

Consolidated Statement of Changes in Equity

Year ended 31st July, 2005

	Attributable to equity holders of the parent						Total
	Issued capital	Share premium account	Capital reserve (note i)	Exchange fluctuation reserve	Fixed assets revaluation reserve (note ii)	Accumulated losses	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st August, 2003	154,282	164,921	350	—	171,555	(225,447)	265,661
Surplus on revaluation	—	—	—	—	555	—	555
Profit for the year	—	—	—	—	—	47,896	47,896
At 31st July, 2004	<u>154,282</u>	<u>164,921*</u>	<u>350*</u>	<u>—</u>	<u>172,110*</u>	<u>(177,551)</u>	<u>314,112</u>
At 1st August, 2004							
As previously reported	154,282	164,921	350	—	172,110	(177,551)	314,112
Effect of the adoption of HKFRS3 - derecognition of negative goodwill (note i)	—	—	(350)	—	—	350	—
As restated	<u>154,282</u>	<u>164,921</u>	<u>—</u>	<u>—</u>	<u>172,110</u>	<u>(177,201)</u>	<u>314,112</u>
Exchange difference on translating foreign operations	—	—	—	179	—	—	179
Profit for the year	—	—	—	—	—	127,205	127,205
At 31st July, 2005	<u>154,282</u>	<u>164,921*</u>	<u>—*</u>	<u>179*</u>	<u>172,110*</u>	<u>(49,996)</u>	<u>441,496</u>

Notes:

- (i) The amount of negative goodwill arose from the acquisition of a subsidiary prior to 1st August, 2001 of HK\$350,000 represented the excess of the value of the assets and liabilities acquired over the cost of acquisition. Following the adoption of HKFRS 3, the amount was derecognised to the opening balance of accumulated losses as at 1st August, 2004. Please refer to note 2(d) for details.
- (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 prior years.

* These reserve accounts comprise the consolidated reserves of HK\$337,210,000 (2004: HK\$337,381,000) in the consolidated balance sheet.