

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2004

Group

	Issued capital HK\$'000	Share premium HK\$'000	Capital reserve (a) HK\$'000	Property revaluation reserve HK\$'000	Cumulative translation adjustments HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1/1/2003	32,000	57,099	(23,724)	10,775	(1,126)	101,379	176,403
Deficit on revaluation of land and buildings	-	-	-	(1)	-	-	(1)
Dividends paid	-	-	-	-	-	(19,200)	(19,200)
Translation adjustments	-	-	-	-	58	-	58
Net profit for the year	-	-	-	-	-	19,651	19,651
At 31/12/2003 and 1/1/2004	32,000	57,099	(23,724)	10,774	(1,068)	101,830	176,911
Surplus on revaluation of land and buildings, net of deferred tax	-	-	-	1,850	-	-	1,850
Dividends paid	-	-	-	-	-	(10,880)	(10,880)
Translation adjustments	-	-	-	-	35	-	35
Net profit for the year	-	-	-	-	-	40,822	40,822
At 31/12/2004	32,000	57,099	(23,724)	12,624	(1,033)	131,772	208,738

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2004

Company

	Issued capital HK\$'000	Share premium HK\$'000	Contributed surplus (b) HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1/1/2003	32,000	57,099	89,606	(19,571)	159,134
Dividends paid	–	–	–	(19,200)	(19,200)
Net loss for the year	–	–	–	(958)	(958)
At 31/12/2003 and 1/1/2004	32,000	57,099	89,606	(39,729)	138,976
Dividends paid	–	–	–	(10,880)	(10,880)
Net loss for the year	–	–	–	(1,313)	(1,313)
At 31/12/2004	32,000	57,099	89,606	(51,922)	126,783

Notes:

- (a) Capital reserve represents the difference between the nominal value of the ordinary shares issued by the Company and the aggregate of the share capital and share premium of subsidiaries acquired through exchanges of shares pursuant to the Reorganisation.
- (b) Contributed surplus represents the difference between the nominal value of the ordinary shares issued by the Company and the net asset value of subsidiaries acquired through an exchange of shares pursuant to the Reorganisation.

Under the Companies Act 1981 of Bermuda (as amended), retained profits and contributed surplus are distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of retained profits and contributed surplus if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium.

The Company's reserves as at 31 December 2004 available for distribution to shareholders are approximately HK\$37,684,000 (2003: HK\$49,877,000).

The notes on pages 25 to 50 form an integral part of these financial statements.