



## Consolidated Statement of Changes in Equity *For the year ended 31 March 2006*

Amounts expressed in HK\$ million

	Attributable to equity holders of the Company											
	Share capital	Share premium	Share option reserve	Investment property revaluation reserve	Investment revaluation reserve	Surplus account	Capital reserve	Exchange reserve	Accumulated profits	Total	Minority interests	Total equity
Balance at 1 April 2004												
- As originally stated	222	1,108	-	3	-	102	30	3	1,104	2,572	8	2,580
- Effect of changes in accounting policies (notes 2 & 3)	-	-	7	(3)	-	-	-	-	(12)	(8)	-	(8)
- As restated	222	1,108	7	-	-	102	30	3	1,092	2,564	8	2,572
Surplus on revaluation of investments in securities	-	-	-	-	4	-	-	-	-	4	-	4
Exchange differences on translation of the financial statements of operations denominated in foreign currencies	-	-	-	-	-	-	-	(2)	-	(2)	-	(2)
Income (expense) recognised directly in equity	-	-	-	-	4	-	-	(2)	-	2	-	2
Profit (loss) for the year	-	-	-	-	-	-	-	-	376	376	(1)	375
Total recognised profit (loss) for the year	-	-	-	-	4	-	-	(2)	376	378	(1)	377
Recognition of equity-settled share based payments	-	-	22	-	-	-	-	-	-	22	-	22
Transfer to capital reserve	-	-	-	-	-	-	1	-	(1)	-	-	-
Acquisition of minority interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	(7)	(7)
Issue of shares under share option schemes	1	11	-	-	-	-	-	-	-	12	-	12
Issue of shares pursuant to scrip dividend scheme for 2003/04 final dividend	3	67	-	-	-	-	-	-	(70)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(52)	(52)	-	(52)
Balance at 31 March 2005	226	1,186	29	-	4	102	31	1	1,345	2,924	-	2,924
Opening balance adjustments arising from changes in accounting policies (notes 2 & 3)	-	-	-	-	-	-	(24)	-	24	-	-	-
Balance at 1 April 2005	226	1,186	29	-	4	102	7	1	1,369	2,924	-	2,924



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	Share capital	Share premium	Share option reserve	Investment property revaluation reserve	Investment revaluation reserve	Surplus account	Capital reserve	Exchange reserve	Accumulated profits	Total	Minority interests	Total equity
Balance at 1 April 2005												
- As restated	226	1,186	29	-	4	102	7	1	1,369	2,924	-	2,924
Surplus on revaluation of available-for-sale investments	-	-	-	-	1	-	-	-	-	1	-	1
Exchange differences on translation of the financial statements of operations denominated in foreign currencies	-	-	-	-	-	-	-	58	-	58	-	58
Income recognised directly in equity	-	-	-	-	1	-	-	58	-	59	-	59
Profit for the year	-	-	-	-	-	-	-	-	216	216	-	216
Total recognised profit for the year	-	-	-	-	1	-	-	58	216	275	-	275
Recognition of equity-settled share based payments	-	-	28	-	-	-	-	-	-	28	-	28
Forfeiture of share options	-	-	(4)	-	-	-	-	-	4	-	-	-
Transfer to capital reserve	-	-	-	-	-	-	36	-	(36)	-	-	-
Issue of shares under share option schemes	2	6	-	-	-	-	-	-	-	8	-	8
Dividend paid	-	-	-	-	-	-	-	-	(147)	(147)	-	(147)
Balance at 31 March 2006	228	1,192	53	-	5	102	43	59	1,406	3,088	-	3,088

Capital reserve as at 31 March 2006 represents The People's Republic of China (the "PRC") statutory reserves of HK\$43 million (2005: HK\$7 million). Pursuant to the relevant PRC regulations and the Articles of Association of the PRC subsidiaries of the Group, each of the PRC subsidiaries is required to transfer not less than 10% of its profits after tax to statutory reserve (capital reserve) as reserve funds until the aggregated amount has reached 50% of its registered capital. Included in capital reserve as at 1 April 2004 and 31 March 2005 was HK\$24 million which represented negative goodwill arising on acquisition of subsidiaries prior to 1 April 2001. As explained in notes 2 and 3, all negative goodwill arising on acquisition prior to 1 April 2005 was derecognised as a result of the application of HKFRS 3.

Surplus account represents the difference between the nominal amount of the share capital issued by the Company and the aggregate of the nominal amount of the issued share capital and other reserve accounts of Skyworth Digital Group Limited, the subsidiary which was acquired by the Company pursuant to the group reorganisation carried out in 2000 ("Group Reorganisation").