arising from acquisition of an associate eliminated directly against reserves                  |      | –                | (166)         |
| Adjustment to goodwill arising from acquisition of an associate   |      | (39)             | –             |
| Realization of goodwill on injection of assets to a jointly controlled company                          |      | 6,382            | –             |
| Realization of goodwill on disposal of subsidiaries and associates                                      |      | 46               | 24            |
|   |      | \$ 7,226         | \$ (246)      |
| Effect of change in accounting policy on adoption of SSAP 28  |      |                  |               |
| – increase in accumulated losses at January 1, 2001   | 16   | (3,234)          | –             |