

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2005

簡明綜合中期財務報表附註

截至二零零五年九月三十日止六個月

1. ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2005 are prepared in accordance with the Hong Kong Accounting Standard (“HKAS”) No. 34 “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 “Listing Rules”). The accounting policies and basis of presentation adopted in the preparation of these unaudited condensed consolidated interim financial statements are the same as those used in the audited consolidated financial statements for the year ended 31 March 2005, except in relation to the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which also include HKASs and Interpretations) that affect the Group and are adopted for the first time for the current period’s financial statements:

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HK(SIC)-Int 21	Income Taxes – Recovery of Revalued Non-depreciable Assets
HK-Int 4	Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases

1. 會計政策及呈列基準

本集團截至二零零五年九月三十日止六個月之未經審核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準則(「香港會計準則」)第34號「中期財務報告」及香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十六之規定編製。編製該等未經審核簡明綜合中期財務報表所採納之會計政策及呈列基準與編製截至二零零五年三月三十一日止年度之經審核財務報表所採用者相同，惟與影響本集團及首次採納用於編製本期間財務報表之下列新訂及經修訂之香港財務報告準則(「香港財務報告準則」，其亦包括香港會計準則及詮釋)有關者除外。

香港會計準則第1號	財務報表之呈列
香港會計準則第2號	存貨
香港會計準則第7號	現金流量報表
香港會計準則第8號	會計政策、會計估計之變更及差錯
香港會計準則第10號	結算日後事項
香港會計準則第12號	所得稅
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
香港會計準則第18號	收益
香港會計準則第19號	僱員福利
香港會計準則第21號	外幣匯率變動之影響
香港會計準則第23號	借貸成本
香港會計準則第24號	關連人士披露
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第28號	於聯營公司之投資
香港會計準則第32號	金融工具：披露及呈列
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第37號	撥備、或然負債及或然資產
香港會計準則第38號	無形資產
香港會計準則第39號	金融工具：確認及計量
香港會計準則第40號	投資物業
香港財務報告準則第2號	以股份支付之支出
香港財務報告準則第3號	業務合併
香港(準則詮釋委員會)	— 詮釋第21號所得稅—收回已重估之非折舊資產
香港—詮釋第4號	租賃—釐定香港土地租賃有關之租期期限

1. ACCOUNTING POLICIES AND BASIS OF PRESENTATION
(continued)

The adoption of HKASs 1, 2, 7, 8, 10, 12, 16, 18, 19, 21, 23, 24, 27, 28, 33, 36, 37, 38, 40, HKFRS 3, HK(SIC)-Int 21 and HK-Int 4 has had no material impact on the accounting policies of the Group and the methods of computation in the Group's condensed consolidated interim financial statements. The impact of adopting the other HKFRSs is summarised as follows:

(a) HKAS 17 – Leases

In prior periods, leasehold land and buildings held for own use were stated at cost less accumulated depreciation and any impairment losses.

Upon the adoption of HKAS 17, the Group's leasehold interest in land and buildings is separated into leasehold land and leasehold buildings. The Group's leasehold land is classified as an operating lease, because the title of the land is not expected to pass to the Group by the end of the lease term, and is reclassified from fixed assets to prepaid land lease payments, while leasehold buildings continue to be classified as part of fixed assets. Prepaid land lease payments under operating leases are initially stated at cost and subsequently amortised on the straight-line basis over the lease term. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in fixed assets.

The effects of the above changes are summarised in note 2 to the condensed consolidated interim financial statements. In accordance with HKAS 17, comparative amounts have been restated.

1. 會計政策及呈列基準 (續)

採納香港會計準則第1、2、7、8、10、12、16、18、19、21、23、24、27、28、33、36、37、38、40號、香港財務報告準則第3號、香港(準則詮釋委員會)－詮釋第21號及香港－詮釋第4號並無對本集團之會計政策及本集團簡明綜合中期財務報表之計算方法產生任何重大影響。採納其他香港財務報告準則之影響概述如下：

(a) 香港會計準則第17號－租賃

於過往期間，自用租約土地及樓宇乃按成本減累積折舊及任何減值虧損列賬。

於採納香港會計準則第17號後，本集團於土地及樓宇之租約權益分開為租約土地及租約樓宇。本集團之租約土地歸類為經營租約，蓋因土地之所有權預期不能於租期結束前過戶給本集團，並從固定資產重新分類為土地租約預付款項，而租約樓宇繼續分類為固定資產之一部分。經營租約項下之土地租約預付款項初次按成本列賬，其後按租期以直線法攤銷。當租約付款無法於土地及樓宇成份間可靠區分時，全部租約付款計入土地及樓宇之成本，作固定資產之一項融資租約。

上述變動之影響概述於簡明綜合中期財務報表之附註2。根據香港會計準則第17號，比較金額已重列。

1. ACCOUNTING POLICIES AND BASIS OF PRESENTATION
(continued)

(b) HKAS 32 and HKAS 39 – Financial Instruments

Convertible notes and bonds

In prior periods, convertible notes and bonds were stated at amortised cost. Upon the adoption of HKASs 32 and 39, convertible notes and bonds issued are split into liability and equity components.

On the issue of the convertible notes and bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bonds; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible notes and bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

The effects of the above changes are summarised in note 2 to the condensed consolidated interim financial statements. In accordance with HKAS 32, comparative amounts have been restated.

1. 會計政策及呈列基準 (續)

(b) 香港會計準則第32號及香港會計準則第39號 – 金融工具

可換股票據及債券

於過往期間，可換股票據及債券均按攤銷成本列賬。於採納香港會計準則第32號及第39號後，已發行之可換股票據及債券劃分為負債及權益成份。

於發行可換股票據及債券時，負債成份之公平值乃以相等之不可換股債券之市值釐定；且該款項按攤銷成本之基準列賬為長期負債，直至因轉換或贖回而失效。

所得款項之餘款（扣除交易成本）撥至於股東權益中確認並計入股東權益之轉換選擇權。轉換選擇權之賬面值於其後年度不予以重新計量。

交易成本乃於工具首次確認時，根據負債及權益成份之所得款項之分配，於可換股票據及債券之負債及權益成份間分配。

上述變動之影響概述於簡明綜合中期財務報表之附註2。根據香港會計準則第32號，比較金額已重列。

1. ACCOUNTING POLICIES AND BASIS OF PRESENTATION
(continued)

(c) HKFRS 2 – Share-based Payment

In prior periods, no recognition and measurement of share-based transactions in which employees (including directors) were granted share options over shares in the Company was required until such options were exercised by employees, at which time the share capital and share premium were credited with the proceeds received.

Upon the adoption of HKFRS 2, when employees (including directors) render services as consideration for equity instruments (“equity-settled transactions”), the cost of the equity-settled transactions with employees is measured by reference to the fair value at the date at which the instruments are granted. The fair value is determined by an external valuer using a binomial model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company, if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the “vesting date”). The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

1. 會計政策及呈列基準 (續)

(c) 香港財務報告準則第2號 – 以股份支付之支出

於過往期間，並無須要確認及計量以股份支付之交易（於該等交易中，僱員（包括董事）獲授可認購本公司股份之購股權），直至該等購股權被僱員行使，當時，股本及股份溢價乃於本公司取得所得款項時計入。

於採納香港財務報告準則第2號後，當僱員（包括董事）提供服務，作為權益性工具之代價（「按權益結算之交易」）時，與僱員進行之按權益結算之交易之成本參照工具被授出當日之公平值計量。公平值乃由外聘估值師以二項式釐定。於評估按權益結算之交易時，並無計入任何表現條件，惟與本公司股價掛鉤之條件（如有）除外。

按權益結算之交易之成本連同相應增加按表現及／或服務條件獲履行至有關僱員完全有權享有該獎勵之日期止期間（「歸屬期」）於權益中確認。於各結算日就按權益結算之交易已確認至歸屬期之累積開支反映歸屬期到期之程度及本集團最終將歸屬之權益性工具之最佳估計數目。某一期間收益表之扣除及計入乃指期初及期終之已確認累積開支變動。

並無就不最終歸屬之獎勵確認開支，惟倘歸屬取決於市況之獎勵除外，無論市況是否獲履行（惟所有其他表現條件須獲履行），該獎勵作歸屬處理。

1. ACCOUNTING POLICIES AND BASIS OF PRESENTATION
(continued)
(c) HKFRS 2 – Share-based Payment *(continued)*

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

The effects of adopting HKFRS 2 on the Group's share options granted to employees during the period are summarised in note 2 to the condensed consolidated interim financial statements.

2. SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES

Following the adoption of the HKFRSs, the opening balances of the following accounts were adjusted retrospectively. The details of the prior period adjustments and opening adjustments are summarised as follows:

(a) Effect on opening balance of total equity at 1 April 2005

	附註 Notes	可換股票據 及債券之權益 股份溢價賬 Equity component Share premium account (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	累積 虧損 Accumulated losses (未經審核) (Unaudited) 千港元 HK\$'000	合計 Total (未經審核) (Unaudited) 千港元 HK\$'000		
Prior period adjustments:	過往期間調整：						
HKAS 17	香港會計準則第17號						
- Prepaid land lease payments	- 土地租約預付款項	1(a)	-	-	(18,534)	1,406	(17,128)
HKAS 39	香港會計準則第39號						
- Convertible notes and bonds	- 可換股票據及債券	1(b)	351	517	-	(856)	12
Net increase/(decrease) in total equity	權益總額之增加/ (減少)淨額		351	517	(18,534)	550	(17,116)

1. 會計政策及呈列基準 (續)
(c) 香港財務報告準則第2號 – 以股份支付之支出 (續)

於計算每股盈利時，尚未行使之購股權之攤薄影響反映為額外股份攤薄。

採納香港財務報告準則第2號對本期間本集團僱員獲授之購股權之影響於簡明綜合中期財務報表之附註2內概述。

2. 會計政策更改之影響概要

於採納香港財務報告準則後，下列賬目之期初結餘已回溯調整。過往期間調整及期初調整之詳情概述如下：

(a) 對二零零五年四月一日之權益總額之期初結餘之影響

2. SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES (continued)

(b) Effect on opening balance of total equity at 1 April 2004

2. 會計政策更改之影響概要(續)

(b) 對二零零四年四月一日之權益總額之期初結餘之影響

		可換股 票據及債券之 股份溢價賬	固定 資產 重估儲備	累積 虧損	合計
		Equity component Share of convertible premium account (未經審核) (Unaudited) 千港元 HK\$'000	Fixed asset revaluation reserve (未經審核) (Unaudited) 千港元 HK\$'000	Accumulated losses (未經審核) (Unaudited) 千港元 HK\$'000	Total (未經審核) (Unaudited) 千港元 HK\$'000
	附註 Notes				
Prior period adjustments:	過往期間調整：				
HKAS 17	香港會計準則第17號				
- Prepaid land lease payments	- 土地租約預付款項	1(a)	-	-	(18,037)
				1,638	(16,399)
HKAS 39	香港會計準則第39號				
- Convertible notes and bonds	- 可換股票據及債券	1(b)	351	2,640	-
				(2,243)	748
Net increase/(decrease) in total equity	權益總額之增加/ (減少)淨額		351	2,640	(18,037)
				(605)	(15,651)

2. SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES (continued)

The following table summarises the impact on loss after tax for the six months ended 30 September 2005 and 2004 upon the adoption of the new HKFRSs.

(c) Effect on loss after tax for the period

2. 會計政策更改之影響概要 (續)

下表概述採納新香港財務報告準則後對截至二零零五年及二零零四年九月三十日止六個月之除稅後虧損之影響。

(c) 對本期間除稅後虧損之影響

		截至九月三十日止六個月 Six months ended 30 September	
		二零零五年 母公司股權 持有人及 總額 2005 Equity holders of the parent and total (未經審核) (Unaudited) 千港元 HK\$'000	二零零四年 母公司股權 持有人及 總額 2004 Equity holders of the parent and total (未經審核) (Unaudited) 千港元 HK\$'000
		附註 Notes	
Effect on loss after tax for the period:	對本期間除稅後虧損之影響：		
HKAS 17	香港會計準則第17號		
– Prepaid land lease payments	– 土地租約預付款項	1(a)	(193)
HKAS 39	香港會計準則第39號		
– Convertible notes and bonds	– 可換股票據及債券	1(b)	545
HKFRS 2	香港財務報告準則第2號		
– Employee share option scheme	– 僱員購股權計劃	1(c)	–
Net increase in loss for the period	本期間虧損之增加淨額		352
Effect on loss after tax for the period per share:	對本期間每股除稅後虧損之影響：		
– Basic	– 基本		(HK\$0.003港元)
– Diluted	– 攤薄		N/A不適用

3. 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 they provide. Each of the Group's business segments 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:

Continuing operations – Supply and procurement business

- the supply and procurement segment supplies office equipment and office supplies, machinery, machinery parts, lubricating oil and bunkering for vessels.

Discontinued operations – 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.

3. 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，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：

持續經營業務 – 供應及採購業務

- 供應及採購分類業務供應辦公室設備及辦公室用品及供應遠洋郵輪使用之機器、零件、機油及燃料。

已終止經營業務 – 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。

3. SEGMENT INFORMATION (continued)
Business segments

The following tables present revenue and loss for the Group's business segments.

3. 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虧損。

截至二零零五年九月三十日止六個月(未經審核)

Six months ended 30 September 2005 (Unaudited)

		持續經營業務		已終止經營業務					
		Continuing operations		Discontinued operations					
		供應及採購業務		玩具業務					
		Supply and procurement business		Toys business					
		小計		學行車	腳踏車	其他	小計	綜合	
		Sub-total		Toddler cars	Cycling	Others	Sub-total	Consolidated	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	
		HK\$'000	HK'000	HK\$'000	HK\$'000	HK\$'000	HK'000	HK\$'000	
Segment revenue:	分類收入:								
Sales to external customers	外來客戶之銷售	72,942	72,942	4,613	2,555	3,778	10,946	83,888	
Other revenue and gains	其他收入及收益	57	57	132	74	111	317	374	
Total	總額	72,999	72,999	4,745	2,629	3,889	11,263	84,262	
Segment results	分類業績	<u>7,163</u>	7,163	<u>(254)</u>	<u>(62)</u>	<u>(390)</u>	(706)	6,457	
Interest income and unallocated revenue and gains	利息收入及未分配收入及收益		552				-	552	
Unallocated expenses	未分配開支		(7,102)				(40)	(7,142)	
Finance costs	融資成本		<u>(2,253)</u>				<u>(29)</u>	<u>(2,282)</u>	
Loss before tax	除稅前虧損		(1,640)				(775)	(2,415)	
Tax	稅項		<u>(1,428)</u>				-	<u>(1,428)</u>	
Loss for the period	本期間虧損		<u><u>(3,068)</u></u>				<u><u>(775)</u></u>	<u><u>(3,843)</u></u>	

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

截至二零零四年九月三十日止六個月(未經審核及重列)

Six months ended 30 September 2004 (Unaudited & restated)

