

Consolidated Statement of Changes in Equity

Year ended 31 December 2006

Attributable to equity holders of the Company											
Notes	Issued share capital	Share premium account	Contributed surplus	Employee share-based compensation reserve	Statutory reserve fund	Exchange fluctuation reserve	Retained profits	Available-for-sale investment revaluation reserve	Total	Minority interests	Total equity
	HK\$'000 (Note (a))	HK\$'000 (Note (c))	HK\$'000 (Note (c))	HK\$'000 (Note (c))	HK\$'000 (Notes (b),(c))	HK\$'000 (Note (c))	HK\$'000 (Note (c))	HK\$'000 (Note (c))	HK\$'000	HK\$'000	HK\$'000
At 1 January 2005	410,280	15,246	-	-	23,794	(14,534)	267,845	-	702,631	-	702,631
Exchange realignment and net gain recognised directly in equity	-	-	-	-	-	19,025	-	-	19,025	-	19,025
Profit for the year	-	-	-	-	-	-	192,095	-	192,095	-	192,095
Total income and expense for the year	-	-	-	-	-	19,025	192,095	-	211,120	-	211,120
Reorganisation adjustment	(405,020)	(15,246)	420,266	-	-	-	-	-	-	-	-
New issue of shares	30 26,000	338,000	-	-	-	-	-	-	364,000	-	364,000
Capitalisation issue of shares	30 68,740	(68,740)	-	-	-	-	-	-	-	-	-
Share issue expenses	30 -	(42,133)	-	-	-	-	-	-	(42,133)	-	(42,133)
Share-based compensation arrangements	31 -	-	-	3,856	-	-	-	-	3,856	-	3,856
At 31 December 2005 and 1 January 2006	100,000	227,127	420,266	3,856	23,794	4,491	459,940	-	1,239,474	-	1,239,474
Exchange realignment	-	-	-	-	-	47,950	-	-	47,950	561	48,511
Change in fair value of available-for-sale investment	-	-	-	-	-	-	-	56,171	56,171	-	56,171
Net gains recognised directly in equity	-	-	-	-	-	47,950	-	56,171	104,121	561	104,682
Profit/(loss) for the year	-	-	-	-	-	-	202,942	-	202,942	(1,795)	201,147
Total income and expense for the year	-	-	-	-	-	47,950	202,942	56,171	307,063	(1,234)	305,829
Acquisition of subsidiaries	33 -	-	-	-	-	-	-	-	-	16,204	16,204
Capital injection from a minority shareholder	-	-	-	-	-	-	-	-	-	18,720	18,720
Transfer	-	-	-	-	262	-	(262)	-	-	-	-
Share-based compensation arrangements	31 -	-	-	4,468	-	-	-	-	4,468	-	4,468
At 31 December 2006	100,000	227,127	420,266	8,324	24,056	52,441	662,620	56,171	1,551,005	33,690	1,584,695

Notes:

- The balance of the issued share capital as at 1 January 2005 represents the issued share capital of Best Alliance Holding Inc., the then holding company of the companies comprising the Group.
- In accordance with the relevant regulations in the People's Republic of China (the "PRC"), the Company's subsidiaries established in the PRC are required to transfer a certain percentage of their profits after tax to the statutory reserve fund. Subject to certain restrictions set out in the relevant PRC regulations and in the subsidiaries' articles of association, the statutory reserve fund may be used either to offset losses, or for capitalisation issue by way of paid-up capital.
- These reserve accounts comprise the consolidated reserves of HK\$1,451,005,000 (2005: HK\$1,139,474,000) in the consolidated balance sheet.