

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2005

	Share capital HK\$'000	Share premium HK\$'000	Statutory reserves HK\$'000 (Note)	Exchange translation reserve HK\$'000	Contributed surplus HK\$'000	Convertible notes equity reserve HK\$'000	Accumulated losses HK\$'000	Equity attributable to equity holders of the Company HK\$'000	Minority interests HK\$'000	Total HK\$'000
<b>Changes in equity</b>										
At 1 January 2004 (as previously stated)	138,143	223,698	148,158	(69,654)	249,906	–	(547,777)	142,474	31,201	173,675
Effect of changes in accounting policy	–	–	–	–	–	–	(850)	(850)	(46)	(896)
At 1 January 2004 (restated)	138,143	223,698	148,158	(69,654)	249,906	–	(548,627)	141,624	31,155	172,779
Capital reorganisation	(137,452)	(223,698)	–	–	(249,906)	–	611,056	–	–	–
Issue of new share upon an open offer	2,072	14,505	–	–	–	–	–	16,577	–	16,577
Issue of new share for placements	552	6,953	–	–	–	–	–	7,505	–	7,505
Exercise of share options	265	3,049	–	–	–	–	–	3,314	–	3,314
Recognition of equity component of convertible notes	–	–	–	–	–	7,327	–	7,327	–	7,327
Deferred tax liability on recognition of equity components of convertible notes	–	–	–	–	–	(1,282)	–	(1,282)	–	(1,282)
Derecognition upon early redemption of convertible notes	–	–	–	–	–	(7,327)	7,327	–	–	–
Derecognition of deferred tax liability on equity components of convertible notes	–	–	–	–	–	1,282	–	1,282	–	1,282
Contribution by the minority shareholder of a subsidiary	–	–	–	–	–	–	–	–	708	708
Net loss for the year	–	–	–	–	–	–	(137,485)	(137,485)	(19,019)	(156,504)
At 31 December 2004 (restated)	3,580	24,507	148,158	(69,654)	–	–	(67,729)	38,862	12,844	51,706
Translation differences on overseas operations	–	–	–	546	–	–	–	546	60	606
Net loss for the year	–	–	–	–	–	–	(97,214)	(97,214)	(11,590)	(108,804)
Total recognised income and expenses for the year	–	–	–	546	–	–	(97,214)	(96,668)	(11,530)	(108,198)
Issue of new shares upon an open offer	7,159	71,596	–	–	–	–	–	78,755	–	78,755
Transaction costs attributable to issue of new shares	–	(1,646)	–	–	–	–	–	(1,646)	–	(1,646)
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	2,088	2,088
At 31 December 2005	<u>10,739</u>	<u>94,457</u>	<u>148,158</u>	<u>(69,108)</u>	<u>–</u>	<u>–</u>	<u>(164,943)</u>	<u>19,303</u>	<u>3,402</u>	<u>22,705</u>

Note: As stipulated in the relevant laws and regulations, certain subsidiaries operating in the People's Republic of China (the "PRC") are required to maintain certain statutory reserves which include the general reserve fund and staff welfare and bonus fund. Appropriations to the general reserve fund and the staff welfare and bonus fund are made out of net profit as reported in the PRC statutory financial statements. The amounts of appropriations are determined by the respective board of directors. All statutory reserves are for specific purposes and are not distributable in the form of dividends.