

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2004

1. ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The unaudited condensed consolidated interim financial statements are prepared in accordance with the Hong Kong Statement of Standard Accounting Practice No. 25 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The accounting policies and basis of preparation used in the preparation of these condensed consolidated financial statements are the same as those used in the audited financial statements for the year ended 31 March 2004.

簡明綜合財務報表附註

截至二零零四年九月三十日止六個月

1. 會計政策及呈列基準

該等未經審核之簡明綜合中期財務報表乃根據香港會計師公會頒佈之香港會計實務準則第25項「中期財務報告」及載於香港聯合交易所有限公司證券上市規則附錄16之規定而編製。編製該等簡明綜合財務報表所採用之會計政策及編制基準與本公司編製截至二零零四年三月三十一日止年度之經審核財務報表所沿用者相同。

2. SEGMENT INFORMATION

Segment information is presented by way of business segment, which is the primary reporting segment of the Group.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services 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) Toys business

- the toddler cars segment manufactures and trades children's ride-on cars featuring working horns and turning wheels;
- the cycling segment manufactures and trades children's bicycles, tricycles and scooters; and
- the other toys segment comprises the manufacture and the trading of pre-school toys, plastic utensils and other fashionable toys.

(b) Supply and procurement business

Supply of equipment, goods and services, which include, but not limited to, office equipment, office supplies, machinery, parts, lubricating oil and bunker for vessels.

2. 分類資料

分類資料，乃以本集團之業務分類，作為其主要呈報方式。

本集團經營之業務，乃根據各項業務之性質及所提供之產品與服務，而設立其架構及進行管理。本集團各項分類業務，均代表不同之策略性業務單位，其各自提供之產品與服務所承受之風險與可獲回報，均各不相同。業務分類之詳情概要如下：

(a) 玩具業務

- 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；
- 腳踏車分類業務為製造兒童單車、三輪車及滑板車；及
- 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。

(b) 供應及採購業務

供應設備、貨物及相關服務，其中包括(但不只限於)辦公室設備、辦公室用品及供應遠洋郵輪使用之機器、零件、機油及燃料。

2. SEGMENT INFORMATION (continued)
Business segments

The following tables present revenue and profit/(loss) for the Group's business segments.

2. 分類資料 (續)
業務分類

下表呈列本集團按業務分類之收入及溢利／(虧損)。

截至二零零四年九月三十日止六個月 (未經審核)
Six months ended 30 September 2004 (Unaudited)

		玩具業務 Toys business				供應及 採購業務 Supply and procurement	綜合 Consolidated 千港元 HK\$'000
		學行車 Toddler cars 千港元 HK\$'000	腳踏車 Cycling 千港元 HK\$'000	其他 Others 千港元 HK\$'000	小計 Sub-total 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000	
Segment revenue:	分類收入:						
Sales to external customers	向外來客戶之銷售	10,520	3,428	4,305	18,253	65,505	83,758
Other revenue and gains	其他收入及收益	195	64	80	339	-	339
Total	總額	10,715	3,492	4,385	18,592	65,505	84,097
Segment results	分類業績	(2,594)	(880)	(1,073)	(4,547)	3,794	(753)
Interest income and unallocated revenue and gains	利息收入及未分配收入及收益						297
Unallocated expenses	未分配開支						(5,925)
Loss from operating activities	經營業務虧損						(6,381)
Finance costs	融資成本						(1,842)
Loss before tax	除稅前虧損						(8,223)
Tax	稅項						-
Loss before minority interests	未計少數股東權益前虧損						(8,223)
Minority Interests	少數股東權益						(928)
Net loss from ordinary activities attributable to shareholders	股東應佔日常業務虧損淨額						(9,151)

2. SEGMENT INFORMATION (continued)
Business segments (continued)
2. 分類資料 (續)
業務分類 (續)

截至二零零三年九月三十日止六個月 (未經審核)

Six months ended 30 September 2003 (Unaudited)

