

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

### 1. CORPORATE INFORMATION

The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, 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. BASIS OF PRESENTATION

At 31 March 2004, the Group had net current liabilities of approximately HK\$76,891,000. The Group incurred a loss from operating activities of HK\$27,308,000 and reported a net cash outflow from operating activities of HK\$14,941,000 for the year ended 31 March 2004.

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 have adopted the following measures:

- (a) Huang Worldwide Holding Limited, the immediate holding company of Vision Century which was incorporated in the British Virgin Islands, has undertaken to the Company, during the period up to 31 October 2005, 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.

### 1. 公司資料

本公司之註冊辦事處位於 Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

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

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，由一項全權信託最終持有之公司 Huang Group (BVI) Limited。

### 2. 編製基準

於二零零四年三月三十一日，本集團之流動負債淨額約為76,891,000港元。本集團之經營業務虧損為27,308,000港元，並於截至二零零四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14,941,000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，本公司董事已採取以下措施：

- (a) Huang Worldwide Holding Limited 乃 Vision Century (於英屬處女群島註冊成立) 之直接控股公司，已向本公司承諾，在截至二零零五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。

NOTES TO FINANCIAL STATEMENTS  
財務報表附註

31 March 2004 二零零四年三月三十一日

## 2. BASIS OF PRESENTATION (Continued)

- (b) The directors of the Company are in active negotiations with the Group's bankers and other creditors to reschedule the repayment of certain borrowings due from the Group and to seek their ongoing support to the Group.
- (c) Vision Century has granted a credit facility of HK\$50,000,000 to the Company since 2 July 2003. At 31 March 2004, the loans from Vision Century amounted to approximately HK\$13,378,000. Subsequent to the balance sheet 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 2005 (note 20).
- (d) The directors of the Company are considering various alternatives to strengthen the capital base of the Company through various fund raising exercises, including but not limited to, a private placement, an open offer or a rights issue of new shares of the Company.
- (e) The directors of the Company have been taking actions to tighten cost controls over factory overheads and various general and administrative expenses, and are actively seeking new investment and business opportunities with an aim to attain profitable and positive cash flow operations.

In the opinion of the directors of the Company, in light of the measures taken to date, together with the expected results of other measures in progress, the Group will have sufficient working capital for its current requirements and it is reasonable to expect the Group to return to a commercially viable concern. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the financial statements on a going concern basis, notwithstanding the Group's financial and liquidity position at 31 March 2004.

## 2. 編製基準 (續)

- (b) 本公司董事正與本集團往來銀行及其他債權人進行積極磋商，以重新編排償還本集團若干借款之時間，並尋求往來銀行及其他債權人對本集團繼續支持。
- (c) 自二零零三年七月二日起，Vision Century已授予本公司信貸融資50,000,000港元。於二零零四年三月三十一日，來自Vision Century之貸款合共約為13,378,000港元。於結算日後，Vision Century已承諾其將不會於二零零五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分或全部貸款(附註20)。
- (d) 本公司董事正考慮各種方法，以透過各種集資方式加強本公司之資金基礎，包括但不限於本公司新股之私人配售、公開發售或供股事項。
- (e) 本公司董事一直採取行動，以加強對工廠經常開支及各類一般及行政費用之成本控制，並正積極尋求新投資及營商機會，務求達到有利可圖及正現金流量之業務營運。

本公司董事認為，鑑於迄今所採取之措施以及現行其他措施之預期結果，本集團將擁有充足營運資金，以應付其目前所需，因此預期本集團可回復商業上可行之持續基準是合理的。因此，本公司董事信納，儘管本集團於二零零四年三月三十一日之財政及流動資金狀況未如理想，按持續經營基準編製財務報表是適當的。

## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

31 March 2004 二零零四年三月三十一日

#### 2. BASIS OF PRESENTATION (Continued)

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of 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 potential adjustments have not been reflected in the financial statements.

#### 3. IMPACT OF A REVISED HONG KONG STATEMENT OF STANDARD ACCOUNTING PRACTICE ("SSAP")

The revised SSAP 12 "Income taxes" is effective for the first time for the current year's financial statements. SSAP 12 prescribes the accounting for income taxes payable or recoverable, arising from the taxable profit or loss for the current period (current tax); and income taxes payable or recoverable in future periods, principally arising from taxable and deductible temporary differences and the carryforward of unused tax losses (deferred tax).

The SSAP has had no significant impact for these financial statements on the amounts recorded for income taxes. However, the related note disclosures are now more extensive than previously required. These are detailed in notes 11 and 24 to the financial statements and include a reconciliation between the accounting loss and the tax credit for the year.

#### 2. 編製基準 (續)

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。該等潛在調整所引致之影響並無反映在本財務報表中。

#### 3. 經修訂香港會計實務準則(「會計實務準則」)之影響

會計實務準則第12號「所得稅」於編製本年度財務報表時首次生效。會計實務準則第12號規定本期間之應課稅溢利及虧損產生之應繳或退回所得稅(本期間稅項)，及主要因應課稅及可扣減暫時差異及未動用稅務虧損結轉而產生之未來期間應繳或退回所得稅(遞延稅項)之會計方法。

該會計實務準則對本財務報表所記錄之所得稅金額並無重大影響。然而，現作出較以往規定更詳盡之有關附註披露。有關資料詳載於財務報表附註11及24，並包括本年度會計虧損及稅項撥回之對賬。

NOTES TO FINANCIAL STATEMENTS  
財務報表附註

31 March 2004 二零零四年三月三十一日

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of preparation**

These financial statements have been prepared in accordance with Hong Kong Statements of Standard Accounting Practice, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the periodic remeasurement of certain fixed assets as further explained below.

**Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2004. 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.

Minority interests represent the interests of outside shareholders in the results and net assets of the Company's subsidiaries.

**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.

## 4. 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二零零四年三月三十一日止年度之財務報表。本年度內收購或出售之附屬公司之業績由收購生效日期起或截至出售生效日期止綜合計算。所有集團內公司間之重大交易及結餘於綜合賬目時已經抵銷。

少數股東權益指外界股東於本公司附屬公司業績及資產淨值中所佔之權益。

**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，藉以從其活動得益之公司。

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權益乃以成本值扣除減值虧損列賬。

## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

31 March 2004 二零零四年三月三十一日

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

##### Joint venture companies

A joint venture company is a company set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture company operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture company's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture company is treated as:

- (a) a subsidiary, if the Company has unilateral control, directly or indirectly, over the joint venture company;
- (b) a jointly-controlled entity, if the Company does not have unilateral control, but has joint control, directly or indirectly, over the joint venture company;
- (c) an associate, if the Company does not have unilateral or joint control, but holds, directly or indirectly, generally not less than 20% of the joint venture company's registered capital and is in a position to exercise significant influence over the joint venture company; or
- (d) a long term investment, if the Company holds, directly or indirectly, less than 20% of the joint venture company's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture company.

#### 4. 重要會計政策概要 (續)

##### 合營公司

合營公司乃指按合約安排成立之公司，據此，本集團及其他各方共同進行一項經濟業務。合營公司以獨立實體方式經營，而本集團及其他各方擁有其中之權益。

由合營人訂立之合營協議訂明合營各方之出資額、合營期及合營公司解散時將資產變現之基準。合營公司業務帶來之損益及任何盈餘資產分派，均由合營人按各自之出資比例或按合營協議之條款分攤。

合營公司之處理方式如下：

- (a) 如本公司直接或間接擁有合營公司單方面控制權，會視作附屬公司；
- (b) 如本公司並無擁有合營公司單方面控制權，惟直接或間接擁有共同控制權，會視作共同控制機構；
- (c) 如本公司並無擁有合營公司單方面或共同控制權，惟直接或間接擁有不少於20%之合營公司註冊股本及有能力對其行使重大影響力，會視作聯營公司；或
- (d) 如本公司直接或間接持有少於20%之合營公司註冊股本，惟無擁有其共同控制權或無能力對其行使重大影響力，會視作長期投資。

NOTES TO FINANCIAL STATEMENTS  
財務報表附註

31 March 2004 二零零四年三月三十一日

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**Related parties**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

**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 any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

## 4. 重要會計政策概要 (續)

**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。

**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，或是否有任何迹象顯示往年度已確認之資產減值虧損不再存在或已減少。倘有任何該等迹象，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入賬時，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。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入賬時，減值虧損則按重估資產之有關會計政策入賬。

## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

31 March 2004 二零零四年三月三十一日

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

##### Fixed assets and depreciation

Fixed assets, other than construction in progress, are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalised as an additional cost of that asset.

