

**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended 30 September 2006

**1. ACCOUNTING POLICIES AND BASIS OF PRESENTATION**

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2006 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 preparation 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 2006, except for the adoption of the following Hong Kong Financial Reporting Standards (“HKFRSs”) mandatory for accounting periods beginning on or after 1 April 2006.

HKAS 21 Amendment	Net Investment in a Foreign Operation
HKAS 39 Amendment	The Fair Value Option
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HK (IFRIC) – Int 4	Determining whether an Arrangement contains a Lease

The adoption of the above HKFRSs has had no material impact on the Group’s results of operations for the current period or financial position at 30 September 2006 in the Group’s condensed consolidated interim financial statements.

**簡明綜合中期財務報表附註**

截至二零零六年九月三十日止六個月

**1. 會計政策及呈列基準**

本集團截至二零零六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二零零六年三月三十一日止年度之經審核綜合財務報表所採用者相同，惟就採納於二零零六年四月一日或以後開始之會計期間生效之下列香港財務報告準則（「香港財務報告準則」）除外。

香港會計準則第21號（修訂）	於海外業務之投資淨額
香港會計準則第39號（修訂）	期權之公平價值
香港會計準則第39號及香港財務報告準則第4號（修訂）	金融擔保合約
香港（國際財務報告詮釋委員會）詮釋第4號	決定一項安排是否包含租賃

採納上述香港財務報告準則對本集團之本期間經營業績或於二零零六年九月三十日之本集團簡明綜合中期財務報表內之財政狀況並無重大影響。

## 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 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:

- the supply and procurement segment supplies office equipment and office supplies, machinery, machinery parts, lubricating oil and bunkering for vessels; and
- the corporate and other segments consists of corporate income and expense items and holding of property.

### Discontinued operations:

- 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.

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

## 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，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。業務分類之詳情概述如下：

### 持續經營業務：

- 供應及採購分類業務供應辦公室設備及辦公室用品以及供應遠洋郵輪使用之機器、機器零件、機油及燃料；及
- 企業及其他分類業務，包括企業收支項目及持有物業。

### 已終止經營業務：

- 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及買賣兒童單車、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、塑膠用品及其他時尚玩具。

業務分類之間概無分類銷售及轉讓。

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)。

截至二零零六年九月三十日止六個月(未經審核)  
 Six months ended 30 September 2006 (Unaudited)

		持續經營業務			已終止經營業務				
		Continuing operations			Discontinued operations				
		企業及其他							
		供應及採購	Corporate	小計	學行車	腳踏車	其他玩具	小計	綜合
		Supply and	and	Sub-total	Toddler cars	Cycling	Other toys	Sub-total	Consolidated
		procurement	others	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	千港元	千港元
		HK\$'000	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	93,237	-	93,237	-	-	-	-	93,237
Other revenue and gains	其他收入及收益	286	-	286	-	-	-	-	286
		93,523	-	93,523	-	-	-	-	93,523
Segment results	分類業績	10,472	-	10,472	-	-	-	-	10,472
Interest income and unallocated revenue and gains	利息收入及未分配收入及收益	-	591	591				-	591
Unallocated expenses	未分配開支	-	(4,859)	(4,859)				-	(4,859)
Finance costs	融資成本	-	(2,191)	(2,191)				-	(2,191)
Profit/(loss) before tax	除稅前溢利/(虧損)	10,472	(6,459)	4,013				-	4,013
Tax	稅項	(2,094)	-	(2,094)				-	(2,094)
Profit/(loss) for the period	本期間溢利/(虧損)	8,378	(6,459)	1,919				-	1,919

2. SEGMENT INFORMATION (continued)

Business segments (continued)

2. 分類資料(續)

業務分類(續)

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				綜合
		Continuing operations			Discontinued operations				
		供應及採購	企業及其他	小計	學行車	腳踏車	其他玩具	小計	綜合
		Supply and procurement	and others	Sub-total	Toddler cars	Cycling	Other toys	Sub-total	Consolidated
		千港元	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	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
		72,999	-	72,999	4,745	2,629	3,889	11,263	84,262
Segment results	分類業績	7,163	-	7,163	(254)	(62)	(390)	(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				-	552
Unallocated expenses	未分配開支	-	(7,102)	(7,102)				(40)	(7,142)
Finance costs	融資成本	-	(2,253)	(2,253)				(29)	(2,282)
Profit/(loss) before tax	除稅前溢利/(虧損)	7,163	(8,803)	(1,640)				(775)	(2,415)
Tax	稅項	(1,428)	-	(1,428)				-	(1,428)
Profit/(loss) for the period	本期間溢利/(虧損)	5,735	(8,803)	(3,068)				(775)	(3,843)

3. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts during the period.

