

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2006

| | Share capital HK\$ | Share premium HK\$ | Special reserve HK\$ | Capital reserve HK\$ | Share-based payment reserve HK\$ | Exchange reserve HK\$ | Accumulated losses HK\$ | Total HK\$ |
|--|--------------------------|--------------------------|----------------------------|----------------------------|---|-----------------------------|-------------------------------|-------------------|
| THE GROUP | | | | | | | | |
| At 1 st April, 2004 | 20,414,500 | 24,897,257 | 9,628,000 | 2,407,706 | - | - | (37,357,619) | 19,989,844 |
| Net loss for the year | - | - | - | - | - | - | (7,206,151) | (7,206,151) |
| At 31 st March, 2005 as previously reported | 20,414,500 | 24,897,257 | 9,628,000 | 2,407,706 | - | - | (44,563,770) | 12,783,693 |
| Opening balance adjustment for the adoption of HKFRS 3 (note 2(ii)) | - | - | - | (2,407,706) | - | - | 2,407,706 | - |
| At 31 st March, 2005, as restated | 20,414,500 | 24,897,257 | 9,628,000 | - | - | - | (42,156,064) | 12,783,693 |
| Share issued at premium | 2,000,000 | 7,984,576 | - | - | - | - | - | 9,984,576 |
| Recognition of share-based payment (note 27) | - | - | - | - | 726,274 | - | - | 726,274 |
| Exchange difference arising from translation of financial statements of overseas subsidiaries | - | - | - | - | - | 186,423 | - | 186,423 |
| Net loss for the year | - | - | - | - | - | - | (11,722,132) | (11,722,132) |
| At 31st March, 2006 | 22,414,500 | 32,881,833 | 9,628,000 | - | 726,274 | 186,423 | (53,878,196) | 11,958,834 |

The special reserve represents the excess of the nominal value of the share capital and share premium of Zida International Holding Limited ("ZIHL") of HK\$97,500 and HK\$9,730,500 respectively over the nominal value of the shares of HK\$200,000 issued by the Company for the acquisition of the 100% equity interest in ZIHL on the effective date of the reorganisation of Group on 29th April, 2000.