

Consolidated Income Statement

Year ended 31 December 2006

| | Note | 2006 HK\$'000 | 2005 HK\$'000 |
|------------------------------------|-------|---------------------|------------------|
| Turnover | 6 | 20,210 | 30,918 |
| Cost of sales | | (29,087) | (29,398) |
| Gross (loss)/profit | | (8,877) | 1,520 |
| Other revenue | 6 | 141 | 692 |
| Distribution costs | | (7,094) | (1,379) |
| Administrative expenses | | (27,409) | (22,239) |
| Other operating expenses, net | 7 | (25,950) | (77,708) |
| | | (60,312) | (100,634) |
| LOSS FROM OPERATIONS | | (69,189) | (99,114) |
| Gain on disposal of a subsidiary | 36(a) | – | 7,663 |
| Finance costs | 8(a) | (7,887) | (5,338) |
| LOSS BEFORE TAXATION | 8 | (77,076) | (96,789) |
| Income tax | 11 | 129 | (605) |
| LOSS FOR THE YEAR | | (76,947) | (97,394) |
| ATTRIBUTABLE TO: | | | |
| Equity shareholders of the Company | 12 | (76,654) | (97,380) |
| Minority interests | 35 | (293) | (14) |
| LOSS FOR THE YEAR | | (76,947) | (97,394) |
| LOSS PER SHARE | 13 | | |
| – Basic | | (2.55) cents | (3.23) cents |
| – Diluted | | N/A | N/A |

The notes on pages 26 to 78 form an integral part of these financial statements.