

For the year ended 31 December, 2003

The Group

	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Investment property revaluation reserve HK\$'000	Goodwill reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1/1/2002	29,290	76,172	(2,215)	3,702	(9,171)	3,775	150,462	252,015
Deficit on revaluation of investment properties	-	-	-	(1,900)	-	-	-	(1,900)
Translation of financial statements of overseas subsidiaries	-	-	-	-	-	(434)	-	(434)
Net gain and losses not recognised in the income statement	-	-	-	(1,900)	-	(434)	-	(2,334)
Share issue expenses	-	(200)	-	-	-	-	-	(200)
Investments in subsidiaries written off	-	-	-	-	(675)	-	-	(675)
Placement of shares	11,500	-	-	-	-	-	-	11,500
Shares issued under share option scheme	143	-	-	-	-	-	-	143
Shares issued at premium upon placement of shares	-	86,600	-	-	-	-	-	86,600
Shares issued at premium upon exercise of share option	-	874	-	-	-	-	-	874
Net loss for the year	-	-	-	-	-	-	(5,434)	(5,434)
At 31/12/2002 and 1/1/2003	40,933	163,446	(2,215)	1,802	(9,846)	3,341	145,028	342,489
Surplus on revaluation of investment properties	-	-	-	1,667	-	-	-	1,667
Translation of financial statements of overseas subsidiaries	-	-	-	-	-	(86)	-	(86)
Net gain and losses not recognised in the income statement	-	-	-	1,667	-	(86)	-	1,581
Reversal upon disposal of a subsidiary	-	-	-	-	9,846	-	-	9,846
Deficit on revaluation of investment properties previously undercharged	-	-	-	(1,986)	-	-	-	(1,986)
Net loss for the year	-	-	-	-	-	-	(66,851)	(66,851)
At 31/12/2003	40,933	163,446	(2,215)	1,483	-	3,255	78,177	285,079
Note:								
Company and subsidiaries	40,933	163,446	(2,215)	1,483	-	3,254	78,039	284,940
Associate	-	-	-	-	-	1	138	139

Statements of Changes in Equity

For the year ended 31 December, 2003

The Company

	Share capital	Share premium	Contributed surplus	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1/1/2002	29,290	76,172	140,281	(797)	244,946
Placement of shares	11,500	–	–	–	11,500
Shares issued under share option scheme	143	–	–	–	143
Share issued at premium upon placement of shares	–	86,600	–	–	86,600
Share issued at premium upon exercise of share options	–	874	–	–	874
Net loss for the year	–	–	–	(4,336)	(4,336)
At 31/12/2002 and 1/1/2003	40,933	163,646	140,281	(5,133)	339,727
Net loss for the year	–	–	–	(1,287)	(1,287)
At 31/12/2003	40,933	163,646	140,281	(6,420)	338,440

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

In the opinion of the directors, the Company's reserves available for distribution to shareholders are as follows:

	2003 HK\$'000	2002 HK\$'000
Contributed surplus	140,281	140,281
Accumulated losses	(6,420)	(5,133)
	133,861	135,148

The notes on pages 23 to 49 form an integral part of these financial statements.