

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2006

	Share capital <i>HK\$</i>	Share premium <i>HK\$</i>	Capital redemption reserves <i>HK\$</i>	Accumulated losses <i>HK\$</i>	Total <i>HK\$</i>
At 31st December 2004 and 1st January 2005	45,295,800	186,156,413	168,800	(69,637,909)	161,983,104
Issue of shares by placing	20,435,160	12,809,916	–	–	33,245,076
Issue of shares for share options exercised	5,217,580	2,662,589	–	–	7,880,169
Capital reduction (<i>note 1</i>)	(61,996,086)	–	–	61,996,086	–
Rights issue	6,888,454	23,420,744	–	–	30,309,198
Loss for the year	–	–	–	(92,273,442)	(92,273,442)
At 31st December 2005	15,840,908	225,049,662	168,800	(99,915,265)	141,144,105
Issue of shares by placing	14,160,000	29,445,000	–	–	43,605,000
Issue of shares for share options exercised	1,584,000	2,653,200	–	–	4,237,200
Loss for the year	–	–	–	(28,541,032)	(28,541,032)
At 31st December 2006	<u>31,584,908</u>	<u>257,147,862</u>	<u>168,800</u>	<u>(128,456,297)</u>	<u>160,445,273</u>

Note 1:

By the approval of the Grand Court of the Cayman Island dated 26th July 2005 with respect to the reduction of share capital. Reserve arising on capital reduction was used to set off the accumulated losses.