		玩具業務				小計	供應及 採購業務 Supply and procurement	綜合 Consolidated
		Toys business						
		學行車 Toddler cars 千港元 HK\$'000	腳踏車 Cycling 千港元 HK\$'000	其他 Others 千港元 HK\$'000				
Segment revenue:	分類收入:							
Sales to external Customers	向外來客戶 之銷售	5,771	4,230	1,861	11,862	-	11,862	
Other revenue and gains	其他收入 及收益	76	55	24	155	-	155	
Total	總額	5,847	4,285	1,885	12,017	-	12,017	
Segment results	分類業績	(2,982)	(1,931)	(1,563)	(6,476)	-	(6,476)	
Interest income and unallocated revenue and gains	利息收入及 未分配收入 及收益						586	
Unallocated expenses	未分配開支						(6,212)	
Loss from operating activities	經營業務 虧損						(12,102)	
Finance costs	融資成本						(3,295)	
Loss before tax	除稅前虧損						(15,397)	
Tax	稅項						-	
Loss before minority interests	未計少數股東權益前 虧損						(15,397)	
Minority Interests	少數股東權益						-	
Net loss from ordinary activities attributable to shareholders	股東應佔 日常業務 虧損 淨額						(15,397)	

3. TURNOVER

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

4. LOSS FROM OPERATING ACTIVITIES

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

3. 營業額

營業額指已扣除退貨及貿易折扣之售出貨物發票值淨值。

4. 經營業務虧損

本集團截至本期間之經營業務虧損經已扣除以下各項：

截至九月三十日止六個月
 Six months ended
 30 September

		二零零四年 2004 (未經審核) (Unaudited) 千港元 HK\$'000	二零零三年 2003 (未經審核) (Unaudited) 千港元 HK\$'000
Depreciation	折舊	5,004	5,257
Staff costs	員工成本	6,236	5,143

5. TAX

Hong Kong profits tax has not been provided because there were no assessable profits arising in Hong Kong during the period. Taxes on profit assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof. No taxes on profits assessable elsewhere have arisen.

6. DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 30 September 2004 (Six months ended 30 September 2003: Nil).

5. 稅項

由於本集團在本期間內並無源自香港之應課稅溢利，故並無就香港利得稅撥備。於其他地區應課稅溢利之稅項，已根據本集團經營業務所在國家當時之適用稅率，並根據有關之現行法例、詮釋及慣例而計算。本集團並無在其他地區產生應課稅溢利。

6. 股息

董事建議不派發截至二零零四年九月三十日止六個月之任何中期股息（截至二零零三年九月三十日止六個月：無）。

7. LOSS PER SHARE

The calculation of basic loss per share is based on the unaudited consolidated net loss from ordinary activities attributable to shareholders for the six months ended 30 September 2004 of HK\$9,151,000 (unaudited net loss for the six months ended 30 September 2003: HK\$15,397,000) and the weighted average of 1,102,720,190 (2003: 335,812,912) ordinary shares of the Company in issue during the period.

Diluted loss per share for the six months ended 30 September 2004 and 2003 have not been disclosed as the convertible note and bonds outstanding during the period had anti-dilutive effect on the basic loss per share for both periods.

8. FIXED ASSETS

Certain medium term leasehold land and buildings, plant and machinery and equipment, with an aggregate carrying value of HK\$42,623,000 (31 March 2004: HK\$43,700,000) were pledged to secure bank borrowings advanced to the Group.

9. 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.