3. 收入

收入(亦指本集團之營業額)指期內已扣除退貨及貿易折扣之售出貨物發票淨值。

**4. PROFIT/(LOSS) BEFORE TAX**

The Group's profit/(loss) before tax is arrived at after charging:

		截至九月三十日止六個月	
		Six months ended	
		30 September	
		二零零六年	二零零五年
		2006	2005
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
		千港元	千港元
		HK\$'000	HK\$'000
Depreciation	折舊	965	2,361
Amortisation of prepaid land lease payments	預付土地租賃款項之攤銷	375	364
Staff costs	員工成本	862	2,604

**5. 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 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.

**4. 除稅前溢利／(虧損)**

本集團之除稅前溢利／(虧損)經已扣除以下各項：

**5. 稅項**

由於兩段期間內並無源自香港之任何應課稅溢利，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	
		二零零六年	二零零五年
		2006	2005
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
		千港元	千港元
		HK\$'000	HK\$'000
Current – elsewhere and tax charge for the period	即期 – 其他地區及本期間稅項支出	2,094	1,428

**6. DISCONTINUED OPERATIONS**

On 31 August 2005, pursuant to a sale and purchase agreement entered into between the Group and an independent third party, the Group agreed to dispose of its entire equity interest in Gadgets Yard Limited ("Gadgets Yard") and its subsidiary (together known as "GY Group") together with the relevant shareholder's loan. GY Group is engaged in the design, manufacture and sale of a wide range of toys.

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

**6. 已終止經營業務**

於二零零五年八月三十一日，本集團與獨立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「源製集團」）之全部股權，連同有關股東貸款。源製集團從事設計、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	
		二零零六年	二零零五年
		2006	2005
		(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)
Loss on disposal of GY Group	出售源製集團之虧損	-	(40)
		-	(775)

6. DISCONTINUED OPERATIONS (continued)

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

6. 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	
		二零零六年 2006 (未經審核) (Unaudited) 千港元 HK\$'000	二零零五年 2005 (未經審核) (Unaudited) 千港元 HK\$'000
Revenue	收入	-	10,946
Cost of sales	銷售成本	-	(10,858)
Gross profit	毛利	-	88
Other income and gains	其他收入及收益	-	317
Selling and distribution costs	銷售與分銷開支	-	(276)
Administrative expenses	行政開支	-	(835)
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)
Tax	稅項	-	-
Loss for the period from discontinued operations	本期間已終止經營業務之虧損	-	(735)
Attributable to:	由下列人士應佔：		
Equity holders of the Company	本公司權益持有人	-	(375)
Minority interests	少數股東權益	-	(360)
		-	(735)
Loss per share from discontinued operations:	已終止經營業務之每股虧損：		
- Basic	- 基本	-	(HK0.5 cent港仙)
- Diluted	- 攤薄	-	N/A不適用

**6. DISCONTINUED OPERATIONS (continued)**

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

		二零零五年 八月三十一日 <b>31 August 2005</b> (未經審核) <b>(Unaudited)</b> 千港元 <b>HK\$'000</b>
.....		
Net assets disposed of	已出售之資產淨額	2,955
Disinvestment of minority interests 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入淨額：	
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
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The net cash flows incurred by the discontinued operations are as follows:

**6. 已終止經營業務 (續)**

於出售日期，源製集團之資產淨額如下：

		二零零五年 八月三十一日 <b>31 August 2005</b> (未經審核) <b>(Unaudited)</b> 千港元 <b>HK\$'000</b>
.....		
Net assets disposed of	已出售之資產淨額	2,955
Disinvestment of minority interests 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
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Net cash inflow arising on disposal:	出售時產生之現金流入淨額：	
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
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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 <b>Six months ended</b> <b>30 September</b>	
		二零零六年 <b>2006</b> (未經審核) <b>(Unaudited)</b> 千港元 <b>HK\$'000</b>	二零零五年 2005 (未經審核) (Unaudited) 千港元 HK\$'000
.....			
Net operating cash outflow	經營現金流出淨額	-	5,696
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**7. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY**

The calculation of basic loss per share amounts is based on the unaudited net loss for the period attributable to equity holders of the Company for the six months ended 30 September 2006 of HK\$2,186,000 (Six months ended 30 September 2005: HK\$6,281,000) and 82,704,014 (Six months ended 30 September 2005: 82,704,014) ordinary shares in issue during the period.

Diluted loss per share amounts for the six months ended 30 September 2006 and 2005 have not been disclosed as the convertible note and share options outstanding during the period had anti-dilutive effect on the basic loss per share for both periods.

**8. DIVIDEND**

The directors do not recommend the payment of any interim dividend for the six months ended 30 September 2006 (Six months ended 30 September 2005: Nil).

