

Consolidated Income Statement

For the year ended 31 December 2005

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

Consolidated Balance Sheet*As at 31 December 2005*

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

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

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Richard John Siemens
Director

Kuldeep Saran
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2005

	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
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
As at 31 December 2005	4,709	23,461	(1,011)	6	607,462	(543,555)	91,072

Consolidated Cash Flow Statement

For the year ended 31 December 2005

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