		持續經營業務		已終止經營業務					
		Continuing operations		Discontinued operations					
		供應及採購業務		玩具業務					
		Supply and procurement business		Toys business					
		小計		學行車	腳踏車	其他	小計	綜合	
		Sub-total		Toddler cars	Cycling	Others	Sub-total	Consolidated	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	
		HK\$'000	HK'000	HK\$'000	HK\$'000	HK\$'000	HK'000	HK\$'000	
Segment revenue:	分類收入:								
Sales to external customers	外來客戶之銷售	65,505	65,505	10,520	3,428	4,305	18,253	83,758	
Other revenue and gains	其他收入及收益	-	-	105	34	43	182	182	
Total	合計	65,505	65,505	10,625	3,462	4,348	18,435	83,940	
Segment results	分類業績	<u>3,794</u>	<u>3,794</u>	<u>(1,073)</u>	<u>(384)</u>	<u>(444)</u>	<u>(1,901)</u>	<u>1,893</u>	
Interest income and unallocated revenue and gains	利息收入及未分配收入及收益		454				-	454	
Unallocated expenses	未分配開支		(8,536)				-	(8,536)	
Finance costs	融資成本		<u>(2,387)</u>				-	<u>(2,387)</u>	
Loss before tax	除稅前虧損		(6,675)				(1,901)	(8,576)	
Tax	稅項		-				-	-	
Loss for the period	本期間虧損		<u>(6,675)</u>				<u>(1,901)</u>	<u>(8,576)</u>	

4. TURNOVER

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

5. DISCONTINUED OPERATIONS

On 31 August 2005, pursuant to a sale and purchase agreement entered into between the Group and a third party, the Group agreed to dispose of its entire equity interest in Gadgets Yard Limited ("Gadgets Yard") and its subsidiary (collectively "GYL Group") together with the relevant shareholder's loan for total considerations of approximately HK\$4,467,000. GYL Group is engaged in the design, manufacture and sales of a wide range of toys.

The loss for the period from the discontinued operations is analysed as follows:

4. 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。

5. 已終止經營業務

於二零零五年八月三十一日，本集團與第三方訂立一份買賣協議，據此，本集團同意出售其於源製有限公司（「源製」）及其附屬公司（統稱「GYL集團」）之全部股權，連同有關股東貸款，就此所涉及之總代價約為4,467,000港元。GYL集團從事設計、製造及銷售種類繁多玩具之業務。

本期間已終止經營業務所產生之虧損之分析如下：

		截至九月三十日止六個月	
		Six months ended	
		30 September	
		二零零五年	二零零四年
		2005	2004
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
		千港元	千港元
		HK\$'000	HK\$'000
Loss of the discontinued operations for the period	本期間已終止業務之虧損	(735)	(1,901)
Loss on disposal of GYL Group	出售GYL集團之虧損	(40)	-
		(775)	(1,901)

5. DISCONTINUED OPERATIONS (continued)

The results of the discontinued operations for the period are as follows:

5. 已終止經營業務 (續)

本期間已終止經營業務之業績如下：

		截至九月三十日止六個月 Six months ended 30 September	
		二零零五年 2005 (未經審核) (Unaudited) 千港元 HK\$'000	二零零四年 2004 (未經審核) (Unaudited) 千港元 HK\$'000
Turnover	營業額	10,946	18,253
Cost of sales	銷售成本	(10,858)	(18,885)
Gross profit	毛利	88	(632)
Other revenue and gains	其他收入及收益	317	182
Selling and distribution costs	銷售與分銷開支	(276)	(502)
Administrative expenses	行政開支	(835)	(949)
Loss from operating activities	經營業務之虧損	(706)	(1,901)
Finance costs	融資成本	(29)	-
Loss before tax from discontinued operations	已終止經營業務除稅前之虧損	(735)	(1,901)
Tax	稅項	-	-
Loss for the period from discontinued operations	本期間已終止經營業務之虧損	(735)	(1,901)
Attributable to:	由下列人士應佔：		
Equity holders of the parent	母公司之股權持有人	(375)	(970)
Minority interests	少數股東權益	(360)	(931)
		(735)	(1,901)
Loss per share from discontinued operations:	已終止經營業務之每股虧損：		
- Basic	- 基本	(HK\$0.005港元)	(HK\$0.017港元)
- Diluted	- 攤薄	N/A不適用	N/A不適用

5. DISCONTINUED OPERATIONS (continued)

The net assets of GYL Group at the date of disposal were as follows:

		二零零五年 八月三十一日 31 August 2005 (未經審核) (Unaudited) 千港元 HK\$'000
.....		
Net assets disposed of	已出售之資產淨值	2,955
Disinvestment of minority interest in subsidiaries	收回少數股東權益於 附屬公司之投資	1,552
Loss on disposal	出售時虧損	(40)
<hr/>		
Total consideration, satisfied by cash	總代價，以現金支付	4,467
<hr/>		
Net cash inflow arising on disposal:	出售時產生之現金流量淨額：	
Cash consideration	現金代價	4,467
Cash and bank balances disposed of	已出售之現金及銀行結餘	(1,860)
<hr/>		
Total consideration, satisfied by cash	總代價，以現金支付	2,607

The net cash flows incurred by the discontinued operations are as follows:

5. 已終止經營業務(續)

於出售日期，GYL集團之資產淨產如下：

		二零零五年 八月三十一日 31 August 2005 (未經審核) (Unaudited) 千港元 HK\$'000
.....		
Net assets disposed of	已出售之資產淨值	2,955
Disinvestment of minority interest in subsidiaries	收回少數股東權益於 附屬公司之投資	1,552
Loss on disposal	出售時虧損	(40)
<hr/>		
Total consideration, satisfied by cash	總代價，以現金支付	4,467
<hr/>		
Net cash inflow arising on disposal:	出售時產生之現金流量淨額：	
Cash consideration	現金代價	4,467
Cash and bank balances disposed of	已出售之現金及銀行結餘	(1,860)
<hr/>		
Total consideration, satisfied by cash	總代價，以現金支付	2,607

已終止經營業務所產生之現金流量淨額如下：

		截至九月三十日止六個月 Six months ended 30 September	
		二零零五年 2005 (未經審核) (Unaudited) 千港元 HK\$'000	二零零四年 2004 (未經審核) (Unaudited) 千港元 HK\$'000
.....			
Net operating cash outflow	經營現金流出淨額	5,696	4,432

6. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

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

		截至九月三十日止六個月	
		Six months ended	
		30 September	
		二零零五年	二零零四年
		2005	2004
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
			(重列)
			(Restated)
		千港元	千港元
		HK\$'000	HK\$'000
Depreciation	折舊	2,361	4,447
Amortisation of prepaid land lease payments	土地租約預付款項之攤銷	364	364
Staff costs	員工成本	2,604	6,236

7. TAX

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

6. 經營業務之溢利／(虧損)

本集團之經營業務之溢利／(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	
		二零零五年	二零零四年
		2005	2004
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
			(重列)
			(Restated)
		千港元	千港元
		HK\$'000	HK\$'000
Depreciation	折舊	2,361	4,447
Amortisation of prepaid land lease payments	土地租約預付款項之攤銷	364	364
Staff costs	員工成本	2,604	6,236

7. 稅項

由於兩期內並無源自香港之應得課稅溢利，故本集團並無就香港利得稅撥備。於其他地區之應課稅溢利稅項，已根據有關之現行法例、註釋及慣例，按本集團經營業務之國家之稅率計算。

		截至九月三十日止六個月	
		Six months ended	
		30 September	
		二零零五年	二零零四年
		2005	2004
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
		千港元	千港元
		HK\$'000	HK\$'000
Tax charge of the Group for the period:	本集團於期間稅項開支總額：		
Current – elsewhere	即期 – 其他地區	1,428	-

8. LOSS PER SHARE

The calculation of basic loss per share is based on the unaudited consolidated loss attributable to equity holders of the parent for the six months ended 30 September 2005 of HK\$6,281,000 (Six months ended 30 September 2004: HK\$9,504,000 as restated) and 82,704,014 (Six months ended 30 September 2004: weighted average 56,238,730, restated to reflect the open offer during the year ended 31 March 2005 and share consolidation after 31 March 2005) ordinary shares of the Company in issue during the period.

