

# Consolidated Statement of Changes in Equity

For the year ended 31 March 2006

| Equity attributable to equity holders of the Company                    |                           |                           |                                 |                                     |  |                              |   |                   |
|---|---------------------------|---------------------------|---------------------------------|-------------------------------------|--|------------------------------|---|-------------------|
|   | Share capital<br>HK\$'000 | Share premium<br>HK\$'000 | Contributed surplus<br>HK\$'000 | Goodwill on acquisition<br>HK\$'000 | Capital redemption reserve<br>HK\$'000 | Exchange reserve<br>HK\$'000 | Retained profits/<br>(Accumulated losses)<br>HK\$'000 | Total<br>HK\$'000 |
| At 1 April 2004   | 1,064                     | 374,349                   | 204,223                         | (47,398)                            | 932                                    | –                            | (408,680)   | 124,490           |
| On early adoption of HKFRS 3 in 2005                                    |                           |                           |                                 |                                     |  |                              |   |                   |
| – transfer of goodwill on acquisition to accumulated losses             | –                         | –                         | –                               | 47,398                              | –                                      | –                            | (47,398)  | –                 |
| Balance at 1 April 2004, as restated                                    | 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<br>(Total recognised income and expense for the year) | –                         | –                         | –                               | –                                   | –                                      | –                            | (13,863)  | (13,863)          |
| At 31 March 2005 and 1 April 2005                                       | 1,064                     | –                         | 65,708                          | –                                   | 932                                    | –                            | 42,923  | 110,627           |
| Exercise of share options   | 71                        | 4,677                     | –                               | –                                   | –                                      | –                            | –   | 4,748             |
| Translation differences<br>(net income recognised directly in equity)   | –                         | –                         | –                               | –                                   | –                                      | 31                           | –   | 31                |
| Profit for the year   | –                         | –                         | –                               | –                                   | –                                      | –                            | 8,880   | 8,880             |
| <b>Total recognised income and expense for the year</b>                 | <b>–</b>                  | <b>–</b>                  | <b>–</b>                        | <b>–</b>                            | <b>–</b>                               | <b>31</b>                    | <b>8,880</b>  | <b>8,911</b>      |
| <b>At 31 March 2006</b>   | <b>1,135</b>              | <b>4,677</b>              | <b>65,708</b>                   | <b>–</b>                            | <b>932</b>                             | <b>31</b>                    | <b>51,803</b>   | <b>124,286</b>    |

\* 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.