

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2004

| | Share capital (Unaudited) HK\$'000 | Reserves | | | Accumulated losses (Unaudited) HK\$'000 | Total (Unaudited) HK\$'000 |
|--|---|---|---|--|--|----------------------------------|
| | | Share premium (Unaudited) HK\$'000 | Contributed surplus (Unaudited) HK\$'000 | Exchange reserve (Unaudited) HK\$'000 | | |
| Balance at 1 January 2003 | 194,046 | 459,012 | 22,130 | 569 | (601,285) | 74,472 |
| Exchange differences arising on consolidation | - | - | - | (90) | - | (90) |
| Issue of shares | 10,877 | - | - | - | - | 10,877 |
| Loss for the period | - | - | - | - | (72,200) | (72,200) |
| Balance at 30 June 2003 | <u>204,923</u> | <u>459,012</u> | <u>22,130</u> | <u>479</u> | <u>(673,485)</u> | <u>13,059</u> |
| Balance at 1 January 2004 | 204,923 | 459,012 | 22,130 | - | (863,626) | (177,561) |
| Capital reduction | (203,898) | - | 203,898 | - | - | - |
| Share premium cancellation | - | (459,012) | 459,012 | - | - | - |
| Issue of shares | 6,923 | - | - | - | - | 6,923 |
| Premium arising on issue of shares net of issuing expenses | - | 31,981 | - | - | - | 31,981 |
| Credit transfer | - | - | (606,013) | - | 606,013 | - |
| Profit for the Period | - | - | - | - | 145,939 | 145,939 |
| Balance at 30 June 2004 | <u>7,948</u> | <u>31,981</u> | <u>79,027</u> | <u>-</u> | <u>(111,674)</u> | <u>7,282</u> |