

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 March 2003

	Share capital HK\$	Share premium HK\$	Capital redemption reserve HK\$	Goodwill reserve HK\$	Special reserve HK\$	Statutory surplus reserve fund HK\$	Enterprise expansion fund HK\$	Exchange reserve HK\$	Investment property revaluation reserve HK\$	Deficit HK\$	Total HK\$
THE GROUP											
At 1 April 2001	45,947,300	187,468,964	8,000	(7,938,469)	3,460,016	-	-	1,412,683	800,514	(40,768,749)	190,390,259
Revaluation decrease											
for the year	-	-	-	-	-	-	-	-	(800,000)	-	(800,000)
Net profit for the year	-	-	-	-	-	-	-	-	-	4,856,598	4,856,598
At 31 March 2002											
and 1 April 2002	45,947,300	187,468,964	8,000	(7,938,469)	3,460,016	-	-	1,412,683	514	(35,912,151)	194,446,857
Revaluation decrease											
for the year	-	-	-	-	-	-	-	-	(514)	-	(514)
Net loss for the year	-	-	-	-	-	-	-	-	-	(4,526,711)	(4,526,711)
Transfer to reserve	-	-	-	-	-	1,425,260	1,425,259	-	-	(2,850,519)	-
At 31 March 2003	<u>45,947,300</u>	<u>187,468,964</u>	<u>8,000</u>	<u>(7,938,469)</u>	<u>3,460,016</u>	<u>1,425,260</u>	<u>1,425,259</u>	<u>1,412,683</u>	<u>-</u>	<u>(43,289,381)</u>	<u>189,919,632</u>

The deficit of the Group include retained profits of HK\$2,954,646 (2002: HK\$2,714,269) attributable to associates.

- (i) The special reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the share capital of a subsidiary acquired by the Company pursuant to a corporate reorganisation in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited in 1992.
- (ii) Statutory surplus reserve fund and enterprise expansion fund are stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, which require the PRC subsidiary of the Group to provide for reserve funds. Appropriations to such reserve funds are made out of net profit after taxation of the statutory financial statements of the PRC subsidiary and the amount and allocation basis are decided by its board of directors annually. The statutory surplus reserve fund can be used to make up prior year losses of the PRC subsidiary of the Group , if any, and can be applied in conversion into capital by means of capitalisation issue. The enterprise expansion fund is used for expanding the capital base of the PRC subsidiary of the Group by means of capitalisation.