

# Consolidated Statement of Changes in Equity

Year ended 31 December 2005

	Attributable to shareholders of the Company									Total HK\$'000
	Share capital HK\$'000 (note 25)	Share premium HK\$'000	Con- tributed surplus HK\$'000 (note i)	Statutory surplus reserve HK\$'000 (note ii)	Enterprise deve- lopment fund HK\$'000 (note ii)	Employee share-based compensa- tion reserve HK\$'000 (note 31)	Exchange fluctuation reserve HK\$'000	Accu- mulated losses HK\$'000	Minority Interest HK\$'000	
As at 1 January 2004 as previously reported	5,717	82,700	33,474	957	478	-	(606)	3,067	-	125,787
As at 1 January 2004 as previously separately reported as minority interest	-	-	-	-	-	-	-	-	40,805	40,805
As at 1 January 2004, as restated	5,717	82,700	33,474	957	478	-	(606)	3,067	40,805	166,592
Convertible notes issue costs	-	(865)	-	-	-	-	-	-	-	(865)
Shares issued on conversion of convertible notes	230	9,660	-	-	-	-	-	-	-	9,890
Net loss for the year	-	-	-	-	-	-	-	(74,328)	(29,311)	(103,639)
At 31 December 2004	5,947	91,495	33,474	957	478	-	(606)	(71,261)	11,494	71,978
Shares issued on conversion of convertible notes	270	11,340	-	-	-	-	-	-	-	11,610
Shares issued on exercise of share options	150	7,050	-	-	-	-	-	-	-	7,200
Employee share option scheme - value of employee service	-	-	-	-	-	3,971	-	-	-	3,971
Exchange differences arising on translation of financial statements of overseas subsidiaries	-	-	-	26	13	-	471	-	315	825
Net loss for the year	-	-	-	-	-	-	-	(67,595)	(2,553)	(70,148)
<b>At 31 December 2005</b>	<b>6,367</b>	<b>109,885</b>	<b>33,474</b>	<b>983</b>	<b>491</b>	<b>3,971</b>	<b>(135)</b>	<b>(138,856)</b>	<b>9,256</b>	<b>25,436</b>

Notes:-

- (i) The Group's contributed surplus is derived from the difference between the nominal value of the Company's shares issued pursuant to the Group reorganisation in 1991 and the nominal value of the shares acquired.
- (ii) In accordance with the Company Law of the PRC and the Articles of Association of a subsidiary, Huayi Pharmaceutical Company Limited ("Huayi"), Huayi shall appropriate ten percent and five percent of its annual statutory net profit (after offsetting any prior years' losses) to the Statutory Surplus Reserve (儲備基金) and Enterprise Development Fund (企業發展基金) respectively.