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## 1. CORPORATE INFORMATION

During the year, the Group was involved in the design, manufacture and sale of a wide range of toys.

There were no significant changes in the nature of the Company or the Group's principal activities during the year. The Group has scaled down its operating during the year.

In the opinion of the directors, the ultimate holding company is Baxter Resources S.A., a company incorporated in the British Virgin Islands.

## 2. BASIS OF PRESENTATION

The Group's financial statements for the year ended 31 March 2001 have been prepared on the following bases:

### (i) Going concern

At 31 March 2001, the Group had net current liabilities of approximately HK\$182,832,000. The Group also incurred a net loss from ordinary activities attributable to shareholders of approximately HK\$279,335,000 and reported a significant cash outflow from operating activities of HK\$80,086,000 for the year ended 31 March 2001.

Although the directors have been undertaking a number of measures with a view to improving the Group's liquidity and restore its operations to profitability, the Group continues to experience financial difficulties and currently has no unutilised banking facilities available to support its normal operational requirements. The Group also has had difficulty in repaying short term bank loans on time. As at the date of this report, certain suppliers and bankers of the Group have filed writs of summons to demand for the repayment of the amounts due by the Group and petition for the winding-up of certain of the Group companies (see note 28). Accordingly, the amounts due to banks and other financial institutions have been reclassified as current liabilities.

## 1. 公司資料

在本年度內，本集團主要業務是設計、製造及銷售廣泛種類之玩具。

年內本公司或本集團之主要業務之性質並無重大變動。本集團已於年內削減其營運規模。

董事認為，本公司之最終控股公司為一間於英屬處女群島註冊成立之公司Baxter Resources S.A.。

## 2. 編製基準

本集團截至二零零一年三月三十一日止年度之財務報告已按下列基準編製：

### (i) 持續經營基準

於二零零一年三月三十一日，本集團之流動負債淨額為182,832,000港元。本集團之股東應佔來自日常業務虧損淨額約279,335,000港元，並於截至二零零一年三月三十一日止年度錄得來自經營業務之重大現金流出80,086,000港元。

儘管董事已採取大量方法，務求改善本集團之資金流動狀況，重整其業務以取得盈利能力，惟本集團仍然面臨財務困難，目前已無未動用之銀行融資，以支持其正常營運需求。本集團亦難以準時償還短期銀行貸款。於本報告日期，若干供應商及本集團之往來銀行已入稟令狀，要求本集團償還結欠之款項，彼等並提出呈請，要求將本集團若干附屬公司清盤（見附註28）。因此，結欠銀行及其他財務機構之款項已重新歸類為流動負債。

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## 2. BASIS OF PRESENTATION (Continued)

### (i) Going concern (Continued)

Having regard to this background, in order to strengthen the capital base of the Group and to improve the Group's financial position, immediate liquidity, cash flows and profitability and otherwise to sustain the Group as a going concern, the directors have adopted the following measures:

- (a) the directors are considering various alternatives to strengthen the capital base of the Company through various fund-raising exercises, including, but not limited to, loans from directors, external borrowings and private placements. In this regard, the directors have been in active negotiations with potential investors for the purpose of seeking capital injections into the Group. On 7 December 2000, Mr. Lo Ming Chi, a then independent third party and potential investor, was appointed as a director and the new chairman of the Group. Up to the date of this report, Mr. Lo Ming Chi had advanced approximately HK\$4,000,000 to the Group;
- (b) the directors are in active negotiations with the Group's bankers, the parties which have provided the Group with the loans, and other creditors with a view to proposing a standstill arrangement and to reschedule the repayment terms of certain of the Group's outstanding borrowings and to seek their ongoing support; the possibility of entering into a debt hair cut agreement is also under active discussions; and

## 2. 編製基準 (續)

### (i) 持續經營基準 (續)

在此背景下，為了加強本集團之資本基礎及改善本集團之財務狀況、即時之流動資金、現金流量及盈利能力，以及以其他方式維持本集團持續經營之狀態，董事已採取下列措施：

- (a) 董事正考慮採取其他不同方法，透過不同之集資活動（包括，但不限於尋求董事貸款、外界借貸及私人配售）以加強本公司之股本基礎。就此而言，董事已與有意之投資者就向本集團注入資本之事宜積極進行磋商。於二零零零年十二月七日，勞明智先生（獨立第三者兼有意投資者）獲委任為本集團董事兼新任主席。截至本報告日期，勞明智先生向本集團提供約4,000,000港元之墊款。
- (b) 董事積極與本集團之往來銀行、為本集團提供貸款之人士及其他債權人磋商有關建議訂定暫緩償還債務安排及重新制訂本集團若干未償還借貸之償還條款，並尋求彼等之持續支持，亦就訂立債務削減協議之可能性進行積極討論；及

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## 2. BASIS OF PRESENTATION (Continued)

### (i) Going concern (Continued)

- (c) the directors have taken actions to tighten cost controls over factory overheads and various administrative expenses and the activities of the Group have been significantly scaled down.

In the opinion of the directors, in light of the measures taken to date, together with the expected results, the Group will have sufficient working capital for its current operational requirements and it is expected that the Group will ultimately return to a commercially viable concern notwithstanding the Group's financial position and tight cash flows as at 31 March 2001 and the date on which these financial statements were approved. However, the directors anticipate that it may take some considerable time to successfully implement their plans.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in the financial statements.

