

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2005

	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1st April, 2003	16	180,991	1,000	(1,722)	(113,543)	66,742
Loss for the year	–	–	–	–	(61,671)	(61,671)
At 31st March, 2004	16	180,991	1,000	(1,722)	(175,214)	5,071
Exchange difference arising from translation of overseas operations not recognised in consolidated income statement	–	–	–	14	–	14
Issue of shares pursuant to open offer (note 32)	22,536	22,535	–	–	–	45,071
Share issue expenses	–	(901)	–	–	–	(901)
Acquisition of subsidiaries	265,798	75,809	(154,767)	–	–	186,840
Profit for the year	–	–	–	–	80,006	80,006
At 31st March, 2005	288,350	278,434	(153,767)	(1,708)	(95,208)	316,101

The accumulated losses of the Group include accumulated profits of approximately HK\$5,140,000 (2004: HK\$616,000) and HK\$9,548,000 (2004: HK\$12,821,000) retained by the associates and jointly controlled entities, respectively.

The special reserve of the Group include the following:

- (a) an amount of HK\$1,000,000 representing the difference between the cost of acquisition of two subsidiaries and the nominal amount of their share capital at the date on which they were acquired by Paul Y. - ITC Construction Holdings (B.V.I.) Limited (now renamed as Paul Y. Engineering Holdings (B.V.I.) Limited, "Paul Y Construction" and together with its subsidiaries, "Paul Y Construction Group"); and
- (b) an amount HK\$154,767,000 representing reserve arising from the reverse acquisition as set out in note 2, net of refund from ex-shareholder of Paul Y Construction for the shortfall in net asset value of Paul Y Construction Group upon completion of the Acquisition (as defined in note 2) amounting to HK\$168,651,000.