

Consolidated Statement of Changes in Equity

for the year ended 31 December 2003

| | Share capital HK\$'000 | Share premium HK\$'000 | Special reserve HK\$'000 | Exchange reserve HK\$'000 | Retained profits HK\$'000 | Total HK\$'000 |
|---|--------------------------------------|--------------------------------------|--|---|---|--------------------------|
| At 31 December 2001 | 4,273 | 375 | — | 12 | 39,262 | 43,922 |
| Formation of subsidiaries | 5 | — | — | — | — | 5 |
| Exchange differences arising on translation and not recognised in income statement | — | — | — | 1 | — | 1 |
| Reserve arising on group reorganisation | (4,178) | 69,085 | (64,907) | — | — | — |
| Profit for the year | — | — | — | — | 30,692 | 30,692 |
| Interim dividends | — | — | — | — | (15,940) | (15,940) |
| At 31 December 2002 | 100 | 69,460 | (64,907) | 13 | 54,014 | 58,680 |
| Share issued at premium on placing and public offer | 6,000 | 24,000 | — | — | — | 30,000 |
| Share issue expenses | — | (8,517) | — | — | — | (8,517) |
| Issue of shares arising from capitalisation of share premium of the Company | 33,900 | (33,900) | — | — | — | — |
| Exchange differences arising on translation and not recognised in income statement | — | — | — | (15) | — | (15) |
| Loss for the year | — | — | — | — | (11,653) | (11,653) |
| At 31 December 2003 | 40,000 | 51,043 | (64,907) | (2) | 42,361 | 68,495 |

Note: Special reserve represents the difference between the paid up capital of the then holding companies of the subsidiaries acquired as a result of the Group Reorganisation as set out in note 1 and the costs of investments in subsidiaries of the Company.