

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2006

	Equity attributable to equity holders of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Investment property revaluation reserve HK\$'000	Convertible debt option reserve HK\$'000 (Restated) (Note)	Accumulated losses HK\$'000 (Restated)	Sub-total HK\$'000 (Restated)	Minority interests HK\$'000 (Restated)	Total HK\$'000 (Restated)
The Group									
At 1 July 2004 as previously reported	374,718	117,480	157	17,593	-	(252,088)	257,860	-	257,860
Release on disposal of investment properties	-	-	-	(1,927)	-	-	(1,927)	-	(1,927)
Deficit arising on revaluation of investment properties	-	-	-	(24,331)	-	-	(24,331)	-	(24,331)
Release of deferred tax arising on disposal of investment properties	-	-	-	636	-	-	636	-	636
Release of deferred tax arising on revaluation of investment properties	-	-	-	8,029	-	-	8,029	-	8,029
Conversion of convertible notes	73,750	14,750	-	-	-	-	88,500	-	88,500
Net loss for the year	-	-	-	-	-	(67,066)	(67,066)	12,360	(54,706)
At 30 June 2005 and 1 July 2005, as previously reported	448,468	132,230	157	-	-	(319,154)	261,701	12,360	274,061
Effect on adoption of new accounting policy – HKAS32	-	-	-	-	2,583	-	2,583	-	2,583
As Restated	448,468	132,230	157	-	2,583	(319,154)	264,284	12,360	276,644
Cancellation of convertible notes	-	-	-	-	(2,583)	2,583	-	-	-
Issue of convertible notes	-	-	-	-	9,972	-	9,972	-	9,972
Settlement of convertible notes	-	-	-	-	(2,576)	-	(2,576)	-	(2,576)
Net loss for the year	-	-	-	-	-	(11,205)	(11,205)	6,334	(4,871)
Exchange difference	-	-	959	-	-	-	959	-	959
Distribution of dividend	-	-	-	-	-	-	-	(18,694)	(18,694)
At 30 June 2006	448,468	132,230	1,116	-	7,396	(327,776)	261,434	-	261,434

Note: 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 debt option 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).