

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 March 2003 二零零三年三月三十一日

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.

Vision Century Group Limited ("Vision Century"), a company incorporated in the British Virgin Islands, is the immediate holding company of the Company. In the opinion of the directors, the ultimate holding company of the Company is Huang Group (BVI) Limited, a company incorporated in the British Virgin Islands which is ultimately held by a discretionary trust.

2. IMPACT OF NEW AND REVISED HONG KONG STATEMENTS OF STANDARD ACCOUNTING PRACTICE

The following new and revised Hong Kong Statements of Standard Accounting Practice ("SSAPs") are effective for the first time for the current year's financial statements:

- SSAP 1 (Revised):
會計實務準則第1號（經修訂）：
- SSAP 11 (Revised):
會計實務準則第11號（經修訂）：
- SSAP 15 (Revised):
會計實務準則第15號（經修訂）：
- SSAP 34:
會計實務準則第34號：

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 these SSAPs are summarised as follows:

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、製造及銷售一廣泛系列之玩具。年內本集團之主要業務之性質並無重大變動。

Vision Century Group Limited（「Vision Century」）（一間於英屬處女群島註冊成立之公司）乃本公司之直接控股公司。董事認為，本公司之最終控股公司為一間在英屬處女群島註冊成立，由信託基金為最終持有人之公司 Huang Group (BVI) Limited。

2. 新及經修訂之香港會計實務準則之影響

以下為首次於本年度之財務報表中採用之新及經修訂之香港會計實務準則（「會計實務準則」）：

- "Presentation of financial statements"
「財務報表之呈報」
- "Foreign currency translation"
「外幣換算」
- "Cash flow statements"
「現金流量表」
- "Employee benefits"
「僱員福利」

會計實務準則闡述新會計方法及披露規定。此等會計實務準則對本集團之會計政策及於此等財務報表所披露之數額之主要影響概述如下：

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2. IMPACT OF NEW AND REVISED HONG KONG STATEMENTS OF STANDARD ACCOUNTING PRACTICE

(Continued)

SSAP 1 prescribes the basis for the presentation of financial statements and sets out guidelines for their structure and minimum requirements for the content thereof. The principal impact of the revision of this SSAP is that a consolidated statement of changes in equity is now presented on page 30 of the financial statements in place of the consolidated statement of recognised gains and losses that was previously required and in place of the Group's reserves note.

SSAP 11 prescribes the basis for the translation of foreign currency transactions and financial statements. The principal impact of the revision to this SSAP on the consolidated financial statements is that the profit and loss accounts of overseas subsidiaries are now translated into Hong Kong dollars at the weighted average exchange rates for the year, whereas previously they were translated at the exchange rates ruling as at the balance sheet date. The adoption of the revised SSAP 11 has had no material effect on the financial statements.

SSAP 15 prescribes the revised format for the cash flow statement. The principal impact of the revision of this SSAP is that the consolidated cash flow statement now presents cash flows under three headings, cash flows from operating, investing and financing activities, rather than the five headings previously required. In addition, cash flows from overseas subsidiaries arising during the year are now translated to Hong Kong dollars at the exchange rates as at the dates of the transactions, or at an approximation thereto, whereas previously they were translated at the exchange rates as at the balance sheet date, and the definition of cash equivalents for the purpose of the consolidated cash flow statement has been revised. Further details of these changes and the prior year adjustments that have resulted from them are included in the accounting policies for "Cash and cash equivalents" in note 5 and in note 29(a) to the financial statements.

2. 新及經修訂之香港會計實務準則之影響 (續)

會計實務準則第1號規定財務報表之呈報基準，並為財務報表之架構及內容制定指引及最低要求。修訂此項會計實務準則之主要影響在於，財務報表第30頁已呈列綜合權益變動表，以取代先前規定之綜合已確認損益賬並取代本集團之儲備附註。

會計實務準則第11號規定外幣交易及財務報表之換算基準。修訂此項會計實務準則對綜合財務報表之主要影響，在於海外附屬公司之損益賬現時須按本年度加權平均滙率換算為港元，而先前則按結算日之適用滙率換算。採納經修訂會計實務準則第11號對財務報表無重大影響。

會計實務準則第15號就現金流量表之經修訂格式作出規定。修訂此項會計實務準則之主要影響，在於綜合現金流量表現時須使用三個標題來呈報現金流量，即經營業務現金流量、投資業務現金流量及融資活動現金流量，而非如先前所規定使用五個標題。此外，於本年度內來自海外附屬公司之現金流量現時須按交易日之滙率或其約數換算為港元，而先前則按結算日之滙率換算。就綜合現金流量表而言，現金等值物之釋義經已修訂。該等變動及其所導致之先前年度調整之進一步詳情載於財務報表附註5及附註29(a)「現金及現金等值物」之會計政策。

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2. IMPACT OF NEW AND REVISED HONG KONG STATEMENTS OF STANDARD ACCOUNTING PRACTICE

(Continued)

SSAP 34 prescribes the recognition and measurement criteria to apply to employee benefits, together with the required disclosures in respect thereof. The adoption of this SSAP has resulted in no material change to the previously adopted accounting treatments for employee benefits. In addition, disclosures are now required in respect of the Company's share option schemes, as detailed in note 27 to the financial statements. These share option scheme disclosures are similar to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") disclosures previously included in the Report of the Directors, which are now required to be included in the notes to the financial statements as a consequence of the adoption of this SSAP.

2. 新及經修訂之香港會計實務準則之影響 (續)

會計實務準則第34號規定確認及衡量僱員福利之標準，以及相關之披露事項。採納此項會計實務準則並無導致以往採納之僱員福利會計處理方法出現重大變動。此外，本公司現時須披露購股權計劃，詳情載於財務報表附註27。該等購股權計劃披露事項與以往須根據香港聯合交易所有限公司證券上市規則（「上市規則」）載入董事會報告之披露事項相似，惟現時須根據此項會計實務準則列入財務報表附註內。

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3. RESTRUCTURING, OPEN OFFER AND CAPITAL REORGANISATION

During the year, the Group (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 creditors; (b) effected an open offer; and (c) undertook a capital reorganisation, as further explained below:

(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 certain creditors of the Group 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. The subscription agreement was completed on 16 May 2002. Upon completion of the subscription agreement, the Company received cash proceeds of HK\$30,000,000, before related expenses, (note 26(iii)).

3. 重組、公開發售及資本重組

年內，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債權人訂立多項妥協協議)；(b)進行公開發售；及(c)進行資本重組，詳情如下：

(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」)及本集團若干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按面值認購3,000,000,000股每股面值0.01港元之普通股訂立認購協議。認購協議已於二零零二年五月十六日完成。認購協議完成後，本公司已收取未扣除有關開支前之現金所得款項為30,000,000港元(附註26(iii))。

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3. RESTRUCTURING, OPEN OFFER AND CAPITAL REORGANISATION (Continued)

(a) Restructuring (Continued)

(ii) Compromise agreement with the Bank Group

Pursuant to a bank compromise agreement (the "Bank Compromise Agreement") entered into by the Group and the Bank Group on 1 February 2002, the Bank Group released and discharged 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 the completion date of the Bank Compromise Agreement and released 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 (i) received a payment in cash by the Company of approximately HK\$20,000,000; and (ii) was issued eight convertible bonds with an aggregate principal amount of HK\$6,500,000 repayable by three equal annual instalments over three years by the Company. The first instalment was settled by the Company on 16 May 2003. On the basis of the total borrowings owed by the Group to the Bank Group of approximately HK\$103,105,000 (including accrued bank interest of HK\$14,235,000), an aggregate amount of approximately HK\$76,605,000 of the bank indebtedness has been waived by the Bank Group.

In addition, the Bank Group 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.

3. 重組、公開發售及資本重組 (續)

(a) 重組 (續)

(ii) 與銀團訂立之妥協協議

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(「銀行妥協協議」)，銀團已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，銀團已(i)收取本公司以現金支付之款項約20,000,000港元；及(ii)獲本公司發行八份本金額合共為6,500,000港元之可換股債券，可於三年內平均分三期按年償還。首期將由本公司於二零零三年五月十六日償還。根據本集團已結欠銀團之總借貸約103,105,000港元(包括應計銀行利息14,235,000港元)為基準，銀團已豁免之銀行借貸總額約為76,605,000港元。

此外，銀團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。

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3. RESTRUCTURING, OPEN OFFER AND CAPITAL REORGANISATION (Continued)

(a) Restructuring (Continued)

(iii) Compromise agreement with the trade and other creditors

The Group entered into a compromise agreement with an entity (the "PRC Entity") owned by the local government in Mainland China in respect of the 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. On the basis of the total amount payable of H\$23,038,000, an aggregate amount of approximately HK\$4,982,000 has been waived by the PRC Entity.

In addition, the Group entered into compromise agreements with various creditors who are primarily trade and other creditors of the Group to settle approximately HK\$11,886,000 in aggregate owed by the Group to those creditors by way of (i) cash payments by the Group of HK\$880,000; and (ii) the issue by the Company of 1,066,440,000 ordinary shares of HK\$0.01 each at HK\$0.010 to HK\$0.015 per share for a total consideration of HK\$11,006,000. The excess consideration for the issue of the Company's shares above over the nominal value of the shares issued, amounting to approximately HK\$342,000, has been credited to the share premium account.

3. 重組、公開發售及資本重組 (續)

(a) 重組 (續)

(iii) 與貿易及其他債權人訂立之妥協協議

本集團與一間由中國地方政府擁有之企業(「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或之前以(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(於發行後第二年償還)之方式償還約23,038,000港元之申索。按應付總額23,038,000港元計算，中國企業已豁免之總額約為4,982,000港元。

此外，本集團與多位債權人(主要為本集團之貿易及其他債權人)訂立妥協協議，以清付本集團結欠該等債權人之金額合共約11,886,000港元，償還方式為(i)本集團以現金支付880,000港元；及(ii)本公司以每股0.010至0.015港元之價格發行1,066,440,000股每股面值0.01港元之普通股，總代價為11,006,000港元。上述本公司發行股份之代價超過已發行股份面值之差額約為342,000港元，乃計入股份溢價賬。

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3. RESTRUCTURING, OPEN OFFER AND CAPITAL REORGANISATION (Continued)

(a) Restructuring (Continued)

Upon completion of the compromise agreements with the Bank Group and creditors, the Group's indebtedness was reduced by HK\$115,529,000 by way of waivers of HK\$81,587,000, capitalisation of HK\$11,006,000 and cash settlement of HK\$22,936,000. The amounts of debts waived, net of related restructuring expenses of HK\$4,556,000, has been credited to the profit and loss account of the Group for the year.

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 agreements with the Bank Group, and trade and other creditors became unconditional and were completed during the year.

(b) Open offer

Immediately after the completion of the Restructuring, the Company effected an open 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 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. The Company received cash proceeds of approximately HK\$40,259,000, before the related open offer expenses, for the issue of shares under the open offer.