Diluted loss per share amounts for the six months ended 30 September 2004 and 2005 have not been disclosed as the convertible notes and bonds and share options outstanding during the period had anti-dilutive effects on the basic loss per share for both periods.

9. DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 30 September 2005 (Six months ended 30 September 2004: Nil).

10. 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.

8. 每股虧損

每股基本虧損乃根據截至二零零五年九月三十日止六個月母公司之股權持有人應佔之未經審核綜合虧損6,281,000港元(截至二零零四年九月三十日止六個月：9,504,000港元(重列))及期內本公司已發行普通股82,704,014股(截至二零零四年九月三十日止六個月：經重列加權平均56,238,730股，以反映截至二零零五年三月三十一日止年度內進行之公開發售及於二零零五年三月三十一日之後進行之股份合併)。

由於截至二零零四年九月三十日及二零零五年九月三十日止兩段期間尚未行使可換股票據及債券連同購股權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。

9. 股息

董事建議不派發截至二零零五年九月三十日止六個月之任何中期股息(截至二零零四年九月三十日止六個月：無)。

10. 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。

10. ACCOUNTS RECEIVABLE (continued)

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

		二零零五年 九月三十日 30 September 2005 (未經審核) (Unaudited) 千港元 HK\$'000	二零零五年 三月三十一日 31 March 2005 (經審核) (Audited) 千港元 HK\$'000
Within 30 days	30日內	13,457	13,299
31 to 60 days	31至60日	13,354	9,625
61 to 90 days	61至90日	6,338	7,962
91 to 180 days	91至180日	5,911	5,495
Over 180 days	超過180日	-	5,082
		39,060	41,463

A provision is made when there is objective evidence that the Group will not be able to collect the amounts due according to the original terms of the receivable.

11. ACCOUNTS PAYABLE

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

		二零零五年 九月三十日 30 September 2005 (未經審核) (Unaudited) 千港元 HK\$'000	二零零五年 三月三十一日 31 March 2005 (經審核) (Audited) 千港元 HK\$'000
Within 30 days	30日內	8,939	12,148
31 to 60 days	31至60日	5,337	3,453
61 to 90 days	61至90日	1,586	1,676
91 to 180 days	91至180日	151	2,779
Over 180 days	超過180日	2,212	1,908
		18,225	21,964

10 應收賬款(續)

於結算日，按發票日期及減除減值撥備後之應收賬款賬齡分析如下：

		二零零五年 九月三十日 30 September 2005 (未經審核) (Unaudited) 千港元 HK\$'000	二零零五年 三月三十一日 31 March 2005 (經審核) (Audited) 千港元 HK\$'000
Within 30 days	30日內	13,457	13,299
31 to 60 days	31至60日	13,354	9,625
61 to 90 days	61至90日	6,338	7,962
91 to 180 days	91至180日	5,911	5,495
Over 180 days	超過180日	-	5,082
		39,060	41,463

當有客觀證據證明本集團經無法根據應收款項之原有條款收取到期應付之款項時，本集團將就此作出撥備。

11. 應付賬款

於結算日，按發票日期之應付賬款賬齡分析如下：

		二零零五年 九月三十日 30 September 2005 (未經審核) (Unaudited) 千港元 HK\$'000	二零零五年 三月三十一日 31 March 2005 (經審核) (Audited) 千港元 HK\$'000
Within 30 days	30日內	8,939	12,148
31 to 60 days	31至60日	5,337	3,453
61 to 90 days	61至90日	1,586	1,676
91 to 180 days	91至180日	151	2,779
Over 180 days	超過180日	2,212	1,908
		18,225	21,964

12. INTEREST-BEARING BANK AND OTHER BORROWINGS

Included in interest-bearing bank and other borrowings as at 30 September 2005 are two secured bank loans of HK\$17,997,000 (31 March 2005: HK\$20,297,000) and an other loan of HK\$5,500,000 (31 March 2005: HK\$8,500,000). The other loan is unsecured, bears interest at 4% per annum and is repayable as follows:

	二零零五年 九月三十日 30 September 2005 (未經審核) (Unaudited) 千港元 HK\$'000	二零零五年 三月三十一日 31 March 2005 (經審核) (Audited) 千港元 HK\$'000
Within one year or on demand 一年內或應要求	5,500	6,500
In the second year 第二年	-	2,000
	5,500	8,500

13. LOANS FROM MINORITY SHAREHOLDERS

During the period, a loan from a minority shareholder of approximately HK\$5,880,000 was disposed of upon the disposal of GYL Group as mentioned in note 5. The remaining loan as at 30 September 2005 is advanced by a minority shareholder of the Group's another subsidiary. The loan is unsecured and interest-free. Pursuant to the shareholders' agreement entered into between the Group and the minority shareholder of the subsidiary, the minority shareholder has agreed not to demand the repayment of the loan until it has obtained prior consent for the repayment of the loan from the Group and the subsidiary has the ability to do so.

14. DUE TO A MINORITY SHAREHOLDER

The amount due to a minority shareholder is unsecured, interest-free and has no fixed terms of repayment.

12. 須付利息之銀行及其他借款

於二零零五年九月三十日，須付利息之銀行及其他借款包括兩筆有抵押銀行貸款17,997,000港元（二零零五年三月三十一日：20,297,000港元）及另一筆其他貸款5,500,000港元（二零零五年三月三十一日：8,500,000港元）。該其他貸款乃無抵押、按年息4厘付利息，並於下列期限內償還：

13. 少數股東提供之貸款

於本期間內，一位少數股東提供之一筆貸款約5,880,000港元於出售GYL集團時被出售（誠如附註5所述）。於二零零五年九月三十日，餘下之貸款由本集團另一間附屬公司之少數股東墊付。該貸款乃無抵押及免息。根據本集團與該附屬公司之少數股東訂立之股東協議，少數股東已同意不要求償還該貸款，直至其事先取得本集團就償還該筆貸款發出之同意書，而該附屬公司擁有向本集團事先取得同意書之能力。

14. 應付一位少數股東款項

應付少數股東款項並無抵押，免息及無固定還款期。

15. CONVERTIBLE BONDS

Pursuant to a bank compromise agreement entered into between 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 principle amount of HK\$6,500,000 by the Company on 16 May 2002, as part of the consideration for the release and discharge of the Group from all of its obligations and liabilities in respect of bank borrowings advanced by the Bank Group. The convertible bonds bore interest at the rate of 5% per annum and were repayable by three equal installments on each anniversary of issue. Interest was payable semi-annually. The convertible bonds would be convertible into the Company's ordinary share of HK\$0.01 at a conversion price of HK\$0.2228 per share, as adjusted. The first and second instalments were settled by the Company on 16 May 2003 and 16 May 2004, respectively. The balance outstanding at 31 March 2005 of HK\$2,155,000 was settled in full by the Company on 16 May 2005.