Changes in the values of fixed assets are dealt with as movements in the fixed asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the profit and loss account. Any subsequent revaluation surplus is credited to the profit and loss account to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

#### 4. 重要會計政策概要 (續)

##### 固定資產及折舊

固定資產(在建工程除外)按成本或估值減累積折舊及減值虧損入賬。資產成本包括其購買價及將資產達至運作之狀況及地點以作其計劃之用途而產生之任何直接應佔成本。固定資產開始運作後產生之支出(如維修及保養費用)通常於產生期間之損益賬中扣除。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為固定資產重估儲備變動處理。如以個別資產計算,儲備總額不足以彌補虧絀,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,數額以之前扣除之虧絀為限。出售重估資產時,重估儲備中與先前估值有關之已變現部分撥入保留溢利,作為儲備變動處理。

**NOTES TO FINANCIAL STATEMENTS**  
**財務報表附註**

31 March 2004 二零零四年三月三十一日

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
*(Continued)*
**Fixed assets and depreciation** *(Continued)*

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each asset 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.

**4. 重要會計政策概要 (續)**
**固定資產及折舊 (續)**

折舊乃按每項資產之估計可使用年期以直線法撇銷其成本或估值計算，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，按成本減任何減值虧損列賬，且並無折舊。成本包含建築期內所涉及之建築直接成本。在建工程於完成及以備使用時重新分類至適當之固定資產類別。



## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

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

#### Leased assets

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing.

Assets held under capitalised finance leases are included in fixed assets and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the profit and loss account so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. 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.

### 4. 重要會計政策概要 (續)

#### 租賃資產

除法定業權外，凡將資產之擁有權絕大部分回報及風險撥歸本集團之租約均被列為融資租約處理。於融資租約訂立時，租賃資產成本以租約須付最低租金之現值撥作資產，連同租賃責任(不包括利息部分)一同入賬，以反映購買及融資活動。

按資本化融資租約持有之資產計入固定資產內，並按租約期或估計該等資產可使用年期兩者中之較短者計算折舊。該等租約之融資成本計入損益賬中，從而於租約期內產生固定之扣除額。

凡將資產所有權之絕大部分回報及風險留予租賃公司之租約均列為經營租約。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完成及出售存貨所需之其他成本計算。

NOTES TO FINANCIAL STATEMENTS  
財務報表附註

31 March 2004 二零零四年三月三十一日

4. 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.

For the purpose of the balance sheet, cash and bank balances 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.

## 4. 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分之銀行透支。

就資產負債表而言，現金及銀行結餘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，從而日後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。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

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

#### Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account or in equity if it relates to items that are recognised in the same or a different period, directly in equity.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

### 4. 重要會計政策概要 (續)

#### 所得稅

所得稅包括本期間稅項及遞延稅項。所得稅於損益賬中確認，或若有關項目於相同或不同期間在權益中確認，則直接在權益中確認。

遞延稅項就於結算日資產與負債之稅基及其於財務報告中之賬面值兩者間之所有暫時差異以負債法撥備。

遞延稅項負債乃就所有應課稅暫時差異確認：

- 惟於一項交易進行時初次確認資產或負債時產生而並無對會計溢利或應課稅溢利或虧損構成影響之遞延稅項負債除外；及
- 就有關於附屬公司之投資及合營公司之權益產生之應課稅暫時差異而言，惟於暫時差異之撥回時間可以控制及暫時差異有可能不會於可預見未來撥回除外。

NOTES TO FINANCIAL STATEMENTS  
財務報表附註

31 March 2004 二零零四年三月三十一日

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

## Income tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax assets and unused tax losses can be utilised:

- except where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

## 4. 重要會計政策概要 (續)

## 所得稅 (續)

遞延稅項資產就所有可扣減暫時差異及未被動用之稅項資產與稅項虧損之結轉確認，惟僅以有可能以應課稅溢利抵銷可扣減暫時差異及可動用結轉未被動用稅項資產及稅項虧損為限：

- 惟於一項交易進行時初次確認資產或負債時產生而並無對會計溢利或應課稅溢利或虧損構成影響之有關可扣減暫時差異之遞延稅項資產除外；及
- 就於附屬公司之投資及合營公司之權益產生之可扣減暫時差異而言，遞延稅項資產僅以暫時差異有可能於可預見未來撥回及可動用應課稅溢利以抵銷暫時差異為限確認。

遞延稅項資產之賬面值於每個結算日檢討，並扣減至不再可能有足夠應課稅溢利讓所有或部分遞延稅項資產被動用為止。相反，以往未確認之遞延稅項資產在可能有足夠應課稅溢利讓所有或部分遞延稅項資產被動用時確認。

遞延稅項資產與負債以資產被變現或負債清還之期間之預期適用稅率，按於結算日已制定或實際已制定之稅率（及稅務法例）計算。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

### 4. 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, 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.

#### 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.

### 4. 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經濟利益及能夠可靠地計算收入時予以確認：

- (a) 來自貨品銷售，附於擁有權之主要風險及回報已轉移至買家，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；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。

#### 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。

NOTES TO FINANCIAL STATEMENTS  
財務報表附註

31 March 2004 二零零四年三月三十一日

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**Employee benefits (Continued)***Employment Ordinance long service payments (Continued)*

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 service to the Group to the balance sheet date.

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

## 4. 重要會計政策概要 (續)

**僱員福利 (續)***僱傭條例長期服務金 (續)*

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。

*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制性公積金退休福利計劃(「強積金計劃」)之僱員運作一個定額供款之強積金計劃。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應付時計入損益賬。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取回外，本集團僱主之供款於向強積金計劃供款時即全部撥歸僱員所有。

## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

31 March 2004 二零零四年三月三十一日

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

##### Employee benefits (Continued)

###### Share option scheme

The Company operates a share option scheme 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.

##### Foreign currencies

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable exchange rates ruling at that date. Exchange differences are dealt with in the profit and loss account.

On consolidation, the financial statements of overseas subsidiaries are translated into Hong Kong dollars 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 at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

#### 4. 重要會計政策概要 (續)

##### 僱員福利 (續)

###### 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記錄為額外股本，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記錄。

##### 外幣

外幣交易以交易當日之適用匯率折算記錄。結算日當日以外幣為單位之貨幣資產及負債均按當日之適用匯率折算。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匯率換算為港元，而資產負債表則按結算日之匯率換算為港元。所產生之換算差額在滙兌波動儲備中列賬。

**NOTES TO FINANCIAL STATEMENTS**  
**財務報表附註**

31 March 2004 二零零四年三月三十一日

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
*(Continued)*
**Foreign currencies (Continued)**

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 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.

**5. 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 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.

**4. 重要會計政策概要 (續)**
**外幣 (續)**

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年內之加權平均滙率換算為港元。

**5. 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風險及回報與其他業務分類之風險及回報有所分別之策略性業務單位。業務分類之詳情概要如下：

- (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時，收入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。



## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

### 5. SEGMENT INFORMATION (Continued)

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

#### (a) Business segments

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

Group 本集團		Toddler cars 學行車		Cycling 腳踏車		Other toys 其他玩具		Consolidated 綜合	
		2004	2003	2004	2003	2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment revenue:	分類收入：								
Sales to external customers	外來客戶之銷售額	11,078	15,355	6,867	12,176	4,586	10,561	22,531	38,092
Other revenue	其他收入	333	274	207	218	140	179	680	671
		11,411	15,629	7,074	12,394	4,726	10,740	23,211	38,763
Segment results	分類業績	(7,364)	(5,779)	(5,593)	(5,091)	(3,911)	(9,518)	(16,868)	(20,388)
Interest income and unallocated gains	利息收入及未分配收益							897	4,405
Unallocated expenses	未分配開支							(11,337)	(17,400)
Loss from operating activities	經營業務虧損							(27,308)	(33,383)
Finance costs	財務費用							(4,951)	(5,380)
Gain on debt restructuring, net of expenses	債務重組收益(扣除開支)							-	77,031
Profit/(loss) before tax	除稅前溢利/(虧損)							(32,259)	38,268
Tax	稅項							836	(836)
Profit/(loss) before minority interests	未計少數股東權益前溢利/(虧損)							(31,423)	37,432
Minority interests	少數股東權益							525	-
Net profit/(loss) from ordinary activities attributable to shareholders	股東應佔日常業務溢利/(虧損)淨額							(30,898)	37,432

