

Condensed consolidated statement of changes in equity

For the six months ended 30 June 2003

| | Share capital HK\$'000 | Share premium HK\$'000 | Unaudited Capital redemption reserve HK\$'000 | Reserve on consolidation HK\$'000 | Retained profits HK\$'000 | Total HK\$'000 |
|---|------------------------------|------------------------------|---|---|---------------------------------|-------------------|
| At 1 January 2003, as previously reported | 121,087 | 112,553 | 582 | 21,082 | 311,384 | 566,688 |
| Changes in accounting policy (Note 1) | | | | | | |
| – provision for net deferred tax liabilities | - | - | - | - | (1,317) | (1,317) |
| – amortisation of goodwill | - | - | - | - | (1,776) | (1,776) |
| | - | - | - | - | (3,093) | (3,093) |
| At 1 January 2003, as restated | 121,087 | 112,553 | 582 | 21,082 | 308,291 | 563,595 |
| Issue of shares | 1,090 | 2,221 | - | - | - | 3,311 |
| Profit for the period | - | - | - | - | 9,911 | 9,911 |
| At 30 June 2003 | 122,177 | 114,774 | 582 | 21,082 | 318,202 | 576,817 |
| Representing: | | | | | | |
| Share capital | | | | | | 122,177 |
| Reserves | | | | | | 442,215 |
| Proposed dividend | | | | | | 12,425 |
| At 30 June 2003 | | | | | | 576,817 |

| | Share capital <i>HK\$'000</i> | Share premium <i>HK\$'000</i> | Unaudited Capital redemption reserve <i>HK\$'000</i> | Reserve on consolidation <i>HK\$'000</i> | Retained profits <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|---|-------------------------------------|-------------------------------------|--|--|--|--------------------------|
| At 1 January 2002, as previously reported | 100,906 | 81,863 | 582 | 21,082 | 310,112 | 514,545 |
| Changes in accounting policy (<i>Note 1</i>) | | | | | | |
| – provision for net deferred tax assets | – | – | – | – | 29 | 29 |
| – amortisation of goodwill | – | – | – | – | (807) | (807) |
| | – | – | – | – | (778) | (778) |
| At 1 January 2002, as restated | 100,906 | 81,863 | 582 | 21,082 | 309,334 | 513,767 |
| Issue of shares | 20,181 | 32,290 | – | – | – | 52,471 |
| Share issuing expenses | – | (1,600) | – | – | – | (1,600) |
| Loss for the period | – | – | – | – | (42,540) | (42,540) |
| At 30 June 2002 | <u>121,087</u> | <u>112,553</u> | <u>582</u> | <u>21,082</u> | <u>266,794</u> | <u>522,098</u> |

Notes to the condensed interim accounts

1. Basis of preparation and principal accounting policies

These unaudited condensed consolidated interim accounts are prepared in accordance with Hong Kong Statement of Standard Accounting Practice (“SSAP”) 25, “Interim Financial Reporting”, issued by the Hong Kong Society of Accountants (“HKSA”).

These condensed interim accounts should be read in conjunction with the 2002 annual accounts.

The accounting policies and methods of computation used in the preparation of these condensed interim accounts are consistent with those used in the annual accounts for the year ended 31 December 2002 except that the Group has changed its accounting policy following its adoption of SSAP 12 “Income taxes” issued by the HKSA which is effective for accounting periods commencing on or after 1 January 2003.