

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** For the year ended 31st March, 2003

	Reserves						Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Capital reserve HK\$'000	Contributed surplus HK\$'000	Accumulated (losses) profits HK\$'000	
At 1st April, 2001	36,197	482,314	(5,240)	18,759	-	(447,787)	84,243
Realised upon disposal/winding up of subsidiaries	-	-	4,336	(859)	-	-	3,477
Net profit for the year	-	-	-	-	-	12,150	12,150
At 31st March, 2002	36,197	482,314	(904)	17,900	-	(435,637)	99,870
Issue of new shares upon exercise of share options	2,253	796	-	-	-	-	3,049
Transfer to set off accumulated losses and contributed surplus account upon capital reduction ( <i>Note</i> )	-	(482,934)	-	-	47,297	435,637	-
Realised upon winding up of a subsidiary	-	-	85	-	-	-	85
Net profit for the year	-	-	-	-	-	1,773	1,773
<b>At 31st March, 2003</b>	<b>38,450</b>	<b>176</b>	<b>(819)</b>	<b>17,900</b>	<b>47,297</b>	<b>1,773</b>	<b>104,777</b>

The balance of capital reserve represents the capital reserve arising from the group restructuring which took place in 1992.

The balance of contributed surplus arose as a result of the Company's capital reduction during the current year.

Under the Company Act 1981 of Bermuda, contributed surplus account of a company is also available for distribution in addition to accumulated profits. However, the company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

*Note:* The details of the Company's capital reduction exercise are set out in the Company's circular issued to the shareholders dated 30th July, 2002.