3. 重組、公開發售及資本重組 (續)

(a) 重組 (續)

在與銀團及債權人完成妥協協議後，本集團之債務已因獲豁免81,587,000港元、資本化11,006,000港元及現金償還22,936,000港元之方式減少合共115,529,000港元。獲豁免之債務數額經扣減有關重組費用4,556,000港元後，已計入本集團本年度之損益賬。

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及貿易及其他債權人訂立之妥協協議已成為無條件，並於年內完成。

(b) 公開發售

緊隨重組完成後，本公司進行公開發售，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港元之新普通股。在扣除有關公開發售之費用前，本公司就根據公開發售發行股份而收取之現金所得款項約為40,259,000港元。

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3. RESTRUCTURING, OPEN OFFER AND CAPITAL REORGANISATION (Continued)

(c) Capital reorganisation

On 5 December 2002, the Company proposed to effect a capital reorganisation scheme, which involved a consolidation of every fifty issued and unissued shares of HK\$0.01 each into one consolidated share of HK\$0.50 each and the reduction of the par value of the ordinary share capital of the Company from HK\$0.50 each to HK\$0.01 each and the cancellation of the share premium account of the Company. The capital reorganisation scheme was approved by the Company's shareholders on 30 December 2002 at a special general meeting.

On 30 December 2002, the capital reorganisation scheme became effective. Further details of the capital reorganisation are set out in note 26(vi).

3. 重組、公開發售及資本重組 (續)

(c) 資本重組

於二零零二年十二月五日，本公司建議實施資本重組計劃。該計劃涉及每五十股面值0.01港元之已發行及未發行股份合併為一股面值0.50港元之合併股份，並將本公司普通股股本之面值從每股0.50港元減至每股0.01港元，及註銷本公司之股份溢價賬。資本重組計劃已經本公司股東於二零零二年十二月三十日之股東特別大會上批准。

於二零零二年十二月三十日，資本重組計劃開始生效。有關資本重組之進一步詳情載於附註26(vi)。

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4. BASIS OF PRESENTATION

As at 31 March 2003, the Group had significant net current liabilities and a deficiency in assets of approximately HK\$91,336,000 and HK\$11,014,000, respectively. The Group also incurred a loss from operating activities of HK\$33,383,000 and reported a net cash outflow from operating activities of HK\$33,239,000 for the year ended 31 March 2003.

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 directors of the Company (the "Directors") have adopted the following measures:

- (a) The Directors successfully negotiated to effect an open offer with assured allotments of four offer shares for every one 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 29 August 2003.

The open offer is expected to be completed on 23 September 2003 and will result in the issue of a minimum of 862,102,552 new ordinary shares (assuming no granting or exercise of convertible note and bonds (note 24) of the Company are exercised before the open offer) and a maximum of 1,024,769,216 new ordinary shares (assuming full conversion of the outstanding convertible note and bonds before the open offer), of HK\$0.01 each in the Company at a price of HK\$0.06 per offer share based on the number of issued shares of 215,525,638 as at 31 March 2003. Upon completion of the open offer, cash proceeds of a minimum of approximately HK\$51,726,000 and a maximum of HK\$61,486,000, before the related open offer expenses, will be received by the Company.

4. 編制基準

於二零零三年三月三十一日，本集團之流動負債淨額及資產虧絀分別約為91,336,000港元及11,014,000港元。本集團之經營業務虧損為33,383,000港元，並於截至二零零三年三月三十一日止年度錄得來自經營業務之現金流出淨額33,239,000港元。

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，本公司董事（「董事」）已採取以下措施：

- (a) 董事已成功磋商公開發售股份，保證向於二零零三年八月二十九日名列本公司股東登記冊之股東按每持有一股每股面值0.01港元之本公司股份配發四股發售股份。

公開發售預期將於二零零三年九月二十三日完成，按於二零零三年三月三十一日已發行215,525,638股股份計算，將引致本公司以每股發售股份0.06港元之價格發行最少862,102,552股本公司每股面值0.01港元之新普通股（假設於公開發售前並無本公司之可換股票據及債券（附註24）獲授出或行使），及最多1,024,769,216股新普通股（假設於公開發售前未獲行使之可換股票據及債券將悉數被轉換為股份）。於公開發售完成後，本公司將收取之現金收益（並未扣減相關公開發售費用）最少約為51,726,000港元及最多61,486,000港元。

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4. BASIS OF PRESENTATION (Continued)

Vision Century has irrevocably undertaken to subscribe for the shares offered under the open offer and is entitled to apply on an assured basis. Based on the shareholding position of Vision Century in the Company of 156,419,190 shares as at 31 March 2003, Vision Century will apply for 625,676,760 new ordinary shares of the Company. The remaining offer shares will be fully underwritten by Kingston Securities Limited, an independent third party, pursuant to an underwriting agreement dated 15 July 2003, subject to certain terms and conditions. Further details of the open offer are also set out in the Company's announcement dated 16 July 2003.

(b) Further to the open offer set out above, subsequent to the balance sheet date, the Directors have succeeded to reschedule the repayment terms of certain of the Group's indebtednesses in order to improve its immediate liquidity position.

(i) The Group has obtained written consent from one of the Group's Mainland China bankers to reschedule and extend the repayment period, subject to a repayment of the principal amount of approximately HK\$841,000 and the settlement of interest payable of HK\$671,000 by the Group, of its bank borrowings as at 31 March 2003 of approximately HK\$23,458,000 for a further one year upon their original maturity in the second half of 2003.

4. 編制基準 (續)

Vision Century已不可撤回地承諾認購公開發售提呈之股份，並有權按保證基準申請認購有關股份。按Vision Century於二零零三年三月三十一日持有本公司156,419,190股股份之持股量計算，Vision Century將申請本公司625,676,760股新普通股。餘下發售股份將由獨立第三方金利豐證券有限公司根據二零零三年七月十五日之包銷協議全數包銷，惟須待若干條款及條件達成後方可作實。有關公開發售之詳情載於本公司於二零零三年七月十六日刊發之公佈內。

(b) 就上述公開發售而言，於結算日後，董事已成功重新計劃本集團若干債務之償還條款，以改善現時之流動資金狀況。

(i) 本集團已取得其中一間本集團於中國之銀行書面同意，以重訂及延遲償還其原定於二零零三年下半年到期之銀行借貸約23,458,000港元(於二零零三年三月三十一日)之期限多一年，惟須償還約841,000港元之本金及本集團應付之利息671,000港元。

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4. BASIS OF PRESENTATION (Continued)

(ii) Speed Up Developments Limited ("Speed Up"), an independent loan provider to the Group, has assigned its entire interest in other loans of HK\$20,400,000 together with the accrued interest of HK\$1,578,000, (the "Assigned Loans") owed by the Group as at 31 March 2003 to Vision Century subsequent to the balance sheet date. On 2 July 2003, Vision Century granted a credit facility (the "Credit Facility") to the Company amounting to HK\$50,000,000 to surrogate the amount due from the Company as at that date, which covered the Assigned Loans and the loan balance of HK\$12,000,000 (note 22) due to it as at 31 March 2003, additional loan balances of HK\$11,000,000 granted to the Company subsequent to 31 March 2003 and the accrued interest thereon as at that date. Vision Century has undertaken that it will not demand the Group to repay partly or wholly of any advance made to the Group under the Credit Facility before 31 October 2004.

(iii) Certain directors have agreed that they would not demand for the Group to repay partly or wholly of a total sum of approximately HK\$1,998,000 outstanding as at 31 March 2003 in respect of their accrued emoluments unless the Group has sufficient working capital for its normal operational requirements.

(c) The Directors have taken action to tighten cost controls over factory overheads and various general and administrative expenses.

4. 編制基準 (續)

(ii) 於結算日後，一獨立貸款提供者 Speed Up Developments Limited (「Speed Up」) 已將其於本集團於二零零三年三月三十一日欠付之20,400,000港元其他貸款連同1,578,000港元應計利息(「轉讓貸款」)之全部權益轉讓予Vision Century。於二零零三年七月二日，Vision Century授予本公司50,000,000港元之信貸融資(「信貸融資」)，以替本公司償還於該日之債務，包括於二零零三年三月三十一日欠付Vision Century之轉讓貸款及貸款餘額12,000,000港元(附註22)、本公司於二零零三年三月三十一日後獲授之額外貸款餘額11,000,000港元及於該日之應計利息。Vision Century已承諾其將不會於二零零四年十月三十一日前要求本集團償還本集團根據信貸融資獲授之任何部份或全部貸款。

(iii) 若干董事已同意除非本集團有足夠營運資金應付其日常業務所需，否則彼等將不會要求本集團償還部份或全部就彼等於二零零三年三月三十一日未償還之應計酬金總額約1,998,000港元。

(c) 董事已採取行動加強對工廠經常開支及各類一般及行政費用之成本控制。

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4. BASIS OF PRESENTATION (Continued)

A summary pro forma consolidated net asset statement of the Group as at 31 March 2003, which is prepared based on the audited consolidated net deficiency in assets of the Group as at 31 March 2003, adjusted as if the financing measures as set out in (a) and (b) above had taken place on 31 March 2003, is presented below.

4. 編制基準 (續)

本集團於二零零三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於二零零三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(a)及(b)段之融資方法已於二零零三年三月三十一日進行而作出調整，現呈列如下：

		Pro forma adjustments 備考調整			Pro forma adjusted consolidated net assets at 31 March 2003
		Audited consolidated net deficiency in assets as at 31 March 2003	Open offer	Reschedule the repayment terms of the Group's indebtedness	
		於二零零三年 三月三十一日 之經審核綜合 資產虧絀淨值 HK\$'000 千港元	公开发售 (note a) (附註a) HK\$'000 千港元	重訂本集團 債務之 償還條款 (note b) (附註b) HK\$'000 千港元	於二零零三年 三月三十一日 之備考經調整 綜合資產淨值 HK\$'000 千港元
Non-current assets	非流動資產	97,158	—	—	97,158
Current assets	流動資產	11,793	49,735*	—	61,528
Current liabilities	流動負債	(103,129)	—	59,434	(43,695)
Net current assets/(liabilities)	流動資產/ (負債)淨值	(91,336)	49,735	59,434	17,833
Non-current liabilities	非流動負債	(16,836)	—	(59,434)	(76,270)
Net assets/(deficiency in assets)	資產淨值/ (資產虧絀)	(11,014)	49,735	—	38,721
Issued capital	已發行股本	2,155	8,621	—	10,776
Reserves	儲備	(13,169)	41,114	—	27,945
		(11,014)	49,735	—	38,721

* Adjusted for related expenses of HK\$1,991,000 to be paid in connection with the open offer and assumed no conversion of convertible note and bonds of the Company is exercised before the open offer.

* 就公开发售而將須支付之有關開支1,991,000港元作出調整，並假設於公开发售前本公司之可換股票據及債券概無被轉為股票。

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4. BASIS OF PRESENTATION (Continued)

In the opinion of the Directors, in light of the measures taken to date, together with the expected results of other measures in progress, the Group will substantially improve its financial position and has net current assets and net assets including substantial cash resources as reflected in the above pro forma consolidated net asset statement of the Group as at 31 March 2003. In addition, Huang Worldwide Holding Limited ("Huang Worldwide"), the immediate holding company of Vision Century and incorporated in the British Virgin Islands, has undertaken to the Company, during the period up to 31 October 2004, to provide continuing financial support to the Group so as to enable the Group to continue its day-to-day operations as a viable going concern notwithstanding any present or future financial difficulties experienced by the Group.

Having regard to the above measures, 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.

The financial statements have not incorporated any adjustments that may be required if the above measures are not successful. Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the value of all assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in the financial statements.

