

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY • • •

For the year ended 30 June 2004

	Share capital HK\$	Share premium HK\$	Special reserve HK\$	Investment revaluation reserve HK\$	Investment property revaluation reserve HK\$	Currency translation reserve HK\$	Goodwill reserve HK\$	Deficit HK\$	Total HK\$
At 1 July 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)
Losses 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 1 July 2003 and at 30 June 2003	11,492,618	34,619,060	604,496,567	(9,948,070)	—	(4,866,996)	(2,192,005)	(521,392,945)	112,208,229
Exercise of warrants	17	1,506	—	—	—	—	—	—	1,523
Disposal of subsidiaries	—	—	—	9,948,070	—	4,866,996	15,365	—	14,830,431
Loss for the year	—	—	—	—	—	—	—	(44,214,629)	(44,214,629)
At 30 June 2004	11,492,635	34,620,566	604,496,567	—	—	—	(2,176,640)	(565,607,574)	82,825,554

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 20 December 2001, over the nominal value of the Company's shares issued in exchange thereof.