

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1st July, 2004 to 31st December, 2005

Attributable to equity holders of the parent

	Share capital HK\$'000	Share premium HK\$'000	Special capital reserve HK\$'000 (Note)	Exchange reserve HK\$'000	Capital reserve HK\$'000	Capital redemption reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 1st July, 2003	37,060	471,986	828,646	2,829	1,647	3,865	(1,092,706)	253,327	-	253,327
Expenses recognised directly in equity – Exchange differences arising on translation of overseas operations	-	-	-	(14)	-	-	-	(14)	-	(14)
Total expenses recognised directly in equity	-	-	-	(14)	-	-	-	(14)	-	(14)
Loss for the year	-	-	-	-	-	-	(7,028)	(7,028)	1,122	(5,906)
Released upon disposal of subsidiaries	-	-	-	(253)	-	-	-	(253)	-	(253)
Total recognised income and expense for the year	-	-	-	(267)	-	-	(7,028)	(7,295)	1,122	(6,173)
Issue of rights shares	18,530	-	-	-	-	-	-	18,530	-	18,530
Issue of shares for cash consideration	7,400	27,750	-	-	-	-	-	35,150	-	35,150
Share issue expenses	-	(2,240)	-	-	-	-	-	(2,240)	-	(2,240)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	24,515	24,515
At 30th June, 2004	62,990	497,496	828,646	2,562	1,647	3,865	(1,099,734)	297,472	25,637	323,109
Effect of changes in accounting policies (note 3)	-	-	-	-	-	-	4,264	4,264	583	4,847
At 1st July, 2004	62,990	497,496	828,646	2,562	1,647	3,865	(1,095,470)	301,736	26,220	327,956
Loss for the period	-	-	-	-	-	-	(159,767)	(159,767)	12,183	(147,584)
Released upon disposal of subsidiaries	-	-	-	(2,562)	(1,647)	-	-	(4,209)	-	(4,209)
Total recognised income and expense for the period	-	-	-	(2,562)	(1,647)	-	(159,767)	(163,976)	12,183	(151,793)
Issue of shares for cash consideration	133,981	-	-	-	-	-	-	133,981	-	133,981
Placement of shares	4,000	15,000	-	-	-	-	-	19,000	-	19,000
Share issue expenses	-	(6,315)	-	-	-	-	-	(6,315)	-	(6,315)
Issue of warrants	-	1,600	-	-	-	-	-	1,600	-	1,600
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	2,835	2,835
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(141)	(141)
Acquisition of additional interests in a subsidiary	-	-	-	-	-	-	-	-	1,466	1,466
Capital contribution from minority shareholders	-	-	-	-	-	-	-	-	3,732	3,732
At 31st December, 2005	200,971	507,781	828,646	-	-	3,865	(1,255,237)	286,026	46,295	332,321

**Note:**

A summary of the terms of the undertaking given by the Company (the "Undertaking") in connection with the capital reduction during the year ended 31st March, 2000 (the "Capital Reduction") in respect of the application of the special capital reserve is set out below:

- (i) The reserve shall not be treated as realised profits; and
- (ii) The reserve shall be treated as an undistributable reserve as long as there shall remain any outstanding debts or claims which were in existence on the date of the cancellation of the shares of the Company pursuant to the Capital Reduction, provided that the amount of the reserve may be reduced by the amount of any future increase in the share capital and the share premium account. Any part of the reserve so reduced is released from the terms of the Undertaking and the Company may apply that part so released as a distributable reserve.