

## Consolidated Income Statement

For the year ended 31 December 2005

	<i>Notes</i>	<b>2005</b> <i>HK\$'000</i>	2004 <i>HK\$'000</i>
<b>Turnover</b>	2	<b>422,590</b>	402,654
Cost of sales		<u>(267,649)</u>	<u>(254,821)</u>
Gross profit		<b>154,941</b>	147,833
Interest income	2	<b>589</b>	339
Other income	3	<u><b>8,313</b></u>	<u>1,519</u>
		<b>163,843</b>	149,691
Distribution costs		<u>(22,279)</u>	(25,117)
Business promotion and marketing expenses		<u>(3,068)</u>	(6,029)
Operating and administrative expenses		<u>(86,693)</u>	(95,007)
Other operating expenses		<u>(13,237)</u>	<u>(55,932)</u>
<b>Profit/(Loss) from operations</b>		<b>38,566</b>	(32,394)
Finance costs	3	<u>(34)</u>	(38)
Restructuring costs	5	<u>–</u>	<u>(100,544)</u>
<b>Profit/(Loss) before taxation</b>	3	<b>38,532</b>	(132,976)
Taxation credit	6	<u>8,544</u>	<u>1,369</u>
<b>Profit/(Loss) for the year</b>	8&20	<u><b>47,076</b></u>	<u>(131,607)</u>
<b>Attributable to:</b>			
Equity holders of the Company	8&20	<u><b>47,076</b></u>	<u>(131,607)</u>
<b>Earnings/(Loss) per share</b>	9		
Basic		<u><b>HK\$0.10</b></u>	<u>(HK\$0.28)</u>
Diluted		<u>N/A</u>	<u>N/A</u>
		<i>HK\$'000</i>	<i>HK\$'000</i>
<b>EBITDA</b>	10	<u><b>45,189</b></u>	<u>11,827</u>

## Consolidated Balance Sheet

As at 31 December 2005

	<i>Notes</i>	<b>2005</b> <i>HK\$'000</i>	2004 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment	<i>11</i>	<b>12,144</b>	7,916
Available-for-sale investments	<i>13</i>	–	1,894
Deferred tax assets	<i>24</i>	<b>10,881</b>	2,369
		<u><b>23,025</b></u>	<u>12,179</u>
<b>Current assets</b>			
Trade and other receivables	<i>14</i>	<b>67,140</b>	45,569
Pledged deposits	<i>15</i>	<b>2,476</b>	2,817
Bank balances and cash		<b>58,742</b>	44,377
		<u><b>128,358</b></u>	<u>92,763</u>
<b>Current liabilities</b>			
Trade and other payables	<i>16</i>	<b>59,502</b>	60,326
Current portion of obligations under finance leases	<i>17</i>	<b>191</b>	184
		<u><b>59,693</b></u>	<u>60,510</u>
<b>Net current assets</b>		<u><b>68,665</b></u>	<u>32,253</u>
<b>Total assets less current liabilities</b>		<b>91,690</b>	44,432
<b>Non-current liabilities</b>			
Obligations under finance leases	<i>17</i>	<b>618</b>	809
<b>NET ASSETS</b>		<u><b>91,072</b></u>	<u>43,623</u>
<b>Capital and reserves</b>			
Issued capital	<i>18</i>	<b>4,709</b>	4,709
Reserves	<i>20</i>	<b>86,363</b>	38,914
<b>TOTAL EQUITY</b>		<u><b>91,072</b></u>	<u>43,623</u>

Approved and authorised for issue by the Board of Directors on 24 March 2006

**Richard John Siemens**  
Director

**Kuldeep Saran**  
Director

**Balance Sheet***As at 31 December 2005*

	<i>Notes</i>	<b>2005</b> <i>HK\$'000</i>	2004 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment	<i>11</i>	<b>3,555</b>	153
Interests in subsidiaries	<i>12</i>	<b>65,373</b>	56,222
		<b>68,928</b>	56,375
<b>Current assets</b>			
Trade and other receivables	<i>14</i>	<b>2,079</b>	1,345
Pledged deposits	<i>15</i>	<b>1,369</b>	1,700
Bank balances and cash		<b>21,603</b>	15,649
		<b>25,051</b>	18,694
<b>Current liabilities</b>			
Trade and other payables	<i>16</i>	<b>2,669</b>	1,426
<b>Net current assets</b>		<b>22,382</b>	17,268
<b>NET ASSETS</b>		<b>91,310</b>	73,643
<b>Capital and reserves</b>			
Issued capital	<i>18</i>	<b>4,709</b>	4,709
Reserves	<i>20</i>	<b>86,601</b>	68,934
<b>TOTAL EQUITY</b>		<b>91,310</b>	73,643

*Approved and authorised for issue by the Board of Directors on 24 March 2006*

**Richard John Siemens**  
*Director*

**Kuldeep Saran**  
*Director*

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2005

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Capital redemption reserve <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
As at 1 January 2004	4,709	23,461	–	6	607,462	(459,024)	176,614
Exchange differences on translation of foreign subsidiaries	–	–	(1,384)	–	–	–	(1,384)
Loss for the year	–	–	–	–	–	(131,607)	(131,607)
As at 31 December 2004	4,709	23,461	(1,384)	6	607,462	(590,631)	43,623
Exchange differences on translation of foreign subsidiaries	–	–	373	–	–	–	373
Profit for the year	–	–	–	–	–	47,076	47,076
<b>As at 31 December 2005</b>	<b>4,709</b>	<b>23,461</b>	<b>(1,011)</b>	<b>6</b>	<b>607,462</b>	<b>(543,555)</b>	<b>91,072</b>

## Consolidated Cash Flow Statement

For the year ended 31 December 2005

	<i>Note</i>	<b>2005</b> <i>HK\$'000</i>	2004 <i>HK\$'000</i>
<b>OPERATING ACTIVITIES</b>			
Cash generated from operations	21	<b>20,026</b>	13,925
Interest received		<b>589</b>	339
Interest on obligations under finance leases		<b>(34)</b>	(38)
<b>Net cash generated from operating activities</b>		<b>20,581</b>	14,226
<b>INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		<b>(9,045)</b>	(4,804)
Proceeds from disposals of property, plant and equipment		<b>32</b>	1,877
Proceeds from disposal of an available-for-sale investment		<b>2,640</b>	1,326
<b>Net cash used in investing activities</b>		<b>(6,373)</b>	(1,601)
<b>FINANCING ACTIVITIES</b>			
Inception of finance leases		–	993
Repayment of obligations under finance leases		<b>(184)</b>	(601)
<b>Net cash (used in)/generated from financing activities</b>		<b>(184)</b>	392
<b>Net increase in cash and cash equivalents</b>		<b>14,024</b>	13,017
Cash and cash equivalents as at 1 January		<b>47,194</b>	34,177
<b>Cash and cash equivalents as at 31 December</b>		<b>61,218</b>	47,194
<b>Analysis of the balances of cash and cash equivalents</b>			
Pledged deposits		<b>2,476</b>	2,817
Bank balances and cash		<b>58,742</b>	44,377
		<b>61,218</b>	47,194