

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2005

| In HK\$ million                                                                                  |         | 2005                                                |                       |              |
|--------------------------------------------------------------------------------------------------|---------|-----------------------------------------------------|-----------------------|--------------|
|                                                                                                  | Note(s) | Attributable to<br>equity holders<br>of the Company | Minority<br>interests | Total equity |
| At January 1, 2005, as previously stated                                                         |         | (6,716)                                             | 1,816                 | (4,900)      |
| Prior period adjustments in respect of:                                                          |         |                                                     |                       |              |
| Restatement of deemed gain on disposal and placement of shares<br>of subsidiaries                | 34      | (52)                                                | –                     | (52)         |
| Deferred tax arising from the revaluation of investment properties                               | 34      | 97                                                  | 43                    | 140          |
| Deferral of up-front installation fees                                                           | 34      | (1,005)                                             | –                     | (1,005)      |
| Interests in leasehold land held for own use under operating leases                              | 34      | 32                                                  | –                     | 32           |
| Restatement of investment properties to property, plant and equipment                            | 34      | 5                                                   | –                     | 5            |
| Financial instruments                                                                            | 34      | 80                                                  | –                     | 80           |
| At January 1, 2005, as restated, before opening balance adjustment                               |         | (7,559)                                             | 1,859                 | (5,700)      |
| Opening balance adjustment in respect of financial instruments                                   | 34      | (438)                                               | –                     | (438)        |
| At January 1, 2005, as restated, after opening balance adjustment                                |         | (7,997)                                             | 1,859                 | (6,138)      |
| Translation exchange differences                                                                 | 34      | (11)                                                | 27                    | 16           |
| Fair value gains from available-for-sale financial assets                                        | 34      | 89                                                  | –                     | 89           |
| Net gains recognized directly in equity                                                          |         | 78                                                  | 27                    | 105          |
| Net profit for the year                                                                          |         | 1,595                                               | 272                   | 1,867        |
| Exercise of employee share options                                                               |         | 22                                                  | –                     | 22           |
| Employee share-based compensation                                                                | 34      | 100                                                 | –                     | 100          |
| Issue of ordinary shares, net of issuing expenses                                                |         | 7,894                                               | –                     | 7,894        |
| Dividend approved in respect of previous year                                                    | 15 & 34 | (645)                                               | –                     | (645)        |
| Dividend declared and paid in respect of the current year                                        | 15 & 34 | (437)                                               | –                     | (437)        |
| Dividend paid to minority shareholders of a subsidiary<br>in respect of the previous year        |         | –                                                   | (79)                  | (79)         |
| Share option reserve for minority shareholders                                                   |         | –                                                   | 2                     | 2            |
| Increase in minority interests arising on exercise of convertible note<br>issued by a subsidiary |         | –                                                   | 88                    | 88           |
| Increase in minority interests arising from acquisition of a subsidiary                          |         | –                                                   | 11                    | 11           |
| Decrease in minority interests arising from disposal of a subsidiary                             |         | –                                                   | (58)                  | (58)         |
| At December 31, 2005                                                                             |         | 610                                                 | 2,122                 | 2,732        |

| In HK\$ million                                                                                                             | 2004    |                                               |                    |              |
|-----------------------------------------------------------------------------------------------------------------------------|---------|-----------------------------------------------|--------------------|--------------|
|                                                                                                                             | Note(s) | Attributable to equity holders of the Company | Minority interests | Total equity |
| At January 1, 2004, as previously stated                                                                                    |         | (7,839)                                       | 303                | (7,536)      |
| Prior period adjustments in respect of:                                                                                     |         |                                               |                    |              |
| Deferred tax arising from the revaluation of investment properties                                                          | 34      | 106                                           | –                  | 106          |
| Deferral of up-front installation fees                                                                                      | 34      | (1,093)                                       | –                  | (1,093)      |
| Interests in leasehold land held for own use under operating leases                                                         | 34      | 25                                            | –                  | 25           |
| Restatement of investment properties to property, plant and equipment                                                       | 34      | 21                                            | –                  | 21           |
| Financial instruments                                                                                                       | 34      | 112                                           | –                  | 112          |
| At January 1, 2004, as restated                                                                                             |         | (8,668)                                       | 303                | (8,365)      |
| Deficit on revaluation of investment properties, net of deferred taxation                                                   | 34      | (26)                                          | –                  | (26)         |
| Valuation adjustment                                                                                                        | 34      | (254)                                         | –                  | (254)        |
| Translation exchange differences                                                                                            | 34      | 53                                            | 7                  | 60           |
| Realization of negative goodwill on disposal of interest in subsidiaries                                                    | 34      | (16)                                          | –                  | (16)         |
| Prior period adjustments in respect of:                                                                                     |         |                                               |                    |              |
| Deferred tax arising from the revaluation of investment properties                                                          | 34      | (9)                                           | –                  | (9)          |
| Restatement of investment properties to property, plant and equipment                                                       | 34      | (16)                                          | –                  | (16)         |
| Net (losses)/gains recognized directly in equity                                                                            |         | (268)                                         | 7                  | (261)        |
| Net profit for the year, as previously stated                                                                               | 34      | 1,638                                         | 20                 | 1,658        |
| Prior period adjustments in respect of:                                                                                     |         |                                               |                    |              |
| Employee share-based compensation                                                                                           | 34      | (93)                                          | –                  | (93)         |
| Restatement of deemed gain on disposal and placement of shares of subsidiaries                                              | 34      | (52)                                          | –                  | (52)         |
| Deferral of up-front installation fees                                                                                      | 34      | 88                                            | –                  | 88           |
| Interests in leasehold land held for own use under operating leases                                                         | 34      | 7                                             | –                  | 7            |
| Financial instruments                                                                                                       | 34      | (32)                                          | –                  | (32)         |
| Net profit for the year, as restated                                                                                        |         | 1,556                                         | 20                 | 1,576        |
| Exercise of employee share options                                                                                          |         | 23                                            | –                  | 23           |
| Adjustment in respect of employee share-based compensation                                                                  | 34      | 93                                            | –                  | 93           |
| Dividend declared and paid in respect of the current year                                                                   | 15 & 34 | (295)                                         | –                  | (295)        |
| Deemed disposal of interest in subsidiaries                                                                                 |         | –                                             | 175                | 175          |
| Placement of shares of a subsidiary                                                                                         |         | –                                             | 1,362              | 1,362        |
| Adjustment in respect of minority interests upon adoption of new interpretation of accounting standard on deferred taxation |         | –                                             | 43                 | 43           |
| Deficit on revaluation of investment properties attributable to minority interests                                          |         | –                                             | (40)               | (40)         |
| Increase in holding of a subsidiary                                                                                         |         | –                                             | (11)               | (11)         |
| At December 31, 2004, as restated                                                                                           |         | (7,559)                                       | 1,859              | (5,700)      |