7. 每股虧損

每股基本虧損乃根據截至二零零四年九月三十日止六個月之股東應佔日常業務之未經審核綜合虧損淨額 9,151,000 港元 (截至二零零三年九月三十日止六個月之未經審核虧損淨額：15,397,000 港元) 及期間內本公司已發行普通股加權平均股數 1,102,720,190 股 (二零零三年：335,812,912 股) 計算。

由於截至二零零四年九月三十日及二零零三年九月三十日止兩段期間尚未行使可換股票據及債券對該期間之每股基本虧損具反攤薄影響，故並無披露每股攤薄虧損。

8. 固定資產

本集團已將若干中期租賃土地及樓宇、廠房及機器與設備之賬面值總額 42,623,000 港元 (二零零四年三月三十一日：43,700,000 港元) 抵押，以取得借予本集團之銀行借款。

9. 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。每位客戶均設有最高信貸限額。高級管理層會定期檢討逾期結餘。

9. ACCOUNTS RECEIVABLE (continued)

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

		二零零四年 九月三十日 30 September 2004 (未經審核) (Unaudited) 千港元 HK\$'000	二零零四年 三月三十一日 31 March 2004 (經審核) (Audited) 千港元 HK\$'000
Within 30 days	30日內	13,135	1,148
Between 31 to 60 days	31至60日	9,065	209
Between 61 to 90 days	61至90日	6,097	68
Between 91 to 180 days	91至180日	5,853	—
Over 180 days	超過180日	15	—
		34,165	1,425

10. ACCOUNTS PAYABLE

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

		二零零四年 九月三十日 30 September 2004 (未經審核) (Unaudited) 千港元 HK\$'000	二零零四年 三月三十一日 31 March 2004 (經審核) (Audited) 千港元 HK\$'000
Within 30 days	30日內	8,009	822
Between 31 to 60 days	31至60日	5,699	1,305
Between 61 to 90 days	61至90日	1,228	179
Between 91 to 180 days	91至180日	1,371	132
Over 180 days	超過180日	7,075	9,101
		23,382	11,539

9. 應收賬款 (續)

於結算日，按發票日期及減除撥備後之應收賬款賬齡分析如下：

10. 應付賬款

於結算日，按發票日期之應付賬款賬齡分析如下：

11. LOANS FROM A SHAREHOLDER

Pursuant to an agreement entered into between the Company and Vision Century Group Limited (“Vision Century”), the substantial shareholder of the Company, on 2 July 2003, Vision Century granted the Company a working capital facility up to the principal sum of HK\$50,000,000. The loans are unsecured, bear interest at the rate of 3% per annum above the prime rate quoted from time to time by The Hongkong and Shanghai Banking Corporation Limited. On 23 July 2004, Vision Century has undertaken not to demand the Company any repayment of the facility on or before 31 October 2005.

12. CONVERTIBLE NOTE AND BONDS

Pursuant to a bank compromise agreement entered into between the Group, the Group’s bankers in Hong Kong (the “Bank Group”) and other interested parties on 1 February 2002, 5% convertible bonds in aggregate sum of HK\$6,500,000 were issued to the Bank Group on 16 May 2002 as part of the settlement to release and discharge the Group from all of its obligations and liabilities in respect of its bank borrowings advanced by the Bank Group (including principal and interest) outstanding as at the completion of the bank compromise agreement. The 5% convertible bonds are repayable by three equal installments on each anniversary of the issue of the convertible bonds. 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. Pursuant to the convertible bond instruments, the convertible bonds are convertible into the Company’s ordinary share of HK\$0.01 at a conversion price of HK\$0.01 per share (subject to adjustment), which was adjusted to HK\$0.2432 per share as result of a share consolidation implemented by the Company on 30 December 2002 and an open offer completed on 24 September 2003. 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 principle amount of the convertible bonds.

11. 一位股東提供之貸款

根據本公司與本公司主要股東Vision Century Group Limited (「Vision Century」)於二零零三年七月二日訂立之協議，Vision Century授予本公司本金總額達50,000,000港元之營運資金融資。該等貸款為無抵押，並按每年香港上海滙豐銀行有限公司不時公佈之最優惠利率加3厘計息。於二零零四年七月二十三日，Vision Century已承諾不會要求本公司於二零零五年十月三十一日或之前償還任何融資款項。