**7. 本公司普通股權益持有人應佔每股虧損**

每股基本虧損金額乃根據截至二零零六年九月三十日止六個月本公司權益持有人應佔之未經審核虧損淨額2,186,000港元(截至二零零五年九月三十日止六個月: 6,281,000港元)及期內已發行普通股82,704,014股(截至二零零五年九月三十日止六個月: 82,704,014股)計算。

由於截至二零零五年及二零零六年九月三十日止六個月之尚未行使可換股票據及購股權對該兩段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金額。

**8. 股息**

董事建議不派發截至二零零六年九月三十日止六個月之任何中期股息(截至二零零五年九月三十日止六個月: 無)。

**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 to six months for major customers. Each customer has a maximum credit limit. Overdue balances are reviewed regularly by senior management. Accounts receivable are non-interest bearing. The carrying amounts of the accounts receivable approximate to their fair values.

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

		二零零六年 九月三十日 30 September 2006 (未經審核) (Unaudited) 千港元 HK\$'000	二零零六年 三月三十一日 31 March 2006 (經審核) (Audited) 千港元 HK\$'000
Within 30 days	30日內	15,291	13,138
31 to 60 days	31至60日	13,104	10,629
61 to 90 days	61至90日	14,377	13,083
91 to 180 days	91至180日	18,886	17,046
Over 180 days	超過180日	3,191	3,795
		<b>64,849</b>	<b>57,691</b>

**9. 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至六個月。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。應收賬款乃不計息。應收賬款之賬面值與其公平價值相若。

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：

**10. ACCOUNTS PAYABLE**

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

		二零零六年 九月三十日 30 September 2006 (未經審核) (Unaudited) 千港元 HK\$'000	二零零六年 三月三十一日 31 March 2006 (經審核) (Audited) 千港元 HK\$'000
Within 30 days	30日內	9,977	6,848
31 to 60 days	31至60日	4,449	2,868
61 to 90 days	61至90日	426	372
91 to 180 days	91至180日	222	591
Over 180 days	超過180日	2,554	2,246
		<b>17,628</b>	<b>12,925</b>

The accounts payable are non-interest bearing and are normally settled on 60 day terms. The carrying amounts of the accounts payable approximate to their fair values.

**11. INTEREST-BEARING BANK AND OTHER BORROWINGS**

		實際利率 Effective interest rate	到期日 Maturity	二零零六年 九月三十日 30 September 2006 (未經審核) (Unaudited) 千港元 HK\$'000	二零零六年 三月三十一日 31 March 2006 (經審核) (Audited) 千港元 HK\$'000
銀行貸款(有抵押)			一年		
Bank loans – secured	6.1%		1 year	12,260	15,884
其他貸款(無抵押)			一年		
Other loan – unsecured	4.0%		1 year	–	2,000
				<b>12,260</b>	<b>17,884</b>

All the interest-bearing bank and other borrowings bear interest at fixed rates. The carrying amounts of the Group's borrowings approximate to their fair values.

**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：

		二零零六年 九月三十日 30 September 2006 (未經審核) (Unaudited) 千港元 HK\$'000	二零零六年 三月三十一日 31 March 2006 (經審核) (Audited) 千港元 HK\$'000
Within 30 days	30日內	9,977	6,848
31 to 60 days	31至60日	4,449	2,868
61 to 90 days	61至90日	426	372
91 to 180 days	91至180日	222	591
Over 180 days	超過180日	2,554	2,246
		<b>17,628</b>	<b>12,925</b>

應付賬款乃不計息及一般於60日內結賬。應付賬款之賬面值與其公平價值相若。

**11. 計息銀行借款及其他借款**

		實際利率 Effective interest rate	到期日 Maturity	二零零六年 九月三十日 30 September 2006 (未經審核) (Unaudited) 千港元 HK\$'000	二零零六年 三月三十一日 31 March 2006 (經審核) (Audited) 千港元 HK\$'000
銀行貸款(有抵押)			一年		
Bank loans – secured	6.1%		1 year	12,260	15,884
其他貸款(無抵押)			一年		
Other loan – unsecured	4.0%		1 year	–	2,000
				<b>12,260</b>	<b>17,884</b>

計息銀行借款及其他借款全部均以固定利率計息。本集團借款之賬面值與其公平價值相若。

**12. LOAN FROM A MINORITY SHAREHOLDER**

The loan was advanced by a minority shareholder of a subsidiary of the Group operates in Singapore. 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 the subsidiary has the ability to do so and has obtained prior consent from the Group for the repayment of the loan. The carrying amount of the loan from the minority shareholder approximates to the fair value.

