

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December, 2005

	Share capital HK\$'000 (note 26)	Share premium HK\$'000	Special reserve HK\$'000 (note i)	Translation reserve HK\$'000	Non- distributable reserve HK\$'000 (note ii)	Retained profits HK\$'000	Total HK\$'000
At 1st January, 2004	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 recognised directly in equity	—	—	—	112	—	—	112
Share of exchange reserve of an associate	—	—	—	14	—	—	14
Profit for the year	—	—	—	—	—	50,821	50,821
Total recognised income for the year	—	—	—	126	—	50,821	50,947
Transfer to non-distributable reserve	—	—	—	—	1,174	(1,174)	—
Dividends paid (note 10)	—	—	—	—	—	(23,750)	(23,750)
At 31st December, 2004	25,000	4,242	32,000	(4,521)	5,739	172,551	235,011
Exchange differences arising from translation of financial statements of PRC operations recognised directly in equity	—	—	—	1,293	—	—	1,293
Share of exchange reserve of an associate	—	—	—	335	—	—	335
Profit for the year	—	—	—	—	—	51,561	51,561
Total recognised income for the year	—	—	—	1,628	—	51,561	53,189
Transfer to non-distributable reserve	—	—	—	—	490	(490)	—
Dividends paid (note 10)	—	—	—	—	—	(25,000)	(25,000)
At 31st December, 2005	25,000	4,242	32,000	(2,893)	6,229	198,622	263,200

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 requirement that the foreign investment enterprises appropriated 10% of profit after taxation of the subsidiary of the Company registered in the People's Republic of China (the "PRC") other than Hong Kong to the non-distributable reserve under the PRC laws and regulations.