The fair value of the liability component of the convertible bonds was determined, upon issuance, using the prevailing market interest rate for similar debt without a conversion option of 9.78%. The remainder of the proceeds was allocated to the conversion option that was recognised and included in shareholders' equity.

16. LOANS FROM THE IMMEDIATE HOLDING COMPANY

The loans from the immediate holding company are unsecured and bear interest at the rate of 3% per annum above the prime lending rate offered from time to time by The Hongkong and Shanghai Banking Corporation Limited.

The immediate holding company has undertaken that it will not demand the repayment, in part or in whole, of the loans advanced to the Group before 31 October 2006. Accordingly, the balances have been classified as non-current liabilities as at 30 September 2005.

15. 可換股債券

根據本集團與本集團之香港銀行(「銀團」)於二零零二年二月一日訂立之銀行和解協議，銀團於二零零二年五月十六日獲本公司發行總本金額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貸而須承擔之全部責任及負債之部分代價。該可換股債券按每年5厘之利率計息，並分三期(每期付款金額相等)於發行之每個週年紀念日償還。利息須每半年償還。可換股債券按每股0.2228港元(經調整)之轉換價格可轉換為本公司每股面值0.01港元之普通股。本公司已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第一及第二期款項。本公司於二零零五年五月十六日悉數償還於二零零五年三月三十一日之尚未償還餘款2,155,000港元。

可換股債券之負債成份之公平值乃於發行時以不具換股選擇權之相似債務之現行市場利率9.78厘釐定。所得款項之餘款撥至於股東權益內確認及計入股東權益之可換股選擇權。

16. 直接控股公司提供之貸款

直接控股公司提供之貸款並無抵押，利息為每年香港上海滙豐銀行有限公司不時提供之最優惠貸款利率加3厘計算。

直接控股公司承諾不會要求本集團於二零零六年十月三十一日前償還部份或全部授予本集團之貸款。因此，該結餘已於二零零五年三月三十一日分類為非流動負債。

17. SHARE CAPITAL
17. 股本

		二零零五年 九月三十日 30 September 2005 (未經審核) (Unaudited) 千港元 HK\$'000	二零零五年 三月三十一日 31 March 2005 (經審核) (Audited) 千港元 HK\$'000
Authorised:	法定股本：		
10,000,000,000 (31 March 2005: 10,000,000,000) ordinary shares of HK\$0.01 each	10,000,000,000股 (二零零五年三月三十一日： 10,000,000,000股) 每股面值 0.01港元之普通股	100,000	100,000
Issued and fully paid:	已發行及繳足股本：		
82,704,014 (31 March 2005: 1,654,080,285) ordinary shares of HK\$0.01 each	82,704,014股 (二零零五年三月三十一日： 1,654,080,285股) 每股面值 0.01港元之普通股	827	16,541

During the period, the Group undertook a capital reorganisation as stated below:

於本期間，本公司進行股本重組，有關詳情載於下文：

Pursuant to special and ordinary resolutions passed at a special general meeting of the Company held on 23 May 2005, a capital reorganisation (the "Capital Reorganisation") involving, inter alia, the following was implemented:

根據本公司於二零零五年五月二十三日舉行之股東特別大會上通過之特別及普通決議案，本公司實施股本重組（「股本重組」），股本重組（其中包括）下列各項：

- | | |
|--|---|
| (i) a reduction of the nominal value of each issued share from HK\$0.01 each to HK\$0.0005 each by the cancellation of HK\$0.0095 per share (the "Capital Reduction"); | (i) 藉註銷每股股份之面值0.0095港元，將已發行股份之每股面值從0.01港元削減為每股0.0005港元（「股本削減」）； |
| (ii) the cancellation of the entire amount standing to the credit of the share premium account of the Company (the "Share Premium Cancellation"); | (ii) 註銷本公司股份溢價賬之進賬額全數（「股份溢價註銷」）； |
| (iii) the credit arising from the Capital Reduction and the Share Premium Cancellation were transferred to the contributed surplus account of the Company where they may be utilized to eliminate the accumulated losses of the Company; and | (iii) 股本削減及股份溢價註銷之所產生進賬額轉撥入本公司之實繳盈餘賬，彼等可用作抵銷本公司之累積虧損；及 |
| (iv) subject to and forthwith upon the Capital Reduction and Share Premium Cancellation, a consolidation of every 20 issued and unissued shares of HK\$0.0005 each into one consolidated share of HK\$0.01 each. | (iv) 待股本削減及股份溢價註銷完成後，並在彼等之規限下，每20股股份每股面值0.0005港元之已發行及未發行股份合併為一股每股面值0.01港元之合併股份。 |

Further details of the Capital Reorganisation are also set out in the circular of the Company dated 29 April 2005.

股本重組之進一步詳情亦載於本公司於二零零五年四月二十九日刊發之通函內。

18. SHARE OPTIONS

The following share options were outstanding under the share option scheme during the period:

參與者姓名 或類別	購股權數目 Number of share options			購股權 授出日期*	購股權 行使期 Exercisable period of share options	購股權 行使價 Exercise price of share options 港元 HK\$	本公司股份價格** Price of Company's shares**	
	於 二零零五年 四月一日	於 期內 授出	於 二零零五年 九月三十日				購股權 授出日期	購股權 行使日期
Name or category of participant	At 1 April 2005	Granted during the period	At 30 September 2005	Date of grant of share options*			At grant date of options 港元 HK\$	At exercise date of options 港元 HK\$
董事 Directors								
勞明智先生 Mr. Lo Ming Chi, Charles	-	800,000	800,000	二零零五年 七月二十九日 29 July 2005	二零零五年 七月二十九日至 二零零七年 七月二十八日 29-07-05 to 28-07-07	0.295	0.295	不適用 N/A
余偉文先生 Mr. Yu Wai Man	-	800,000	800,000	二零零五年 七月二十九日 29 July 2005	二零零五年 七月二十九日至 二零零七年 七月二十八日 29-07-05 to 28-07-07	0.295	0.295	不適用 N/A
黃偉盛先生 Mr. Wilson Ng	-	800,000	800,000	二零零五年 七月二十九日 29 July 2005	二零零五年 七月二十九日至 二零零七年 七月二十八日 29-07-05 to 28-07-07	0.295	0.295	不適用 N/A
黃偉傑先生 Mr. Ng Wee Keat	-	800,000	800,000	二零零五年 七月二十九日 29 July 2005	二零零五年 七月二十九日至 二零零七年 七月二十八日 29-07-05 to 28-07-07	0.295	0.295	不適用 N/A
黃應麟先生 Mr. Ng Eng Leng	-	800,000	800,000	二零零五年 七月二十九日 29 July 2005	二零零五年 七月二十九日至 二零零七年 七月二十八日 29-07-05 to 28-07-07	0.295	0.295	不適用 N/A
	-	4,000,000	4,000,000					
其他僱員合計 Other employees in aggregate	-	900,000	900,000***	二零零五年 七月二十九日 29 July 2005	二零零五年 七月二十九日至 二零零七年 七月二十八日 29-07-05 to 28-07-07	0.295	0.295	不適用 N/A
合計 Total:	-	4,900,000	4,900,000					

* No vesting period for the share options granted.

** The price of the Company's shares disclosed as at the date of grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of grant of the options. The price of the Company's shares disclosed as at the date of the exercise of the share options is the weighted average of the Stock Exchange closing prices over all of the exercises of options within the disclosure category.

