

REPORT OF THE DIRECTORS

董事會報告

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2003.

CHANGE OF COMPANY NAME

The name of the Company was changed from Hung Fung Group Holdings Limited to Xin Corporation Limited pursuant to a special resolution passed at a special general meeting of the Company held on 30 December 2002, which took effect upon the approval of the Registrar of Companies of Bermuda granted on 30 December 2002 and “新創綜合企業有限公司” was adopted as the Company’s Chinese name.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries consist of 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.

RESULTS

The Group’s profit for the year ended 31 March 2003 and the state of affairs of the Company and of the Group as at that date are set out in the financial statements on pages 28 to 100.

董事會謹此提呈本公司及本集團截至二零零三年三月三十一日止年度之董事會報告及經審核財務報表。

更改公司名稱

根據本公司於二零零二年十二月三十日舉行之股東特別大會上通過之特別決議案，本公司名稱由 Hung Fung Group Holdings Limited 更改為 Xin Corporation Limited，易名事宜自二零零二年十二月三十日取得百慕達公司註冊處批准後生效，並已採納「新創綜合企業有限公司」作為本公司之中文名稱。

主要業務

本公司之主要業務為投資控股。附屬公司之主要業務包括設計、製造及銷售廣泛種類之玩具。本集團之主要業務性質於年內並無重大改變。

業績

本集團截至二零零三年三月三十一日止年度之溢利及本公司與本集團於該日之業務狀況列載於財務報表第28至第100頁。

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SUMMARY OF FINANCIAL INFORMATION

A summary of the published results, and assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below. This summary does not form part of the audited financial statements.

RESULTS

		Year ended 31 March 截至三月三十一日				
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元	1999 一九九九 年 HK\$'000 千港元
Turnover	營業額	38,092	47,408	202,682	290,600	241,254
Profit/(loss) before tax	除稅前溢利／ (虧損)	38,268	(59,284)	(283,689)	30,286	32,029
Tax	稅項	(836)	-	4,354	(4,091)	11,328
Net profit/(loss) from ordinary activities attributable to shareholders	股東在日常業務上應佔淨溢利／(虧損)	37,432	(59,284)	(279,335)	26,195	43,357

ASSETS AND LIABILITIES

		31 March 三月三十一日				
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元	1999 一九九九 年 HK\$'000 千港元
Total assets	總資產	108,951	127,116	141,004	392,552	259,855
Total liabilities	總負債	(119,965)	(255,512)	(210,576)	(163,841)	(114,032)
		(11,014)	(128,396)	(69,572)	228,711	145,823

財務資料概要

以下為本集團過往五個財政年度已刊發之業績及資產與負債概要，乃摘錄自己刊發之經審核財務報表。本概要並不構成本經審核財務報表之其中部份。

業績

		Year ended 31 March 截至三月三十一日				
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元	1999 一九九九 年 HK\$'000 千港元
Turnover	營業額	38,092	47,408	202,682	290,600	241,254
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Net profit/(loss) from ordinary activities attributable to shareholders	股東在日常業務上應佔淨溢利／(虧損)	37,432	(59,284)	(279,335)	26,195	43,357

資產與負債

		31 March 三月三十一日				
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元	1999 一九九九 年 HK\$'000 千港元
Total assets	總資產	108,951	127,116	141,004	392,552	259,855
Total liabilities	總負債	(119,965)	(255,512)	(210,576)	(163,841)	(114,032)
		(11,014)	(128,396)	(69,572)	228,711	145,823

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FIXED ASSETS

Details of movements in the fixed assets of the Company and of the Group during the year are set out in note 15 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the year, together with the reasons therefor, are set out in notes 26 and 27 to the financial statements.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 28 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2003, the Company had no reserves available for cash distribution and/or distribution in specie as computed in accordance with the Companies Act 1981 of Bermuda.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for less than 30% of the total sales for the year. Purchases from the Group's five largest suppliers accounted for 40% of the total purchases for the year and purchases from the largest supplier included therein accounted for approximately 16%.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers during the year.

