

1. CORPORATE INFORMATION

The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11 Bermuda.

During the year, the Group was principally engaged in the design, manufacture and sale of a wide range of toys. There were no significant changes in the nature of the Group's principal activities during the year.

In the opinion of the directors, the ultimate holding company of the Company is Baxter Resources S.A., which is incorporated in the British Virgin Islands, as at 31 March 2002. Subsequent to the balance sheet date, Vision Century Group Limited ("Vision Century"), a company incorporated in the British Virgin Islands of which is ultimately held by a discretionary trust, became the holding company of the Company.

1. 公司資料

本公司之註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM11 Bermuda。

在本年度內，本集團主要業務是設計、製造及銷售廣泛種類之玩具。年內本集團之主要業務之性質並無重大變動。

董事認為於二零零二年三月三十一日，本公司之最終控股公司為一間在英屬處女群島註冊成立之公司 Baxter Resources S.A.。在結算日後，一間於英屬處女群島註冊成立，由信託基金為最終持有人，之公司 Vision Century Group Limited (「Vision Century」) 成為本公司之控股公司。

## 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:

## 2. 新及經修訂之會計實務準則之影響

以下為首次於本年度之財務報告中採用之近期頒佈及修訂之會計實務準則及有關註釋：

- |                      |  |
|----------------------|--|
| — SSAP 9 (Revised):  | “Events after the balance sheet date”  |
| — 會計實務準則第9號(經修訂):    | 「結算日後事項」   |
| — SSAP 14 (Revised): | “Leases”   |
| — 會計實務準則第14號(經修訂):   | 「租賃」   |
| — SSAP 18 (Revised): | “Revenue”  |
| — 會計實務準則第18號(經修訂):   | 「收入」   |
| — SSAP 26:           | “Segment reporting”  |
| — 會計實務準則第26號:        | 「分類報告」   |
| — SSAP 28:           | “Provisions, contingent liabilities and contingent assets”   |
| — 會計實務準則第28號:        | 「撥備、或然負債及或然資產」   |
| — SSAP 29:           | “Intangible assets”  |
| — 會計實務準則第29號:        | 「無形資產」   |
| — SSAP 30:           | “Business combinations”  |
| — 會計實務準則第30號:        | 「企業合併」   |
| — SSAP 31:           | “Impairment of assets”   |
| — 會計實務準則第31號:        | 「資產減值」   |
| — SSAP 32:           | “Consolidated financial statements and accounting for investments in subsidiaries”   |
| — 會計實務準則第32號:        | 「綜合財務報告及對附屬公司投資之會計處理」  |
| — Interpretation 12: | “Business combinations - subsequent adjustment of fair values and goodwill initially reported”                             |
| — 註釋第12項:            | 「企業合併 — 日後就初步錄得之公平值及商譽作出之調整」   |
| — Interpretation 13: | “Goodwill - continuing requirements for goodwill and negative goodwill previously eliminated against/credited to reserves” |
| — 註釋第13項:            | 「商譽 — 之前抵銷/計入儲備之商譽及負商譽之持續要求」   |

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:

SSAP 14 (Revised) 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 21 and 29 to the financial statements.

2. 新及經修訂之會計實務準則之影響  
(續)

會計實務準則闡述新會計方法及披露規定。此等對財務報告有重大影響之會計實務準則及註釋，對本集團之會計政策及於此等財務報告所披露之數額之主要影響概述如下：

會計實務準則第14號（經修訂）闡述出租人及租賃人就融資及經營租賃之會計方法及披露要求。先前之會計處理方法已作出若干修訂，可根據會計實務準則而追溯或預期計入。經修訂會計實務準則之規定對於財務報告中先前錄得之賬目並無重大影響，因此，無需作出往年度之調整。此項會計實務準則之披露要求有所變動已導致就融資租賃及經營租賃所披露之資料有所變動，詳情載於財務報告附註21及29。

### 2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE (“SSAPS”) (Continued)

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 5 to the financial statements.

SSAP 28 prescribes the recognition criteria and measurement bases to apply to provisions, contingent liabilities and contingent assets, together with the required disclosures in respect thereof. This SSAP requires the provisions to be discounted to their present value at the balance sheet date, where the effect of discounting is material. This SSAP has had no major impact on these financial statements.

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.

SSAP 32 prescribes the accounting treatment and disclosures for the preparation and presentation of consolidated financial statements, and has had no impact on the preparation of these financial statements.

### 2. 新及經修訂之會計實務準則之影響 (續)

會計實務準則第26號闡述以分類形式報告財務資料之原則。準則規定管理層須評估本集團之重大風險或回報是否基於業務分類或地區分類，並決定其中一項基準為呈報形式之主要分類，而另一項基準則為第二類分類資料之呈報基準。此項會計實務準則之影響為包括重大額外分類呈報披露，詳情載於財務報告附註5。

會計實務準則第28號闡述提撥準備、或然負債及或然資產之確認準則及量度標準，以及其披露之要求。此項會計實務準則規定倘撥備之現值折讓屬重大性質，撥備須按彼等於結算日之現值折讓。此項會計實務準則對此等財務報告並無重大影響。

會計實務準則第31號闡述資產減值之確認及量度標準。此項會計實務準則須於預計時應用，因此，對先前在上一年度之財務報告中錄得之金額並無影響。

會計實務準則第32號闡述編製及呈報綜合財務報告之會計處理方法及披露，並對編製此等財務報告並無影響。

### 3. BASIS OF PRESENTATION

At 31 March 2002, the Group had net current liabilities and deficiency in assets of approximately HK\$238,481,000 and HK\$128,396,000, respectively. The Group also incurred a net loss from ordinary activities attributable to shareholders of approximately HK\$59,284,000 and reported a cash outflow from operating activities of HK\$14,444,000 for the year ended 31 March 2002.

During the year, the Group experienced financial difficulties and had no unutilised banking facilities available to support its normal operational requirements. The Group also had difficulty in repaying short term bank loans on time. As a result, certain suppliers and bankers of the Group filed writs of summons demanding the repayment of amounts due to them by the Group and petitioned for the winding-up of certain Group companies.

In order to strengthen the capital base of the Group and to improve the Group's financial position, immediate liquidity and cash flow and otherwise to sustain the Group as a going concern, the Group has (a) implemented a restructuring, involving a subscription of new shares of the Company and the entering into of various compromise agreements with the Group's bankers and other creditors; (b) effected an open offer; (c) rescheduled the repayment of the Group's indebtedness; and (d) proposed to dispose of a subsidiary, as further explained below:

### 3. 編制基準

於二零零二年三月三十一日，本集團之流動負債淨額及資產虧絀分別約為238,481,000港元及128,396,000港元。本集團之股東應佔來自日常業務虧損淨額約為59,284,000港元，並於截至二零零二年三月三十一日止年度錄得來自經營業務之現金流出14,444,000港元。

年內，本集團面臨財務困難，且並無未動用之銀行融資可支持其日常營運需求。本集團在準時償還短期銀行貸款方面亦有困難。因此，若干本集團之供應商及銀行提呈傳訊令狀，要求本集團償還本集團結欠彼等之到期金額，並提出將本集團若干公司清盤之呈請。

為加強本集團之資金基礎及改善本集團之財務狀況、流動資金、現金流量及其他條件以維持本集團於持續經營狀態，本集團已(a)進行重組架構(包括認購本公司新股份及與本集團之銀行及其他債權人訂立多項妥協協議)；(b)進行公開發售；(c)重新計劃償還本集團之債務；及(d)建議出售一間附屬公司，詳情如下：

3. BASIS OF PRESENTATION (Continued)

(a) Restructuring

During the year, the Group entered into a subscription agreement with Vision Century and various compromise agreements with the Group's Hong Kong bankers (the "Bank Group") and with other creditors of the Group which related to a restructuring plan (the "Restructuring"). Summary particulars of the Restructuring are set out below:

(i) Subscription agreement with Vision Century

On 1 February 2002, the Company entered into a subscription agreement for the subscription of 3,000,000,000 ordinary shares of HK\$0.01 each at par by Vision Century, subject to and on the terms and conditions stated therein. Upon completion of the subscription agreement, cash proceeds of HK\$30,000,000, before related expenses, were receivable by the Company for the issuance of new ordinary shares. The subscription agreement was completed on 16 May 2002 (see note 32(iii)).

3. 編制基準 (續)

(a) 重組

年內，本集團與Vision Century訂立一項認購協議及與本集團之香港銀行（「銀團」）及本集團其他債權人訂立多項有關重組計劃（「重組」）之妥協協議。重組之詳情如下：

(i) 與Vision Century訂立之認購協議

於二零零二年二月一日，本公司就Vision Century認購3,000,000,000股每股面值0.01港元之普通股訂立認購協議，認購須待協議所述之條款及條件所限。待認購協議完成後，本公司可就發新普通股收取扣除有關開支前之現金所得款項30,000,000港元。認購協議於二零零二年五月十六日完成（見附註32(iii)）。

3. BASIS OF PRESENTATION (Continued)

(a) Restructuring (Continued)

- (ii) Compromise agreement with the Bank Group

Pursuant to a bank compromise agreement entered into by the Group and the Bank Group on 1 February 2002, the Bank Group would release and discharge the Group from all of its obligations and liabilities in respect of its bank borrowings advanced by the Bank Group (including principal and interest) outstanding as at completion date of the bank compromise agreement and release the guarantees given by the Group in favour of the Bank Group, subject to and on the terms and conditions stated therein. In consideration of this, the Bank Group would (i) receive a payment in cash by the Company of approximately HK\$20,039,000; and (ii) be issued convertible notes with an aggregate principal amount of HK\$6,500,000 repayable by 3 equal instalments over 3 years. The first instalment will be settled by the Company on or before 17 May 2003. On the basis of the total borrowings owed by the Group to the Bank Group of approximately HK\$103,104,000 as at 31 March 2002, an aggregate amount of approximately HK\$76,565,000 of the bank indebtedness would be waived by the Bank Group.

3. 編制基準 (續)

(a) 重組 (續)

- (ii) 與銀團訂立妥協協議

根據本集團與銀團於二零零二年二月一日訂立之銀行妥協協議，銀團將於銀行妥協協議完成時解除及註銷本集團於其由銀團墊付而未償還銀行借貸（包括本金及利息）之責任及負債，以及解除本集團以銀團為受益人所作出之擔保，惟須受協議所載之條款及條件所限。有顧及此，銀團將(i)收取本公司以現金支付之款項約20,039,000港元；及(ii)發行本金額為6,500,000港元之可換股票據，可於三年內平均分三期償還。首期將由本公司於二零零三年五月十七日或之前償還。根據本集團於二零零二年三月三十一日結欠銀團之總借貸約103,104,000港元為基準，銀團將豁免之銀行借貸總額約為76,565,000港元。

3. BASIS OF PRESENTATION (Continued)

(a) Restructuring (Continued)

In addition, the Group's bankers withdrew their legal proceedings against the Group to demand for immediate repayment of overdue borrowings and interest thereon, and their winding-up petitions against the Group.

(iii) Compromise agreement with other creditors

The Group entered into a compromise agreement with a Mainland PRC entity (the "PRC Entity") owned by the PRC government in respect of settlement of a claim of approximately HK\$23,038,000 by way of (i) a cash payment by the Company of approximately HK\$2,056,000; and (ii) the issue by the Company of a convertible note on or before 31 July 2002 in the principal amount of HK\$16,000,000 repayable on the second anniversary of its issuance.

3. 編制基準 (續)

(a) 重組 (續)

此外，本集團之銀行撤回彼等要求本集團即時償還過期之貸款及利息而作出之法律訴訟，以及彼等要求本集團清盤之呈請。

(iii) 與其他債權人訂立之妥協協議

本集團與一間由中國政府擁有之中國企業（「中國企業」）訂立妥協協議，本公司須於二零零二年七月三十一日成立前以(i)本公司支付現金約2,056,000港元；及(ii)發行本金額為16,000,000港元之可換股票據（可於發行後第二年償還）之方式償還約23,038,000港元之申索。



3. BASIS OF PRESENTATION (Continued)

(a) Restructuring (Continued)

In addition, the Group entered into compromise agreements with 30 creditors who are primarily suppliers and trade creditors of the Group to settle the outstanding amount of approximately HK\$11,300,000 in aggregate owed by the Group by way of (i) a cash payment by the Group of HK\$18,000; and (ii) the issue by the Company of 1,070,280,000 new shares.

Upon completion of the compromise agreements with other creditors, the Group's indebtedness would be reduced by HK\$16,264,000 in aggregate by way of waiver and capitalization of debts.

