

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2005

	Share capital HK\$	Share premium HK\$	Capital redemption reserve HK\$	Goodwill reserve HK\$	Special reserve HK\$ Note (i)	Statutory reserves HK\$ Note (ii)	Exchange reserve HK\$	Deficit HK\$	Total HK\$
THE GROUP									
At 1 April 2003	45,947,300	187,468,964	8,000	(7,938,469)	3,460,016	2,850,519	1,412,683	(43,289,381)	189,919,632
Issue of shares, net of expenses	4,738,095	14,734,261	-	-	-	-	-	-	19,472,356
Net loss for the year	-	-	-	-	-	-	-	(5,738,813)	(5,738,813)
Transfer to reserves	-	-	-	-	-	921,605	-	(921,605)	-
At 31 March 2004 and 1 April 2004	50,685,395	202,203,225	8,000	(7,938,469)	3,460,016	3,772,124	1,412,683	(49,949,799)	203,653,175
Net loss for the year	-	-	-	-	-	-	-	(654,277)	(654,277)
Transfer to reserves	-	-	-	-	-	192,828	-	(192,828)	-
Utilization of statutory surplus reserves	-	-	-	-	-	(5,524)	-	-	(5,524)
At 31 March 2005	50,685,395	202,203,225	8,000	(7,938,469)	3,460,016	3,959,428	1,412,683	(50,796,904)	202,993,374

The deficit of the Group include retained profits of HK\$2,729,386 (2004: HK\$2,287,794) attributable to associates.

Notes:

- (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) The statutory reserves represent the appropriation of certain percentages of profit after taxation of subsidiaries in The People's Republic of China (the "PRC") as recommended by the directors of those subsidiaries as reported under the PRC statutory financial statements.