*** Subsequent to the balance sheet date, options granted to employees of 100,000 lapsed.

18. 購股權

期內，根據購股權計劃尚未行使之購股權詳情如下：

參與者姓名 或類別	購股權數目 Number of share options			購股權 授出日期*	購股權 行使期 Exercisable period of share options	購股權 行使價 Exercise price of share options 港元 HK\$	本公司股份價格** Price of Company's shares**	
	於 二零零五年 四月一日	於 期內 授出	於 二零零五年 九月三十日				購股權 授出日期	購股權 行使日期
Name or category of participant	At 1 April 2005	Granted during the period	At 30 September 2005	Date of grant of share options*			At grant date of options 港元 HK\$	At exercise date of options 港元 HK\$
董事 Directors								
勞明智先生 Mr. Lo Ming Chi, Charles	-	800,000	800,000	二零零五年 七月二十九日 29 July 2005	二零零五年 七月二十九日至 二零零七年 七月二十八日 29-07-05 to 28-07-07	0.295	0.295	不適用 N/A
余偉文先生 Mr. Yu Wai Man	-	800,000	800,000	二零零五年 七月二十九日 29 July 2005	二零零五年 七月二十九日至 二零零七年 七月二十八日 29-07-05 to 28-07-07	0.295	0.295	不適用 N/A
黃偉盛先生 Mr. Wilson Ng	-	800,000	800,000	二零零五年 七月二十九日 29 July 2005	二零零五年 七月二十九日至 二零零七年 七月二十八日 29-07-05 to 28-07-07	0.295	0.295	不適用 N/A
黃偉傑先生 Mr. Ng Wee Keat	-	800,000	800,000	二零零五年 七月二十九日 29 July 2005	二零零五年 七月二十九日至 二零零七年 七月二十八日 29-07-05 to 28-07-07	0.295	0.295	不適用 N/A
黃應麟先生 Mr. Ng Eng Leng	-	800,000	800,000	二零零五年 七月二十九日 29 July 2005	二零零五年 七月二十九日至 二零零七年 七月二十八日 29-07-05 to 28-07-07	0.295	0.295	不適用 N/A
	-	4,000,000	4,000,000					
其他僱員合計 Other employees in aggregate	-	900,000	900,000***	二零零五年 七月二十九日 29 July 2005	二零零五年 七月二十九日至 二零零七年 七月二十八日 29-07-05 to 28-07-07	0.295	0.295	不適用 N/A
合計 Total:	-	4,900,000	4,900,000					

* 授出之購股權並無歸屬期。

** 於購股權授出日期披露之本公司股份價格乃股份於緊接購股權授出日期前一個交易日之聯交所收市價。於購股權行使日期披露之本公司股份價格乃行使所有披露類別內購股權之聯交所加權平均收市價。

*** 於結算後，在授予僱員之購股權中 100,000 股失效。

18. SHARE OPTIONS (continued)

At the balance sheet date, the Company had 4,900,000 share options outstanding under the share option scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of additional 4,900,000 ordinary shares of the Company and additional share capital of HK\$49,000 and share premium of HK\$1,396,500 (before issue expenses).

Valuation of share options

The share options granted are not recognised in the financial statements until they are exercised. The fair value per share option granted to directors and employees during the period are HK\$0.0954 and HK\$0.0938 respectively. The fair value of the options granted is estimated on the date of the grant using the binomial model with the following assumptions:

- a. The estimation of risk free rate has made reference to the yield of Exchange Fund Notes (EFN). In this valuation, yields of the 2-year EFN at the grant were adopted in the estimation of risk free rate for the option with similar duration.
- b. The estimation of volatility for the underlying stock price has considered the historic price movements of the Company and other comparable companies with similar business nature, it is projected a constant annual standard deviation on the price movement of 55% to be applied through out the option's life.
- c. In view of the cash requirement and reserve for business development, no dividend is expected to pay out during the option life.
- d. With reference to the historic record on the exercise of option, it is assumed that the directors and employees of the Company will exercise the option in accordance with their sub-optimal exercise policy with a trigger price of three times to the exercise price of option. The valuer also assumes the exercise pattern of directors and employees are the same.

18. 購股權 (續)

於結算日，根據本公司之購股權計劃，尚有4,900,000份未行使購股權。在本公司現有股本架構下，悉數行使餘下之購股權將導致額外發行4,900,000股本公司普通股連同增加股本49,000港元及股份溢價(在扣除發行開支前)1,396,500港元。

購股權之估值

所授出之購股權不在財務報表內確認，直至彼等被行使。董事及僱員於本期間內獲授之購股權每股之公平值分別為0.0954港元及0.0938港元。所授出之購股權之公平值乃根據授出日期以二項式並作出下列假設後估算：

- a. 無風險年利率已參照外匯基金債券(外匯基金債券)之收益作出估算。於該估值中，就相似期限之購股權估算無風險利率時採納兩年期外匯基金債券於授出時之收益。
- b. 相關股價之波動之估算已考慮本公司及具類似業務性質之其他可供比較公司之過往價格變動，於購股權之整個可用期限內，預計價格變動之固定年標準誤差55%將予以應用。
- c. 鑑於現金需求及業務發展之儲備，預期於購股權之可用期限內不會派付任何股息。
- d. 參考購股權過往之行使記錄，假設本公司董事及僱員將根據彼等次佳行使政策行使購股權，而三次購股權之行使價為敏感價格。估值師亦假設董事及僱員之行使模式相同。

18. SHARE OPTIONS *(continued)*

Valuation of share options *(continued)*

- e. Base on the historical turnover rate, the valuer assumed that the exit rate of employee would be 2.5% and no turnover rate for the directors.

- f. The options in question are American options that allow the directors and employees of the Company to exercise at any time. The date and the exact amount of options would be exercised is uncertain. Since the potential amount of shares to be issued in relation to the exercise of options is small as compared to the total outstanding shares, the valuer considered the issue of new share will have minimal effect on the stock price that might be observed in the market which the option would have been exercised. In this valuation, it's therefore assumed no effect on the stock price subjected to the exercise of options.

18. 購股權 (續)

購股權之估值 (續)

- e. 根據過往週轉率，估值師假設僱員之行使率為2.5%，而董事並無週轉率。

- f. 討論中之購股權為美式購股權，該等購股權可讓本公司董事及僱員隨時行使。購股權之行使時間及數目將不明朗。由於就購股權行使將予發行之潛在股份數目乃較尚未行使之股份少，故估值師考慮，發行新股對股價之影響將極微，該現象可於購股已權行使之市場上觀察到。因此，於該估值中，假設購股權行使並無對股價產生任何影響。

