

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2004

|   | Share<br>capital<br>HK\$'000 | Share<br>premium<br>account<br>HK\$'000 | Capital<br>reserve<br>HK\$'000 | Exchange<br>fluctuation<br>reserve<br>HK\$'000 | Accumulated<br>losses<br>HK\$'000 | Total<br>HK\$'000 |
|---|------------------------------|---|--------------------------------|--|-----------------------------------|-------------------|
| As at 1 January 2003                              | 36,393                       | 179,717                                 | 814                            | 140  | (215,216)                         | 1,848             |
| Issue of shares                                   | 12,078                       | –                                       | –                              | –  | –                                 | 12,078            |
| Exchange realignment                              | –                            | –                                       | –                              | 95   | –                                 | 95                |
| Share issue expenses                              | –                            | (154)                                   | –                              | –  | –                                 | (154)             |
| Loss for the year                                 | –                            | –                                       | –                              | –  | (144)                             | (144)             |
| <b>As 31 December 2003<br/>and 1 January 2004</b> | <b>48,471</b>                | <b>179,563</b>                          | <b>814</b>                     | <b>235</b>                                     | <b>(215,360)</b>                  | <b>13,723</b>     |
| Capital reorganisation                            | (32,314)                     | –                                       | –                              | –  | 32,314                            | –                 |
| Issue of shares for cash,<br>net of expenses      | 79,108                       | 641,861                                 | –                              | –  | –                                 | 720,969           |
| Loss for the year                                 | –                            | –                                       | –                              | –  | (11,092)                          | (11,092)          |
| <b>At 31 December 2004</b>                        | <b>95,265</b>                | <b>821,424</b>                          | <b>814</b>                     | <b>235</b>                                     | <b>(194,138)</b>                  | <b>723,600</b>    |

Note: The entire credit arising from the Capital Reorganisation in the amount of approximately HK\$32 million was applied to set off against part of the accumulated losses of the Group. Details of the Capital Reorganisation are set out in note 25 (i) to the accounts.