On 13 May 2002, the Restructuring was approved by the Company's shareholders at a special general meeting. The subscription agreement with Vision Century and the compromise agreement with the Bank Group were completed on 16 May 2002. With regard to the compromise agreements with other creditors, subsequent to the balance sheet date, the Company issued 520,000,000 of the total 1,070,280,000 new ordinary shares of HK\$0.01 each in the Company otherwise issuable, to one of the creditors up to the date of this report.

3. 編制基準 (續)

(a) 重組 (續)

此外，本集團與30位債權人（彼等為本集團之主要供應商及貿易債權人）訂立妥協協議，以清付本集團結欠之未償還金額約11,300,000港元，償還方式為(i)本集團以現金支付18,000港元；及(ii)本公司發行1,070,280,000股新股份。

在與其他債權人完成妥協協議後，本集團之債務將以豁免債務及將債務資本化之方式減少合共16,264,000港元。

於二零零二年五月十三日，本公司之股東於股東特別大會上批准重組。與Vision Century訂立之認購協議及與銀團訂立之妥協協議於二零零二年五月十六日完成。考慮到與其他債權人訂立之妥協協議，於結算日後，本公司於本報告之日向其中一名債權人發行合共1,070,280,000股新普通股中之520,000,000股，每股面值0.01港元。

3. BASIS OF PRESENTATION (Continued)

(b) Open offer

Immediately after completion of the Restructuring, the Company effected a share offer with assured allotments of three offer shares for every two shares of HK\$0.01 each in the Company held by the shareholders whose names appeared on the register of members of the Company on 13 May 2002 (the "Open Offer").

The Open Offer was completed on 29 May 2002 and resulted in the issue of 4,025,905,140 new ordinary shares of HK\$0.01 each in the Company at a price of HK\$0.01 per offer share. Cash proceeds of approximately HK\$40,259,000, before the related Open Offer expenses, were received by the Company.

(c) Rescheduling of the repayment terms of the Group's indebtedness

Further to the Restructuring and the Open Offer set out above, subsequent to the balance sheet date, the Group rescheduled the repayment terms of its indebtedness in order to resolve its immediate liquidity.

3. 編制基準 (續)

(b) 公開發售

緊隨重組完成後，本公司保證向於二零零二年五月十三日名列本公司股東登記冊之股東按每持有兩股每股面值0.01港元之股份配發三股發售股份（「公開發售」）。

公開發售於二零零二年五月二十九日完成，引致以每股發售股份0.01港元發行4,025,905,140股本公司每股面值0.01港元之新股份。在扣除有關公開發售之費用前，本公司收取之現金所得款項約為40,259,000港元。

(c) 重新訂定償還本集團債務之條款

除上述之重組及公開發售外，於結算日後，本集團重訂償還其債務之條款，藉以解決其即時之流動資金問題。

3. BASIS OF PRESENTATION (Continued)

(c) Rescheduling of the repayment terms of the Group's indebtedness  
(Continued)

- (i) The Group has obtained written consent from the Group's Mainland PRC bankers to reschedule and extend the repayment period, subject to a repayment of approximately HK\$2,300,000, of its bank borrowings at 31 March 2002 of approximately HK\$30,233,000 for further one year upon their original maturity in the second half of 2002.
- (ii) Speed Up Developments Limited ("Speed Up"), an independent loan provider to the Group, has undertaken that it will not demand the Group, before 30 June 2003, to repay partly or wholly of loan balances of HK\$26,400,000 due to it at 31 March 2002.
- (iii) As at 31 March 2002, a director had advanced loans of HK\$4,000,000 to the Group. The director has undertaken that he will not demand the Group, before 30 June 2003, to repay partly or wholly of the loans advanced to the Group.

3. 編制基準 (續)

(c) 重新訂定償還本集團債務之條款  
(續)

- (i) 本集團已取得本集團於中國之銀行之書面同意書，以重訂及延遲償還其原定於二零零二年下半年到期之銀行借貸約30,233,000港元（截至二零零二年三月三十一日）之期限多一年，惟須償還約2,300,000港元。
- (ii) 一獨立貸款提供者Speed Up Developments Limited（「Speed Up」）已承諾其將不會於二零零三年六月三十日前要求本集團償還部份或全部於二零零二年三月三十一日結欠之貸款餘額26,400,000港元。
- (iii) 於二零零二年三月三十一日，一位董事墊付4,000,000港元予本集團。董事已承諾彼將不會於二零零三年六月三十日前要求本集團償還部份或全部墊付予本集團之貸款。

### 3. BASIS OF PRESENTATION (Continued)

#### (c) Rescheduling of the repayment terms of the Group's indebtedness

(Continued)

- (iv) Certain directors had agreed that they would not demand for the Group to repay partly or wholly of a total sum of approximately HK\$2,490,000 outstanding at 31 March 2002 in respect of their accrued emoluments unless, herein, paid such, the Group has sufficient working capital for its normal operational requirements.

### 3. 編制基準 (續)

#### (c) 重新訂定償還本集團債務 (續)

- (iv) 若干董事已同意彼等將不會要求本集團償還部份或全部就彼等於二零零二年三月三十一日未償還之應計酬金總額約2,490,000港元，除非，在償還該金額後，本集團有足夠營運資金應付其日常業務所需。

3. BASIS OF PRESENTATION (Continued)

(d) Disposal of a subsidiary

Hung Cheong Toys International Limited ("HCT"), a wholly-owned subsidiary of the Company, had a net deficiency in assets of approximately HK\$170,669,000 as at 31 March 2002 and has remained inactive since June 2001. As at 31 March 2002, HCT had total liabilities of approximately HK\$171,125,000 which has been reflected in the Group's consolidated balance sheet as at 31 March 2002 and comprised intra group liabilities of approximately HK\$50,487,000, liabilities of HK\$110,887,000 guaranteed by the Company and unsecured liabilities of approximately HK\$9,751,000. Having considered legal counsels' advice, the directors of the Company intend to dispose of the entire interest in HCT held by the Company and has withdrawn all the Company's financial support provided to HCT in order to improve the Group's current liquidity which is in the interest of the shareholders of the Company. In this regard, other than any specific liabilities guaranteed by the Company, the Group has no intention to settle the unsecured liabilities of HCT amounted to approximately HK\$9,751,000.

3. 編制基準 (續)

(d) 出售一間附屬公司

於二零零二年三月三十一日，本公司之全資附屬公司雄昌玩具國際有限公司（「雄昌玩具」）之資產虧絀約170,669,000港元，雄昌玩具自二零零一年六月起已無業務。於二零零二年三月三十一日，雄昌玩具之負債總額約為171,125,000港元，並已於本集團之二零零二年三月三十一日之綜合資產負債表中反映出來，且由欠付集團公司之負債約50,487,000港元、本公司擔保之負債約110,887,000港元及無抵押負債約9,751,000港元組成。在考慮到法律顧問之意見後，本公司董事有意出售本公司於雄昌玩具持有之全部權益，並已撤回全部本公司提供予雄昌玩具之財政支援，以期改善本集團之流動資金，此乃符合本公司股東之利益。有見及此，除本公司所擔保之任何特別負債外，本集團無意償還雄昌玩具之無抵押貸款約9,751,000港元。

# Notes to the Financial Statements

## 財務報告附註

### 3. BASIS OF PRESENTATION (Continued)

A summary pro forma consolidated net assets statement of the Group as at 31 March 2002, which is prepared based on the audited consolidated net deficiency in assets of the Group as at 31 March 2002 and adjusted as if the financing and restructuring measures as set out above had taken place on 31 March 2002, is presented below.

### 3. 編制基準 (續)

本集團截至二零零二年三月三十一日之備考綜合資產淨值報表概要乃根據本集團截至二零零二年三月三十一日之經審核綜合資產虧絀淨額計算，並假設上述之融資及重組方法已於二零零二年三月三十一日進行而作出調整，現呈列如下：

	Audited consolidated net deficiency in assets at 31 March 2002	Subscription of shares by Vision Century and Open Offer (notes (a)(i) and (b))	Compromise with Bank Group and other creditors (notes (a)(ii) and (iii))	Pro forma adjustments			Pro forma adjusted consolidated net assets at 31 March 2002
				Reschedule the repayment terms of the Group's indebtedness (note (c))	Effect of intended disposal of a subsidiary (note (d))	Conversion of convertible note*	
	於二零零二年三月三十一日之經審核綜合資產虧絀淨值	Vision Century 認購股份及公開發售 (附註a(i)及(b))	與銀團及其他債權人妥協 (附註a(ii)及(iii))	重訂本集團債務之償還條款 (附註(c))	擬出售一間附屬公司之影響 (附註(d))	兌換可換股票據*	於二零零二年三月三十一日之備考經調整資產淨值
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Non-current assets 非流動資產	111,003	-	-	-	-	-	111,003
Current assets 流動資產	16,113	70,259	(26,141)**	-	-	-	60,231
Current liabilities 流動負債	(254,594)	-	137,442	63,123	9,751	3,000	(41,278)
Net current assets/ (liabilities)							
流動資產/(負債)淨值	(238,481)	70,259	111,301	63,123	9,751	3,000	18,953
Non-current liabilities 非流動負債	(918)	-	(22,500)	(63,123)	-	-	(86,541)
Net assets/ (deficiency in assets)							
資產淨值/(資產虧絀)	(128,396)	70,259	88,801	-	9,751	3,000	43,415
Share capital 股本	24,839	70,259	10,703	-	-	2,000	107,801
Reserves 儲備	(153,235)	-	78,098	-	9,751	1,000	(64,386)
	(128,396)	70,259	88,801	-	9,751	3,000	43,415

3. BASIS OF PRESENTATION (Continued)

- \* On 6 May 2002, the Group's existing convertible note of HK\$3,000,000 at 31 March 2002 was converted into 200,000,000 shares in the Company at a conversion price HK\$0.015 per share.
- \*\* Related expenses of HK\$4,028,000 to be paid in connection with the Restructuring and the Open Offer have been included herein.

Having completed the foregoing financing and restructuring measures, the Group has substantially improved its financial position and has net current assets and net assets including substantial cash resources as reflected in the above pro forma consolidated net assets statement of the Group as at 31 March 2002. In addition, Get Start Holdings Limited, the immediate holding company of Vision Century, has undertaken to the Company, during the period up to 31 May 2003, to provide continuing financial support to the Group so as to enable the Group to continue its day-to-day operation as a viable going concern notwithstanding any present or future financial difficulties experienced by the Group.

Having regard to this background, the directors of the Company are satisfied that the Group will be able to meet its financial obligations as and when they fall due in the foreseeable future and be able to operate as a commercially viable concern. Accordingly, these financial statements have been prepared on a going concern basis.

3. 編制基準 (續)

- \* 於二零零二年五月六日，本集團之現有可換股票據（於二零零二年三月三十一日價值3,000,000港元）按每股0.015港元之換股價兌換為200,000,000股本公司股份。
- \*\* 就重組及公開發售而將須支付之有關開支4,028,000港元已包括在內。

在完成上述之融資及重組後，本集團已大幅改善其財政狀況，其流動資產淨值及資產淨值（包括大量現金資源）已於上文本集團截至二零零二年三月三十一日之備考綜合資產負債報表中反映。此外，Vision Century之直屬控股公司，Get Start Holdings Limited，已向本公司承諾，在截至二零零三年五月三十一日之期間，將繼續給予本集團財政支援，以便本集團在面對任何現時或日後之財務困難時，仍可繼續其日常運作猶如可行之持續基準。

在此背景下，本公司董事信納本集團將有能力應付其於可見之將來到期之財務負債，並有能力運作，猶如商業上可行之持續基準。因此，此等財務報表已按持續經營基準編製。

#### 4. 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 remeasurement of certain fixed assets as further explained below.

##### Basis of consolidation

The consolidated financial statements include the audited 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 are eliminated on consolidation.

##### 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 investments in subsidiaries are stated at cost less any impairment losses.

#### 4. 重要會計政策概要

##### 編製基準

本財務報告乃按照香港會計實務準則、香港公認會計原則及香港公司條例之披露規定而編製。附於下文敘述之若干固定資產定期重估外，本財務報告是以歷史成本作為編製基準。

##### 綜合基準

綜合財務報告包括本公司及其附屬公司截至二零零二年三月三十一日止年度之經審核財務報告。本年度內收購或售出之附屬公司業績已經依其自收購生效日期或截至售出生效日期綜合計算。所有集團內公司間之重大交易及結餘於合併賬目時已經抵銷。

##### 附屬公司

附屬公司乃指本公司直接或間接控制其財務及營運政策，藉以從商業活動得益之公司。

本公司於附屬公司之投資乃以成本值扣除減值虧損列賬。



## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**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.

