

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Year ended 31 March 2005)

	Notes	Issued share capital HK\$'000	Share premium account HK\$'000	Capital reserve HK\$'000	Investment property revaluation reserve HK\$'000	Goodwill eliminated against reserves HK\$'000	Retained profits HK\$'000	Proposed final dividend HK\$'000	Total HK\$'000
At 1 April 2003		32,365	56,831	41,800	-	(152)	308,684	24,274	463,802
2003 final dividend declared		-	-	-	-	-	-	(24,274)	(24,274)
Net profit for the year		-	-	-	-	-	18,951	-	18,951
2004 interim dividend paid	11	-	-	-	-	-	(12,946)	-	(12,946)
2004 proposed final dividend	11	-	-	-	-	-	(22,655)	22,655	-
At 31 March and 1 April 2004		32,365	56,831	41,800	-	(152)	292,034	22,655	445,533
Surplus on revaluation	14	-	-	-	1,879	-	-	-	1,879
Net gains and losses not recognised in the profit and loss account		-	-	-	1,879	-	-	-	1,879
2004 final dividend declared		-	-	-	-	-	-	(22,655)	(22,655)
Net profit for the year		-	-	-	-	-	36,800	-	36,800
2005 interim dividend paid	11	-	-	-	-	-	(9,710)	-	(9,710)
2005 proposed final dividend	11	-	-	-	-	-	(16,182)	16,182	-
At 31 March 2005		32,365	56,831*	41,800*	1,879*	(152)*	302,942*	16,182	451,847
Reserves retained by:									
Company and subsidiaries		32,365	56,831	41,800	1,879	(152)	304,068	16,182	452,973
Associates		-	-	-	-	-	(1,126)	-	(1,126)
As at 31 March 2005		32,365	56,831	41,800	1,879	(152)	302,942	16,182	451,847
Reserves retained by:									
Company and subsidiaries		32,365	56,831	41,800	-	(152)	292,588	22,655	446,087
Associates		-	-	-	-	-	(554)	-	(554)
As at 31 March 2004		32,365	56,831	41,800	-	(152)	292,034	22,655	445,533

* These reserve accounts comprise the consolidated reserves of HK\$403,300,000 (2004: HK\$390,513,000) in the consolidated balance sheet.

The capital reserve of the Group represents (i) the difference between the nominal value of the shares of the subsidiaries acquired pursuant to the Group reorganisation on 8 February 1996, over the nominal value of the Company's shares issued in exchange therefor; and (ii) the premium arising on the subscription of shares of Elegance Group Limited, the then holding company of the Group's subsidiaries existing at that time, by DSE Holdings Limited and MeesPierson N.V. Pursuant to a subscription agreement dated 27 October 1995 entered into between (1) Elegance Group Limited, (2) DSE Holdings Limited and (3) MeesPierson N.V., each of DSE Holdings Limited and MeesPierson N.V. subscribed for four shares of US\$1.00 each in the capital of Elegance Group Limited at a premium of HK\$2,750,000 per share. As a result, a sum of HK\$11,000,000 was paid by each of DSE Holdings Limited and MeesPierson N.V. to Elegance Group Limited. The entire amount of HK\$22,000,000 was credited to the capital reserve upon the aforesaid Group reorganisation, pursuant to which Elegance Group Limited became a wholly-owned subsidiary of the Company.

Certain amounts of goodwill arising on the acquisition of subsidiaries in prior years remain eliminated against reserves as explained in note 15 to the financial statements.