4. 編制基準 (續)

董事認為，鑑於迄今所採取之措施以及現行其他措施之預期結果，本集團將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)已於上文本集團於二零零三年三月三十一日之備考綜合資產淨值報表中反映。此外，Huang Worldwide Holding Limited(「Huang Worldwide」)，乃Vision Century之直接控股公司，於英屬處女群島註冊成立，已向本公司承諾，在截至二零零四年十月三十一日止期間，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。

經考慮上述措施後，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。

倘上述舉措未獲成功，所需之任何調整並沒包括於本財務報表中。倘本集團未能按持續經營基準進行，則將作出相應調整以分別將所有資產之價值重列至其可收回值，對可能產生之任何額外負債作出撥備，以及將非流動資產及負債重新分類為流動資產及負債。該等調整所引致之影響不會反映在本財務報表中。

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財務報表附註

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5. 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 periodic 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 2003. 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 results of subsidiaries are included in the Company's profit and loss account to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

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.

5. 重要會計政策概要

編製基準

本財務報表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。除下文所述之若干固定資產定期重估外，本財務報表是以歷史成本作為編製基準。

綜合基準

綜合財務報表包括本公司及其附屬公司截至二零零三年三月三十一日止年度之經審核財務報表。本年度內收購或出售之附屬公司業績按各收購或出售生效日期起或截至該等日期止綜合計算。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。

附屬公司之業績於本公司之損益賬內按已收及應收股息入賬。本公司於附屬公司之投資乃以成本值扣除減值虧損列賬。

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，亦被視為關連人士。關連人士可為個人或公司企業。

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5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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, on the following bases:

- (a) from the sale of goods, 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; and
- (b) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

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.

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/amortisation) had no impairment loss been recognised for the asset in prior years.

5. 重要會計政策概要 (續)

收入確認

收入乃於本集團按下列基準可取得及能夠可靠地計算經濟利益時予以確認：

- (a) 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之有效控制權時確認；及
- (b) 利息收入，乃計及有關本金額及適用之實際利率按時間比例基準計算。

資產減值

於各結算日進行評估，以決定是否有任何迹象顯示任何資產出現減值，或有任何迹象顯示往年度已確認之減值虧損不再存在或已減少。倘有任何該等迹象顯示存在，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。

減值虧損僅於資產賬面值超出其可收回值時予以確認。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／攤銷之賬面值。

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5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment of assets (Continued)

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.

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.

5. 重要會計政策概要 (續)

資產減值 (續)

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。

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之支出(如維修及保養費用)通常於產生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，該等費用則會被視作資本開支，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計入損益賬內，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份撥入累計虧損，作為儲備變動處理。

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5. 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 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 is stated at cost less any impairment losses, and is 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.

5. 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計算，所用之主要每年比率如下：

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%

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。

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5. 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. Where the Group is the lessee, 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.

5. 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份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(不包括利息部份)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份回報及風險留予租賃公司之租約均列為經營租約。倘本集團為承租人，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。

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5. 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 expense for tax and for financial reporting purpose, 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.

Employee benefits

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year by the employees and carried forward.

Employment Ordinance long service payments

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their services to the Group to the balance sheet date.

5. 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表而須對收入與支出作出確認時出現之所有重大時差計提撥備，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。

僱員福利

結轉有薪假期

本集團根據僱傭合約按公曆年向僱員提供有薪年假。在若干情況下，於結算日仍未享用之假期允許結轉，由有關僱員在下一個年度享用。於結算日，本集團會就僱員於年內享有及結轉之有薪假期之預期未來成本確認一項應計款項。

僱傭條例長期服務金

本集團若干僱員已達致香港僱傭條例所規定之服務年限，有資格於其僱傭關係終止時享有長期服務金。倘僱傭關係之終止符合僱傭條例所規定之情況，本集團有責任支付長期服務金。

本集團會就預計日後可能須支付之長期服務金確認一項撥備。該項撥備按僱員於截至結算日為止之期間內就為本集團提供之服務估計可賺取之未來長期服務金之最高款額計算。

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5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Employee benefits (Continued)

Retirement benefits scheme

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 MPF Scheme. 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 an employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

Share option scheme

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The financial impact of share options granted under the share option scheme is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapse, are deleted from the register of outstanding options.

5. 重要會計政策概要 (續)

僱員福利 (續)

退休福利計劃

本集團根據強制性公積金計劃條例為其合資格參與強積金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」)。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供款全數歸屬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。

購股權計劃

本公司設有購股權計劃，其目的為給予為本集團之成功營運作出貢獻之合資格參與人鼓勵及回報。根據購股權計劃授出之購股權之財務影響並無計入本公司或本集團之資產負債表，直至購股權獲行使為止。損益賬或資產負債表內並無扣減其成本。於購股權獲行使時，所發行之股份由本公司按股份之面值登記為額外股本，每股股份之行使價超過股份面值之差額由本公司計入股份溢價賬。於行使日期前註銷或作廢之購股權從未行使購股權登記冊中刪除。

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5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Prior to the adoption of the revised SSAP 15 during the year, as explained in note 2 to the financial statements, cash equivalents in the consolidated cash flow statement also included advances from banks repayable within three months from the date of the advance, in addition to bank overdrafts. This change in definition has resulted in a prior year adjustment relating to trust receipt loans, further details of which are included in note 29(a) to the financial statements.

For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the profit and loss account.

5. 重要會計政策概要 (續)

現金及現金等值物

就綜合現金流量表而言，現金及現金等值物包括手頭現金及活期存款，及購入後一般在三個月內到期及可隨時轉換為已知數額現金且價值變動風險較小之短期高度流動性投資，減須應要求償還並構成本集團現金管理之組成部份之銀行透支。

於年內採納經修訂會計實務準則第15號(詳見財務報表附註2)之前，綜合現金流量表內之現金等值物除包括銀行透支外，亦包括於借款之日起須於三個月內償還之銀行貸款。此項釋義之變更已導致上一年度信托收據貸款作出調整，其進一步詳情載於財務報表附註29(a)。

就資產負債表而言，現金及現金等值物包括手頭現金及銀行存款，包括定期存款及性質類似現金而用途不受限制之資產。

撥備

在本集團因已發生之事件而負有現行法律或推定責任，從而有可能須撥出資源以履行有關責任，且有關數額亦能可靠估算之情況下，本集團會作出撥備。

倘貼現之影響乃屬重大，則確認為撥備之數額為日後預期用於履行有關責任之開支於結算日之現值。隨時間推移產生之貼現現值增加計入損益賬之財務費用。

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5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign Currencies

Foreign currency transactions are recorded at the applicable exchange rates ruling as at the transaction dates. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the applicable exchange rates ruling as 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 using the net investment method. The profit and loss accounts of overseas subsidiaries are translated into Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheets are translated into Hong Kong dollars at the exchange rates ruling as at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling as at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

Prior to the adoption of the revised SSAPs 11 and 15 during the year, as explained in note 2 to the financial statements, the profit and loss accounts of overseas subsidiaries and the cash flows of overseas subsidiaries were translated into Hong Kong dollars at the exchange rates ruling as at the balance sheet date. The adoption of the revised SSAP 11 has had no material effect on the financial statements. The adoption of the revised SSAP 15 has had no material effect on the amounts of the previously reported cash flows of the prior year.

5. 重要會計政策概要 (續)

外幣

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

在綜合海外附屬公司之賬目時，其財務報表按投資淨額法折算為港元。海外附屬公司之損益賬按年內之加權平均滙率換算為港元，而資產負債表則按結算日之滙率換算為港元。所產生之換算差額在滙兌波動儲備中列賬。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日之滙率換算為港元。海外附屬公司整個年度定期產生之現金流量按結算日之滙率換算為港元。

於年內採納經修訂會計實務準則第11號及第15號(詳見財務報表附註2)之前，海外附屬公司之損益賬及海外附屬公司之現金流量按結算日之滙率換算為港元。採納經修訂會計實務準則第11號對財務報表並無重大影響。採納經修訂會計實務準則第15號對先前呈報之上一年度現金流量無重大影響。

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6. SEGMENT INFORMATION

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 the 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 other toys segment comprises the manufacture and the trading of pre-school toys, plastic utensils and other fashionable toys.

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 America, Asia Pacific region, 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 among the business segments.

6. 分類資料

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列架構及管理。本集團各業務分類指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) 其他玩具分類，包括製造及買賣學前玩具、塑膠用品以及其他時尚玩具。

在釐定本集團之地區分類、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。

業務分類之間概無分類銷售及轉讓。

NOTES TO FINANCIAL STATEMENTS

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6. SEGMENT INFORMATION (Continued)

(a) Business segments

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

6. 分類資料 (續)

(a) 按業務分類

下表呈列本集團按業務分類之收入、虧損及若干資產、負債與開支資料。

Group 本集團		Toddler cars 學行車		Cycling 腳踏車		Other toys 其他玩具		Consolidated 綜合	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Segment revenue:	分類收入：								
Sales to external customers	外來客戶之銷售額	15,355	16,670	12,176	17,002	10,561	13,736	38,092	47,408
Other revenue	其他收入	274	487	218	495	179	405	671	1,387
		15,629	17,157	12,394	17,497	10,740	14,141	38,763	48,795
Segment results	分類業績	(5,779)	(9,950)	(5,091)	(11,436)	(9,518)	(10,099)	(20,388)	(31,485)
Interest income and unallocated gains	利息收入及未分配收益							4,405	364
Unallocated expenses	未分配開支							(17,400)	(12,328)
Loss from operating activities	經營業務虧損							(33,383)	(43,449)
Finance costs	財務費用							(5,380)	(15,835)
Gain on debt restructuring, net of expenses	債務重組之收益(扣除開支)							77,031	-
Profit/(loss) before tax	除稅前溢利/(虧損)							38,268	(59,284)
Tax	稅項							(836)	-
Net profit/(loss) from ordinary activities attributable to shareholders	股東應佔日常業務溢利/(虧損)淨額							37,432	(59,284)

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6. SEGMENT INFORMATION (Continued)

6. 分類資料 (續)

(a) Business segments (Continued)

(a) 按業務分類 (續)

Group 本集團		Toddler cars 學行車		Cycling 腳踏車		Other toys 其他玩具		Consolidated 綜合	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Segment assets	分類資產	7,291	9,781	7,799	11,360	7,694	9,263	22,784	30,404
Unallocated assets	未分配資產							86,167	96,712
Total assets	總資產							108,951	127,116
Segment liabilities	分類負債	6,277	18,196	6,127	13,492	6,044	9,075	18,448	40,763
Unallocated liabilities	未分配負債							101,517	214,749
Total liabilities	總負債							119,965	255,512
Other segment information:	其他分類資料：								
Depreciation	折舊	928	912	1,670	1,701	1,235	1,226	3,833	3,839
Unallocated amounts	未分配金額							10,963	10,911
								14,796	14,750
Other non-cash expenses	其他非現金開支	702	417	947	126	742	147	2,391	690
Unallocated amounts	未分配金額							-	6,838
								2,391	7,528
Capital expenditure	資本開支	-	228	27	150	4	114	31	492
Unallocated amounts	未分配金額							893	4,920
								924	5,412

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6. SEGMENT INFORMATION (Continued)

(b) Geographical segments

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

Group
本集團

	North America		Europe		Central and South America		Asia Pacific region (including Hong Kong and Mainland China)		Middle East and other regions		Consolidated	
	北美洲		歐洲		中南美洲		亞太區 (包括香港及中國大陸)		中東及其他地區		綜合	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年
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	5,441	11,204	13,958	14,060	7,051	11,640	9,308	7,942	2,334	2,562	38,092	47,408