### 5. 分類資料(續)

業務分類之間概無分類銷售及轉讓。

#### (a) 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。

**NOTES TO FINANCIAL STATEMENTS**  
**財務報表附註**

31 March 2004 二零零四年三月三十一日

**5. SEGMENT INFORMATION (Continued)**
**5. 分類資料 (續)**
**(a) Business segments (Continued)**
**(a) 業務分類 (續)**

Group		Toddler cars		Cycling		Other toys		Consolidated	
		學行車		腳踏車		其他玩具		綜合	
本集團		2004	2003	2004	2003	2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment assets	分類資產	6,278	7,291	5,285	7,799	6,224	7,694	17,787	22,784
Unallocated assets	未分配資產							87,995	86,167
Total assets	總資產							105,782	108,951
Segment liabilities	分類負債	5,865	6,277	4,156	6,127	4,830	6,044	14,851	18,448
Unallocated liabilities	未分配負債							81,593	101,517
Total liabilities	總負債							96,444	119,965
Other segment information:	其他分類資料:								
Depreciation	折舊	950	928	1,592	1,670	1,231	1,235	3,773	3,833
Unallocated amounts	未分配金額							6,831	10,963
								10,604	14,796
Other non-cash expenses	其他非現金開支	341	702	212	947	144	742	697	2,391
Capital expenditure	資本開支	6	-	167	27	-	4	173	31
Unallocated amounts	未分配金額							685	893
								858	924

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

### 5. 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

Segment revenue: 分類收入:  
Sales to external customers 外來客戶之銷售額

North America		Europe		Central and South America		Asia Pacific region (including Hong Kong and Mainland China) 亞太區		Middle East and other regions		Consolidated	
北美洲		歐洲		中南美洲		(包括香港及中國大陸)		中東及其他地區		綜合	
2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年
HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'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
4,205	5,441	8,315	13,958	3,969	7,051	4,831	9,308	1,211	2,334	22,531	38,092

Group  
本集團

Other segment information: 其他分類資料:

Segment assets 分類資產

Capital expenditure 資本開支

North America		Europe		Central and South America		Asia Pacific region (including Hong Kong and Mainland China) 亞太區		Middle East and other regions		Consolidated	
北美洲		歐洲		中南美洲		(包括香港及中國大陸)		中東及其他地區		綜合	
2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年
HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'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
241	295	386	269	86	-	105,069	108,297	-	90	105,782	108,951
-	-	-	-	-	-	858	924	-	-	858	924

**NOTES TO FINANCIAL STATEMENTS**  
**財務報表附註**

31 March 2004 二零零四年三月三十一日

**6. 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:

**6. 營業額及收入**

營業額指已扣除退貨及貿易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：

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
<b>Turnover</b>	<b>營業額</b>		
Sale of goods	銷售貨物	22,531	38,092
<b>Other revenue</b>	<b>其他收入</b>		
Interest income	利息收入	15	78
Other	其他	509	921
		524	999
<b>Gains</b>	<b>收益</b>		
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	28	124
Write back of provision for bad and doubtful debts	呆壞賬撥備撥回	53	435
Waiver of accounts payable	應付賬款豁免	832	1,922
Waiver of interest accrued on finance leases	融資租約之應計利息豁免	140	109
Waiver of a director's remuneration accrued (note 9)	應計之一位董事酬金豁免(附註9)	-	1,405
		1,053	4,077
		1,577	5,076

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

### 7. LOSS FROM OPERATING ACTIVITIES

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

Cost of inventories sold	已售存貨成本	
Depreciation (note 14)	折舊 (附註14)	
Provision for bad and doubtful debts:	呆壞賬撥備：	
Trade receivables	應收貿易賬款	
Other receivables	其他應收款項	
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	
Auditors' remuneration	核數師酬金	
Staff costs (excluding directors' remuneration – note 9):	員工成本(不包括董事酬金 – 附註9)：	
Wages and salaries	工資及薪金	
Retirement benefits scheme contributions	退休福利計劃供款	
Exchange gains, net	滙兌收益，淨額	
Revaluation deficit/(surplus) on land and buildings	土地及樓宇重估虧絀/(盈餘)	
Provision for inventories	存貨之撥備	
Loss on disposal of fixed assets	出售固定資產虧損	

Cost of sales includes approximately HK\$10,917,000 (2003: HK\$18,145,000) relating to staff costs and depreciation which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

At 31 March 2004, the Group had no forfeited contributions available to reduce its contributions to retirement benefits schemes in future years (2003: Nil).

### 7. 經營業務虧損

本集團經營業務虧損經扣除/(計入)以下各項：

2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
14,444	22,657
10,604	14,796
–	1,556
–	307
–	1,863
411	407
800	750
7,841	10,841
171	153
8,012	10,994
(28)	(124)
697	(82)
–	528
81	–

銷售成本包括有關員工成本及折舊共約10,917,000港元(二零零三年：18,145,000港元)，已包括於上文各類別開支分別披露之有關總額。

於二零零四年三月三十一日，本集團並無已沒收供款可供於未來年度扣減退休福利計劃之供款(二零零三年：無)。

**NOTES TO FINANCIAL STATEMENTS**  
**財務報表附註**

31 March 2004 二零零四年三月三十一日

**8. FINANCE COSTS**
**8. 財務費用**

		Group 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
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	4,222	4,701
Interest on convertible note and bonds	可換股票據及債券利息	705	574
Interest on finance leases	融資租約利息	24	105
		4,951	5,380

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

### 9. DIRECTORS' REMUNERATION

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

Fees:	袍金：
Executive directors	執行董事
Independent non-executive directors	獨立非執行董事
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
Retirement benefits scheme contributions	退休福利計劃供款

The remuneration of all directors fell within the band of nil to HK\$1,000,000 for the years ended 31 March 2004 and 2003.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year. During the year ended 31 March 2003, a director waived his remuneration of HK\$1,405,000.

### 9. 董事酬金

根據香港聯合交易所有限公司證券上市規則及香港公司條例第161條披露之本年度董事酬金詳情如下：

Group 本集團	
2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
—	—
240	220
240	220
1,344	1,500
67	72
1,411	1,572
1,651	1,792

截至二零零四年及二零零三年三月三十一日止年度，所有董事之酬金均介乎零至1,000,000港元之組別內。

本年度內並無董事作出放棄酬金或同意放棄酬金之安排。截至二零零三年三月三十一日止年度，一名董事豁免其酬金1,405,000港元。

NOTES TO FINANCIAL STATEMENTS  
財務報表附註

31 March 2004 二零零四年三月三十一日

9. DIRECTORS' REMUNERATION (Continued)

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 compensation for loss of office (2003: Nil).

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four (2003: two) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining (2003: three) non-director, highest paid employee for the year are as follows:

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

The remuneration of all non-director, highest paid employees fell within the band of nil to HK\$1,000,000 for the years ended 31 March 2004 and 2003.

During the year, there were no bonuses paid to or receivable by any of the five highest paid employees of the Group (2003: Nil). No emoluments were paid by the Group to any of the five highest paid employees as an inducement to join, or upon joining the Group, or as compensation for loss of office (2003: Nil).

9. 董事酬金 (續)

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(二零零三年：無)。

10. 五位最高薪僱員

年內之五位最高薪僱員之中，四位(二零零三年：兩位)為董事，彼等之酬金詳情已載列於上文附註9。餘下一位(二零零三年：三位)非董事之高薪僱員之酬金詳情如下：

Group 本集團	
2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
247	833
12	42
<b>259</b>	<b>875</b>

截至二零零四年及二零零三年三月三十一日止年度，所有非董事之最高薪僱員之酬金均介乎零至1,000,000港元之組別內。

年內，本集團概無向任何五位最高薪僱員(二零零三年：無)支付或應付任何花紅。本集團概無向任何五位最高薪僱員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(二零零三年：無)。



## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

### 11. 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 (2003: Nil). 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.