19. RESERVES
19. 儲備

		股份溢價賬	撥入盈餘賬	可換股票據 及債券之權益 成份 Equity component of	固定資產 重估儲備	滙兌儲備	購股權 儲備	累積虧損	小計	少數股東 權益	合計
		Share premium account	Contributed surplus account	convertible notes and bonds	Fixed asset revaluation reserve	Exchange translation reserve	Share option reserve	Accumulated losses	Sub- total	Minority interests	Total
		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 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
At 1 April 2005	於二零零五年四月一日										
As previously reported	如先前所呈報	58,679	-	-	18,534	-	-	(73,588)	3,625	2,395	6,020
Prior period adjustments (Notes 1 & 2)	過往期間調整 (附註1及2)	351	-	517	(18,534)	-	-	550	(17,116)	-	(17,116)
As restated	重列	59,030	-	517	-	-	-	(73,038)	(13,491)	2,395	(11,096)
Capital reduction (Note 17)	股本削減 (附註17)	-	15,714	-	-	-	-	-	15,714	-	15,714
Share premium cancellation (Note 17)	股份溢價註銷 (附註17)	(59,030)	59,030	-	-	-	-	-	-	-	-
Recognition of equity-settled share based payments	確認以權益結算以 股份支付之支出	-	-	-	-	-	466	-	466	-	466
Elimination of accumulated losses (Note 17)	撇銷累積虧損 (附註17)	-	(71,659)	-	-	-	-	71,659	-	-	-
Disinvestment of minority interest in subsidiaries (Note 5)	收回少數股東權益於 附屬公司之投資 (附註5)	-	-	-	-	-	-	-	-	1,552	1,552
Reverse of equity component upon redemption of convertible bonds	贖回可換股票據時 撥回權益成份	-	-	(517)	-	-	-	517	-	-	-
Loss for the period	本期間虧損	-	-	-	-	-	-	(6,281)	(6,281)	2,438	(3,843)
At 30 September 2005	於二零零五年九月三十日	-	3,085	-	-	-	466	(7,143)	(3,592)	6,385	2,793
At 1 April 2004	於二零零四年四月一日										
As previously reported	如先前所呈報	43,303	-	-	18,037	-	-	(62,509)	(1,169)	(520)	(1,689)
Prior period adjustments (Notes 1 & 2)	過往期間調整 (附註1及2)	351	-	2,640	(18,037)	-	-	(605)	(15,651)	-	(15,651)
As restated	重列	43,654	-	2,640	-	-	-	(63,114)	(16,820)	(520)	(17,340)
Exchange difference on translation of the financial statements of foreign entities	海外機構財務報表 換算之滙兌差額	-	-	-	-	10	-	-	10	-	10
Loss for the period (Restated)	本期間虧損(重列)	-	-	-	-	-	-	(9,504)	(9,504)	928	(8,576)
At 30 September 2004 (Restated)	於二零零四年 九月三十日(重列)	43,654	-	2,640	-	10	-	(72,618)	(26,314)	408	(25,906)
Exchange difference on translation of the financial statements of foreign entities	海外機構財務報表 換算之滙兌差額	-	-	-	-	(10)	-	-	(10)	-	(10)
Share issued on open offer	就公開發售已發行之股份	16,541	-	-	-	-	-	-	16,541	-	16,541
Share issued expenses	股份發行開支	(1,165)	-	-	-	-	-	-	(1,165)	-	(1,165)
Reverse of equity component upon redemption of convertible notes	贖回可換股票據時 撥回權益成份	-	-	(2,123)	-	-	-	2,123	-	-	-
Loss for the period (Restated)	本期間虧損(重列)	-	-	-	-	-	-	(2,543)	(2,543)	1,987	(556)
At 31 March 2005 (Restated)	於二零零五年 三月三十一日(重列)	59,030	-	517	-	-	-	(73,038)	(13,491)	2,395	(11,096)

20. 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:

		二零零五年 九月三十日 30 September 2005 (未經審核) (Unaudited) 千港元 HK\$'000	二零零四年 三月三十一日 31 March 2005 (經審核) (Audited) 千港元 HK\$'000
Within one year	一年內	462	570
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	88	312
		550	882

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\$26,730,000 at 30 September 2005, commencing from the year 2008 up to the year 2048 with a 20% increment for every five years.

21. CONTINGENT LIABILITY

The Group's design, manufacturing and sales of toys business is carried out by Xin Toys Factory Limited and Gadgets Yard, two subsidiaries of the Company (the "Subsidiaries"), which have engaged a subcontractor in Dongguan, Mainland China, for the manufacturing process. The factory premises of the Group are located in Dongguan, Mainland China.

In May 2005, the Customs and Excise of Dongguan, Mainland China (the "Customs") conducted an inspection at the factory premises of the Subsidiaries and took away certain documents belonging to the Group. The outcome of the inspection is still pending at the date of this interim report.

20. 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：

		二零零五年 九月三十日 30 September 2005 (未經審核) (Unaudited) 千港元 HK\$'000	二零零四年 三月三十一日 31 March 2005 (經審核) (Audited) 千港元 HK\$'000
Within one year	一年內	462	570
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	88	312
		550	882

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，有關土地於二零零五年九月三十一日之賬面值為26,730,000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%。

21. 或然負債

本集團設計、生產及銷售現具之業務透過本公司兩間附屬公司名為新創玩具廠有限公司及源製(「附屬公司」)進行。附屬公司並就生產過程於中國大陸東莞市委聘一間加工廠。本集團之廠房位於中國大陸東莞市。

於二零零五年五月，中國大陸東莞市之海關(「海關」)對附屬公司之工廠廠房進行檢查，並取走本集團若干文件。於本中期報告日期，檢查結果仍未公布。

21. CONTINGENT LIABILITY (continued)

The directors of the Company are satisfied that the business and operations of the Subsidiaries have been properly conducted and that there have been no irregularities in the operations of the Subsidiaries or by any of their management or staff.

As at the date of this report, the directors are not aware of any further action taken by the Customs against the Subsidiaries and there is no indication of any adverse action will be taken against the Subsidiaries. Accordingly, in the opinion of the directors, based on the current available information, no provision for any penalties and claims is required to be made in this interim financial statements.

During the period under review, as further set out in note 5, the Group disposed of its entire interest in Gadgets Yard and its subsidiary. Upon completion of the disposal, the Group ceased its business in the design, manufacture and sales of a wide range of toys.

22. PENDING LITIGATION

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\$392,000.

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 2005.

23. RELATED PARTY TRANSACTIONS

(a) On 12 May 2005, Gadgets Yard entered into a loan agreement with its director for a fixed term loan facility of HK\$10,000,000. During the period, Gadgets Yard has drawn down HK\$4,650,000. In August 2005, Gadgets Yard and its subsidiary, as further set out in note 5, were disposed of to an unrelated third party by the Group, so there was no outstanding balance at the balance sheet date.

21. 或然負債 (續)

本公司董事信納附屬公司之業務及營運乃恰當進行，且附屬公司之業務或其任何管理人員或員工並無任何不當行為。

於本報告日期，就董事所知，海關並無對附屬公司採取任何進一步行動，亦無跡象顯示其將會對附屬公司採取任何不利行動。因此，根據現有資料，董事認為無需要於本中期財務報表內計提任何罰款或索償撥備。

於回顧期間內，誠如附註5所進一步闡述，本集團出售其於源製及其附屬公司之全部權益。於出售完成時，本集團終止其設計、製造及銷售種類繁多玩具之業務。

22. 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392,000港元向本集團提出未償還應收貿易賬款索償，

董事認為，本集團已於二零零五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。

23. 有關連人士交易

(a) 於二零零五年五月十二日，源製就一筆定期貸款融資10,000,000港元與其一位董事訂立一份貸款協議。於該期間，源製已提取4,650,000港元。於二零零五年八月，源製及其附屬公司被本集團出售予無關連之第三方（誠如附註5所進一步闡述），因此，於結算日，並無尚未償還之餘款。

23. RELATED PARTY TRANSACTIONS (continued)

(b) As further explained in note 16, the Company repaid a loan of HK\$3,150,000 to Vision Century Group Limited, the immediate holding company of the Company, ("Vision Century") during the period. At the balance sheet date, the total principal amount due from the Company to Vision Century was HK\$31,378,000 (31 March 2005: HK\$34,528,000). 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. Vision Century has undertaken that it will not demand the Group to repay in part, or in whole, the loans advanced to the Group before 31 October 2006. The interest expense incurred by the Group during the period in respect of the loans from Vision Century amounted to HK\$1,451,000 (Six months ended 30 September 2004: HK\$805,000).