## 2. 編製基準 (續)

### (i) 持續經營基準 (續)

- (c) 董事已嚴格控制工廠之常用費用及多項行政費用，並已大規模削減本集團之業務。

董事認為，就迄今所採取之措施及預期之業績而言，本集團將有足夠之營運資金供其目前之營運所需。儘管於二零零一年三月三十一日及批准本財務報告之日本集團之財政狀況及現金流量緊絀，且董事預計將需大量時間以順利推行彼等之計劃，預期本集團最終將會回復穩健商業狀態。

倘本集團未能維持持續經營狀態，將須作出若干調整，分別將資產價值按其可收回金額重列、對可能進一步產生之任何負債作出撥備及將非流動資產及負債重新歸類為流動資產及負債。該等調整之影響並未反映在本財務報告中。

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## 2. BASIS OF PRESENTATION (Continued)

### (ii) Available books and records

The financial statements have been prepared based on the books and records maintained by the Company and its subsidiaries. However, due to significant staff and management turnover during the year, especially that in the accounting and finance department, there have been significant breakdowns in internal controls particularly from October 2000 when an investigation of the Independent Commissioner Against Corruption (“ICAC”) into the conduct of the then chairman and major shareholder of the Company was revealed in the press. The directors understand that there is still an ongoing investigation into this case. However, due to the relocation of the Group’s accounting department from Hong Kong to the People’s Republic of China (the “PRC”) and a riot in the Group’s PRC factory in October 2000, certain underlying books and records of certain of the Company’s subsidiaries were either lost, or can no longer be located. In addition, as a result of the breakdown in internal accounting controls and the loss of certain books and records, the effects of certain transactions of the Group as reflected in the financial statements prior to January 2001 cannot be satisfactorily substantiated or otherwise supported, in particular:

- (a) Certain records substantiating a number of transactions via a bank saving account including cash receipts of approximately HK\$28,269,000 received from the Group’s customers during the year, which in addition to the balance of the bank saving account brought forward of approximately HK\$60,830,000, were subsequently utilised as to: cash payments to the Group’s suppliers and subcontractors of approximately HK\$71,431,000; cash payments of purchase deposits of approximately HK\$4,635,000; cash payments for purchases of fixed assets

## 2. 編製基準 (續)

### (ii) 可查察之賬簿及記錄

本財務報告乃根據本公司及其附屬公司保留之賬簿及記錄而編製。然而，由於本年度員工及管理層流失重大，尤以會計及財務部門為然，內部控制方面出現重大失誤，尤以於二零零零年十月當廉政公署（「廉署」）向本公司當時之主席及主要股東進行調查於報章上披露後為然。董事明白該案件仍在調查中。惟由於期內本集團之會計部門由香港搬遷至中華人民共和國（「中國」）及於二零零零年十月於本集團位於中國之廠房發生騷動，一些有關本公司若干附屬公司之重要賬簿及記錄已丟失或下落不明。因此，並無足夠之賬簿及記錄以證明廉署目前正調查之案件之詳情。此外，內部會計控制之失誤及丟失若干賬簿及記錄導致在二零零一年一月前之財務報告中反映之本集團若干交易不能被滿意地證實或支持，尤其下列各項：

- (a) 證明透過一個銀行儲蓄戶口進行之多項交易（包括年內自客戶收取現金約28,269,000港元，共計令該銀行戶口結存約達60,830,000港元）之若干記錄，有關金額已於其後用作：以現金支付本集團供應商及分包商約71,431,000港元；以現金支付採購按金約4,635,000港元；以現金支付購買固定資產約9,116,000港元；向一間公司提供之現金墊款約3,189,000港元及以現金

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## 2. BASIS OF PRESENTATION (Continued)

### (ii) Available books and records (Continued)

of approximately HK\$9,116,000; cash advances to a company of approximately HK\$3,189,000; and other expenses settled in cash of approximately HK\$728,000 in total. All documentation of these transactions conducted via the savings account prior to January 2001 were either lost, or could not otherwise be accounted for; and

(b) Certain records substantiating the following items including the transactions summarised in (a) above were either lost, or could not otherwise be accounted for:

- (i) purchases of approximately HK\$159,001,000 for the period from 1 April 2000 to 31 December 2000;
- (ii) turnover of approximately HK\$195,578,000 and the corresponding accounts receivable of approximately HK\$117,781,000;
- (iii) deposits made to certain suppliers of approximately HK\$4,635,000;
- (iv) an advance made to a company of approximately HK\$5,177,000 which included a cash payment of approximately HK\$3,189,000 via the saving accounts as noted in (a) above;
- (v) inventories held in custody by a company of approximately HK\$11,791,000.

As the directors consider that the probability of recovering the receivables and inventories as stated in (ii) to (v) above is remote, a full provision has been made against the respective amounts (see note 5 to the financial statements).

## 2. 編製基準 (續)

### (ii) 可查察之賬簿及記錄 (續)

支付其他開支共約728,000港元。所有於二零零一年一月前透過儲蓄戶口進行之該等交易之文件已遺失或下落不明；及

(b) 證明下列項目(包括上文第(a)項所概述之交易)之若干記錄已遺失或下落不明:

- (i) 由二零零零年四月一日起至二零零零年十二月三十一日止期間之採購額約159,001,000港元;
- (ii) 營業額約195,578,000港元及相應之應收賬項約117,781,000港元;
- (iii) 向若干供應商繳付之按金約4,635,000港元;
- (iv) 向一間公司提供之墊款約5,177,000港元,包括透過上文(a)項所述之儲蓄戶口以現金支付約3,189,000港元;
- (v) 一間公司以託管形式持有之存貨約11,791,000港元。

由於董事認為第(ii)至(v)項所述之應收款項及存款可收回之可能性渺茫,已就有關款項作出全數撥備(見附註5)。

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## 2. BASIS OF PRESENTATION (Continued)

### (ii) Available books and records (Continued)

In addition to the above, the books and records in respect of the Group's turnover, costs of sales, certain expenses and related tax charges were incomplete and although the directors consider that based on their knowledge they have made accruals and provision for all liabilities based on such books and records as available, they cannot be certain as to whether all the liabilities of the Group have been recorded.

