

Consolidated Statement of Changes in Equity

For the year ended 31st December, 2005

	Attributable to equity holders of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Reserve funds HK\$'000 (note i)	Exchange translation reserve HK\$'000	Share option reserve HK\$'000	Investments revaluation reserves HK\$'000	Accumulated (losses) profit HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 1st January, 2004	154,577	343,035	1,140	11	-	-	(298,127)	200,636	16,322	216,958
Net profit for the year and total recognised income for the year	-	-	-	-	-	-	52,397	52,397	3,935	56,332
Issue of shares upon exercise of share options	210	283	-	-	-	-	-	493	-	493
Minority interests in subsidiaries acquired	-	-	-	-	-	-	-	-	(5,251)	(5,251)
Reduction of share premium transferred to accumulated losses (note ii)	-	(324,473)	-	-	-	-	324,473	-	-	-
Transfer to reserve funds	-	-	987	-	-	-	(987)	-	-	-
Recognition of equity-settled share based payment	-	-	-	-	708	-	-	708	-	708
	210	(324,190)	987	-	708	-	323,486	1,201	(5,251)	(4,050)
At 31st December, 2004 and 1st January, 2005	154,787	18,845	2,127	11	708	-	77,756	254,234	15,006	269,240
Loss on fair value changes of available-for-sale investments	-	-	-	-	-	(2,784)	-	(2,784)	-	(2,784)
Exchange differences arising on translation of foreign operations	-	-	-	1,527	-	-	-	1,527	285	1,812
Net income and expenses recognised directly in equity	-	-	-	1,527	-	(2,784)	-	(1,257)	285	(972)
Net profit for the year	-	-	-	-	-	-	30,565	30,565	8,942	39,507
Total recognised income for the year	-	-	-	1,527	-	(2,784)	30,565	29,308	9,227	38,535
Issue of shares upon exercise of share options	295	325	-	-	-	-	-	620	-	620
Dividends paid (2004 final dividend of HK\$0.01 per share)	-	-	-	-	-	-	(15,492)	(15,492)	-	(15,492)
Transfer to reserve funds	-	-	1,998	-	-	-	(1,998)	-	-	-
Recognition of equity-settled share based payment	-	-	-	-	142	-	-	142	-	142
	295	325	1,998	-	142	-	(17,490)	(14,730)	-	(14,730)
At 31st December, 2005	155,082	19,170	4,125	1,538	850	(2,784)	90,831	268,812	24,233	293,045

Notes:

- (i) According to the relevant laws and regulations in the People's Republic of China ("PRC") and the Articles of Association of the Company's subsidiaries in the PRC, they are required to set aside 10% of their profit after taxation for the statutory revenue reserve (except where the reserve has reached 50% of the subsidiaries' registered capital) and 5% to 10% of their profit after taxation for the statutory public welfare fund. The profit after taxation is determined under accounting principles generally accepted in the PRC. These reserves cannot be used for purposes other than those for which they are created and are not distributable as dividends without the prior approval by the shareholders under certain conditions.
- (ii) Pursuant to the minutes of a directors' meeting held on 2nd July, 2004, an amount of approximately HK\$324,473,000 was transferred from share premium account to offset the accumulated losses of the Company at 2nd July, 2004.