

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December, 2003

	Share capital HK\$'000	Share premium HK\$'000	Reorganisation reserve HK\$'000	General reserve HK\$'000	Exchange reserve HK\$'000	Reserve fund HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
THE GROUP								
At 1st January, 2002	119,932	931,688	105,567	137	(817)	18,910	(621,392)	554,025
Appropriation for the year	-	-	-	-	-	1,806	(1,806)	-
Exchange differences on translation of overseas operation not recognised in income statement	-	-	-	-	1,817	-	-	1,817
Net profit for the year	-	-	-	-	-	-	105,247	105,247
At 31st December, 2002	119,932	931,688	105,567	137	1,000	20,716	(517,951)	661,089
Released on disposal of subsidiaries	-	-	-	(137)	(7,662)	-	-	(7,799)
Exchange differences on translation of overseas operations not recognised in income statement	-	-	-	-	(361)	-	-	(361)
Net profit for the year	-	-	-	-	-	-	65,551	65,551
At 31st December, 2003	119,932	931,688	105,567	-	(7,023)	20,716	(452,400)	718,480
Reserves retained by:								
Company and subsidiaries	119,932	931,688	105,567	-	7,137	-	(495,718)	668,606
Jointly controlled entities	-	-	-	-	(15,745)	20,716	81,104	86,075
Associates	-	-	-	-	1,585	-	(37,786)	(36,201)
At 31st December, 2003	119,932	931,688	105,567	-	(7,023)	20,716	(452,400)	718,480
Reserves retained by:								
Company and subsidiaries	119,932	931,688	105,567	137	7,284	-	(583,227)	581,381
Jointly controlled entities	-	-	-	-	(8,082)	20,716	84,837	97,471
Associates	-	-	-	-	1,798	-	(19,561)	(17,763)
At 31st December, 2002	119,932	931,688	105,567	137	1,000	20,716	(517,951)	661,089

The reorganisation reserve of the Group represents the excess amount of the net asset values as at 31st December, 1990 of the Group's former listed holding company, Creative Investment Holdings Limited ("CIL"), over the nominal value of the Company's shares issued for the acquisition of a 100% equity interest in CIL, pursuant to a Scheme of Arrangement in 1991.

Pursuant to the relevant laws and regulations for sino-foreign joint venture enterprises, a portion of the profits of the Group's jointly controlled entities operating in the PRC are transferred to the reserve fund. The amounts of profits transferred to the reserve fund are determined by the board of directors of these jointly controlled entities. This fund is restricted as to use and is not available for distribution.