

14. Commitments under operating leases

The Group's total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings		Office equipment	
	30 June 2002 HK\$'000	31 December 2001 HK\$'000	30 June 2002 HK\$'000	31 December 2001 HK\$'000
Within one year	998	-	-	-
Two to fifth years inclusive	2,160	4,310	51	60
	3,158	4,310	51	60

15. Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2002 (30/6/2001: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

For the period under review, the Group's turnover amounted to approximately HK\$56,964,000.00 (6/2001: HK\$59,185,000.00), representing a loss of 3.75% over the same period last year, in which turnovers of watch business and computer distribution operation represented approximately 84% and 16% respectively.

For the six months ended 30 June 2002, loss attributable to shareholders of the Group amounted to approximately HK\$553,000.00 (6/2001: loss attributable to shareholders of HK\$9,467,000.00). Loss per share for the period under review amounted to 0.02 HK cents (6/2001: loss per share of 0.29 HK cents).

Liquidity and Financial Information

As at 30 June 2002, the Group's bank and other borrowings amounted to approximately HK\$12,928.00, compared with approximately HK\$13,646,000.00 as at 31 December 2001. Cash and bank balances amounted to approximately HK\$321,000.00 as at 30 June 2002, compared with approximately HK\$9,773,000.00 as at 31 December 2001. The net borrowings amounting to approximately HK\$12,607,000.00 as at 30 June 2002 (31/12/2001: HK\$3,873,000.00) were secured by the Group's leasehold land and buildings.