**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. Revenue from the sale of goods is recognised 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.

**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.

## 4. 重要會計政策概要 (續)

**關連人士**

倘其中一方有能力直接或間接控制另一方，或對另一方在財政上及運作決策上行使重大影響力，則被視為有關連人士。倘彼等受相同之控制或相同之重大影響，亦被視為有關連人士。關連人士可為個體或公司企業。

**收入確認**

收入乃於本集團可取得及能夠可靠地計算經濟利益時予以確認。來自貨品銷售，附於擁有權之主要風險及回報已轉移至客戶，且本集團並無保留一般視為與擁有權相關之管理權或已售貨品的有效控制權時確認。

**資產減值**

於各結算日進行評估，以決定是否有任何顯示任何資產出現減值，或有任何顯示往年度已確認之減值虧損不再存在或已減少。倘有任何該等顯示存在，該資產之可收回值須予以估計。資產之可收回值定為資產之使用價值與其銷售淨值之較高者。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Impairment of assets** (Continued)

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 depreciation), 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.

4. 重要會計政策概要 (續)

**資產減值 (續)**

減值虧損僅於資產賬面值超出其可收回價值時予以確認。減值虧損於其產生之期間在損益賬內扣除，惟當該資產以重估值為其賬面值時，減值虧損則按重估資產之有關會計政策入賬。

僅於用以釐定資產之可收回值之估計出現變動時，過往已確認之減值虧損方予以撥回，然而，倘往年度該資產並無已確認之減值虧損，則撥回金額不得超過資產扣除任何折舊之賬面值。

撥回之減值虧損於其產生之期間計入損益賬內，惟當該資產以重估值為其賬面值時，減值虧損則按重估資產之有關會計政策入賬。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Fixed assets and depreciation**

Fixed assets, other than construction in progress, 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 are dealt with as movements in the fixed asset 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 fixed asset revaluation reserve realised in respect of previous valuations is transferred to accumulated losses as a movement in reserves.

4. 重要會計政策概要 (續)

**固定資產及折舊**

固定資產(在建工程除外)按成本或估值減累積折舊及減值虧損入賬。資產成本包括其購買價及將資產達至運作之狀況及地點以作其計劃之用途而產生之任何直接應佔成本。固定資產開始運作後產生的支出(如維修及保養費用)通常於產生之年度之損益賬中扣除。若可清楚顯示該等費用引致將來使用固定資產時預期帶來之經濟利益增加,該等費用則會被撥作資本,作為該固定資產之額外成本。

固定資產價值之變動作資產重估儲備變動處理。如以個別資產計算,儲備不足以彌補減值則不足之數額會自損益賬中扣除。任何其後出現之重估盈餘撥入損益賬內,數額以之前扣除之減值為限。出售重估資產時,重估儲備中與先前估值有關之已變現部分撥入累計虧損,作為儲備變動處理。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Fixed assets and depreciation (Continued)**

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

Medium term leasehold land  
中期租賃土地

Buildings

樓宇

Leasehold improvements

租賃物業裝修

Moulds, plant and machinery  
模具、廠房及機器

Furniture, fixtures, equipment  
and motor vehicles  
傢俬、裝置、設備及汽車

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.

Construction in progress represents buildings under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of fixed assets when completed and ready for use.

4. 重要會計政策概要 (續)

**固定資產及折舊 (續)**

折舊乃按每項資產之估計可使用年期以直線法撇銷其成本或估值，減任何估計剩餘價值計算：

Over the lease terms  
按租約年期

2% to 5%, or over the lease terms,  
whichever is shorter  
按2%至5%或租約年期，取較短者

20% or over the lease terms,  
whichever is shorter  
按20%或租約年期，取較短者

12.5% to 15%  
12.5%至15%

20%  
20%

於損益賬中所確認因出售或廢棄固定資產而產生之任何損益，乃出售資產所得之有關款項淨額與有關資產賬面值之差額。

在建工程乃在建樓宇，按成本減任何耗蝕虧損列賬，且並無折舊。成本包含建築、裝置及測試期內所涉直接成本。在建工程於完成及以備使用時重新分類之適當之固定資產類別。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**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 asset 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 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.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under the operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

**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.

4. 重要會計政策概要 (續)

**租賃資產**

除法定業權外，凡將資產之擁有權絕大部分回報及風險撥歸本集團之租約均被列為融資租約處理。於融資租約訂立時，租賃資產成本以租約須付最低租金之折現值撥作資產，連同租賃責任（不包括利息部分）一同入賬，以反映購買及融資活動。按資本化融資租約持有之資產計入固定資產內，並按租約期或估計該等資產可使用年期兩者中之較短者計算折舊。該等租約之融資成本計入損益賬中，從而於租約期內按期產生固定之扣除額。

凡將資產所有權之絕大部分回報及風險留予租賃公司之租約均列為經營租約。該等經營租約之應付租金於租約期內按直線法於損益賬中扣除。

**存貨**

存貨按成本值或可變現淨值兩者中較低者入賬。成本值按先進先出法計算，在製品及製成品之成本包括直接材料、直接工資及按適當比例分配之製造費用。可變現淨值乃根據估計售價減預期達成及出售存貨所需之其他成本計算。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Deferred tax**

Deferred tax is provided, using the liability method, on all significant timing differences in the recognition of revenue and expenses for tax and for financial reporting purposes, to the extent it is probable that the liability will crystallise in the foreseeable future. A deferred tax asset is not recognised unless its realisation is assured beyond reasonable doubt.

**Retirement benefits schemes**

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 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, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

4. 重要會計政策概要 (續)

**遞延稅項**

遞延稅項以負債法，就申報稅務及財務報告而須對收入與支出作出確認時出現之所有重大時差提撥準備，惟有關負債僅以於可見將來可能出現者為限。遞延稅項資產在肯定可以確認時，方可入賬。

**退休福利計劃**

本集團根據強制性公積金計劃條款為其合資格參與計劃之僱員運作一個定額供款之強制性公積金退休福利計劃（「強積金計劃」）。強積金計劃自二零零零年十二月一日起運作。供款乃依據僱員基本薪酬之百分比計算，並根據強積金計劃之規例於支付時計入收益賬。強積金計劃之資產乃與本集團之資產分開持有，並由獨立管理基金管理。依照強積金計劃之條例，除本集團僱主之自願性供款可於僱員在全部放棄前離開本集團時可取回外，本集團僱主之供款均全部歸僱員於強積金計劃所有。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Cash equivalents**

For the purpose of the 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 which are repayable within three months from the date of the advance. For the purpose of balance sheet classification, cash and bank balances represent assets which are not restricted as to use.

**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 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.

4. 重要會計政策概要 (續)

**現金等值物**

就綜合現金流量表而言，現金等值物乃短期高度流動投資，即可隨時轉換為已知款額現金及於購入時距離到期日不足三個月，減必須於借貸日期起三個月內清還之應付銀行貸款。就資產負債表分類而言，現金等值代表在用途方面無限制之性質類似現金之資產。

**外幣**

外幣交易以交易當日滙價折算記錄。結算日當日以外幣為單位之貨幣資產及負債均按當日滙價折算。滙兌差額在損益賬中處理。

在綜合海外附屬公司之賬目時，其財務報告按結算日當日滙價折算為港元。所產生之換算差額在滙兌波動儲備中列賬。

### 5. 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.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products they provide. Each of the Group's business segment represents a strategic business unit that offers products which are subject to risks and returns that are different from those of other business segments. Summary details of business segments are as follows:

- (a) the toddler cars segment manufactures and trades children's ride-on cars featuring working horns and turning wheels;
- (b) the cycling segment manufactures and trades children's bicycles, tricycles and scooters; and
- (c) the corporate and other segment comprises manufactures and trades of pre-school toys, plastic utensils and, other fashionable toys, and corporate income and expense items.

### 5. 分類資料

會計實務準則第26號乃於年內採納，詳情載於財務報告附註2內。分類資料乃按兩種形式呈報：(i)第一類呈報基準乃按業務分類；及(ii)第二類呈報基準乃按地區分類。

本集團之經營業務乃根據彼等之業務性質及所提供之產品分開架構及管理。本集團各業務分類即提供產品之策略性業務單位，此等業務單位之風險及回報與其他業務分類之風險及回報有所分別。業務分類之概要如下：

- (a) 學行車分類業務為製造及買賣兒童座車，其附有可發聲之喇叭及可轉動之駕駛盤；
- (b) 腳踏車分類業務為製造及買賣兒童單車、三輪車及滑板車；及
- (c) 企業及其他分類，包括製造及買賣學前玩具、塑膠用品、其他時尚玩具，以及企業收入及開支。



5. SEGMENT INFORMATION (Continued)

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers, which are North America, Europe, Central and South Americas, the Asia Pacific region, the Middle East and other regions. Assets are attributed to the segments based on the location of the assets.

There are no intersegment sales and transfers between the business segments.

(a) Business segments

The following tables present revenue, loss and certain asset, liability and expenditure information for the Group's business segments.

5. 分類資料 (續)

在釐訂本集團之地區分類、收入及業績時，乃根據客戶所處地區而分類，即北美洲、歐洲、中美洲、南美洲、亞太區、中東及其他地區。資產乃根據資產所在地區而分類。

業務分類之間概無銷售及轉讓。

(a) 按業務分類

下表呈列本集團按業務分類劃分之收入、虧損及若干資產、負債及開支資料。

Group

本集團

		Toddler cars		Cycling		Corporate and others		Consolidated	
		學行車	腳踏車	企業及其他	綜合	2002	2001	2002	2001
		2002	2001	2002	2001	2002	2001	2002	2001
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment revenue:	分類收入:								
Sales to external customers	外來客戶之銷售額	16,670	53,669	17,002	128,078	13,736	20,935	47,408	202,682
Other revenue	其他收入	487	198	495	467	405	77	1,387	742
		<b>17,157</b>	<b>53,867</b>	<b>17,497</b>	<b>128,545</b>	<b>14,141</b>	<b>21,012</b>	<b>48,795</b>	<b>203,424</b>
Segment results	分類業績	<b>(9,950)</b>	<b>(34,633)</b>	<b>(11,436)</b>	<b>(119,316)</b>	<b>(10,099)</b>	<b>(16,810)</b>	<b>(31,485)</b>	<b>(170,759)</b>
Interest income and unallocated gains	利息收入及未分配收益							364	30
Unallocated expenses	未分配開支							<b>(12,328)</b>	<b>(99,265)</b>
Loss from operating activities	經營業務虧損							<b>(43,449)</b>	<b>(269,994)</b>
Finance costs	財務費用							<b>(15,835)</b>	<b>(13,695)</b>
Loss before tax	除稅前虧損							<b>(59,284)</b>	<b>(283,689)</b>
Tax	稅項							-	4,354
Net loss from ordinary activities attributable to shareholders	股東應佔日常業務虧損淨額							<b>(59,284)</b>	<b>(279,335)</b>

# Notes to the Financial Statements

## 財務報告附註

### 5. SEGMENT INFORMATION (Continued)

### 5. 分類資料 (續)

#### (a) Business segments (Continued)

#### (a) 按業務分類 (續)

		Toddler cars		Cycling		Corporate and others		Consolidated	
		學行車		腳踏車		企業及其他		綜合	
		2002	2001	2002	2001	2002	2001	2002	2001
		二零零二年	二零零一年	二零零二年	二零零一年	二零零二年	二零零一年	二零零二年	二零零一年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment assets	分類資產	9,781	12,841	11,360	14,886	9,263	10,689	30,404	38,416
Unallocated assets	未分配資產							96,712	102,588
Total assets	總資產							127,116	141,004
Segment liabilities	分類負債	18,196	19,233	13,492	12,503	9,075	7,375	40,763	39,111
Unallocated liabilities	未分配負債							214,749	171,465
Total liabilities	總負債							255,512	210,576
Other segment information:	其他分類資料:								
Depreciation and amortisation	折舊及攤銷	912	2,667	1,701	1,730	1,226	2,403	3,839	6,800
Unallocated amounts	未分配金額							10,911	11,173
								14,750	17,973
Impairment losses recognised in the profit and loss account	已於損益賬中確認之減值虧損	-	2,374	-	1,600	-	1,238	-	5,212
Unallocated amounts	未分配金額							-	49,769
								-	54,981
Other non-cash expenses	其他非現金開支	417	21,771	126	105,419	147	8,997	690	136,187
Unallocated amounts	未分配金額							6,838	19,620
								7,528	155,807
Capital expenditure	資本開支	228	1,786	150	4,532	114	5,604	492	11,922
Unallocated amounts	未分配金額							4,920	3,446
								5,412	15,368

5. SEGMENT INFORMATION (Continued)

5. 分類資料 (續)

(b) Geographical segments

(b) 按地區分類

The following tables present revenue, result and certain asset and expenditure information for the Group's geographical segments.

