

## Consolidated Statement of Changes in Equity

Year ended 31 December 2004

	Share capital	Share premium	Statutory reserves	Exchange translation reserve	Contributed surplus	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000 (Note)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2003	97,810	219,931	148,158	(69,989)	249,906	(459,621)	186,195
Issue of new shares for settlement of payable for acquisition of a subsidiary	8,333	1,667	—	—	—	—	10,000
Issue of new shares for acquisition of Richford (note 21)	8,000	—	—	—	—	—	8,000
Issue of new shares for placements	24,000	2,100	—	—	—	—	26,100
Net loss for the year	—	—	—	—	—	(88,156)	(88,156)
Released upon disposal of a subsidiary	—	—	—	335	—	—	335
As at 31 December 2003	138,143	223,698	148,158	(69,654)	249,906	(547,777)	142,474
Capital reorganisation	(137,452)	(223,698)	—	—	(249,906)	611,056	—
Issue of new shares upon an open offer	2,072	14,505	—	—	—	—	16,577
Issue of new shares for placements	552	6,953	—	—	—	—	7,505
Exercise of share options	265	3,049	—	—	—	—	3,314
Net loss for the year	—	—	—	—	—	(130,219)	(130,219)
<b>As at 31 December 2004</b>	<b>3,580</b>	<b>24,507*</b>	<b>148,158*</b>	<b>(69,654)*</b>	<b>—*</b>	<b>(66,940)*</b>	<b>39,651</b>

\*These reserves accounts comprise the consolidated reserves of HK\$36,071,000 (2003: HK\$4,331,000) in the consolidated balance sheet.

Note: As stipulated in the relevant laws and regulations, certain subsidiaries operating in the PRC is required to maintain certain statutory reserves which include the general reserve fund and staff welfare and bonus fund. Appropriations to the general reserve fund and the staff welfare and bonus fund are made out of net profit as reported in the PRC statutory financial statements. The amounts of appropriations are determined by the respective board of directors. All statutory reserves are for specific purposes and are not distributable in the form of cash dividends. Provision for staff welfare and bonus is included in current liabilities in the consolidated balance sheet.