

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2006

	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000 (note a)	Negative goodwill HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000 (note b)	Total HK\$'000
At 1st April, 2004	23,640	5,987	32,680	1,232	343	108,990	172,872
Exchange differences arising on translation of overseas operations not recognised in consolidated income statement	–	–	–	–	150	–	150
Loss for the year	–	–	–	–	–	(29,134)	(29,134)
At 31st March, 2005, as previously reported	23,640	5,987	32,680	1,232	493	79,856	143,888
Effect on adoption of HKFRS 3	–	–	–	(1,232)	–	1,232	–
At 31st March, 2005, as restated	23,640	5,987	32,680	–	493	81,088	143,888
Exchange differences arising on translation of overseas operations not recognised in consolidated income statement	–	–	–	–	56	–	56
Profit for the year	–	–	–	–	–	800	800
At 31st March, 2006	<u>23,640</u>	<u>5,987</u>	<u>32,680</u>	<u>–</u>	<u>549</u>	<u>81,888</u>	<u>144,744</u>

Notes:

- (a) The special reserve of the Group mainly represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the shares of the Company and Addlink Limited issued for the acquisition at the time of the group reorganisation in 2001 and the share premium of Addlink Limited arising from issue of shares of Addlink Limited in connection with the debt assignment.
- (b) The retained profits of the Group include accumulated losses of HK\$68,000 (2005: HK\$1,470,000) attributable to the associate of the Group.