1. CORPORATE INFORMATION

During the year, the Group was involved in the following principal activities:

- design and manufacture of electrical appliances
- trading of merchandise

2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE ("SSAPs")

The following recently-issued and revised SSAPs and related Interpretations are effective for the first time for the current year's financial statements:

- Revised SSAP 9: "Events after the balance sheet date"
- Revised SSAP 14: "Leases"
- Revised SSAP 18: "Revenue"
- SSAP 26: "Segment reporting"
- SSAP 28: "Provisions, contingent liabilities and contingent assets"
- SSAP 29: "Intangible assets"
- SSAP 30: "Business combinations"
- SSAP 31: "Impairment of assets"
- SSAP 32: "Consolidated financial statements and accounting for investments in subsidiaries"
- Interpretation 12: "Business combinations — subsequent adjustment of fair values and goodwill initially reported"
- Interpretation 13: "Goodwill — continuing requirements for goodwill and negative goodwill previously eliminated against/credited to reserves"

2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE ("SSAPs") *(Continued)*

These SSAPs prescribe new accounting measurement and disclosure practices. The major effects on the Group's accounting policies and on the amounts disclosed in these financial statements of those SSAPs and Interpretations which have had a significant effect on the financial statements, are summarised as follows:

Revised SSAP 14 prescribes the basis for lessor and lessee accounting for finance and operating leases, and the required disclosures in respect thereof. Certain amendments have been made to the previous accounting measurement treatments, which may be accounted for retrospectively or prospectively, in accordance with the requirements of the SSAP. The revised SSAP requirements have not had a material effect on the amounts previously recorded in the financial statements, therefore no prior year adjustment has been required. The disclosure changes under this SSAP have resulted in changes to the detailed information disclosed for finance leases and operating leases, which are further detailed in notes 24 and 30 to the financial statements.

SSAP 26 prescribes the principles to be applied for reporting financial information by segment. It requires that management assesses whether the Group's predominant risks or returns are based on business segments or geographical segments and determines one of these bases to be the primary segment information reporting format, with the other as the secondary segment information reporting format. The impact of this SSAP is the inclusion of significant additional segment reporting disclosures which are set out in note 4 to the financial statements.

SSAP 30 prescribes the accounting treatment for business combinations, including the determination of the date of acquisition, the method for determining the fair values of the assets and liabilities acquired, and the treatment of goodwill or negative goodwill arising on acquisition. The SSAP requires the disclosure of goodwill and negative goodwill in the non-current assets section of the consolidated balance sheet. It requires that goodwill is amortised to the consolidated profit and loss account over its estimated useful life. Negative goodwill is recognised in the consolidated profit and loss account depending on the circumstances from which it arose, as further described in the accounting policy for negative goodwill disclosed in note 3 to the financial statements. Interpretation 13 prescribes the application of SSAP 30 to goodwill arising from acquisitions in previous years which remains eliminated against consolidated reserves. The adoption of the SSAP and Interpretation has not resulted in a prior year adjustment as there was no goodwill or negative goodwill arising from acquisitions in previous years.

2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE ("SSAPs") *(Continued)*

SSAP 31 prescribes the recognition and measurement criteria for impairments of assets. The SSAP is required to be applied prospectively and therefore, has had no effect on amounts previously reported in prior year financial statements.

In addition to the above new and revised SSAPs and related Interpretations, certain minor revisions to the following SSAPs are effective for the first time for the current year's financial statements:

- SSAP 10: "Accounting for investments in associates"
- SSAP 17: "Property, plant and equipment"
- SSAP 21: "Accounting for interests in joint ventures"

The only significant effect of these revisions is that SSAP 17 requires that impairment losses on fixed assets are aggregated with accumulated depreciation in note 14 to the financial statements, whereas previously they were deducted from the cost of the relevant asset. This disclosure reclassification has had no effect on the net carrying amount of fixed assets in the balance sheet.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Statements of Standard Accounting Practice, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the periodic remeasurement of investment properties and certain fixed assets, as further explained below.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2002. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group have been eliminated on consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Subsidiaries

A subsidiary is a company whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The Company's interests in subsidiaries are stated at cost less any impairment losses.

Associates

An associate is a company, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's share of the post-acquisition results and reserves of associates is included in the consolidated profit and loss account and consolidated reserves, respectively. The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The results of associates are included in the Company's profit and loss account to the extent of dividends received and receivable. The Company's interests in associates are treated as long-term assets and are stated at cost less any impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries and associates represents the excess of the cost of the acquisition over the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset and amortised on the straight-line basis over its estimated useful life. In the case of associates, any unamortised goodwill is included in the carrying amount thereof, rather than as a separately identified asset on the consolidated balance sheet.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Goodwill *(Continued)*

On disposal of subsidiaries or associates, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate.

The carrying amount of goodwill, including goodwill remaining eliminated against consolidated reserves, is reviewed annually and written down for impairment when it is considered necessary. A previously recognised impairment loss for goodwill is not reversed unless the impairment loss was caused by a specific external event of an exceptional nature that was not expected to recur, and subsequent external events have occurred which have reversed the effect of that event.

