

Notes to Financial Statements

31 December 2002

34. CONTINGENT LIABILITIES

	Group		Company	
	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
Guarantee of banking facilities granted to subsidiaries	<u>–</u>	<u>–</u>	<u>10,000</u>	<u>17,000</u>

Banking facilities utilised by the subsidiaries amounted to HK\$7,538,000 (2001: HK\$9,867,000) at the balance sheet date.

35. OPERATING LEASE ARRANGEMENTS

The Group leases certain properties under operating lease arrangements. These leases are negotiated for terms ranging from two to three years.

At 31 December 2002, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group		Company	
	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
Within one year	206	369	107	228
In the second to fifth years, inclusive	92	254	9	181
	<u>298</u>	<u>623</u>	<u>116</u>	<u>409</u>



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36. COMMITMENTS

In addition to the operating lease commitments detailed in note 35 above, the Group had the following commitments at the balance sheet date:

	Group	
	2002	2001
	HK\$'000	HK\$'000
Capital commitments, contracted for acquisition of plant and machinery	<u>25,466</u>	<u>25,466</u>

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

37. POST BALANCE SHEET EVENTS

Save as disclosed elsewhere in these financial statements, no significant post balance sheet events were noted.

38. COMPARATIVE AMOUNTS

As further explained in note 3 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 and reclassified to conform with the current year's presentation.

In addition, (i) certain provisions for bad and doubtful debts of HK\$2,828,000 for the year ended 31 December 2001, which were included in administrative expenses in the prior year, have been grouped under the heading "Provisions for bad and doubtful debts" on the face of profit and loss account; and (ii) a balance due to a minority shareholder of HK\$15,168,000 as at 31 December 2001, which was included in minority interest and classified under non-current liabilities at that date, has been reclassified as a separate item under the current liabilities, as in the opinion of the directors, such reclassifications provide a more appropriate presentation of the Group's operating results and financial position.

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 24 April 2003.