下表呈列本集團按地區分類劃分之收入、業績及若干資產及開支資料。

Group

本集團

	North America		Europe		Central and South America		Asia Pacific region (including Hong Kong and the PRC)		Middle East and other region		Consolidated	
	北美洲		歐洲		中南美洲		亞太區 (包括香港及中國)		中東及其他地區		綜合	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	二零零二年	二零零一年	二零零二年	二零零一年	二零零二年	二零零一年	二零零二年	二零零一年	二零零二年	二零零一年	二零零二年	二零零一年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Segment revenue: 分類收入: Sales to external customers 外來客戶之銷售額	11,204	52,546	14,060	36,231	11,640	25,963	7,942	77,705	2,562	10,237	47,408	202,682
Segment results 分類業績	(8,595)	(38,061)	(9,280)	(17,113)	(7,697)	(20,229)	(4,320)	(86,119)	(1,593)	(9,237)	(31,485)	(170,759)

Group

本集團

	North America		Europe		Central and South America		Asia Pacific region (including Hong Kong and the PRC)		Middle East and other region		Consolidated	
	北美洲		歐洲		中南美洲		亞太區 (包括香港及中國)		中東及其他地區		綜合	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	二零零二年	二零零一年	二零零二年	二零零一年	二零零二年	二零零一年	二零零二年	二零零一年	二零零二年	二零零一年	二零零二年	二零零一年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Other segment information: 其他分類資料: Segment assets 分類資產	1,979	1,241	557	323	48	402	124,062	138,882	470	156	127,116	141,004
Capital expenditure 資本開支	-	-	-	-	-	-	5,412	15,368	-	-	5,412	15,368

# Notes to the Financial Statements

## 財務報告附註

### 6. TURNOVER AND REVENUE

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

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

### 6. 營業額及收入

營業額指已扣除退貨及折扣之售出貨物發票淨值。

營業額、收入及收益分析如下：

		2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元
Turnover	營業額		
Sale of goods	銷售貨物	<b>47,408</b>	202,682
Other revenue	其他收入		
Bank interest income	銀行利息收入	14	63
Others	其他	<b>1,494</b>	562
		<b>1,508</b>	625
Gains	收益		
Gain on disposal of fixed assets	出售固定資產收益	<b>243</b>	-
Exchange gains, net	滙兌收益，淨額	-	147
		<b>243</b>	147
		<b>1,751</b>	772

7. LOSS FROM OPERATING ACTIVITIES

The Group's loss from operating activities is arrived at after charging:

7. 經營業務虧損

本集團經營業務虧損經扣除計入以下各項：

		2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元
Depreciation	折舊	14,750	17,973
Provision for bad and doubtful debts:	呆壞賬撥備：		
Accounts receivable	應收賬目	690	117,781
Other receivables	其他應收賬目	-	6,734
		<u>690</u>	<u>124,515</u>
Minimum lease payments under operating leases in respect of land and buildings	有關土地及樓宇經營租賃項下之最低租金	971	675
Auditors' remuneration	核數師酬金	750	1,680
Staff costs (excluding directors' remuneration - note 9):	員工成本(不包括董事酬金·附註9)：		
Salaries and wages	薪金及工資	12,028	15,086
Retirement benefits scheme contributions	退休福利計劃供款	137	41
Provision for impairment of fixed assets	固定資產減值撥備	-	54,981
Provision for advances to a company	墊款予一間公司之撥備	-	5,177
Provision for deposits made to certain suppliers	向若干供應商繳付之按金撥備	-	4,635
Provision for unrecoverable inventories held by a company	一間公司持有之不可收回存貨撥備	-	11,791
Revaluation deficit on land and buildings	土地及樓宇重估虧絀	2,638	3,073
Provision for inventories	存貨之撥備	-	6,615
Provision for potential claims	潛在索償之撥備	-	18,000
Loss on disposal of fixed assets	出售固定資產虧損	39	2,231

# Notes to the Financial Statements

## 財務報告附註

### 7. LOSS FROM OPERATING ACTIVITIES

(Continued)

The cost of sales includes approximately HK\$18,092,000 (2001: HK\$22,494,000) relating to staff costs and depreciation which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

At 31 March 2002, the Group had no forfeited contributions available to reduce its contributions to retirement benefits schemes in future years (2001: Nil).

### 8. FINANCE COSTS

Interest on bank loans, overdrafts and other loans wholly repayable within five years  
Interest on convertible note  
Interest on finance leases

須於五年內全數償還之  
銀行貸款、透支及  
其他貸款利息  
可換股票據利息  
融資租約利息

### 7. 經營業務虧損 (續)

銷售成本包括有關員工成本及折舊共約 18,092,000 港元 (二零零一年: 22,494,000 港元), 已包括上文各類別開支分別披露之有關金額。

於二零零二年三月三十一日, 本集團並無已沒收供款可供用於未來扣減退休福利計劃之供款 (二零零一年: 無)。

### 8. 財務費用

Group 本集團	
2002 二零零二年	2001 二零零一年
HK\$'000 千港元	HK\$'000 千港元
15,268	12,987
150	63
417	645
<b>15,835</b>	<b>13,695</b>

9. DIRECTORS' REMUNERATION

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

9. 董事酬金

根據香港聯合交易所有限公司上市規則（「上市規則」）及香港公司條例第161條披露之董事酬金如下：

		Group 本集團	
		2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元
Fees:	袍金：		
Executive directors	執行董事	-	-
Independent non-executive directors	獨立非執行董事	323	326
		<b>323</b>	326
Other emoluments of executive directors:	執行董事之 其他酬金：		
Basic salaries, other allowances and benefits in kind	基本薪金、 其他津貼及 實物利益	1,624	3,641
Retirement benefits scheme contributions	退休福利計劃供款	90	22
		<b>1,714</b>	3,663
		<b>2,037</b>	3,989

# Notes to the Financial Statements

## 財務報告附註

### 9. DIRECTORS' REMUNERATION (Continued)

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

Nil to HK\$1,000,000	零 – 1,000,000港元
HK\$1,000,001 to HK\$1,500,000	1,000,001港元 – 1,500,000港元

During the year, there were no bonuses paid to or receivable by any of the directors (2001: Nil). There was no arrangement under which the directors waived or agreed to waive any remuneration during the year (2001: Nil). In addition, no emoluments were paid by the Group to the directors as an inducement to join, or upon joining the Group, or as compensation for loss of office (2001: Nil).

### 9. 董事酬金 (續)

在下列酬金組別之董事數目如下：

Group 本集團	
2002 二零零二年	2001 二零零一年
Number of directors 董事數目	Number of directors 董事數目
6	12
1	1
<u>7</u>	<u>13</u>

年內，概無向任何董事支付花紅（二零零一年：無）。年內，並無就董事放棄或同意放棄任何酬金而作出安排（二零零一年：無）。此外，本集團概無向董事支付酬金作為吸引彼等加入本集團或於彼等加入本集團時支付酬金或支付酬金作為彼等離職時之補償（二零零一年：無）。



10. FIVE HIGHEST PAID INDIVIDUALS

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

Basic salaries, other allowances and benefits in kind	基本薪金、其他津貼及實物利益
Retirement benefits scheme contributions	退休福利計劃供款

The remuneration of all non-director, highest paid employees fell within the band of Nil to HK\$1,000,000 for the two years ended 31 March 2002 and 2001.

During the year, there were no bonuses paid to or receivable by any of the five highest paid individuals of the Group (2001: Nil). No emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as a compensation for loss of office (2001: Nil).

10. 五位最高薪酬人士

在五位最高薪人士之中，兩位（二零零一年：五位）為本公司董事，彼等之酬金詳情已載列於上文附註9。餘下三名（二零零一年：無）非董事之高薪人士之酬金如下：

Group 本集團	
2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元
878	-
44	-
<b>922</b>	<b>-</b>

截至二零零二年及二零零一年三月三十一日止兩個年度，所有非董事之最高薪僱員酬金介乎零元至1,000,000港元之組別內。

年內，本集團概無向任何五名最高薪人士（二零零一年：無）支付任何花紅，本集團概無向任何五名最高薪人士支付酬金以吸引彼等加盟本集團或作為加盟本集團時之報酬或離職時之補償（二零零一年：無）。

## 11. TAX

No Hong Kong profits tax has been provided as the Group did not generate any assessable profits in Hong Kong during the year. Taxes on profit assessable elsewhere have been 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.

Hong Kong:	香港:
Overprovision in the prior year	以往年度超額準備
Deferred tax (note (23))	遞延稅項(附註23)
Tax credit for the year	本年度稅項撥回

There was no unprovided deferred tax in respect of the year (2001: Nil).

## 11. 稅項

由於年內並無源自香港之應課稅溢利，故並無就香港利得稅撥備。於其他地區之應課稅溢利稅項，已根據有關之現行法例、註釋及慣例，按本集團擁有經營業務之國家之稅率計算。

2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元
-	54
-	4,300
<u>-</u>	<u>4,354</u>

於有關年度並無未撥備之遞延稅項(二零零一年:無)。

**12. NET LOSS FROM ORDINARY ACTIVITIES  
ATTRIBUTABLE TO SHAREHOLDERS**

The net profit from ordinary activities attributable to shareholders for the year ended 31 March 2002 dealt with in the financial statements of the Company is HK\$37,461,000 (2001: net loss of HK\$252,403,000).

**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\$59,284,000 (2001: HK\$279,335,000) and the weighted average of 2,577,581,176 (2001: 2,577,565,117) ordinary shares in issue during the year, as adjusted to reflected the Open Offer effected after the balance sheet date (note 32(vi)).

Diluted loss per share amounts for the years ended 31 March 2002 and 2001 have not been disclosed, as the potential ordinary shares of the Company outstanding during these years had an anti-dilutive effect on the basic loss per share for these years.

**12. 股東應佔日常業務虧損淨額**

於本公司財務報告內處理之截至二零零二年三月三十一日止年度之股東應佔日常業務溢利淨額為37,461,000港元(二零零一年:淨虧損252,403,000港元)。

**13. 每股虧損**

每股基本虧損乃根據本年度之股東應佔日常業務虧損淨額59,284,000港元(二零零一年:279,335,000港元)及經調整以便反映結算日後(附註32(vi))進行之公開發售之年內已發行普通股加權平均數2,577,581,176股(二零零一年:2,577,565,117股)計算。

由於本集團於此兩年內之已發行潛在普通股對此數年內之每股基本虧損具有反攤薄影響,故並無呈列截至二零零二年及二零零一年三月三十一日止年度之每股攤薄虧損。

# Notes to the Financial Statements

## 財務報告附註

### 14. FIXED ASSETS

### 14. 固定資產

#### Group

#### 本集團

		Medium term leasehold land and buildings 中期租賃 土地及樓宇 HK\$'000 千港元	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Moulds, plant and machinery 模具、 廠房及機器 HK\$'000 千港元	Furniture, fixtures, equipment and motor vehicles 傢俬、裝置、 及汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost or valuation:	成本或估值:						
At 1 April 2001	於二零零一年四月一日	95,260	22,352	88,622	5,140	32,288	243,662
Additions	增添	4,510	172	636	94	-	5,412
Disposals	出售	-	(16)	(1,207)	(1,325)	-	(2,548)
Deficit on revaluation	重估減值	(4,820)	-	-	-	-	(4,820)
At 31 March 2002	於二零零二年三月三十一日	94,950	22,508	88,051	3,909	32,288	241,706
Accumulated depreciation and impairment:	累積折舊及減值:						
At 1 April 2001	於二零零一年四月一日	16,046	12,975	56,087	3,464	32,288	120,860
Provided during the year	年內撥備	2,642	4,483	7,046	579	-	14,750
Disposals	出售	-	(2)	(1,117)	(1,146)	-	(2,265)
Reversal of accumulated depreciation upon revaluation	重估後 累積折舊 沖銷	(2,642)	-	-	-	-	(2,642)
At 31 March 2002	於二零零二年三月三十一日	16,046	17,456	62,016	2,897	32,288	130,703
Net book value:	賬面淨值:						
At 31 March 2002	於二零零二年三月三十一日	78,904	5,052	26,035	1,012	-	111,003
At 31 March 2001	於二零零一年三月三十一日	79,214	9,377	32,535	1,676	-	122,802
Analysis of cost or valuation:	成本或估值分析:						
At cost	以成本計算	-	22,508	88,051	3,909	32,288	146,756
At 31 March 2002 valuation	於二零零二年三月三十一日 以估值計算	94,950	-	-	-	-	94,950
		94,950	22,508	88,051	3,909	32,288	241,706

14. FIXED ASSETS (Continued)

14. 固定資產 (續)

Company	本公司	Furniture, fixtures, equipment and motor vehicles 傢俬、固定裝置、 設備及汽車 HK\$'000 千港元
Cost:	成本:	
At 1 April 2001	於二零零一年四月一日	-
Additions	添置	615
		<hr/>
At 31 March 2002	於二零零二年三月三十一日	615
		<hr/>
Accumulated depreciation:	累計折舊:	
At 1 April 2001	於二零零一年四月一日	-
Provided during the year	年內撥備	76
		<hr/>
At 31 March 2002	於二零零二年三月三十一日	76
		<hr/>
Net book value:	賬面淨值:	
At 31 March 2002	於二零零二年三月三十一日	539
		<hr/> <hr/>
At 31 March 2001	於二零零一年三月三十一日	-
		<hr/> <hr/>

All the Group's medium term leasehold land and buildings are situated outside Hong Kong. All the Group's leasehold land and buildings were revalued by Knight Frank, an independent firm of professional valuers, on a depreciated replacement cost basis at 28 February 2002 at HK\$94,950,000. As further confirmed by Knight Frank, the values of the revalued land and buildings at 31 March 2002 were not significantly different from their values as at 28 February 2002.