12. 可換股票據及債券

根據本集團、本集團於香港之銀行家(「銀團」)及其他利益相關人士於二零零二年二月一日訂立之銀行妥協協議，本集團於二零零二年五月十六日向銀團發行總額為6,500,000港元之5厘可換股債券，作為結算銀團於銀行妥協協議完成時，解除及註銷本集團由銀團墊付而未償還銀行之借貸(包括本金額及利息)之責任及負債之部分代價。該等5厘可換股債券可於可換股債券每個發行週年之日平均分三期償還。首期及第二期已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。根據可換股債券文件之條款及條件，第三期應於二零零五年五月十六日償還(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。根據可換股債券之規定，可換股債券可按每股0.01港元(可予調整)之兌換價兌換為本公司面值0.01港元之普通股，但因本公司於二零零二年十二月三十日進行股份合併及於二零零三年九月二十四日完成公開發售，該兌換價現已調整為每股0.2432港元。本公司可於可換股債券發行後隨時換相當於可換股債券未償還本金105%之數額贖回可換債券之所有或部分。

12. CONVERTIBLE NOTE AND BONDS (continued)

Pursuant to a compromise agreement entered into between the Group and an entity owned by the local government in Mainland China (the "PRC Entity") on 27 March 2002, a 3% convertible note in principal amount of HK\$16,000,000 (the "Convertible Note") were issued to the PRC Entity on 30 July 2002 as partial settlement of debts owed by the Group. The Convertible Note was repayable on the second anniversary of its issuance. Pursuant to the convertible note instruments, the Convertible Note would be convertible into the Company's ordinary share of HK\$0.01 at a conversion price of HK\$0.01 per share (subject to adjustment), which was adjusted to HK\$0.2432 per share as result of a share consolidation implemented by the Company on 30 December 2002 and an open offer completed on 24 September 2003. The Group partially repaid the Convertible Note in the sum of HK\$1,000,000 and HK\$5,000,000 on 20 October 2004 and 25 November 2004, respectively. On 25 November 2004, the PRC entity granted a loan to the Company of HK\$10,000,000 to surrogate the outstanding principal amount of the Convertible Note at that date. The loan is unsecured, bears interest at 4% per annum and is repayable by six quarterly instalments since March 2005 onwards. The interests are payable semi-annually.

12. 可換股票據及債券 (續)

根據本集團與一間由中國當地政府擁有之企業(「中國企業」)於二零零二年三月二十七日訂立之妥協協議，本集團於二零零二年七月三十日向中國企業發行本金額為16,000,000港元之3厘可換股票據(「可換股票據」)，作為結算本集團所欠債務之部分代價。該3厘可換股票據可於發行後第二年償還。根據可換股票據之規定，可換股票據可按每股0.01港元(可予調整)之兌換價兌換為本公司面值0.01港元之普通股，但因本公司於二零零二年十二月三十日進行股份合併及於二零零三年九月二十四日完成公開發售，該兌換價現已調整為每股0.2432港元。本集團已償還部分可換股票據款項，包括於二零零四年十月二十日及二零零四年十一月二十五日，分別償還1,000,000港元及5,000,000港元。於二零零四年十一月二十五日，該中國企業授予本公司一項10,000,000港元貸款，以替本公司繳付於該日到期之可換股票據本金款額。該項貸款為無抵押、年息四厘、以及自二零零五年三月起以六個季度分期償還。利息則須於每半年支付一次。

13. ISSUED CAPITAL
13. 已發行股本

		二零零四年 九月三十日 30 September 2004 (未經審核) (Unaudited) 千港元 HK\$'000	二零零四年 三月三十一日 31 March 2004 (經審核) (Audited) 千港元 HK\$'000
Authorised:	法定股本：		
10,000,000,000 ordinary shares of HK\$0.01 each	10,000,000,000股每股 面值0.01港元之普通股份	100,000	100,000
Issued and fully paid:	已發行及繳足股本：		
1,102,720,190 ordinary shares of HK\$0.01 each	1,102,720,190股每股 面值0.01港元之普通股份	11,027	11,027