Negative goodwill

Negative goodwill arising on the acquisition of subsidiaries and associates represents the excess of the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition, over the cost of the acquisition.

To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the acquisition plan and that can be measured reliably, but which do not represent identifiable liabilities as at the date of acquisition, that portion of negative goodwill is recognised as income in the consolidated profit and loss account when the future losses and expenses are recognised.

To the extent that negative goodwill does not relate to identifiable expected future losses and expenses as at the date of acquisition, negative goodwill is recognised in the profit and loss account on a systematic basis over the remaining average useful life of the acquired depreciable/amortisable assets. The amount of any negative goodwill in excess of the fair values of the acquired non-monetary assets is recognised as income immediately.

In the case of associates, any negative goodwill not yet recognised in the consolidated profit and loss account is included in the carrying amount thereof, rather than as a separately identified item on the consolidated balance sheet.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Negative goodwill *(Continued)*

On disposal of subsidiaries or associates, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of negative goodwill which has not been recognised in the consolidated profit and loss account and any relevant reserves as appropriate.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Fixed assets and depreciation

Fixed assets, other than investment properties, are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalised as an additional cost of that asset.

Changes in the values of fixed assets, other than investment properties, are dealt with as movements in the revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the profit and loss account. Any subsequent revaluation surplus is credited to the profit and loss account to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the revaluation reserve realised in respect of previous valuations is transferred to retained earnings as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each asset over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land and buildings	2% or over the lease terms if less than 50 years
Furniture and fixtures	20%
Machinery, engineering and other equipment	10%
Motor vehicles	10%
Moulds	10%

The gain or loss on disposal or retirement of a fixed asset recognised in the profit and loss account, is the difference between the net sales proceeds and the carrying amount of the relevant asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investment properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are intended to be held on a long term basis for their investment potential, any rental income being negotiated at arm's length. Such properties are not depreciated and are stated at their open market values on the basis of annual professional valuations performed at the end of each financial year. Changes in the values of investment properties are dealt with as movements in the investment property revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on a portfolio basis, the excess of the deficit is charged to the profit and loss account. Any subsequent revaluation surplus is credited to the profit and loss account to the extent of the deficit previously charged.

On the disposal of an investment property, the relevant portion of the investment property revaluation reserve realised in respect of previous valuations is released to the profit and loss account.

Leased assets

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased assets is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in fixed assets and are depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the profit and loss account so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivables under the operating leases are credited to the profit and loss account on the straight-line basis over the lease term. Where the Group is the lessee, rentals payable under the operating leases are credited or charged to the profit and loss account on the straight-line basis over the lease terms.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash equivalents

For the purposes of consolidated cash flow statement, cash equivalents represent short term highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from banks repayable within three months from the date of the advance. For the purposes of balance sheet classification, cash and bank balances represent assets which are not restricted as to use.

Deferred tax

Deferred tax is provided, using the liability method, on all significant timing differences to the extent that it is probable that the liability will crystallise in the foreseeable future. A deferred tax asset is not recognised until its realisation is assured beyond reasonable doubt.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(b) from the rendering of services, when services are rendered;

(c) rental income, on the time proportion basis over the lease terms; and

(d) interest income, on a time proportion basis, taking into account the principal outstanding and the effective interest rate applicable.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable rates of exchange ruling at that date. Exchange differences are dealt with in the profit and loss account.

On consolidation, the financial statements of overseas subsidiaries and associates are translated into Hong Kong dollars at the applicable rates of exchange ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

Retirement benefits scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. The MPF Scheme has operated since 1 December 2000. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

4. SEGMENT INFORMATION

SSAP 26 was adopted during the year, as detailed in note 2 to the financial statements. Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

(a) Business segments

The Group has two business segments, namely the design and manufacture of electrical appliances and the trading of merchandise. The Design and manufacture of electrical appliances segment constitutes more than 93% of the total consolidated turnover. Moreover, the segment results and segment assets for the trading of merchandise are less than 10% of the combined results and total assets of all segments, respectively. Therefore, no additional business segment analysis is presented.

4. SEGMENT INFORMATION

(b) Geographical segments

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

The following tables present revenue, profit/(loss) and certain asset and expenditure information for the Group's geographical segments.

	Segment revenue			
	Sales to external customers		Segment results	
	2002	2001	**2002**	2001
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Europe	**105,068**	85,586	**(7,812)**	(13,482)
North America	**48,017**	50,162	**(1,837)**	(5,310)
South America	**12,863**	17,697	**(1,359)**	(3,429)
Asia Pacific	**27,213**	32,333	**(650)**	(517)
Middle East	**8,062**	7,835	**(858)**	(959)
Oceania	**11,460**	11,561	**(2,724)**	(1,943)
Corporate and other	**—**	—	**(530)**	1,989
	212,683	205,174	**(15,770)**	(23,651)

Other segment information

	Segment assets		Capital expenditure	
	2002	2001	**2002**	2001
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Europe	**12,147**	7,541	**68**	256
North America	**3,276**	4,482	**—**	31
South America	**1,500**	3,090	**—**	—
Asia Pacific	**160,624**	186,842	**7,845**	15,634
Middle East	**1,484**	1,021	**—**	—
Oceania	**1,829**	463	**—**	—
Corporate and other	**25,970**	28,081	**—**	—
	206,830	231,520	**7,913**	15,921

