

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31ST DECEMBER, 2002

	Share capital <i>HK\$'000</i>	Goodwill reserve <i>HK\$'000</i>	Negative goodwill <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1st January, 2001	30,000	(18,670)	29	1,291,271	(1,164,337)	138,293
Adjustment on goodwill (<i>Note</i>)	–	7,601	–	–	–	7,601
Net profit for the year	–	–	–	–	29,659	29,659
Dividend paid	–	–	–	–	(9,000)	(9,000)
At 1st January, 2002	30,000	(11,069)	29	1,291,271	(1,143,678)	166,553
Net profit for the year	–	–	–	–	18,356	18,356
Dividend paid	–	–	–	–	(9,000)	(9,000)
At 31st December, 2002	30,000	(11,069)	29	1,291,271	(1,134,322)	175,909

Note:

The amount represents compensation received from Golik Metal Industrial Company Limited (“GMI”), a wholly-owned subsidiary of Golik Holdings Limited (“GHL”), for the shortfall of the minimum profit guarantee in accordance with the terms of the agreement entered into between certain subsidiaries of the Group and GMI for acquisition of Golik Metal Manufacturing Co. Limited (“GMM”) from GMI on 6th July, 2000.