14. RESERVES
14. 儲備

		股份溢價 Share premium (未經審核) (Unaudited) 千港元 HK\$'000	固定資產 重估儲備 Fixed asset revaluation reserve (未經審核) (Unaudited) 千港元 HK\$'000	匯兌儲備 Exchange translation reserve (未經審核) (Unaudited) 千港元 HK\$'000	累計虧損 Accumulated losses (未經審核) (Unaudited) 千港元 HK\$'000	總額 Total (未經審核) (Unaudited) 千港元 HK\$'000
At 1 April 2004	於二零零四年四月一日	43,303	18,037	-	(62,509)	(1,169)
Exchange realignment on translation of the financial statement of foreign entities	外國機構之財務報表 換算之匯兌調整	-	-	10	-	10
Net loss for the period	本期間虧損淨額	-	-	-	(9,151)	(9,151)
At 30 September 2004	於二零零四年九月三十日	43,303	18,037	10	(71,660)	(10,310)

15. OPERATING LEASE ARRANGEMENTS

As at the balance sheet date, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		二零零四年 九月三十日 30 September 2004 (未經審核) (Unaudited) 千港元 HK\$'000	二零零四年 三月三十一日 31 March 2004 (經審核) (Audited) 千港元 HK\$'000
Within one year	一年內	275	295
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	5	128
		280	423

In addition, pursuant to various sale and purchase agreements (the "S&P Agreements") entered into between the Group and an unrelated party in Mainland China during the years 1998 and 1999, the Group acquired certain leasehold land (the "Land") in Mainland China, with a carrying value of HK\$26,492,000 as at 30 September 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 the year 2008 up to the year 2048 with a 20% increment for every five years.

16. 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 the opinion of the directors, adequate provisions have been made by the Group in respect of all the above claims in the Group's condensed consolidated financial statements as at 30 September 2004.

15. 經營租約安排

於結算日，本集團根據不可撤銷經營租約，將於未來應付之最低租金款項總額如下：

	二零零四年 九月三十日 30 September 2004 (未經審核) (Unaudited) 千港元 HK\$'000	二零零四年 三月三十一日 31 March 2004 (經審核) (Audited) 千港元 HK\$'000
Within one year	275	295
In the second to fifth years, inclusive	5	128
	280	423

此外，根據本集團於一九九八年及一九九九年期間與中國一名無關連人士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」），於二零零四年九月三十日，其賬面值為26,492,000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%。

16. 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，該賬款亦已作出全數撥備。

董事認為，本集團已於二零零四年九月三十日之簡明綜合財務報表內就上述全部索償作出充裕之撥備。

17. RELATED PARTY TRANSACTIONS

- (a) As further explained in note 11, Vision Century further advanced HK\$1,000,000 and HK\$9,000,000 to the Company on 28 May, 2004 and 1 June, 2004, respectively. At the balance sheet date, the total principal amount due from the Company to Vision Century was HK\$23,378,000. Subsequent to the balance sheet date, Vision Century advanced additional loans of HK\$11,150,000 to the Company. The loans are unsecured, bear interest at the rate of 3% per annum above the prime rate quoted from time to time by The Hongkong and Shanghai Banking Corporation.
- (b) 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 & Trading Pte. Ltd. ("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. These connected transactions were approved by the Company's shareholders on a special general meeting held on 29 March 2004.

17. 有關連人士交易

- (a) 誠如附註11所載，Vision Century於二零零四年五月二十八日及二零零四年六月一日，分別再向本公司墊付1,000,000港元及9,000,000港元。於本結算日，本集團結欠Vision Century23,378,000港元。於結算日之後，Vision Century向本公司額外墊付11,150,000港元。該項貸款為無抵押、年息為按香港匯豐銀行不時報價之最優惠利率加三厘。
- (b) 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 & Trading Pte. Ltd.(「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。此等關連交易已於二零零四年三月二十九日舉行之股東特別大會獲本公司股東批准。

17. RELATED PARTY TRANSACTIONS (continued)

Pursuant to the Xin Procurement Agreement, HCSPL advanced S\$245,000 (approximately HK\$1,127,000) to Xin Procurement as the initial working capital during the period. The loan is unsecured, interest free and has no fixed terms of repayment.

