

Consolidated Statement of Changes in Equity

For the year ended 31st December, 2004

	Share capital HK\$'000 (note 19)	Share premium HK\$'000	Special reserve HK\$'000 (note i)	Translation reserve HK\$'000	Non- distributable reserve HK\$'000 (note ii)	Accumulated profits HK\$'000	Total HK\$'000
At 1st January, 2003	25,000	4,242	32,000	(4,438)	3,786	116,853	177,443
Exchange differences arising from translation of financial statements of PRC operations not recognised in the income statement	-	-	-	(209)	-	-	(209)
Transfer to non- distributable reserve	-	-	-	-	779	(779)	-
Profit for the year	-	-	-	-	-	50,580	50,580
Dividends paid (note 8)	-	-	-	-	-	(20,000)	(20,000)
At 31st December, 2003	25,000	4,242	32,000	(4,647)	4,565	146,654	207,814
Exchange differences arising from translation of financial statements of PRC operations not recognised in the income statement	-	-	-	126	-	-	126
Transfer to non- distributable reserve	-	-	-	-	1,174	(1,174)	-
Profit for the year	-	-	-	-	-	50,821	50,821
Dividends paid (note 8)	-	-	-	-	-	(23,750)	(23,750)
At 31st December, 2004	25,000	4,242	32,000	(4,521)	5,739	172,551	235,011

The retained profits of the Group include HK\$23,048,000 (2003: HK\$14,808,000) retained by the associates of the Group.

Notes:

(i) Special reserve

The special reserve of the Group represents the nominal values of 32,000,000 non-voting class A shares of HK\$1 each issued by a subsidiary of the Company to its then shareholders prior to a previous group reorganisation ("Group Reorganisation"). Details of the Group Reorganisation are set out in the prospectus issued by the Company dated 18th April, 2002.

(ii) Non-distributable reserve

The non-distributable reserve of the Group represents statutory reserves appropriated from the profit after taxation of the subsidiary of the Company registered in the People's Republic of China (the "PRC"), other than Hong Kong under the PRC laws and regulations.