

# Consolidated Statement of Changes in Equity

For the year ended 31st December, 2004

	Share capital HK\$'000	Share premium HK\$'000	Investment properties revaluation reserve HK\$'000	Translation reserve HK\$'000	Statutory surplus reserve fund HK\$'000 (note i)	Enterprise expansion fund HK\$'000 (note i)	Accumulated losses HK\$'000 (note ii)	Total HK\$'000
<b>THE GROUP</b>								
At 1st January, 2003	607,058	2,252	-	6,552	2,827	663	(104,239)	515,113
Exchange difference on translation of overseas operations and net gains not recognised in the consolidated income statement	-	-	-	3	-	-	-	3
Release of reserves upon disposal of subsidiaries	-	-	-	(6,440)	(2,827)	(663)	3,490	(6,440)
Profit for the year	-	-	-	-	-	-	13,644	13,644
At 31st December, 2003	607,058	2,252	-	115	-	-	(87,105)	522,320
Exchange difference on translation of overseas operations	-	-	-	(3)	-	-	-	(3)
Surplus on revaluation of investment properties	-	-	9,366	-	-	-	-	9,366
Net gain not recognised in the consolidated income statement	-	-	9,366	(3)	-	-	-	9,363
Loss for the year	-	-	-	-	-	-	(7,171)	(7,171)
<b>At 31st December, 2004</b>	<b>607,058</b>	<b>2,252</b>	<b>9,366</b>	<b>112</b>	<b>-</b>	<b>-</b>	<b>(94,276)</b>	<b>524,512</b>

**Notes:**

- (i) As stipulated by the relevant laws and regulations for foreign investment enterprises in the People's Republic of China (the "PRC"), the PRC subsidiaries of the Company are required to maintain two statutory reserves, being a statutory surplus reserve fund and enterprise expansion fund which are non-distributable. Appropriations to such reserves are made out of net profit after taxation of the statutory financial statements of the PRC subsidiaries and the amount and allocation basis are decided by its board of directors annually. The statutory surplus reserve fund can be used to make up prior year losses of the PRC subsidiaries, if any, and can be applied in conversion into capital by means of capitalisation issue. The enterprises expansion fund can be used for expanding the capital base of the PRC subsidiaries by means of capitalisation issue.
- (ii) The accumulated losses of the Group include HK\$1,842,000 (2003: HK\$1,570,000) attributable to its jointly controlled entity and HK\$2,669,000 (2003: HK\$2,280,000) attributable to its associate.