

Consolidated Statement of Changes in Equity

for the six months ended 30 June – unaudited

<i>in HK\$ million</i>	2006	2005
At 1 January	41,196	38,626
Share of Reserves of Associated Companies		
Fair value gain / (loss) on other financial assets	213	(32)
(Loss) / gain on cash flow hedge of financial instruments	(53)	251
Share of Reserve of Jointly Controlled Entities		
Gain on cash flow hedge of financial instruments	4	29
Gain on Cash Flow Hedge of Financial Instruments	50	93
Fair Value Gain / (Loss) on Other Financial Assets	304	(115)
Exchange Translation Differences	265	(4)
Net Gain Not Recognised in the Consolidated Profit and Loss Account	783	222
Profit for the Period	3,641	2,933
Dividend to Shareholders of the Company	(1,755)	(1,754)
Minority Interests (Note)	(625)	(145)
Share Options Granted	62	–
Repurchase of Shares	(35)	–
Share Options Exercised		
Premium received	23	12
At 30 June	43,290	39,894

Note:

Pursuant to Daye Special Steel Co. Ltd. ('Daye')'s share reform plan approved by its minority shareholders on 12 January 2006 ('Share Reform Plan'), put options were granted by Hubei Xin Yegang Co. Ltd. ('Xin Yegang') to the minority shareholders of Daye to sell Daye's shares. Both Daye and Xin Yegang are subsidiaries of the Company.

The present value of Xin Yegang's commitment in respect of the put options amounted to HK\$585 million on the grant date was initially recognised as a financial liability reclassified from minority interest.

Details of the Share Reform Plan are set out in the Company's circular to shareholders dated 22 December 2005.