### 11. 稅項

由於年內並無源自香港之應課稅溢利，故本集團並無就香港利得稅撥備（二零零三年：無）。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，按本集團經營業務之國家之稅率計算。

Group:

Deferred tax credit/(charge)  
(note 24)

本集團：

遞延稅項撥回／（開支）  
（附註24）

2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
836	(836)

**NOTES TO FINANCIAL STATEMENTS**  
**財務報表附註**

31 March 2004 二零零四年三月三十一日

**11. TAX (Continued)**

A reconciliation of the tax credit/(expense) applicable to profit/(loss) before tax using the statutory rates for the countries in which the Company and its subsidiaries are domiciled to the tax credit/(expense) at the effective tax rates are as follows:

Profit/(loss) before tax	除稅前溢利／（虧損）
Tax at the applicable tax rates	按適用稅率計算之稅項
Income not subject to tax	毋須課稅收入
Expenses not deductible for tax	不可扣稅開支
Tax losses utilised from previous periods	動用以往期間之稅務虧損
Tax loss not recognised	未確認稅務虧損
Tax credit/(charge) at the Group's effective rate	按本集團實際稅率計算之稅項撥回／（開支）

**11. 稅項（續）**

採用本公司及其附屬公司註冊國家之法定稅率計算之除稅前溢利／（虧損）適用之稅項撥回／（開支）與按實際稅率計算之稅項撥回／（開支）之對賬如下：

Group 本集團	
2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
(32,259)	38,268
5,645	(6,123)
1,564	8,856
(192)	(1,522)
88	12,296
(6,269)	(14,343)
836	(836)

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

The net loss from ordinary activities attributable to shareholders for the year ended 31 March 2004 dealt with in the financial statements of the Company, was HK\$7,853,000 (2003: HK\$49,662,000).

**12. 股東應佔日常業務虧損淨額**

於本公司財務報表內處理之截至二零零四年三月三十一日止年度之股東應佔日常業務虧損淨額為7,853,000港元（二零零三年：49,662,000港元）。

## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

31 March 2004 二零零四年三月三十一日

#### 13. EARNINGS/(LOSS) PER SHARE

The calculation of basic loss per share is based on the net loss attributable to shareholders for the year of HK\$30,898,000 (2003: net profit of HK\$37,432,000), and the weighted average of 728,666,188 (2003 (restated): 236,329,878) ordinary shares in issue during the year, as adjusted to reflect the open offer during the year.

Diluted loss per share amount for the year ended 31 March 2004 has not been disclosed as the convertible note and bonds outstanding during the year had anti-dilutive effect on the basic loss per share for the year.

Diluted earnings per share amount for the year ended 31 March 2003 has not been disclosed as the share options and convertible note and bonds outstanding during that year had no dilutive effect on the basic earnings per share for that year.

#### 13. 每股盈利／(虧損)

每股基本虧損乃根據本年度之股東應佔虧損淨額 30,898,000 港元 (二零零三年：溢利淨額 37,432,000 港元) 及經調整以反映本年度進行之公開發售之年內已發行普通股加權平均數 728,666,188 股 (二零零三年 (經重列)：236,329,878 股) 計算。

由於截至二零零四年三月三十一日止年度尚未行使可換股票據及債券對本年度之每股基本虧損具反攤薄影響，故並無披露本年度之每股攤薄虧損。

由於截至二零零三年三月三十一日止年度尚未行使購股權及可換股票據及債券對該年度之每股基本盈利具反攤薄影響，故並無披露該年度之每股攤薄盈利。

**NOTES TO FINANCIAL STATEMENTS**  
**財務報表附註**

31 March 2004 二零零四年三月三十一日

**14. FIXED ASSETS**
**14. 固定資產**
**Group**
**本集團**

		Medium term leasehold land and buildings 中期租賃 土地及樓宇 HK\$'000 千港元	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Moulds, plant and machinery 模具、 廠房及機器 HK\$'000 千港元	Furniture, fixtures, equipment and motor vehicles 傢俬、裝置、 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	76,150	22,574	88,175	4,630	32,288	223,817
Additions	增添	-	156	337	365	-	858
Deficit on revaluation	重估虧絀	(3,960)	-	-	-	-	(3,960)
Disposals	出售	-	(110)	-	(19)	-	(129)
At 31 March 2004	於二零零四年 三月三十一日	72,190	22,620	88,512	4,976	32,288	220,586
Accumulated depreciation and impairment:	累積折舊及 減值：						
At beginning of year	年初	-	21,946	68,924	3,501	32,288	126,659
Provided during the year	年內撥備	2,858	509	6,645	592	-	10,604
Reversal upon revaluation	重估後撥回	(2,858)	-	-	-	-	(2,858)
Disposals	出售	-	(44)	-	(4)	-	(48)
At 31 March 2004	於二零零四年 三月三十一日	-	22,411	75,569	4,089	32,288	134,357
Net book value:	賬面淨值：						
At 31 March 2004	於二零零四年 三月三十一日	72,190	209	12,943	887	-	86,229
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
Analysis of cost or valuation:	成本或估值分析：						
At cost	以成本計算	-	22,620	88,512	4,976	32,288	148,396
At 31 March 2004 valuation	以二零零四年 三月三十一日 估值計算	72,190	-	-	-	-	72,190
		72,190	22,620	88,512	4,976	32,288	220,586

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

### 14. FIXED ASSETS (Continued)

#### Company

		Furniture, fixtures, equipment and motor vehicles 傢俬、裝置、 設備及汽車 HK\$'000 千港元 .....
Cost:	成本：	
At beginning of year and at 31 March 2004	年初及於二零零四年三月三十一日	615
Accumulated depreciation:	累積折舊：	
At beginning of year	年初	381
Provided during the year	年內撥備	193
At 31 March 2004	於二零零四年三月三十一日	574
Net book value:	賬面淨值：	
At 31 March 2004	於二零零四年三月三十一日	41
At 31 March 2003	於二零零三年三月三十一日	234

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, a firm of independent professionally qualified valuers, on a depreciated replacement cost basis as at 31 March 2004 at HK\$72,190,000 (2003: HK\$76,150,000).

For the current year, a total revaluation deficit of HK\$697,000 representing the shortfall of the revalued amounts under the then carrying values of the revalued assets, on an individual asset basis, has been debited to the profit and loss account. In the prior year, a total revaluation surplus of HK\$82,000 representing the excess of the revalued amounts over the then carrying values of the revalued assets, on an individual asset basis, was 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。於二零零四年三月三十一日，獨立專業合資格估值師行萊坊(香港)有限公司按折舊重置成本基準，重估本集團之所有租賃土地及樓宇，其重估價值為72,190,000港元（二零零三年：76,150,000港元）。

於本年度內，重估虧絀總額697,000港元乃指重估資產賬面值之重估金額虧絀，已按個別資產之基準，自損益賬扣除。上一年度，82,000港元重估盈餘總額乃指重估金額高於重估資產當時賬面值之盈餘，已按個別資產之基準，於損益賬中入賬。

NOTES TO FINANCIAL STATEMENTS  
財務報表附註

31 March 2004 二零零四年三月三十一日

## 14. FIXED ASSETS (Continued)

A total revaluation deficit of HK\$405,000 (2003: HK\$42,000) representing the shortfall of the revalued amount under the then carrying value of certain revalued assets, on an individual asset basis, has been debited to the fixed asset revaluation reserve.

Had the Group's revalued leasehold land and buildings been stated at cost less accumulated depreciation, their carrying amounts would have been approximately HK\$57,907,000 (2003: HK\$60,665,000).

Certain leasehold land and buildings with an aggregate carrying value of HK\$43,700,000 (2003: HK\$45,400,000) at 31 March 2004 were pledged to secure bank borrowings advanced to the Group as set out in note 19 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\$28,676,000, (2003: HK\$29,000,000) at 31 March 2004. 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 starting from 2008.

The Group has not yet obtained the land-use rights certificate for the Land. Having consulted with the Group's Mainland China lawyers, the directors considered that the Group has the right to use the land. After the payment of a land premium of approximately HK\$10.4 million and attending the necessary administrative procedures, the Group should be able to obtain the land use rights certificate for the Land.