本集團之中期租賃土地及樓宇全部位於香港以外。於二零零二年二月二十八日，獨立專業估值師簡福飴測量行按折舊重置成本基準，重估所有租賃土地及樓宇，其重估值為94,950,000港元。簡福飴測量行進一步確認，於二零零二年三月三十一日，土地及樓宇之重估價值與二零零二年二月二十八日之價值相比並無重大分別。

14. FIXED ASSETS (Continued)

A total revaluation surplus of HK\$460,000 arising therefrom and representing the surplus of the revalued amounts over the then carrying values of the revalued assets, on an individual asset basis, has been credited to the fixed asset revaluation reserve (note 26).

A total revaluation deficit of HK\$2,638,000 arising therefrom and representing the deficit of the revalued amount under the then carrying value of a revalued asset, on an individual asset basis, has been charged to the profit and loss account.

In the opinion of the directors, certain leasehold land and buildings are impaired as they have been damaged and/or left vacant and the Group has no business plan to restore and utilise these assets. Therefore, an impairment provision of HK\$16,046,000 was made in the prior year and was not reversed as at 31 March 2002.

Had the Group's revalued leasehold land and buildings been stated at cost less accumulated depreciation and accumulated impairment losses, they would have been included in the financial statements at approximately HK\$68,017,000 (2001: HK\$66,064,000).

Certain leasehold land and buildings, plant and machinery and equipment with an aggregate carrying value of HK\$48,384,000 as at 31 March 2002 were pledged to secure bank borrowings advanced to the Group as set out in note 20.

14. 固定資產 (續)

由進行重估所得之460,000港元重估總盈餘，代表當時重估資產賬面值之重估金額盈餘，已按個別資產之基準，於固定資產重估儲備中入賬（附註26）。

由進行重估所得之2,638,000港元重估總虧絀，代表當時重估資產賬面值之重估金額虧絀，已按個別資產之基準，於損益賬中扣除。

董事認為，由於若干租賃土地及樓宇經已損壞及／或空置，而本集團並無業務計劃對其恢復使用，故此等資產經已減值。故此，於往年度作出一項減值撥備16,046,000港元，惟並無於二零零二年三月三十一日撥回。

倘本集團經重估之租賃土地及樓宇以成本減累積折舊及累計減值虧損列賬，在財務報告列載之數額將約為68,017,000港元（二零零一年：66,064,000港元）。

如附註20所載，本集團已將若干於二零零二年三月三十一日賬面總值達48,384,000港元之租賃土地及樓宇、廠房、機器及設備抵押以取得借予本集團之銀行借款。

14. FIXED ASSETS (Continued)

Pursuant to various sale and purchase agreements (the "S&P Agreements") entered into between the Group and an independent third party, during the years 1998 and 1999, the Group acquired certain leasehold land (the "Land") in the PRC with a carrying value of approximately HK\$29,554,000, at 31 March 2002. Pursuant to the S&P Agreements, the Group is required to pay annual fees of HK\$118,000 in respect of the Land commencing from 2008 up to 2048 with a 20% increment for every five years.

The Group has not yet obtained the land-use rights certificate for the Land. As confirmed by a legal opinion issued by the Group's PRC lawyers, subject to the payment of a land premium of approximately HK\$8.7 million, which has been fully provided for in these financial statements, there is no legal barrier or otherwise for the Group to obtain land-use rights certificates for the Land from the relevant PRC authority.

The net book value of the Group's fixed assets held under finance leases included in the total amount of motor vehicles and plant and machinery as at 31 March 2002, amounted to HK\$303,000 (2001: HK\$509,000) and HK\$6,833,000 (2001: HK\$8,409,000), respectively.

14. 固定資產 (續)

於一九九八年及一九九九年期間，根據本集團與獨立第三者訂立之多項買賣協議（「買賣協議」），本集團於中國收購若干租賃土地（「該土地」），於二零零二年三月三十一日，其賬面值約為29,554,000港元。根據買賣協議，由二零零八年開始直至二零四八年為止，本集團須就該土地支付年費118,000港元，並須每五年增加20%。

本集團並未就土地獲得該土地使用權證。由本集團之中國律師發表之法律意見確認，待土地溢價約8,700,000港元（已於財務報表內全數撥備）支付後，本集團由中國有關方面就該土地獲取土地使用權證並無法律或其他障礙。

於二零零二年三月三十一日，計入汽車及廠房與機器內以融資租約持有之固定資產之賬面淨值分別為303,000港元（二零零一年：509,000港元）及6,833,000港元（二零零一年：8,409,000港元）。

# Notes to the Financial Statements

## 財務報告附註

### 15. INTERESTS IN SUBSIDIARIES

### 15. 於附屬公司之權益

		Company 本公司	
		2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份·以成本值計	<b>68,709</b>	68,709
Less: Provision for impairment	減: 減值撥備	<b>(68,709)</b>	(68,709)
		-	-
Due from subsidiaries	附屬公司欠款	<b>100,555</b>	84,064
Less: Provision	減: 撥備	<b>(100,555)</b>	(84,064)
		-	-
		-	-
		<b>-</b>	<b>-</b>



15. INTERESTS IN SUBSIDIARIES (Continued)

The amounts due from subsidiaries included in the Company's current assets and current liabilities are unsecured, interest-free and have no fixed terms of repayment.

Particulars of the Company's subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及 營運地點	Nominal value of issued ordinary/ registered share capital 已發行之 普通/註冊 股本面值	Percentage of equity attributable to the Company 應佔本公司 股本權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Hung Cheong Holdings Limited ("HCHL") 雄昌控股有限公司 (「雄昌控股」)	British Virgin Islands ("BVI")/ Hong Kong 英屬處女群島 (「英屬處女群島」)/ 香港	Ordinary US\$2,004 普通股 2,004美元	100	-	Investment holding 投資控股
Hung Cheong Technology Limited	BVI/ Hong Kong 英屬處女群島/ 香港	Ordinary US\$1,000 普通股 1,000美元	100	-	Dormant 暫無業務
Asian Ocean Limited 奧新有限公司	Hong Kong 香港	Ordinary HK\$2 普通股 2港元	100	-	Dormant 暫無業務
Sino New Finance Limited	BVI/ Hong Kong 英屬處女群島/ 香港	Ordinary US\$1 普通股 1美元	100	-	Dormant 暫無業務

15. 於附屬公司之權益 (續)

計入本公司之流動資產及流動負債之附屬公司欠款為無抵押、免息及無固定還款期。

附屬公司之資料如下：

# Notes to the Financial Statements

## 財務報告附註

### 15. INTERESTS IN SUBSIDIARIES (Continued)

### 15. 於附屬公司之權益 (續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及 營運地點	Nominal value of issued ordinary/ registered share capital 已發行之 普通/註冊 股本面值	Percentage of equity attributable to the Company 應佔本公司 股本權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Able Market Profits Limited**	BVI 英屬處女群島	Ordinary US\$1 普通股 1美元	100	-	Investment holding 投資控股
Hung Cheong Toys Factory Limited 雄昌玩具廠有限公司	BVI/ Hong Kong 英屬處女群島/ 香港	Ordinary US\$4 普通股 4美元	-	100	Manufacturing and trading of toy products 製造及買賣 玩具產品
Hung Cheong Toys International Limited 雄昌玩具國際 有限公司	Hong Kong 香港	Ordinary HK\$1,000 Non-voting deferred HK\$200,000 普通股 1,000港元 無投票權 遞延股份 200,000港元	-	100	Trading of toy products 買賣玩具產品
H&C International Toys Limited** 雄昌國際玩具 有限公司	Hong Kong 香港	Ordinary HK\$2 普通股 2港元	-	100	Trading of toy products 買賣玩具產品

15. INTERESTS IN SUBSIDIARIES (Continued)

15. 於附屬公司之權益 (續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及 營運地點	Nominal value of issued ordinary/ registered share capital 已發行之 普通/註冊 股本面值	Percentage of equity attributable to the Company 應佔本公司 股本權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Huang Chiang Chen Hung Cheong Plastics Factory Company Limited 黃江鎮雄昌塑膠廠 有限公司	Hong Kong 香港	Ordinary HK\$1,000 Non-voting deferred HK\$10,000 * 普通股 1,000港元 無投票權 遞延股份 10,000港元 *	-	100	Property holding 物業持有
Hung Cheong Toys Trading Limited 雄昌玩具貿易有限公司	BVI/ Hong Kong 英屬處女群島/ 香港	Ordinary US\$4 普通股 4美元	-	100	Dormant 暫無業務
Hung Cheong Toys Manufacturing Limited 雄昌玩具製品有限公司	BVI/ Hong Kong 英屬處女群島/ 香港	Ordinary US\$4 普通股 4美元	-	100	Dormant 暫無業務
Sunstar Nominees Limited 新達代理人有限公司	Hong Kong 香港	Ordinary HK\$100 普通股 100港元	-	100	Dormant 暫無業務
Chiu Fung Toys Trading Limited 潮豐玩具貿易有限公司	Hong Kong 香港	Ordinary HK\$100 普通股 100港元	-	100	Dormant 暫無業務

# Notes to the Financial Statements

## 財務報告附註

### 15. INTERESTS IN SUBSIDIARIES (Continued)

### 15. 於附屬公司之權益 (續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及 營運地點	Nominal value of issued ordinary/ registered share capital 已發行之 普通/註冊 股本面值	Percentage of equity attributable to the Company 應佔本公司 股本權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Gainful International Investment Limited 興豐國際投資有限公司	Hong Kong 香港	Ordinary HK\$100 普通股 100港元	-	100	Dormant 暫無業務

\* The non-voting deferred shares carry no rights to dividends other than a fixed non-cumulative dividend at the rate of 5% per annum on the excess of the net profits over HK\$1,000,000,000,000 that the company may determine to distribute in respect of any financial year. On a winding-up, the holders of the non-voting deferred shares are entitled, out of the surplus assets of the company, to a return of the capital paid up on the non-voting deferred shares held by them respectively, after a total sum of HK\$1,000,000,000,000 has been distributed in such a winding-up in respect of each of the ordinary shares of the company. Save as described above, the holders of the non-voting deferred shares are not entitled to any participation in the profits or surplus assets of the company and shall not be entitled to receive notice of or to attend or vote at any general meeting of the company.

\*\* Subsidiaries acquired during the year.

\* 無投票權遞延股份之持有人，有權收取公司於任何財政年度，按其釐定之5%年率可能決定派發超出純利1,000,000,000,000港元之數額之固定非累積股息。除此之外，無投票權遞延股份持有人無權收取股息。清盤時，無投票權遞延股份持有人有權於公司每股普通股獲分派合共1,000,000,000,000港元後，根據彼等各自持有之無投票權遞延股份，自公司之剩餘資產中獲償還已繳資本。除上述權益外，無投票權遞延股份持有人無權分享溢利或持有公司之盈餘資產；同時亦無權收取公司之股東大會通告，或出席該等大會並在會上投票。

\*\* 於年內收購之附屬公司。

16. INVENTORIES

Raw materials	原料
Work in progress	半成品
Finished goods	製成品

As at 31 March 2002, the carrying amount of inventories carried at net realisable value included above was approximately HK\$89,000 (2001: HK\$892,000).