Pursuant to the Supply Agreement, the Group had the following material transactions with HSCPL during the current period:

17. 有關連人士交易 (續)

根據Xin Procurement協議，HCSPL於本期間向Xin Procurement墊付245,000新加坡元(約1,127,000港元)作為於本期間之初期營運資本。該貸款為無抵押、免息及無固定還款期。

根據供應協議，本集團於本期間與HSCPL有以下實質交易：

		截至九月三十日止六個月 Six months ended 30 September	
		二零零四年 2004 (未經審核) (Unaudited) 千港元 HK\$'000	二零零三年 2003 (未經審核) (Unaudited) 千港元 HK\$'000
Supply of certain office equipment and office supplies, machinery, parts, lubricating oil and bunker for two vessels	供應若干辦公室設備與辦公室用品；以及兩艘遠洋郵輪使用之機器、零件機油及燃料	13,595	—
(c) As at the balance sheet date, an advance of S\$3,208,000 (approximately HK\$14,758,000) was made by a minority shareholder. The balance is unsecured, interest free and have no fixed terms of repayment.	(c) 於結算日，一位少數股東墊付3,208,000新加坡元(約14,758,000港元)。該項結餘為無抵押、免息及無固定還款期。		
(d) Included in the minority interests were two loans advanced by two minority shareholders of the Group's subsidiaries which amounted to HK\$5,880,000 (31 March 2004: HK\$5,880,000) and HK\$1,127,000 (31 March 2004: Nil), respectively at the balance sheet date. Both loans are unsecured and interest-free. Pursuant to the shareholders' agreements entered with the Group and the minority shareholders, the minority shareholders agreed not to demand for repayment of the loans until their respective subsidiaries have the ability to do so and prior consent was obtained from the Group.	(d) 於結算日，少數股東權益乃指包括兩項由本集團附屬公司兩位少數股東所墊付之款項，分別為5,880,000港元(二零零四年三月三十一日：5,880,000港元)及1,127,000港元(二零零四年三月三十一日：無)。兩項貸款均為無抵押及免息。根據本集團與兩位少數股東訂立之股東協議，該兩位少數股東同意，在其各自之附屬公司具備償還能力以及獲得本集團事先同意前，不要求償還貸款。		

17. RELATED PARTY TRANSACTIONS (continued)

- (e) Huang Worldwide Holding Limited, the immediate holding company of Vision Century, had undertaken to the Company to provide continuing financial support to the Group so as to enable the Group to continue its day-to-day business operations as a viable going concern notwithstanding any present or further financial difficulties experienced by the Group up to 31 October 2005.

18. POST BALANCE SHEET EVENTS

As further explained in note 12, subsequent to the balance sheet date, the Group partially repaid the Convertible Note in the principal sum of HK\$1,000,000 and HK\$5,000,000 on 20 October 2004 and 25 November 2004 respectively. On 25 November 2004, the PRC entity granted a loan to the Company of HK\$10,000,000 to surrogate the outstanding principal amount of the Convertible Note at that date.

19. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved and authorised for issue by the board of directors on 23 December 2004.

17. 有關連人士交易 (續)

- (e) Vision Century之直接控股公司 Huang Worldwide Holding Limited已向本公司承諾，向本集團提供持續財政支援直至二零零五年十月三十一日，以協助本集團成為一間能持續成長之企業，無論目前或未來遭遇財務困難，仍能維持日常業務運作。

18. 結算日後事項

誠如附註12所載，於結算日之後，本集團於二零零四年十月二十日及二零零四年十一月二十五日，分別償還部分可換股票據之本金款額1,000,000港元及5,000,000港元。於二零零四年十一月二十五日，該中國企業授予本公司一項10,000,000港元貸款，以替本公司支付於該日到期繳付之本金款額。

19. 批准中期財務報表

董事會已於二零零四年十二月二十三日批准及授權發行此未經審核簡明綜合中期財務報表。