All the existing directors were appointed in December 2000, except Mr. Chan Chun Hong, Thomas who was appointed in October 2000 and Mr. Yu Wai Man who was appointed in April 2001. The financial statements have been prepared based on the books and records maintained by the Company and its subsidiaries. However, in view of the aforesaid breakdown in internal control of the Group, no representations as to the completeness of the books and records of the Group during the period from 1 April 2000 to 31 December 2000 could be given by the existing Directors although care has been taken in the preparation of the financial statements to mitigate the effects of the incomplete records. The Directors are unable to represent that all transactions entered into in the name of the Company and its subsidiaries during the period from 1 April 2000 to 31 December 2000 have been included in the financial statements. Notwithstanding the foregoing, the Directors have in the assessment of the Group's assets and liabilities taken such steps as they considered practicable to establish these assets and liabilities based on the information of which they were aware and have made provisions and adjustments as they considered appropriate in the preparation of the financial statements.

## 2. 編製基準 (續)

### (ii) 可查察之賬簿及記錄 (續)

除上文所述者外，有關本集團之營業額、銷售成本、若干開支及相關稅項之賬簿及記錄亦不完整，而且儘管董事按彼等所知認為已根據可查察之賬簿及記錄而為所有負債作出應計費用及撥備，惟彼等並不確定是否已記錄所有負債。

所有在任之董事乃於二零零零年十二月獲委任，僅陳振康先生乃於二零零零年十月獲委任，以及余偉文先生於二零零一年四月獲委任。賬目乃根據本公司及其附屬公司所存置之賬簿及記錄而編製。然而，有鑒於本集團上述之內部監控變動，現任董事對本集團於二零零零年四月一日至二零零零年十二月三十一日止期間之賬簿及記錄之完整性不發表任何聲明，儘管彼等已慎重製備有關賬目以減少不完整記錄所產生之影響。董事對由二零零零年四月一日至二零零零年十二月三十一日期間以本公司及其附屬公司名義訂立並已列入賬目之所有交易不發表任何聲明。儘管如此，董事於評估本集團資產及負債時已採取彼等認為實際可行之步驟，並根據彼等所知悉之資料以釐定該等資產及負債，以及作出彼等認為適當之撥備及調整，以製備有關賬目。





### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

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

#### Basis of consolidation

The consolidated financial statements include the audited financial statements of the Company and its subsidiaries for the year ended 31 March 2001. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

#### Subsidiaries

A subsidiary is a company in which the Company, directly or indirectly, controls more than half of its voting power or issued share capital, or controls the composition of its board of directors.

Interests in subsidiaries are stated at cost unless, in the opinion of the directors, there have been diminutions in values other than those considered to be temporary in nature, when they are written down to values determined by the directors.

### 3. 重要會計政策概要

#### 編製基準

本財務報告乃按照香港會計實務準則、香港公認會計原則及香港公司條例之披露規定而編製。附於下文敘述之若干固定資產定期重估外，本財務報告是以歷史成本作為編製基準。

#### 綜合基準

綜合財務報告包括本公司及其附屬公司截至二零零一年三月三十一日止年度之經審核財務報告。本年度內收購或售出之附屬公司業績已經依其收購生效日期或截至售出生效日期綜合計算。所有集團內公司間之重大交易及結餘於合併賬目時已經抵銷。

#### 附屬公司

附屬公司指本公司直接或間接控制逾半數投票權或已發行股本，或控制董事會組成之公司。

於附屬公司之權益以成本入賬，除非董事認為出現永久性減值（被視為屬暫時性質者除外）則撇減至董事釐定之價值。

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Revenue recognition**

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and
- interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

**Fixed assets and depreciation**

Fixed assets, other than construction in progress, are stated at cost or valuation less accumulated depreciation and impairment. Construction in progress is stated at cost less impairment.

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

**3. 重要會計政策概要 (續)****收入確認**

收入乃於本集團可取得及能夠可靠地計算經濟利益時按下列基準予以確認：

- 來自貨品銷售，附於擁有權之主要風險及回報已轉移至客戶，且本集團並無保留一般視為與擁有權相關之管理權或已售貨品的有效控制權時確認；及
- 利息乃就未償還本金按適用之實際利率以時間比例基準計算。

**固定資產及折舊**

固定資產（在建工程除外）按成本或估值減累積折舊入賬。在建工程以成本值扣除減值入賬。

資產成本包括其購買價及將資產達至運作之狀況及地點以作其計劃之用途而產生之任何直接應佔成本。固定資產開始運作後產生的支出（如維修及保養費用）通常於產生之年度之損益賬中扣除。若可清楚顯示該等費用引致將來使用固定資產時預期帶來之經濟利益增加，該等費用則會被撥作資本，作為該固定資產之額外成本。





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

#### Fixed assets and depreciation (Continued)

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

Depreciation is provided on the straight-line basis to write off the cost or valuation of each asset, less any estimated residual value, over the following estimated useful lives:

Medium term leasehold land 中期租賃土地	–	Over the lease terms 按租約年期
Buildings 樓宇	–	20 years or over the lease terms, whichever is shorter 按20年或租約年期, 取較短者
Leasehold improvements 租賃物業裝修	–	5 years or over the lease terms, whichever is shorter 按5年或租約年期, 取較短者
Moulds, plant and machinery 模具、廠房及機器	–	6 <sup>2</sup> / <sub>3</sub> to 8 years 6 <sup>2</sup> / <sub>3</sub> 至8年
Furniture, fixtures, equipment and motor vehicles 傢俬、裝置、設備及汽車	–	5 years 5年

No depreciation is provided on construction in progress until it is completed and put into use. The gain or loss arising on the disposal or retirement of a fixed asset recognised in the profit and loss account is the difference between the net sales proceeds and the carrying amount of the relevant asset.

