

Consolidated Statement of Changes in Equity

For the year ended 31st December, 2005

	Attributable to equity holders of the Company							Total HK\$'000	Minority interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000 (Note i)	Statutory surplus reserve HK\$'000 (Note ii)	Translation reserve HK\$'000	Convertible notes reserve HK\$'000	Retained profits HK\$'000			
At 1st January, 2004 – as originally stated	1,170	–	4,590	13,641	–	–	47,984	67,385	–	67,385
Effect of changes in accounting policy (see note 3)	–	–	–	–	–	1,310	(961)	349	7,594	7,943
At 1st January, 2004 – as restated	1,170	–	4,590	13,641	–	1,310	47,023	67,734	7,594	75,328
Profit for the year – total recognised income for the year	–	–	–	–	–	–	37,985	37,985	7,471	45,456
Issue of shares	450	67,050	–	–	–	–	–	67,500	–	67,500
Transaction costs attributable to issue of issues	–	(3,946)	–	–	–	–	–	(3,946)	–	(3,946)
Capitalisation	–	(1,170)	–	–	–	–	–	(1,170)	–	(1,170)
Surplus arising from Group Reorganisation	–	–	1,170	–	–	–	–	1,170	–	1,170
Issue of share on conversion of convertible notes	180	13,130	–	–	–	(1,310)	–	12,000	–	12,000
Released on disposal of a subsidiary	–	–	–	(5,209)	–	–	5,209	–	(257)	(257)
New subsidiaries set up during the year	–	–	–	–	–	–	–	–	66	66
Transfer	–	–	–	4,792	–	–	(4,792)	–	–	–
Dividends paid to minority shareholders	–	–	–	–	–	–	–	–	(945)	(945)
Dividends declared	–	–	–	–	–	–	(5,400)	(5,400)	–	(5,400)
At 31st December, 2004 – as restated	1,800	75,064	5,760	13,224	–	–	80,025	175,873	13,929	189,802
Exchange differences on translation of foreign operations	–	–	–	–	3,510	–	–	3,510	351	3,861
Profit for the year	–	–	–	–	–	–	58,449	58,449	10,456	68,905
Total recognised income for the year	–	–	–	–	3,510	–	58,449	61,959	10,807	72,766
Issue of shares by private placing under general mandate (note 25)	393	73,322	–	–	–	–	–	73,715	–	73,715
Transaction costs attributable to issue of new issues	–	(1,045)	–	–	–	–	–	(1,045)	–	(1,045)
Acquisition of additional interest in subsidiaries	–	–	–	–	–	–	–	–	(182)	(182)
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	1,665	1,665
New subsidiaries set up during the year	–	–	–	–	–	–	–	–	6,416	6,416
Transfer	–	–	–	5,697	–	–	(5,697)	–	–	–
Dividends paid to minority shareholders	–	–	–	–	–	–	–	–	(973)	(973)
Dividends declared	–	–	–	–	–	–	(17,375)	(17,375)	–	(17,375)
At 31st December, 2005	2,193	147,341	5,760	18,921	3,510	–	115,402	293,127	31,662	324,789

Notes:

(i) Special reserve

The special reserve of the Group represents the difference between the nominal value of the share capital issued by the Company and the nominal value of the share capital of the subsidiaries acquired pursuant to the Group Reorganisation on the basis that the Group Reorganisation had been effected on 24th June, 2004.

(ii) Statutory surplus reserve

As stipulated by the relevant PRC laws and regulations, when distributing the net profit of each year, the Group shall set aside 10% of its net profit after taxation for the statutory surplus reserve fund. The reserve fund can only be used, upon approval by the board of directors and by the relevant authority, to offset accumulated losses or increase capital.