

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	Capital reserve HK\$'000	Conversion option reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 October 2001	127,681	733,730	34,600	47,926	20,487	(1,014,788)	(50,364)
Capital reduction against accumulated losses (note a)	(121,297)	—	—	—	—	121,297	—
Issue of new shares of CCT Technology	84,200	—	—	—	—	—	84,200
Placement of new shares of CCT Technology	17,800	—	—	—	—	—	17,800
Reversal of conversion option reserve upon the Group Restructuring (note b)	—	—	—	—	(20,487)	—	(20,487)
Reversal of reserves upon the Group Restructuring (note c)	—	—	(34,600)	(47,926)	—	—	(82,526)
Share issue expenses	—	(380)	—	—	—	—	(380)
Profit for the period	—	—	—	—	—	98,158	98,158
At 31 December 2002 and 1 January 2003	108,384	733,350	—	—	—	(795,333)	46,401
Issue of new shares	23,000	—	—	—	—	—	23,000
Profit for the year	—	—	—	—	—	72,742	72,742
At 31 December 2003	131,384	733,350	—	—	—	(722,591)	142,143

Notes:

- (a) The entire credit balance, arising from the capital reduction of CCT Technology in the amount of HK\$121,297,000, was applied to write off part of the accumulated losses of CCT Technology.
- (b) The entire conversion option reserve was reversed upon settlement of the convertible notes on 17 May 2002.
- (c) The contributed surplus and capital reserves were reversed upon the disposal of certain subsidiaries and disposal of properties, respectively.

The events as explained in notes (a) to (c) above have arisen from the Group Restructuring which was completed on 17 May 2002. Details of the Group Restructuring are set out in note 1 to the financial statements.