

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended 31 December 2004

|  | Issued<br>Share<br>capital<br><i>HK\$'000</i> | Share<br>premium<br>account<br><i>HK\$'000</i> | Contributed<br>surplus<br><i>HK\$'000</i> | Capital<br>reserve<br><i>HK\$'000</i> | Shareholder's<br>contribution<br><i>HK\$'000</i> | Exchange<br>reserve<br><i>HK\$'000</i> | Accumulated<br>losses<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> |
|--|---|--|---|---------------------------------------|--|--|--|--------------------------|
| At 1 January 2003  | 25,083  | 798,599  | 34,503                                    | (2,007)                               | –  | (10,843)                               | (943,097)                                | (97,762)                 |
| Exchange differences<br>on translation of overseas<br>operations                             | –   | –  | –   | –                                     | –  | (2)                                    | –  | (2)                      |
| Net loss for the year  | –   | –  | –   | –                                     | –  | –                                      | (19,889)                                 | (19,889)                 |
| At 31 December 2003  | 25,083  | 798,599  | 34,503                                    | (2,007)                               | –  | (10,845)                               | (962,986)                                | (117,653)                |
| Exchange differences<br>on translation of overseas<br>operations                             | –   | –  | –   | –                                     | –  | 651                                    | –  | 651                      |
| Shareholder's contribution<br>arising on waiver of loan<br>from immediate holding<br>company | –   | –  | –   | –                                     | 45,000   | –                                      | –  | 45,000                   |
| Net loss for the year  | –   | –  | –   | –                                     | –  | –                                      | (8,183)                                  | (8,183)                  |
| Shares issued at premium   | 25,084  | 50,167   | –   | –                                     | –  | –                                      | –  | 75,251                   |
| Share issue expenses   | –   | (1,844)  | –   | –                                     | –  | –                                      | –  | (1,844)                  |
| <b>At 31 December 2004</b>   | <b>50,167</b>                                 | <b>846,922</b>                                 | <b>34,503</b>                             | <b>(2,007)</b>                        | <b>45,000</b>                                    | <b>(10,194)</b>                        | <b>(971,169)</b>                         | <b>(6,778)</b>           |

The contributed surplus of the Group represents the difference between the nominal value of the shares and the share premium account of the subsidiaries acquired pursuant to the Group reorganisation prior to the listing of the Company's shares, over the nominal value of the Company's shares issued in exchange therefor.