

# Consolidated Income Statement

For the year ended 31 March 2006 (Expressed in Hong Kong Dollars)

	Note	2006 HK\$'000	2005 (restated) HK\$'000
<b>Turnover</b>	4	<b>81,035</b>	101,144
Cost of sales		<b>(120,940)</b>	(125,584)
<b>Gross loss</b>		<b>(39,905)</b>	(24,440)
Other revenue	4	<b>1,922</b>	125
Selling and distribution expenses		<b>(3,277)</b>	(2,861)
General and administrative expenses		<b>(26,133)</b>	(17,383)
Reduction in provision for other payables		<b>2,300</b>	150
<b>Loss from operations</b>	5	<b>(65,093)</b>	(44,409)
Finance costs	6	<b>(2,067)</b>	(1,738)
Excess of fair value of net assets acquired over the cost of acquisition of an associate	16(c)	<b>178,800</b>	–
Share of profit of the associate		<b>1,302</b>	–
<b>Profit/(loss) before taxation</b>		<b>112,942</b>	(46,147)
Income tax	7	–	–
<b>Profit/(loss) for the year</b>		<b>112,942</b>	(46,147)
<b>Earnings/(loss) per share</b>	12		
– basic		<b>HK3.01 cents</b>	HK(9.07) cents
– diluted		<b>HK1.52 cents</b>	HK(0.62) cents

The notes on pages 26 to 75 form part of these financial statements.