(c) Pursuant to a shareholders' agreement entered into between the Group and a minority shareholder of Gadgets Yard on 20 December 2003, a minority shareholder of Gadgets Yard advanced HK\$5,880,000 to Gadgets Yard as the initial working capital. The loan is unsecured and interest-free. The minority shareholder agreed not to demand for repayment of the loan until Gadgets Yard has the ability to do so and prior consent was obtained from the Group. In August 2005, as further set out in note 5, Gadgets Yard and its subsidiary were disposed of to an unrelated third party by the Group, so there was no outstanding balance due to the minority shareholder by the Group at the balance sheet date.

23. 有關連人士交易 (續)

(b) 誠如附註16所進一步闡釋，本公司於本期間向Vision Century Group Limited(本公司之直接控股公司)〔Vision Century〕償還一筆貸款3,150,000港元。於結算日，本公司應付Vision Century之總本金額為31,378,000港元(二零零五年三月三十一日：34,528,000港元)。該等貸款為無抵押、按香港上海滙豐銀行有限公司不時所報之最優惠利率加3厘計息。Vision Century已承諾，其不會於二零零六年十月三十一日之前要求本集團部分悉數償還其為本集團墊付之貸款。於本期間內，本集團就Vision Century提供之貸款所產生之利息開支為1,451,000港元(截至二零零四年九月三十日止六個月：805,000港元)。

(c) 根據本集團與源製之一位少數股東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付5,880,000港元，作為初期營運資金。該貸款乃無抵押及免息。少數股東同意不要求償還該貸款，直至源製有能力要求償還該筆款項及事先取得本集團之同意。於二零零五年八月，誠如附註5所進一步闡述，源製及其附屬公司被本公司出售予無關連第三方，因此，於結算日，本集團並無應付少數股東之尚未償還餘款。

23. RELATED PARTY TRANSACTIONS (continued)

(d) 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 was appointed as a supplier of HCSPL for the supply of office equipment and office supplies, machinery, machinery parts, lubricating oil and bunkering for vessels. By virtue of the interests of the parents of Mr. Wilson Ng and Mr. Ng Wee Keat in HCSPL, the formation of Xin Procurement and the transactions contemplated under the Supply Agreement constitute connected transactions or continuing connected transactions of the Company under Chapter 14A 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. During the period, Xin Procurement made sales to HCSPL amounting to HK\$8,338,000 (Six months ended 30 September 2004: HK\$13,595,000).

23. 有關連人士交易 (續)

(d) 於二零零四年二月二十日，本集團與一間在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」)，成立一間名為 Xin Procurement and Trading Pte. Ltd. (「Xin Procurement」) 之公司。HCSPL 乃由一間在新加坡註冊成立之有限公司 New Century International Pte. Ltd (「New Century」) 所全資擁有。New Century 乃由黃偉盛先生及黃偉傑先生 (均為本公司之執行董事，亦均為 HCSPL 之董事) 之雙親所全資擁有。根據 Xin Procurement 協議，本集團與 HCSPL 分別擁有 Xin Procurement 之 51% 及 49% 權益。於二零零四年二月二十日，Xin Procurement 於 HCSPL 訂立一份供應協議 (「供應協議」)，據此，HCSPL 被委任為 HCSPL 之供應商，以供應辦公室設備及辦公室用品、供遠洋郵輪使用之機器、機器零件、機油及燃料。鑑於黃偉盛先生及黃偉傑先生雙親於 HCSPL 之權益，Xin Procurement 之組成及根據供應協議項下之交易根據香港聯合交易所有限公司證券上市規則第 14A 章構成本公司之關連交易及持續關連交易。該等交易乃由本公司股東於二零零四年三月二十九日舉行之股東特別大會上獲得批准。於本期間，Xin Procurement 向 HCSPL 之銷售為 8,338,000 港元 (截至二零零四年九月三十日止六個月：13,595,000 港元)。

23. RELATED PARTY TRANSACTIONS (continued)

- (e) Pursuant to the Xin Procurement Agreement, HCSPL advanced HK\$1,127,000 to Xin Procurement as the initial working capital. The terms of the advance are set out in note 13.
- (f) During the period, HCSPL made advances of HK\$966,000 to the Group. At 30 September 2005, the advances made to the Group by HCSPL amounted to HK\$10,423,000 (31 March 2005: HK\$12,643,000) which are unsecured, interest-free and have no fixed terms of repayment.
- (g) 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 business operations as a viable going concern notwithstanding any present or further financial difficulties experienced by the Group up to 31 October 2006.
- (h) During the period, no rental (Six months ended 30 September 2004: HK\$195,000) was charged to the Group by HCSPL in respect of certain of the office premises leased to the Group. The rental expenses were determined between the Group and HCSPL.
- (i) During the period, a management fee of HK\$276,000 (Six months ended 30 September 2004: HK\$276,000) was charged by HCSPL in respect of certain administrative services rendered to the Group. The management fee was determined between the Group and HCSPL.
- (j) During the period, HCSPL reimbursed HK\$93,000 (Six months ended 30 September 2004: HK\$146,000) to the Group in respect of certain administrative expenses paid by the Group on behalf of HCSPL.

23. 有關連人士交易 (續)

- (e) 根據Xin Procurement協議，HCSPL墊付1,127,000港元予Xin Procurement作為初期營運資本。墊款之條款載於附註13。
- (f) 於期內，HCSPL墊付966,000港元予本集團。於二零零五年九月三十日，HCSPL向本集團提供之墊款達10,423,000港元(二零零五年三月三十一日：12,643,000港元)，該筆款項乃無抵押，免息及無固定還款期。
- (g) Vision Century之直接控股公司Huang Worldwide Holding Limited已向本公司承諾，在截至二零零六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。
- (h) 期內，HCSPL並無就租賃予本集團之若干辦公室物業向本集團收取租金(二零零四年九月三十日止六個月：195,000港元)，有關租金開支由本集團與HCSPL釐定。
- (i) 期內，HCSPL就提供予本集團之若干管理服務收取管理費276,000港元(二零零四年九月三十日止六個月：276,000港元)，有關管理費由本集團與HCSPL釐定。
- (j) 期內，HCSPL就本集團代表HCSPL支付之若干行政開支向本集團償還93,000(二零零四年九月三十日止六個月：146,000港元)。

23. RELATED PARTY TRANSACTIONS (continued)

- (k) During the period, the Group reimbursed expenses of HK\$40,000 (Six months ended 30 September 2004: HK\$15,000) to HCSPL in respect of certain administrative expenses paid by HCSPL on behalf of the Group.
- (l) During the period, the Group purchased from Huang Procurement Pte. Ltd., a wholly-owned subsidiary of HCSPL, office equipment and office supplies, machinery, machinery parts, lubricating oil and bunkering of HK\$538,000 (Six months ended 30 September 2004: 1,564,000) at cost of Huang Procurement Pte. Ltd..

24. POST BALANCE SHEET EVENTS

There is no material event after balance sheet date.

25. 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 20 December 2005.

23. 有關連人士交易 (續)

- (k) 期內，本集團就HCSPL代表本集團支付之若干行政開支向HCSPL償還支出40,000港元(截止二零零四年九月三十日止六個月：15,000港元)。
- (l) 期內，本集團向HCSPL之全資附屬公司Huang Procurement Pte. Ltd.按Huang Procurement Pte. Ltd.之成本價購買538,000港元(截至二零零四年九月三十日止六個月：1,564,000)之辦公室設備及辦公室用品、機器、機器零件、機油及燃料。

24. 結算日後事項

於結算日後，並無任何重大事項。

25. 批准中期財務報表

董事會已於二零零五年十二月二十日批准及授權發行此未經審核簡明綜合中期財務報表。