

# Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2006

	Attributable to equity holders of the parent								
	Share capital	Share premium	Share options reserve	Translation reserve	Reserve funds	Accumulated profits (losses)	Total	Minority interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2005	49,500	7,761	-	(1,426)	228	37,857	93,920	-	93,920
Issue of shares	23,950	-	-	-	-	-	23,950	-	23,950
Share issue expenses	-	(405)	-	-	-	-	(405)	-	(405)
Recognition of equity-settled share based payment	-	-	826	-	-	-	826	-	826
Exercise of share options	-	826	(826)	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	(44,172)	(44,172)	(87)	(44,259)
Acquisition of a subsidiary	-	-	-	-	-	-	-	2,047	2,047
Exchange differences arising on translation of foreign operations	-	-	-	2,480	-	-	2,480	-	2,480
At 31 December 2005 and 1 January 2006	73,450	8,182	-	1,054	228	(6,315)	76,599	1,960	78,559
Issue of shares	43,000	20,500	-	-	-	-	63,500	-	63,500
Share issue expenses	-	(777)	-	-	-	-	(777)	-	(777)
Recognition of equity-settled share based payment	-	-	7,635	-	-	-	7,635	-	7,635
Loss for the year	-	-	-	-	-	(95,452)	(95,452)	(290)	(95,742)
Acquisition of subsidiaries	-	-	-	-	-	-	-	4,393	4,393
Exchange differences arising on translation of foreign operations	-	-	-	223	-	-	223	-	223
<b>At 31 December 2006</b>	<b>116,450</b>	<b>27,905</b>	<b>7,635</b>	<b>1,277</b>	<b>228</b>	<b>(101,767)</b>	<b>51,728</b>	<b>6,063</b>	<b>57,791</b>

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 (together as the "Reserve Funds"). Appropriations to the Reserve Funds 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.