

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2006

	Share capital	Share premium	Statutory reserves	Translation reserve	Acc- umulated losses	Equity attributable to equity holders of the Company	Minority interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(note)					
At 1 January 2005	3,580	24,507	148,158	(69,654)	(67,729)	38,862	12,844	51,706
Exchange differences arising on conversion of foreign operations	–	–	–	546	–	546	60	606
Loss for the year	–	–	–	–	(97,214)	(97,214)	(11,590)	(108,804)
Total recognised income and expense 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 and 1 January 2006	10,739	94,457	148,158	(69,108)	(164,943)	19,303	3,402	22,705
Exchange differences arising on conversion of foreign operations	–	–	–	438	–	438	303	741
Loss for the year	–	–	–	–	(10,650)	(10,650)	(1,291)	(11,941)
Total recognised income and expense for the year	–	–	–	438	(10,650)	(10,212)	(988)	(11,200)
Capital contributions from minority shareholders of subsidiaries	–	–	–	–	–	–	1,296	1,296
Partial disposal of a subsidiary	–	–	–	–	–	–	(881)	(881)
At 31 December 2006	10,739	94,457	148,158	(68,670)	(175,593)	9,091	2,829	11,920

*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. Starting from 1 January 2006, the Group is not required to transfer any net profit to statutory welfare fund in accordance with the amendment in the PRC Companies Ordinance.