

Consolidated Statement of Changes in Equity

Year ended 31 December 2005

	Attributable to equity holders of the Company													
	Share capital	Share premium	Capital redemption reserve	Merger reserve	Asset revaluation reserve	Investment revaluation reserve	PRC statutory reserves	Goodwill	Exchange fluctuation	Retained profits	Proposed final dividend	Total	Minority interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2004	45,584	253,234	56	136,648	8,652	15,700	4,055	1,238	(55)	282,900	10,029	758,041	478,751	1,236,792
Changes in fair value of non-trading securities	—	—	—	—	—	269	—	—	—	—	—	269	(1,091)	(822)
Exchange realignment	—	—	—	—	—	—	—	—	64	—	—	64	23	87
Total income and expense for the year recognised directly in equity	—	—	—	—	—	269	—	—	64	—	—	333	(1,068)	(735)
Transfer to income statement on disposal of non-trading securities	—	—	—	—	—	(143)	—	—	—	—	—	(143)	—	(143)
Profit for the year	—	—	—	—	—	—	—	—	—	124,201	—	124,201	61,734	185,935
Total income and expense for the year	—	—	—	—	—	126	—	—	64	124,201	—	124,391	60,666	185,057
Acquisition of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	3,109	3,109
Acquisition of additional interest in a subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	(37,796)	(37,796)
Repurchase of shares in a subsidiary from minority shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	(405)	(405)
Dividends paid to minority shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	(8,708)	(8,708)
Transfer from retained profits	—	—	—	—	—	—	189	—	—	(189)	—	—	—	—
Final 2003 dividend paid	—	—	—	—	—	—	—	—	—	—	(10,029)	(10,029)	—	(10,029)
Balance at 31 December 2004	45,584	253,234	56	136,648	8,652	15,826	4,244	1,238	9	406,912	—	872,403	495,617	1,368,020

Consolidated Statement of Changes in Equity

Year ended 31 December 2005

	Attributable to equity holders of the Company													
	Share capital	Share premium account	Capital redemption reserve	Merger reserve	Other reserve	Asset revaluation reserve	Available-for-sale financial assets revaluation reserve	PRC statutory reserves	Goodwill	Exchange fluctuation reserve	Retained profits	Total	Minority interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2005	45,584	253,234	56	136,648	—	8,652	15,826	4,244	1,238	9	406,912	872,403	495,617	1,368,020
Changes in fair value of available-for-sale financial assets	—	—	—	—	—	—	(2,678)	—	—	—	—	(2,678)	(1,798)	(4,476)
Exchange realignment	—	—	—	—	—	—	—	—	—	2,690	—	2,690	2,166	4,856
Total income and expense for the year recognised directly in equity	—	—	—	—	—	—	(2,678)	—	—	2,690	—	12	368	380
Transfer to income statement on disposal of available-for-sale financial assets	—	—	—	—	—	—	2,061	—	—	—	—	2,061	2,398	4,459
Profit for the year	—	—	—	—	—	—	—	—	—	—	96,574	96,574	84,281	180,855
Total income and expense for the year	—	—	—	—	—	—	(617)	—	—	2,690	96,574	98,647	87,047	185,694
Acquisition of interests held by minority shareholders	—	—	—	—	—	—	—	—	—	—	—	—	(27,653)	(27,653)
Acquisition of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	21,635	21,635
Issue of warrants	—	—	—	—	1,379	—	—	—	—	—	—	1,379	6,411	7,790
Transfer to retained profits	—	—	—	—	—	—	—	—	(1,238)	—	1,238	—	—	—
Transfer from retained profits	—	—	—	—	—	—	—	366	—	—	(366)	—	—	—
Dividend paid to minority shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	(14,993)	(14,993)
Balance at 31 December 2005	45,584	253,234	56	136,648	1,379	8,652	15,209	4,610	—	2,699	504,358	972,429	568,064	1,540,493

The merger reserve represents the difference between the share capital and share premium account of a subsidiary and the nominal value of the Company's shares issued in exchange thereof at the time of the group reorganisation in 1992 less a transfer of HK\$200,000,000 to retained profits account in 2001.

The Group's statutory reserves represent reserves required to be appropriated from the profit after taxation of the Company's PRC subsidiaries under PRC laws and regulations. The amount of the appropriation is at the discretion of the PRC subsidiaries' board of directors.

The retained profits and exchange fluctuation reserve of the Group included retained profits of HK\$28,966,000 (2004: accumulated losses of HK\$17,133,000) and a balance of HK\$877,000 (2004: HK\$792,000), respectively, retained by associates of the Group.