

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2004

	Share capital <i>HK\$</i>	Share premium <i>HK\$</i>	Accumulated losses <i>HK\$</i>	Total <i>HK\$</i>
At 1 January 2003	10,300,000	85,871,636	(6,688,317)	89,483,319
Net loss for the year	–	–	(44,137,775)	(44,137,775)
At 1 January 2004	10,300,000	85,871,636	(50,826,092)	45,345,544
Net loss for the year	–	–	(606,511)	(606,511)
At 31 December 2004	10,300,000	85,871,636	(51,432,603)	(44,739,033)

Note: Under the Companies Law of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to the shareholders subject to the provisions of its Memorandum and Articles of Association and a statutory solvency test. In accordance with Article 143 of the Company's Articles of Association, dividends may be declared and paid out of the profits of the Company or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared or paid out of share premium account. The Company's reserves available for distribution amounted to approximately HK\$34,439,000 as at 31 December 2004.