

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2006

Group	Issued	Share	Capital	Property	Cumulative	Retained	Total
	capital	premium	reserve (a)	revaluation	translation	profits	
	HK\$'000	HK\$'000	HK\$'000	reserve	adjustments	HK\$'000	HK\$'000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1/1/2005							
- as previously reported	32,000	57,099	(23,724)	12,624	(1,033)	131,772	208,738
- prior year adjustments in respect of:							
- Decrease in revaluation reserve, net of deferred tax (restated)	-	-	-	(3,298)	-	-	(3,298)
- Decrease in depreciation	-	-	-	-	-	152	152
- Increase in amortisation	-	-	-	-	-	(491)	(491)
- Increase in deferred taxation	-	-	-	-	-	170	170
- as restated	32,000	57,099	(23,724)	9,326	(1,033)	131,603	205,271
- Increase in revaluation reserve, net of deferred tax	-	-	-	1,177	-	-	1,177
- Dividends paid	-	-	-	-	-	(16,640)	(16,640)
- Translation adjustments	-	-	-	-	2	-	2
- Net profit for the year	-	-	-	-	-	60,800	60,800
At 31/12/2005	32,000	57,099	(23,724)	10,503	(1,031)	175,763	250,610
At 1/1/2006	32,000	57,099	(23,724)	10,503	(1,031)	175,763	250,610
- Increase in revaluation reserve, net of deferred tax	-	-	-	1,819	-	-	1,819
- Dividend paid	-	-	-	-	-	(21,440)	(21,440)
- Translation adjustments	-	-	-	-	1,058	-	1,058
- Net profit for the year	-	-	-	-	-	78,401	78,401
At 31/12/2006	32,000	57,099	(23,724)	12,322	27	232,724	310,448

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For the year ended 31 December 2006

Company	Issued capital HK\$'000	Share premium HK\$'000	Contributed surplus (b) HK\$'000	(Accumulated losses)/ retained profits HK\$'000	Total HK\$'000
At 1/1/2005	32,000	57,099	89,606	(51,922)	126,783
Dividends paid	–	–	–	(16,640)	(16,640)
Net profit for the year	–	–	–	78,822	78,822
At 31/12/ 2005	32,000	57,099	89,606	10,260	188,965
At 1/1/2006	32,000	57,099	89,606	10,260	188,965
Dividends paid	–	–	–	(21,440)	(21,440)
Net loss for the year	–	–	–	(1,110)	(1,110)
At 31/12/2006	32,000	57,099	89,606	(12,290)	166,415

Notes:

- a) Capital reserve represents the difference between the nominal value of the ordinary shares issued by the company and the aggregate of the share capital and share premium of subsidiaries acquired through exchanges of shares pursuant to the reorganisation.
- b) Contributed surplus represents the difference between the nominal value of the ordinary shares issued by the company and the net asset value of subsidiaries acquired through an exchange of shares pursuant to the reorganisation.

Under the Companies Act 1981 of Bermuda (as amended), retained profits and contributed surplus are distributable to shareholders, subject to the condition that the company cannot declare or pay a dividend, or make a distribution out of retained profits and contributed surplus if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium.

The company's reserves as at 31 December 2006 available for distribution to shareholders are approximately HK\$77,316,000 (2005: HK\$99,866,000).

The notes on pages 37 to 76 form an integral part of these financial statements.