17. ACCOUNTS RECEIVABLE

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of one month, extending up to three months for major customers. Each customer has a maximum credit limit. Overdue balances are reviewed regularly by senior management.

16. 存貨

Group 本集團	
2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元
<b>2,524</b>	6,195
<b>599</b>	1,374
<b>3,882</b>	4,000
<b>7,005</b>	11,569

於二零零二年三月三十一日，上述以可變現淨值入賬之存貨總額約89,000港元（二零零一年：892,000港元）。

17. 應收賬款

除新客戶一般須要預付款項外，本集團與其客戶之貿易條款以信貸為主，信貸期一般為期一個月，而主要客戶則可延長至三個月。每名客戶均有最高信貸限額。高級管理層並定期檢討逾期結餘。

# Notes to the Financial Statements

## 財務報告附註

### 17. ACCOUNTS RECEIVABLE (Continued)

An aged analysis of the accounts receivable as at the balance sheet date, based on invoice date, and net of provision, is as follows:

Within 30 days	30日內
31 to 60 days	31至60日內
61 to 90 days	61至90日內
91 to 180 days	91至180日內
Over 180 days	超過180日

### 17. 應收賬款 (續)

於結算日，按發票日期及減除撥備後之應收賬款賬齡分析如下：

		Group 本集團	
		2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元
		2,464	3,010
		360	154
		305	71
		1,003	872
		32	-
		<u>4,164</u>	<u>4,107</u>

### 18. ACCOUNTS PAYABLE

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

Within 30 days	30日內
31 to 60 days	31至60日內
61 to 90 days	61至90日內
91 to 180 days	91至180日內
Over 180 days	超過180日

### 18. 應付賬款

於結算日，按發票日期之應付賬款賬齡分析如下：

		Group 本集團	
		2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元
		1,947	1,455
		834	305
		703	299
		2,361	9,152
		17,882	15,013
		<u>23,727</u>	<u>26,224</u>

# Notes to the Financial Statements

## 財務報告附註

### 19. INTEREST-BEARING BANK AND OTHER BORROWINGS

### 19. 須付利息之銀行借款及其他借款

		Group 本集團		Company 本公司	
		2002 二零零二年	2001 二零零一年	2002 二零零二年	2001 二零零一年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Bank overdrafts:	即期銀行透支:	20			
Secured	有抵押		962	962	-
Unsecured	無抵押		6,932	5,309	-
			<u>7,894</u>	<u>6,271</u>	<u>-</u>
Current portion of bank loans:	即期部份之銀行貸款:	20			
Secured	有抵押		30,233	24,299	-
Unsecured	無抵押		8,398	8,398	-
			<u>38,631</u>	<u>32,697</u>	<u>-</u>
Trust receipt loans, secured	信託收據貸款, 有抵押	20	72,578	72,896	-
Other loans, unsecured	其他貸款, 無抵押	20	26,400	-	26,400
			<u>145,503</u>	<u>111,864</u>	<u>26,400</u>
Current portion of finance lease payables	即期部份之應付融資租賃	21	2,881	6,614	-
			<u>148,384</u>	<u>118,478</u>	<u>26,400</u>

# Notes to the Financial Statements

## 財務報告附註

### 20. INTEREST-BEARING BANK BORROWINGS

### 20. 須付利息之銀行貸款

		Group		Company	
		本集團	本公司	本公司	本公司
		2002	2001	2002	2001
		二零零二年	二零零一年	二零零二年	二零零一年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Bank overdrafts repayable within one year or on demand (note 19)	須於一年內或按要求的銀行透支 (附註19)	7,894	6,271	-	-
Bank loans repayable:	須於下列期限內償還之銀行貸款:				
Within one year or on demand (note 19)	一年內或按要求的 (附註19)	38,631	32,697	-	-
In the second year	第二年內	-	6,542	-	-
		38,631	39,239	-	-
Trust receipt loans repayable within one year or on demand (note 19)	須於一年內或按要求的償還之信託收據貸款 (附註19)	72,578	72,896	-	-
Other loans repayable within one year (note 19)	須於一年內償還之其他貸款 (附註19)	26,400	-	26,400	-
		145,503	118,406	26,400	-
Portion classified as current liabilities (note 19)	列為流動負債部分 (附註19)	(145,503)	(111,864)	(26,400)	-
Non-current portion	非流動負債部分	-	6,542	-	-



20. INTEREST-BEARING BANK BORROWINGS  
(Continued)

At 31 March 2002, the banking facilities of the Group were secured by:

- (i) certain medium term leasehold land and buildings of the Group in the PRC with an aggregate carrying value of approximately HK\$47,500,000 (2001: HK\$47,800,000);
- (ii) certain plant and machinery and equipment of the Group with an aggregate carrying value of approximately HK\$884,000 (2001: HK\$2,107,000);
- (iii) corporate guarantees executed by the Company and certain subsidiaries of the Company; and
- (iv) unlimited personal guarantees executed by Messrs. Chan Chun Hung and Wong Kin Ching, former directors of the Company.

In respect of the corporate guarantees provided by the Company in (iii) above, a provision based on the extent that it is considered probable that the liabilities associated with the guarantees provided by the Company may be crystallised in the foreseeable future and amounting to HK\$26,500,000 has been made by the Company as at 31 March 2002 and is included in its other payables and accruals.

20. 須付利息之銀行貸款 (續)

於二零零二年三月三十一日，本集團之銀行融資以下列各項作為抵押：

- (i) 本集團賬面值總額約47,500,000港元(二零零一年:47,800,000港元)之若干中國中期租賃土地及樓宇；
- (ii) 本集團賬面值總額約884,000港元(二零零一年:2,107,000港元)之若干廠房、機器及設備；
- (iii) 本公司及其若干附屬公司作出之公司擔保；及
- (iv) 由本公司前董事陳振洪先生及黃見貞女士作出之無限額個人擔保。

就上文(iii)本公司提供之公司擔保而言，依據本公司提供涉及負債之擔保可能於可見之將來出現視作有可能之情況下之提撥為數26,500,000港元已由本公司於二零零二年三月三十一日作出，並已計入其他應付及應計款項內。

### 21. FINANCE LEASE PAYABLES

The Group leased certain of its plant and machinery, and motor vehicles during the year. These leases are classified as finance leases and have remaining lease terms ranging between one to two years.

In the prior year, the Group had defaulted in repaying the lessors due to financial difficulties. In this regard, the lessors had demanded the immediate repayment of all finance lease payables. Accordingly, all finance lease payables were reclassified as current liabilities as at 31 March 2001.

During the year, the Group had repaid part of the finance lease payables previously defaulted. In addition, the Group also reached agreements with certain lessors to reschedule the repayment of finance lease payables. Accordingly, the related lessors had withdrawn their demand for immediate repayment.

### 21. 應付融資租約

於本年度內，本集團出租其廠房及機械及汽車之部分。此等租賃已列作融資租約，並附剩餘租賃年期介乎一至兩年之間。

於上年度，本集團由於財政困難未能向出租人還款。就此而言，出租人已要求即時償還所有融資租約應付款項。故此，所有融資租約應付款項已於二零零一年三月三十一日重列為流動負債。

於本年度內，本集團已償還之前未清還之部分應付融資租約款項。此外，本集團亦與部分出租人達成多項協議，重新安排應付融資租約款項之還款。故此，有關出租人已撤回其即時之還款要求。

21. FINANCE LEASE PAYABLES (Continued)

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

Group

	Minimum lease payments 應付最低租金	Present value of minimum lease payments 應付最低租金現值
	2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元
Amounts payable:	應付數額:	
Within one year	一年內	3,025
In the second year	第二年內	1,186
Total minimum finance lease payments	應付最低租金總額	4,211
Future finance charges	未來融資費用	(412)
Total net finance lease payables	應付融資租約淨值總額	3,799
Portion classified as current liabilities (note 19)	列為流動負債部分(附註19)	(2,881)
Long term portion	長期部分	918

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.

21. 應付融資租約 (續)

於二零零二年三月三十一日，融資租約下之日後應付最低租金及其現值如下：

本集團

	Minimum lease payments 應付最低租金	Present value of minimum lease payments 應付最低租金現值
	2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元
Amounts payable:	應付數額:	
Within one year	一年內	3,025
In the second year	第二年內	1,186
Total minimum finance lease payments	應付最低租金總額	4,211
Future finance charges	未來融資費用	(412)
Total net finance lease payables	應付融資租約淨值總額	3,799
Portion classified as current liabilities (note 19)	列為流動負債部分(附註19)	(2,881)
Long term portion	長期部分	918

於本年度內，已修訂及採行標準會計實務準則第14號，詳情見財務報告附註2。上述準則有若干項新披露事項規定，並已載納於上文。有關新披露事項之上年度比較金額亦已載納其中(倘適用)。

# Notes to the Financial Statements

## 財務報告附註

### 22. LOANS FROM A DIRECTOR

Loans from a director are unsecured, bear interest at the prime lending rate in Hong Kong plus 3% per annum and are repayable on demand.

Subsequent to the balance sheet date, the director has undertaken that he will not demand the Group to repay partly or wholly of the loans advanced to the Group before 30 June 2003.

### 22. 一位董事提供之貸款

來自一位董事之貸款並無抵押，衍生利息為每年香港最優惠貸款利率加3厘及於要求時償還。

於結算日後，董事承諾彼將不會要求本集團於二零零三年六月三十日前部分或全部償還給予本集團之墊款。

### 23. DEFERRED TAX

At beginning of year  
Credit for the year (note 11)

年初  
本年度計入(附註11)

At 31 March

於三月三十一日

The principal amounts of the Group's and the Company's deferred tax assets not recognised for in the financial statements at the balance sheet date were as follows:

Tax losses carried forward  
稅項虧損結轉

### 23. 遞延稅項

		Group 本集團	
		2002 二零零二年	2001 二零零一年
		HK\$'000 千港元	HK\$'000 千港元
		-	4,300
		-	(4,300)
		<u>-</u>	<u>-</u>

於結算日，財務報告內未確認之本集團及本公司遞延稅項資產之本金額如下：

		Not provided 未提撥	
		2002 二零零二年	2001 二零零一年
		HK\$'000 千港元	HK\$'000 千港元
		17,404	14,706

		<u>17,404</u>	<u>14,706</u>
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23. DEFERRED TAX (Continued)

No deferred tax has been provided on the revaluation surplus of the Group's leasehold land and buildings situated in the PRC as the Group presently does not have any intention to dispose of its leasehold land and buildings.

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

24. CONVERTIBLE NOTE

On 30 October 2000, the Company entered into a conditional subscription agreement (the "CN Agreement") with Join Asia Enterprises Limited ("Join Asia"), which is an independent third party not connected with the Group. Pursuant to the CN Agreement, the Company issued a HK\$3 million convertible note (the "Convertible Note") to Join Asia. The Convertible Note has been issued at 100% of its principal amount, bears interest at the rate of 5% per annum and is payable on 16 November 2002 (the "Maturity Date").

Pursuant to the CN Agreement, Join Asia has the right to convert the whole or any part of the principal amount of the Convertible Note into fully paid ordinary shares of HK\$0.01 each of the Company at a conversion price of HK\$0.015 per share (the "Conversion Price") at any time before the Maturity Date. If not converted by the Maturity Date, the Company would repay such principal outstanding under the Convertible Note to Join Asia together with all interest accrued thereon up to and including the Maturity Date.

23. 遞延稅項 (續)

由於本集團目前並無任何計劃出售其租賃土地及樓宇，故並無就本集團位於中國之租賃土地及樓宇之重估盈餘提撥任何遞延稅項準備。

於結算日，本公司及本集團概無任何未提撥遞延稅項(二零零一年：無)。

24. 可換股票據

於二零零零年十月三十日，本公司與興亞企業有限公司(「興亞」)訂立有條件認購協議(「有條件協議」)。興亞乃一獨立第三者，與本集團並無關連。根據該項有條件協議，本公司發行3,000,000港元之可換股票據(「可換股票據」)予興亞。可換股票據以其十足本金金額發行並以年息5厘計算利息，並須於二零零二年十一月十六日(「到期日」)支付。

根據有條件協議，興亞有權於到期日之前任何時間將可換股票據之全部或任何部分本金金額，按每股0.015港元之兌換價(「兌換價」)轉換為本公司每股面值0.01港元之已繳足普通股。倘於到期日未獲轉換，本公司將償還可換股票據未償還之本金及截至及包括到期日在內之所有應計利息予興亞。

# Notes to the Financial Statements

## 財務報告附註

### 24. CONVERTIBLE NOTE (Continued)

Subsequent to the balance sheet date on 6 May 2002, Join Asia converted all the Convertible Note at the Conversion Price which resulted in the issuance of 200,000,000 shares of HK\$0.01 each in the Company.

