

Consolidated Statement of Changes in Equity

for the year ended 31 December 2006

<i>in HK\$ million</i>	note	2006	2005
At 1 January		41,196	38,461
Share of Reserves of Associated Companies			
Fair value gain / (loss) on other financial assets		183	(67)
(Loss) / gain on cash flow hedge of financial instruments		(129)	350
Retained profits		106	–
Reserves released on disposal of associated companies		(72)	–
Share of Reserves of Jointly Controlled Entities			
(Loss) / gain on cash flow hedge of financial instruments		(1)	40
General reserve		1	–
Capital reserve		17	–
(Loss) / Gain on Cash Flow Hedge of Financial Instruments		(50)	163
Fair Value Gain / (Loss) on Other Financial Assets		1,064	(17)
Transfer to Profit and Loss Account on Impairment of Other Financial Assets		103	–
Exchange Translation Differences		870	158
Net Gains Not Recognised in the Consolidated Profit and Loss Account		2,092	627
Profit for the Year			
Attributable to shareholders of the Company		8,272	3,989
Minority interest		443	308
Dividends to Shareholders of the Company	9	(3,071)	(2,412)
Share Repurchase			
Par value		(1)	–
Premium paid		(35)	–
Share-based Payment		62	–
Minority Interests (Note)		(1,037)	207
Share Options Exercised			
Premium received		86	16
Share capital issued		2	–
At 31 December		48,009	41,196
<i>Representing</i>			
At 31 December after Proposed Final and Special Dividend		45,594	39,442
Proposed Final and Special Dividend	9	2,415	1,754
		48,009	41,196

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 shareholder dated 22 December 2005.