

For the year ended March 31, 2004

|   | Share<br>capital<br>HK\$'000 | Share<br>premium<br>account<br>HK\$'000 | Other<br>reserve<br>HK\$'000 | Translation<br>reserve<br>HK\$'000 | Special<br>reserve<br>HK\$'000 | Statutory<br>funds<br>HK\$'000 | Accumu-<br>lated<br>losses<br>HK\$'000 | Total<br>HK\$'000 |
|---|------------------------------|---|------------------------------|------------------------------------|--------------------------------|--------------------------------|--|-------------------|
| At April 1, 2002  | 110,753                      | 82,660                                  | -                            | -                                  | 1,602                          | -                              | (91,091)                               | 103,924           |
| Exchange gain on translation<br>of operations outside<br>Hong Kong and gain not<br>recognised in the consolidated<br>income statement | -                            | -                                       | -                            | 1,175                              | -                              | -                              | -                                      | 1,175             |
| Exercise of share options   | 10                           | 100                                     | -                            | -                                  | -                              | -                              | -                                      | 110               |
| Private placement   | 334                          | 29,666                                  | -                            | -                                  | -                              | -                              | -                                      | 30,000            |
| Issue of shares for<br>acquisition of subsidiaries  | 787                          | 78,403                                  | -                            | -                                  | -                              | -                              | -                                      | 79,190            |
| Conversion of preference shares   | (93,461)                     | 93,461                                  | -                            | -                                  | -                              | -                              | -                                      | -                 |
| Net loss for the year   | -                            | -                                       | -                            | -                                  | -                              | -                              | (69,673)                               | (69,673)          |
| Transfer  | -                            | -                                       | -                            | -                                  | -                              | 2,140                          | (2,140)                                | -                 |
| At March 31, 2003   | 18,423                       | 284,290                                 | -                            | 1,175                              | 1,602                          | 2,140                          | (162,904)                              | 144,726           |
| Exchange gain on translation<br>of operations outside<br>Hong Kong and gain not<br>recognised in the consolidated<br>income statement | -                            | -                                       | -                            | 2,066                              | -                              | -                              | -                                      | 2,066             |
| Realised upon the<br>disposal of a subsidiary   | -                            | -                                       | -                            | -                                  | -                              | (190)                          | 190                                    | -                 |
| Private placements  | 2,800                        | 214,500                                 | -                            | -                                  | -                              | -                              | -                                      | 217,300           |
| Conversion of convertible bonds   | 169                          | 10,717                                  | -                            | -                                  | -                              | -                              | -                                      | 10,886            |
| Conversion of preference shares   | (5,814)                      | 5,814                                   | -                            | -                                  | -                              | -                              | -                                      | -                 |
| Share issue expenses  | -                            | (9,432)                                 | -                            | -                                  | -                              | -                              | -                                      | (9,432)           |
| Expenses on issuing<br>convertible bonds  | -                            | (932)                                   | -                            | -                                  | -                              | -                              | -                                      | (932)             |
| Proceeds of private placements<br>received in advance   | -                            | -                                       | 58,000                       | -                                  | -                              | -                              | -                                      | 58,000            |
| Net profit for the year   | -                            | -                                       | -                            | -                                  | -                              | -                              | 80,060                                 | 80,060            |
| Transfer  | -                            | -                                       | -                            | -                                  | -                              | 3,052                          | (3,052)                                | -                 |
| At March 31, 2004   | <u>15,578</u>                | <u>504,957</u>                          | <u>58,000</u>                | <u>3,241</u>                       | <u>1,602</u>                   | <u>5,002</u>                   | <u>(85,706)</u>                        | <u>502,674</u>    |

*Note:* The special reserve of the Group represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1995.

The statutory funds are reserves required by the relevant laws of the People's Republic of China, other than Hong Kong (the "PRC") applicable to the Group's PRC subsidiaries.

Other reserve represents the advance payment from the subscriber for the private placement of which the shares have been issued and allotted after the balance sheet date.