

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30th June, 2004

	Share capital HK\$	Share premium HK\$	Capital redemption reserve HK\$	Investment property revaluation reserve HK\$	Other security revaluation reserve HK\$	Exchange reserve HK\$	Retained profits HK\$	Total HK\$
THE GROUP								
At 1st July, 2002								
– as originally stated	3,874,211,830	9,283,178,408	124,820,000	5,230,465,489	(366,502,052)	2,805,781	7,569,583,631	25,718,563,087
– prior period adjustments (Note 2)	—	—	—	—	—	—	(86,883,006)	(86,883,006)
– as restated	<u>3,874,211,830</u>	<u>9,283,178,408</u>	<u>124,820,000</u>	<u>5,230,465,489</u>	<u>(366,502,052)</u>	<u>2,805,781</u>	<u>7,482,700,625</u>	<u>25,631,680,081</u>
Deficit on revaluation	—	—	—	(1,231,115,559)	(5,862,695)	—	—	(1,236,978,254)
Share of deficit on revaluation of property interests of associates	—	—	—	(336,604,345)	—	—	—	(336,604,345)
Share of deficit on revaluation of property interests by minority shareholders	—	—	—	55,840,000	—	—	—	55,840,000
Exchange differences arising on translation of operations outside Hong Kong	—	—	—	—	—	(4,635,656)	—	(4,635,656)
Net losses not recognized in the consolidated income statement	—	—	—	(1,511,879,904)	(5,862,695)	(4,635,656)	—	(1,522,378,255)
Shares issued in lieu of cash dividends	51,548,450	—	—	—	—	—	—	51,548,450
Premium on issue of shares upon scrip dividends	—	68,644,731	—	—	—	—	—	68,644,731
Shares issue expenses	—	(260,100)	—	—	—	—	—	(260,100)
Cancellation upon repurchase of own shares	(39,426,000)	—	39,426,000	—	—	—	(90,262,382)	(90,262,382)
Revaluation reserves released on disposal	—	—	—	(8,139,842)	—	—	—	(8,139,842)
Share of revaluation reserves released on disposal of associates	—	—	—	(30,528,060)	—	—	—	(30,528,060)
Impairment loss charged to consolidated income statement	—	—	—	—	252,397,016	—	—	252,397,016
Net profit for the year	—	—	—	—	—	—	35,038,150	35,038,150
Final dividend – 2002	—	—	—	—	—	—	(77,288,637)	(77,288,637)
Interim dividend – 2003	—	—	—	—	—	—	(77,369,560)	(77,369,560)
At 30th June, 2003 and 1st July, 2003	<u>3,886,334,280</u>	<u>9,351,563,039</u>	<u>164,246,000</u>	<u>3,679,917,683</u>	<u>(119,967,731)</u>	<u>(1,829,875)</u>	<u>7,272,818,196</u>	<u>24,233,081,592</u>
Surplus on revaluation	—	—	—	3,448,271,547	301,662,998	—	—	3,749,934,545
Share of surplus on revaluation of property interests of associates	—	—	—	907,238,705	—	—	—	907,238,705
Share of surplus on revaluation of property interests by minority shareholders	—	—	—	(25,005,189)	—	—	—	(25,005,189)
Exchange differences arising on translation of operations outside Hong Kong	—	—	—	—	—	(5,626,572)	—	(5,626,572)
Net profits (losses) not recognised in the consolidated income statement	—	—	—	4,330,505,063	301,662,998	(5,626,572)	—	4,626,541,489
Shares issued in lieu of cash dividends	44,688,695	—	—	—	—	—	—	44,688,695
Shares issued upon conversion of convertible notes	375,000,000	—	—	—	—	—	—	375,000,000
Premium on issue of shares upon scrip dividends	—	163,200,881	—	—	—	—	—	163,200,881
Premium on issue of shares upon conversion of convertible notes	—	1,125,000,000	—	—	—	—	—	1,125,000,000
Shares issue expenses	—	(482,065)	—	—	—	—	—	(482,065)
Revaluation reserves released on disposal	—	—	—	1,447,740	38,978	—	—	1,486,718
Impairment loss charged to consolidated income statement	—	—	—	—	2,614,215	—	—	2,614,215
Net profit for the year	—	—	—	—	—	—	1,408,826,625	1,408,826,625
Final dividend – 2003	—	—	—	—	—	—	(77,726,686)	(77,726,686)
Interim dividend – 2004	—	—	—	—	—	—	(208,453,423)	(208,453,423)
At 30th June, 2004	<u>4,306,022,975</u>	<u>10,639,281,855</u>	<u>164,246,000</u>	<u>8,011,870,486</u>	<u>184,348,460</u>	<u>(7,456,447)</u>	<u>8,395,464,712</u>	<u>31,693,778,041</u>

Notes:

- At 30th June, 2004, retained profits in the sum of HK\$41,972,544 (2003: HK\$34,262,482 as restated) of certain associates attributable to the Group are distributable by way of dividend subject to the prior consent of their bankers.
- At 30th June, 2004, the retained profits of the Group included accumulated losses of HK\$1,383,843,341 (2003: HK\$1,387,437,960 as restated) attributable to the associates of the Group.