

# Consolidated Statement of Changes In Equity

For the year ended 31 December 2008

	Attributable to equity holders of the Company											Minority interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000 (note a & b)	Capital redemption reserve HK\$'000	Share options reserve HK\$'000	Investment revaluation reserve HK\$'000	Translation reserve HK\$'000	Statutory reserve HK\$'000 (note c)	Retained profits HK\$'000	Total HK\$'000			
At 1 January 2007													
As previously stated	49,896	8,050	(271,597)	—	4,601	8,522	28,328	8,119	843,204	679,123	85,091	764,214	
Effect of combinations under common control (note 1)	—	—	(183,826)	—	—	—	—	—	132,743	(51,083)	70,607	19,524	
As restated	49,896	8,050	(455,423)	—	4,601	8,522	28,328	8,119	975,947	628,040	155,698	783,738	
Gain on fair value changes of available-for-sale investments	—	—	—	—	—	833	—	—	—	833	—	833	
Exchange differences arising on translation of foreign operations	—	—	—	—	—	—	52,713	—	—	52,713	—	52,713	
Total income directly recognised to equity	—	—	—	—	—	833	52,713	—	—	53,546	—	53,546	
Profit for the year (as restated)	—	—	—	—	—	—	—	—	453,664	453,664	58,841	512,505	
Transfer to profit or loss on sale of available-for-sale investments	—	—	—	—	—	(6,823)	—	—	—	(6,823)	—	(6,823)	
Total recognised income and expense for the year	—	—	—	—	—	(5,990)	52,713	—	453,664	500,387	58,841	559,228	
Issue of ordinary shares upon public offer	9,997	989,671	—	—	—	—	—	—	—	999,668	—	999,668	
Share issue expenses	—	(10,842)	—	—	—	—	—	—	—	(10,842)	—	(10,842)	
Issue of ordinary shares upon exercise of share options	928	10,649	—	—	(2,273)	—	—	—	—	9,304	—	9,304	
Recognition of equity-settled share based payments	—	—	—	—	2,793	—	—	—	—	2,793	—	2,793	
2006 final dividend paid	—	—	—	—	—	—	—	—	(49,960)	(49,960)	—	(49,960)	
2007 interim dividend paid	—	—	—	—	—	—	—	—	(54,172)	(54,172)	—	(54,172)	
Transfer to statutory reserve	—	—	—	—	—	—	—	3,073	(3,073)	—	—	—	
Transfer from minority interest (note d)	—	—	—	—	—	—	—	—	128,153	128,153	(128,153)	—	
At 31 December 2007 (restated)	60,821	997,528	(455,423)	—	5,121	2,532	81,041	11,192	1,450,559	2,153,371	86,386	2,239,757	
Loss on fair value changes of available-for-sale investments	—	—	—	—	—	(21,398)	—	—	—	(21,398)	—	(21,398)	
Exchange differences arising on Translation of foreign operations	—	—	—	—	—	—	40,665	—	—	40,665	—	40,665	
Total income directly recognised to equity	—	—	—	—	—	(21,398)	40,665	—	—	19,267	—	19,267	
Profit for the year	—	—	—	—	—	—	—	—	489,321	489,321	15,068	504,389	
Impairment of available-for-sale investments	—	—	—	—	—	6,735	—	—	—	6,735	—	6,735	
Total recognised income and expenses for the year	—	—	—	—	—	(14,663)	40,665	—	489,321	515,323	15,068	530,391	
Issue of ordinary shares upon exercise of share options and warrants	635	7,320	—	—	(1,557)	—	—	—	—	6,398	—	6,398	
Share buy-back after share sub-division (note e)	(337)	—	—	337	—	—	—	—	(15,748)	(15,748)	—	(15,748)	
Recognition of equity-settled share based payments	—	—	—	—	1,688	—	—	—	—	1,688	—	1,688	
2007 final dividend paid	—	—	—	—	—	—	—	—	(109,726)	(109,726)	—	(109,726)	
2008 interim dividend paid	—	—	—	—	—	—	—	—	(90,149)	(90,149)	—	(90,149)	
Distribution of profit (note b)	—	—	(39,354)	—	—	—	—	—	—	(39,354)	—	(39,354)	
Transfer to statutory reserve	—	—	—	—	—	—	—	364	(364)	—	—	—	
Transfer from minority interest (note d)	—	—	—	—	—	—	—	—	101,454	101,454	(101,454)	—	
At 31 December 2008	61,119	1,004,848	(494,777)	337	5,252	(12,131)	121,706	11,556	1,825,347	2,523,257	—	2,523,257	

# Consolidated Statement of Changes In Equity *(Continued)*

For the year ended 31 December 2008

## Notes:

- (a) Special reserve as at 1 January 2007 arose from the combinations of China State Construction Engineering (Hong Kong) Limited, Zetson Enterprises Limited and its subsidiaries, China Construction Engineering (Macau) Company Limited and its subsidiaries, China Overseas Insurance Limited, China Overseas Insurance Services Limited, COHL (Macao) Commercial and Industrial Company Limited, 深圳中海建築有限公司 and its subsidiaries, China Overseas Public Utility Investment Limited ("COPUIL") and its subsidiaries, Fuller Sky Enterprises Limited ("Fuller Sky") and Value Idea Investments Limited ("Value Idea") under common control. The amount represents excess of considerations paid over the share capital of the acquired companies net of distribution to the former shareholders.
- (b) Decrease in special reserve during the year ended 31 December 2008 represented the distribution of reserve to the former shareholder of Fuller Sky before the common control combinations by transferring the entire interests of Fuller Sky.
- (c) Statutory reserve of the Group represents general and development fund reserve applicable to the overseas and People Republic of China ("PRC") subsidiaries which was established in accordance with the relevant regulations.
- (d) Upon the completion of common control combinations by transferring the entire interests of COPUIL in 2007 and Value Idea in 2008, COPUIL and Value Idea became the wholly-owned subsidiaries of the Company and the amount of retained profits attributable to the minority shareholders of China Overseas Land & Investment Ltd. ("COLI"), the former holding company of COPUIL and Value Idea, was transferred to the retained profits of the Group in 2007 and 2008 respectively.
- (e) The ordinary shares of the Company are repurchased out of the Company's retained profits, the amount by which the Company's issued share capital is diminished on cancellation of the shares repurchased was transferred to the capital redemption reserve. The movement of share capital during the year is set out in note 35.