### 3. 重要會計政策概要 (續)

#### 固定資產及折舊 (續)

固定資產價值之變動作資產重估儲備變動處理。如以個別資產計算, 儲備不足以彌補減值則不足之數額會自損益賬中扣除。任何其後出現之重估盈餘撥入損益賬內, 數額以之前扣除之減值為限。出售重估資產時, 重估儲備中與先前估值有關之已變現部分撥入保留溢利, 作為儲備變動處理。

折舊乃按每項資產之估計可使用年期以直線法撇銷其成本或估值, 減任何估計剩餘價值計算:

–	Over the lease terms 按租約年期
–	20 years or over the lease terms, whichever is shorter 按20年或租約年期, 取較短者
–	5 years or over the lease terms, whichever is shorter 按5年或租約年期, 取較短者
–	6 <sup>2</sup> / <sub>3</sub> to 8 years 6 <sup>2</sup> / <sub>3</sub> 至8年
–	5 years 5年

在建工程在落成及投入使用前並無作出折舊。於損益賬中所確認因出售或廢棄固定資產而產生之任何損益, 乃出售資產所得之有關款項淨額與有關資產賬面值之差額。

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Credit terms**

Trading terms with customers are largely on credit. Invoices are normally payable within 30 days of issuance, except for certain well-established customers, where the terms are extended to 90 days. Overdue balance are regularly reviewed by senior management.

**Leased assets**

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in fixed assets and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the profit and loss account so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals applicable to such operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

**3. 重要會計政策概要 (續)****信貸期**

與客戶之貿易條款大部分以信貸方式支付。發票一般須於開立後30日內支付，若干關係良好之客戶除外，其信貸期延長至90日。過期之結餘定期由高級管理層審批。

**租賃資產**

除法定業權外，凡將資產之擁有權絕大部分回報及風險撥歸本集團之租約均被列為融資租約處理。於融資租約訂立時，租賃資產成本以租約須付最低租金之折現值撥作資產，連同租賃責任（不包括利息部分）一同入賬，以反映購買及融資活動。按資本化融資租約持有之資產計入固定資產內，並按租約期或估計該等資產可使用年期兩者中之較短者計算折舊。該等租約之融資成本計入損益賬中，從而於租約期內按期產生固定之扣除額。

透過租購合約以融資方式收購之資產作為融資租賃，惟按彼等之估計可用年期折舊。

凡將資產所有權大絕大部分回報及風險留予租賃公司之租約均列為經營租約。該等經營租約之應付租金於租約期內按直線法於損益中扣除。



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

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of manufacturing overheads. Net realisable value is based on estimated selling prices less any further costs expected to be incurred to completion and disposal.

#### Deferred tax

Deferred tax is provided, using the liability method, on all significant timing differences in the recognition of revenue and expenses for tax and for financial reporting purposes, to the extent it is probable that the liability will crystallise in the foreseeable future. A deferred tax asset is not recognised unless its realisation is assured beyond reasonable doubt.

#### Cash equivalents

Cash equivalents represent short term highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from banks repayable within three months from the date of the advance.

### 3. 重要會計政策概要 (續)

#### 存貨

存貨按成本值或可變現淨值兩者中較低者入賬。成本值按先進先出法計算，在製品及製成品之成本包括直接材料、直接工資及按適當比例分配之製造費用。可變現淨值乃根據估計售價減預期達成及出售存貨所需之其他成本計算。

#### 遞延稅項

遞延稅項以負債法，就申報稅務及財務報告而須對收入與支出作出確認時出現之所有重大時差提撥準備，惟有關負債僅以於可見將來可能出現者為限。遞延稅項資產在肯定可以確認時，方可入賬。

#### 現金等值物

現金等值物乃短期高度流動投資，即可隨時轉換為已知款額現金及於購入時距離到期日不足三個月，減必須於借貸日期起三個月內清還之應付銀行貸款。

31 March 2001  
二零零一年三月三十一日**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Foreign currencies**

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

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

**4. TURNOVER AND REVENUE**

Turnover represents the invoiced value of goods sold, net of discounts and returns.

An analysis of turnover and revenue is as follows:

Turnover – Sale of goods	營業額 – 銷售貨物
Interest income	利息收入
Revenue	收入

**3. 重要會計政策概要 (續)****外幣**

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

在綜合海外附屬公司之賬目時，其財務報告按結算日當日匯價折算為港元。所產生之換算差額在滙兌波動儲備中列賬。

**4. 營業額及收入**

營業額指已扣除折扣及退貨之售出貨物發票值。

營業額及收入分析如下：

		<b>2001</b>	2000
		<b>二零零一年</b>	二零零零年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Turnover – Sale of goods	營業額 – 銷售貨物	<b>202,682</b>	290,600
Interest income	利息收入	<b>63</b>	542
Revenue	收入	<b>202,745</b>	291,142



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## 5. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

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

## 5. 經營業務溢利／（虧損）

本集團經營業務溢利／（虧損）經扣除／（計入）以下各項：

		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
Cost of inventories sold	出售存貨成本	209,240	226,428
Depreciation:	折舊：		
Owned fixed assets	自置固定資產	15,583	16,785
Leased fixed assets	租賃固定資產	2,390	1,168
Staff costs (excluding directors' remuneration, note 7)	員工成本 (不包括董事酬金, 附註7)	15,086	20,081
Operating lease rentals in respect of land and buildings	有關土地及樓宇之經營租賃租金	675	1,462
Auditors' remuneration	核數師酬金	1,680	843
Exchange gains, net	滙兌收益淨額	(147)	(497)
Gain on disposal of fixed assets	出售固定資產收益	-	(4)
Other operating expenses:	其他經營費用：		
Provision for bad and doubtful debts	呆壞賬撥備		
Accounts receivable	應收賬目	117,781	-
Other receivables	其他應收賬目	6,734	-
		<u>124,515</u>	<u>-</u>
Provisions for impairment of fixed assets (note 12)	固定資產減值撥備 (附註12)	54,981	-
Provisions against advances to a company	墊款予一間公司之撥備	5,177	-
Provisions against deposits made to certain suppliers	向若干供應商繳付之按金之撥備	4,635	-
Provisions for unrecoverable inventories held by a company	一間公司持有之不可收回存貨撥備	11,791	-
Revaluation deficit on land and buildings	土地及樓宇重估虧絀	3,073	-
Provisions for inventories	存貨之撥備	6,615	-
Provisions for potential claim	潛在索償之撥備	18,000	-
Loss on disposal of fixed assets	出售固定資產虧損	2,231	-
		<u>231,018</u>	<u>-</u>