固定資產

本公司及本集團固定資產於年內之變動詳情，載於財務報表附註15。

股本及購股權

本公司之股本及購股權於年內之變動詳情，連同變動理由，載於財務報表附註26及27。

儲備

本公司及本集團儲備於年內之變動詳情分別載於財務報表附註28及綜合權益變動表內。

可供分派儲備

於二零零三年三月三十一日，根據百慕達一九八一年公司法計算，本公司並無可作現金分派及／或實物分派之儲備。

主要客戶及供應商

於回顧年度內，本集團五大客戶佔本集團年內總營業額不足30%。本集團五大供應商佔本集團年內總採購額40%，而最大供應商則佔本集團年內總採購額之約16%。

據董事所知，本公司董事或其任何聯繫人士或擁有本公司已發行股本逾5%之任何股東，於年內概無持有本集團五大客戶或供應商之任何實質權益。

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DIRECTORS

The directors of the Company during the year were:

Executive directors

Mr. Lo Ming Chi, Charles (*Chairman*)

Mr. Yu Wai Man

Ms. Sio Ion Kuan (*appointed on 18 September 2002*)

Mr. Wilson Ng (*appointed on 18 September 2002*)

Independent non-executive directors

Mr. Wu Wing Kit

Mr. Wong Kwok Tai, Wystan

Subsequent to the balance sheet date, on 1 April 2003, Ms. Sio Ion Kuan resigned as an executive director of the Company and Mr. Ng Wee Keat, Mr. Ng Teow Leng and Mr. Ng Eng Leng were appointed as executive directors of the Company.

In addition, subsequent to the balance sheet date, on 1 April 2003, Mr. Lau Pok Lam was appointed as an independent non-executive director of the Company.

In accordance with Bye-law 86(2) of the Company's Bye-laws, Mr. Wilson Ng, Mr. Ng Wee Keat, Mr. Ng Teow Leng, Mr. Ng Eng Leng, and Mr. Lau Pok Lam will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

In accordance with Bye-laws 87(1) and 87(2) of the Company's Bye-laws, Mr. Yu Wai Man will retire by rotation and, being eligible, will offer himself for re-election at the forthcoming annual general meeting.

The directors of the Company, including the independent non-executive directors but excluding the chairman of the board of directors, are subject to retirement by rotation and re-election in accordance with the provisions of the Company's Bye-laws.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 10 to 12 of the annual report.

董事

年內本公司之董事如下：

執行董事

勞明智先生 (*主席*)

余偉文先生

蕭潤群小姐 (*於二零零二年九月十八日獲委任*)

黃偉盛先生 (*於二零零二年九月十八日獲委任*)

獨立非執行董事

胡永傑先生

黃國泰先生

結算日後，於二零零三年四月一日，蕭潤群女士辭任本公司之執行董事，而黃偉傑先生、黃兆麟先生及黃應麟先生則獲委任為本公司之執行董事。

此外，於結算日後，於二零零三年四月一日，劉璞琳先生獲委任為本公司之獨立非執行董事。

根據本公司之公司細則第86(2)條，黃偉盛先生、黃偉傑先生、黃兆麟先生、黃應麟先生及劉璞琳先生將於即將舉行之股東週年大會上依章告退，惟符合資格，並願膺選連任。

根據本公司之公司細則87(1)及87(2)條，余偉文先生將於即將舉行之股東週年大會上輪值告退，惟符合資格，並願膺選連任。

本公司之董事包括獨立非執行董事，但不包括董事會主席，並須根據本公司之公司細則之條文輪值告退及膺選連任。

董事及高級管理人員履歷

本公司董事及本集團高級管理人員履歷之詳情，載於年報第10至第12頁。

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DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 35 to the financial statements, no director had a material interest in any contract of significance to the business of the Group to which the Company or any of its holding companies, fellow subsidiaries and subsidiaries was a party during the year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the Companies Act 1981 of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