Group
本集團

	North America		Europe		Central and South America		Asia Pacific region (including Hong Kong and Mainland China)		Middle East and other regions		Consolidated	
	北美洲		歐洲		中南美洲		亞太區 (包括香港及中國大陸)		中東及其他地區		綜合	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年
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	295	1,979	269	557	-	48	108,297	124,062	90	470	108,951	127,116
Capital expenditure 資本開支	-	-	-	-	-	-	924	5,412	-	-	924	5,412

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7. TURNOVER AND REVENUE

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

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

7. 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、其他收入及收益分析如下：

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Turnover	營業額		
Sale of goods	銷售貨物	38,092	47,408
Other revenue	其他收入		
Interest income	利息收入	78	14
Others	其他	921	466
		999	480
Gains	收益		
Gain on disposal of fixed assets	出售固定資產收益	-	243
Revaluation surplus on land and buildings	土地及樓宇之重估盈餘	82	-
Exchange gains, net	滙兌收益，淨額	124	16
Write back of provision for bad and doubtful debts	呆壞賬撥備撥回	435	-
Waiver of accounts payable	應付賬款豁免	1,922	1,012
Waiver of interest accrued on finance leases	融資租約之應計利息豁免	109	-
Waiver of a director's remuneration accrued (note 10)	應計之董事酬金豁免(附註10)	1,405	-
		4,077	1,271
		5,076	1,751

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8. LOSS FROM OPERATING ACTIVITIES

The Group's loss from operating activities is arrived at after charging/(crediting):

8. 經營業務虧損

本集團經營業務虧損經扣除／(計入)以下各項：

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Cost of inventories sold	已售存貨成本	22,657	30,008
Depreciation	折舊	14,796	14,750
Provision for bad and doubtful debts:	呆壞賬撥備：		
Accounts receivable	應收賬目	1,556	690
Other receivables	其他應收款項	307	—
		1,863	690
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	407	971
Auditors' remuneration	核數師酬金	750	750
Staff costs (excluding directors' remuneration – note 10):	員工成本(不包括董事酬金 – 附註10)：		
Salaries and wages	薪金及工資	10,841	12,028
Retirement benefits scheme contributions	退休福利計劃供款	153	137
		10,994	12,165
Revaluation deficit/(surplus) on land and buildings	土地及樓宇重估虧絀／(盈餘)	(82)	2,638
Provision for inventories	存貨之撥備	528	—
Loss on disposal of fixed assets	出售固定資產虧損	—	39

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8. LOSS FROM OPERATING ACTIVITIES (Continued)

Cost of sales includes approximately HK\$18,145,000 (2002: HK\$18,092,000) 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.

As at 31 March 2003, the Group had no forfeited contributions available to reduce its contributions to retirement benefits schemes in future years (2002: Nil).

9. FINANCE COSTS

Interest on bank loans, overdrafts and other loans wholly repayable within five years	須於五年內全數償還之銀行貸款、透支及其他貸款利息
Interest on convertible notes and bonds	可換股票據及債券利息
Interest on finance leases	融資租約利息

8. 經營業務虧損 (續)

銷售成本包括有關員工成本及折舊共約 18,145,000 港元 (二零零二年: 18,092,000 港元), 已包括上文各類別開支分別披露之有關金額。

於二零零三年三月三十一日, 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 (二零零二年: 無)。

9. 財務費用

Group 本集團	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
4,701	15,268
574	150
105	417
5,380	15,835

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10. DIRECTORS' REMUNERATION

Particulars of directors' remuneration, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, are as follows:

10. 董事酬金

根據上市規則及香港公司條例第161條披露之董事酬金詳情如下：

		Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 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	220	323
		220	323
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	1,500	1,624
Retirement benefits scheme contributions	退休福利計劃供款	72	90
		1,572	1,714
		1,792	2,037

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10. 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, a director of the Company waived remuneration of HK\$1,405,000 payable to him (2002: Nil).

During the year, no emoluments were paid by the Group to any of the directors as an inducement to join, or upon joining the Group, or as a compensation for loss of office (2002: Nil).

10. 董事酬金 (續)

在下列酬金組別之董事數目如下：

Group 本集團	
2003 二零零三年	2002 二零零二年
Number of directors 董事數目	Number of directors 董事數目
6	6
–	1
6	7

年內，本公司一名董事豁免其應獲支付之1,405,000港元酬金(二零零二年：無)。

年內，本集團概無向任何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離職補償(二零零二年：無)。

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11. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals during the year included two (2002: two) directors, details of whose remuneration are set out in note 10 above. Details of the remuneration of the remaining three (2002: three) 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 individuals fell within the band of nil to HK\$1,000,000 for the years ended 31 March 2003 and 2002.

During the year, there were no bonuses paid to or receivable by any of the five highest paid individuals of the Group (2002: 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 compensation for loss of office (2002: Nil).

11. 五位最高薪酬人士

在五位最高薪人士之中，兩位（二零零二年：兩位）為本公司董事，彼等之酬金詳情已載列於上文附註10。餘下三位（二零零二年：三位）非董事之高薪人士之酬金如下：

Group 本集團	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
833	878
42	44
875	922

截至二零零三年及二零零二年三月三十一日止年度，所有非董事之最高薪人士酬金介乎零至1,000,000港元之組別內。

年內，本集團概無向任何五位最高薪人士（二零零二年：無）支付或應付任何花紅，本集團概無向任何五位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補償（二零零二年：無）。

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12. TAX

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

The current year's tax charge of HK\$836,000 represents the provision for deferred tax in respect of accelerated depreciation allowance (note 25).

There was no unprovided deferred tax for the Company and the Group in respect of the year (2002: Nil).

13. NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net loss from ordinary activities attributable to shareholders for the year ended 31 March 2003 dealt with in the financial statements of the Company is HK\$49,662,000 (2002: net profit of HK\$37,461,000).

14. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings per share is based on the net profit attributable to shareholders for the year of HK\$37,432,000 (2002: net loss of HK\$59,284,000) and the weighted average of 189,063,902 (2002: 51,551,624, restated to reflect the share consolidation during the year (note 26(vi)(a))) ordinary shares in issue during the year.

Diluted earnings/(loss) per share amounts for the years ended 31 March 2003 and 2002 have not been disclosed, as the exercise prices of the outstanding share options of the Company were greater than the average market prices of the Company's shares during those years, and therefore the share options had no dilutive effect on the basic earnings/(loss) per share for the years ended 31 March 2003 and 2002.

12. 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。

本年度之稅費為836,000港元，指有關加速折舊備抵之遞延稅項撥備（附註25）。

本公司及本集團於有關年度並無未撥備之遞延稅項（二零零二年：無）。

13. 股東應佔日常業務溢利／（虧損）淨額

於本公司財務報表內處理之截至二零零三年三月三十一日止年度之股東應佔日常業務虧損淨額為49,662,000港元（二零零二年：溢利淨額37,461,000港元）。

14. 每股盈利／（虧損）

每股基本盈利乃根據本年度之股東應佔溢利淨額37,432,000港元（二零零二年：虧損淨額59,284,000港元）及年內已發行普通股加權平均數189,063,902股（二零零二年：51,551,624股，經重列以便反映結算本年度進行之股份合併（附註26(vi)(a)）計算。

由於本公司尚未行使購股權之行使價大於數年內本公司股份之平均市價，致使購股權對截至二零零三年及二零零二年三月三十一日止年度之每股基本盈利／（虧損）不帶攤薄影響，故並無呈列截至二零零三年及二零零二年三月三十一日止年度之每股攤薄盈利／（虧損）。

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15. FIXED ASSETS

15. 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、 設備及汽車 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 beginning of year	年初	94,950	22,508	88,051	3,909	32,288	241,706
Additions	增添	-	66	137	721	-	924
Disposals	出售	-	-	(13)	-	-	(13)
Deficit on revaluation	重估減值	(10,200)	-	-	-	-	(10,200)
Write off	撇銷	(8,600)	-	-	-	-	(8,600)
At 31 March 2003	於二零零三年 三月三十一日	76,150	22,574	88,175	4,630	32,288	223,817
Accumulated depreciation and impairment:	累積折舊及 減值：						
At beginning of year	年初	16,046	17,456	62,016	2,897	32,288	130,703
Provided during the year	年內撥備	2,794	4,490	6,908	604	-	14,796
Reversal upon revaluation	重估後 沖銷	(10,240)	-	-	-	-	(10,240)
Write off	撇銷	(8,600)	-	-	-	-	(8,600)
At 31 March 2003	於二零零三年 三月三十一日	-	21,946	68,924	3,501	32,288	126,659
Net book value:	賬面淨值：						
At 31 March 2003	於二零零三年 三月三十一日	76,150	628	19,251	1,129	-	97,158
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
Analysis of cost or valuation:	成本或估值 分析：						
At cost	以成本計算	-	22,574	88,175	4,630	32,288	147,667
At 31 March 2003 valuation	於二零零三年 三月三十一日 以估值計算	76,150	-	-	-	-	76,150
		76,150	22,574	88,175	4,630	32,288	223,817

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15. FIXED ASSETS (Continued)

Company

15. 固定資產 (續)

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 beginning of year and at 31 March 2003	年初及於二零零三年三月三十一日	615
Accumulated depreciation:	累計折舊：	
At beginning of year	年初	76
Provided during the year	年內撥備	305
At 31 March 2003	於二零零三年三月三十一日	381
Net book value:	賬面淨值：	
At 31 March 2003	於二零零三年三月三十一日	234
At 31 March 2002	於二零零二年三月三十一日	539

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 Hong Kong Limited, independent professionally qualified valuers, on a depreciated replacement cost basis as at 31 March 2003 at HK\$76,150,000.

A total revaluation surplus of HK\$82,000 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 profit and loss account.

本集團之中期租賃土地及樓宇全部位於香港以外。於二零零三年三月三十一日，獨立專業估值師萊坊(物業代理)有限公司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76,150,000港元。

由進行重估所得之82,000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，於固定損益賬中入賬。

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15. FIXED ASSETS (Continued)

Company (Continued)

A total revaluation deficit of HK\$42,000 arising therefrom and representing the shortfall of the revalued amount under the then carrying value of a revalued asset, on an individual asset basis, has been debited to the fixed asset revaluation reserve to the extent that the corresponding reserve brought forward is sufficient to cover the deficit.

Had the Group's revalued leasehold land and buildings been stated at cost less accumulated depreciation, their carrying amounts would have been approximately HK\$60,665,000 (2002: HK\$63,596,000).

Certain leasehold land and buildings, plant and machinery and equipment with an aggregate carrying value of HK\$45,400,000 (2002: HK\$47,500,000) as at 31 March 2003 were pledged to secure bank borrowings advanced to the Group as set out in note 20 to the financial statements.

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 Mainland China with a carrying value of HK\$29,000,000, as at 31 March 2003. 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 the legal opinion issued by the Group's Mainland China lawyers, subject to the payment of a land premium of approximately HK\$9.8 million, which has been fully provided for in these financial statements, there is no legal barrier or otherwise for the Group to obtain a land-use rights certificate for the Land from the relevant Mainland China authority.

The net book value of the Group's fixed assets held under finance leases included in the total amount of plant and machinery as at 31 March 2003 amounted to HK\$2,354,000 (2002: HK\$6,833,000).

