

NOTES TO THE ACCOUNTS (Continued)

25 RESERVES

(a) Group

	Share premium	General reserve	Capital reserve	Legal reserve	Exchange fluctuation reserve	Capital redemption reserve	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2001, as previously reported	602,026	70,000	1,171	7,468	3,435	40,118	2,237,290	2,961,508
Effect of the provision for employee leave entitlements (note 1(j)(i))	-	-	-	-	-	-	(42,657)	(42,657)
At 1 January 2001, as restated	602,026	70,000	1,171	7,468	3,435	40,118	2,194,633	2,918,851
Arising on consolidation								
- subsidiaries	-	-	-	-	(8,302)	-	-	(8,302)
- jointly controlled entities	-	-	-	-	(9,613)	-	-	(9,613)
- associated companies	-	-	-	-	(1,542)	-	-	(1,542)
Exchange translation differences	-	-	-	-	5,557	-	(5,557)	-
Profit for the year, as restated	-	-	-	-	-	-	589,431	589,431
2000 Final dividend paid	-	-	-	-	-	-	(328,500)	(328,500)
2001 Interim dividend paid (note 10)	-	-	-	-	-	-	(87,600)	(87,600)
At 31 December 2001	602,026	70,000	1,171	7,468	(10,465)	40,118	2,362,407	3,072,725
Representing:								
2001 Final dividend proposed							328,500	
Others							2,033,907	
Retained earnings at 31 December 2001							<u>2,362,407</u>	
Company and subsidiaries	602,026	70,000	1,171	7,468	4,928	40,118	2,415,096	3,140,807
Jointly controlled entities	-	-	-	-	(13,259)	-	(44,608)	(57,867)
Associated companies	-	-	-	-	(2,134)	-	(8,081)	(10,215)
At 31 December 2001	602,026	70,000	1,171	7,468	(10,465)	40,118	2,362,407	3,072,725

NOTES TO THE ACCOUNTS (Continued)

25 RESERVES (Continued)

(a) Group (Continued)

	Share premium	General reserve	Capital reserve	Legal reserve	Exchange fluctuation reserve	Capital redemption reserve	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2002, as previously reported	602,026	70,000	1,171	7,468	(10,465)	40,118	2,411,883	3,122,201
Effect of the provision for employee leave entitlements (note 1(j)(i))	-	-	-	-	-	-	(49,476)	(49,476)
At 1 January 2002, as restated	602,026	70,000	1,171	7,468	(10,465)	40,118	2,362,407	3,072,725
Arising on consolidation								
- subsidiaries	-	-	-	-	751	-	-	751
- jointly controlled entities	-	-	-	-	4,135	-	-	4,135
- associated companies	-	-	-	-	903	-	-	903
Exchange translation differences	-	-	-	-	2,807	-	(2,807)	-
Profit for the year	-	-	-	-	-	-	589,918	589,918
2001 Final dividend paid (note 10)	-	-	-	-	-	-	(328,500)	(328,500)
2002 Interim dividend paid (note 10)	-	-	-	-	-	-	(87,600)	(87,600)
At 31 December 2002	602,026	70,000	1,171	7,468	(1,869)	40,118	2,533,418	3,252,332
Representing:								
2002 Final dividend proposed							328,500	
Others							2,204,918	
Retained earnings at 31 December 2002							2,533,418	
Company and subsidiaries	602,026	70,000	1,171	7,468	8,486	40,118	2,608,158	3,337,427
Jointly controlled entities	-	-	-	-	(9,124)	-	(65,784)	(74,908)
Associated companies	-	-	-	-	(1,231)	-	(8,956)	(10,187)
At 31 December 2002	602,026	70,000	1,171	7,468	(1,869)	40,118	2,533,418	3,252,332

NOTES TO THE ACCOUNTS (Continued)

