

Consolidated Statement of Changes in Equity

For the year ended 31 December 2003

	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Merger reserve HK\$'000	Capital reserve HK\$'000	Special reserve HK\$'000	Land and buildings revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	PRC statutory reserve HK\$'000	Goodwill reserve HK\$'000	Translation reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
THE GROUP													
At 1 January 2002	45,584	253,234	56	136,648	2,811	186,414	11,255	(45,256)	3,709	2,151	3,242	166,767	766,615
Effect on adoption of SSAP 36	—	—	—	—	—	—	—	—	—	—	—	20,381	20,381
As restated	45,584	253,234	56	136,648	2,811	186,414	11,255	(45,256)	3,709	2,151	3,242	187,148	786,996
Exchange difference on translation of operations outside Hong Kong	—	—	—	—	—	—	—	—	—	—	(360)	—	(360)
Share of translation reserve of an associate	—	—	—	—	—	—	—	—	—	—	143	—	143
Changes in fair value of non-trading securities	—	—	—	—	—	—	—	(599)	—	—	—	—	(599)
Net loss not recognised in the consolidated income statement	—	—	—	—	—	—	—	(599)	—	—	(217)	—	(816)
Transfer to accumulated profits	—	—	—	—	—	(186,414)	—	—	—	—	—	186,414	—
Transfer to capital reserve on cancellation of repurchased shares	—	—	—	—	14	—	—	—	—	—	—	(14)	—
Realisation of reserves upon disposal/distributions of subsidiaries	—	—	—	—	—	—	—	—	(11)	(913)	(1,158)	—	(2,082)
Realised upon disposal of non-trading securities	—	—	—	—	—	—	—	44,671	—	—	—	—	44,671
Shares repurchased by a subsidiary	—	—	—	—	—	—	—	—	—	—	—	(50)	(50)
Impairment of non-trading securities	—	—	—	—	—	—	—	16,824	—	—	—	—	16,824
Net loss for the year	—	—	—	—	—	—	—	—	—	—	—	(170,650)	(170,650)
Transfer	—	—	—	—	—	—	—	—	181	—	—	(181)	—
Dividend paid (note 12)	—	—	—	—	—	—	—	—	—	—	—	(3,608)	(3,608)
At 31 December 2002	45,584	253,234	56	136,648	2,825	—	11,255	15,640	3,879	1,238	1,867	199,059	671,285
Exchange difference on translation of operations outside Hong Kong	—	—	—	—	—	—	—	—	—	—	(1,160)	—	(1,160)
Share of translation reserve of an associate	—	—	—	—	—	—	—	—	—	—	202	—	202
Changes in fair value of non-trading securities	—	—	—	—	—	—	—	60	—	—	—	—	60
Net gain (loss) not recognised in the consolidated income statement	—	—	—	—	—	—	—	60	—	—	(958)	—	(898)
Realisation of reserves upon disposal of subsidiaries	—	—	—	—	—	—	—	—	(170)	—	(964)	—	(1,134)
Impairment of land and buildings	—	—	—	—	—	—	(5,428)	—	—	—	—	—	(5,428)
Net profit for the year	—	—	—	—	—	—	—	—	—	—	—	93,383	93,383
Transfer	—	—	—	—	—	—	—	—	346	—	—	(346)	—
At 31 December 2003	45,584	253,234	56	136,648	2,825	—	5,827	15,700	4,055	1,238	(55)	292,096	757,208

The merger reserve represents the difference between the share capital and premium of the former ultimate holding company of the Group and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation in 1992, less a transfer of HK\$200,000,000 to accumulated profits account in 2001.

The Group's statutory reserves represents reserves required to be appropriated from 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 accumulated profits of the Group at 31 December 2003 included a deficit of HK\$87,484,000 (2002: HK\$58,866,000) retained by associates of the Group.