

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

for the year ended 31 December 2005

| 2005 | | | 2005 | As restated Note 2 2004 |
|---------------|-----------------------------------------------------------------------------------------------------------|------|---------------|-------------------------------|
| US\$ millions | | Note | HK\$ millions | HK\$ millions |
| (15) | Fair value changes in available-for-sale investments | | (117) | – |
| – | Fair value changes in other listed equity investments | | – | 672 |
| 158 | Fair value changes arising from business combination | | 1,233 | – |
| 24 | Fair value adjustment upon transfer from other properties to investment properties | | 188 | – |
| (4) | Deferred tax effect on fair value adjustment upon transfer from other properties to investment properties | | (31) | – |
| (108) | Valuation released upon disposal of available-for-sale investments | | (845) | – |
| – | Valuation released upon disposal of other listed equity investments | | – | (585) |
| – | Deferred tax effect on revaluation of other listed equity investments | | – | (39) |
| 46 | Gain on cash flow hedges | | 357 | – |
| (1,976) | Exchange translation differences | | (15,415) | 9,047 |
| (37) | Actuarial gains and losses of defined benefit plans | | (283) | (340) |
| 12 | Deferred tax effect on actuarial gains and losses of defined benefit plans | | 93 | 13 |
| (1,900) | Net income (expense) recognised directly in equity | 33 | (14,820) | 8,768 |
| 1,738 | Profit after taxation | | 13,554 | 6,135 |
| (162) | Total recognised income and expense | 33 | (1,266) | 14,903 |
| (230) | Allocated as: Attributable to minority interests | | (1,797) | (5,782) |
| 68 | Attributable to shareholders of the Company | | 531 | 20,685 |

Effects of the adoption of new and revised Hong Kong Financial Reporting Standards accounting policies for each component of equity:

| US\$ millions | | | HK\$ millions | HK\$ millions |
|---------------|---------------------------------------------------------------------------|----|---------------|---------------|
| | Attributable to shareholders of the Company | | | |
| | Cumulative effects as at 31 December 2004 (31 December 2003) | | | |
| (81) | Decrease in exchange reserve | | (629) | (580) |
| 11 | Increase in other reserves | | 89 | 35 |
| (1,170) | Decrease in retained profit | | (9,130) | (5,665) |
| | In respect of financial instruments as at 1 January 2005 (1 January 2004) | | | |
| 6 | Increase in exchange reserve | | 49 | – |
| 262 | Increase in other reserves | | 2,044 | – |
| (351) | Decrease in retained profit | | (2,739) | – |
| (1,323) | Effects on shareholders' funds | 33 | (10,316) | (6,210) |
| | Attributable to minority interests | | | |
| (178) | Cumulative effects as at 31 December 2004 (31 December 2003) | | (1,390) | (882) |
| (29) | In respect of financial instruments as at 1 January 2005 (1 January 2004) | | (229) | – |
| (207) | Effects on minority interests | 33 | (1,619) | (882) |
| (1,530) | | | (11,935) | (7,092) |