



Consolidated Statement of Changes in Equity

For the year ended 31 December 2004

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (Note a)	Goodwill reserve HK\$'000 (Note a)	Capital redemption reserve HK\$'000	Property revaluation reserve HK\$'000	Land use rights revaluation reserve HK\$'000	Translation reserve HK\$'000	PRC reserve funds HK\$'000 (Note b)	(Accumulated losses) retained profits HK\$'000	Total HK\$'000
At 1 January 2003	76,537	357,181	60,593	-	463	2,271	3,336	7,352	27,445	(91,689)	443,489
(Deficit) surplus on revaluation	-	-	-	-	-	(2,818)	4,095	-	-	-	1,277
Reversal (recognition) of deferred tax liability on revaluation of properties	-	-	-	-	-	492	(528)	-	-	-	(36)
Effect of change in tax rate	-	-	-	-	-	55	88	-	-	-	143
Net (loss) gain not recognised in the income statement	-	-	-	-	-	(2,271)	3,655	-	-	-	1,384
Profit for the year	-	-	-	-	-	-	-	-	-	66,092	66,092
Interim dividend paid	-	-	-	-	-	-	-	-	-	(15,238)	(15,238)
Reduction of share premium (Note c)	-	(149,099)	-	-	-	-	-	-	-	149,099	-
Issue of shares	25,048	75,752	-	-	-	-	-	-	-	-	100,800
Share issue expenses	-	(4,262)	-	-	-	-	-	-	-	-	(4,262)
Exercise of share options	373	1,232	-	-	-	-	-	-	-	-	1,605
Transfer and reclassification	-	-	20,995	-	-	-	-	(20,995)	1,045	(1,045)	-
At 31 December 2003 and 1 January 2004	101,958	280,804	81,588	-	463	-	6,991	(13,643)	28,490	107,219	593,870
Surplus on revaluation	-	-	-	-	-	368	791	-	-	-	1,159
Recognition of deferred tax liability on revaluation of properties	-	-	-	-	-	(64)	(119)	-	-	-	(183)
Net gain not recognised in the income statement	-	-	-	-	-	304	672	-	-	-	976
Release on disposal of subsidiaries	-	-	-	(82,041)	-	-	-	1,196	-	-	(80,845)
Release on disposal of interest in a jointly controlled entity	-	-	-	-	-	-	-	17,582	(8,212)	8,212	17,582
Profit for the year	-	-	-	-	-	-	-	-	-	148,114	148,114
Dividend paid	-	-	-	-	-	-	-	-	-	(40,702)	(40,702)
Issue of shares arising from issue of scrip dividend	706	5,057	-	-	-	-	-	-	-	-	5,763
Repurchase of shares	(550)	-	-	-	550	-	-	-	-	(4,257)	(4,257)
Exercise of share options	493	1,163	-	-	-	-	-	-	-	-	1,656
Transfer and reclassification	-	-	(48,929)	48,929	-	-	-	-	5,896	(5,896)	-
At 31 December 2004	102,607	287,024	32,659	(33,112)	1,013	304	7,663	5,135	26,174	212,690	642,157

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Attributable to:											
The Company and subsidiaries	102,607	287,024	24,003	(33,112)	1,013	304	7,663	3,827	13,012	186,638	592,979
Jointly controlled entity	-	-	-	-	-	-	-	948	8,448	13,852	23,248
Associate	-	-	8,656	-	-	-	-	360	4,714	12,200	25,930
At 31 December 2004	<u>102,607</u>	<u>287,024</u>	<u>32,659</u>	<u>(33,112)</u>	<u>1,013</u>	<u>304</u>	<u>7,663</u>	<u>5,135</u>	<u>26,174</u>	<u>212,690</u>	<u>642,157</u>
The Company and subsidiaries	101,958	280,804	72,932	-	463	-	6,991	3,821	5,164	127,463	599,596
Jointly controlled entities	-	-	-	-	-	-	-	(17,824)	20,054	(33,079)	(30,849)
Associates	-	-	8,656	-	-	-	-	360	3,272	12,835	25,123
At 31 December 2003	<u>101,958</u>	<u>280,804</u>	<u>81,588</u>	<u>-</u>	<u>463</u>	<u>-</u>	<u>6,991</u>	<u>(13,643)</u>	<u>28,490</u>	<u>107,219</u>	<u>593,870</u>

Notes:

- Goodwill included in capital reserve totalling HK\$48,929,000 was reclassified to goodwill reserve. The amount included negative goodwill arising from acquisition of subsidiaries amounting to HK\$82,051,000, positive goodwill arising from acquisition of subsidiaries, jointly controlled entities and associates amounting to HK\$3,942,000, HK\$27,666,000 and HK\$1,514,000 respectively. The capital reserve at year end represented the benefit of acquiring a shareholder's loan upon the acquisition of a subsidiary in previous years and share of associate's reserve.
- Pursuant to the relevant laws and regulations for sino-foreign joint venture enterprises, a portion of the profits of the Group's subsidiaries, jointly controlled entities and associates established in the People's Republic of China (the "PRC") has been transferred to PRC reserve funds which are restricted as to their use.
- Pursuant to the order issued by the Court of First Instance of the Hong Kong Special Administrative Region of the PRC, the share premium account of the Company has been reduced by the amount of approximately HK\$149,099,000 and the same amount of credit arising from such reduction has been applied towards the elimination of the accumulated losses.