

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	Goodwill reserve HK\$'000	Accumulated profits (losses) HK\$'000	Total HK\$'000
THE GROUP						
At 1st January, 2003	33,000	34,653	17,926	1,720	38,291	125,590
Net profit for the year	—	—	—	—	551	551
At 31st December, 2003	33,000	34,653	17,926	1,720	38,842	126,141
Net loss for the year	—	—	—	—	(56,269)	(56,269)
At 31st December, 2004	<u>33,000</u>	<u>34,653</u>	<u>17,926</u>	<u>1,720</u>	<u>(17,427)</u>	<u>69,872</u>

The special reserve of the Group mainly represents the difference between the nominal value of shares of the acquired subsidiaries and the nominal value of the shares of the Company issued for the acquisition at the time of the Group Reorganisation in 2001 of approximately HK\$10,420,000 (2003: HK\$10,420,000) and the consideration for the acquisition of additional interests in jointly controlled entities which became wholly owned subsidiaries by the substantial shareholder of the Company prior to the Group Reorganisation of approximately HK\$7,506,000 (2003: HK\$7,506,000).

The accumulated losses of the Group include loss of approximately HK\$716,000 (2003: HK\$354,000) attributable to its jointly controlled entities.