

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2005

Group

	Issued capital HK\$'000	Share premium HK\$'000	Capital reserve (a) HK\$'000	Property revaluation reserve HK\$'000	Cumulative translation adjustments HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1/1/2004							
– as previously reported	32,000	57,099	(23,724)	10,774	(1,068)	101,830	176,911
– prior year adjustments in respect of:							
– Decrease in revaluation reserve, net of deferred tax (restated)	–	–	–	(2,625)	–	–	(2,625)
– Decrease in deferred taxation	–	–	–	–	–	200	200
– as restated	32,000	57,099	(23,724)	8,149	(1,068)	102,030	174,486
– Increase in revaluation reserve, net of deferred tax (restated)	–	–	–	1,177	–	–	1,177
– Dividends paid	–	–	–	–	–	(10,880)	(10,880)
– Translation adjustments	–	–	–	–	35	–	35
– Net profit for the year (as restated)	–	–	–	–	–	40,453	40,453
At 31/12/2004 (as restated)	32,000	57,099	(23,724)	9,326	(1,033)	131,603	205,271
At 1/1/2005							
– as previously reported	32,000	57,099	(23,724)	12,624	(1,033)	131,772	208,738
– prior year adjustments in respect of:							
– Decrease in revaluation reserve, net of deferred tax (restated)	–	–	–	(3,298)	–	–	(3,298)
– Decrease in depreciation	–	–	–	–	–	152	152
– Increase in amortisation	–	–	–	–	–	(491)	(491)
– Increase in deferred taxation	–	–	–	–	–	170	170
– as restated	32,000	57,099	(23,724)	9,326	(1,033)	131,603	205,271
– Increase in revaluation reserve, net of deferred tax	–	–	–	1,177	–	–	1,177
– Dividends paid	–	–	–	–	–	(16,640)	(16,640)
– Translation adjustments	–	–	–	–	2	–	2
– Net profit for the year	–	–	–	–	–	60,800	60,800
At 31/12/2005	32,000	57,099	(23,724)	10,503	(1,031)	175,763	250,610

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2005

Company

	Issued capital HK\$'000	Share premium HK\$'000	Contributed surplus (b) HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1/1/ 2004	32,000	57,099	89,606	(39,729)	138,976
Dividends paid	–	–	–	(10,880)	(10,880)
Net loss for the year	–	–	–	(1,313)	(1,313)
At 31/12/ 2004	32,000	57,099	89,606	(51,922)	126,783
At 1/1/2005	32,000	57,099	89,606	(51,922)	126,783
Dividends paid	–	–	–	(16,640)	(16,640)
Net profit for the year	–	–	–	78,822	78,822
At 31/12/ 2005	32,000	57,099	89,606	10,260	188,965

Notes:

- a) Capital reserve represents the difference between the nominal value of the ordinary shares issued by the Company and the aggregate of the share capital and share premium of subsidiaries acquired through exchanges of shares pursuant to the Reorganisation.
- b) Contributed surplus represents the difference between the nominal value of the ordinary shares issued by the Company and the net asset value of subsidiaries acquired through an exchange of shares pursuant to the Reorganisation.

Under the Companies Act 1981 of Bermuda (as amended), retained profits and contributed surplus are distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of retained profits and contributed surplus if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium.

The Company's reserves as at 31 December 2005 available for distribution to shareholders are approximately HK\$99,866,000 (2004: HK\$37,684,000).

The notes on pages 31 to 67 form an integral part of these financial statements.