

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December, 2004

	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Translation reserve HK\$'000	PRC	Accumulated profits (loss) HK\$'000	Total HK\$'000
					statutory reserve HK\$'000		
At 1st January, 2003	1	—	—	3,585	5,165	8,808	17,559
Exchange differences arising from translation of operations outside Hong Kong not recognised in consolidated income statement	—	—	—	(4,111)	—	—	(4,111)
Profit for the year	—	—	—	—	—	86,315	86,315
At 31st December, 2003	1	—	—	(526)	5,165	95,123	99,763
Exchange differences arising from translation of operations outside Hong Kong not recognised in consolidated income statement	—	—	—	2,676	—	—	2,676
Acquisition of subsidiaries	151,999	202,986	(251,428)	—	—	(881,000)	(777,443)
Transfers	—	—	—	—	16,909	(16,909)	—
Profit for the year	—	—	—	—	—	114,769	114,769
Dividend (note 11)	—	—	—	—	—	(50,000)	(50,000)
At 31st December, 2004	152,000	202,986	(251,428)	2,150	22,074	(738,017)	(610,235)

Notes:

- (i) The Group acquired the UPC Group (see note 3 to the financial statements) (the "Acquisition") in December 2004. The Acquisition has been accounted for as a reverse acquisition and accordingly the reserves accounts, other than share capital and share premium accounts reflect those of the UPC Group. The share capital and share premium accounts reflect the legal structure of the Company.
- (ii) The special reserve represents the reserve arose from the reverse acquisition in December 2004.
- (iii) The People's Republic of China (the "PRC") statutory reserves are reserves required by the relevant PRC laws applicable to the Company's PRC subsidiary.