

# Consolidated Statement of Changes in Equity

Year ended 31 December 2003

	Issued share capital HK\$'000	Share premium account HK\$'000	Contributed surplus HK\$'000	Reserve funds (Note (b)) HK\$'000	Retained profits/ losses (accumulated) HK\$'000	Total HK\$'000
At 1 January 2002	856,996	253,813	1,775,250	—	(1,029,659)	1,856,400
Placement of shares	36,800	73,600	—	—	—	110,400
Issue of consideration shares	102,300	—	102,300	—	—	204,600
Share issue expenses	—	(3,655)	—	—	—	(3,655)
Exercise of share options	133	95	—	—	—	228
Transfer of share premium and contributed surplus to set off against accumulated losses - Note (a)	—	(253,813)	(910,231)	—	1,164,044	—
Net loss for the year (as restated)	—	—	—	—	(66,262)	(66,262)
At 31 December 2002	996,229	70,040	967,319	—	68,123	2,101,711
At 1 January 2003:						
As previously reported	996,229	70,040	967,319	—	67,497	2,101,085
Prior year adjustment: SSAP 12 - restatement of deferred tax	—	—	—	—	626	626
As restated	996,229	70,040	967,319	—	68,123	2,101,711
Exercise of share warrants	—	—	—	—	—	—
Exercise of share options	173	134	—	—	—	307
Transfer from retained profits	—	—	—	1,880	(1,880)	—
Net loss for the year	—	—	—	—	(856,364)	(856,364)
At 31 December 2003	996,402	70,174*	967,319*	1,880*	(790,121)*	1,245,654

Notes:

- (a) A special resolution was passed at the annual general meeting of the Company held on 24 May 2002 to approve the amount of HK\$253,813,000 and HK\$910,231,000 standing to the credit of the Company's share premium account and contributed surplus account, respectively, be reduced and applied to set off against an equivalent amount of the accumulated losses of the Company as at 31 December 2001.
- (b) In accordance with the relevant People's Republic of China (the "PRC") laws and regulations applicable to Sino-foreign joint venture enterprises and wholly foreign-owned enterprises, certain subsidiaries of the Company in the PRC are required to transfer a certain percentage of their net profit for the year to reserve funds. These funds are non-distributable. For the purpose of determining the appropriations to these funds, the net profit is determined in accordance with the applicable financial rules and regulations in the PRC.
- \* These reserve accounts comprise the consolidated reserve of HK\$249,252,000 (2002(restated):HK\$1,105,482,000) in the consolidated balance sheet.