

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2002

	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Merger reserve HK\$'000	Special reserve HK\$'000	Land and buildings revaluation reserve HK\$'000	Investment property revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	PRC statutory reserves HK\$'000	Goodwill reserve HK\$'000	Translation reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
<b>THE GROUP</b>													
At 1 January 2001													
— as originally stated	53,033	193,410	223	136,502	44,987	40,513	24,084	—	4,024	(8,080)	1,586	305,869	796,151
— prior period adjustments (note)	—	—	—	—	—	—	—	—	—	—	—	(3,504)	(3,504)
As restated	53,033	193,410	223	136,502	44,987	40,513	24,084	—	4,024	(8,080)	1,586	302,365	792,647
Exchange difference on translation of operations outside Hong Kong	—	—	—	—	—	—	—	—	—	—	(299)	—	(299)
Deficit on revaluation of non-trading securities	—	—	—	—	—	—	—	(1,902)	—	—	—	—	(1,902)
Changes in fair value of non-trading securities	—	—	—	—	—	—	—	3,228	—	—	—	—	3,228
Deficit on revaluation of investment properties	—	—	—	—	—	—	(2,695)	—	—	—	—	—	(2,695)
Net loss not recognised in the consolidated income statement	—	—	—	—	—	—	(2,695)	1,326	—	—	(299)	—	(1,668)
Release of goodwill upon disposal of interest in an associate	—	—	—	—	—	—	—	—	—	5,013	—	—	5,013
Net loss for the year	—	—	—	—	—	—	—	—	—	—	—	(136,962)	(136,962)
Transfer	—	—	—	—	—	—	—	—	388	—	—	(388)	—
At 31 December 2001	53,033	193,410	223	136,502	44,987	40,513	21,389	1,326	4,412	(3,067)	1,287	165,015	659,030
Transfer to accumulated profits	—	—	—	—	(44,987)	—	—	—	—	—	—	44,987	—
Exchange differences on translation of operations outside Hong Kong	—	—	—	—	—	—	—	—	—	—	357	—	357
Share of translation reserve of an associate	—	—	—	—	—	—	—	—	—	—	191	—	191
Deficit on revaluation of investment properties	—	—	—	—	—	—	(6,108)	—	—	—	—	—	(6,108)
Net loss not recognised in the consolidated income statement	—	—	—	—	—	—	(6,108)	—	—	—	548	—	(5,560)
Release upon disposal of non-trading securities	—	—	—	—	—	—	—	(1,326)	—	—	—	—	(1,326)
Release upon disposal of subsidiaries	—	—	—	—	—	—	—	—	(15)	—	(1,550)	—	(1,565)
Net profit for the year	—	—	—	—	—	—	—	—	—	—	—	15,217	15,217
Transfer	—	—	—	—	—	—	—	—	242	—	—	(242)	—
At 31 December 2002	53,033	193,410	223	136,502	—	40,513	15,281	—	4,639	(3,067)	285	224,977	665,796

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*For the year ended 31 December 2002*

The merger reserve represents the difference between the share capital and share premium of a subsidiary and the nominal value of the Company's shares issued in exchange thereof at the time of the group reorganisation in 1992.

The accumulated profits of the Group included a deficit of HK\$58,691,000 (2001: a deficit of HK\$39,792,000) retained by associates of the Group.

*Note:* In current year, an associate of the Group has adopted Statement of Standard Accounting Practice 34 "Employee Benefits" issued by Hong Kong Society of Accountants under which the associate's policy in respect of the retirement benefits costs of defined benefits retirement plan has been changed. The change has been applied retrospectively, resulting in a decrease in the Group's share of consolidated profit after taxation of the associate for the year ended 31 December 2001 by HK\$431,000 and a decrease of the Group's share of both the associate's consolidated accumulated profits and shareholders' funds at 31 December 2001 by HK\$3,935,000 (2000: HK\$3,504,000).