

PALADIN LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

	Attributable to equity holders of the Company						Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (Note 16)	Contributed surplus HK\$'000 (Note)	Translation reserve HK\$'000	Accumulated (losses) profits HK\$'000	
At 1 July 2005	264,136	279,617	-	132,176	(3,088)	(599,981)	72,860
Loss for the year and total recognised expenses for the year	-	-	-	-	-	(39,770)	(39,770)
At 30 June 2006 and 1 July 2006	264,136	279,617	-	132,176	(3,088)	(639,751)	33,090
Profit for the period and total recognised income for the period	-	-	-	-	-	22,966	22,966
Reductions of share capital, share premium and contributed surplus and offsetting accumulated losses (see note 15)	(258,853)	(279,617)	-	(132,176)	-	670,646	-
Recognition of equity component of convertible redeemable preference shares (see note 16)	-	-	26,968	-	-	-	26,968
Issue costs on convertible redeemable preference shares (see note 16)	-	-	(1,458)	-	-	-	(1,458)
At 31 December 2006	<u>5,283</u>	<u>-</u>	<u>25,510</u>	<u>-</u>	<u>(3,088)</u>	<u>53,861</u>	<u>81,566</u>
At 1 July 2005	264,136	279,617	-	132,176	(3,088)	(599,981)	72,860
Loss for the period and total recognised expenses for the period	-	-	-	-	-	(51,762)	(51,762)
At 31 December 2005	<u>264,136</u>	<u>279,617</u>	<u>-</u>	<u>132,176</u>	<u>(3,088)</u>	<u>(651,743)</u>	<u>21,098</u>

Note: The contributed surplus of the Group represents the surplus arising on acquisition of subsidiaries.