

Statement of Changes in Equity

For the year ended 31 December 2005

	Share capital <i>HK\$</i>	Share Premium <i>HK\$</i>	Accumulated Losses <i>HK\$</i>	Total <i>HK\$</i>
THE GROUP				
At 1 January 2004	800,000	35,206,597	(10,515,443)	25,491,154
Issue of shares	4,000,000	46,000,000	–	50,000,000
Share issue expenses	–	(1,651,000)	–	(1,651,000)
Net loss for the year	–	–	(2,104,702)	(2,104,702)
At 31 December 2004	4,800,000	79,555,597	(12,620,145)	71,735,452
Derecognition of negative goodwill arising from acquisition of a subsidiary (<i>Note 2(b)</i>)	–	–	64,857	64,857
At 1 January 2005 (as restated)	4,800,000	79,555,597	(12,555,288)	71,800,309
Net loss for the year	–	–	(17,838,601)	(17,838,601)
At 31 December 2005	<u>4,800,000</u>	<u>79,555,597</u>	<u>(30,393,889)</u>	<u>(53,961,708)</u>
THE COMPANY				
At 1 January 2004	800,000	35,206,597	(10,492,623)	25,513,974
Issue of shares	4,000,000	46,000,000	–	50,000,000
Share issue expenses	–	(1,651,000)	–	(1,651,000)
Net loss for the year	–	–	(2,370,031)	(2,370,031)
At 31 December 2004	4,800,000	79,555,597	(12,862,654)	71,492,943
Net loss for the year	–	–	(12,832,044)	(12,832,044)
At 31 December 2005	<u>4,800,000</u>	<u>79,555,597</u>	<u>(25,694,698)</u>	<u>(58,660,899)</u>