

Consolidated Statement of Changes in Equity

For the year ended 31 December 2003

| | Share capital HK\$'000 | Share premium HK\$'000 | Capital redemption reserve HK\$'000 | Revaluation reserve HK\$'000 | Exchange reserve HK\$'000 | Capital reserve HK\$'000 | Enterprise expansion fund and statutory reserve fund HK\$'000 | Accumulated losses HK\$'000 | Total HK\$'000 |
|--|---------------------------|---------------------------|--|---------------------------------|------------------------------|-----------------------------|--|--------------------------------|-------------------|
| At 1 January 2002 | | | | | | | | | |
| – as originally stated | 459,109 | 913,523 | 1,019 | 4,014 | 44,230 | 1,817,457 | 127,497 | (2,668,287) | 698,562 |
| – prior year adjustment (note 3) | – | – | – | (265) | – | – | – | (32,046) | (32,311) |
| – as restated | 459,109 | 913,523 | 1,019 | 3,749 | 44,230 | 1,817,457 | 127,497 | (2,700,333) | 666,251 |
| Share of movements in reserves of associates | – | – | – | 636 | 2,374 | – | 1,878 | (1,878) | 3,010 |
| Exchange differences arising on translation of the financial statements of overseas operations | – | – | – | – | (858) | – | – | – | (858) |
| Net gain not recognised in the income statement | – | – | – | 636 | 1,516 | – | 1,878 | (1,878) | 2,152 |
| Transfer | – | – | – | – | – | – | 102 | (102) | – |
| Disposal of subsidiaries | – | – | – | – | (25,783) | – | (83,936) | 83,936 | (25,783) |
| Dissolution of a subsidiary | – | – | – | – | (921) | – | – | – | (921) |
| Loss for the year | – | – | – | – | – | – | – | (295,051) | (295,051) |
| At 31 December 2002 | 459,109 | 913,523 | 1,019 | 4,385 | 19,042 | 1,817,457 | 45,541 | (2,913,428) | 346,648 |
| Share of movements in reserves of associates | – | – | – | 382 | – | – | 287 | (287) | 382 |
| Exchange differences arising on translation of the financial statements of overseas operations | – | – | – | – | (1,918) | – | – | – | (1,918) |
| Net gain not recognised in the income statement | – | – | – | 382 | (1,918) | – | 287 | (287) | (1,536) |
| Shares issued at premium | 70,000 | 42,000 | – | – | – | – | – | – | 112,000 |
| Share issue expenses | – | (79) | – | – | – | – | – | – | (79) |
| Transfer | – | – | – | – | – | – | 22,099 | (22,099) | – |
| Released on deemed disposal of a partial interest in an associate | – | – | – | (385) | 1,752 | (4,354) | (2,494) | 2,669 | (2,812) |
| Profit for the year | – | – | – | – | – | – | – | 67,764 | 67,764 |
| At 31 December 2003 | 529,109 | 955,444 | 1,019 | 4,382 | 18,876 | 1,813,103 | 65,433 | (2,865,381) | 521,985 |

The accumulated losses of the Group include an accumulated losses of HK\$85,582,000 (2002: HK\$108,888,000) attributable to associates of the Group and accumulated profits of nil (2002: HK\$277,000) attributable to jointly controlled entities of the Group.

Capital reserve of the Group consists primarily capital reserve of the Company amounting to HK\$1,800,000,000 which was created through the reduction of the Company's share premium account on 29 November 1993, as approved by the Supreme Court of Hong Kong.

Enterprise expansion fund and statutory reserve fund, which are non-distributable, are appropriated from the profit after taxation of the Company's subsidiaries and associates under the applicable laws and regulations in the People's Republic of China (other than Hong Kong) (the "PRC").