### 25. SHARE CAPITAL

#### Shares

Authorised:  
10,000,000,000  
ordinary shares  
of HK\$0.01 each

Issued and fully paid:  
2,483,936,760  
ordinary shares  
of HK\$0.01 each

Pursuant to an ordinary resolution passed at a special general meeting held on 13 May 2002, the authorised share capital of the Company was increased from HK\$100,000,000 to HK\$300,000,000 by the creation of an additional 20,000,000,000 shares of HK\$0.01 each.

法定股本：  
10,000,000,000股  
每股面值0.01港元  
之普通股

已發行及繳足股本：  
2,483,936,760股  
每股面值0.01港元  
之普通股

### 24. 可換股票據 (續)

結算日後，於二零零二年五月六日，興亞按兌換價轉換全部可換股票據，因此發行200,000,000股每股面值0.01港元之本公司股份。

### 25. 股本

#### 股份

Company 本公司	
2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元
<u>100,000</u>	<u>100,000</u>
<u>24,839</u>	<u>24,839</u>

根據二零零二年五月十三日在股東特別大會上通過之一項普通決議案，本公司之法定股本藉着額外增設20,000,000,000股每股面值0.01港元股份由100,000,000港元增至300,000,000港元。

25. SHARE CAPITAL (Continued)

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.

Details of the movements in the number of outstanding share options of the Company during the year are summarised as follows:

		At 1 April 2001 '000 於二零零一年 四月一日 千份	Lapsed during the year '000 於本年度內 失效 千份	At 31 March 2002 '000 於二零零二年 三月三十一日 千份	Exercise period of share options 購股權之 行使限期
Exercise price per share	每股行使價				
HK\$0.046	0.046港元	59,700	(46,000)	13,700	21 July 1999 to 16 February 2008 一九九九年七月 二十一日至 二零零八年 二月十六日
HK\$0.03472	0.03472港元	50,000	(50,000)	-	20 September 2000 to 16 February 2008 二零零零年 九月二十日至 二零零八年 二月十六日
Total	總計	<u>109,700</u>	<u>(96,000)</u>	<u>13,700</u>	

25. 股本 (續)

購股權

本公司實行一項購股權計劃(「該計劃」)，有關詳情載於董事會報告「購股權計劃」一段內。

於本年度內，本公司之未行使購股權數目之變動詳情如下：

### 25. SHARE CAPITAL (Continued)

At the balance sheet date, the Company had 13,700,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 13,700,000 additional shares of HK\$0.01 each at a total consideration, before issue expenses, of approximately HK\$630,000, subject to adjustment.

#### Warrants

The Company had 352,841,220 outstanding warrants as at 1 April 2001 which were granted on 28 September 1999. Each warrant entitled the holder thereof to subscribe for one share at a subscription price of HK\$0.05 per share, payable in cash and subject to adjustment, from the date of issue to 28 September 2001 (both dates inclusive).

No warrants were exercised during the year and all warrants lapsed as at 31 March 2002.

### 25. 股本 (續)

於結算日，本公司根據該計劃有13,700,000份未行使之購股權。根據本公司現時之股本架構，悉數行使未行使之購股權可能導致額外發行13,700,000股每股面值0.01港元之股份，總代價約630,000港元（未扣除發行費用），惟可予調整。

#### 認股權證

於二零零一年四月一日，本公司有352,841,220份於一九九九年九月二十八日授出之未行使認股權證。每份認股權證賦予其持有人權利可自發行日期起計至二零零一年九月二十八日（包括首尾兩日）止按認購價每股0.05港元認購一股股份，股款須以現金支付並可予調整。

年內概無行使任何認股權證，而全部認股權證已於二零零二年三月三十一日失效。



26. RESERVES

26. 儲備

Group

本集團

		Share premium	Contributed surplus	Fixed asset revaluation reserve	Retained profits/ (accumu- lated losses)	Total
		股份溢價	繳入盈餘	固定資產 重估儲備	保留溢利/ (累積虧損)	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 April 2000	於二零零零年四月一日	44,397	10	36,978	122,493	203,878
Issue of shares	發行股份	22	-	-	-	22
Share issue expenses	股份發行費用	(22)	-	-	-	(22)
Net loss for the year	本年度之虧損淨額	-	-	-	(279,335)	(279,335)
Revaluation deficit	重估虧損值	-	-	(18,954)	-	(18,954)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March and 1 April 2001	於二零零一年三月三十一日 及四月一日	44,397	10	18,024	(156,842)	(94,411)
Net loss for the year	本年度之虧損淨額	-	-	-	(59,284)	(59,284)
Revaluation surplus	重估盈餘值	-	-	460	-	460
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2002	於二零零二年三月三十一日	<u>44,397</u>	<u>10</u>	<u>18,484</u>	<u>(216,126)</u>	<u>(153,235)</u>

# Notes to the Financial Statements

## 財務報告附註

### 26. RESERVES (Continued)

#### Company

		本公司			
		Share premium	Contributed surplus	Retained profits/ (accumulated losses)	Total
		股份溢價	繳入盈餘	保留溢利/ (累積虧損)	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 April 2000	於二零零零年四月一日	44,397	68,509	8,390	121,296
Issue of shares	發行股份	22	-	-	22
Share issue expense	股份發行費用	(22)	-	-	(22)
Net loss for the year	本年度之虧損淨額	-	-	(252,403)	(252,403)
At 31 March and 1 April 2001	於二零零一年三月三十一日及四月一日	44,397	68,509	(244,013)	(131,107)
Net profit for the year	本年度之溢利淨額	-	-	37,461	37,461
At 31 March 2002	於二零零二年三月三十一日	<u>44,397</u>	<u>68,509</u>	<u>(206,552)</u>	<u>(93,646)</u>

The contributed surplus of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to the Group reorganisation on 17 February 1998, over the nominal value of the share capital of the Company issued in exchange therefor.

The contributed surplus of the Company represents the excess of the then combined net assets value of the subsidiaries acquired pursuant to the same reorganisation, over the nominal value of the Company's shares issued in exchange therefor.

### 26. 儲備 (續)

#### 本公司

		Share premium	Contributed surplus	Retained profits/ (accumulated losses)	Total
		股份溢價	繳入盈餘	保留溢利/ (累積虧損)	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 April 2000	於二零零零年四月一日	44,397	68,509	8,390	121,296
Issue of shares	發行股份	22	-	-	22
Share issue expense	股份發行費用	(22)	-	-	(22)
Net loss for the year	本年度之虧損淨額	-	-	(252,403)	(252,403)
At 31 March and 1 April 2001	於二零零一年三月三十一日及四月一日	44,397	68,509	(244,013)	(131,107)
Net profit for the year	本年度之溢利淨額	-	-	37,461	37,461
At 31 March 2002	於二零零二年三月三十一日	<u>44,397</u>	<u>68,509</u>	<u>(206,552)</u>	<u>(93,646)</u>

本集團之繳入盈餘指根據一九九八年二月十七日進行之集團重組而收購之附屬公司股本之面值，與本公司為交換該等股份而發行之股本面值之差額。

本公司之繳入盈餘指根據同一項重組而收購之附屬公司當時之合併資產淨值，超逾本公司為交換該等資產而發行之股本面值之數額。

27. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

27. 綜合現金流量表附註

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

(a) 經營業務虧損與經營業務之現金流出淨額對賬表

		2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元
Loss from operating activities	經營業務虧損	<b>(43,449)</b>	(269,994)
Depreciation	折舊	<b>14,750</b>	17,973
Interest income	利息收入	<b>(14)</b>	(63)
(Gain)/loss on disposal of fixed assets	出售固定資產(收益)/虧損	<b>(204)</b>	2,231
Provision for bad and doubtful debts	呆壞賬撥備	<b>690</b>	124,515
Provision for inventories	存貨撥備	-	6,615
Provision for advances to a company	一間公司墊款撥備	-	5,177
Provision for deposits made to certain suppliers	向若干供應商所繳付之按金撥備	-	4,635
Provision for unrecoverable inventories held by a company	一家公司所持之不可收回存貨之撥備	-	11,791
Provision for impairment of fixed assets	固定資產耗損撥備	-	54,981
Revaluation deficit on land and buildings	土地及樓宇之重估虧絀	<b>2,638</b>	3,073
Increase in accounts receivable	應收賬款之增加	<b>(747)</b>	(26,005)
Decrease/(increase) in inventories	存貨之減少/(增加)	<b>4,564</b>	(5,344)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項之增加	<b>(2,754)</b>	(14,662)
Decrease in trust receipt loans with original maturity greater than three months	原到期日超過三個月之信託收據貸款減少	-	(8,290)
Decrease in accounts payable	應付賬款之減少	<b>(2,497)</b>	(21,391)
Increase in other payables and accruals	其他應付及應計款項之增加	<b>12,579</b>	34,672
Net cash outflow from operating activities	經營業務之現金流出淨額	<b>(14,444)</b>	(80,086)

# Notes to the Financial Statements

## 財務報告附註

### 27. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

#### (b) Analysis of changes in financing during the year

		Issued capital and share premium	Bank loans	Other loans	Loan from a director	Obligations under finance leases	Convertible note
		已發行股本及股份溢價	銀行貸款	其他貸款	來自一位董事之貸款	融資租約責任	可換股票據
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2000	於二零零零年四月一日	69,230	40,443	-	-	5,219	-
Net cash inflow/(outflow) from financing	因融資而流入/ (流出)之現金淨額	-	(1,204)	-	9,000	(2,139)	3,000
Issue of shares	發行股份	28	-	-	-	-	-
Share issue expenses	股份發行費用	(22)	-	-	-	-	-
Inception of finance leases	訂立新融資租約	-	-	-	-	3,534	-
At 31 March and 1 April 2001	於二零零一年三月三十一日及四月一日	69,236	39,239	-	9,000	6,614	3,000
Net cash inflow/(outflow) from financing	因融資而流入/ (流出)之現金淨額	-	(608)	14,400	7,000	(2,815)	-
Assignment of loan (note 27(c))	轉讓貸款 (附註27(c))	-	-	12,000	(12,000)	-	-
At 31 March 2002	於二零零二年三月三十一日	<b>69,236</b>	<b>38,631</b>	<b>26,400</b>	<b>4,000</b>	<b>3,799</b>	<b>3,000</b>

#### (c) Major non-cash transaction

During the year, a director assigned part of his loans advanced to the Group of HK\$12,000,000 to an independent loan provider. The foregoing assignment did not result in any cash flow.

### 28. PLEDGE OF ASSETS

Details of the Group's bank and other borrowings, which are secured by assets of the Group, are included in notes 14 and 20 to the financial statements.

### 27. 綜合現金流量表附註 (續)

#### (b) 年內融資變動分析

#### (c) 主要非現金交易

於本年度內，一名董事向一獨立放款人轉讓部分其給予本集團之墊款12,000,000港元。上述轉讓並無產生任何現金流量。

### 28. 資產抵押

本集團以本集團資產作抵押之銀行及其他借款之詳情載於財務報告附註14及20。

29. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for a term of two year.

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

Within one year	一年內
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)

In addition, pursuant to various agreements entered into between the Group and an unrelated party in the PRC, the Group is required to pay annual fees of HK\$118,000 in respect of certain leasehold land of the Group in the PRC, with a carrying value of HK\$29,554,000 as at 31 March 2002, commencing from the year 2008 up to the year 2048 with a 20% increment for every five years (note 14).

SSAP 14 (Revised), which was adopted during the year, 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.

