

Consolidated Statement of Changes in Equity

for the year ended 31st December, 2004

	Share capital HK\$'000	Share premium HK\$'000	Goodwill reserve HK\$'000	Capital reserve HK\$'000	Accumulated profits HK\$'000	Translation reserve HK\$'000	Total HK\$'000
THE GROUP							
At 1st January, 2003	48,684	104,512	(3,636)	11,966	587,251	1,257	750,034
Final dividend declared for the nine months ended 31st December, 2002	—	—	—	—	(24,342)	—	(24,342)
Shares issued on exercise of share options	446	4,990	—	—	—	—	5,436
Exchange differences on translation of overseas subsidiaries not recognised in the income statement	—	—	—	—	—	(9)	(9)
Net profit for the year	—	—	—	—	157,255	—	157,255
Interim dividend declared	—	—	—	—	(34,391)	—	(34,391)
At 31st December, 2003	49,130	109,502	(3,636)	11,966	685,773	1,248	853,983
Final dividend declared for the year ended 31st December, 2003	—	—	—	—	(49,130)	—	(49,130)
Bonus shares issued	12,283	(12,283)	—	—	—	—	—
Shares issued on exercise of share options	468	14,989	—	—	—	—	15,457
Exchange differences on translation of overseas subsidiaries not recognised in the income statement	—	—	—	—	—	248	248
Net profit for the year	—	—	—	—	220,113	—	220,113
Interim dividend declared	—	—	—	—	(49,130)	—	(49,130)
At 31st December, 2004	61,881	112,208	(3,636)	11,966	807,626	1,496	991,541

The capital reserve of the Group includes an amount of approximately HK\$11,870,000 arising from the reorganisation of the Group, representing the aggregate of (i) the deferred shares of Lung Kee International Limited and Lung Kee Metal Limited; and (ii) the difference between the nominal amount of the share capital issued by the Company in exchange for the nominal amount of the share capital of its subsidiaries acquired at the date of the group reorganisation.