

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CHINA WATER AFFAIRS GROUP LIMITED

For the year ended 31 March 2005

	Reserves											Total
	Issued capital	Share premium account	Statutory reserve	Enterprise development fund	Exchange fluctuation reserve	Goodwill reserve	Capital reserve	Contributed surplus	Fixed assets revaluation reserve	Accumulated losses	Total reserves	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2003	306,256	-	599	600	(78)	(16,081)	340	-	-	(237,258)	(251,878)	54,378
Capital restructuring	(304,725)	-	-	-	-	-	-	70,725	-	234,000	304,725	-
Conversion of convertible bonds	600	12,900	-	-	-	-	-	-	-	-	12,900	13,500
Issue of shares	789	24,334	-	-	-	-	-	-	-	-	24,334	25,123
Share issue expenses	-	(649)	-	-	-	-	-	-	-	-	(649)	(649)
Surplus on revaluation of fixed assets	-	-	-	-	-	-	-	-	10,590	-	10,590	10,590
Impairment of goodwill eliminated against consolidated reserves	-	-	-	-	-	16,081	-	-	-	-	16,081	16,081
Realised upon deconsolidation of subsidiaries	-	-	(599)	(600)	78	-	-	-	-	-	(1,121)	(1,121)
Loss for the year	-	-	-	-	-	-	-	-	-	(97,618)	(97,618)	(97,618)
At 31 March 2004	2,920	36,585	-	-	-	-	340	70,725	10,590	(100,876)	17,364	20,284
Conversion of convertible note	133	9,415	-	-	-	-	-	-	-	-	9,415	9,548
Issue of shares on open offer	1,460	27,743	-	-	-	-	-	-	-	-	27,743	29,203
Placing and subscription of shares	300	14,700	-	-	-	-	-	-	-	-	14,700	15,000
Share issue expenses	-	(1,681)	-	-	-	-	-	-	-	-	(1,681)	(1,681)
Realised upon disposal of fixed assets	-	-	-	-	-	-	-	-	(1,257)	1,257	-	-
Impairment of fixed assets eliminated against fixed assets revaluation reserves	-	-	-	-	-	-	-	-	(8,035)	-	(8,035)	(8,035)
Loss for the year	-	-	-	-	-	-	-	-	-	(29,269)	(29,269)	(29,269)
At 31 March 2005	4,813	86,762	-	-	-	-	340	70,725	1,298	(128,888)	30,237	35,050
Retained by:												
Company and subsidiaries	4,813	86,762	-	-	-	-	340	70,725	1,298	(105,989)	53,136	57,949
Associates	-	-	-	-	-	-	-	-	-	(22,899)	(22,899)	(22,899)
At 31 March 2005	4,813	86,762	-	-	-	-	340	70,725	1,298	(128,888)	30,237	35,050
Company and subsidiaries	2,920	36,585	-	-	-	-	340	70,725	10,590	(83,962)	34,278	37,198
Associates	-	-	-	-	-	-	-	-	-	(16,914)	(16,914)	(16,914)
At 31 March 2004	2,920	36,585	-	-	-	-	340	70,725	10,590	(100,876)	17,364	20,284

The notes on pages 27 to 62 form an integral part of these financial statements.