## 14. 固定資產 (續)

重估虧絀總額405,000港元(二零零三年: 42,000港元)乃指當時若干重估資產賬面值之重估金額虧絀,已按個別資產之基準,自固定資產重估儲備扣除。

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57,907,000港元(二零零三年: 60,665,000港元)。

如財務報表附註19所載,本集團已將若干於二零零四年三月三十一日賬面總值達43,700,000港元(二零零三年: 45,400,000港元)之租賃土地及樓宇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」),本集團於中國內地收購若干租賃土地(「該土地」),該土地於二零零四年三月三十一日之賬面值為28,676,000港元(二零零三年: 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,並須自二零零八年起每五年增加20%。

本集團並未就該土地獲得土地使用權證。在諮詢本集團之中國律師後,董事認為,本集團有權使用該土地。於支付土地溢價約10,400,000港元及辦理所需之行政手續後,本集團應可申取該土地之土地使用權證。

NOTES TO FINANCIAL STATEMENTS  
財務報表附註

31 March 2004 二零零四年三月三十一日

15. INTERESTS IN SUBSIDIARIES

15. 於附屬公司之權益

		Company 本公司	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Unlisted shares, at cost	非上市股份，以成本值計	68,709	68,709
Less: Provision for impairment	減：減值撥備	(68,709)	(68,709)
		-	-
Due from a subsidiary	附屬公司欠款	200,204	189,618
Less: Provision	減：撥備	(167,530)	(167,526)
		32,674	22,092
		32,674	22,092

The amount due from a subsidiary included in the Company's current assets is unsecured, interest-free and has 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。

**NOTES TO FINANCIAL STATEMENTS**  
**財務報表附註**

31 March 2004 二零零四年三月三十一日

**15. INTERESTS IN SUBSIDIARIES (Continued)**
**15. 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
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
Xin Toys Factory Limited (Formerly Hung Cheong Toys Factory Limited) 新創玩具廠有限公司 (前稱雄昌玩具廠有限公司)	BVI/ Hong Kong 英屬處女群島／ 香港	Ordinary US\$4 普通股 4美元	—	100	Manufacturing and trading of toy products 製造及買賣 玩具產品
Hung Cheong Toys International Limited ("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



NOTES TO FINANCIAL STATEMENTS  
財務報表附註

31 March 2004 二零零四年三月三十一日

15. INTERESTS IN SUBSIDIARIES (Continued)

15. 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 新創玩具國際有限公司	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
Gadgets Yard Limited ("Gadgets Yard") 源製有限公司 ("源製")	Hong Kong 香港	Ordinary HK\$10,000 普通股 10,000港元	—	51	Trading of toy products 買賣玩具產品
Xin Procurement & Trading Pte. Ltd. ("Xin Procurement")	Singapore 新加坡	Ordinary S\$2 普通股 2新加坡元	—	51	Supply of equipment, goods and services for vessels 供應遠洋郵輪 之設備、貨品 及服務

**NOTES TO FINANCIAL STATEMENTS**  
**財務報表附註**

31 March 2004 二零零四年三月三十一日

**15. 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, 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.

**16. 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 nil (2003: HK\$67,000) at the balance sheet date.

**15. 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，本公司可能決定按5%年率派發超出溢利淨額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公司之溢利或剩餘資產；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分。董事認為，詳述其他附屬公司將導致篇幅過於冗長。

**16. 存貨**

		Group 本集團	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
		2,101	1,943
		484	432
		2,450	4,016
		<b>5,035</b>	<b>6,391</b>

於結算日，上述結餘包括並無以可變現淨值入賬之存貨之賬面值(二零零三年：67,000港元)。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

### 17. ACCOUNTS RECEIVABLE

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

An aged analysis of the accounts receivable 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

### 17. 應收賬款

除新客戶一般需要預付款項外，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。高級管理層會定期檢討逾期結餘。

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	
2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
1,148	1,018
209	106
68	1
-	436
-	15
1,425	1,576

**NOTES TO FINANCIAL STATEMENTS**  
**財務報表附註**

31 March 2004 二零零四年三月三十一日

**18. ACCOUNTS PAYABLE**

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

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

**18. 應付賬款**

於結算日，按發票日期之應付賬款賬齡分析如下：

		Group 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
		822	336
		1,305	404
		179	247
		132	206
		9,101	11,444
		<b>11,539</b>	<b>12,637</b>

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

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

Bank loans – secured	銀行貸款 – 有抵押
Other loans – unsecured	其他貸款 – 無抵押
Current portion of finance lease payables (note 22)	即期部分之應付融資租賃款項(附註22)

All the Group's bank loans and other loans at 31 March 2004 are repayable within one year or on demand.

At 31 March 2004, 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\$43,700,000 (2003: HK\$45,400,000) (note 14); and
- (ii) corporate guarantees executed by certain subsidiaries of the Company.

### 19. 須付利息之銀行借款及其他借款

Group 本集團		Company 本公司	
2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
24,299	26,869	–	–
–	20,400	–	20,400
24,299	47,269	–	20,400
–	966	–	–
24,299	48,235	–	20,400

於二零零四年三月三十一日本集團之所有銀行貸款及其他貸款均為須於一年內償還或應要求償還。

於二零零四年三月三十一日，本集團之銀行融資以下列各項作為抵押：

- (i) 本集團賬面總值約43,700,000港元(二零零三年：45,400,000港元)之若干中國內地租賃土地及樓宇(附註14)；及
- (ii) 本公司若干附屬公司作出之公司擔保。

NOTES TO FINANCIAL STATEMENTS  
財務報表附註

31 March 2004 二零零四年三月三十一日

**20. 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 2005 (note 2(c)).

**21. LOAN FROM A MINORITY SHAREHOLDER**

The loan from a minority shareholder is unsecured, interest-free and has no fixed terms of repayment.

**20. 一位股東提供之貸款**

一位股東提供之貸款並無抵押，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二零零五年十月三十一日前償還部分或全部授予本集團之貸款(附註2(c))。

**21. 一位少數股東提供之貸款**

一位少數股東提供之貸款並無抵押、免息及無固定還款期。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

### 22. FINANCE LEASE PAYABLES

The Group leased certain of its plant and machinery, and motor vehicles during the year and these leases were classified as finance leases.

The Group had fully settled the finance lease payments during the year and had no future lease payables under finance leases at 31 March 2004 as follows:

#### Group

本集團

		Minimum lease payments		Present value of minimum lease payments	
		應付最低租金	應付最低租金現值	應付最低租金	應付最低租金現值
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Total minimum finance lease payments payable within one year	於一年內應付最低融資租金總額	-	990	-	966
Future finance charges	未來融資費用	-	(24)		
Total net finance lease payables	應付融資租約款項淨值總額	-	966		
Portion classified as current liabilities (note 19)	列為流動負債部分(附註19)	-	(966)		
Long term portion	長期部分	-	-		

### 22. 應付融資租約款項

於本年度內，本集團出租其若干廠房、機器及汽車。此等租約已列作融資租約。

於本年度內，本集團已全數償還融資租金，而於二零零四年三月三十一日，並無融資租約下之日後應付租金如下：

NOTES TO FINANCIAL STATEMENTS  
財務報表附註

31 March 2004 二零零四年三月三十一日

## 23. CONVERTIBLE NOTE AND BONDS

The Company had the following outstanding convertible note and bonds:

- (i) Pursuant to a bank compromise agreement entered into by the Group and the Group's Hong Kong bankers (the "Bank Group") on 1 February 2002, the Bank Group was issued convertible bonds with an aggregate principal amount of HK\$6,500,000 by the Company on 16 May 2002, as part of the consideration for the releasing and discharging of the Group from all of its obligations and liabilities in respect of its bank borrowings advanced by the Bank Group. 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 and second instalments were settled by the Company on 16 May 2003 and 16 May 2004, respectively. The third instalment of the convertible bonds are repayable on 16 May 2005, 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 2004. 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 at any time during the period from the issue date up to and including 16 May 2005. As a result of the completion of the share consolidation on 30 December 2002 and the open offer of the Company's shares on 23 September 2003, the conversion price of the convertible bonds was adjusted to HK\$0.2432 per share. 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 amount of the convertible bonds.

