

Consolidated Statement of Changes in Equity

Year ended 31 December 2006

Attributable to equity holders of the Company

| Notes | Issued capital HK\$ | Convertible preference shares HK\$ | Share premium account HK\$ | Contributed surplus HK\$ note 31(a) | Fixed assets revaluation reserve HK\$ | Other reserve HK\$ | Accumulated losses HK\$ | Total equity HK\$ |
|---|------------------------|---------------------------------------|-------------------------------|---|--|-----------------------|----------------------------|----------------------|
| At 1 January 2005 | 61,502,418 | - | 168,315,330 | 36,548,052 | 1,731,450 | - | (313,167,387) | (45,070,137) |
| Loss for the year | - | - | - | - | - | - | (8,756,390) | (8,756,390) |
| At 31 December 2005 and 1 January 2006 | 61,502,418 | - | 168,315,330 | 36,548,052 | 1,731,450 | - | (321,923,777) | (53,826,527) |
| Capital reduction | (60,887,394) | - | - | 60,887,394 | - | - | - | - |
| Issue of convertible preference shares | - | 48,000,170 | - | - | - | - | - | 48,000,170 |
| Released upon disposal of subsidiaries | - | - | - | - | (1,731,450) | - | 1,731,450 | - |
| Rights issue | 307,512 | - | 9,394,494 | - | - | - | - | 9,702,006 |
| Conversion of convertible preference shares | 2,023,616 | (48,000,170) | 45,976,554 | - | - | - | - | - |
| Issue of shares | 123,000 | - | 6,125,400 | - | - | - | - | 6,248,400 |
| Share issue expenses | - | - | (1,225,429) | - | - | - | - | (1,225,429) |
| Issue of warrants | - | - | - | - | - | 2,400,000 | - | 2,400,000 |
| Profit for the year | - | - | - | - | - | - | 22,065,701 | 22,065,701 |
| At 31 December 2006 | 3,069,152 | - | 228,586,349* | 97,435,446* | -* | 2,400,000* | (298,126,626)* | 33,364,321 |

* The consolidated reserves in the consolidated balance sheet comprise the share premium account, contributed surplus, fixed assets revaluation reserve, other reserve and accumulated losses with a net credit balance of HK\$30,295,169 (2005: net debit balance of HK\$115,328,945).