**13. DUE TO A MINORITY SHAREHOLDER**

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

**14. CONVERTIBLE NOTE**

On 30 March 2006, the Company issued a convertible note in the principle amount of HK\$37,000,000 (the "Convertible Note"), as part of the consideration for the release and discharge of the Group from all of its obligations and liabilities in respect of a loan advanced by Vision Century Group Limited ("Vision Century"). Vision Century will have the right to convert the outstanding principle amount of the Convertible Note into shares at any time before 29 March 2009 at the initial conversion price of HK\$0.205 per conversion share (subject to adjustments), which was subsequently adjusted to HK\$0.141 per conversion share as a result of the open offer as set out in note 20. The Convertible Note carries interest at a rate of 1% per annum, which is payable semi-annually in arrears on 31 March and 30 September.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

**12. 一位少數股東提供之貸款**

該貸款由本集團一家於新加坡經營之附屬公司之一位少數股東提供。該貸款為無抵押及免息。根據本集團與該附屬公司之該位少數股東訂立之股東協議，該少數股東已同意不會要求償還該貸款，除非該附屬公司有償還且該少數股東已事先取得本集團就償還該貸款作出之同意。該少數股東提供之該貸款之賬面值與其公平價值相若。

**13. 應付一位少數股東款項**

應付一位少數股東款項並無抵押、免息及無固定還款期。應付一位少數股東款項之賬面值與其公平價值相若。

**14. 可換股票據**

於二零零六年三月三十日，本公司發行本金額37,000,000港元之可換股票據（「可換股票據」），作為解除及免除本集團就Vision Century Group Limited（「Vision Century」）墊支之貸款而須承擔之一切責任及負債之部分代價。Vision Century將有權於二零零九年三月二十九日前隨時將可換股票據結欠之本金額按初步換股價每股兌換股份0.205港元（可予調整）轉換為股份，其後因附註20所載之公開發售而調整至每股兌換股份0.141港元。可換股票據按年利率一厘計息，須於每年三月三十一日及九月三十日每半年到期時支付一次。

於發行日會按並無附有換股權之同類債券之相若市場利率估計負債部分之公平價值，而其餘金額則分配為權益部分，並計入股東權益。

14. CONVERTIBLE NOTE (continued)

The net proceeds received from the issue of the Convertible Note has been split between the liability and equity components, as follows:

14. 可換股票據 (續)

來自發行可換股票據之所得款項淨額已分拆為負債部分及權益部分，詳情如下：

		二零零六年 九月三十日 30 September 2006 (未經審核) (Unaudited) 千港元 HK\$'000	二零零六年 三月三十一日 31 March 2006 (經審核) (Audited) 千港元 HK\$'000
Liability component at beginning of period/year	本期間／本年度開始之負債部分	26,674	-
Nominal values of the Convertible Note issued in the period/year	本期間／本年度發行之可換股票據之面值	-	37,000
Equity component	權益部分	-	(10,344)
Interest expenses for the period/year	本期間／本年度之利息開支	1,665	18
Repayment of interest expenses made in the period/year	本期間／本年度償還之利息開支	(185)	-
Liability component at end of period/year	本期間／本年度結束之負債部分	28,154	26,674

15. SHARE CAPITAL

15. 股本

		二零零六年 九月三十日 30 September 2006 (未經審核) (Unaudited) 千港元 HK\$'000	二零零六年 三月三十一日 31 March 2006 (經審核) (Audited) 千港元 HK\$'000
Authorised:	法定股本：		
10,000,000,000	10,000,000,000股		
(31 March 2006: 10,000,000,000)	(二零零六年三月三十一日： 10,000,000,000股)		
ordinary shares of HK\$0.01 each	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	82,704,014股		
(31 March 2006: 82,704,014)	(二零零六年三月三十一日： 82,704,014股)		
ordinary shares of HK\$0.01 each	每股面值 0.01港元之普通股	827	827

Pursuant to an ordinary resolution passed at a special general meeting of the Company held on 26 September 2006, the Company, on 16 October 2006, effected an open offer with assured allotment of three offer shares for every one share of HK\$0.01 each held by shareholders as at 26 September 2006 and issued a total of 248,112,042 new ordinary shares of HK\$0.01 each at an issue price of HK\$0.12 per share. Cash proceeds of approximately HK\$29,773,000, before the related expenses, were received by the Company. The excess of the offer price over the nominal value of the shares issued amounting to approximately HK\$27,292,000 was credited to the share premium account.

