

Consolidated Statement of Changes in Equity

For the year ended December 31, 2004

| | Share capital | Capital redemption reserve | Exchange reserve | Other reserve | Accumulated losses | Total |
|--|--------------------------|---|-----------------------------|--------------------------|-------------------------------|----------------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 (note) | HK\$'000 | HK\$'000 |
| The Group | | | | | | |
| At January 1, 2003 | 77,488 | 916 | (314) | 261,269 | (25,540) | 313,819 |
| Bonus issue of shares on May 6, 2003 | 7,749 | - | - | (7,749) | - | - |
| Rights issue of shares on September 1, 2003 | 34,094 | - | - | - | - | 34,094 |
| Bonus issue of shares on September 1, 2003 | 102,284 | - | - | (102,284) | - | - |
| Exchange difference arising on translation of financial statements of overseas operations not recognised in the income statement | - | - | (1,218) | - | - | (1,218) |
| Realised on liquidation of subsidiaries | - | - | (201) | - | 174 | (27) |
| Loss attributable to shareholders | - | - | - | - | (84,752) | (84,752) |
| At December 31, 2003 and January 1, 2004 | 221,615 | 916 | (1,733) | 151,236 | (110,118) | 261,916 |
| Exchange difference arising on translation of financial statements of overseas operations not recognised in the income statement | - | - | (319) | - | - | (319) |
| Profit attributable to shareholders | - | - | - | - | 1,722 | 1,722 |
| At December 31, 2004 | <u>221,615</u> | <u>916</u> | <u>(2,052)</u> | <u>151,236</u> | <u>(108,396)</u> | <u>263,319</u> |

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Included in the above is the Group's share of post-acquisition accumulated losses of associates, as follows:

| | HK\$'000 |
|-----------------------------------|------------------------|
| At January 1, 2003 | (5,396) |
| Loss attributable to shareholders | <u>(22,220)</u> |
| At December 31, 2003 | (27,616) |
| Loss attributable to shareholders | <u>(19,743)</u> |
| At December 31, 2004 | <u><u>(47,359)</u></u> |

Note:

The Other Reserve of the Group was transferred from the share premium account pursuant to the capital re-organisation on September 18, 2002.

