

# Consolidated Statement of Changes in Equity

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For the year ended 31st December, 2002

|   | Share<br>capital<br>RMB'000 | Share<br>premium<br>RMB'000 | Non-<br>distributable<br>reserves<br>RMB'000 | Special<br>reserve<br>RMB'000 | Accumulated<br>profits<br>RMB'000 | Total<br>RMB'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------|-----------------------------------|------------------|
| At 1st January, 2001<br>(note)  | 14,700                      | —                           | (1,179)                                      | 102,516                       | 104,534                           | 220,571          |
| Issue of shares to the<br>public  | 6,300                       | 49,770                      | —  | —                             | —                                 | 56,070           |
| Surplus arising from<br>capitalisation of an<br>amount payable to<br>a fellow subsidiary<br>as part of the<br>Group<br>Reorganisation | —                           | —                           | —  | 40,172                        | —                                 | 40,172           |
| Expenses incurred in<br>connection with the<br>issue of shares  | —                           | (19,383)                    | —  | —                             | —                                 | (19,383)         |
| Transfer upon<br>Capitalisation Issue   | —                           | (14,490)                    | —  | 14,490                        | —                                 | —                |
| Net profit for the year   | —                           | —                           | —  | —                             | 21,792                            | 21,792           |
| Transfers   | —                           | —                           | 52   | —                             | (52)                              | —                |
| Dividends   | —                           | —                           | —  | —                             | (41,982)                          | (41,982)         |
| At 31st December,<br>2001   | 21,000                      | 15,897                      | (1,127)                                      | 157,178                       | 84,292                            | 277,240          |
| Net profit for the year   | —                           | —                           | —  | —                             | 10,180                            | 10,180           |
| At 31st December,<br>2002   | 21,000                      | 15,897                      | (1,127)                                      | 157,178                       | 94,472                            | 287,420          |

Note: For the purposes of the preparation of the consolidated statement of changes in equity, the balance of the share capital at 1st January, 2001 represents 140,000,000 shares of the Company of HK\$0.10 each comprising the aggregate of shares issued immediately after the completion of the Group Reorganisation (see note 1) and the Capitalisation Issue (see note 23), being HK\$14,000,000 or equivalent to RMB14,700,000.

The non-distributable reserves represent statutory reserves appropriated from the profit after tax of the Company's subsidiaries established in the People's Republic of China (the "PRC") under the PRC laws and regulations and capital deficit arising from capital injections by the Group into the Company's subsidiaries in the PRC in the form of foreign currencies.

The special reserve represents the difference between the nominal value of the share capital issued by the Company and the nominal value of the share capital of the subsidiaries acquired on the basis that the Group Reorganisation had been completed on 1st January, 2001 and the surplus arising pursuant to the capitalisation of an amount payable to a fellow subsidiary as part of the Group Reorganisation.