

Consolidated Statement of Changes in Equity

For the year ended 31 December 2004

	Issued capital	Share premium account	Property revaluation reserve	Exchange fluctuation reserve	Reserves				Total
					Capital reserve	Special reserve (Note)	Accumulated losses	Total reserves	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2003	446,409	715,132	21,169	10,354	8	-	(1,283,014)	(536,351)	(89,942)
Capital Reorganisation	(444,177)	-	-	-	-	341,800	102,377	444,177	-
Issue of shares	29,017	8,704	-	-	-	-	-	8,704	37,721
Share issue expenses	-	(374)	-	-	-	-	-	(374)	(374)
Exchange adjustments on translation of foreign subsidiaries	-	-	-	(459)	-	-	-	(459)	(459)
Transfer interests to minority shareholders	-	-	-	73	-	-	-	73	73
Net gains and losses not recognised in the income statement	-	-	-	(386)	-	-	-	(386)	(386)
Net loss for the year	-	-	-	-	-	-	(7,054)	(7,054)	(7,054)
At 31 December 2003	31,249	723,462	21,169	9,968	8	341,800	(1,187,691)	(91,284)	(60,035)
Translation adjustment	-	-	-	855	-	-	-	855	855
Exchange adjustments on translation of foreign subsidiaries	-	-	-	(211)	-	-	-	(211)	(211)
Transfer interests to minority shareholders	-	-	-	(193)	-	-	-	(193)	(193)
Net gains and losses not recognised in the income statement	-	-	-	(404)	-	-	-	(404)	(404)
Net loss for the year	-	-	-	-	-	-	(5,768)	(5,768)	(5,768)
At 31 December 2004	31,249	723,462	21,169	10,419	8	341,800	(1,193,459)	(96,601)	(65,352)
Issued capital and reserves retained by:									
Company and its subsidiaries	31,249	723,462	21,169	10,371	8	341,800	(1,148,265)	(51,455)	(20,206)
Associates	-	-	-	48	-	-	(45,194)	(45,146)	(45,146)
At 31 December 2004	31,249	723,462	21,169	10,419	8	341,800	(1,193,459)	(96,601)	(65,352)
Company and its subsidiaries	31,249	723,462	21,169	10,775	8	341,800	(1,139,700)	(42,486)	(11,237)
Associates	-	-	-	(807)	-	-	(47,991)	(48,798)	(48,798)
At 31 December 2003	31,249	723,462	21,169	9,968	8	341,800	(1,187,691)	(91,284)	(60,035)

Note: In accordance with the judgement of the capital reduction of the Company approved by the High Court on 29 July 2003, the Company provided an undertaking that in the event of its making any future recoveries in respect of the assets of which provision for diminution in value or depreciation was made in the accounts of the Company for the accounting periods up to and including the period ending on 31 December 2002, beyond their written down value in the Company's audited accounts as at 31 December 2002, all such recoveries beyond that written down value up to an amount of approximately HK\$341,800,000 was credited to a special capital reserve in the accounting records of the Company (the "Special Reserve") and that so long as there shall remain outstanding any debt of or claim against the Company which, if the date on which the reduction of capital became effective was the date of the commencement of the winding up of the Company, would be admissible to proof in such winding up and the persons entitled to the benefit of such debts or claims shall not have agreed otherwise, such reserve shall not be treated as realised profits for the purposes of Section 79B of the Companies Ordinance and shall be treated as an undistributable reserve of the Company for the purposes of Section 79C of the Companies Ordinance.

The notes on pages 33 to 64 form an integral part of these financial statements.