

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September, 2005

| | Share capital HK\$'000 | Share premium HK\$'000 | Merger reserve HK\$'000 (Note a) | Exchange reserve HK\$'000 | Retained profits HK\$'000 | Total HK\$'000 |
|--|------------------------------|------------------------------|---|---------------------------------|---------------------------------|-------------------|
| At 1st April, 2004 | | | | | | |
| – As originally stated | 1 | – | 9 | (20) | 25,635 | 25,625 |
| – Effects of change in an accounting policy (Note b) | – | – | – | (3,191) | 3,191 | – |
| – As restated | 1 | – | 9 | (3,211) | 28,826 | 25,625 |
| Net profit for the period | – | – | – | – | 29,460 | 29,460 |
| Interim dividend paid | – | – | – | – | (12,000) | (12,000) |
| Exchange differences on translation of overseas operations not recognised in the condensed consolidated income statement | – | – | – | 95 | – | 95 |
| Exchange differences on translation to presentation currency | – | – | – | 1,845 | – | 1,845 |
| At 30th September, 2004 | 1 | – | 9 | (1,271) | 46,286 | 45,025 |
| Net profit for the period | – | – | – | – | 13,010 | 13,010 |
| Interim dividend paid | – | – | – | – | (4,000) | (4,000) |
| Exchange differences on translation of overseas operations not recognised in condensed consolidated income statement | – | – | – | (914) | – | (914) |
| Exchange differences on translation to presentation currency | – | – | – | 6,280 | – | 6,280 |
| At 31st March, 2005 | 1 | – | 9 | 4,095 | 55,296 | 59,401 |
| At 1st April, 2005 | | | | | | |
| – As originally stated | 1 | – | 9 | (839) | 60,230 | 59,401 |
| – Effects of change in an accounting policy (Note b) | – | – | – | 4,934 | (4,934) | – |
| – As restated | 1 | – | 9 | 4,095 | 55,296 | 59,401 |
| Net loss for the period | – | – | – | – | (20,600) | (20,600) |
| Interim dividend paid | – | – | – | – | (6,000) | (6,000) |
| Shares issued on 18th May, 2005 (Note 12a) | 14,999 | – | (14,999) | – | – | – |
| Capitalisation issue (Note 12b) | 7,500 | (7,500) | – | – | – | – |
| Premium on shares issued pursuant to public offer (Note 12c) | 7,500 | 58,500 | – | – | – | 66,000 |
| Expenses on public offer | – | (10,019) | – | – | – | (10,019) |
| Exchange differences on translation of overseas operations not recognised in condensed consolidated income statement | – | – | – | 562 | – | 562 |
| Exchange differences on translation to presentation currency | – | – | – | 2,079 | – | 2,079 |
| At 30th September, 2005 | 30,000 | 40,981 | (14,990) | 6,736 | 28,696 | 91,423 |

Notes:

- The merger reserve of the Group represented the difference between the nominal value of the share capital issued by the Company and the aggregate of the share capital of the subsidiaries acquired pursuant to the group reorganisation.
- The prior period adjustments represent exchange differences arising on translation of transactions in currencies other than the functional currency of the major subsidiaries.