

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2000

(Expressed in Hong Kong dollars)

	Note	2000 \$	1999 \$
Turnover	3 & 4	267,952,546	315,089,688
Cost of sales		(200,706,900)	(228,494,936)
Gross profit		67,245,646	86,594,752
Other revenue	5	6,690,648	8,172,998
		73,936,294	94,767,750
Selling expenses		(36,129,504)	(43,093,378)
Administrative expenses		(42,376,639)	(45,019,939)
Other operating expenses	6	(9,704,940)	(13,075,019)
Loss from operations		(14,274,789)	(6,420,586)
Finance cost	15(a)	(25,526,114)	(54,707,348)
Share of profits/(losses) of associates		241,024	(6,256,098)
		(39,559,879)	(67,384,032)
Provision for amounts due from Hanmy	7	(34,958,762)	—
Disposal of Swank China Retail operations	8	(13,996,700)	—
Provision for impairment of fixed assets	9	(11,342,011)	—
Provision for diminution in value of associates	10	(2,430,706)	(257,821)
Reconstruction cost	11	—	(23,277,902)
Gain on settlement of obligation to SHK	12	—	24,000,000
Exchange gain on notes payable	13	—	3,113,785
Gain on settlement of notes payable	14	—	24,830,188
Loss from ordinary activities before taxation	15	(102,288,058)	(38,975,782)
Taxation	18(a)	(175,638)	(289,234)
Loss from ordinary activities after taxation		(102,463,696)	(39,265,016)
Minority interests		145,088	1,518,805
Loss attributable to shareholders	19 & 36(a)	(102,318,608)	(37,746,211)
Loss per share			
Basic/diluted	20	(14.0 cents)	(6.5 cents)

Loss for the year is attributed as follows:

By the Company and its subsidiaries	(102,406,087)	(31,200,187)
By associates	87,479	(6,546,024)
	(102,318,608)	(37,746,211)

The notes on pages 23 to 52 form part of these accounts.