

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30th June, 2004

	Share capital	Share premium	Special capital reserve	Exchange reserve	Capital reserve	Capital redemption reserve	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000 (Note a)	HK\$'000	HK\$'000 (Note b)	HK\$'000	HK\$'000	HK\$'000
THE GROUP								
At 1st July, 2002	27,660	412,171	828,646	9,942	2,107	3,865	(1,072,380)	212,011
Issue of shares for cash consideration	5,400	8,910	-	-	-	-	-	14,310
Issue of shares for the acquisition of investment securities	4,000	51,000	-	-	-	-	-	55,000
Share issue expenses	-	(95)	-	-	-	-	-	(95)
Exchange differences arising on translation of overseas operations not recognised in income statement	-	-	-	55	-	-	-	55
Released upon disposal of subsidiaries	-	-	-	248	-	-	-	248
Released upon disposal of a jointly controlled entity	-	-	-	(7,416)	(460)	-	-	(7,876)
Net loss for the year	-	-	-	-	-	-	(20,326)	(20,326)
At 30th June, 2003	37,060	471,986	828,646	2,829	1,647	3,865	(1,092,706)	253,327
Issue of rights shares	18,530	-	-	-	-	-	-	18,530
Issue of shares for cash consideration	7,400	27,750	-	-	-	-	-	35,150
Share issue expenses	-	(2,240)	-	-	-	-	-	(2,240)
Exchange differences arising on translation of overseas operations not recognised in income statement	-	-	-	(14)	-	-	-	(14)
Released upon disposal of subsidiaries	-	-	-	(253)	-	-	-	(253)
Net loss for the year	-	-	-	-	-	-	(7,028)	(7,028)
At 30th June, 2004	62,990	497,496	828,646	2,562	1,647	3,865	(1,099,734)	297,472

The accumulated losses of the Group included accumulated losses of HK\$26,939,000 (2003: HK\$168,823,000) attributable to associates of the Group and accumulated losses of HK\$40,475,000 (2003: HK\$38,312,000) attributable to its jointly controlled entity.

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For the year ended 30th June, 2004

Notes:

- (a) A summary of the terms of the undertaking given by the Company (the “Undertaking”) in connection with the capital reduction during the year ended 31st March, 2000 (the “Capital Reduction”) in respect of the application of the special capital reserve is set out below:
  - (i) The reserve shall not be treated as realised profits; and
  - (ii) The reserve shall be treated as an undistributable reserve as long as there shall remain any outstanding debts or claims which were in existence on the date of the cancellation of the shares of the Company pursuant to the Capital Reduction, provided that the amount of the reserve may be reduced by the amount of any future increase in the share capital and the share premium account. Any part of the reserve so reduced is released from the terms of the Undertaking and the Company may apply that part so released as a distributable reserve.
- (b) Capital reserves of the Group represents part of the profit of the subsidiaries in The People’s Republic of China (the “PRC”) transferred to non-distributable legal reserves pursuant to the legal requirement in the PRC.