

Consolidated Statement of Changes in Equity

For the year ended 31 March 2005

	Share capital HK\$'000	Share premium account HK\$'000	Contributed surplus HK\$'000	Goodwill on acquisition HK\$'000	Capital redemption reserve HK\$'000	Retained profits/ (Accumulated losses) HK\$'000	Total HK\$'000
At 1 April 2003	1,064	374,349	204,223	(47,398)	932	(416,410)	116,760
Profit for the year	–	–	–	–	–	7,730	7,730
At 31 March 2004	1,064	374,349	204,223	(47,398)	932	(408,680)	124,490
At 1 April 2004	1,064	374,349	204,223	(47,398)	932	(408,680)	124,490
On early adoption of HKFRS 3							
– transfer of goodwill on acquisition to accumulated losses (note 2(d))	–	–	–	47,398	–	(47,398)	–
As adjusted	1,064	374,349	204,223	–	932	(456,078)	124,490
Transfer of share premium to contributed surplus*	–	(374,349)	374,349	–	–	–	–
Transfer of contributed surplus to accumulated losses*	–	–	(512,864)	–	–	512,864	–
Loss for the year	–	–	–	–	–	(13,863)	(13,863)
At 31 March 2005	1,064	–	65,708	–	932	42,923	110,627

* A special resolution was passed by the shareholders of the Company at the Annual General Meeting held on 13 September 2004 resolving that with effect from the date of the resolution:

- the entire amount of HK\$374,349,000 standing to the credit of the share premium account of the Company on 31 March 2004 be cancelled (the "Share Premium Reduction"); and
- the credit arising from the Share Premium Reduction be credited to the contributed surplus account where it may be applied in accordance with the Bye-laws of the Company and all applicable laws, including the elimination of the accumulated losses of the Company.

On the basis of the special resolution and pursuant to the Bye-laws of the Company, it was resolved by the Directors of the Company that with effect from 13 September 2004, an amount of HK\$512,864,000 standing in the contributed surplus account of the Company be used to eliminate the entire accumulated losses of the Company as at 31 March 2004.