

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 DECEMBER 2002

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Translation reserve HK\$'000	Deficit HK\$'000	Total HK\$'000
At 1 January 2001	55,976	87,984	2,099	—	(59,030)	87,029
Issue of new shares	11,100	5,550	—	—	—	16,650
Conversion of convertible notes	3,000	3,600	—	—	—	6,600
Exercise of share options	1,154	808	—	—	—	1,962
Share issue expenses	—	(54)	—	—	—	(54)
Net loss for the year	—	—	—	—	(45,859)	(45,859)
At 1 January 2002	71,230	97,888	2,099	—	(104,889)	66,328
Exchange differences arising from translation of overseas operations and net gain not recognised in the income statement	—	—	—	225	—	225
Exercise of share options	6	5	—	—	—	11
Net loss for the year	—	—	—	—	(8,412)	(8,412)
At 31 December 2002	<u>71,236</u>	<u>97,893</u>	<u>2,099</u>	<u>225</u>	<u>(113,301)</u>	<u>58,152</u>

The capital reserve represents the difference between the nominal value of the share capital issued by the Company in exchange for the aggregate of the nominal value of the issued share capital of Rockapetta Investment Limited ("RIL"), the former subsidiary which was acquired by the Company pursuant to a group reorganisation to rationalise the group structure in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").