根據本公司於二零零六年九月二十六日舉行之股東特別大會上通過之普通決議案，本公司於二零零六年十月十六日實行公开发售，按於二零零六年九月二十六日股東每持有每股面值0.01港元之一股股份獲保證配發三股發售股份，及按發行價每股0.12港元發行合共248,112,042股每股面值0.01港元之新普通股。現金所得款項約29,773,000港元(未計有關開支)已由本公司收悉。發售價超出已發行股份面值之金額約27,292,000港元已計入股份溢價賬。

## 16. 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 二零零六年 四月一日 At 1 April 2006	於期內 授出/ (行使) Granted/ (Exercised) during the period	於 二零零六年 九月三十日 At 30 September 2006				於購股權 授出日期	於購股權 行使日期
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	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
合計： Total:	4,800,000	-	4,800,000					

\* The share options granted to directors and other employees are vested upon granted.

\*\* The exercise price of the share options is subject to adjustments in the case of capitalisation of profit and reserve, right or bonus issues, consolidation, subdivision or reduction of the share capital or other alternative in the capital structure of the Company.

\*\*\* The price of the Company's shares disclosed as at the date of the grant of the share options is the closing price as stated in the daily quotations sheets issued by The Stock Exchange of Hong Kong Limited on the trading day immediately prior to the date of the grant of the options.

## 16. 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 二零零六年 四月一日 At 1 April 2006	於期內 授出/ (行使) Granted/ (Exercised) during the period	於 二零零六年 九月三十日 At 30 September 2006				於購股權 授出日期	於購股權 行使日期
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	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
合計： Total:	4,800,000	-	4,800,000					

\* 授予董事及其他僱員之購股權於授出時歸屬。

\*\* 倘溢利及儲備撥充資本、進行供股或派發紅股、股份合併或分拆或股本削減，或本公司之股本架構有其他變動，則購股權之行使價須予調整。

\*\*\* 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在香港聯合交易所有限公司之每日報價表所報之收市價。

**16. SHARE OPTIONS** *(continued)*

At the balance sheet date, the Company had 4,800,000 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 4,800,000 ordinary shares of the Company and additional share capital of HK\$48,000 and share premium of HK\$1,368,000 (before issue expenses).

Subsequent to the balance sheet date, the exercise price of the share options was adjusted from HK\$0.295 to HK\$0.230 and the aggregate number of share options was adjusted from 4,800,000 to 6,144,000 as a result of the open offer as set out in note 20.

Accordingly, each of the number of share options granted to Mr. Lo Ming Chi, Charles, Mr. Yu Wai Man, Mr. Wilson Ng, Mr. Ng Wee Keat and Mr. Ng Eng Leng was adjusted from 800,000 to 1,024,000; and the aggregate number of share options granted to other employees was adjusted from 800,000 to 1,024,000.

**16. 購股權 (續)**

於結算日，根據本公司之購股權計劃，尚有4,800,000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4,800,000股本公司普通股連同增加股本48,000港元及股份溢價（在扣除發行開支前）1,368,000港元。

於結算日後，購股權之行使價已由0.295港元調整至0.230港元，而購股權之總數已因附註20所載之公開發售而由4,800,000份調整至6,144,000份。

因此，分別授予勞明智先生、余偉文先生、黃偉盛先生、黃偉傑先生及黃應麟先生之購股權數目已各自由800,000份調整至1,024,000份；而授予其他僱員之購股權總數已由800,000份調整至1,024,000份。



17. DEFICITS

17. 虧絀

		股份溢價賬	實繳盈餘	可換股票據 及債券之權益 部份 Equity component of convertible note and bonds	資產 重估儲備	匯兌 波動儲備	購股權 儲備	累積虧損	小計	少數股東 權益	合計
		Share premium account 千港元 HK\$'000	Contributed surplus 千港元 HK\$'000	千港元 HK\$'000	Asset revaluation reserve 千港元 HK\$'000	Exchange fluctuation reserve 千港元 HK\$'000	Share option reserve 千港元 HK\$'000	Accumulated losses 千港元 HK\$'000	Sub- total 千港元 HK\$'000	Minority interests 千港元 HK\$'000	Total 千港元 HK\$'000
At 1 April 2006	於二零零六年四月一日	-	3,085	10,344	-	10	457	(16,847)	(2,951)	9,607	6,656
Exchange difference on translation of the financial statements of foreign entities	換算海外實體之財務報表之滙兌差額	-	-	-	-	1,133	-	-	1,133	664	1,797
Profit/(Loss) for the period	本期間溢利/(虧損)	-	-	-	-	-	-	(2,186)	(2,186)	4,105	1,919
At 30 September 2006	於二零零六年九月三十日	-*	3,085*	10,344	-*	1,143*	457*	(19,033)*	(4,004)	14,376	10,372
At 1 April 2005	於二零零五年四月一日	59,030	-	517	-	-	-	(73,038)	(13,491)	2,395	(11,096)
Exchange difference on translation of the financial statements of foreign entities	換算海外實體之財務報表之滙兌差額	-	-	-	-	10	-	-	10	-	10
Total income and expense for the year recognised directly in equity	於權益直接確認之本年度收入及開支總額	-	-	-	-	10	-	-	10	-	10
Net profit/(loss) for the year	本年度溢利/(虧損)淨額	-	-	-	-	-	-	(15,994)	(15,994)	5,660	(10,334)
Total income and expense for the year	本年度收入及開支總額	-	-	-	-	10	-	(15,994)	(15,984)	5,660	(10,324)
Capital reduction	股本削減	-	15,714	-	-	-	-	-	15,714	-	15,714
Share premium cancellation	註銷股份溢價	(59,030)	59,030	-	-	-	-	-	-	-	-
Elimination of accumulated losses	抵銷累積虧損	-	(71,659)	-	-	-	-	71,659	-	-	-
Equity settled share option arrangements	以權益結算之購股權安排	-	-	-	-	-	466	-	466	-	466
Share options lapsed during the year	本年度內失效之購股權	-	-	-	-	-	(9)	9	-	-	-
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	-	1,552	1,552
Redemption of convertible bonds	贖回可換股債券	-	-	(517)	-	-	-	517	-	-	-
Issue of convertible note	發行可換股票據	-	-	10,344	-	-	-	-	10,344	-	10,344
At 31 March 2006	於二零零六年三月三十一日	-*	3,085*	10,344	-*	10*	457*	(16,847)*	(2,951)	9,607	6,656