25 RESERVES (Continued)

(b) Company

	Share premium	General reserve	Capital redemption reserve	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2001, as previously reported	602,026	70,000	40,118	2,212,218	2,924,362
Effect of the provision for employee leave entitlements (note 1(j)(i))	-	-	-	(35,662)	(35,662)
At 1 January 2001, as restated	602,026	70,000	40,118	2,176,556	2,888,700
Profit for the year, as restated	-	-	-	617,747	617,747
2000 Final dividend paid	-	-	-	(328,500)	(328,500)
2001 Interim dividend paid (note 10)	-	-	-	(87,600)	(87,600)
At 31 December 2001	602,026	70,000	40,118	2,378,203	3,090,347
Representing:					
2001 Final dividend proposed				328,500	
Others				2,049,703	
Retained earnings at 31 December 2001				<u>2,378,203</u>	
At 1 January 2002, as previously reported	602,026	70,000	40,118	2,419,375	3,131,519
Effect of the provision for employee leave entitlements (note 1(j)(i))	-	-	-	(41,172)	(41,172)
At 1 January 2002, as restated	602,026	70,000	40,118	2,378,203	3,090,347
Profit for the year	-	-	-	466,856	466,856
2001 Final dividend paid (note 10)	-	-	-	(328,500)	(328,500)
2002 Interim dividend paid (note 10)	-	-	-	(87,600)	(87,600)
At 31 December 2002	602,026	70,000	40,118	2,428,959	3,141,103
Representing:					
2002 Final dividend proposed				328,500	
Others				2,100,459	
Retained earnings at 31 December 2002				<u>2,428,959</u>	

In accordance with local laws and regulations of a subsidiary, the subsidiary is required to transfer certain gain on disposal of fixed assets and the gain on deemed disposal of its associated company to the capital reserve. The application of the capital reserve in respect of the gain on disposal of fixed assets is restricted to covering operating losses and conversion into share capital. The capital reserve in connection with the gain on deemed disposal of its associated company can only be used to cover operating losses.

NOTES TO THE ACCOUNTS (Continued)

25 RESERVES (Continued)

In accordance with local laws of a subsidiary, the subsidiary is required to set aside 10% of annual net income less any accumulated deficit as legal reserve to the extent that the legal reserve amounts to total contributed share capital. The application of the legal reserve is restricted to covering operating losses and conversion into share capital.

The capital redemption reserve and share premium account of the group were set up in accordance with the requirements of the Hong Kong Companies Ordinance.

Distributable reserves, include retained earnings and general reserve, of the company at 31 December 2002, calculated under section 79B of the Hong Kong Companies Ordinance and amounted to HK\$2,498,959,000 (2001 as restated: HK\$2,448,203,000).

26 LONG TERM LIABILITIES

	Group	
	2002	2001
	HK\$'000	HK\$'000
Loans and notes payable		
- Unsecured	-	910
- Secured	76,626	91,652
	76,626	92,562
Obligations under finance leases	462	591
	77,088	93,153
Amounts due within one year included under current liabilities	(21,499)	(20,911)
	55,589	72,242
The analysis of the above is as follows:		
Bank loans		
- wholly repayable within five years	51,160	62,574
- not wholly repayable within five years	20,988	24,507
	72,148	87,081
Other loans and notes payable		
- wholly repayable within five years	4,478	5,481
	76,626	92,562
Obligations under finance leases		
- wholly repayable within five years	462	591
	77,088	93,153
Amounts due within one year included under current liabilities	(21,499)	(20,911)
	55,589	72,242

NOTES TO THE ACCOUNTS (Continued)

26 LONG TERM LIABILITIES (Continued)

At 31 December 2002, the group's bank loans, other loans and notes payable (excluding finance lease liabilities) were repayable as follows:

	Bank loans		Other loans and notes payable	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
- within one year	21,208	19,736	102	1,004
- in the second year	8,818	19,444	111	102
- in the third to fifth year	21,133	23,394	4,265	4,375
- after the fifth year	20,989	24,507	-	-
	72,148	87,081	4,478	5,481

At 31 December 2002, the group's finance lease liabilities were repayable as follows:

	Group	
	2002 HK\$'000	2001 HK\$'000
- within one year	245	223
- in the second year	245	223
- in the third to fifth year	57	274
	547	720
Future finance charges on finance leases	(85)	(129)
Present value of finance lease liabilities	462	591

The present value of finance lease liabilities is as follows:

- within one year	189	171
- in the second year	211	171
- in the third to fifth year	62	249
	462	591