15. 固定資產 (續)

本公司 (續)

由進行重估所得之42,000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，於固定資產重估儲備中入賬(惟以承前結轉之相關儲備足以彌補虧絀為限)。

倘本集團經重估之租賃土地及樓宇以成本減累積折舊列賬，則其賬面值將約為60,665,000港元(二零零二年：63,596,000港元)。

如財務報表附註20所載，本集團已將若干於二零零三年三月三十一日賬面總值達45,400,000港元(二零零二年：47,500,000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。

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」)，於二零零三年三月三十一日，其賬面值為29,000,000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%。

本集團並未就該土地獲得土地使用權證。由本集團之中國律師發表之法律意見確認，待土地溢價約9,800,000港元(已於財務報表內全數撥備)支付後，本集團由中國大陸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。

於二零零三年三月三十一日，計入廠房與機器內以融資租約持有之固定資產之賬面淨值為2,354,000港元(二零零二年：6,833,000港元)。

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16. INTERESTS IN SUBSIDIARIES

16. 於附屬公司之權益

Unlisted shares, at cost
Less: Provision for impairment

非上市股份，以成本值計
減：減值撥備

Due from a subsidiary
Less: Provision

附屬公司欠款
減：撥備

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

計入本公司之流動資產之附屬公司欠款為無抵押、免息及無固定還款期。

Company 本公司		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
		68,709	68,709
		(68,709)	(68,709)
		-	-
		189,618	100,555
		(167,526)	(100,555)
		22,092	-
		22,092	-

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16. INTERESTS IN SUBSIDIARIES (Continued)

16. 於附屬公司之權益 (續)

Particulars of the Company's principal subsidiaries are as follows:

本公司主要附屬公司之資料如下：

Name 名稱	Place of incorporation/ registration and operations 成立／註冊 及營運地點	Nominal value of issued ordinary share capital 已發行之 普通股本面值	Percentage of equity attributable to the Company 本公司應佔 股本權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Hung Cheong Holdings Limited 雄昌控股有限公司	British Virgin Islands ("BVI")/ Hong Kong 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 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
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 International Limited ("HCT") 雄昌玩具國際有限公司 (「雄昌玩具」)	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	Dormant 暫無業務

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16. INTERESTS IN SUBSIDIARIES (Continued)

16. 於附屬公司之權益 (續)

Name 名稱	Place of incorporation/ registration and operations 成立／註冊 及營運地點	Nominal value of issued ordinary share capital 已發行之 普通股本面值	Percentage of equity attributable to the Company 本公司應佔 股本權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Xin Toys International Limited (Formerly H&C International Toys Limited) 新創玩具國際有限公司 (前稱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
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

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16. INTERESTS IN SUBSIDIARIES (Continued)

- * 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 profit 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 profit 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.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

17. INVENTORIES

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

The carrying amount of inventories carried at net realisable value included in the above balance was approximately HK\$67,000 (2002: HK\$89,000) as at the balance sheet date.

16. 於附屬公司之權益 (續)

- * 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。

董事認為，上表所列之本公司附屬公司對本年度之業績產生主要影響，或構成本集團資產淨值之主要部份。董事認為，詳述其他附屬公司將導致本段過於冗長。

17. 存貨

		Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
		1,943	2,524
		432	599
		4,016	3,882
		6,391	7,005

於結算日，上述以可變現淨值入賬之存貨總額約67,000港元(二零零二年：89,000港元)。

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18. 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.

An aged analysis of the accounts receivable as at the balance sheet date, based on invoice date, and net of provisions, 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。

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	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
1,018	2,464
106	360
1	305
436	1,003
15	32
1,576	4,164

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19. 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

19. 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	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
336	1,947
404	834
247	703
206	2,361
11,444	17,882
12,637	23,727

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20. INTEREST-BEARING BANK AND OTHER BORROWINGS

20. 須付利息之銀行借款及其他借款

		Group 本集團		Company 本公司	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Bank overdrafts:	銀行透支：				
Secured	有抵押	-	1,481	-	-
Unsecured	無抵押	-	6,413	-	-
		-	7,894	-	-
Bank loans:	銀行貸款：				
Trust receipt	信託收據貸款				
loans – secured	— 有抵押	-	18,098	-	-
— unsecured	— 無抵押	-	54,480	-	-
		-	72,578	-	-
Other bank	其他銀行貸款				
loans – secured	貸款—有抵押	26,869	30,233	-	-
— unsecured	— 無抵押	-	8,398	-	-
		26,869	38,631	-	-
Total bank loans	銀行貸款總額	26,869	111,209	-	-
Other loans – unsecured	其他貸款—無抵押	20,400	26,400	20,400	26,400
		47,269	145,503	20,400	26,400
Current portion of finance	即期部份之				
lease payables (note 23)	應付融資租賃（附註23）	966	2,881	-	-
		48,235	148,384	20,400	26,400

All the Group's bank overdrafts, bank loans, trust receipt loans and other loans as at 31 March 2003 are repayable within one year or on demand.

於二零零三年三月三十一日本集團之所有銀行透支、銀行貸款、信託收據貸款及其他貸款均為須於一年內償還或應要求償還。

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31 March 2003 二零零三年三月三十一日

20. INTEREST-BEARING BANK AND OTHER BORROWINGS

(Continued)

At 31 March 2003, the banking facilities of the Group were supported by:

- (i) certain leasehold land and buildings of the Group in Mainland China with an aggregate carrying value of approximately HK\$45,400,000 (2002: HK\$47,500,000); and
- (ii) corporate guarantees executed by certain subsidiaries of the Company.

21. LOANS FROM A DIRECTOR

The loans from a director were unsecured, bore interest at the prime lending rate in Hong Kong plus 3% per annum and were assigned to a shareholder during the year (note 29(b)(v)).

22. LOANS FROM A SHAREHOLDER

The loans from a shareholder 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 shareholder has undertaken that it will not demand the Group to repay partly or wholly of the loans advanced to the Group before 31 October 2004 (note 4).

20. 須付利息之銀行借款及其他借款 (續)

於二零零三年三月三十一日，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45,400,000港元(二零零二年：47,500,000港元)之若干中國租賃土地及樓宇；及
- (ii) 本公司若干附屬公司作出之公司擔保。

21. 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，該貸款於年內轉讓予一股東(附註29(b)(v))。

22. 一位股東提供之貸款

一位股東提供之貸款並無抵押，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，該股東承諾不會要求本集團於二零零四年十月三十一日前償還部份或全部授予本集團之貸款(附註4)。

NOTES TO FINANCIAL STATEMENTS

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23. 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 of less than one year.

As at 31 March 2003, the total future minimum lease payments under finance leases and their present values were as follows:

Group

Amounts payable:	應付數額：
Within one year	一年內
In the second year	第二年內
Total minimum finance lease payments	應付最低租金總額
Future finance charges	未來融資費用
Total net finance lease payables	應付融資租約淨值總額
Portion classified as current liabilities (note 20)	列為流動負債部份 (附註20)
Long term portion	長期部份

23. 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份。此等租賃已列作融資租約，並附剩餘租賃年期不足一年。

於二零零三年三月三十一日，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	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Amounts payable:	應付數額：				
Within one year	一年內	990	3,025	966	2,881
In the second year	第二年內	—	1,186	—	918
Total minimum finance lease payments	應付最低租金總額	990	4,211	966	3,799
Future finance charges	未來融資費用	(24)	(412)		
Total net finance lease payables	應付融資租約淨值總額	966	3,799		
Portion classified as current liabilities (note 20)	列為流動負債部份 (附註20)	(966)	(2,881)		
Long term portion	長期部份	—	918		

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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24. CONVERTIBLE NOTES AND BONDS

The Company has issued the following convertible notes and bonds:

- (i) Pursuant to the Bank Compromise Agreement, the Bank Group was issued convertible bonds with an aggregate principal amount of HK\$6,500,000 by the Company on 16 May 2002. The convertible bonds bear interest at the rate of 5% per annum and are repayable by three equal instalments on each anniversary of the issue of convertible bonds. The interests are payable semi-annually. The first instalment was settled by the Company on 16 May 2003. The second and third instalment of the convertible bonds are repayable on 16 May 2004 and 16 May 2005, respectively, subject to terms and conditions pursuant to the convertible bonds instruments which the Company is presently unable to meet. Accordingly, the convertible bonds have been considered by the directors to be repayable on demand and have been classified as current liabilities in the balance sheet as at 31 March 2003. Pursuant to the convertible bonds instruments, the convertible bonds are convertible to the shares of the Company at a conversion price of HK\$0.01 per share, which was adjusted to HK\$0.50 per share as a result of a share consolidation implemented by the Company on 30 December 2002 (note 26(vi)(a)), at any time during the period from the issue date up to and including 16 May 2005. The Company may at any time, after the issue of the convertible bonds, redeem all or part of the convertible bonds at a value equivalent to 105% of the outstanding principal amounts of the convertible bonds. Further details of the Bank Compromise Agreement are set out in note 3(a)(ii) to the financial statements.

24. 可換股票據及債券

本公司已發行下列可換股票據及債券：

- (i) 根據銀行妥協協議，銀團於二零零二年五月十六日獲本公司發行本金總額6,500,000港元之可換股債券。該等債券之利息為年息5厘，平均分三期於可換股債券每個發行週年之日償還。利息每半年支付一次。首期由本公司於二零零三年五月十六日償還。可換股債券之第二期及第三期款項分別將於二零零四年五月十六日及二零零五年五月十六日償還，惟須符合可換股債券規定之換股條款及條件（本公司現時無法滿足該等條款及條件）。因此，董事認為可換股債券屬應要求償還負債，於二零零三年三月三十一日之資產負債表內分類為流動負債。根據可換股債券之規定，可換股債券可於發行日期直至（包括）二零零五年五月十六日期間隨時以每股0.01港元之兌換價兌換為本公司股份，因本公司於二零零二年十二月三十日進行股份合併（附註26(vi)(a)），該價格調整為每股兌換價0.50港元。本公司可於可換股債券發行後任何時間按相當於可換股債券未償還本金105%之數額贖回可換股債券之所有或部份。有關銀行妥協協議之進一步詳情載於財務報表附註3(a)(ii)。

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財務報表附註

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24. CONVERTIBLE NOTES AND BONDS (Continued)

- (ii) Pursuant to a compromise agreement entered into between the Company and the PRC Entity in respect of the settlement of its claim, the PRC Entity was issued a convertible note in the principal amount of HK\$16,000,000 by the Company on 30 July 2002. The convertible note is repayable on the second anniversary of its issuance and bears interest at 3% per annum, payable semi-annually. The convertible note is convertible to shares of the Company at a conversion price of HK\$0.01 per share at any time, which was adjusted to HK\$0.50 per share as a result of a share consolidation implemented by the Company on 30 December 2002 (note 26(vi)(a)), during the period from the issue date up to and including 30 July 2004. The Company may at any time, after the date of issue of the convertible note, redeem the whole or any part of the convertible note at par value. Further details of the compromise agreement entered into between the Company and the PRC Entity are set out in note 3(a)(iii) to the financial statements.
- (iii) On 30 October 2000, the Company entered into a conditional subscription agreement with Join Asia Enterprises Limited ("Join Asia"), which is an independent third party not connected with the Group. Pursuant to the conditional subscription agreement, the Company issued a convertible note of HK\$3,000,000 to Join Asia. The convertible note was issued at 100% of its principal amount, bore interest at the rate of 5% per annum and was payable on 16 November 2002. On 6 May 2002, Join Asia converted in full the convertible note at the conversion price of HK\$0.015 per share which resulted in the issuance of 200,000,000 shares (note 26(i)) of HK\$0.01 each in the Company.

