

## Consolidated Statement of Changes in Equity

Year ended 31 December 2004

|  | Notes | Issued share capital<br>HK\$'000 | Share premium account<br>HK\$'000 | Capital reserve<br>HK\$'000 | Contributed surplus<br>HK\$'000<br>(note 29(a)) | Statutory reserves<br>HK\$'000<br>(note 29(a)) | Exchange fluctuation reserve<br>HK\$'000 | Retained profits/<br>(accumulated losses)<br>HK\$'000 | Proposed final dividend<br>HK\$'000 | Total<br>HK\$'000 |
|--|-------|----------------------------------|-----------------------------------|-----------------------------|---|--|--|---|-------------------------------------|-------------------|
| At 1 January 2003 (notes (i), (iii))   |       | 232,215                          | —                                 | 340                         | —   | 119,951  | (242)                                    | 878,381   | 375,639                             | 1,606,284         |
| Dividend paid (note (ii))  |       | —                                | —                                 | —                           | —   | —  | —  | —   | (375,639)                           | (375,639)         |
| Net profit attributable to shareholders  |       | —                                | —                                 | —                           | —   | —  | —  | 784,164   | —                                   | 784,164           |
| Proposed final 2003 dividend   |       | —                                | —                                 | —                           | —   | —  | —  | (271,098)   | 271,098                             | —                 |
| At 31 December 2003 and 1 January 2004   |       | 232,215                          | —                                 | 340                         | —   | 119,951  | (242)                                    | 1,391,447   | 271,098                             | 2,014,809         |
| Dividend declared  | 11    | —                                | —                                 | —                           | —   | —  | —  | (1,376,132)   | —                                   | (1,376,132)       |
| Dividend paid  | 11    | —                                | —                                 | —                           | —   | —  | —  | —   | (271,098)                           | (271,098)         |
| Arising from the issue of shares by the intermediate holding companies for the acquisition of subsidiaries     |       | (148,616)                        | —                                 | (218)                       | 148,834   | —  | —  | —   | —                                   | —                 |
| Arising from the cash consideration paid by a intermediate holding company for the acquisition of subsidiaries |       | (83,597)                         | 133,771                           | (122)                       | 83,719  | —  | —  | —   | —                                   | 133,771           |
| Arising from the issue of shares by the Company for the acquisition of the intermediate holding companies      |       | (2)                              | (133,771)                         | —                           | 2   | —  | —  | —   | —                                   | (133,771)         |
| Issue of new shares  | 27    | 282,750                          | 1,093,475                         | —                           | —   | —  | —  | —   | —                                   | 1,376,225         |
| Exchange realignment   |       | —                                | —                                 | —                           | —   | —  | 2,699                                    | —   | —                                   | 2,699             |
| Net loss attributable to shareholders  |       | —                                | —                                 | —                           | —   | —  | —  | (223,535)   | —                                   | (223,535)         |
| At 31 December 2004  |       | 282,750                          | 1,093,475                         | —                           | 232,555   | 119,951  | 2,457                                    | (208,220)   | —                                   | 1,522,968         |

### Notes:

- (i) The share capital of the Group as at 1 January 2003 and 31 December 2003 represented the share capital of Huizhou TCL Mobile Communication Co., Ltd. ("TCL Mobile").
- (ii) The proposed final dividend as at 1 January 2003 represented the proposed final 2002 dividend of TCL Mobile which was paid in 2003.