5. RELATED PARTY TRANSACTIONS

(a) In addition to the balances and transactions set out elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

		Group	
		2002	2001
	Notes	***HK$'000***	*HK$'000*
Gross rental received from an associate	*(i)*	**–**	180
Consultancy fee income received from previous associates	*(ii)*	**–**	630
Interest income received from an associate	*(iii)*	**–**	703
Interest expense paid to an associate	*(iv)*	**407**	709

Notes:

(i) The rental income in the prior year related to a property included in fixed assets which was rented to an associate for office premises. The monthly rental HK$20,000 was calculated by reference to the then open market rentals. The tenancy was terminated in January 2001.

(ii) The consultancy fee income in the prior year related to the provision of management, accounting and financial services to former associates which fees were determined based on an agreement between the parties concerned. No such services were rendered in the current year.

(iii) The interest income in the prior year related to an unsecured loan of HK$11,400,000 granted to an associate. The interest income was calculated based on the one-month Hong Kong Interbank Offerred Rate ("HIBOR") plus 1%.

(iv) The interest expense related to an advance from an associate of HK$22,760,000 (2001: HK$20,990,000) at the balance sheet date. The interest was calculated at rates ranging from 0.82% to 3.39% (2001: 3.425%) per annum during the year.

(b) A director of the Company has given a guarantee, amounting to HK$16,000,000 (2001: HK$19,000,000), in favour of a bank in respect of banking facilities granted to the Group. These facilities were utilised to the extent of HK$2,448,000 (2001: HK$7,333,000) as at 31 March 2002.

5. RELATED PARTY TRANSACTIONS *(Continued)*

(c) The Company advanced HK$11,400,000 to Cosmedia Limited ("Cosmedia"), a former associate, for general working capital in the prior year. The Company disposed its remaining 29% equity interest in Cosmedia and Cosmedia Group Co. Limited in September 2001 at cost and the advance was restructured upon the Share Sale and Purchase Agreement ("SSPA") as: (i) immediate repayment of HK$1,500,000 upon signing the SSPA; (ii) a promissory note of HK$4,500,000 repayable by 18 equal instalments payment starting on 3 December 2001; and (iii) a promissory note of HK$5,400,000 repayable on or before 4 September 2006. The notes receivable are secured by the shares of Cosmedia and Cosmedia Group Co. Limited and are interest-free, except for the promissory note of HK$5,400,000 which bears interest at 0.5% per annum. The promissory note of HK$5,400,000 repayable on or before 4 September 2006 has been provided against by HK$295,000 and included in the long term portion of the promissory notes of HK$5,605,000 (note 18).

6. TURNOVER, REVENUE AND GAINS

Turnover represents the invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of turnover, other revenue and gains is as follows:

	Group	
	2002	2001
	HK$'000	*HK$'000*
Turnover		
Sale of goods	**212,683**	205,174
Other revenue		
Interest income	**318**	1,085
Gross rental income	**708**	927
Sale of moulds	**886**	428
Sale of scrap materials	**343**	207
Consultancy fee income received from associates	**—**	630
Others	**676**	505
	2,931	3,782
Gains		
Gain on disposal of interests in associates	**1,957**	12,537
Gain on disposal of interests in subsidiaries	**—**	33
	1,957	12,570
	4,888	16,352

7. LOSS FROM OPERATING ACTIVITIES

The Group's loss from operating activities is arrived at after charging/(crediting):

	2002	2001
	HK$'000	*HK$'000*
Cost of inventories sold*	170,494	171,749
Depreciation	14,539	12,851
Minimum lease payments under operating leases for land and buildings	1,392	2,150
Auditors' remuneration	482	670
Staff costs (excluding directors' remuneration — *note 9*):		
Wages and salaries	25,411	26,126
Severance payments	2,568	—
Pension scheme contributions	481	179
Total staff costs	28,460	26,305
Impairment of fixed assets#	161	—
Provision for a note receivable	295	—
Loss on disposal of fixed assets, net	269	—
Deficit on revaluation of fixed assets#	491	344
Deficit on revaluation of investment properties#	90	80
Exchange gains, net	(82)	(867)
Net rental income	(670)	(896)

* Included depreciation amounting to HK$10,286,000 (2001: HK$8,645,000), staff costs amounting to HK$11,948,000 (2001: HK$12,813,000) and a provision for inventory obsolescence of HK$1,000,000 (2001: a write back of HK$105,000).

\# The impairment of fixed assets and the deficits on revaluation of fixed assets and investment properties are included in other operating expenses.

8. FINANCE COSTS

	Group	
	2002	2001
	HK$'000	*HK$'000*
Interest on bank loan, overdrafts and other loans wholly repayable within five years	**2,639**	2,355
Interest on a convertible note	**—**	1,089
Interest on finance leases	**41**	98
Total interest	**2,680**	3,542

9. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to the Rules of Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Section 161 of the Companies Ordinance is as follows:

	Group	
	2002	2001
	HK$'000	*HK$'000*
Fees	**100**	100
Other emoluments:		
Salaries, commissions, allowances and benefits in kind*	**6,422**	9,549
Pension scheme contributions	**49**	16
	6,471	9,565
	6,571	9,665

* Included the minimum lease payments under operating leases for land and building amounting to HK$1,392,000 (2001: HK$2,150,000).

