

Consolidated Income Statement

For the year ended 31 December 2004

	<i>Notes</i>	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Turnover	3	402,654	402,543
Cost of sales		<u>(254,821)</u>	<u>(235,128)</u>
Gross profit		147,833	167,415
Interest income	3	339	107
Other income		<u>1,519</u>	<u>3,142</u>
		149,691	170,664
Distribution costs		<u>(25,117)</u>	<u>(23,149)</u>
Business promotion and marketing expenses		<u>(6,029)</u>	<u>(5,106)</u>
Operating and administrative expenses		<u>(95,007)</u>	<u>(112,689)</u>
Other operating expenses		<u>(55,932)</u>	<u>(50,851)</u>
Loss from operations		(32,394)	(21,131)
Finance costs	4	<u>(38)</u>	<u>(157)</u>
Restructuring costs	6	<u>(100,544)</u>	<u>–</u>
Gain on disposal of discontinuing operation		<u>–</u>	<u>532</u>
Loss from ordinary activities before taxation	4	(132,976)	(20,756)
Taxation credit	7	<u>1,369</u>	<u>1,000</u>
Net loss attributable to shareholders	8 & 20	<u>(131,607)</u>	<u>(19,756)</u>
Loss per share	9		
Basic		<u>(HK\$0.28)</u>	<u>(HK\$0.04)</u>
Diluted		<u>N/A</u>	<u>N/A</u>
		<i>HK\$'000</i>	<i>HK\$'000</i>
EBITDA	10	<u>11,827</u>	<u>23,802</u>

Consolidated Balance Sheet

As at 31 December 2004

	<i>Notes</i>	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	<i>11</i>	7,916	149,698
Investment securities	<i>13</i>	1,894	3,452
Deferred tax assets	<i>23</i>	2,369	1,000
		<u>12,179</u>	<u>154,150</u>
Current assets			
Trade and other receivables	<i>14</i>	45,569	47,489
Pledged deposits	<i>15</i>	2,817	3,305
Bank balances and cash		44,377	30,872
		<u>92,763</u>	<u>81,666</u>
Current liabilities			
Trade and other payables	<i>16</i>	60,326	58,601
Current portion of obligations under finance leases	<i>17</i>	184	289
		<u>60,510</u>	<u>58,890</u>
Net current assets		<u>32,253</u>	<u>22,776</u>
Total assets less current liabilities		44,432	176,926
Long-term liabilities			
Obligations under finance leases	<i>17</i>	809	312
NET ASSETS		<u>43,623</u>	<u>176,614</u>
CAPITAL AND RESERVES			
Issued capital	<i>18</i>	4,709	4,709
Reserves	<i>20</i>	38,914	171,905
		<u>43,623</u>	<u>176,614</u>

Approved and authorised for issue by the Board of Directors on 12 April 2005

Richard John Siemens
Director

Kuldeep Saran
Director

Balance Sheet

As at 31 December 2004

	<i>Notes</i>	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	<i>11</i>	153	214
Interests in subsidiaries	<i>12</i>	56,222	167,120
		<u>56,375</u>	<u>167,334</u>
Current assets			
Trade and other receivables	<i>14</i>	1,345	1,220
Pledged deposits	<i>15</i>	1,700	2,110
Bank balances and cash		15,649	12,163
		<u>18,694</u>	<u>15,493</u>
Current liabilities			
Trade and other payables	<i>16</i>	1,426	3,320
Net current assets		<u>17,268</u>	<u>12,173</u>
NET ASSETS		<u>73,643</u>	<u>179,507</u>
CAPITAL AND RESERVES			
Issued capital	<i>18</i>	4,709	4,709
Reserves	<i>20</i>	68,934	174,798
		<u>73,643</u>	<u>179,507</u>

Approved and authorised for issue by the Board of Directors on 12 April 2005

Richard John Siemens
Director

Kuldeep Saran
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2004

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Capital redemption reserve <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 1 January 2003	4,709	23,461	–	6	607,462	(439,268)	196,370
Net loss attributable to shareholders	–	–	–	–	–	(19,756)	(19,756)
As at 31 December 2003	4,709	23,461	–	6	607,462	(459,024)	176,614
Exchange difference on translation of foreign subsidiaries	–	–	(1,384)	–	–	–	(1,384)
Net loss attributable to shareholders	–	–	–	–	–	(131,607)	(131,607)
As at 31 December 2004	4,709	23,461	(1,384)	6	607,462	(590,631)	43,623

Consolidated Cash Flow Statement

For the year ended 31 December 2004

	<i>Note</i>	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
OPERATING ACTIVITIES			
Cash generated from operations	21	13,925	4,918
Interest received		339	107
Interest on obligations under finance leases		(38)	(157)
Net cash generated from operating activities		<u>14,226</u>	<u>4,868</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(4,804)	(6,039)
Proceeds from disposal of property, plant and equipment		1,877	1,165
Proceeds from disposal of other investments		–	104
Proceeds from disposal of investment securities		1,326	–
Disposal of subsidiaries (net of cash and cash equivalents disposed of)		–	2,079
Net cash used in investing activities		<u>(1,601)</u>	<u>(2,691)</u>
FINANCING ACTIVITIES			
Inception of finance leases		993	–
Repayment of obligations under finance leases		(601)	(6,795)
Net cash generated from/(used in) financing activities		<u>392</u>	<u>(6,795)</u>
Net increase/(decrease) in cash and cash equivalents		13,017	(4,618)
Cash and cash equivalents as at 1 January		<u>34,177</u>	<u>38,795</u>
Cash and cash equivalents as at 31 December		<u>47,194</u>	<u>34,177</u>
Analysis of the balances of cash and cash equivalents			
Pledged deposits		2,817	3,305
Bank balances and cash		44,377	30,872
		<u>47,194</u>	<u>34,177</u>