## 23. 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) 根據本集團與本集團之香港往來銀行（「銀團」）於二零零二年二月一日訂立之銀行妥協協議，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，作為免除及解除本集團就銀團墊支之銀行借款而須承擔之全部責任及負債之部分代價。該可換股債券年息5厘，平均分三期於可換股債券發行後每個週年之日償還。利息每半年支付一次。首期及第二期由本公司分別於二零零三年五月十六日及二零零四年五月十六日償還。可換股債券之第三期款項須於二零零五年五月十六日償還，惟須符合可換股債券規定之條款及條件（本公司現時無法符合該等條款及條件）。因此，董事認為可換股債券屬應要求償還負債，於二零零四年三月三十一日之資產負債表內分類為流動負債。根據可換股債券文據，可換股債券可於發行日期直至（及包括）二零零五年五月十六日止期間內隨時以每股0.01港元之兌換價兌換為本公司股份。由於在二零零二年十二月三十日完成股份合併及在二零零三年九月二十三日完成公開發售本公司股份，可換股債券之兌換價已調整至每股0.2432港元。本公司可於可換股債券發行後隨時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分。



## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

### 23. CONVERTIBLE NOTE AND BONDS (Continued)

(ii) Pursuant to a compromise agreement entered into between the Company and an entity (the "PRC Entity") owned by the local government in Mainland China 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 during the period from the issue date up to and including 30 July 2004. As a result of the completion of the share consolidation on 30 December 2002 and the open offer of the Company's shares on 23 September 2003, the conversion price of the convertible note was adjusted to HK\$0.2432 per share. 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.

### 23. 可換股票據及債券 (續)

(ii) 根據本公司與一家由中國內地政府擁有之企業(「中國企業」)就償還其索償訂立之妥協協議，中國企業於二零零二年七月三十日獲本公司發行本金額16,000,000港元之可換股票據。該可換股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(及包括)二零零四年七月三十日止期間內隨時以每股0.01港元之兌換價兌換為本公司股份。由於在二零零二年十二月三十日完成股份合併及在二零零三年九月二十三日完成公開發售本公司股份，可換股債券之兌換價已調整至每股0.2432港元。本公司可於可換股票據發行日期後隨時按面值贖回可換股票據之所有或任何部分。

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 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	4,333	6,500
Convertible note issued to the PRC Entity repayable within one year	發行予中國企業之須於一年內償還之可換股票據	16,000	16,000
		<b>20,333</b>	22,500
Portion classified as current liabilities	分類為流動負債之部分	<b>(20,333)</b>	(6,500)
Non-current portion	非流動負債部分	-	16,000

NOTES TO FINANCIAL STATEMENTS  
財務報表附註

31 March 2004 二零零四年三月三十一日

24. DEFERRED TAX

The movements in deferred tax liabilities during the year is as follows:

Deferred tax liabilities

Group  
本集團

At beginning of year	年初
Deferred tax charged/(credited) to the profit and loss account during the year (note 11)	於本年度之損益賬扣除／(入賬)之遞延稅項(附註11)
At 31 March 2004	於二零零四年三月三十一日

The Group's deferred tax provision at 31 March 2003 comprised mainly the effect of accelerated tax depreciation.

The Group has tax losses arising in Hong Kong of HK\$37,984,000 (2003: HK\$27,887,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time.

The Company had no unprovided deferred tax at the balance sheet date (2003: Nil).

24. 遞延稅項

遞延稅項負債於本年度之變動如下：

遞延稅項負債

	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
At beginning of year	836	—
Deferred tax charged/(credited) to the profit and loss account during the year (note 11)	(836)	836
At 31 March 2004	—	836

於二零零三年三月三十一日，本集團之遞延稅項撥備主要包括加速稅項折舊之影響。

本集團於香港產生之稅項虧損為37,984,000港元(二零零三年：27,887,000港元)，可無限期用作抵銷錄得虧損之公司之未來應課稅溢利。本集團並無就該等虧損確認遞延稅項資產，因該等虧損乃由已錄得虧損一段時間之附屬公司產生。

於結算日，本公司概無任何未提撥遞延稅項(二零零三年：無)。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

### 25. SHARE CAPITAL

Authorised:	法定股本：
10,000,000,000	10,000,000,000股
(2003: 1,500,000,000)	(二零零三年：1,500,000,000股)
ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股
Issued and fully paid:	已發行及繳足股本：
1,102,720,190	1,102,720,190股
(2003: 215,525,638)	(二零零三年：215,525,638股)
ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股

The following changes in the Company's authorised and issued share capital took place during the years ended 31 March 2003 and 2004:

- (i) On 6 May 2002, the convertible note of HK\$3,000,000 issued to Join Asia Enterprise Limited, an independent third party not connected with the Group, 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.

### 25. 股本

2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
100,000	15,000
11,027	2,155

本公司之法定及已發行股本於截至二零零三年及二零零四年三月三十一日止年度之變動如下：

- (i) 於二零零二年五月六日，與本集團概無關連之獨立第三方興亞企業有限公司獲發行之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額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增設20,000,000,000股每股面值0.01港元之股份，由100,000,000港元增至300,000,000港元。

NOTES TO FINANCIAL STATEMENTS  
財務報表附註

31 March 2004 二零零四年三月三十一日

## 25. SHARE CAPITAL (Continued)

- (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 Company effected an open offer and 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 during the year ended 31 March 2003, 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 those 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.
- (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");

## 25. 股本 (續)

- (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，本公司完成公開發售，並發行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) 根據本集團與若干貿易及其他債權人於截至二零零三年三月三十一日止年度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。
- (vi) 根據於二零零二年十二月三十日舉行之本公司股東特別大會上通過之特別及普通決議案，股本重組(「股本重組」)獲實施，涉及(其中包括)下列事項：
- (a) 每五十股每股面值0.01港元之已發行及未發行股份合併為一股每股面值0.50港元之合併股份(「合併股份」)；
- (b) 透過註銷每股0.49港元及其產生之進賬105,607,000港元，將每股已發行合併股份之面值從每股0.50港元削減至每股0.01港元(「股本削減」)；

## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

31 March 2004 二零零四年三月三十一日

#### 25. SHARE CAPITAL (Continued)

- (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 27(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.
- (vii) On 28 July 2003, the Company entered into share subscription agreements with Mr. Lo Ming Chi, Charles ("Mr. Lo") and Mr Yu Wai Man ("Mr. Yu"), two executive directors of the Company. Pursuant to these share subscription agreements, 18,068,000 and 7,024,000 new ordinary shares of HK\$0.01 each in the Company were issued at a subscription price of HK\$0.0796 per share to Mr. Lo and Mr. Yu, respectively, as full settlement of the outstanding balances owed to them by the Company of approximately HK\$1,997,000 at 31 March 2003. The excess of the subscription price over the nominal value of the shares issued amounted to approximately HK\$1,746,000 was credited to the share premium account.
- (viii) Pursuant to a resolution passed at a special general meeting held on 3 September 2003, the authorised share capital of the Company was increased from HK\$15,000,000 to HK\$100,000,000 by the creation of an additional 8,500,000,000 shares of HK\$0.01 each.

#### 25. 股本 (續)

- (c) 註銷本公司股份溢價賬進賬之全部款額，並將產生之進賬撥入本公司之繳入盈餘賬(附註27(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) 將股本削減產生之進賬及註銷股份溢價產生之進賬，連同繳入盈餘悉數用於抵銷本公司之累積虧損。
- (vii) 於二零零三年七月二十八日，本公司與兩位本公司執行董事勞明智先生(「勞先生」)及余偉文先生(「余先生」)訂立股份認購協議。根據該等股份認購協議，本公司分別按認購價每股0.0796港元向勞先生及余先生發行18,068,000股及7,024,000股本公司每股面值0.01港元之新普通股，作為全數償還本公司於二零零三年三月三十一日結欠彼等之未償還結餘約1,997,000港元。認購價超過已發行股份面值之數約為1,746,000港元，已計入股份溢價賬。
- (viii) 根據於二零零三年九月三日舉行之股東特別大會上通過之一項決議案，本公司之法定股本藉增設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 2004 二零零四年三月三十一日

**25. SHARE CAPITAL (Continued)**

(ix) On 23 September 2003, the Company effected an open offer with assured allotments of four offer shares for every one share of HK\$0.01 each held by shareholders as at 3 September 2003 and issued a total of 862,102,552 new ordinary shares of HK\$0.01 each at a issue price of HK\$0.06 per share. Cash proceeds of approximately HK\$51,726,000, before the related expenses, were received by the Company. The excess of the offer price over the nominal value of the shares issued amounted to approximately HK\$43,105,000 was credited to the share premium account.