\* These deficit accounts comprise the consolidated deficits of HK\$14,348,000 (31 March 2006: HK\$13,295,000) in the condensed consolidated balance sheet.

\* 該等虧絀賬戶包括於簡明綜合資產負債表之綜合虧絀14,348,000港元(二零零六年三月三十一日: 13,295,000港元)。

18. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms of one year.

At 30 September 2006, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenant fallings due as follows:

	二零零六年 九月三十日 30 September 2006 (未經審核) (Unaudited) 千港元 HK\$'000	二零零六年 三月三十一日 31 March 2006 (經審核) (Audited) 千港元 HK\$'000
Within one year	577	467

(b) As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for the properties are negotiated for terms of one to two years.

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

	二零零六年 九月三十日 30 September 2006 (未經審核) (Unaudited) 千港元 HK\$'000	二零零六年 三月三十一日 31 March 2006 (經審核) (Audited) 千港元 HK\$'000
Within one year	280	312
In the second to fifth years, inclusive	243	-
	523	312

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 fee of HK\$118,000 in respect of several land use rights classified as prepaid land lease payments of the Group in Mainland China, with a carrying value of HK\$26,860,000 at 30 September 2006, commencing from calendar year 2008 up to calendar year 2048 with a 20% increment for every five years.

18. 經營租賃安排

(a) 以出租人身份

本集團根據經營租賃安排租賃其投資物業，而洽商之租期為一年。

於二零零六年九月三十日，本集團根據與其租戶訂立之不可撤銷經營租賃須於下列年期內應收之未來最低租金款項總額如下：

	二零零六年 九月三十日 30 September 2006 (未經審核) (Unaudited) 千港元 HK\$'000	二零零六年 三月三十一日 31 March 2006 (經審核) (Audited) 千港元 HK\$'000
Within one year	577	467

(b) 以承租人身份

本集團根據經營租賃安排租賃其若干辦公室物業。就該等物業洽商之租期為一至兩年。

於結算日，本集團根據不可撤銷經營租賃須於下列年期內支付之未來最低租金款項總額如下：

	二零零六年 九月三十日 30 September 2006 (未經審核) (Unaudited) 千港元 HK\$'000	二零零六年 三月三十一日 31 March 2006 (經審核) (Audited) 千港元 HK\$'000
Within one year	280	312
In the second to fifth years, inclusive	243	-
	523	312

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多項土地使用權（分類為預付土地租賃款項）支付年費118,000港元，有關土地於二零零六年九月三十日之賬面值為26,860,000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%。

**19. RELATED PARTY TRANSACTIONS**

- (a) On 12 May 2005, Gadgets Yard entered into a loan agreement with one of its director for a loan facility of HK\$10,000,000. During the six months ended 30 September 2005, Gadgets Yard has drawn down HK\$4,650,000 for its operation. In August 2005, Gadgets Yard and its subsidiary, as further set out in note 6, were disposed of to an unrelated third party of the Group.
- (b) 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 its initial working capital. The advance was unsecured and interest-free. In August 2005, Gadget Yard and its subsidiary, as further set out in note 6, were disposed of to an unrelated third party by the Group.
- (c) 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 certain 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 and continuing connected transactions of the Company under Chapter 14A of the Listing Rules. These connected transactions were approved by the Company's shareholders on a special general meeting held on 29 March 2004. Further details of the above transactions were set out in the Company's circular dated 12 March 2004. During the period, Xin Procurement made sales to HCSPL amounting to HK\$1,561,000 (Six months ended 30 September 2005: HK\$8,338,000).

