

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2004

	Share capital	Share premium account	Capital redemption reserve	General reserve	Investment property revaluation reserve	Exchange fluctuation reserve	Special reserve (Note)	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2003	256,116	329,049	20	18,000	483	(2,716)	-	(62,226)	538,726
Exchange realignment	-	-	-	-	-	562	-	-	562
Interest on change of long term investment to associate	-	-	-	-	-	-	9,329	-	9,329
Net gains not recognised in the income statement	-	-	-	-	-	562	9,329	-	9,891
Reserves realised upon disposal of subsidiaries	-	-	-	-	(4,262)	2,495	-	-	(1,767)
Negative balance of reserve transferred to the income statement	-	-	-	-	3,779	-	-	-	3,779
Net loss for the year	-	-	-	-	-	-	-	(341,083)	(341,083)
At 31 December 2003 and 1 January 2004	256,116	329,049	20	18,000	-	341	9,329	(403,309)	209,546
Exchange realignment and net gains not recognised in the income statement	-	-	-	-	-	383	-	-	383
Net loss for the year	-	-	-	-	-	-	-	(29,962)	(29,962)
At 31 December 2004	256,116	*329,049	*20	* 18,000	*-	*724	*9,329	*(433,271)	179,967

\* These reserve accounts comprise the consolidated reserves of approximately HK\$(76,149,000) (2003: HK\$(46,570,000)) in the consolidated balance sheet.

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FOR THE YEAR ENDED 31 DECEMBER 2004

	Share capital HK\$'000	Share premium account HK\$'000	Capital redemption reserve HK\$'000	General reserve HK\$'000	Investment property revaluation reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Special reserve (Note) HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Retained by:									
Company and subsidiaries	256,116	329,049	20	18,000	-	724	-	(415,464)	188,445
Associates	-	-	-	-	-	-	9,329	(17,807)	(8,478)
At 31 December 2004	<u>256,116</u>	<u>329,049</u>	<u>20</u>	<u>18,000</u>	<u>-</u>	<u>724</u>	<u>9,329</u>	<u>(433,271)</u>	<u>179,967</u>
Company and subsidiaries	256,116	329,049	20	18,000	-	341	-	(385,027)	218,499
Associates	-	-	-	-	-	-	9,329	(18,282)	(8,953)
At 31 December 2003	<u>256,116</u>	<u>329,049</u>	<u>20</u>	<u>18,000</u>	<u>-</u>	<u>341</u>	<u>9,329</u>	<u>(403,309)</u>	<u>209,546</u>

**Note:**

Special reserve represents adjustment relating to the Group's share of post acquisition profits and reserves in an investee company which became an associate of the Group in 2003.