A summary of the transactions during the years ended 31 March 2003 and 2004 with reference to the above movements in the Company's authorised and issued ordinary share capital is set out below:

**Authorised share capital**

At 1 April 2002	於二零零二年四月一日		
Increase in authorised share capital	法定股本增加	(ii)	
Share cancellation	股份註銷	(vi)(d)	
At 31 March 2003 and 1 April 2003	於二零零三年三月三十一日及 二零零三年四月一日		
Increase in authorised share capital	法定股本增加	(viii)	
At 31 March 2004	於二零零四年三月三十一日		

**25. 股本 (續)**

(ix) 於二零零三年九月二十三日，本公司完成公開發售，有關之保證配額為股東於二零零三年九月三日每持有一股每股面值0.01港元之股份獲配發四股發售股份。本公司按發行價每股0.06港元發行合共862,102,552股每股面值0.01港元之新普通股。本公司獲得現金收益約51,726,000港元(未扣減相關費用)。發售價超過所發行股份面值之數約為43,105,000港元，已計入股份溢價賬。

截至二零零三年及二零零四年三月三十一日止年度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：

**法定股本**

	Notes	Number of authorised shares 法定股份數目	'000	HK\$'000
	附註		千股	千港元
			10,000,000	100,000
	(ii)		20,000,000	200,000
	(vi)(d)		(28,500,000)	(285,000)
			1,500,000	15,000
	(viii)		8,500,000	85,000
			10,000,000	100,000

**NOTES TO FINANCIAL STATEMENTS**  
**財務報表附註**

31 March 2004 二零零四年三月三十一日

**25. SHARE CAPITAL (Continued)**
**25. 股本 (續)**
**Issued capital**
**已發行股本**

		Notes 附註	Number of shares in issue 已發行股份數目	Issued 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 2002	於二零零二年四月一日		2,483,936,760	24,839	44,397	69,236
Shares issued on conversion of a 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	股本削減	(vi)(b)	–	(105,607)	–	(105,607)
Share issue expenses	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 and 1 April 2003	於二零零三年三月三十一日 及二零零三年四月一日		215,525,638	2,155	–	2,155
Shares issued on share subscription	股份認購所發行 之股份	(vii)	25,092,000	251	1,746	1,997
Shares issued on open offer	公開發售所發行之股份	(ix)	862,102,552	8,621	43,105	51,726
Share issue expenses	股份發行費用		–	–	(1,548)	(1,548)
At 31 March 2004	於二零零四年三月三十一日		1,102,720,190	11,027	43,303	54,330

**Share options**
**購股權**

Details of the Company's share option scheme is included in note 26 to the financial statements.

本公司購股權計劃詳情載於財務報表附註 26。

NOTES TO FINANCIAL STATEMENTS  
財務報表附註

31 March 2004 二零零四年三月三十一日

## 26. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme 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, the Company's shareholders, and any minority shareholders in the Company's subsidiaries. The 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 Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the 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.

Share options granted to a director 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.

## 26. 購股權計劃

本公司設有購股權計劃(「該計劃」)，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。該計劃之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、本公司股東及本公司附屬公司之任何少數股東。該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，否則有效期為自該日起計10年。

現時根據該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%。根據該計劃，於任何12個月期間內，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%。進一步授出超過該限制之購股權須經股東於股東大會批准。

授予本公司董事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間已發行股份之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。



## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

### 26. SHARE OPTION SCHEME (Continued)

The offer of a grant of share options 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 Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) The Stock Exchange of Hong Kong Limited (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.

No share option has yet been granted under the Scheme up to 31 March 2004.

### 26. 購股權計劃 (續)

授出購股權之建議可於建議日期起計30日內接納，承授人須支付象徵式代價合共1港元。所授出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該計劃屆滿日（以較早者為準）終止。

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香港聯合交易所有限公司（「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。

截至二零零四年三月三十一日止，並無根據該計劃授出任何購股權。

NOTES TO FINANCIAL STATEMENTS  
財務報表附註

31 March 2004 二零零四年三月三十一日

## 27. 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 48 of the financial statements.

The Group's contributed surplus originally represented 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 ended 31 March 2003, the credits arising from the capital reduction and cancellation of share premium account and the amount standing in the contribution surplus account were applied to eliminate the accumulated losses of the Group.

## 27. 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48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。

根據截至二零零三年三月三十一日止年度進行之股本重組，股本削減及註銷股份溢價賬產生之進賬及繳入盈餘賬用於抵銷本集團之累積虧損。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

### 27. RESERVES (Continued)

#### (b) Company

		Notes	Share premium account 股份溢價賬 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Accumulated losses 累積虧損 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 April 2002	於二零零二年四月一日		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	25(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	25(v)	342	–	–	342
Share issue expenses	股份發行費用		(4,273)	–	–	(4,273)
Share premium cancellation	股份溢價註銷	25(vi)(c)	(41,466)	41,466	–	–
Elimination of accumulated losses	累積虧損抵銷	25(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 and 1 April 2003	於二零零三年三月三十一日 及二零零三年四月一日		–	–	(40,632)	(40,632)
Shares issued on share subscription	股份認購所發行之股份	25(vii)	1,746	–	–	1,746
Shares issued on open offer	公開發售所發行之股份	25(ix)	43,105	–	–	43,105
Share issue expenses	股份發行費用		(1,548)	–	–	(1,548)
Net loss for the year	本年度之虧損淨額		–	–	(7,853)	(7,853)
At 31 March 2004	於二零零四年三月三十一日		43,303	–	(48,485)	(5,182)

The contributed surplus of the Company originally represented 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 2004 二零零四年三月三十一日

**28. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**
**Major non-cash transactions**

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

- (i) During the year, Speed Up Developments Limited ("Speed Up"), an independent loan provider of 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 owed by the Group at 31 March 2003 to Vision Century, which did not result in any cash flow (note 33(i)).
- (ii) As further set out in note 25(vii) to the financial statements, on 26 September 2003 the Company issued 25,092,000 new ordinary shares of HK\$0.01 each at a subscription price of HK\$0.0796 per share to two executive directors of the Company, as full settlement of the outstanding balances owed to them by the Company of approximately HK\$1,997,000 at 31 March 2003.

**29. PLEDGE OF ASSETS**

Details of the Group's bank and other borrowings, which are secured by assets of the Group, are included in notes 14 and 19 to the financial statements.

**28. 綜合現金流量表附註**
**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) 本年度內，本集團之獨立貸款提供者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其他貸款20,400,000港元連同應計利息1,578,000港元之全部權益轉讓予Vision Century，轉讓並無導致任何現金流量(附註33(i))。
- (ii) 如財務報表附註25(vii)所載，於二零零三年九月二十六日，本公司按認購價每股0.0796港元向兩位本公司執行董事發行25,092,000股每股面值0.01港元之新普通股，作為全數償還本公司於二零零三年三月三十一日結欠彼等之未償還結餘約1,997,000港元。

**29. 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14及19。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

### 30. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its office properties and a staff quarter under operating lease arrangements. Leases for the properties and the staff quarter are negotiated for terms of two years.

At 31 March 2004, 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\$28,676,000 at 31 March 2004, commencing from the year 2008 up to the year 2048 with a 20% increment for every five years (note 14).

### 30. 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及一個員工宿舍。物業及員工宿舍租賃期商定為期兩年。

於二零零四年三月三十一日，本集團根據不可撤銷經營租約將於以下年期到期之日後最低租金總額如下：

Group 本集團	
2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
295	248
128	—
<b>423</b>	<b>248</b>

此外，根據本集團與中國內地之一名無關連人士訂定之多項協議，本集團須就本集團在中國內地之若干租賃土地支付年費118,000港元，有關土地於二零零四年三月三十一日之賬面值為28,676,000港元，租約從二零零八年起至二零四八年止，每五年租值增加20%(附註14)。

NOTES TO FINANCIAL STATEMENTS  
財務報表附註

31 March 2004 二零零四年三月三十一日

**31. COMMITMENTS**

Neither the Company nor the Group had any significant capital commitments at the balance sheet date (2003: Nil).