24. 可換股票據及債券 (續)

- (ii) 根據本公司與中國企業就償還其申索訂立之妥協協議，中國企業於二零零二年七月三十日獲本公司發行本金總額16,000,000港元之可換股票據。該票據須於發行後第二週年之日償還，利息為年息3厘，每半年支付一次。可換股票據可於發行日期直至(包括)二零零四年七月三十日期間隨時以每股0.01港元之兌換價兌換為本公司股份，因本公司於二零零二年十二月三十日進行股份合併(附註26(vi)(a))，該價格調整為每股兌換價0.50港元。本公司可於可換股票據發行後任何時間按面值贖回可換股票據之所有或任何部份。有關本公司與中國企業訂立之妥協協議之進一步詳情載於財務報表附註3(a)(iii)。
- (iii) 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。興亞乃一獨立第三者，與本集團並無關連。根據該項有條件認購協議，本公司發行3,000,000港元之可換股票據予興亞。可換股票據以其全數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支付。於二零零二年五月六日，興亞按兌換價每股0.015港元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(附註26(i))。

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24. CONVERTIBLE NOTES AND BONDS (Continued)

24. 可換股票據及債券 (續)

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Convertible bonds issued to the Bank Group repayable on demand	發行予銀團之應要求償還可換股債券	6,500	—
Convertible note issued to the PRC Entity repayable in the second year	發行予中國企業之須於第二年償還之可換股票據	16,000	—
Convertible note issued to Join Asia	發行予興亞之可換股票據	—	3,000
		22,500	3,000
Portion classified as current liabilities	分類為流動負債之部份	(6,500)	(3,000)
Non-current portion	非流動負債部份	16,000	—

25. DEFERRED TAX

25. 遞延稅項

		Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
At beginning of year	年初	—	—
Charge for the year (note 12)	本年度扣除(附註12)	836	—
At end of year	年終	836	—

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25. DEFERRED TAX (Continued)

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

Tax losses carried forward	稅項虧損結轉
----------------------------	--------

No deferred tax has been provided on the revaluation surplus of the Group's leasehold land and buildings situated in Mainland China 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 as at the balance sheet date (2002: Nil).

26. SHARE CAPITAL

Authorised:
1,500,000,000
(2002: 10,000,000,000) ordinary
shares of HK\$0.01 each

Issued and fully paid:
215,525,638
(2002: 2,483,936,760) ordinary
shares of HK\$0.01 each

法定股本：
1,500,000,000股
(二零零二年：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：
215,525,638股
(二零零二年：2,483,936,760股)
每股面值0.01港元之普通股

25. 遞延稅項 (續)

於結算日，未於財務報表內確認之本集團遞延稅項資產之本金額如下：

Not provided
未提撥

2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
5,283	17,404

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(二零零二年：無)。

26. 股本

Group
本集團

2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
15,000	100,000
2,155	24,839

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財務報表附註

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26. SHARE CAPITAL (Continued)

During the year, the movements in share capital were as follows:

- (i) On 6 May 2002, the convertible note of HK\$3,000,000 issued to Join Asia was converted into 200,000,000 ordinary shares of HK\$0.01 each in the Company at a conversion price of HK\$0.015 per share. The excess of the principal amount of the convertible note upon conversion over the nominal value of the shares issued, amounted to HK\$1,000,000, was credited to the share premium account.
- (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 and 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.
- (iv) On 29 May 2002, the open offer detailed in note 3(b) was completed. A total of 4,025,905,140 new ordinary shares of HK\$0.01 each in the Company were issued. Cash proceeds of approximately HK\$40,259,000, before the related expenses, were received by the Company.
- (v) Pursuant to various compromise agreements entered into by the Group with certain trade and other creditors detailed in 3(a)(iii), the Company issued 1,066,440,000 ordinary shares of HK\$0.01 each at prices ranging from HK\$0.01 to HK\$0.015 each to the trade and other creditors. The excess of the debt amounts settled by way of the Company's shares issued over the nominal value of the shares issued, amounting to approximately HK\$342,000, was credited to the share premium account.

26. 股本 (續)

年內之股本變動如下:

- (i) 於二零零二年五月六日，興亞獲發行之3,000,000港元可換股票據以每股0.015港元之兌換價兌換為本公司每股面值0.01港元之200,000,000股普通股。兌換後可換股票據本金超過已發行股份面值之差額1,000,000港元已計入股份溢價賬。
- (ii) 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額外增加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。
- (iii) 於二零零二年五月十六日，本公司與Vision Century訂立之認購協議完成，致使本公司以每股0.01港元之價格發行3,000,000,000股本公司每股面值0.01港元之普通股。本公司已收取30,000,000港元之現金收益(未扣減相關費用)。
- (iv) 於二零零二年五月二十九日，附註3(b)所述之公開發售完成。本公司發行合共4,025,905,140股本公司每股面值0.01港元之新普通股。本公司已收取約40,259,000港元之現金收益(未扣減相關費用)。
- (v) 如3(a)(iii)所述，根據本集團與若干貿易及其他債權人訂立之多份妥協協議，本公司以每股0.01港元至0.015港元之價格向該等貿易及債權人發行1,066,440,000股每股面值0.01港元之普通股。本公司透過發行股份償還之負債數額超過已發行股份面值之差額約342,000港元已計入股份溢價賬。

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26. SHARE CAPITAL (Continued)

(vi) Pursuant to special and ordinary resolutions passed at a special general meeting of the Company held on 30 December 2002, a capital reorganisation (the "Capital Reorganisation") involving, inter alia, the following was implemented:

- (a) a consolidation of every fifty issued and unissued shares of HK\$0.01 each into one consolidated share (the "Consolidated Share") of HK\$0.50 each;
- (b) a reduction of the nominal value of each issued Consolidated Share from HK\$0.50 each to HK\$0.01 each by the cancellation of HK\$0.49 per share and the credit arising therefrom amounting to HK\$105,607,000 (the "Capital Reduction");
- (c) the cancellation of the entire amount standing to the credit of the share premium account of the Company and a transfer of the credit arising therefrom to the contributed surplus account of the Company (note 28(b));
- (d) the cancellation of the existing authorised and unissued share capital of the Company to HK\$15,000,000 comprising 1,500,000,000 consolidated shares of HK\$0.01 each, ranking pari passu in all respects with the existing share capital of the Company; and
- (e) the application of the credit arising from the Capital Reduction and the credit arising from the share premium cancellation were applied in full, together with the amount standing in the contributed surplus to eliminate the accumulated losses of the Company.

Further details of the Capital Reorganisation are also set out in the circular of the Company dated 5 December 2002.

26. 股本 (續)

(vi) 根據於二零零二年十二月三十日召開之本公司股東特別大會通過之特別及普通決議案，資本重組（「資本重組」）獲實施，涉及（其中包括）下列事項：

- (a) 每五十股面值0.01港元之已發行及未發行股份合併為一股面值0.50港元之合併股份（「合併股份」）；
- (b) 透過註銷每股0.49港元及其產生之數額105,607,000港元將已發行合併股份之面值從每股0.50港元減至每股0.01港元（「資本削減」）；
- (c) 註銷本公司股份溢價賬之全部結餘款額並將產生之進賬款項轉入本公司之繳入盈餘（附註28(b)）；
- (d) 註銷本公司現有法定及未發行股本15,000,000港元（包括1,500,000,000股每股面值0.01港元在所有方面與本公司現有股本具同等地位之合併股份）；及
- (e) 將資本削減產生之結餘款額及註銷股份溢價產生之進賬款項，連同繳入盈餘悉數用於撇減本公司之累積虧損。

資本重組之進一步詳情載於本公司於二零零二年十二月五日刊發之通函。

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26. SHARE CAPITAL (Continued)

A summary of the transactions during the year with reference to the above movements in the Company's authorised and issued ordinary share capital is as follows:

26. 股本 (續)

年內進行有關上述本公司法定及已發行普通股股本變動之交易概要載列如下:

Authorised share capital

法定股本

		Notes 附註	Number of authorised shares 法定股份數目 '000 千股	HK\$'000 千港元
At 1 April 2001 and 1 April 2002	於二零零一年四月一日及 二零零二年四月一日		10,000,000	100,000
Increase in authorised share capital	法定股本增加	(ii)	20,000,000	200,000
Share cancellation	股份註銷	(vi)(d)	(28,500,000)	(285,000)
At 31 March 2003	於二零零三年三月三十一日		<u>1,500,000</u>	<u>15,000</u>

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26. SHARE CAPITAL (Continued)

Issued share capital

26. 股本 (續)

已發行股本

		Notes 附註	Number of shares in issue 已發行股份數目	Issued share capital 已發行股本 HK\$'000 千港元	Share premium account 股份溢價賬 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2001 and 1 April 2002	於二零零一年四月一日及 二零零二年四月一日		2,483,936,760	24,839	44,397	69,236
Shares issued on conversion of convertible note	兌換可換股票據 所發行之股份	(i)	200,000,000	2,000	1,000	3,000
Shares issued on share subscription	股份認購所發行 之股份	(iii)	3,000,000,000	30,000	–	30,000
Shares issued on open offer	公開發售所發行 之股份	(iv)	4,025,905,140	40,259	–	40,259
Shares issued on settlement of certain trade and other creditors	償還若干貿易及 其他應付賬款 所發行之股份	(v)	1,066,440,000	10,664	342	11,006
Share consolidation	股份合併	(vi)(a)	(10,560,756,262)	–	–	–
Capital reduction	資本削減	(vi)(b)	–	(105,607)	–	(105,607)
Share issue expense	股份發行費用		–	–	(4,273)	(4,273)
Share premium cancellation	股份溢價 註銷	(vi)(c)	–	–	(41,466)	(41,466)
At 31 March 2003	於二零零三年三月三十一日		215,525,638	2,155	–	2,155

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26. SHARE CAPITAL (Continued)

Share options

Details of the Company's share option scheme and the share options issued under the schemes are included in note 27 below.

27. SHARE OPTION SCHEMES

SSAP 34 was adopted during the year, as explained in note 2 and under the heading "Employee benefits" in note 5 to the financial statements. As a result, the following detailed disclosures relating to the Company's share option schemes are now included in notes to the financial statements. In the prior year, these disclosures were included in the Report of the Directors, as their disclosure is also a requirement of the Listing Rules.

The Company operates the share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

Pursuant to the share option scheme adopted by the Company on 17 February 1998 (the "Old Scheme"), the directors of the Company were authorised, on or before 16 February 2008, at their discretion to invite any employees, including executive directors of the Company or any of its subsidiaries, to take up options to subscribe for shares of the Company. The subscription price was the higher of the nominal value of the shares of the Company and 80% of the average of the closing prices per share of the Company's share on The Stock Exchange of Hong Kong Limited on the five trading days immediately preceding the date of offer of the share options. The maximum number of shares in respect of which options were granted under the Old Scheme might not exceed, in nominal value, 10% of the issued share capital of the Company from time to time which had been duly allotted and issued. The maximum number of shares in respect of which options might be granted to any one employee or director might not exceed 25% of the aggregate number of shares in respect of which options were issued and issuable under the Old Scheme. There was no share option granted under the Old Scheme which remained outstanding as at 31 March 2003.