Fees include HK$100,000 (2001: HK$100,000) payable to the independent non-executive directors. There were no other emoluments payable to the independent non-executive directors during the year (2001: Nil).

9. DIRECTORS' REMUNERATION *(Continued)*

The number of directors whose fell within the following bands is as follows

	Number of directors	
	2002	2001
Nil — HK$1,000,000	**4**	2
HK$1,000,001 — HK$1,500,000	**—**	1
HK$1,500,001 — HK$2,000,000	**3**	—
HK$2,000,001 — HK$2,500,000	**—**	1
HK$2,500,001 — HK$3,000,000	**—**	1
HK$3,000,001 — HK$3,500,000	**—**	1
	7	6

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

10. SEVEN HIGHEST PAID INDIVIDUALS

The seven (2001: six) highest paid individuals during the year included five (2001: four) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining two (2001: two) non-director, highest paid individuals are as follows:

	Group	
	2002	2001
	HK$'000	*HK$'000*
Basic salaries, commissions and benefits in kind	**1,092**	1,191
Pension scheme contributions	**24**	8
	1,116	1,199

The remuneration of each of the two non-director, highest paid individuals was less than HK$1,000,000.

11. TAX

No Hong Kong profits tax has been provided as the Group had no assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere are calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Group	
	2002	2001
	HK$'000	*HK$'000*
Group:		
Elsewhere	**102**	—
Deferred tax written back — *note 25*	**(32)**	(21)
	70	(21)
Share of tax attributable to an associate	**198**	—
Tax charge/(credit) for the year	**268**	(21)

12. NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net loss from ordinary activities attributable to shareholders for the year ended 31 March 2002 dealt with in the financial statements of the Company, was HK$54,766,000 (2001: HK$22,915,000).

13. LOSS PER SHARE

The calculation of basic loss per share is based on the net loss from ordinary activities attributable to shareholders for the year of HK$15,770,000 (2001: HK$23,651,000) and the weighted average of 457,524,848 (2001: 433,357,999) ordinary shares in issue during the year.

Diluted loss per share amounts for the years ended 31 March 2002 and 2001 have not been disclosed as no diluting events existed during these years.

14. FIXED ASSETS

Group

	Leasehold land and buildings HK$'000	Furniture and fixtures HK$'000	Machinery, engineering and other equipment HK$'000	Motor vehicles HK$'000	Moulds HK$'000	Total HK$'000
Cost or valuation:						
At beginning of year	61,360	11,040	37,751	11,689	45,422	167,262
Additions	—	2,114	83	—	5,716	7,913
Transfer from investment properties — *note 15*	1,960	—	—	—	—	1,960
Disposals	—	—	—	(3,950)	—	(3,950)
Written off	—	(3,041)	(11,217)	—	(4,068)	(18,326)
Revaluation deficit	(2,440)	—	—	—	—	(2,440)
At 31 March 2002	60,880	10,113	26,617	7,739	47,070	152,419
Accumulated depreciation and impairment:						
At beginning of year	—	5,591	24,611	7,880	19,332	57,414
Provided during the year	1,477	2,674	3,802	993	5,593	14,539
Impairment during the year recognised in the profit and loss account	—	161	—	—	—	161
Disposals	—	—	—	(2,873)	—	(2,873)
Written off	—	(3,041)	(11,217)	—	(4,068)	(18,326)
Written back on revaluation	(1,477)	—	—	—	—	(1,477)
At 31 March 2002	—	5,385	17,196	6,000	20,857	49,438
Net book value:						
At 31 March 2002	60,880	4,728	9,421	1,739	26,213	102,981
At 31 March 2001	61,360	5,449	13,140	3,809	26,090	109,848
Analysis of cost and valuation:						
At cost	—	10,113	26,617	7,739	47,070	91,539
At valuation	60,880	—	—	—	—	60,880
	60,880	10,113	26,617	7,739	47,070	152,419

Note: Accumulated impairment losses are aggregated with accumulated depreciation under the revised disclosure requirements of SSAP 17, as detailed in note 2 to the financial statements, whereas previously they were disclosed as an adjustment to the cost of the assets. This change has been disclosed as a retrospective reclassification.

14. FIXED ASSETS *(Continued)*

The net book value of fixed assets held under finance leases included in the total amount of machinery, engineering and other equipment at 31 March 2002 amounted to HK$1,216,000 (2001: HK$1,366,000).

An analysis of the Group's leasehold land and buildings, which are stated at professional valuation and held under medium term leases, is as follows:

	2002	2001
	HK$'000	HK$'000
The People's Republic of China:		
Hong Kong	17,980	17,360
Elsewhere	42,900	44,000
	60,880	61,360

The Group's leasehold land and buildings were revalued individually at the balance sheet date by DTZ Debenham Tie Leung Limited, independent professional valuers, at an aggregate open market value of HK$60,880,000 based on their existing use. Revaluation deficits of HK$491,000 (2001: HK$344,000) and HK$472,000 (2001: HK$1,359,000) have been charged to the profit and loss account and the property revaluation reserve as set out in notes 7 and 27 to the financial statements, respectively.

