

# Consolidated Income Statement

For the year ended 31 December 2001  
(Expressed in Hong Kong dollars)

	Note	2001 \$	2000 \$
<b>Turnover</b>	3 & 20	<b>241,670,944</b>	267,952,546
Cost of sales		<b>(181,064,827)</b>	(200,706,900)
Gross profit		<b>60,606,117</b>	67,245,646
Other revenue	4	<b>5,256,529</b>	6,690,648
		<b>65,862,646</b>	73,936,294
Selling expenses		<b>(24,752,690)</b>	(36,129,504)
Administrative expenses		<b>(39,329,672)</b>	(42,376,639)
Other operating expenses	5	<b>(12,775,412)</b>	(9,704,940)
Loss from operations		<b>(10,995,128)</b>	(14,274,789)
Finance cost	13(a)	<b>(21,452,492)</b>	(25,526,114)
Share of profits of associates		<b>5,352,962</b>	241,024
		<b>(27,094,658)</b>	(39,559,879)
Impairment losses on interest in associates	6	<b>(24,067,565)</b>	(2,430,706)
Impairment losses on fixed assets	7	<b>(4,777,089)</b>	(11,342,011)
Deficit arising on revaluation of land and buildings	8	<b>(1,886,780)</b>	—
Provision for amounts due from Hanmy	9	<b>(1,759,998)</b>	(34,958,762)
Provision for closure of an overseas subsidiary	10	<b>(1,025,337)</b>	—
Disposal of Swank China Retail operations	11	<b>(302,826)</b>	(13,996,700)
Reversal of impairment loss on interest in an associate	12	<b>2,099,135</b>	—
<b>Loss from ordinary activities before taxation</b>	13(b)	<b>(58,815,118)</b>	(102,288,058)
Taxation	16(a)	<b>(295,693)</b>	(175,638)
<b>Loss from ordinary activities after taxation</b>		<b>(59,110,811)</b>	(102,463,696)
Minority interests		<b>221,368</b>	145,088
<b>Loss attributable to shareholders</b>	17 & 36(a)	<b>(58,889,443)</b>	(102,318,608)
<b>Loss per share</b>			
Basic/diluted	18	<b>(8.0 cents)</b>	(14.0 cents)

The notes on pages 32 to 67 form part of these financial statements.