

Consolidated Statement of Changes in Equity

For the year ended 31 December 2006

| | Attributable to equity holders of the Company | | | | | | | | | | |
|--|---|---------------------------|---|-----------------------------------|--|---------------------------------|---|------------------------------|-------------------|--------------------------------|-------------------|
| | Share capital HK\$'000 | Share premium HK\$'000 | Special reserve HK\$'000 (note a & b) | Share options reserve HK\$'000 | Investment revaluation reserve HK\$'000 | Translation reserve HK\$'000 | PRC statutory reserve HK\$'000 (note c) | Retained profits HK\$'000 | Total HK\$'000 | Minority interests HK\$'000 | Total HK\$'000 |
| At 1 January 2005 | | | | | | | | | | | |
| As previously stated | 31,642 | — | 999,993 | — | — | 584 | — | 76,158 | 1,108,377 | 189,467 | 1,297,844 |
| Effect of combination under common control (note 1) | — | — | (85,994) | — | — | (817) | 358 | 55,526 | (30,927) | 18,111 | (12,816) |
| As restated | 31,642 | — | 913,999 | — | — | (233) | 358 | 131,684 | 1,077,450 | 207,578 | 1,285,028 |
| Exchange differences arising on translation of foreign operations and total income directly recognised to equity | — | — | — | — | — | 254 | — | — | 254 | — | 254 |
| Profit for the year (as restated) | — | — | — | — | — | — | — | 152,021 | 152,021 | 16,207 | 168,228 |
| Total recognised income and expense for the year | 31,642 | — | 913,999 | — | — | 21 | 358 | 283,705 | 1,229,725 | 223,785 | 1,453,510 |
| Arising from reorganisation | 17,569 | — | (600,319) | — | — | — | — | 179,331 | (403,419) | (205,335) | (608,754) |
| Recognition of equity-settled share based payments | — | — | — | 1,500 | — | — | — | — | 1,500 | — | 1,500 |
| Transfer to statutory reserve | — | — | — | — | — | — | 131 | (131) | — | — | — |
| Disposal of a subsidiary | — | — | — | — | — | — | — | — | — | (17,925) | (17,925) |
| At 31 December 2005 | 49,211 | — | 313,680 | 1,500 | — | 21 | 489 | 462,905 | 827,806 | 525 | 828,331 |
| At 1 January 2006 | | | | | | | | | | | |
| As previously stated | 49,211 | — | 399,674 | 1,500 | — | 838 | — | 386,155 | 837,378 | — | 837,378 |
| Effect of combination under common control (note 1) | — | — | (85,994) | — | — | (817) | 489 | 76,750 | (9,572) | 525 | (9,047) |
| As restated | 49,211 | — | 313,680 | 1,500 | — | 21 | 489 | 462,905 | 827,806 | 525 | 828,331 |
| Gain on fair value changes of available-for-sale investments | — | — | — | — | 555 | — | — | — | 555 | — | 555 |
| Exchange differences arising on translation of foreign operations | — | — | — | — | — | 402 | — | — | 402 | — | 402 |
| Total income directly recognised to equity | — | — | — | — | 555 | 402 | — | — | 957 | — | 957 |
| Profit for the year | — | — | — | — | — | — | — | 222,182 | 222,182 | (319) | 221,863 |
| Total recognised income and expense for the year | 49,211 | — | 313,680 | 1,500 | 555 | 423 | 489 | 685,087 | 1,050,945 | 206 | 1,051,151 |
| Issue of ordinary shares upon exercise of share options | 685 | 8,050 | — | (1,678) | — | — | — | — | 7,057 | — | 7,057 |
| Recognition of equity-settled share based payments | — | — | — | 4,779 | — | — | — | — | 4,779 | — | 4,779 |
| 2005 final dividend paid | — | — | — | — | — | — | — | (44,290) | (44,290) | — | (44,290) |
| 2006 interim dividend paid | — | — | — | — | — | — | — | (44,290) | (44,290) | — | (44,290) |
| Transfer to statutory reserve | — | — | — | — | — | — | 170 | (170) | — | — | — |
| Dividend paid to minority shareholder | — | — | — | — | — | — | — | — | — | (83) | (83) |
| Disposal of a subsidiary | — | — | — | — | — | — | — | — | — | (123) | (123) |
| At 31 December 2006 | 49,896 | 8,050 | 313,680 | 4,601 | 555 | 423 | 659 | 596,337 | 974,021 | — | 974,201 |

Notes:

- Special reserve as at 1 January 2005 arose from the combinations of China State Construction Engineering (Hong Kong) Limited, Zetson Enterprises Limited and its subsidiaries ("Project Management Group") and China Construction Engineering (Macau) Company Limited and its subsidiaries ("CCEM Group") under common control.
- Special reserve arising during the year ended 31 December 2005 represents the consideration paid by the Company upon completion of the group reorganisation which resulted in an increase in the Group's interests in the Project Management Group from 51.2% to 100% and the difference between the nominal amount of the share capital held by minority interests and the net assets attributable to minority shareholders upon completion of the group reorganisation.
- The People's Republic of China (the "PRC") statutory reserves of the Group represents general and development fund reserve applicable to the PRC subsidiaries which was established in accordance with the relevant regulations.