**19. 有關連人士交易**

- (a) 於二零零五年五月十二日，源製就一筆貸款融資10,000,000港元與其一位董事訂立一份貸款協議。截至二零零五年九月三十日止六個月內，源製已就其營運所需提取4,650,000港元。於二零零五年八月，誠如附註6所進一步闡述，源製及其附屬公司被本集團出售予無關連之第三方。
- (b) 根據本集團於二零零三年十二月二十日訂立之股東協議，源製之一位少數股東向源製墊付5,880,000港元，作為其初期營運資金。該貸款乃無抵押及免息。於二零零五年八月，誠如附註6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。
- (c) 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」)，成立一間於新加坡註冊成立之有限公司—Xin Procurement & Trading Pte. Ltd. (「Xin Procurement」)。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」) 全資擁有。New Century乃由黃偉盛先生及黃偉傑先生(兩位均為本公司之執行董事及HCSPL之董事) 之父母全資擁有。根據Xin Procurement協議，本集團與HCSPL分別擁有Xin Procurement之51%及49%股本權益。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已獲委任為HCSPL供應若干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、機油及燃料之供應商。根據上市規則第14A章，鑑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及持續關連交易。該等關連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。上述交易之進一步詳情載於二零零四年三月十二日之本公司通函內。期內，Xin Procurement向HCSPL之銷售為1,561,000港元(截至二零零五年九月三十日止六個月：8,338,000港元)。

**19. RELATED PARTY TRANSACTIONS (continued)**

Sale of office equipment and office supplies were made at the price equivalent to 10/9 times the cost incurred by the Group. Sale of machinery, parts, stores for the upkeeping of vessels, necessary victuals for the crew, lubricating oil and bunkering for the operation of the vessels and appointment of surveyors and technical consultants for the vessels were made at the price equivalent to 100/98 times the cost incurred by the Group.

- (d) Pursuant to the Xin Procurement Agreement, HCSPL advanced HK\$1,201,000 to Xin Procurement as the initial working capital. The terms of the advance are set out in note 13.
- (e) During the period, HCSPL made further advances of HK\$1,980,000 (Six months ended 30 September 2005: HK\$966,000) to Xin Procurement. At 30 September 2006, the outstanding balance owed by Xin Procurement to HCSPL amounted to HK\$29,175,000 (31 March 2006: HK\$25,704,000) which is unsecured, interest-free and have no fixed terms of repayment.
- (f) 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 2007.
- (g) During the period, a management fee of HK\$294,000 (Six months ended 30 September 2005: 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.

**19. 有關連人士交易 (續)**

銷售辦公室設備及辦公室用品之價格相等於本集團產生之成本之10/9倍。銷售供遠洋郵輪之日常維修用途之機器、零件及材料；以供遠洋郵輪運作而提供船員所需之補給品、機油及燃料；以及就遠洋郵輪委任測量師及技術顧問之價格相等於本集團所產生之成本之100/98倍。

- (d) 根據Xin Procurement協議，HCSPL墊付1,201,000港元予Xin Procurement作為初期營運資本。墊款之條款載於附註13。
- (e) 期內，HCSPL進一步墊付1,980,000港元（截至二零零五年九月三十日止六個月：966,000港元）予Xin Procurement。於二零零六年九月三十日，Xin Procurement結欠HCSPL之尚未償還結餘達29,175,000港元（二零零六年三月三十一日：25,704,000港元），該筆款項乃無抵押、免息及無固定還款期。
- (f) Vision Century之直接控股公司Huang Worldwide Holding Limited已向本公司承諾，在截至二零零七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，仍可按持續基準繼續其日常運作。
- (g) 期內，HCSPL就提供予本集團之若干管理服務收取管理費294,000港元（截至二零零五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。

19. RELATED PARTY TRANSACTIONS (continued)

- (h) During the period, the Group purchased from HCSPL certain office equipment and office supplies, machinery, machinery parts, lubricating oil and bunkering of HK\$1,099,000 at cost.
- (i) During the six months ended 30 September 2005, the Group purchased from Huang Procurement Pte. Ltd., a wholly-owned subsidiary of HCSPL, certain office equipment and office supplies, machinery, machinery parts, lubricating oil and bunkering of HK\$538,000 at cost.
- (j) During the period, Huang Procurement Sdn. Bhd. ("Huang Procurement") an indirect wholly-owned subsidiary of HCSPL paid HK\$17,732,000 (Six months ended 30 September 2005: HK\$12,815,000) to certain of the Group's suppliers on behalf of the Group in respect of its purchases of office equipment and office supplies, machinery, machinery parts, lubricants and bunkering. At 30 September 2006, the outstanding balance owed by Xin Procurement to Huang Procurement amounted to HK\$83,000 (31 March 2006: HK\$543,000) which is unsecured, interest-free and have no fixed terms of repayment.

