

STATEMENT OF CHANGES IN EQUITY As at 31 December 2003

	Share capital <i>HK\$</i>	Share premium <i>HK\$</i>	Accumulated losses <i>HK\$</i>	Total <i>HK\$</i>
Issue of shares	2,000,000	48,000,000	–	50,000,000
Listing expenses	–	(3,512,545)	–	(3,512,545)
Loss for the period	–	–	(409,130)	(409,130)
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Balance at 31 December 2002 and at 1 January 2003	2,000,000	44,487,455	(409,130)	46,078,325
Repurchase of share	(560)	(49,280)	–	(49,840)
Listing expenses	–	(18,070)	–	(18,070)
Loss for the year	–	–	(398,369)	(398,369)
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Balance at 31 December 2003	<u>1,999,440</u>	<u>44,420,105</u>	<u>(807,499)</u>	<u>45,612,046</u>

Under the Cayman Islands Law, the share premium of the Company is available for paying distributions or dividends to the shareholders subject to the provisions of the Articles of Association of the Company and a statutory solvency test. Under the Articles of Association of the Company, dividend may be declared or payable out of the profits and reserves of the Company lawfully available for distribution with the sanction of an ordinary resolution. Dividend may also be declared out of share premium account of the Company. As at 31 December 2003, the Company's reserve available for distribution amounted to approximately HK\$43,612,000 (2002: approximately HK\$44,078,000).