

Consolidated Statement of Changes in Equity

For the year ended 31 December 2005

	Attributable to equity holders of the Company												
	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	Retained profits HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 1 January 2004 as originally stated	72,284	90,916	38,510	45,819	12,622	929	(3,348)	(88)	1,057	429,235	687,936	—	687,936
Effects of changes in accounting policies (see note 3)	—	—	—	(13,952)	—	—	—	—	—	4,274	(9,678)	18,464	8,786
At 1 January 2004 as restated	72,284	90,916	38,510	31,867	12,622	929	(3,348)	(88)	1,057	433,509	678,258	18,464	696,722
Exchange differences arising from translation of the financial statements of operations outside Hong Kong	—	—	—	—	—	—	3,783	—	—	—	3,783	—	3,783
Revaluation surplus on land and buildings (restated)	—	—	—	19,071	—	—	—	—	—	—	19,071	—	19,071
Deferred tax liability arising on revaluation of properties (restated)	—	—	—	(1,630)	—	—	—	—	—	—	(1,630)	—	(1,630)
Net income recognised directly in equity	—	—	—	17,441	—	—	3,783	—	—	—	21,224	—	21,224
Profit for the year (restated)	—	—	—	—	—	—	—	—	—	69,677	69,677	4,700	74,377
Total recognised income and expense for the year	—	—	—	17,441	—	—	3,783	—	—	69,677	90,901	4,700	95,601
Shares repurchased and cancelled	(74)	—	—	—	—	—	—	—	—	—	(74)	—	(74)
Premium on repurchase of shares	—	(860)	—	—	—	—	—	—	—	—	(860)	—	(860)
Transfer of reserves for cancellation of shares	—	—	—	—	—	—	—	—	74	(74)	—	—	—
Disposal of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	2,288	2,288
Transfer of statutory reserves	—	—	—	—	3,002	138	—	—	—	(3,140)	—	—	—
Dividends (note 15)	—	—	—	—	—	—	—	—	—	(50,599)	(50,599)	(8,640)	(59,239)
	(74)	(860)	—	—	3,002	138	—	—	74	(53,813)	(51,533)	(6,352)	(57,885)
At 31 December 2004 as restated	72,210	90,056	38,510	49,308	15,624	1,067	435	(88)	1,131	449,373	717,626	16,812	734,438
Effects of changes in accounting policies (see note 3)	—	—	—	—	—	—	—	88	—	2,730	2,818	—	2,818
At 1 January 2005 as restated	72,210	90,056	38,510	49,308	15,624	1,067	435	—	1,131	452,103	720,444	16,812	737,256
Exchange differences arising from translation of the financial statements of operations outside Hong Kong	—	—	—	—	—	—	5,323	—	—	—	5,323	—	5,323
Revaluation surplus on land and buildings	—	—	—	9,872	—	—	—	—	—	—	9,872	—	9,872
Deferred tax liability arising on revaluation of properties	—	—	—	(280)	—	—	—	—	—	—	(280)	—	(280)
Net income recognised directly in equity	—	—	—	9,592	—	—	5,323	—	—	—	14,915	—	14,915
Profit for the year	—	—	—	—	—	—	—	—	—	9,155	9,155	1,399	10,554
Total recognised income and expense for the year	—	—	—	9,592	—	—	5,323	—	—	9,155	24,070	1,399	25,469
Transfer of statutory reserves	—	—	—	—	988	—	—	—	—	(988)	—	—	—
Dividends (note 15)	—	—	—	—	—	—	—	—	—	(36,105)	(36,105)	(1,290)	(37,395)
	—	—	—	—	988	—	—	—	—	(37,093)	(36,105)	(1,290)	(37,395)
At 31 December 2005	72,210	90,056	38,510	58,900	16,612	1,067	5,758	—	1,131	424,165	708,409	16,921	725,330

consolidated statement of changes in equity

For the year ended 31 December 2005

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 profit for the year as per the statutory accounts of the PRC subsidiaries and the amount and allocation basis are decided by the respective board of directors annually.