Had the Group's leasehold land and buildings been carried at historical cost less accumulated depreciation and impairment losses, their carrying amounts would have been approximately HK$43,766,000 (2001: HK$42,890,000).

At 31 March 2002, certain of the Group's leasehold land and buildings with a net book value of HK$17,980,000 (2001: HK$17,360,000) were pledged to secure general banking facilities granted to the Group (note 23).

15. INVESTMENT PROPERTIES

	Group	
	2002	2001
	HK$'000	*HK$'000*
At beginning of year	**3,340**	3,420
Transferred to leasehold land and buildings — *note 14*	**(1,960)**	—
Deficit on revaluation	**(90)**	(80)
At 31 March	**1,290**	3,340

The investment properties are situated in Hong Kong and are held under medium term leases.

The Group's investment properties were revalued at the balance sheet date by DTZ Debenham Tie Leung Limited, independent professional valuers, at HK$1,290,000 (2001: HK$3,340,000), on an open market value, existing use basis. The investment properties are leased to third parties under operating leases, further details of which are included in note 30 to the financial statements.

At 31 March 2002, all of the Group's investment properties amounting to HK$1,290,000 (2001: HK$3,340,000) were pledged to secure general banking facilities granted to the Group (note 23).

16. INTERESTS IN SUBSIDIARIES

	Company	
	2002	2001
	HK$'000	*HK$'000*
Unlisted shares, at cost	**60,953**	69,333
Due from subsidiaries	**150,407**	148,902
	211,360	218,235
Provisions for impairment	**(130,354)**	(85,501)
	81,006	132,734

16. INTERESTS IN SUBSIDIARIES *(Continued)*

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

Particulars of the subsidiaries are as follows:

Name	Place of incorporation/ registration and operations	Nominal value of issued shares/ registered capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Anex Electrical Company Limited ("AECL")	Hong Kong	HK$9,000 ordinary shares HK$3,000,000 non-voting deferred shares#	100	—	Sale of electrical appliances and property investment
Anex Industrial Corporation Limited	Hong Kong	HK$500,000 ordinary shares	—	100	Property investment
Anco Industrial Company Limited	British Virgin Islands/ People's Republic of China	US$100 ordinary shares	—	100	Manufacture of electrical appliances
Anex USA Products, Inc.*	United States of America	US$10,000 ordinary shares	—	100	Sale of electrical appliances
Melwick (HK) Limited	Hong Kong	HK$2 ordinary shares	100	—	Trading of merchandise
Antec Appliances Limited	Hong Kong	HK$2 ordinary shares	100	—	Dormant
Anson Industrial Limited	British Virgin Islands	US$100 ordinary shares	—	100	Dormant

16. INTERESTS IN SUBSIDIARIES *(Continued)*

Name	Place of incorporation/ registration and operations	Nominal value of issued shares/ registered capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Anco Industrial Company Limited	Hong Kong	HK$10,000 ordinary shares	—	100	Dormant
Kaiser Finance Limited	Hong Kong	HK$100 ordinary shares	100	—	Dormant
Anex Germany Products GmbH*	Republic of Germany	DM50,000 ordinary shares	—	95	Sale of electrical appliances
Anex Japan Corporation*	Japan	JPY10,000,000 ordinary shares	—	95	Sale of electrical appliances

\# The non-voting deferred shares do not entitle the holders thereof to receive notice of or to attend or vote at any general meeting of AECL by virtue or in respect of their holdings of such non-voting deferred shares. The holders of non-voting deferred shares shall not be entitled to any participation in the profits or assets of AECL except a fixed non-cumulative dividend at the rate of 5% per annum for any financial year of AECL in respect of which the net profits of AECL available for dividend exceed HK$1,000,000,000. On a winding-up, the holders of the non-voting deferred shares shall be entitled, out of the surplus assets of AECL, to a return of the capital paid up on the non-voting deferred shares held by them respectively after a total sum of HK$100,000,000,000 has been distributed in such winding up in respect of each of the ordinary shares of AECL.

* Not audited by Ernst & Young Hong Kong or other Ernst & Young International member firms.

17. INTERESTS IN ASSOCIATES

	Group		Company	
	2002	2001	**2002**	2001
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Unlisted shares, at cost	**—**	—	**—**	5
Share of net assets	**18,243**	16,021	**—**	—
Due from an associate	**—**	485	**21,475**	21,475
Due to an associate	**(1,286)**	—	**—**	—
Loan to an associate	**—**	11,400	**—**	11,400
	16,957	27,906	**21,475**	32,880

The balances with associates are unsecured, interest-free and have no fixed terms of repayment, except for an amount of HK$22,760,000 (2001: HK$20,990,000) due to an associate which bears interest ranging from 0.82% to 3.39% (2001: 3.425%) per annum and an advance to an associate of HK$11,400,000 in the prior year which bore interest at 1% above the one-month HIBOR.