29. 經營租約安排

本集團根據經營租約安排租賃若干辦公室物業。物業租賃期商定為期兩年。

於二零零二年三月三十一日，本集團根據不可註銷經營租約之日後最低租金總額將於以下期間屆滿：

Group 本集團	
2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元
398	345
248	-
<b>646</b>	<b>345</b>

此外，根據本集團及在中國之一名無關連人士訂定之多項協議，本集團需就本集團若干在中國之租賃土地支付年費118,000港元，有關土地於二零零二年三月三十一日之賬面值為29,554,000港元，租約從二零零八年起至二零四八年止，每五年租值增加20%(附註14)。

本年度內採納之會計實務準則第14號(經修訂)規定根據租約內之承租人需披露日後最低租金總額，而非如先前規定僅須披露將於下一年度作出之付款。

# Notes to the Financial Statements

## 財務報告附註

### 30. COMMITMENTS

In addition to the operating lease commitments detailed in note 29 above, the Group had the following capital commitments at the balance sheet date:

Authorised, but not contracted  
for acquisition of certain land

就收購若干土地之  
已批准但未訂約  
資本承擔

Group 本集團	
2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元
-	3,150

The Company did not have any significant commitments at the balance sheet date (2001: Nil).

### 30. 承擔

除上文附註29詳列之經營租約承擔外，本集團於結算日有以下資本承擔：

本公司於結算日並無任何重大承擔（二零零一年：無）。

### 31. PENDING LITIGATIONS

(i) A claim for approximately HK\$4,413,000 plus damages and costs in respect of default under an overdraft facility and a trade facility was brought by DBS Kwong On Bank Limited against the Company and HCT, a subsidiary of the Company. DBS Kwong On Bank Limited joined the Bank Group and this claim had been subsequently settled as part of the compromise agreement reached with the Bank Group as detailed in note 3(a)(ii) to the financial statements.

### 31. 仍未了結之訴訟

(i) DBS廣安銀行有限公司向本公司及本公司一間附屬公司雄昌玩具索償約4,413,000港元，另加透支信貸及貿易信貸違約損失及費用。DBS廣安銀行有限公司已加盟銀行集團，而此項索償已於其後償還並作為與銀行集團達成償債協議之部分，詳見財務報告附註3(a)(ii)。

31. PENDING LITIGATIONS (Continued)

- (ii) Claims for outstanding trade debts were brought by several suppliers against HCT in the prior year in respect of goods supplied for approximately HK\$850,000 in aggregate together with interests, costs and/or other relief. The Group subsequently filed defences. No further action has been taken by the suppliers. A full provision for HK\$850,000 had been made in these financial statements.
- (iii) A claim for approximately HK\$2,994,000, in respect of the provision of goods plus interests, was brought by a supplier against the Company and HCT and an amended judgement was entered in favour of the plaintiff on 29 January 2001. By a consent order dated 11 April 2001, there was a stay of execution on judgement on the condition that the Group paid to the plaintiff the claim together with interest by 8 instalments. However, the Group defaulted in settlement after paying 2 instalments of HK\$800,000 in aggregate. On 2 November 2001, the Group entered into another deed of compromise with the supplier to make an aggregate settlement of HK\$2,507,000 by 9 instalments. At the date of this report, 6 instalments aggregating HK\$2,000,000 had been paid to the supplier. The remaining unsettled amount of HK\$507,000 has been fully provided for in these financial statements.

31. 仍未了結之訴訟 (續)

- (ii) 於上年度若干供應商就已供應貨品合共約850,000港元連同利息、成本及／或其他寬免向雄昌玩具提出未償還應收貿易賬款索償。本集團其後提出抗辯。供應商迄今並無採取進一步行動。於本財務報告內已作出全數撥備850,000港元。
- (iii) 一名供應商就貨品供應向本公司及雄昌玩具提出約2,994,000港元另加利息之索償，並於二零零一年一月二十九日作出抗辯人得值之經修訂裁決。根據日期為二零零一年四月十一日之一項同意令狀，上述裁決可暫緩執行，條件為本集團向抗辯人支付索償連同分8期支付之利息。然而，本集團在支付兩期合共800,000港元之款項後未能作出還款。於二零零一年十一月二日，本集團與供應商訂立另一項償債契據，分9期作出總還款額2,507,000港元。於本報告之日，本集團已向供應商支付6期合共2,000,000港元。餘下未償還款額507,000港元已於本財務報告內悉數撥備。

### 31. PENDING LITIGATIONS (Continued)

- (iv) A claim for approximately HK\$3,196,000, in respect of the provision of printing services to the Group plus interest, was brought by a service provider against the Company. By a consent order dated 1 March 2001, the claim was to be settled by monthly instalments. Due to the Group's default in payment, a winding-up petition was brought by the services provider against the Company. On 22 March 2002, the Group entered into a deed of settlement with the service provider and the petition was withdrawn on 16 April 2002. At the date of this report, settlement of approximate HK\$2,864,000 had been paid by the Group. Full provision for the remaining unsettled amount of HK\$332,000 has been made in these financial statements.
- (v) Two claims were filed by Pacific Finance (Hong Kong) Limited ("PF") against subsidiaries of the Company in respect of a dispute regarding finance lease contracts for certain equipments. The Group and PF entered into a settlement arrangement on 21 March 2001 regarding those claims under which the Group is obliged to pay rental and interest by instalments, the last of which is to be paid on or before 15 August 2002. Full provision for the unsettled amount of HK\$1,402,000 has been made in these financial statements.

### 31. 仍未了結之訴訟 (續)

- (iv) 一名服務供應商就向本集團提供印刷服務向本公司索償約3,196,000港元。根據日期為二零零一年三月一日之一項同意令狀，上述索償將按月分期償還。由於本集團未能作出還款，服務供應商遂向本公司提出清盤呈請。於二零零二年三月二十二日，本集團與該服務供應商訂立償還契約，而有關呈請已於二零零二年四月十六日撤回。於本報告日期，本集團已支付約2,864,000港元之欠款。餘下未償還款額332,000港元已於本財務報告內悉數作出撥備。
- (v) 怡泰富財務(香港)有限公司(「怡泰富」)就若干設備之租購合約之爭訟向本公司多間附屬公司提出兩項索償。本集團與怡泰富於二零零一年三月二十一日就該索償訂立一項償還安排，據此，本集團需分期繳付租金及利息，最後一期須於二零零二年八月十五日當日或之前支付。未償還款額1,402,000港元已於本財務報告內悉數作出撥備。



31. PENDING LITIGATIONS (Continued)

- (vi) A claim for a total sum of HK\$2,349,000, in respect of lease payments plus interest, was brought by Wing Hang Finance Company Limited ("WHF") against HCT and the Company on 12 April 2001. By way of undertaking and guarantee/indemnity signed between the Group and WHF, the claim has been adjourned sine die with no order as to costs at a hearing on 15 October 2001. During the year, a settlement of HK\$742,000 had been made by the Group to WHF and full provision of the remaining unsettled amount of HK\$1,607,000 has been made in these financial statements.
- (vii) As at the date of this report, writs of summons had been issued by other miscellaneous creditors aggregating approximately HK\$2,206,000, together with claims for interest thereon in respect of purchases of goods and the provision of services.

In the opinion of the directors, adequate provisions have been made by the Group in respect of all the claims above-noted in the Group's financial statements as at 31 March 2002.

31. 仍未了結之訴訟 (續)

- (vi) 永亨財務有限公司(「永亨財務」)就租金另加利息於二零零一年四月十二日向雄昌玩具與本公司提出總額2,349,000港元之索償。透過本集團與永亨財務簽定之承諾及擔保/賠償,有關索償之費用已於二零零一年十月十五日之聆訊上以毋須法院令狀下無限期押後。於本年度內,本集團已向永亨財務作出742,000港元還款,而餘下未償還款額1,607,000港元已於本財務報告內已悉數撥備。
- (vii) 於本報告日期,總額約2,206,000港元之其他各債權人就購貨及服務提供連同有關之利息索償發出傳訊令狀。

董事認為,本集團已於二零零二年三月三十一日之財務報告內就上述各項附註之全部索償作出充裕之撥備。

### 32. POST BALANCE SHEET EVENTS

- (i) On 6 May 2002, the Group's convertible note of HK\$3,000,000 outstanding as at 31 March 2002 was converted into 200,000,000 shares in the Company at a conversion price HK\$0.015 per share.
- (ii) Pursuant to an ordinary resolution passed at a special general meeting held on 13 May 2002, the authorised share capital of the Company was increased from HK\$100,000,000 to HK\$300,000,000 by the creation of an additional 20,000,000,000 shares of HK\$0.01 each.
- (iii) On 16 May 2002, the subscription agreement entered into by the Company with Vision Century was completed which resulted in the issue of 3,000,000,000 ordinary shares of HK\$0.01 each in the Company at a price of HK\$0.01 per share. Cash proceeds of HK\$30,000,000, before related expenses, were received by the Company. Further details of the subscription agreement are set out in note 3(a)(i).
- (iv) On 16 May 2002, the compromise agreement entered into by the Group with the Bank Group was completed which resulted in the issue of convertible notes of HK\$6,500,000 and a cash payment of HK\$20,039,000 by the Group to the Bank Group. Further details of the compromise agreement are set out in note 3(a)(ii).

### 32. 結算日後事項

- (i) 於二零零二年五月六日，本集團於二零零二年三月三十一日之未行使可換股票據3,000,000港元按兌換價每股0.015港元轉換為200,000,000股本公司股份。
- (ii) 根據於二零零二年五月十三日舉行之股東特別大會上通過之一項普通決議案，本公司之法定股本藉額外增設20,000,000,000股每股面值0.01港元之股份由100,000,000港元增至300,000,000港元。
- (iii) 於二零零二年五月十六日完成本公司與Vision Century訂立之認購協議，導致按每股0.01港元之價格發行每股面值0.01港元之本公司普通股3,000,000,000股。本公司已收現金所得款項30,000,000港元（未扣除相關費用）。認購協議之詳情載於附註3(a)(i)。
- (iv) 於二零零二年五月十六日完成本集團與銀行集團訂立之償債協議，導致本集團向銀行集團發行6,500,000港元可換股票據及作出現金付款20,039,000港元。償債協議之詳情載於附註3(a)(ii)內。

32. POST BALANCE SHEET EVENTS (Continued)

- (v) Pursuant to one of the compromise agreements entered into by the Group with the creditors during the year, the Company issued 520,000,000 new ordinary shares of HK\$0.01 each in the Company to a creditor on 16 May 2002. Further details of the compromise agreement are set out in note 3(a)(iii) to the financial statements.
- (vi) On 29 May 2002, the Open Offer detailed in note 3(b) was completed. A total of 4,025,905,140 new shares of HK\$0.01 each in the Company were issued. Cash proceeds of HK\$40,259,000, before related expenses, were received by the Company.
- (vii) Subsequent to the balance sheet date, the Group agreed with or obtained written consent from certain creditors to reschedule the repayment terms of the Group's indebtedness. Further details of such agreements are set out in note 3(c) to the financial statements.

32. 結算日後事項 (續)

- (v) 根據本集團與債權人於年內訂立之其中一份妥協協議，本公司已於二零零二年五月十六日向一名債權人發行520,000,000股每股面值0.01港元之本公司新普通股。妥協協議之進一步詳情載於財務報告附註3(a)(iii)。
- (vi) 於二零零二年五月二十九日，完成公開發售後（詳見附註3(b)），合共發行4,025,905,140股面值0.01港元之本公司新股。本公司已收現金所得款項40,259,000港元（未扣除相關開支）。
- (vii) 於結算日後，本集團透過與若干債權人協商或取得書面同意重新安排本集團債務之償還期。該等協議之詳情載於財務報告附註3(c)。

# Notes to the Financial Statements

## 財務報告附註

### 33. RELATED PARTY TRANSACTIONS

- (i) Mr. Chan Chun Hung and Ms. Wong Kin Ching, former directors of the Company, had executed unlimited personal guarantees at 31 March 2002 in respect of certain banking facilities granted to the Group.
- (ii) Mr. Lo Chi Ming, Charles, a director of the Company, advanced loans of HK\$7,000,000 to the Group during the year. The loans are unsecured, bear interest at the prime lending rate in Hong Kong plus 3% per annum and are repayable on demand. As at 31 March 2002, the outstanding balance of the loans advanced by this director was HK\$4,000,000.

### 34. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 19 July 2002.

### 33. 有關連人士交易

- (i) 本公司前任董事陳振洪先生及黃見貞女士於二零零二年三月三十一日就給予本集團之若干銀行融資作出無限額之個人擔保。
- (ii) 於本年度內，本公司董事勞明智先生向本集團作出墊支貸款7,000,000港元。貸款無抵押，衍生利息為每年香港最優惠貸款利率加3厘及於催繳時償還。於二零零二年三月三十一日，此名董事之墊支貸款未償還餘額為4,000,000港元。

### 34. 批准財務報告

董事會於二零零二年七月十九日批准本財務報告並授權刊發。