

Consolidated Statement of Changes in Equity

For the year ended 31st December, 2004

	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Property revaluation reserve HK\$'000	Statutory surplus reserve fund HK\$'000	Enterprise expansion fund HK\$'000	Translation reserve HK\$'000	Goodwill reserve HK\$'000	Capital redemption reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
THE GROUP											
At 1st January, 2003	72,245	90,110	38,510	46,263	12,579	929	(2,162)	(88)	446	406,088	664,920
Exchange differences arising from translation of the financial statements of operations outside Hong Kong	—	—	—	—	—	—	(1,186)	—	—	—	(1,186)
Revaluation deficit on land and buildings	—	—	—	(414)	—	—	—	—	—	—	(414)
Deferred tax liability arising on revaluation of properties	—	—	—	(30)	—	—	—	—	—	—	(30)
Net losses not recognised in the income statement	—	—	—	(444)	—	—	(1,186)	—	—	—	(1,630)
Shares repurchased and cancelled	(611)	—	—	—	—	—	—	—	—	—	(611)
Premium on repurchase of shares	—	(6,734)	—	—	—	—	—	—	—	—	(6,734)
Transfer of reserves for cancellation of shares	—	—	—	—	—	—	—	—	611	(611)	—
Share options exercised	650	7,540	—	—	—	—	—	—	—	—	8,190
Net profit for the year	—	—	—	—	—	—	—	—	—	81,170	81,170
Transfer of statutory reserves	—	—	—	—	43	—	—	—	—	(43)	—
Dividends (Note 9)	—	—	—	—	—	—	—	—	—	(57,369)	(57,369)
	39	806	—	—	43	—	—	—	611	23,147	24,646
At 31st December, 2003	72,284	90,916	38,510	45,819	12,622	929	(3,348)	(88)	1,057	429,235	687,936
Exchange differences arising from translation of the financial statements of operations outside Hong Kong	—	—	—	—	—	—	3,783	—	—	—	3,783
Revaluation surplus on land and buildings	—	—	—	21,418	—	—	—	—	—	—	21,418
Deferred tax liability arising on revaluation of properties	—	—	—	(1,946)	—	—	—	—	—	—	(1,946)
Net gains not recognised in the income statement	—	—	—	19,472	—	—	3,783	—	—	—	23,255
Shares repurchased and cancelled	(74)	—	—	—	—	—	—	—	—	—	(74)
Premium on repurchase of shares	—	(860)	—	—	—	—	—	—	—	—	(860)
Transfer of reserves for cancellation of shares	—	—	—	—	—	—	—	—	74	(74)	—
Net profit for the year	—	—	—	—	—	—	—	—	—	69,135	69,135
Transfer of statutory reserves	—	—	—	—	3,002	138	—	—	—	(3,140)	—
Dividends (Note 9)	—	—	—	—	—	—	—	—	—	(50,599)	(50,599)
	(74)	(860)	—	—	3,002	138	—	—	74	15,322	17,602
At 31st December, 2004	72,210	90,056	38,510	65,291	15,624	1,067	435	(88)	1,131	444,557	728,793

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For the year ended 31st December, 2004

For the year ended 31st December, 2003, the accumulated profits of the Group include a loss of HK\$883,000 attributable to a jointly controlled entity.

The special reserve represents the difference between the nominal value of shares of Lerado Group Limited together with its share premium and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation.

As stipulated by the relevant laws and regulations for foreign investment enterprises in the People's Republic of China, other than Hong Kong (the "PRC"), the PRC subsidiaries of the Group are required to maintain two statutory reserves, being a statutory surplus reserve fund and an enterprise expansion fund which are not distributable. Appropriations to such reserves are made out of net profit after taxation as per the statutory accounts of the PRC subsidiaries and the amount and allocation basis are decided by the respective board of directors annually.