

Consolidated Statement of Changes in Equity

For the year ended 31st December, 2002

	Share capital HK\$'000	Share premium HK\$'000	Special capital reserve HK\$'000	Capital redemption reserve HK\$'000	Goodwill on consolidation HK\$'000	Exchange reserve HK\$'000	Other non-distributable reserves HK\$'000	Retained profits (deficit) HK\$'000	Total HK\$'000
At 1st January, 2001	460,979	1,876,729	-	233	202,694	4,878	34,403	269,938	2,849,854
Exchange adjustment	-	-	-	-	-	(7,277)	-	-	(7,277)
Share of net reserves movement of associates	-	-	-	-	-	(72)	-	-	(72)
Net loss not recognised in the consolidated income statement	-	-	-	-	-	(7,349)	-	-	(7,349)
Arising from capital reorganisation (note 28)	(414,881)	-	414,881	-	-	-	-	-	-
Impairment loss of goodwill of subsidiaries and associates	-	-	-	-	14,005	-	-	-	14,005
Realised on disposal/dilution of interest in subsidiaries	-	-	-	-	(25,262)	(650)	(11,078)	-	(36,990)
Appropriated from retained profits	-	-	-	-	-	-	12,068	(12,068)	-
Net loss for the year	-	-	-	-	-	-	-	(598,730)	(598,730)
At 31st December, 2001	46,098	1,876,729	414,881	233	191,437	(3,121)	35,393	(340,860)	2,220,790
Exchange adjustment	-	-	-	-	-	(1,144)	-	-	(1,144)
Share of net reserves movement of associates	-	-	-	-	-	904	(278)	-	626
Net loss not recognised in the consolidated income statement	-	-	-	-	-	(240)	(278)	-	(518)
Issue of shares (note 28)	9,200	-	-	-	-	-	-	-	9,200
Issue of shares by way of rights issue (note 28)	27,649	-	-	-	-	-	-	-	27,649
Premium from issue of shares	-	23,024	-	-	-	-	-	-	23,024
Share issue expenses	-	(2,405)	-	-	-	-	-	-	(2,405)
Realised on disposal/dilution of interests in associates	-	-	-	-	3,544	(1,322)	86	-	2,308
Realised on disposal/dilution of interest in subsidiaries	-	-	-	-	(71,028)	(2,190)	(2,577)	-	(75,795)
Appropriated from retained profits	-	-	-	-	-	-	3,215	(3,215)	-
Net loss for the year	-	-	-	-	-	-	-	(477,107)	(477,107)
At 31st December, 2002	82,947	1,897,348	414,881	233	123,953	(6,873)	35,839	(821,182)	1,727,146
Attributable to:									
The Company and its subsidiaries	82,947	1,897,348	414,881	233	55,395	(6,454)	36,000	(656,920)	1,823,430
Associates	-	-	-	-	68,558	(419)	(161)	(164,262)	(96,284)
	82,947	1,897,348	414,881	233	123,953	(6,873)	35,839	(821,182)	1,727,146

Consolidated Statement of Changes in Equity

For the year ended 31st December, 2002

The special capital reserve of the Group represents the amount arising from the Capital Reduction as described in note 28(a).

Included in goodwill on consolidation as at 31st December, 2002, HK\$16,344,000 (2001: HK\$16,344,000) represented goodwill arising on acquisition of subsidiaries. No goodwill arising on acquisition of associates (2001: HK\$3,544,000) were included in goodwill on consolidation.

Included in goodwill on consolidation as at 31st December, 2002, HK\$71,739,000 (2001: HK\$211,325,000) represented negative goodwill arising from acquisition of subsidiaries. Included in goodwill on consolidation as at 31st December, 2002, HK\$68,558,000 represented negative goodwill attributable to associates following the dilution of interest in Rosedale Hotel (2001: Nil).

The other non-distributable reserves of the Group include statutory reserves required to be appropriated from the profit after taxation of the Company's PRC subsidiaries under PRC laws and regulations. The amount of the appropriation is at the discretion of the PRC subsidiaries' board of directors.