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## 7. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

The number of directors whose remuneration fell within the bands set out below is as follows:

		2001 二零零一年 Number of directors 董事數目	2000 二零零零年 Number of directors 董事數目
Nil – HK\$1,000,000	零 – 1,000,000港元	12	3
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元	1	1
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 – 2,500,000港元	–	1

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

Of the five highest paid individuals, five (2000: Three) were directors of the Company and their remuneration has been included above. The remuneration of the remaining two highest paid individuals for the year ended 31 March 2000 was as follows:

		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
Basic salaries, housing, other allowances and benefits in kind	基本薪金、房屋、其他津貼及實物利益	–	837

Nil – HK\$1,000,000      零 – 1,000,000港元

## 7. 董事酬金及五位最高薪人士 (續)

在下列酬金組別之董事數目如下：

		2001 二零零一年 Number of directors 董事數目	2000 二零零零年 Number of directors 董事數目
Nil – HK\$1,000,000	零 – 1,000,000港元	12	3
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元	1	1
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 – 2,500,000港元	–	1

年內概無董事放棄或同意放棄任何酬金之安排。

在五位最高薪人士之中，五位（二零零零年：三位）均為本公司董事，彼等之酬金已包括在上表。餘下兩名高薪人士於截至二零零零年三月三十一日止年度之酬金如下：

		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
Basic salaries, housing, other allowances and benefits in kind	基本薪金、房屋、其他津貼及實物利益	–	837

Number of employee 僱員人數	
2001 二零零一年	2000 二零零零年
–	2

31 March 2001  
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During the year, no emoluments were paid by the Group to the directors or any of the five highest paid individuals as an inducement to join, or upon joining, the Group, or as compensation for loss of office.

No value is included in the directors' remuneration in respect of share options granted during the year because, in the absence of a readily available market value for the options on the Company's shares, the directors are unable to arrive at an accurate assessment of the value of the options granted. Details of the options granted to the directors during the year are set out in the section "Directors' rights to acquire shares" in the Report of the Directors.

**8. TAX**

Hong Kong profits tax has not been provided because there were no assessable profits arising in Hong Kong during the year. For the year ended 31 March 2000, Hong Kong profits tax was provided at the rate of 16% on the estimated assessable profits arising in Hong Kong during that year.

**7. 董事酬金及五位最高薪人士 (續)**

年內，本集團概無向董事或任何五名最高薪人士支付任何酬金，作為加盟本集團時之報酬或離職時之補償。

董事酬金並不包括年內授出購股權之價值，此乃由於本公司股份未有購股權之可用市值，故董事未能準確評估授出購股權之價值。年內授予董事之購股權詳情載於董事會報告「董事購買股份之權利」一節。

**8. 稅項**

由於年並無源自香港之應課稅溢利，故並無就香港利得稅撥備。截至二零零零年三月三十一日止年度，香港利得稅乃根據年內源自香港之估計應課稅溢利按16%之稅率提撥準備。

		<b>Group</b> 本集團	
		<b>2001</b> 二零零一年 <b>HK\$'000</b> 千港元	<b>2000</b> 二零零零年 <b>HK\$'000</b> 千港元
Hong Kong	香港		
Current year provision	本年度準備	-	1,791
Overprovision in prior year	以往年度超額準備	(54)	-
Deferred tax (note 21)	遞延稅項 (附註21)	<b>(4,300)</b>	2,300
		<hr/>	<hr/>
Tax charge/(credit) for the year	本年度稅項支出 / (撥回)	<b>(4,354)</b>	4,091



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#### 9. NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net loss from ordinary activities attributable to shareholders dealt with in the financial statements of the Company is HK\$252,403,000 (2000: Profit of HK\$3,556,000).

#### 10. DIVIDEND

The directors do not recommend the payment of any dividend for the year ended 31 March 2001 (2000: Nil).

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

The calculation of basic earnings/(loss) per share is based on the net loss from ordinary activities attributable to shareholders for the year of HK\$279,335,000 (2000 : Profit of HK\$26,195,000) and the weighted average of 2,483,921,285 (2000: 2,212,655,670) ordinary shares in issue during the year, adjusted to reflect the Shares Subdivision (as here in after defind) during the year as detailed in note 23 to the financial statements.

The diluted loss per share for the year has not been presented because any potential ordinary shares of the Group outstanding during the year had anti-dilutive effect on the basic loss per share for the year.

The calculation of diluted earnings per share for the year ended 31 March 2000 was based on the net profit from ordinary activities attributable to shareholders for the year of HK\$26,195,000. The weighted average number of ordinary shares used in the calculation is 2,212,655,670 ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average of 133,658,529 ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options and warrants during the year adjusted to reflect the shares subdivision as further detailed in note 24 to the financial statements.

#### 9. 股東在日常業務上之應佔虧損淨額

於本公司財務報告處理之股東在日常業務上之應佔虧損淨額為252,403,000港元(二零零零年:溢利3,556,000港元)。

#### 10. 股息

董事會不建議派發截至二零零一年三月三十一日止年度之任何股息(二零零零年:無)。

#### 11. 每股盈利 / (虧損)

每股基本盈利 / (虧損) 乃根據本年度之股東在日常業務上之應佔虧損淨額279,335,000港元(二零零零年:溢利26,195,000港元)及經調整以便反映本年內進行之股份拆細(定義見下文,詳情請參閱財務報告附註23)之年內已發行普通股加權平均數2,483,921,285股(二零零零年:2,212,655,670股)計算。