Particulars of the associate are as follows:

Name	Business Structure	Place of incorporation and operations	Percentage of equity interest attributable to the Group	Principal activity
Ancen Properties Limited	Corporate	Hong Kong	40	Real estate development

17. INTERESTS IN ASSOCIATES *(Continued)*

Extracts of the financial statements of the Group's material associates are as follows:

	Ancen Properties Limited		Cosmedia Group Co. Limited		Cosmedia Limited	
	2002	2001	**2002**	2001	**2002**	2001
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Consolidated profit and loss accounts						
Turnover	**7,775**	7,245	**N/A**	1,145	**N/A**	21,752
Profit/(loss) attributable to shareholders	**674**	(138)	**N/A**	(14,185)	**N/A**	(7,895)
Consolidated balance sheets						
Non-current assets	**23,412**	26,300	**N/A**	3,181	**N/A**	8,559
Current assets#	**86,314**	93,822	**N/A**	26,135	**N/A**	24,736
Current liabilities	**(12,030)**	(17,176)	**N/A**	(37,253)	**N/A**	(24,936)
Non-current liabilities	**(52,089)**	(58,013)	**N/A**	—	**N/A**	(32,994)

A time deposit and certain cash and bank balances of Ancen Properties Limited and its subsidiaries ("the Ancen Group") amounting to HK$1,452,000 as at 31 March 2002 (2001: HK$1,213,000) were pledged to certain banks as security for its obligation under a buy-back undertaking entered into between the Ancen Group and these banks. Under this buy-back undertaking, the Ancen Group may be obliged to buy back properties in the event of any defaults by the initial mortgagors (who are unrelated to the Group) or in the event of non-issuance of the property ownership certificate. As at 31 March 2002, the outstanding mortgage balances granted by the banks were HK$2,952,000 (2001: HK$2,435,000).

18. NOTES RECEIVABLE

	Group and Company	
	2002	2001
	HK$'000	*HK$'000*
Notes receivable	**8,900**	—
Portion classified as current assets	**(3,000)**	—
	5,900	—
Provision for a note receivable	**(295)**	—
Long term portion	**5,605**	—

The note receivable of HK$5,400,000 is secured, bears interest at 0.5% per annum and is repayable on or before 4 September 2006. The remaining note receivable of HK$3,500,000 is secured, interest-free and repayable by monthly installments until May 2003 (note 5(c)).

19. INVENTORIES

	Group	
	2002	2001
	HK$'000	*HK$'000*
Raw materials	**21,520**	27,260
Work in progress	**7,987**	11,323
Finished goods	**13,878**	15,853
	43,385	54,436

Inventories are stated at cost in the current year and prior year.

20. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. Invoices are normally payable between 30 to 60 days after issuance, except for certain well-established customers, where the terms are extended to 90 days.

An aged analysis of the trade receivables as at the balance sheet date, based on invoice date and net of provisions, is as follows:

	Group	
	2002	2001
	HK$'000	*HK$'000*
0 — 30 days	**14,251**	12,927
31 — 60 days	**381**	2,622
61 — 90 days	**1,163**	218
More than 90 days	**3,758**	2,579
	19,553	18,346

21. TRADE PAYABLES

An aged analysis of the trade payables as at the balance sheet date, based on invoice date, is as follows:

	Group	
	2002	2001
	HK$'000	*HK$'000*
0 — 30 days	**7,830**	8,762
31 — 60 days	**5,079**	5,343
61 — 90 days	**4,460**	2,992
More than 90 days	**10,385**	14,399
	27,754	31,496

22. INTEREST-BEARING BANK LOAN AND OTHER BORROWINGS

		Group	
		2002	2001
	Notes	***HK$'000***	*HK$'000*
Current portion of a bank loan, secured	*23*	**1,500**	1,500
Current portion of finance lease payables	*24*	**282**	488
		1,782	1,988

23. INTEREST-BEARING BANK LOAN AND OTHER LOANS

	Group	
	2002	2001
	HK$'000	*HK$'000*
Bank loan, secured	**2,375**	3,875
Other loans, unsecured	**14,500**	18,600
	16,875	22,475
Bank loan repayable:		
Within one year	**1,500**	1,500
In the second year	**875**	1,500
In the third to fifth years, inclusive	**—**	875
	2,375	3,875
Other loans repayable:		
In the second year	**14,500**	18,600
	16,875	22,475
Portion classified as current liabilities — *note 22*	**(1,500)**	(1,500)
Long term portion	**15,375**	20,975

23. INTEREST-BEARING BANK LOAN AND OTHER LOANS *(Continued)*

(a) The Group's bank loan is secured by:

(i) mortgages over the Group's investment properties situated in Hong Kong which have an aggregate carrying value at the balance sheet date of approximately HK$1,290,000 (2001: HK$3,340,000) (note 15); and

(ii) mortgages over certain of the Group's leasehold land and buildings which have an aggregate net book value at the balance sheet date of approximately HK$17,980,000 (2001: HK$17,360,000) (note 14).

(b) Other loans are unsecured and bear interest ranging from 5.6% to 9.8% (2001: 7.75% to 10%) per annum.

24. FINANCE LEASE PAYABLES

The Group leases certain of its moulds for its design and manufacture business. These leases are classified as finance leases and have remaining lease terms of less than one year as at the balance sheet date.

