

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December, 2004

	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
At 1st January, 2003	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 operations in the PRC 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
Exchange differences on translation of operations in the PRC not recognised in income statement	-	-	-	-	(232)	-	-	(232)
Net loss for the year	-	-	-	-	-	-	(141,142)	(141,142)
At 31st December, 2004	119,932	931,688	105,567	-	(7,255)	20,716	(593,542)	577,106
Reserves retained by:								
Company and subsidiaries	119,932	931,688	105,567	-	6,840	-	(645,411)	518,616
Jointly controlled entity	-	-	-	-	(15,745)	20,716	103,097	108,068
Associates	-	-	-	-	1,650	-	(51,228)	(49,578)
At 31st December, 2004	119,932	931,688	105,567	-	(7,255)	20,716	(593,542)	577,106
Reserves retained by:								
Company and subsidiaries	119,932	931,688	105,567	-	7,137	-	(495,718)	668,606
Jointly controlled entity	-	-	-	-	(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

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 entity operating in the People's Republic of China (other than Hong Kong) (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 the jointly controlled entity. This fund is restricted as to use and is not available for distribution.