DIRECTORS' INTERESTS IN SHARES AND DEBT SECURITIES

As at 31 March 2003, the interests of directors in the share capital of the Company or its associated corporations, as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), were as follows:

Name of directors		Number of ordinary shares of HK\$0.01 each
董事姓名		Other interests (Note) 每股面值0.01港元之普通股 其他權益(附註)
Mr. Wilson Ng	黃偉盛先生	156,419,190
Ms. Sio Ion Kuan	蕭潤群小姐	156,419,190

董事之服務合約

擬於即將舉行之股東週年大會上膺選連任之董事，概無與本公司訂立不可於一年內由本公司不作出賠償(法定賠償除外)而終止之服務合約。

董事之合約權益

除財務報表附註35所披露者外，董事於年內在與本公司或其任何控股公司、同系附屬公司及附屬公司訂立對本集團業務而言為重要之合約中，概無擁有重大權益。

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司年內概無購買、出售或贖回任何本公司之上市證券。

優先購買權

本公司之公司細則或百慕達一九八一年公司法並無有關優先購買權之規定，故本公司無須按比例發售新股予現有股東。

董事之股份及債務證券權益

於二零零三年三月三十一日，本公司根據證券(披露權益)條例(「披露權益條例」)第29條所存置之登記冊記錄，董事於本公司或其相聯法團股本中之權益如下：

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Note: These shares are held by Vision Century Group Limited. Vision Century Group Limited is ultimately owned by a discretionary trust. The beneficiaries under the discretionary trust include Mr. Wilson Ng and Ms. Sio Ion Kuan.

Subsequent to the balance sheet date, Mr. Ng Wee Keat was appointed as an executive director of the Company. The beneficiaries under the above discretionary trust also include Mr. Ng Wee Keat.

In addition, certain directors have non-beneficial personal equity interest in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, none of the directors or their associates had any personal, family, corporate or other interests in the equity or debt securities of the Company or any of its associated corporations, as recorded in the register that was required to be kept under Section 29 of the SDI Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed in the share option scheme disclosures in note 27 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its holding companies, fellow subsidiaries and subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEMES

Due to the adoption of Hong Kong Statement of Standard Accounting Practice No. 34 "Employee benefits" during the year, most of the detailed disclosures relating to the Company's share option schemes have been moved to note 27 to the financial statements.

附註：該等股份由Vision Century Group Limited持有。Vision Century Group Limited最終由一間酌情信託擁有。該酌情信託之實益擁有人包括黃偉盛先生及蕭潤群小姐。

於結算日後，黃偉傑先生獲委任為本公司執行董事。上述酌情信託之實益擁有人亦包括黃偉傑先生。

此外，若干董事就本公司之利益於若干附屬公司持有非實質個人股本權益，目的僅為符合最低公司股東成員人數規定。

除上文所披露者外，概無董事或其任何聯繫人士持有須記錄於根據披露權益條例第29條規定須存置之登記冊，或在其他情況下根據上市公司董事進行證券交易之標準守則知會本公司及香港聯合交易所有限公司（「聯交所」）之本公司或其任何相聯法團之股本或債務證券之個人、家族、公司或其他實益權益。

董事購買股份或債券之權利

除財務報表附註27所述之購股權計劃所披露者外，於年內任何時間，任何董事或彼等各自之配偶或18歲以下子女概無獲授任何可藉收購本公司股份或債券而獲得利益之權利，彼等亦概無行使任何該等權利，而本公司或其任何控股公司、同系附屬公司及附屬公司亦概無訂立任何安排，使董事可自任何其他法團獲得該等權利。

