

Consolidated Statement of Changes in Equity

For the year ended 30th June, 2003



	Share capital	Share premium	Special reserve	Investment revaluation reserve	Investment property revaluation reserve	Currency translation reserve	Goodwill reserve	Deficit	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
At 1st July, 2001	-	35,611,965	-	(4,987,568)	39,324,276	(4,667,401)	(2,192,005)	(321,648,941)	(258,559,674)
Exchange differences arising on translation of financial statements of subsidiaries outside Hong Kong	-	-	-	-	-	(199,595)	-	-	(199,595)
Surplus on revaluation of other securities	-	-	-	809,142	-	-	-	-	809,142
Deficit on revaluation of investment properties	-	-	-	-	(11,322,104)	-	-	-	(11,322,104)
Gain (loss) not recognised in the income statement	-	-	-	809,142	(11,322,104)	(199,595)	-	-	(10,712,557)
Shares issued pursuant to group reorganisation	5,746,309	-	-	-	-	-	-	-	5,746,309
Special reserve arising from group reorganisation	-	-	568,884,602	-	-	-	-	-	568,884,602
Transfer to special reserve pursuant to group reorganisation	-	(35,611,965)	35,611,965	-	-	-	-	-	-
Rights issue of shares	5,746,309	36,201,747	-	-	-	-	-	-	41,948,056
Shares issue expenses	-	(1,582,687)	-	-	-	-	-	-	(1,582,687)
Impairment loss released to income statement	-	-	-	619,450	-	-	-	-	619,450
Loss for the year	-	-	-	-	-	-	-	(33,165,773)	(33,165,773)
At 30th June, 2002	11,492,618	34,619,060	604,496,567	(3,558,976)	28,002,172	(4,866,996)	(2,192,005)	(354,814,714)	313,177,726
Deficit on revaluation of other securities	-	-	-	(6,389,094)	-	-	-	-	(6,389,094)
Deficit on revaluation of investment properties	-	-	-	-	(28,002,172)	-	-	-	(28,002,172)
Loss not recognised in the income statement	-	-	-	(6,389,094)	(28,002,172)	-	-	-	(34,391,266)
Loss for the year	-	-	-	-	-	-	-	(166,578,231)	(166,578,231)
At 30th June, 2003	<u>11,492,618</u>	<u>34,619,060</u>	<u>604,496,567</u>	<u>(9,948,070)</u>	<u>-</u>	<u>(4,866,996)</u>	<u>(2,192,005)</u>	<u>(521,392,945)</u>	<u>112,208,229</u>

The special reserve of the Group represents the difference between the nominal value of the share capital and share premium of iQuorum Cybernet Limited acquired pursuant to the group reorganisation effective on 20th December, 2001, over the nominal value of the Company's shares issued in exchange thereof.