

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December, 2002

	Share capital	Share premium	Special reserve	Goodwill reserve	Accumulated profits	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
THE GROUP						
At 1st January, 2001	10,520	–	7,506	1,720	16,196	35,942
Issue of shares from placing and public offer	7,500	60,000	–	–	–	67,500
Expenses incurred in connection with the issue of shares	–	(16,717)	–	–	–	(16,717)
Capitalisation	22,400	(22,400)	–	–	–	–
Surplus arising from Group Reorganisation not recognised in the income statement	(10,420)	–	10,420	–	–	–
Net profit for the year	–	–	–	–	41,148	41,148
At 31st December, 2001	30,000	20,883	17,926	1,720	57,344	127,873
Exercise of share options	3,000	13,800	–	–	–	16,800
Expenses incurred in connection with the issue of shares	–	(30)	–	–	–	(30)
Net loss for the year	–	–	–	–	(7,503)	(7,503)
Dividends paid	–	–	–	–	(11,550)	(11,550)
At 31st December, 2002	<u>33,000</u>	<u>34,653</u>	<u>17,926</u>	<u>1,720</u>	<u>38,291</u>	<u>125,590</u>

The share capital at 1st January, 2001 represents the aggregate share capital of the subsidiaries prior to the Group Reorganisation as defined in note 1 to the consolidated financial statements.

The special reserve of the Group that arose during the year ended 31st December, 2001 represents the difference between the nominal value of shares of the acquired subsidiaries and the nominal value of the shares of the Company issued for the acquisition at the time of the Group Reorganisation in 2001.

The special reserve of the Group at 1st January, 2001 represents the consideration for the acquisition of additional interests in jointly controlled entities which became wholly owned subsidiaries by the substantial shareholder of the Company prior to the Group Reorganisation.

The accumulated profits of the Group include loss of approximately HK\$847,000 (2001: Nil) attributable to its jointly controlled entities.