

## CONSOLIDATED INCOME STATEMENT

For the period from 1 July 2004 to 31 December 2004

		1.7.2004 to 31.12.2004 HK\$	1.7.2003 to 30.6.2004 HK\$
Turnover	4	55,780,696	83,369,115
Cost of sales		<u>(45,731,605)</u>	<u>(58,363,130)</u>
Gross profit		10,049,091	25,005,985
Interest income		55,800	641,512
Other operating income		631,181	3,337,331
Current account waived by former ultimate holding company		—	3,727,375
Selling and distribution costs		(1,816,935)	(2,969,948)
Administrative expenses		(12,623,659)	(37,413,105)
Allowance on trade and other receivables		(4,200,000)	(9,065,510)
Allowance on short term loans receivable		—	(2,187,846)
Impairment loss recognised in respect of property, plant and equipment		(1,135,486)	(5,530,864)
Amounts due from fellow subsidiaries written off		<u>—</u>	<u>(11,336,399)</u>
Loss from operations	5	(9,040,008)	(35,791,469)
Finance costs	7	(602,373)	(2,496,944)
Loss on disposal of subsidiaries	21	<u>—</u>	<u>(5,816,946)</u>
Loss before taxation		(9,642,381)	(44,105,359)
Tax credit	8	<u>—</u>	<u>(26,292)</u>
Loss before minority interests		(9,642,381)	(44,079,067)
Minority interests		<u>(3,320,668)</u>	<u>135,562</u>
Loss attributable to shareholders		<u>(6,321,713)</u>	<u>(44,214,629)</u>
Loss per share	9		
— Basic and diluted		<u>(0.55 cents)</u>	<u>(3.85 cents)</u>