

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2005

	Share capital HK\$	Share premium HK\$	Capital redemption reserves HK\$	Accumulated losses HK\$	Total HK\$
At 31st December 2003 and 1st January 2004	20,231,200	161,573,413	168,800	(41,202,234)	140,771,179
Issue of shares for share options exercised	1,600,000	2,400,000	–	–	4,000,000
Issue of shares by placing and open offer	23,464,600	22,183,000	–	–	45,647,600
Loss for the year	–	–	–	(28,435,675)	(28,435,675)
At 31st December 2004	45,295,800	186,156,413	168,800	(69,637,909)	161,983,104
Issue of shares by placing	20,435,160	12,809,916	–	–	33,245,076
Issue of shares for share options exercised	5,217,580	2,662,589	–	–	7,880,169
Capital reduction (<i>note 1</i>)	(61,996,086)	–	–	61,996,086	–
Rights issue	6,888,454	23,420,744	–	–	30,309,198
Loss for the year	–	–	–	(92,273,442)	(92,273,442)
At 31st December 2005	15,840,908	225,049,662	168,800	(99,915,265)	141,144,105

Note 1:

By the approval of the Grand Court of the Cayman Island dated 26th July 2005 with respect to the reduction of share capital. Reserve arising on capital reduction was used for setting off the accumulated losses.