

Consolidated Statement of Changes in Equity

For the year ended 31 December 2003

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (Note a)	Capital redemption reserve HK\$'000	Property revaluation reserve HK\$'000	Land use rights revaluation reserve HK\$'000	Translation reserve HK\$'000	PRC reserve funds HK\$'000 (Note b)	(Accumulated losses) retained profits HK\$'000 (Note c)	Total HK\$'000
At 1 January 2002										
- as previously stated	76,537	357,181	54,098	463	1,491	3,101	7,352	22,306	(128,870)	393,659
- prior year adjustment (Note 2)	-	-	-	-	(217)	(509)	-	-	(161)	(887)
At 1 January 2002, as restated	76,537	357,181	54,098	463	1,274	2,592	7,352	22,306	(129,031)	392,772
Surplus on revaluation	-	-	-	-	1,178	874	-	-	-	2,052
Release on write off of interest in a jointly controlled entity	-	-	6,495	-	-	-	-	(1,130)	1,130	6,495
Recognition of deferred tax liability on revaluation	-	-	-	-	(181)	(130)	-	-	-	(311)
Transfer	-	-	-	-	-	-	-	6,269	(6,269)	-
Net gain (loss) not recognised in the income statement	-	-	6,495	-	997	744	-	5,139	(5,139)	8,236
Profit for the year	-	-	-	-	-	-	-	-	42,481	42,481
At 31 December 2002 and 1 January 2003	76,537	357,181	60,593	463	2,271	3,336	7,352	27,445	(91,689)	443,489
(Deficit) surplus on revaluation	-	-	-	-	(2,818)	4,095	-	-	-	1,277
Recognition (reversal) of deferred tax liability on revaluation	-	-	-	-	492	(528)	-	-	-	(36)
Effect of change in tax rate	-	-	-	-	55	88	-	-	-	143
Transfer	-	-	-	-	-	-	-	1,045	(1,045)	-
Net (loss) gain not recognised in the income statement	-	-	-	-	(2,271)	3,655	-	1,045	(1,045)	1,384
Profit for the year	-	-	-	-	-	-	-	-	66,092	66,092
Interim dividend paid	-	-	-	-	-	-	-	-	(15,238)	(15,238)
Reduction of share premium (Note d)	-	(149,099)	-	-	-	-	-	-	149,099	-
Issue of shares	25,048	75,752	-	-	-	-	-	-	-	100,800
Share issue expenses	-	(4,262)	-	-	-	-	-	-	-	(4,262)
Exercise of share options	373	1,232	-	-	-	-	-	-	-	1,605
Reclassifications	-	-	20,995	-	-	-	(20,995)	-	-	-
At 31 December 2003	101,958	280,804	81,588	463	-	6,991	(13,643)	28,490	107,219	593,870

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	Share capital	Share premium	Capital reserve	Capital redemption reserve	Property revaluation reserve	Land use rights revaluation reserve	Translation reserve	PRC reserve funds	(Accumulated losses) retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(Note a)					(Note b)	(Note c)	
Attributable to:										
The Company and subsidiaries	101,958	280,804	72,932	463	-	6,991	3,821	5,164	127,463	599,596
Jointly controlled entities	-	-	-	-	-	-	(17,824)	20,054	(33,079)	(30,849)
Associates	-	-	8,656	-	-	-	360	3,272	12,835	25,123
At 31 December 2003	<u>101,958</u>	<u>280,804</u>	<u>81,588</u>	<u>463</u>	<u>-</u>	<u>6,991</u>	<u>(13,643)</u>	<u>28,490</u>	<u>107,219</u>	<u>593,870</u>
The Company and subsidiaries	76,537	357,181	51,937	463	2,271	3,336	3,821	5,164	(61,269)	439,441
Jointly controlled entities	-	-	-	-	-	-	3,171	19,381	(38,712)	(16,160)
Associates	-	-	8,656	-	-	-	360	2,900	8,292	20,208
At 31 December 2002	<u>76,537</u>	<u>357,181</u>	<u>60,593</u>	<u>463</u>	<u>2,271</u>	<u>3,336</u>	<u>7,352</u>	<u>27,445</u>	<u>(91,689)</u>	<u>443,489</u>

Notes:

- In the capital reserve, it included negative goodwill arising from acquisition of subsidiaries amounting to HK\$82,051,000, goodwill arising from acquisition of subsidiaries, a jointly controlled entity and an associate amounting to HK\$3,942,000, HK\$27,666,000 and HK\$1,514,000 respectively.
- Pursuant to the relevant laws and regulations for sino-foreign joint venture enterprises, a portion of the profits of the Group's subsidiaries, jointly controlled entities and associates established in the People's Republic of China (the "PRC") has been transferred to PRC reserve funds which are restricted as to their use.
- In the retained profits, it included goodwill arising from acquisition of subsidiaries and an associate amounting to HK\$11,542,000 and HK\$56,541,000 respectively.
- Pursuant to the order issued by the Court of First Instance of the Hong Kong Special Administrative Region, the share premium account of the Company has been reduced by the amount of approximately HK\$149,099,000 and the same amount of credit arising from such reduction has been applied towards the elimination of accumulated losses.