

## Statement of Changes in Equity

Year ended 30 June 2004

### THE GROUP AND THE COMPANY

	<b>Issued share capital</b> <i>HK\$</i>	<b>Share premium</b> <i>HK\$</i>	<b>Accumulated losses</b> <i>HK\$</i>	<b>Total</b> <i>HK\$</i>
At 13 November 2002	–	–	–	–
Net loss for the period	–	–	(151,328)	(151,328)
At 30 June 2003	–	–	(151,328)	(151,328)
Issuance of shares	530,000	52,470,000	–	53,000,000
Share issue expenses	–	(6,150,000)	–	(6,150,000)
Net loss for the year	–	–	(13,479,325)	(13,479,325)
<b>At 30 June 2004</b>	<b>530,000</b>	<b>46,320,000</b>	<b>(13,630,653)</b>	<b>33,219,347</b>

In accordance with the Companies Law (2002 Revision) of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.