

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2005

THE GROUP

	Share capital <i>HK\$'000</i>	Share premium account <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Property revaluation reserve <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Capital redemption reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Reserve funds <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2003	47,916	104,015	15,262	7,068	5,753	786	(33)	-	84,033	264,800
Exchange differences on translation of overseas operations	-	-	-	-	-	-	36	-	-	36
Surplus on revaluation of land and buildings	-	-	-	209	-	-	-	-	-	209
Reversal of deferred tax liabilities arising on revaluation of properties	-	-	-	507	-	-	-	-	-	507
Net gains not recognised in the income statement	-	-	-	716	-	-	36	-	-	752
Net profit for the year	-	-	-	-	-	-	-	-	23,394	23,394
Repurchase of shares	(4,791)	(14,375)	-	-	-	4,791	-	-	(4,791)	(19,166)
Share repurchase expenses	-	(1,281)	-	-	-	-	-	-	-	(1,281)
Exercise of share options	2,560	4,981	-	-	-	-	-	-	-	7,541
Exercise of warrants	1,003	2,308	-	-	-	-	-	-	-	3,311
Transfer	-	-	-	-	-	-	-	3,260	(3,260)	-
Release upon disposal of subsidiaries	-	-	-	-	(1,494)	-	908	-	-	(586)
At 31 March 2004	46,688	95,648	15,262	7,784	4,259	5,577	911	3,260	99,376	278,765

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2005

THE GROUP (Continued)

	Share capital HK\$'000	Share premium account HK\$'000	Contributed surplus HK\$'000	Property revaluation reserve HK\$'000	Capital reserve HK\$'000	Capital redemption reserve HK\$'000	Translation reserve HK\$'000	Reserve funds HK\$'000	Retained profits HK\$'000	Total HK\$'000
Exchange differences on										
translation of overseas operations	-	-	-	-	-	-	3	-	-	3
Share of reserves of associates	-	-	-	-	2,182	-	-	-	-	2,182
Deferred tax liabilities										
arising on revaluation of properties	-	-	-	(61)	-	-	-	-	-	(61)
Net (losses) gains not recognised in the income statement	-	-	-	(61)	2,182	-	3	-	-	2,124
Net profit for the year	-	-	-	-	-	-	-	-	40,234	40,234
Repurchase of shares	(1,778)	(5,312)	-	-	-	1,778	-	-	(1,778)	(7,090)
Share repurchase expenses	-	(112)	-	-	-	-	-	-	-	(112)
Exercise of warrants	6,765	15,559	-	-	-	-	-	-	-	22,324
Transfer	-	-	-	-	-	-	-	1,092	(1,092)	-
Release upon disposal of subsidiaries	-	-	-	(1,273)	(2,182)	-	-	(1,092)	2,365	(2,182)
At 31 March 2005	<u>51,675</u>	<u>105,783</u>	<u>15,262</u>	<u>6,450</u>	<u>4,259</u>	<u>7,355</u>	<u>914</u>	<u>3,260</u>	<u>139,105</u>	<u>334,063</u>
Reserves retained by:										
Company and subsidiaries	51,675	105,783	15,262	6,450	4,259	7,355	1,885	3,260	125,038	320,967
A jointly-controlled entity	-	-	-	-	-	-	-	-	(9)	(9)
Associates	-	-	-	-	-	-	(971)	-	14,076	13,105
31 March 2005	<u>51,675</u>	<u>105,783</u>	<u>15,262</u>	<u>6,450</u>	<u>4,259</u>	<u>7,355</u>	<u>914</u>	<u>3,260</u>	<u>139,105</u>	<u>334,063</u>
Company and subsidiaries	46,688	95,648	15,262	7,784	4,259	5,577	1,882	3,260	86,029	266,389
A jointly-controlled entity	-	-	-	-	-	-	-	-	(25)	(25)
Associates	-	-	-	-	-	-	(971)	-	13,372	12,401
31 March 2004	<u>46,688</u>	<u>95,648</u>	<u>15,262</u>	<u>7,784</u>	<u>4,259</u>	<u>5,577</u>	<u>911</u>	<u>3,260</u>	<u>99,376</u>	<u>278,765</u>

Capital reserve mainly comprises goodwill arising from the acquisition of subsidiaries, prior to 1 April 2002, of approximately HK\$13,380,000 (2004: HK\$13,380,000) and negative goodwill arising on acquisition of subsidiaries of approximately HK\$9,121,000 (2004: HK\$9,121,000), respectively. The amount of goodwill is stated at its cost of HK\$33,330,000, less impairment of HK\$19,950,000.

The contributed surplus of the Group represents the excess of the nominal value of the subsidiaries' shares acquired over the nominal value of the Company's shares issued in exchange therefor, pursuant to the Group reorganisation on 21 May 1997.

Reserve funds of the Group included statutory reserves required to be appropriated from the 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.