At 31 March 2002, the total future minimum lease payments under finance leases and their present values, were as follows:

24. FINANCE LEASE PAYABLES *(Continued)*

Group	Minimum lease payments 2002 HK$'000	Minimum lease payments 2001 HK$'000	Present value of minimum lease payments 2002 HK$'000	Present value of minimum lease payments 2001 HK$'000
Amounts payable:				
Within one year	**288**	538	**282**	488
In the second year	**—**	293	**—**	285
Total minimum finance lease payments	**288**	831	**282**	773
Future finance charges	**(6)**	(58)		
Total net finance lease payables	**282**	773		
Portion classified as current liabilities — *note 22*	**(282)**	(488)		
Long term portion	**—**	285		

SSAP 14 was revised and implemented during the year, as detailed in note 2 to the financial statements. Certain new disclosures are required and have been included above. The prior year comparative amounts for the new disclosures have also been included where appropriate.

25. DEFERRED TAX

	Group	
	2002	2001
	HK$'000	*HK$'000*
Balance at beginning of year	**32**	136
Credit for the year — *note 11*	**(32)**	(21)
Disposal of subsidiaries	**—**	(83)
At 31 March	**—**	32

The principal components of the Group's provision for deferred tax, and the net deferred tax asset position not recognised in the financial statements are as follows:

	Provided		Not provided	
	2002	2001	**2002**	2001
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Accelerated depreciation allowances	**—**	(31)	**(2,599)**	(1,559)
Tax losses	**—**	—	**12,906**	9,969
Other	**—**	(1)	**—**	(65)
	—	(32)	**10,307**	8,345

The revaluation of the Group's investment properties does not constitute a timing difference and, consequently, the amount of potential deferred tax thereon has not been quantified.

The Company had no unprovided deferred tax at the balance sheet date (2001: Nil).

26. SHARE CAPITAL

Shares

	Company	
	2002	2001
	HK$'000	*HK$'000*
Authorised:		
800,000,000 ordinary shares of HK$0.10 each	**80,000**	80,000
Issued and fully paid:		
457,524,848 ordinary shares of HK$0.10 each	**45,752**	45,752

Share options

The Company operates a share option scheme (the "Scheme"), further details of which are set out under the heading "Share option scheme" in the Report of the Directors on pages 10 to 12.

During the year, 5,400,000 options lapsed.

At the balance sheet date, the Company had 3,990,000 outstanding share options at an exercise price of HK$0.40, entitling the holders to subscribe in cash at any time during the period of three years from 1 February 2000. The exercise in full of the share options would, under the present capital structure of the Company, result in the issue of 3,990,000 shares of HK$0.10 each at a consideration of approximately HK$399,000.

27. RESERVES

	Share premium account	Capital reserve	Asset revaluation reserve	Exchange fluctuation reserve	Retained profits/ (accumulated losses)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Group						
At 1 April 2000	103,948	2,789	27,143	(70)	11,822	145,632
Deficit on revaluation	—	—	(1,359)	—	—	(1,359)
Loss for the year	—	—	—	—	(23,651)	(23,651)
Exchange realignment	—	—	—	(102)	—	(102)
At 31 March 2001 and beginning of year	103,948	2,789	25,784	(172)	(11,829)	120,520
Deficit on revaluation	—	—	(472)	—	—	(472)
Loss for the year	—	—	—	—	(15,770)	(15,770)
Exchange realignment	—	—	—	(4)	—	(4)
At 31 March 2002	103,948	2,789	25,312	(176)	(27,599)	104,274
Reserves retained by:						
Company and subsidiaries	103,948	2,789	25,312	(176)	(45,842)	86,031
Associate	—	—	—	—	18,243	18,243
At 31 March 2002	103,948	2,789	25,312	(176)	(27,599)	104,274
Company and subsidiaries	103,948	2,789	25,784	(172)	(27,845)	104,504
Associates	—	—	—	—	16,016	16,016
At 31 March 2001	103,948	2,789	25,784	(172)	(11,829)	120,520

27. RESERVES *(Continued)*

	Share premium account	Contributed surplus	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Company				
At 1 April 2000	103,948	60,733	(21,347)	143,334
Loss for the year	—	—	(22,915)	(22,915)
At 31 March 2001 and beginning of year	103,948	60,733	(44,262)	120,419
Loss for the year	—	—	(54,766)	(54,766)
At 31 March 2002	103,948	60,733	(99,028)	65,653

The contributed surplus of the Company represents the excess of the fair values of the shares of the subsidiaries acquired pursuant to the Group reorganisation in June 1991 over the nominal value of the Company's shares issued in exchange therefor. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to shareholders in certain circumstances.

28. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of loss from operating activities to net cash inflow from operating activities

	2002	2001
	HK$'000	HK$'000
Loss from operating activities	(13,282)	(13,070)
Interest income	(318)	(1,085)
Depreciation	14,539	12,851
Loss on disposal of fixed assets	269	—
Gain on disposal of interests in subsidiaries	—	(33)
Gain on disposal of interests in associates	(1,957)	(12,537)
Provision for/(write back of) inventory obsolescence	1,000	(105)
Deficit on revaluation of fixed assets	491	344
Deficit on revaluation of investment properties	90	80
Impairment of fixed assets	161	—
Provision for a note receivable	295	—
Decrease in inventories	10,051	7,606
Decrease/(increase) in trade receivables	(1,207)	15,483
Decrease in prepayments, deposits and other receivables	337	1,841
Decrease/(increase) in an amount due from an associate	485	(250)
Increase in an amount due to an associate	1,286	—
Decrease in trade payables	(3,742)	(2,399)
Increase in other payables and accruals	861	7,747
Net cash inflow from operating activities	9,359	16,473

28. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

(b) Analysis of changes in financing during the year

	Issued capital (including share premium account)	Bank and other loans	Finance lease obligations	Minority interests
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 April 2000	146,730	40,000	—	7,539
Cash inflow/(outflow) from financing activities, net	2,970	(17,525)	(731)	—
Inception of finance lease contracts	—	—	1,504	—
Minority share of loss for the year	—	—	—	(3)
Minority share of exchange fluctuation	—	—	—	(2)
Disposal of subsidiaries	—	—	—	(7,510)
Balance at 31 March 2001 and at beginning of year	149,700	22,475	773	24
Cash outflow from financing activities, net	—	(5,600)	(491)	—
Minority share of profit for the year	—	—	—	8
Balance at 31 March 2002	149,700	16,875	282	32

(c) Major non-cash transactions

(i) Included in the prior year's mould deposits of approximately HK$3,807,000 was transferred to moulds under fixed assets in the current year.

(ii) The Company has disposed its remaining 29% equity interest in Cosmedia in the current year. Consequently, the advance to Cosmedia of HK$11,400,000 in the prior year was restructured as notes receivable (note 5(c)). Cash repayments of HK$2,500,000 were received in current year to reduce the note receivable.

28. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

(d) Disposal of subsidiaries

	2001
	HK$'000
Net assets disposed of:	
Fixed assets	4,556
Film rights	2,778
Trade receivables	3,668
Prepayments, deposits and other receivables	11,006
Cash and bank balances	9,119
Trade payable	(538)
Other payable and accruals	(14,141)
Tax payable	(1,029)
Deferred tax	(83)
Minority interests	9
	15,345
Minority interests	(7,519)
Reclassification to interests in associates	(7,519)
Gain on disposal of interests in subsidiaries	33
	340
Satisfied by:	
Cash	340

28. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

(d) Disposal of subsidiaries *(Continued)*

An analysis of net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	2001
	HK$'000
Cash consideration	340
Cash and bank balances disposed subsidiaries	(9,119)
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	(8,779)

The subsidiaries disposed of last year had no significant impact on the Group's cash flows. The results of the subsidiaries disposed of last year had no significant impact on the consolidated turnover and the consolidated loss before minority interests for the year.

29. CONTINGENT LIABILITIES

At the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

	Group		Company	
	2002	2001	**2002**	2001
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Bills discounted with recourse	**1,113**	1,495	**—**	—
Guarantees given to a bank for facilities granted to subsidiaries	**—**	—	**16,000**	19,000

As at 31 March 2002, the guarantees given to a bank in connection with facilities granted to subsidiaries by the Company were utilised to the extent of HK$2,448,000 (2001: HK$7,333,000).

30. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 15 to the financial statements) under operating lease arrangements, with leases negotiated for terms ranging from one to two years. The terms of the leases generally also required the tenants to pay security deposits and provide for periodic rental adjustments according to the then prevailing market conditions.

At 31 March 2002, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	Group	
	2002	2001
	HK$'000	*HK$'000*
Within one year	**144**	264
In the second to fifth years, inclusive	**—**	144
	144	408

(b) As lessee

The Group leases certain of its staff quarters under operating lease arrangements. Leases for properties are negotiated for terms ranging one to two years.

At the balance sheet date, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group	
	2002	2001
	HK$'000	*HK$'000*
		(Restated)
Within one year	**1,357**	1,357
In the second to fifth years, inclusive	**29**	1,357
	1,386	2,714

30. OPERATING LEASE ARRANGEMENTS *(Continued)*

(b) As lessee *(Continued)*

Revised SSAP 14, which was adopted during the year, requires lessors under operating leases to disclose the total future minimum operating lease receivables under non-cancellable operating leases, as detailed in note (a) above. This disclosure was not previously required. Revised SSAP 14 also requires lessees under operating leases to disclose the total future minimum operating lease payments, rather than only the payments to be made during the next year as was previously required. Accordingly, the prior year comparative amounts for operating leases as lessee in note (b) above, have been restated to accord with the current year's presentation.

31. CAPITAL COMMITMENTS

In addition to the operating lease commitments detailed in note 30(b) above, the Group had the following capital commitments at the balance sheet date:

	Group	
	2002	2001
	HK$'000	*HK$'000*
Contracted for	**170**	239

The Company had no significant commitments at the balance sheet date (2001: Nil).

32. COMPARATIVE AMOUNTS

As further explained in note 2 to the financial statements, due to the adoption of certain new and revised SSAPs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been restated to conform with the current year's presentation.

33. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 July 2002.