19. 有關連人士交易 (續)

- (h) 期內，本集團按成本價向HCSPL購買1,099,000港元之若干辦公室設備及辦公室用品、機器、機器零件、機油及燃料。
- (i) 截至二零零五年九月三十日止六個月內，本集團向HCSPL之全資附屬公司Huang Procurement Pte. Ltd. 按成本價購買538,000港元之辦公室設備及辦公室用品、機器、機器零件、機油及燃料。
- (j) 期內，HCSPL之間接全資附屬公司Huang Procurement Sdn. Bhd. (「Huang Procurement」) 代表本集團就其購買辦公室設備及辦公室用品、機器、機器零件、機油及燃料支付17,732,000港元(截至二零零五年九月三十日止六個月：12,815,000港元)予本集團若干供應商。於二零零六年九月三十日，Xin Procurement結欠Huang Procurement之尚未支付結餘達83,000港元(二零零六年三月三十一日：543,000港元)，該筆款項乃無抵押、免息及無固定還款期。

## 20. POST BALANCE SHEET EVENTS

On 16 October 2006, the Company effected an open offer with assured allotment of three offer shares for every share of HK\$0.01 each held by shareholders as at 26 September 2006. The open offer resulted in the issue of 248,112,042 new ordinary shares of HK\$0.01 each in the Company at a price of HK\$0.12 per share. Cash proceeds of approximately HK\$29,773,000, before the related expenses, were received by the Company. As a result of the open offer, the conversion price of the Convertible Note was adjusted (note 14). In addition, pursuant to the terms of the share option scheme, the exercise price and the aggregate number of the share options were adjusted (note 16).

On 22 November 2006, the Group entered into a conditional sale and purchase agreement to acquire from HCSPL (i) a 24% equity interest in the entire issued share capital of Xin Procurement (the "Sale Shares"); and (ii) the rights of and benefit in a loan of S\$120,000 (equivalent to HK\$600,000) advanced from HCSPL to Xin Procurement, representing 24% of the total principal amount of the shareholders' loans in Xin Procurement (the "Sale Loan") at an aggregate consideration of HK\$7,126,560. The consideration is to be satisfied by the Company to issue a convertible note of HK\$7,126,560 on completion. The convertible note carries interest at a rate of 1% per annum and will mature on the date preceding the third anniversary of the date of its issue, the initial conversion price will be HK\$0.170. The transactions under the agreement, including the issue of the convertible note, constitute a very substantial acquisition and a connected transaction of the Company under the Listing Rules and are subject to the approval of the independent shareholders in a general meeting of the Company. For details, please refer to the Company's announcement dated 24 November 2006.

## 21. 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 27 December 2006.

## 20. 結算日後事項

於二零零六年十月十六日，本公司實行公開發售，按於二零零六年九月二十六日股東每持有每股面值0.01港元之一股股份獲保證配發三股發售股份。公開發售導致按發行價每股0.12港元發行248,112,042股每股面值0.01港元之本公司新普通股。現金所得款項約29,773,000港元（未計有關開支）已由本公司收悉。由於進行公開發售，可換股票據之換股價已調整（附註14）。此外，根據購股權計劃之條款，行使價及購股權總數已調整（附註16）。

於二零零六年十一月二十二日，本集團訂立一項有條件買賣協議，從HCSPL購入(i)Xin Procurement全部已發行股本之24%股本權益（「銷售股份」）；及(ii)HCSPL墊付予Xin Procurement之120,000坡元（相等於600,000港元）之貸款之權利及利益，佔Xin Procurement之股東貸款本金總額之24%（「銷售貸款」），總代價為7,126,560港元。代價將透過本公司在完成時發行金額為7,126,560港元之可換股票據之方式支付。可換股票據按年息一厘計算利息，並將於其發行日期第三週年當日之前之日期到期，初步換股價為0.170港元。根據上市規則之規定，按該協議進行之交易（包括發行可換股票據）構成本公司之一項非常重大收購事項及一項關連交易，因此須在本公司之股東大會上獲得獨立股東批准後，方可作實。有關詳情，請參閱本公司於二零零六年十一月二十四日之公佈。

## 21. 批准中期財務報表

董事會已於二零零六年十二月二十七日批准及授權發行此未經審核簡明綜合中期財務報表。