

## Consolidated Statement of Changes in Equity

Year ended 31 July 2003

| Group   | Issued<br>share<br>capital<br>HK\$'000 | Share<br>premium<br>account<br>HK\$'000 | Capital<br>redemption<br>reserve<br>HK\$'000 | Investment<br>revaluation<br>reserve<br>HK\$'000 | Warrant<br>reserve<br>HK\$'000 | Exchange<br>fluctuation<br>reserve<br>HK\$'000 | Accumulated<br>losses<br>HK\$'000 | Total<br>HK\$'000 |
|---|--|---|--|--|--------------------------------|--|-----------------------------------|-------------------|
| At 1 August 2001  | 116,595                                | 758,963                                 | 675  | (118,000)  | -                              | 63   | (65,094)                          | 693,202           |
| Issue of shares   | 86,027                                 | 185,701                                 | -  | -  | -                              | -  | -                                 | 271,728           |
| Issue of warrants   | -                                      | -                                       | -  | -  | 25,600                         | -  | -                                 | 25,600            |
| Share/warrant issue expenses  | -                                      | (3,608)                                 | -  | -  | (259)                          | -  | -                                 | (3,867)           |
| Changes in fair value of<br>long term investments   | -                                      | -                                       | -  | (162,691)  | -                              | -  | -                                 | (162,691)         |
| Net gains and losses not recognised<br>in the profit and loss account                       | -                                      | -                                       | -  | (162,691)  | -                              | -  | -                                 | (162,691)         |
| Transferred to the profit and<br>loss account upon disposal<br>of long term investments     | -                                      | -                                       | -  | 22,421   | -                              | -  | -                                 | 22,421            |
| Impairment losses in long term<br>investments transferred to<br>the profit and loss account | -                                      | -                                       | -  | 242,809  | -                              | -  | -                                 | 242,809           |
| Loss for the year   | -                                      | -                                       | -  | -  | -                              | -  | (451,836)                         | (451,836)         |
| At 31 July 2002 and<br>beginning of year  | 202,622                                | 941,056*                                | 675*   | (15,461)*  | 25,341*                        | 63*  | (516,930)*                        | 637,366           |
| Issue of shares   | 14,519                                 | 42,163                                  | -  | -  | -                              | -  | -                                 | 56,682            |
| Changes in fair value of<br>long term investments   | -                                      | -                                       | -  | (115,454)  | -                              | -  | -                                 | (115,454)         |
| Exchange realignment  | -                                      | -                                       | -  | -  | -                              | (63)   | -                                 | (63)              |
| Net gains and losses not recognised<br>in the profit and loss account                       | -                                      | -                                       | -  | (115,454)  | -                              | (63)   | -                                 | (115,517)         |
| Transferred to the profit and<br>loss account upon disposal<br>of long term investments     | -                                      | -                                       | -  | 433  | -                              | -  | -                                 | 433               |
| Impairment losses in long term<br>investments transferred to<br>the profit and loss account | -                                      | -                                       | -  | 129,832  | -                              | -  | -                                 | 129,832           |
| Loss for the year   | -                                      | -                                       | -  | -  | -                              | -  | (334,777)                         | (334,777)         |
| At 31 July 2003   | 217,141                                | 983,219*                                | 675*   | (650)*   | 25,341*                        | -*   | (851,707)*                        | 374,019           |
| Reserves retained by:   |  |   |  |  |                                |  |                                   |                   |
| Company and subsidiaries  | 217,141                                | 983,219                                 | 675  | (650)  | 25,341                         | -  | (851,296)                         | 374,430           |
| Jointly-controlled entity   | -                                      | -                                       | -  | -  | -                              | -  | (411)                             | (411)             |
| 31 July 2003  | 217,141                                | 983,219                                 | 675  | (650)  | 25,341                         | -  | (851,707)                         | 374,019           |
| Company and subsidiaries  | 202,622                                | 941,056                                 | 675  | (15,461)   | 25,341                         | 63   | (516,129)                         | 638,167           |
| Jointly-controlled entity   | -                                      | -                                       | -  | -  | -                              | -  | (801)                             | (801)             |
| 31 July 2002  | 202,622                                | 941,056                                 | 675  | (15,461)   | 25,341                         | 63   | (516,930)                         | 637,366           |

\* These reserve accounts comprise the consolidated reserves of HK\$156,878,000 (2002: HK\$434,744,000) in the consolidated balance sheet.