

Consolidated Statement of Changes in Equity

Year ended 31st July, 2004

| | Notes | Issued share capital HK\$'000 | Share premium account HK\$'000 | Capital reserve (note i) HK\$'000 | Fixed assets revaluation reserve (note ii) HK\$'000 | Accumulated losses HK\$'000 | Total HK\$'000 |
|---|-------|--|---|--|--|-----------------------------------|-------------------|
| At 1st August, 2002 | | | | | | | |
| As previously reported | | 154,282 | 164,921 | 350 | 171,555 | (177,360) | 313,748 |
| Prior year adjustment: | | | | | | | |
| SSAP 12 — restatement of deferred tax | 15 | — | — | — | — | 10,681 | 10,681 |
| As restated | | 154,282 | 164,921 | 350 | 171,555 | (166,679) | 324,429 |
| Net loss for the year (as restated) | | | | | | | |
| | | — | — | — | — | (58,768) | (58,768) |
| At 31st July, 2003 and 1st August, 2003 (as restated) | | | | | | | |
| | | 154,282 | 164,921* | 350* | 171,555* | (225,447) | 265,661 |
| At 1st August, 2003 | | | | | | | |
| As previously reported | | 154,282 | 164,921 | 350 | 171,555 | (235,490) | 255,618 |
| Prior year adjustment: | | | | | | | |
| SSAP 12 — restatement of deferred tax | 15 | — | — | — | — | 10,043 | 10,043 |
| As restated | | 154,282 | 164,921 | 350 | 171,555 | (225,447) | 265,661 |
| Surplus on revaluation, not recognised in the profit and loss account | | | | | | | |
| | 13 | — | — | — | 555 | — | 555 |
| Net profit for the year | | — | — | — | — | 47,896 | 47,896 |
| At 31st July, 2004 | | | | | | | |
| | | 154,282 | 164,921* | 350* | 172,110* | (177,551) | 314,112 |

Notes:

- (i) The amount of negative goodwill remaining in the capital reserve, arising from the acquisition of a subsidiary prior to 1st August, 2001, was HK\$350,000 representing the excess of the value of the assets and liabilities acquired over the cost of acquisition.
- (ii) The Group's fixed assets revaluation reserve represents a frozen revaluation surplus in relation to certain leasehold land and buildings which were transferred to investment properties in current and prior years.

* These reserve accounts comprise the consolidated reserves of HK\$337,381,000 (2003: HK\$336,826,000) in the consolidated balance sheet.