由於本集團於年內任何尚未行使之潛在普通股對年內之每股基本虧損具有反攤薄影響,故並無呈列該年度之每股攤薄虧損。

截至二零零零年三月三十一日止年度之每股攤薄盈利乃根據本年度股東在日常業務上之應佔純利26,195,000港元計算。在計算普通股之加權平均數2,212,655,670股時,乃採用計算每股基本盈利之年內已發行普通股,及假設所有購股權及認股權證已視作於年內無償行使之普通股加權平均數為133,658,529股,並經調整以反映股份拆細,詳情見財務報告附註24。

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## 12. FIXED ASSETS

## 12. 固定資產

## Group

## 本集團

		Medium term leasehold land and buildings 中期租賃 土地及樓宇 HK\$'000 千港元	Leasehold improve- ments 租賃 物業裝修 HK\$'000 千港元	Moulds, plant and machinery 模具、 廠房及機器 HK\$'000 千港元	Furniture, fixtures, equipment and motor vehicles 傢俬、裝置、 及汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost or valuation:	成本或估值:						
At beginning of the year	年初	121,387	28,029	76,699	5,392	29,892	261,399
Additions	增添	-	601	11,923	448	2,396	15,368
Disposals	出售	-	(6,278)	-	(700)	-	(6,978)
Revaluation deficit	重估減值	(26,127)	-	-	-	-	(26,127)
<b>At 31 March 2001</b>	<b>於二零零一年 三月三十一日</b>	<b>95,260</b>	<b>22,352</b>	<b>88,622</b>	<b>5,140</b>	<b>32,288</b>	<b>243,662</b>
Accumulated depreciation and impairment:	累積折舊 及損壞:						
At beginning of the year	年初	-	12,401	41,186	2,864	-	56,451
Provided during the year	年內撥備	4,100	4,710	8,254	909	-	17,973
Provisions for impairment	損壞撥備	16,046	-	6,647	-	32,288	54,981
Disposals	出售	-	(4,136)	-	(309)	-	(4,445)
Reversal of accumulated depreciation upon revaluation	重估後 累積折舊 沖銷	(4,100)	-	-	-	-	(4,100)
<b>At 31 March 2001</b>	<b>於二零零一年 三月三十一日</b>	<b>16,046</b>	<b>12,975</b>	<b>56,087</b>	<b>3,464</b>	<b>32,288</b>	<b>120,860</b>
<b>Net book value:</b>	<b>賬面淨值:</b>						
<b>At 31 March 2001</b>	<b>於二零零一年 三月三十一日</b>	<b>79,214</b>	<b>9,377</b>	<b>32,535</b>	<b>1,676</b>	<b>-</b>	<b>122,802</b>
<b>At 31 March 2000</b>	<b>於二零零零年 三月三十一日</b>	<b>121,387</b>	<b>15,628</b>	<b>35,513</b>	<b>2,528</b>	<b>29,892</b>	<b>204,948</b>
Analysis of cost and valuation:	成本及估值分析:						
At cost	以成本計算	-	22,352	88,622	5,140	32,288	148,402
At valuation	以估值計算	95,260	-	-	-	-	95,260
		95,260	22,352	88,622	5,140	32,288	243,662

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## 12. FIXED ASSETS (Continued)

All the medium term leasehold land and buildings are situated outside Hong Kong. As at 31 March 2000, all the leasehold land and buildings were revalued on a depreciated replacement cost basis by Knight Frank, an independent firm of professional valuers, at approximately HK\$95,260,000.

Had the Group's revalued leasehold land and buildings been stated at cost less accumulated depreciation, they would have been included in the financial statements at approximately HK\$81,517,000 (2000: HK\$84,809,000).

Certain leasehold land and buildings, plant and machinery and equipment were pledged to secure banking facilities granted to the Group as set out in note 18.

As at 31 March 2001, the Group was in the process of obtaining the land use rights certificate for leasehold land amounting to approximately HK\$28,851,000 (2000: HK\$44,503,000).

The net book value of fixed assets held under finance leases included in the above at the balance sheet date was HK\$10,390,000 (2000: HK\$8,235,000). The depreciation charge for the year in respect of such assets amounted to HK\$2,390,000 (2000: HK\$1,168,000).

## 12. 固定資產 (續)

本集團之中期租賃土地及樓宇全部位於香港以外地方。於二零零零年三月三十一日，獨立專業測量師行簡福飴測量行有限公司以折舊重置成本基準，重估所有租賃土地及樓宇，其重估值為約95,260,000港元。

倘本集團經重估之租賃土地及樓宇以成本減累積折舊列賬，在財務報告列載之數額將約為81,517,000港元（二零零零年：84,809,000港元）。

如附註18所載，本集團已將若干租賃土地及樓宇、廠房、機器及設備抵押以取得銀行融資。

於二零零一年三月三十一日，本集團正在就約28,851,000港元（二零零零年：44,503,000港元）之租賃土地申請土地使用權證。

上述於結算日以融資租約持有之固定資產賬面淨值為10,390,000港元（二零零零年：8,235,000港元）。年內有關該等資產之折舊費用為2,390,000港元（二零零零年：1,168,000港元）。

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## 13. INTERESTS IN SUBSIDIARIES

## 13. 於附屬公司之權益

		Company 本公司	
		2001 二零零一年	2000 二零零零年
		HK\$'000 千港元	HK\$'000 千港元
Unlisted shares, at cost	非上市公司股份 (以成本值計)	68,709	68,709
Due from subsidiaries	附屬公司欠款	84,064	67,474
		<b>152,773</b>	136,183
Less: Provisions for diminutions in values	減: 減值撥備	152,773	—
		<b>—</b>	136,183

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

附屬公司欠款為無抵押、免息及須於要求時即時償還。

Particulars of the subsidiaries are as follows:

附屬公司資料如下:

Name 名稱	Place of incorporation/ operations 註冊成立/營運 地點	Nominal value of issued and paid-up share capital 已發行之 繳足股本面值	Percentage of equity attributable to the Company 應佔本公司 股本權益 百分比	Principal activities 主要業務
Hung Cheong Holdings Limited ("HCHL") 雄昌控股有限公司 (「雄昌控股」)	British Virgin Islands 英屬處女群島	Ordinary US\$2,004 普通股 2,004美元	100%	Investment holding 投資控股
Hung Cheong Toys International Limited 雄昌玩具國際 有限公司	Hong Kong 香港	Ordinary HK\$1,000 Non-voting deferred HK\$200,000* 普通股 1,000港元 無投票權 遞延股份 200,000港元*	100%	Trading of toy products 買賣玩具產品





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## 13. INTERESTS IN SUBSIDIARIES (Continued)

## 13. 於附屬公司之權益 (續)

Name 名稱	Place of incorporation/ operations 註冊成立／營運 地點	Nominal value of issued and paid-up share capital 已發行之 繳足股本面值	Percentage of equity attributable to the Company 應佔本公司 股本權益 百分比	Principal activities 主要業務
Hung Cheong Toys Factory Limited 雄昌玩具廠有限公司	British Virgin Islands/ PRC 英屬處女群島／ 中國	Ordinary US\$4 普通股 4美元	100%	Sub-contracting of manufacture of toy products 分包製造玩具產品
Huang Chiang Chen Hung Cheong Plastics Factory Company Limited 黃江鎮雄昌塑膠廠 有限公司	Hong Kong 香港	Ordinary HK\$1,000 Non-voting deferred HK\$10,000* 普通股 1,000港元 無投票權 遞延股份 10,000港元*	100%	Property holding 物業持有
Hung Cheong Toys Trading Limited 雄昌玩具貿易有限公司	British Virgin Islands/ Hong Kong 英屬處女群島／ 香港	Ordinary US\$4 普通股 4美元	100%	Dormant 暫無業務
Hung Cheong Toys Manufacturing Limited 雄昌玩具製品有限公司	British Virgin Islands/ Hong Kong 英屬處女群島／ 香港	Ordinary US\$4 普通股 4美元	100%	Dormant 暫無業務
Sunstar Nominees Limited 新達代理人有限公司	Hong Kong 香港	Ordinary HK\$100 普通股 100港元	100%	Dormant 暫無業務
Asian Ocean Limited 奧新有限公司	Hong Kong 香港	Ordinary HK\$2 普通股 2港元	100%	Dormant 暫無業務

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## 13. INTERESTS IN SUBSIDIARIES (Continued)

## 13. 於附屬公司之權益 (續)

Name 名稱	Place of incorporation/ operations 註冊成立／營運 地點	Nominal value of issued and paid-up share capital 已發行之 繳足股本面值	Percentage of equity attributable to the Company 應佔本公司 股本權益 百分比	Principal activities 主要業務
Sino New Finance Limited	British Virgin Islands/ Hong Kong 英屬處女群島／ 香港	Ordinary US\$1 普通股 1美元	100%	Dormant 暫無業務
Chiu Fung Toys Trading Limited 潮豐玩具貿易有限公司	Hong Kong 香港	Ordinary HK\$100 普通股 100港元	100%	Dormant 暫無業務
Gainful International Investment Limited 興豐國際投資有限公司	Hong Kong 香港	Ordinary HK\$100 普通股 100港元	100%	Dormant 暫無業務
Hung Cheong Technology Limited	British Virgin Islands Hong Kong 英屬處女群島／ 香港	Ordinary US\$1,000 普通股 1,000美元	100%	Dormant 暫無業務

Except for HCHL, all the above subsidiaries are indirectly held by the Company.

除雄昌控股外，上述所有附屬公司均由本公司間接持有。

\* The non-voting deferred shares carry no rights to dividends other than a fixed non-cumulative dividend at the rate of 5% per annum on the excess of the net profits over HK\$1,000,000,000,000 that the company may determine to distribute in respect of any financial year. On a winding-up, the holders of the non-voting deferred shares are entitled, out of the surplus assets of the company, to a return of the capital paid up on the non-voting deferred shares held by them respectively, after a total sum of HK\$1,000,000,000,000 has been distributed in such a winding-up in respect of each of the ordinary shares of the company. Save as described above, the holders of the non-voting deferred shares are not entitled to any participation in the profits or surplus assets of the company and shall not be entitled to receive notice of or to attend or vote at any general meeting of the company.

\* 無投票權遞延股份之持有人，有權收取公司於任何財政年度，按其釐定之5%年率可能決定派發超出純利1,000,000,000,000港元之數額之固定非累積股息。除此之外，無投票權遞延股份持有人無權收取股息。清盤時，無投票權遞延股份持有人有權於公司每股普通股獲分派合共1,000,000,000,000港元後，根據彼等各自持有之無投票權遞延股份，自公司之剩餘資產中獲償還已繳資本。除上述權益外，無投票權遞延股份持有人無權分享溢利或持有公司之盈餘資產；同時亦無權收取公司之股東大會通告，或出席該等大會並在會上投票。

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## 14. INVENTORIES

## 14. 存貨

		Group 本集團	
		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
Raw materials	原料	6,195	9,885
Work in progress	在製品	1,374	2,276
Finished goods	製成品	4,000	12,470
		<b>11,569</b>	24,631

As at 31 March 2001, inventories stated at net realisable value included in the above were approximately HK\$892,000 (2000: Nil).

於二零零一年三月三十一日，上述以可變現淨值入賬之存貨總額約892,000港元（二零零零年：無）。

## 15. ACCOUNTS RECEIVABLE

## 15. 應收賬款

		Group 本集團	
		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
The ages of the accounts receivable are analysed as follows:	應收賬款之賬齡分析如下：		
Outstanding balances with ages:	尚未收取餘額之賬齡：		
Within 30 days	30日內	3,010	23,672
Between 31 to 60 days	31至60日內	154	17,797
Between 61 to 90 days	61至90日內	71	18,720
Between 91 to 180 days	91至180日內	48,923	27,104
Over 180 days	超過180日	69,730	8,590
		<b>121,888</b>	95,883
Less: Provision for bad and doubtful debts	減：呆壞賬撥備	(117,781)	—
		<b>4,107</b>	95,883

The Group has a defined credit policy with credit terms ranged from 30 days to 90 days.

