

# CONSOLIDATED INCOME STATEMENT

For the year ended 31st December, 2006

|  | NOTES   | Continuing operations |              | Discontinued operation |              | Total                |               |
|--|---------|-----------------------|--------------|------------------------|--------------|----------------------|---------------|
|  |         | 2006<br>HK\$          | 2005<br>HK\$ | 2006<br>HK\$           | 2005<br>HK\$ | 2006<br>HK\$         | 2005<br>HK\$  |
| Turnover   | 4       | <b>66,305,735</b>     | 48,607,455   | <b>18,949,636</b>      | 20,290,438   | <b>85,255,371</b>    | 68,897,893    |
| Sales of goods   |         | <b>33,502,783</b>     | 33,874,829   | <b>18,949,636</b>      | 20,290,438   | <b>52,452,419</b>    | 54,165,267    |
| Property rental income   |         | <b>1,033,189</b>      | 864,733      | -                      | -            | <b>1,033,189</b>     | 864,733       |
| Cost of sales  |         | <b>(30,990,767)</b>   | (30,971,368) | <b>(20,937,398)</b>    | (21,290,852) | <b>(51,928,165)</b>  | (52,262,220)  |
| Gross profit (loss)  |         | <b>3,545,205</b>      | 3,768,194    | <b>(1,987,762)</b>     | (1,000,414)  | <b>1,557,443</b>     | 2,767,780     |
| Dividend income from listed securities                             |         | <b>694,727</b>        | 671,058      | -                      | -            | <b>694,727</b>       | 671,058       |
| Increase in fair value of held-for-trading investments             |         | <b>3,595,402</b>      | 2,854,053    | -                      | -            | <b>3,595,402</b>     | 2,854,053     |
| Other income   | 6       | <b>3,086,424</b>      | 847,414      | <b>254,141</b>         | 194,964      | <b>3,340,565</b>     | 1,042,378     |
| Distribution costs   |         | <b>(244,282)</b>      | (541,230)    | <b>(93,205)</b>        | (110,765)    | <b>(337,487)</b>     | (651,995)     |
| Administrative expenses  |         | <b>(14,909,293)</b>   | (14,701,494) | <b>(843,792)</b>       | (867,489)    | <b>(15,753,085)</b>  | (15,568,983)  |
| Finance costs  | 9       | <b>(613,678)</b>      | (269,020)    | <b>(47,176)</b>        | (90,649)     | <b>(660,854)</b>     | (359,669)     |
| Other expenses   |         | <b>(127,278)</b>      | (40,617)     | <b>(17,840)</b>        | (739,588)    | <b>(145,118)</b>     | (780,205)     |
| Loss on disposal of available-for-sale investments                 |         | -                     | (31,278)     | -                      | -            | -                    | (31,278)      |
| Imputed interest on debt component of convertible notes            |         | <b>700,846</b>        | -            | -                      | -            | <b>700,846</b>       | -             |
| Decrease in fair value of embedded derivative of convertible notes |         | <b>(387,668)</b>      | -            | -                      | -            | <b>(387,668)</b>     | -             |
| Increase in fair value of investment properties                    | 15      | <b>1,422,269</b>      | 3,400,000    | -                      | -            | <b>1,422,269</b>     | 3,400,000     |
| Gain on disposal of a jointly controlled entity                    | 20      | <b>13,566,390</b>     | -            | -                      | -            | <b>13,566,390</b>    | -             |
| Gain on disposal of subsidiaries and discontinued operation        | 10 & 40 | -                     | -            | <b>5,575,474</b>       | -            | <b>5,575,474</b>     | -             |
| Gain on disposal of interest in an associate                       | 19      | <b>16,804,646</b>     | 2,872,542    | -                      | -            | <b>16,804,646</b>    | 2,872,542     |
| Net (loss) gain on deemed disposal of an associate                 | 19      | <b>(1,648,160)</b>    | 11,320,610   | -                      | -            | <b>(1,648,160)</b>   | 11,320,610    |
| Share of results of associates                                     |         | <b>(11,763,146)</b>   | 9,332,317    | -                      | -            | <b>(11,763,146)</b>  | 9,332,317     |
| Share of results of a jointly controlled entity                    |         | -                     | (1,215,879)  | -                      | -            | -                    | (1,215,879)   |
| Profit (loss) before taxation                                      | 11      | <b>13,722,404</b>     | 18,266,670   | <b>2,839,840</b>       | (2,613,941)  | <b>16,562,244</b>    | 15,652,729    |
| Taxation   | 12      | <b>(371,654)</b>      | (659,254)    | -                      | -            | <b>(371,654)</b>     | (659,254)     |
| Profit (loss) for the year   |         | <b>13,350,750</b>     | 17,607,416   | <b>2,839,840</b>       | (2,613,941)  | <b>16,190,590</b>    | 14,993,475    |
| Attributable to:   |         |                       |              |                        |              |                      |               |
| Equity holders of the Company                                      |         |                       |              |                        |              | <b>15,962,052</b>    | 14,907,576    |
| Minority interests   |         |                       |              |                        |              | <b>228,538</b>       | 85,899        |
|  |         |                       |              |                        |              | <b>16,190,590</b>    | 14,993,475    |
| Dividend   | 13      |                       |              |                        |              | -                    | -             |
| Earnings per share – basic   | 14      |                       |              |                        |              |                      | (restated)    |
| – From continuing and discontinued operations                      |         |                       |              |                        |              | <b>14.6 HK cents</b> | 20.2 HK cents |
| – From continuing operations                                       |         |                       |              |                        |              | <b>12.0 HK cents</b> | 23.8 HK cents |