

Consolidated Statement of Changes in Equity

For the year ended 31 December 2004

| | Share capital HK\$'000 | Share premium HK\$'000 | Capital redemption reserve HK\$'000 | Merger reserve HK\$'000 | Land and buildings revaluation reserve HK\$'000 | Investment property revaluation reserve HK\$'000 | Investment revaluation reserve HK\$'000 | PRC statutory reserve HK\$'000 | Goodwill reserve HK\$'000 | Trans-lation reserve HK\$'000 | Accu- mulated profits HK\$'000 | Total HK\$'000 |
|---|---------------------------|---------------------------|--|----------------------------|--|---|--|-----------------------------------|------------------------------|----------------------------------|--------------------------------------|-------------------|
| THE GROUP | | | | | | | | | | | | |
| At 1 January 2003 | | | | | | | | | | | | |
| - as previously reported | 53,033 | 193,410 | 223 | 136,502 | 40,513 | 15,281 | - | 4,639 | (3,067) | 285 | 224,977 | 665,796 |
| - prior year adjustment (note 2) | - | - | - | - | - | (15,281) | - | - | - | - | 15,281 | - |
| - as restated | 53,033 | 193,410 | 223 | 136,502 | 40,513 | - | - | 4,639 | (3,067) | 285 | 240,258 | 665,796 |
| Exchange differences on translation of operations outside Hong Kong | - | - | - | - | - | - | - | - | - | (1,031) | - | (1,031) |
| Share of translation reserve of an associate | - | - | - | - | - | - | - | - | - | 202 | - | 202 |
| Deficit on revaluation | - | - | - | - | (7,263) | - | - | - | - | - | - | (7,263) |
| Net loss not recognised in the consolidated income statement | - | - | - | - | (7,263) | - | - | - | - | (829) | - | (8,092) |
| Net profit for the year | - | - | - | - | - | - | - | - | - | - | 66,514 | 66,514 |
| Transfer | - | - | - | - | - | - | - | 464 | - | - | (464) | - |
| At 31 December 2003 | 53,033 | 193,410 | 223 | 136,502 | 33,250 | - | - | 5,103 | (3,067) | (544) | 306,308 | 724,218 |
| At 1 January 2004 | | | | | | | | | | | | |
| - as stated above | 53,033 | 193,410 | 223 | 136,502 | 33,250 | - | - | 5,103 | (3,067) | (544) | 306,308 | 724,218 |
| - adoption of HKFRS 3 (note 2) | - | - | - | - | - | - | - | - | - | - | 1,114 | 1,114 |
| - as restated | 53,033 | 193,410 | 223 | 136,502 | 33,250 | - | - | 5,103 | (3,067) | (544) | 307,422 | 725,332 |
| Exchange differences on translation of operations outside Hong Kong | - | - | - | - | - | - | - | - | - | 91 | - | 91 |
| Net deficit on revaluation of non-trading securities, net of minority interests | - | - | - | - | - | - | (1,884) | - | - | - | - | (1,884) |
| Net (loss) gain not recognised in the consolidated income statement | - | - | - | - | - | - | (1,884) | - | - | 91 | - | (1,793) |
| Net profit for the year | - | - | - | - | - | - | - | - | - | - | 100,896 | 100,896 |
| Transfer | - | - | - | - | - | - | - | 253 | - | - | (253) | - |
| Final dividend - 2003 | - | - | - | - | - | - | - | - | - | - | (10,607) | (10,607) |
| At 31 December 2004 | 53,033 | 193,410 | 223 | 136,502 | 33,250 | - | (1,884) | 5,356 | (3,067) | (453) | 397,458 | 813,828 |

The merger reserve represents the difference between the share capital and share premium of a subsidiary and the nominal value of the Company's shares issued in exchange thereof at the time of the group reorganisation in 1992.

The accumulated profits and translation reserve of the Group included a deficit of HK\$98,076,000 (2003: HK\$86,913,000) and a debit balance of HK\$792,000 (2003: HK\$792,000) retained by associates of the Group.