

Consolidated Statement of Changes In Equity

For the year ended 31 March 2006

The Group	Share capital HK\$'000	Share premium HK\$'000	Special reserve* HK\$'000 (Note 1)	Exchange reserve HK\$'000	Convertible notes reserve* HK\$'000 (Note 2)	Accumulated losses HK\$'000 (Restated)	Sub-total HK\$'000 (Restated)	Minority interests HK\$'000 (Restated)	Total equity HK\$'000 (Restated)
At 1 April 2004 as previously reported	459,492	276,969	571,996	1,073	-	(548,108)	761,422	-	761,422
Effect on adoption of new accounting policy									
- HKAS 1	-	-	-	-	-	-	-	25,449	25,449
- HK(SIC) - Int 21	-	-	-	-	-	(1,190)	(1,190)	-	(1,190)
- HKAS 17	-	-	-	-	-	(10,623)	(10,623)	(1,121)	(11,744)
As restated	459,492	276,969	571,996	1,073	-	(559,921)	749,609	24,328	773,937
Exchange differences on translation of overseas subsidiaries not recognised in the income statement	-	-	-	(33)	-	-	(33)	-	(33)
Exercise of share options	9,000	5,490	-	-	-	-	14,490	-	14,490
Net loss for the year	-	-	-	-	-	(70,656)	(70,656)	(1,845)	(72,501)
At 31 March 2005 as restated	468,492	282,459	571,996	1,040	-	(630,577)	693,410	22,483	715,893

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The Group	Share capital HK\$'000	Share premium HK\$'000	Special reserve* HK\$'000 (Note 1)	Exchange reserve HK\$'000	Convertible	Accumulated losses HK\$'000 (Restated)	Sub-total HK\$'000 (Restated)	Minority interests HK\$'000 (Restated)	Total equity HK\$'000 (Restated)
					notes reserve* HK\$'000 (Note 2)				
At 1 April 2005 as previously reported	468,492	282,459	571,996	1,040	-	(617,301)	706,686	-	706,686
Effect on adoption of new accounting policy									
– HKAS 1	-	-	-	-	-	-	-	23,705	23,705
– HK(SIC) – Int 21	-	-	-	-	-	(1,190)	(1,190)	-	(1,190)
– HKAS 17	-	-	-	-	-	(12,086)	(12,086)	(1,222)	(13,308)
As restated	468,492	282,459	571,996	1,040	-	(630,577)	693,410	22,483	715,893
Exchange differences on translation of overseas subsidiaries not recognised in the income statement	-	-	-	11,911	-	-	11,911	434	12,345
Issue of convertible notes	-	-	-	-	6,354	-	6,354	-	6,354
Conversion of convertible notes	90,000	282	-	-	(6,354)	-	83,928	-	83,928
Net loss for the year	-	-	-	-	-	(108,312)	(108,312)	(1,213)	(109,525)
At 31 March 2006	<u>558,492</u>	<u>282,741</u>	<u>571,996</u>	<u>12,951</u>	<u>-</u>	<u>(738,889)</u>	<u>687,291</u>	<u>21,704</u>	<u>708,995</u>

* Notes:

- 1) The special reserve of the Group represents mainly the difference between the nominal value of shares of Burlingame International Limited (“Burlingame”) and the nominal value of shares issued for the swap of the shares of Burlingame pursuant to the scheme of arrangement as set out in the document issued by the company and Burlingame dated 27 July 2000.
- 2) Under HKAS 32, convertible notes issued are split into their liability and equity components at initial recognition by recognising the liability component at its fair value which is determined using market interest rate for equivalent non-convertible notes and attributing to the equity component the difference between the proceeds from issue and the fair value of the liability component. The liability component is subsequently carried at amortised cost. The equity component is recognised in the convertible notes reserve until the notes are either converted (in which case it is transferred to share premium) or the notes are redeemed (in which case it is released directly to accumulated losses.)