

Consolidated Income Statement

For the year ended 31 March 2006

| | Notes | 2006 HK\$'000 | 2005 HK\$'000 (restated) |
|--|-------|------------------|--------------------------------|
| Turnover | 6 | 46,221 | 51,354 |
| Cost of sales | | (32,018) | (37,204) |
| Gross profit | | 14,203 | 14,150 |
| Other income | | 4,037 | 2,887 |
| Administrative expenses | | (87,249) | (81,713) |
| Amortisation of development costs | | (17,105) | (23,818) |
| Research and development expenditure | | (4,362) | (8,819) |
| Allowances for trade and other debtors | | (6,842) | (8,166) |
| Net unrealised loss on other investments | | – | (42,324) |
| Decrease in fair value of held-for-trading investments | | (404) | – |
| Share of results of associates | | (8,240) | (10,034) |
| Share of result of a jointly controlled entity | | (740) | (1,526) |
| Gain on disposal of subsidiaries | 33 | 290 | – |
| Increase in fair value of investment properties | 15 | 2,736 | – |
| Finance costs | 8 | (3,893) | (9) |
| Write back of impairment loss previously recognised in respect of prepaid lease payments and property, plant and equipment | | – | 23,000 |
| Allowances for amounts due from associates | | (33,704) | (5,591) |
| Allowance for amount due from a jointly controlled entity | | (2,234) | – |
| Impairment loss recognised in respect of development costs | 16 | (15,850) | (6,700) |
| Impairment loss recognised in respect of goodwill in reserve | | – | (10,777) |
| Impairment loss recognised in respect of premium on formation of a jointly controlled entity | 18 | – | (3,491) |
| Loss before taxation | 9 | (159,357) | (162,931) |
| Taxation | 11 | – | – |
| Loss for the year attributable to equity holders of the Company | | (159,357) | (162,931) |
| Loss per share – basic | 12 | HK(4.34) cents | HK(4.84) cents |