26. 股本 (續)

購股權

本公司購股權計劃及根據該計劃授出之購股權詳情載於下文附註27。

27. 購股權計劃

如附註2所述及根據財務報表附註5「僱員福利」一段，年內採納會計實務準則第34號。因此，下列有關本公司購股權計劃之詳細披露現收錄於財務報表附註。於前一年度，該等披露載於董事會報告，因該等披露亦為上市規則之規定。

本公司設有購股權計劃，該計劃之目的是對本集團營運成功作出貢獻之合資格參與者給予鼓勵及回報。

根據本公司於一九九八年二月十七日採納之購股權計劃（「舊計劃」），本公司董事獲授權可在二零零八年二月十六日或之前使用酌情權，邀請任何僱員（包括本公司或其任何附屬公司之執行董事）接納購股權以認購本公司股份。認購價將為本公司股份之面值或緊接本公司股份於授出購股權日期前五個交易日於香港聯合交易所有限公司平均收市價80%兩者中之較高者。舊購股權計劃下可予授出購股權所涉及股份最高數目不得超逾不時已正式配發及發行之本公司已發行股本面值10%。向任何一位僱員或董事授出購股權所涉及股份最高數目不得超逾舊計劃下已發行或可予發行購股權所涉及股份總數25%。於二零零三年三月三十一日，本公司並無根據舊計劃已授出而未獲行使之購股權。

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27. SHARE OPTION SCHEMES (Continued)

In order to comply with the new requirements of Chapter 17 of the Listing Rules on granting options under share option schemes, which took effect from 1 September 2001, the Old Scheme was terminated and a new share option scheme (the "New Scheme") was adopted pursuant to the ordinary resolutions passed by the shareholders at the special general meeting of the Company held on 30 December 2002. Upon adoption of the New Scheme, no options will be granted under the Old Scheme from 30 December 2002.

Under the New Scheme, eligible participants include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, and any minority shareholders in the Company's subsidiaries. The New Scheme became effective on 30 December 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the New Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. As at 31 March 2003, no share options were granted under the New Scheme. The maximum number of shares issuable under share options to each eligible participant in the New Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

27. 購股權計劃 (續)

為符合上市規則第十七章有關根據購股權計劃授出購股權之最新規定(自二零零一年九月一日起生效), 根據本公司股東於二零零二年十二月三十日召開之股東特別大會通過之決議案, 舊計劃被終止而及新購股權計劃(「新計劃」)被採納。於新計劃被採納後, 自二零零二年十二月三十日起將不會根據舊計劃授出購股權。

根據新計劃, 合資格參與者包括本公司之董事(包括獨立非執行董事)、本集團其他僱員、本集團之貨品或服務供應商、本集團之客戶及本公司附屬公司之任何少數權益股東。新計劃於二零零二年十二月三十日生效, 除非另行撤銷或修訂, 否則自該日起有效期為期10年。

現時根據新計劃可授出之未行使購股權數目於該等購股權獲行使時之數額最多相當於本公司任何時間已發行股份之10%。於二零零三年三月三十一日, 並無根據新計劃授出購股權。於任何一個12個月期間內, 根據新計劃, 任何合資格參與人獲授之購股權可發行之股份數目最多不得超過本公司任何時間已發行股份之1%。授出超過該限制之其他購股權須經本公司股東於股東大會批准。

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財務報表附註

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27. SHARE OPTION SCHEMES (Continued)

Under the New Scheme, share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options under the New Scheme may be accepted within 30 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from the date of the offer of the share options or the expiry date of the New Scheme, if earlier.

The exercise price of the share options granted under the New Scheme is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

27. 購股權計劃 (續)

根據新計劃，授予本公司董事、行政總裁或主要股東或彼等任何聯繫人士之購股權須經獨立非執行董事事先批准。此外，授予本公司主要股東或獨立非執行董事或彼等任何聯繫人士之任何購股權，倘於任何12個月期間超過本公司任何時候已發行股份之0.1%或總價值(按授出日期本公司之股價計算)超過5,000,000港元，則須經股東於股東大會事先批准。

根據新計劃授出購股權之建議可於建議日期起三十日內接納，承授人須支付象徵式代價合共1港元。所授購股權之行使期由董事釐定，自歸屬期後開始並於建議授出購股權日期後不遲於五年或新計劃屆滿日(以較早者為準)終止。

根據新計劃授出之購股權之行使價由董事釐定，惟不得低於(i)本公司股份於建議授出購股權日期在聯交所之收市價；及(ii)本公司股份於緊接建議日期前五個交易日在聯交所之平均收市價(以較高者為準)。

購股權並無賦予其持有人獲分派股息或在股東大會投票之權利。

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27. SHARE OPTION SCHEMES (Continued)

The movements of the share options granted under the Old Scheme during the year are set out below:

27. 購股權計劃 (續)

下表載列年內根據舊計劃授出之購股權之變動：

Name or category of participant 參與者 名稱或類別	Number of share options 購股權數目		At 31 March 2003 於二零零三年三月三十一日	Date of grant of share options 授出購股權日期 *	Exercise period of share options 購股權行使期限 **	Exercise price of share options 購股權行使價 **	Share price of the Company at grant date 本公司股份於授出日期之股價 ***
	At 1 April 2002 於二零零二年四月一日	Cancelled during the year 年內註銷					
Other employees: 其他僱員：							
In aggregate 合共	13,700,000	(13,700,000)	-	20-July-1999 一九九九年七月二十日	21-July-1999 一九九九年七月二十一日 to 至 16-February-2008 二零零八年二月十六日	0.046	0.05

* The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

** The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

*** The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the share options.

* 購股權之歸屬期由授出日期至行使期限開始為止。

** 在供股或發行紅股或本公司股本發生其他類似改變情況下，購股權行使價可予調整。

*** 購股權授出日期所示之本公司股份價格乃緊接購股權授出日期前一個交易日於聯交所之收市價。

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28. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 30 of the financial statements.

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

Pursuant to the Capital Reorganisation implemented during the year, the credits arising from the Capital Reduction and share premium cancellation and the amount standing in the contribution surplus account were applied to eliminate the accumulated losses of the Group.

28. 儲備

(a) 本集團

本年度及前一年度本集團之儲備及其變動數額列於財務報表第30頁之綜合權益變動表。

本集團之繳入盈餘原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份之面值，與本公司為交換該等股份而發行之股份面值之差額。

根據年內進行之資本重組，股本削減及註銷股份溢價產生之進賬款項及繳入盈餘賬之數額用於撇減本集團之累積虧損。

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28. RESERVES (Continued)

(b) Company

		28. 儲備 (續)			
		(b) 本公司			
		Share	Contributed	Accumulated	Total
		premium	surplus	losses	
		account			
		股份溢價賬	繳入盈餘	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
	Notes				
	附註				
At 1 April 2001	於二零零一年四月一日	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 and 1 April 2002	於二零零二年三月三十一日 及四月一日	44,397	68,509	(206,552)	(93,646)
Shares issued on conversion of a convertible note	兌換可換股票據 所發行之 股份	26(i) 1,000	-	-	1,000
Shares issued on settlement of certain trade and other creditors	償還若干貿易及其他 應付款項 所發行之 股份	26(v) 342	-	-	342
Share issue expense	股份發行費用	(4,273)	-	-	(4,273)
Share premium cancellation	股份溢價註銷	26(vi)(c) (41,466)	41,466	-	-
Elimination of accumulated losses	累積虧損撇銷	26(vi)(e) -	(109,975)	215,582	105,607
Net loss for the year	本年度之虧損 淨額	-	-	(49,662)	(49,662)
At 31 March 2003	於二零零三年三月三十一日	-	-	(40,632)	(40,632)

The contributed surplus of the Company originally represents the excess of the then combined net asset value of the subsidiaries acquired pursuant to the Group's reorganisation referred to in (a) above, over the nominal value of the Company's shares issued in exchange therefor.

本公司之繳入盈餘原指根據上文(a)段所述集團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。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 March 2003 二零零三年三月三十一日

29. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Prior year adjustments

SSAP 15 (Revised) was adopted during the current year, as detailed in note 2 to the financial statements, which has resulted in a change to the layout of the consolidated cash flow statement. The consolidated cash flow statement is now presented under three headings: cash flows from operating activities, investing activities and financing activities. Previously five headings were used, comprising the three headings listed above, together with cash flows from returns on investments and servicing of finance and from taxes paid. The significant reclassifications resulting from the change in presentation are that interest received is now included in cash flows from investing activities and interest paid is now included in cash flow from financing activities. The presentation of the 2002 comparative consolidated cash flow statement has been changed to accord with the new layout.

Also, the definition of "cash equivalents" under the SSAP 15 (Revised) has been revised as explained under the heading "Cash and cash equivalents" in note 5 to the financial statements. This has resulted in trust receipt loans no longer qualifying as cash equivalents. The amount of cash equivalents in the consolidated cash flow statement as at 31 March 2002 has been adjusted to remove trust receipt loans amounting to HK\$72,578,000, previously included as at that date. The current year's movement in trust receipt loans is now included in cash flows from financing activities and the comparative consolidated cash flow statement has been changed accordingly.

29. 綜合現金流量表附註

(a) 上年度調整

會計實務準則第15號(經修訂)已於本年度獲採納(詳見財務報表附註2), 導致綜合現金流量表之格式出現變動。綜合現金流量表現時須使用三個標題來呈報現金流量, 即經營業務現金流量、投資業務現金流量及融資活動現金流量。而先前則規定使用五個標題, 除上述三個標題以外, 還包括投資回報及融資費用現金流量及已付稅項之現金流量。因呈報方式變動而引致重大重新分類為: 已收利息現時乃列入投資業務現金流量, 所付利息現計入融資活動之現金流量。二零零二年比較綜合現金流量表之呈報已作出變動以與新呈報格式保持一致。

此外, 會計實務準則第15號(經修訂)項下「現金等值物」之釋義已作出修訂, 詳情見財務報表附註5「現金及現金等值物」一段。此項修訂導致信託收據貸款不可再列為現金等值物。綜合現金流量表內現金等值物於二零零二年三月三十一日之金額已作出調整, 以去除先前於該日列賬之信託收據貸款72,578,000港元。本年度信託收據貸款之變動現時乃列入融資活動現金流量, 而比較綜合現金流量表已作出相應修訂。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 March 2003 二零零三年三月三十一日

29. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(b) Major non-cash transactions

The Group had the following major non-cash transactions during the year:

- (i) Join Asia converted in full the convertible note of HK\$3,000,000 issued by the Company at the conversion price of HK\$0.015 per share into 200,000,000 shares of HK\$0.01 each in the Company which did not result in any cash flow (note 24(iii)).
- (ii) Pursuant to the Bank Compromise Agreement, the Bank Group was issued convertible bonds with an aggregate principal amount of HK\$6,500,000 by the Company as part of the consideration for releasing and discharging the Group from all its obligations and liabilities in respect of the Group's borrowings advanced by the Bank Group (notes 3(a)(ii) and 24(i)). The issue of these convertible bonds did not result in any cash flow.
- (iii) Pursuant to a compromise agreement between the Company and the PRC Entity in respect of the settlement of its claims, the PRC Entity was issued by the Company a convertible note in the principal amount of HK\$16,000,000 (notes 3(a)(iii) and 24(ii)). The issue of this convertible note did not result in any cash flow.

