

Consolidated Statement of Changes in Equity

For the year ended 31 March 2004

	The Group Reserve							Total RMB'000
	Share capital (as restated)	Merger Reserve (note (a))	Share premium	Reserve fund	Enterprise expansion fund	Exchange reserve	Retained profits	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
As at 1 April 2002	10,600	—	—	17,512	17,512	370	132,088	178,082
Effect of the Group Reorganisation	(10,494)	10,494	—	—	—	—	—	—
As at 1 April 2002 (as restated)	106	10,494	—	17,512	17,512	370	132,088	178,082
Profit for the year	—	—	—	—	—	—	131,722	131,722
Transfer to statutory reserves	—	—	—	12,275	12,275	—	(24,550)	—
As at 31 March 2003	106	10,494	—	29,787	29,787	370	239,260	309,804
Capitalisation of share premium for Group Reorganisation	63,388	—	(63,388)	—	—	—	—	—
Effect of the Group Reorganisation	106	(309,804)	309,698	—	—	—	—	—
Issue of shares on listing	24,380	—	299,874	—	—	—	—	324,254
Profit for the year	—	—	—	—	—	—	163,521	163,521
Transfer to statutory reserves	—	—	—	11,043	11,043	—	(22,086)	—
Dividend paid	—	—	—	—	—	—	(24,700)	(24,700)
Listing expenses	—	—	(27,877)	—	—	—	—	(27,877)
Change in exchange rate	—	—	—	—	—	1,065	—	1,065
As at 31 March 2004	<u>87,980</u>	<u>(299,310)</u>	<u>518,307</u>	<u>40,830</u>	<u>40,830</u>	<u>1,435</u>	<u>355,995</u>	<u>746,067</u>
Representing:								
2004 final dividend proposed							23,659	
Others							332,336	
							<u>355,995</u>	

Note:

- The merger reserve of the Group represents the difference between the aggregate net assets of the subsidiaries acquired by the Group and the nominal amount of the Company's shares issued under the Group Reorganisation.
- A subsidiary of the Group established in the Peoples' Republic of China (the "PRC"), being a foreign investment enterprise, is required to appropriate an amount from the net profit reported in the statutory accounts to three statutory reserves, namely reserve fund, enterprise expansion fund and staff welfare fund. All these funds are designated for specific purposes. Appropriations to the staff welfare fund are made at the discretion of the directors. Based on directors' resolutions, the PRC subsidiary appropriated 10% of its statutory net profit to the reserve fund and the enterprise expansion fund respectively for the years ended 31 March 2003 and 2004. However, no staff welfare fund was provided by the Group for the years ended 31 March 2003 and 2004.