

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30TH JUNE, 2005

	Share capital <i>HK\$'000</i> <i>(note 13)</i>	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i> <i>(note a)</i>	Translation reserve <i>HK\$'000</i>	Other reserve <i>HK\$'000</i> <i>(note b)</i>	Deficit <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1st April, 2004	220,119	51,358	1,996	(635)	–	(185,228)	87,610
Exchange adjustment and loss not recognised in the condensed consolidated income statement	–	–	–	(71)	–	–	(71)
Net loss for the period	–	–	–	–	–	(10,569)	(10,569)
At 30th September, 2004	220,119	51,358	1,996	(706)	–	(195,797)	76,970
Exchange adjustment and gain not recognise in the condensed consolidated income statement	–	–	–	76	–	–	76
Equity-settled consultancy services	–	–	–	–	16,713	–	16,713
Net loss for the period	–	–	–	–	–	(39,901)	(39,901)
At 31st December, 2004 and 1st January, 2005	220,119	51,358	1,996	(630)	16,713	(235,698)	53,858
Effect of changes in accounting policies <i>(note 2)</i>	–	–	–	–	–	297	297
At 1st January, 2005 (restated)	220,119	51,358	1,996	(630)	16,713	(235,401)	54,155
Exchange adjustment and gain not recognised in the condensed consolidated income statement	–	–	–	15	–	–	15
Shares issued at premium	53,180	56,826	–	–	(6,065)	–	103,941
Net loss for the period	–	–	–	–	–	(36,510)	(36,510)
At 30th June, 2005	<u>273,299</u>	<u>108,184</u>	<u>1,996</u>	<u>(615)</u>	<u>10,648</u>	<u>(271,911)</u>	<u>121,601</u>

Notes:

- (a) The contributed surplus of the Group represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to the reorganisation prior to the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited in 1996 and the nominal value of the Company's shares issued in exchange.
- (b) Other reserve, which relates to the issue of 402,000,000 share options during the nine months ended 31st December 2004, represents the fair value of consultancy services provided to the Group in relation to identifying potential coke projects in the People's Republic of China (the "PRC").