29. 綜合現金流量表附註 (續)

(b) 主要非現金交易

於本年度內，本集團曾進行以下主要非現金交易：

- (i) 興亞按每股0.015港元之兌換價將本公司發行之3,000,000港元可換股票據全部轉換為200,000,000股每股面值0.01港元之本公司股份，是次轉換並無產生任何現金流量(附註24(iii))。
- (ii) 根據銀行妥協協議，銀團獲本公司發行本金額合共為6,500,000港元之可換股債券，作為解除及註銷本集團就銀團墊支予本集團之借貸而應承擔之一切責任及負債之部份代價(附註3(a)(ii)及24(i))。發行該等可換股債券並無產生任何現金流量。
- (iii) 根據本公司與中國企業就償還其申索而訂立之妥協協議，中國企業獲本公司發行本金額為16,000,000港元之可換股票據(附註3(a)(iii)及24(ii))。發行該等可換股票據並無產生任何現金流量。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 March 2003 二零零三年三月三十一日

29. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(b) Major non-cash transactions (Continued)

- (iv) Pursuant to various compromise agreements entered into by the Group with certain trade and other creditors, the Company issued 1,066,440,000 shares of HK\$0.01 each for an aggregate amount of HK\$11,006,000 in respect of the settlement of debts owed to trade creditors of HK\$1,055,000 and other creditors of HK\$9,951,000 (notes 3(a)(iii) and 26(v)). The issue of shares by the Company did not result in any cash flow.
- (v) During the year, the principal amount of the loans from a director of HK\$4,000,000 was assigned to a shareholder which did not result in any cash flow (note 35(iii)).
- (vi) The Capital Reorganisation as detailed in note 26(vi) implemented during the year did not result in any cash flow.

30. PLEDGE OF ASSETS

Details of the Group's bank and other borrowings, which are secured by assets of the Group, are included in notes 15 and 20 to the financial statements.

29. 綜合現金流量表附註 (續)

(b) 主要非現金交易 (續)

- (iv) 根據本集團與若干貿易及其他債權人訂立之多份妥協協議，本公司發行1,066,440,000股每股面值0.01港元之股份，共計11,006,000港元，以償還結欠貿易債權人之債務1,055,000港元及結欠其他債權人之債務9,951,000港元(附註3(a)(iii)及26(v))。本公司發行股份並無產生任何現金流量。
- (v) 於本年度內，一名董事提供之貸款之本金額4,000,000港元已轉讓予一名股東，是次轉讓並無產生任何現金流量(附註35(iii))。
- (vi) 於本年度進行之資本重組(詳見附註26(vi))並無產生任何現金流量。

30. 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表附註15及20。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 March 2003 二零零三年三月三十一日

31. 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 years.

As at 31 March 2003, 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 Mainland China, the Group is required to pay annual fees of HK\$118,000 in respect of certain leasehold land of the Group in Mainland China, with a carrying value of HK\$29,000,000 as at 31 March 2003, commencing from the year 2008 up to the year 2048 with a 20% increment for every five years (note 15).

32. COMMITMENTS

Neither the Company nor the Group had any significant capital commitments as at the balance sheet date (2002: Nil).

31. 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。

於二零零三年三月三十一日，本集團根據不可撤銷經營租約之日後最低租金總額將於以下期間到期：

Group 本集團	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
248	398
-	248
248	646

此外，根據本集團與中國之一名無關連人士訂定之多項協議，本集團須就本集團若干在中國租賃之若干土地支付年費118,000港元，有關土地於二零零三年三月三十一日之賬面值為29,000,000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15)。

32. 承擔

本公司及本集團於結算日概無任何重大資本承擔(二零零二年：無)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 March 2003 二零零三年三月三十一日

33. PENDING LITIGATIONS

- (i) Claims for outstanding trade debts were brought by several suppliers against HCT during the year in respect of goods supplied and services provided for, together with interest, costs and/or other relief, of approximately HK\$2,592,000 in aggregate. The Group subsequently filed defences. No further action has been taken by the suppliers. A full provision for HK\$2,592,000 has been made in these financial statements.
- (ii) As at the date of this report, writs of summons had been issued by other miscellaneous creditors, together with claims for interest thereon, in respect of purchases of goods and provision of services, aggregating approximately HK\$1,095,000. A full provision for HK\$1,095,000 has been made in these financial statements.

In the opinion of the directors, adequate provisions have been made by the Group in respect of all the above claims in the Group's financial statements as at 31 March 2003.

34. POST BALANCE SHEET EVENTS

- (i) On 15 May 2003, the Company settled the first instalment of the convertible bonds issued to the Bank Group of approximately HK\$2,167,000.
- (ii) On 15 July 2003, the Company entered into an underwriting agreement with Kingston Securities Limited in respect of an open offer with assured allotment of four offer shares for every one share of HK\$0.01 each in the Company.

The open offer is expected to be completed on 23 September 2003 and will result in the issue of 862,102,552 new ordinary shares of HK\$0.01 each in the Company at a price of HK\$0.06 per share based on the number of issued shares of 215,525,638 as at 31 March 2003. Cash proceeds of approximately HK\$51,726,000, before related open offer expenses, will be received by the Company (note 4(a)).

33. 仍未了結之訴訟

- (i) 於本年度若干供應商就已供應貨品及所提供服務連同利息、成本及／或其他寬免合共約2,592,000港元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。於本財務報表內已作出全數撥備2,592,000港元。
- (ii) 於本報告日期，多名債權人就購貨及提供服務發出傳訊令狀，索償總額連同其利息約達1,095,000港元。於本財務報表內已作出全數撥備1,095,000港元。

董事認為，本集團已於二零零三年三月三十一日之財務報表內就上述全部索償作出充裕之撥備。

34. 結算日後事項

- (i) 於二零零三年五月十五日，本公司償還發行予銀團可換股債券之第一期款項，款額約為2,167,000港元。
- (ii) 於二零零三年七月十五日，本公司就公開發售與金利豐證券有限公司訂立包銷協議，保證按每持有一股每股面值0.01港元之本公司股份配發四股發售股份。

公開發售預期將於二零零三年九月二十三日完成，按於二零零三年三月三十一日已發行215,525,638股股份計算，將引致本公司以每股0.06港元之價格發行862,102,552股每股面值0.01港元之新普通股。本公司將收取現金所得款項約51,726,000港元(未扣除相關公開發售開支)(附註4(a))。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 March 2003 二零零三年三月三十一日

34. POST BALANCE SHEET EVENTS

- (iii) Subsequent to the balance sheet date, Vision Century advanced addition loans of HK\$11,000,000 to the Group. The advance from Vision Century bears interest at the prime lending rate in Hong Kong plus 3% per annum.
- (iv) Subsequent to the balance sheet date, in July 2003, Speed Up has assigned its entire interest in other loans of HK\$20,400,000 together with the accrued interest, which were advanced to the Group to Vision Century (note 4(b)(ii)).
- (v) 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 4(b) to the financial statements.
- (vi) Pursuant to a board resolution passed by the directors on 16 July 2003, the authorised share capital of the Company was proposed to be increased from HK\$15,000,000 to HK\$100,000,000 by the creation of additional 8,500,000,000 shares of HK\$0.01 each in the Company.

34. 結算日後事項

- (iii) 於結算日後，Vision Century額外向本集團提供貸款11,000,000港元。Vision Century所提供之墊款按每年香港最優惠貸款利率加3厘計息。
- (iv) 於結算日後，Speed Up已於二零零三年七月將其提供予本集團之20,400,000港元其他貸款連同應計利息之全部權益轉讓予Vision Century(附註4(b)(ii))。
- (v) 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表附註4(b)。
- (vi) 根據董事於二零零三年七月十六日通過之董事會決議案，本公司之法定股本擬藉額外增加8,500,000,000股每股面值0.01港元之股份由15,000,000港元增至100,000,000港元。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 March 2003 二零零三年三月三十一日

35. RELATED PARTY TRANSACTIONS

- (i) During the year, Vision Century subscribed for 3,000,000,000 ordinary shares of HK\$0.01 each in the Company pursuant to a subscription agreement dated 1 February 2002 entered into with the Company. Further details of the share subscription are set out in note 3(a)(i).
- (ii) The Company entered into an underwriting agreement with Vision Century on 1 February 2002 in respect of underwriting an aggregate of 4,025,905,140 shares by Vision Century under an open offer with assumed allotment of three offer shares for every two shares of HK\$0.01 each in the Company. The open offer completed on 29 May 2002 and resulted in the issuance of 2,300,299,500 shares of HK\$0.01 each in the Company to Vision Century.
- (iii) Mr. Lo Ming Chi ("Mr. Lo"), a director of the Company, advanced loans of HK\$4,000,000 (2002: HK\$7,000,000) to the Group during the year. The loans were unsecured, bore interest at the prime lending rate in Hong Kong plus 3% per annum and were repayable on demand. During the year, the loans advanced from Mr. Lo were assigned in full to Vision Century (note 29(b)(v)). Accordingly, the outstanding balance of the loans advanced by Mr. Lo was nil as at 31 March 2003. The interest expenses incurred by the Group during the year in respect of the loans from Mr. Lo amounted to HK\$415,000.
- (iv) Vision Century advanced loans of HK\$8,000,000 (2002: Nil) 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. Together with the loans assigned from Mr. Lo as mentioned in (iii) above to Vision Century, the Group owed Vision Century HK\$12,000,000 in aggregate as at 31 March 2003 (2002: Nil). The interest expenses incurred by the Group during the year in respect of the loans from Vision Century amounted to HK\$127,000.

35. 有關連人士交易

- (i) 於本年度內，Vision Century根據其於二零零二年二月一日與本公司訂立之認購協議，認購本公司3,000,000,000股每股面值0.01港元之普通股。有關股份認購之進一步詳情載於附註3(a)(i)。
- (ii) 本公司於二零零二年二月一日與Vision Century訂立一份包銷協議，據此，Vision Century須根據一項保證按每持有兩股每股面值0.01港元之本公司股份配發三股發售股份之公開發售包銷合共4,025,905,140股股份。公開發售已於二零零二年五月二十九日完成，引致本公司向Vision Century發行2,300,299,500股每股面值0.01港元之股份。
- (iii) 於本年度內，本公司董事勞明智先生（「勞先生」）向本集團提供貸款4,000,000港元（二零零二年：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。於本年度內，勞先生提供貸款已全數轉讓予Vision Century（附註29(b)(v)）。因此，於二零零三年三月三十一日，勞先生提供貸款未償還餘額為零港元。本集團於本年度內就勞先生提供之貸款所產生之利息開支為415,000港元。
- (iv) 於本年度內，Vision Century向本集團提供貸款8,000,000港元（二零零二年：零）。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。連同上文(iii)所述勞先生轉讓予Vision Century之貸款合併計算，本集團於二零零三年三月三十一日結欠Vision Century合共12,000,000港元（二零零二年：零）。本集團於本年度內就Vision Century提供之貸款所產生之利息開支為127,000港元。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 March 2003 二零零三年三月三十一日

35. RELATED PARTY TRANSACTIONS (Continued)

(v) Get Start Holdings Limited, the former immediate holding company of Vision Century, had 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 operations as a viable going concern notwithstanding any present or future financial difficulties experienced by the Group.

36. COMPARATIVE AMOUNTS

As further explained in note 2 to the financial statements, due to the adoption of certain new and revised SSAPs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been restated to conform with the current year's presentation.

37. APPROVAL OF THE FINANCIAL STATEMENTS

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

35. 有關連人士交易 (續)

(v) Vision Century前任直屬控股公司 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止之期間，將繼續給予本集團財政支援，以便本集團在面對現時或日後之財政困難時，仍可按持續經營基準繼續其日常運作猶如可行之持續基準。

36. 比較數字

誠如財務報表附註2所詳述，因在本年度採納若干新訂及經修訂會計實務準則，財務報表內若干項目及結餘已作出修訂，以符合新規定。因此，若干比較數字已予以重列以與本年度之呈報保持一致。

37. 批准財務報表

董事會於二零零三年七月二十四日批准本財務報表並授權刊發。