

Consolidated Statement of Changes in Equity

For the year ended 31 March 2007

The Group	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000 (Note 1)	Exchange reserve HK\$'000	Convertible		Sub-total HK\$'000	Minority interests HK\$'000	Total equity HK\$'000
					notes reserve HK\$'000 (Note 2)	Accumulated losses HK\$'000			
At 1 April 2005	468,492	282,459	571,996	1,040	-	(630,577)	693,410	22,483	715,893
Exchange differences on translation of overseas subsidiaries not recognised in the income statement	-	-	-	11,911	-	-	11,911	434	12,345
Issue of convertible notes	-	-	-	-	6,354	-	6,354	-	6,354
Conversion of convertible notes	90,000	282	-	-	(6,354)	-	83,928	-	83,928
Net loss for the year	-	-	-	-	-	(108,312)	(108,312)	(1,213)	(109,525)
At 31 March 2006 and 1 April 2006	558,492	282,741	571,996	12,951	-	(738,889)	687,291	21,704	708,995
Exchange differences on translation of overseas subsidiaries not recognised in the income statement	-	-	-	21,506	-	-	21,506	1,171	22,677
Issue of convertible notes	-	-	-	-	10,303	-	10,303	-	10,303
Conversion of convertible notes	106,698	-	-	-	(9,589)	-	97,109	-	97,109
Recognition of deferred tax for convertible notes	-	-	-	-	(124)	-	(124)	-	(124)
Net loss for the year	-	-	-	-	-	(31,590)	(31,590)	442	(31,148)
At 31 March 2007	665,190	282,741	571,996	34,457	590	(770,479)	784,495	23,317	807,812

Notes:

- 1) The special reserve of the Group represents mainly the difference between the nominal value of shares of Burlingame International Limited ("Burlingame") and the nominal value of shares issued for the swap of the shares of Burlingame pursuant to the scheme of arrangement as set out in the document issued by the company and Burlingame dated 27 July 2000.
- 2) Under HKAS 32, convertible notes issued are split into their liability and equity components at initial recognition by recognising the liability component at its fair value which is determined using market interest rate for equivalent non-convertible notes and attributing to the equity component the difference between the proceeds from issue and the fair value of the liability component. The liability component is subsequently carried at amortised cost. The equity component is recognised in the convertible notes reserve until the notes are either converted (in which case it is transferred to share premium) or the notes are redeemed (in which case it is released directly to accumulated losses.)