**32. PENDING LITIGATIONS**

Claims for outstanding trade debts were brought by several suppliers and other miscellaneous creditors against the Group in prior years in respect of goods supplied and services provided for, together with interests, costs and/or other relief, of approximately HK\$2,129,000 in aggregate. A full provision thereof 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 at 31 March 2004.

**31. 承擔**

本公司及本集團於結算日概無任何重大資本承擔(二零零三年：無)。

**32. 仍未了結之訴訟**

於以往年度若干供應商及其他債權人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2,129,000港元向本集團提出未償還應收貿易賬款索償。於本財務報表內已就此作出全數撥備。

董事認為，本集團已於二零零四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。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

### 33. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these financial statements, the Group also had the following related party transactions during the year:

- (i) As further set out in notes 2(c) and 28(i) to the financial statements, on 2 July 2003, Vision Century granted a credit facility to the Company of HK\$50,000,000 to surrogate the amount due from the Company at that date, which covered the loans assigned from Speed Up of HK\$20,400,000, additional loan balances of HK\$20,000,000 then granted to the Company and the accrued interest thereon. The interest expense incurred by the Group during the year in respect of the loans from Vision Century amounted to HK\$1,888,000. Vision Century has undertaken that it will not demand the Group to repay partly or wholly of any advances made to the Group under the Credit Facility before 31 October 2005.
- (ii) As further set out in notes 25(vii) and 28(ii) to the financial statements, two executive directors of the Company subscribed for 25,092,000 new ordinary shares of HK\$0.01 each in the Company at a subscription price of HK\$0.0796 per share as full settlement of the outstanding balances owed to them by the Company of approximately HK\$1,997,000 at 31 March 2003 pursuant to a subscription agreement dated 28 July 2003, which was completed on 26 September 2003.

### 33. 有關連人士交易

除本財務報表其他部分所披露者外，本集團亦有以下有關連人士交易：

- (i) 如財務報表附註2(c)及28(i)所載，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，以替本公司償還於該日之債務，包括Speed Up轉讓之貸款20,400,000港元、本公司其後獲授之額外貸款餘額20,000,000港元及有關之應計利息。本集團年內就Vision Century提供之貸款產生利息開支1,888,000港元。Vision Century已承諾其將不會於二零零五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貸款之部分或全部。
- (ii) 如財務報表附註25(vii)及28(ii)所載，根據一份於二零零三年七月二十八日訂立之認購協議，兩位本公司執行董事按認購價每股0.0796港元認購25,092,000股本公司每股面值0.01港元之新普通股，作為全數償還本公司於二零零三年三月三十一日結欠彼等之未償還結餘約1,997,000港元。認購事項已於二零零三年九月二十六日完成。

**NOTES TO FINANCIAL STATEMENTS**  
**財務報表附註**

31 March 2004 二零零四年三月三十一日

**33. RELATED PARTY TRANSACTIONS (Continued)**

- (iii) On 24 September 2003, Vision Century subscribed for 625,676,760 ordinary shares of the Company of HK\$0.01 each at a subscription price of HK\$0.06 per share issued under the open offer of the Company.
- (iv) Pursuant to a shareholders' agreement entered with the Group on 20 December 2003, a minority shareholder of Gadgets Yard advanced HK\$5,880,000 to Gadgets Yard as the initial working capital. The terms of the advancement are set out in note 21 to the financial statements.
- (v) On 20 February 2004, the Group entered into a shareholders' agreement (the "Xin Procurement Agreement") with Huang & Co (Singapore) Pte. Ltd. ("HCSPL"), a company incorporated in Singapore with limited liability, to form Xin Procurement in Singapore with limited liability. HCSPL is wholly-owned by New Century International Pte. Ltd. ("New Century"), a company incorporated in Singapore with limited liability. New Century is in turn wholly owned by the parents of Mr. Wilson Ng and Mr. Ng Wee Keat, both of whom are executive directors of the Company and also directors of HCSPL. Pursuant to the Xin Procurement Agreement, the Group and HCSPL owned 51% and 49% of equity interests in Xin Procurement, respectively. On 20 February 2004, Xin Procurement entered into a supply agreement (the "Supply Agreement") with HCSPL whereby Xin Procurement has been appointed as a supplier of HCSPL for the supply of certain office equipment and office supplies, machinery, parts, lubricating oil and bunker for two vessels. By virtue of Mr. Wilson Ng's and Mr. Ng Wee Keat's parents' interests in HCSPL, the formation of Xin Procurement and the transactions contemplated under the Supply Agreement constitute connected transactions of the Company under Rule 14.26 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Xin Procurement has not commenced its operations during the current year.

**33. 有關連人士交易 (續)**

- (iii) 於二零零三年九月二十四日，根據本公司之公開發售，Vision Century按認購價每股發行股份0.06港元認購本公司每股面值0.01港元之普通股625,676,760股。
- (iv) 根據本集團於二零零三年十二月二十日訂立之股東協議，源製之少數股東向源製墊支5,880,000港元，作為初步營運資金。墊款之條款載於財務報表附註21。
- (v) 於二零零四年二月二十日，本集團與於新加坡註冊成立之有限公司Huang & Co (Singapore) Pte. Ltd. (「HCSPL」) 訂立一份股東協議 (「Xin Procurement協議」)，以於新加坡成立一間有限公司—Xin Procurement。HCSPL由於新加坡註冊成立之有限公司New Century International Pte. Ltd. (「New Century」) 全資擁有。New Century則由黃偉盛先生及黃偉傑先生 (兩位均為本公司執行董事及HCSPL董事) 之父母全資擁有。根據Xin Procurement協議，本集團及HCSPL分別擁有Xin Procurement之51%及49%股本權益。於二零零四年二月二十日，Xin Procurement與HCSPL訂立一份供應協議 (「供應協議」)，據此，Xin Procurement已獲委任為HCSPL供應若干辦公室設備及辦公室用品、兩艘遠洋郵輪使用之機器、零件、機油及燃料之供應商。根據香港聯合交易所有限公司證券上市規則第14.26條，由於黃偉盛先生及黃偉傑先生之父母於HCSPL之權益，成立Xin Procurement及供應協議擬進行之交易構成本公司之關連交易。Xin Procurement於本年度尚未開始其業務營運。



## NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2004 二零零四年三月三十一日

### 33. RELATED PARTY TRANSACTIONS (Continued)

(vi) As further set out in note 2(a) to the financial statements, Huang Worldwide Holding Limited, the immediate holding company of Vision Century, has undertaken to the Company, 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 up to 31 October 2005.

### 34. POST BALANCE SHEET EVENTS

Save for the post balance sheet events disclosed elsewhere in the financial statements, on 16 May 2004, the Company settled the second instalment of the convertible bonds issued to the Bank Group of approximately HK\$2,167,000.

### 35. COMPARATIVE AMOUNTS

As further explained in note 3 to the financial statements, due to the adoption of revised SSAP 12 during the current year, the presentation of certain items in the financial statements have been revised to comply with the new requirements.

### 36. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 July 2004.

### 33. 有關連人士交易 (續)

(vi) 如財務報表附註2(a)所載，Vision Century之直接控股公司Huang Worldwide Holding Limited已向本公司承諾，在截至二零零五年十月三十一日止期間，將繼續給予本集團財政支援，以便本集團在面對現時或日後之財政困難時，仍可繼續其日常運作猶如可行之持續基準。

### 34. 結算日後事項

除財務報表其他部分披露之結算日後事項外，於二零零四年五月十六日，本公司清償發行予銀團之可換股債券之第二期款項約2,167,000港元。

### 35. 比較數字

如財務報表附註3所詳述，因在本年度採納經修訂會計實務準則第12號，財務報表內若干項目之呈列方法已作出修訂，以符合新規定。

### 36. 批准財務報表

董事會於二零零四年七月二十六日批准本財務報表並授權刊發。