

Consolidated Statement of Changes in Equity

Year ended 31st December 2005

	Share capital HK\$'000	Share premium HK\$'000 (Note (a))	Property revaluation reserve HK\$'000 (restated)	Foreign exchange reserve HK\$'000	Share options reserve HK\$'000	Statutory reserve fund HK\$'000 (Note (b))	Retained profits HK\$'000 (restated)	Proposed final dividend HK\$'000	Total HK\$'000 (restated)
At 1st January 2004 (as previously stated)	14,400	32,715	2,737	-	-	1,464	174,358	17,280	242,954
Effect of changes in accounting policy (Note 3)	-	-	-	-	-	-	(276)	-	(276)
At 1st January 2004 (as restated)	14,400	32,715	2,737	-	-	1,464	174,082	17,280	242,678
Deficit on revaluation of leasehold land and buildings	-	-	(191)	-	-	-	-	-	(191)
Effect of changes in accounting policy (Note 3)	-	-	(2,145)	-	-	-	(1,273)	-	(3,418)
Profit for the year	-	-	-	-	-	-	100,027	-	100,027
Transfer of retained profits	-	-	-	-	-	904	(904)	-	-
Total recognised income and expenses for the year (as restated)	-	-	(2,336)	-	-	904	97,850	-	96,418
Final dividend paid	-	-	-	-	-	-	-	(17,280)	(17,280)
Proposed final dividend	-	-	-	-	-	-	(17,280)	17,280	-
At 31st December 2004 (as restated)	14,400	32,715	401	-	-	2,368	254,652	17,280	321,816
Surplus on revaluation of leasehold land and buildings	-	-	1,514	-	-	-	-	-	1,514
Translation differences on overseas operations	-	-	30	10,223	-	-	-	-	10,253
Net income recognised directly in equity	-	-	1,544	10,223	-	-	-	-	11,767
Profit for the year	-	-	-	-	-	-	39,675	-	39,675
Transfer of retained profits	-	-	-	-	-	970	(970)	-	-
Total recognised income and expenses for the year	-	-	1,544	10,223	-	970	38,705	-	51,442
Employee share option benefits	-	-	-	-	1,964	-	-	-	1,964
Final dividend paid	-	-	-	-	-	-	-	(17,280)	(17,280)
At 31st December 2005	14,400	32,715*	1,945*	10,223*	1,964*	3,338*	293,357*	-	357,942

* These reserve accounts comprise the consolidated reserves of HK\$343,542,000 (2004 (Restated): HK\$290,136,000) in the consolidated balance sheet.

Notes:

- (a) The share premium of the Group includes: (i) the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to the reorganisation scheme to rationalise the structure of the Group in preparation for the public listing of the Company's shares (the "Group Reorganisation"), over the nominal value of the share capital of the Company issued in exchange therefor; (ii) the premium utilised as a result of the capitalisation issue and bonus issue of shares of the Company; and (iii) the premium arising from the new issue of shares of the Company.
- (b) The subsidiaries are required to transfer 10% of their profit after taxation calculated in accordance with the PRC accounting regulations to the statutory reserve fund until such reserve reaches 50% of the registered capital of the respective subsidiaries, upon which any further appropriation will be at the recommendation of the directors of the subsidiaries. Such reserve may be used to reduce any losses incurred by the subsidiaries or be capitalised as paid-up capital of the subsidiaries.