購股權計劃

由於年內採納香港會計實務準則第34號「僱員福利」，故有關本公司購股權計劃之大部份披露詳情已移至財務報表附註27。

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SUBSTANTIAL SHAREHOLDERS

As at 31 March 2003, the following interests of 10% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Name	Number of shares held	Percentage of the Company's issued share capital
名稱	持有股份數目	佔本公司已發行股本百分比
Huang Group (BVI) Limited*	156,414,190	73
Huang Worldwide Holding Limited*	156,419,190	73
Vision Century Group Limited*	156,419,190	73

* Vision Century Group Limited is a wholly-owned subsidiary of Huang Worldwide Holding Limited. Huang Worldwide Holding Limited is a wholly-owned subsidiary of Huang Group (BVI) Limited which is in turn wholly-owned by a discretionary trust.

Save as disclosed above, no person had registered an interest in the share capital of the Company that was required to be recorded pursuant to Section 16(1) of the SDI Ordinance.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, no directors were considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), other than those businesses of which the directors of the Company were appointed as directors to represent the interests of the Company and/or the Group.

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events of the Group are set out in note 34 to the financial statements.

主要股東

於二零零三年三月三十一日，本公司根據披露權益條例第16(1)條規定須存置之權益登記冊記錄，以下股東擁有本公司已發行股本10%或以上權益：

Name	Number of shares held	Percentage of the Company's issued share capital
名稱	持有股份數目	佔本公司已發行股本百分比
Huang Group (BVI) Limited*	156,414,190	73
Huang Worldwide Holding Limited*	156,419,190	73
Vision Century Group Limited*	156,419,190	73

* Vision Century Group Limited乃Huang Worldwide Holding Limited之全資附屬公司，而Huang Worldwide Holding Limited乃Huang Group (BVI) Limited之全資附屬公司，因而Huang Group (BVI) Limited乃由酌情信託全資擁有。

除上文所披露者外，概無人士於本公司股本中擁有須根據披露權益條例第16(1)條予以登記之權益。

董事於競爭業務之權益

於年內及直至本年報日期為止，董事概無於正與或可能會與本集團業務進行直接或間接競爭之業務中擁有權益(定義見香港聯合交易所有限公司證券上市規則(「上市規則」))，惟本公司董事被委任作為董事以代表本公司及／或本集團利益之業務除外。

結算日後事項

本集團於結算日後之重大事項詳情載於財務報表附註34。

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CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules, throughout the accounting period covered by the annual report, except that the independent non-executive directors of the Company are not appointed for specific terms as required by Paragraph 7 of the Code, but are subject to retirement by rotation in accordance with the Company's Bye-laws.

CONNECTED TRANSACTIONS

Details of the connected transactions of the Group for the year are set out in note 35 to the financial statements.

Save as disclosed above, there are no other transactions which would need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Code for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises Mr. Wu Wing Kit, Mr. Wong Kwok Tai, Wystan and Mr. Lau Pok Lam, the independent non-executive directors of the Company.

AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Lo Ming Chi, Charles
Chairman

Hong Kong
24 July 2003

遵守最佳應用守則

董事認為，本公司在年報涵蓋之整個會計期內一直遵守上市規則附錄14所載之最佳應用守則（「守則」）行事，惟本公司獨立非執行董事並無按守則第7段規定委以固定任期，但須根據本公司之公司細則輪值退任。

關連交易

本年度關連交易之詳情載於財務報表附註35。

除上文所披露者外，概無任何其他交易須根據上市規則之規定作為關連交易予以披露。

審核委員會

本公司已遵照守則規定成立審核委員會，以審閱及監督本集團之財務申報程序及內部控制。審核委員會由獨立非執行董事胡永傑先生、黃國泰先生及劉璞琳先生組成。

核數師

安永會計師事務所任期屆滿，本公司將於即將舉行之股東週年大會上提呈一項決議案，重新委任其為本公司之核數師。

代表董事會

主席
勞明智

香港
二零零三年七月二十四日