本集團就賬齡由三十至九十日之貸款已設有特定之貸款政策。



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## 18. BANKING FACILITIES

As at 31 March 2001, the Group's banking facilities were secured by the following:

- (i) certain leasehold land and buildings in the PRC with an aggregate carrying value of approximately HK\$40,724,000 (2000: HK\$76,884,000);
- (ii) certain plant and machinery and equipment with an aggregate carrying value of approximately HK\$1,326,000 (2000: NIL);
- (iii) corporate guarantees executed by the Company and its subsidiary; and
- (iv) personal guarantees of approximately HK\$31,167,000 from Mr. Chan Chun Hung and Ms. Wong Kin Ching, former directors of the Company.

As further disclosed in note 28 to the financial statements, as at the date of the report, writs of summon were issued by certain banks in respect of overdue borrowings.

## 18. 銀行融資

於二零零一年三月三十一日，本集團之銀行融資以下列各項作為抵押：

- (i) 賬面值總額約40,724,000港元（二零零零年：76,884,000港元）之若干中國租賃土地及樓宇；
- (ii) 賬面總額約1,326,000港元（二零零零年：無）之若干廠房、機器及設備；
- (iii) 本公司及其附屬公司作出之公司擔保；及
- (iv) 由本公司前董事陳振洪先生及黃見貞女士作出31,167,000港元之個人擔保。

如財務報告附註28進一步披露，於本報告日期，若干銀行就逾期借貸發出傳訊令狀。





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## 21. DEFERRED TAX

## 21. 遞延稅項

		Group 本集團	
		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
At beginning of year	年初	4,300	2,000
Charge/(credit) for the year (note 8)	本年度扣除／(計入) (附註8)	<b>(4,300)</b>	2,300
At end of year	於年終	-	4,300

The provision for deferred tax is made in respect of accelerated depreciation allowances to the extent that a liability is expected to crystallise.

遞延稅項準備乃在預期出現負債之情況下就加速折舊免稅額作出。

There are no significant potential deferred tax liabilities for which provision has not been made.

並無任何並未作出準備之重大潛在遞延稅務負債。

The revaluation of the Group's leasehold land and buildings does not constitute a timing difference and, consequently, the amount of potential deferred tax thereon has not been quantified.

本集團租賃土地及樓宇之重估並不構成時差，因此並未計算有關之潛在遞延稅項之金額。

Deferred tax has not been provided for the Company because the Company did not have any significant timing differences at the balance sheet date.

由於本公司於結算日並無任何重大時差，故本公司並無作出遞延稅項準備。

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## 22. CONVERTIBLE NOTE

On 30 October 2000, the Company entered into a conditional subscription agreement (the "Agreement") with Join Asia Enterprises Limited ("Join Asia"). Join Asia is an independent third party not connected with the Group. Pursuant to the Agreement, the Company issued a HK\$3 million convertible note (the "Convertible Note") to Join Asia. The Convertible Note was issued at 100% of its principal amount and bears interest at the rate of 5% per annum payable on 16 November 2002 (the "Maturity Date").

Pursuant to the Agreement, Join Asia has the right to convert the whole or any part of the principal amount of the Convertible Note into fully paid ordinary shares of HK\$0.01 each of the Company at a conversion price of HK\$0.015 per share (the "Conversion Price") at anytime before the Maturity Date. A total of 200,000,000 shares will be issued, representing approximately 8.05% and 7.45% of the existing and enlarged issued share capital of the Company, respectively. If not converted by the Maturity Date, the Company will repay such principal monies outstanding under the Convertible Note to Join Asia together with all interest accrued thereon up to and including the Maturity Date.

## 22. 可換股票據

於二零零零年十月三十日，本公司與興亞企業有限公司（「興亞」）訂立有條件認購協議（「協議」）。興亞乃一獨立第三者，與本集團並無關連。根據協議，本公司發行3,000,000港元之可換股票據（「可換股票據」）予興亞。可換股票據以其十足本金金額發行並以年息5厘計算利息，並須於二零零二年十一月十六日（「到期日」）支付。

根據協議，興亞有權於到期日之前任何時間將可換股票據之全部或任何部分本金金額，按每股0.015港元之兌換價（「兌換價」）轉換為本公司每股面值0.01港元之已繳足普通股。將予發行之股份總數為200,000,000股，分別佔本公司現有及已擴大後之本公司已發行股本約8.05%及約7.45%。倘於到期日未獲轉換，本公司將償還可換股票據未償還之本金金額及截至及包括到期日在內之所有應計利息予興亞。



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## 23. SHARE CAPITAL

## 23. 股本

Shares	股份	Company 本公司	
		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
Authorised:	法定股本:		
10,000,000,000 (2000: 1,000,000,000) ordinary shares of HK\$0.01 (2000: HK\$0.1) each	10,000,000,000股 (二零零零年: 1,000,000,000股) 每股面值0.01港元 (二零零零年: 0.10港元) 之普通股	<b>100,000</b>	100,000
Issued and fully paid:	已發行及繳足股本:		
2,483,936,760 (2000: 248,332,900) ordinary shares of HK\$0.01 (2000: HK\$0.1) each	2,483,936,760股 (二零零零年: 248,332,900股) 每股面值0.01港元 (二零零零年: 0.10港元) 之普通股	<b>24,839</b>	24,833

Details of the movements in the issued share capital of the Company during the year were as follows:

本公司已發行股本於年內之變動詳情如下:

		Notes 附註	HK\$'000 千港元	Number of shares 股份數目
At 1 April 2000	於二零零零年四月一日		24,833	248,332,900
Subdivision	拆細	(a)	-	2,234,996,100
Warrants exercised	已獲行使認股權證	(b)	6	607,760
At 31 March 2001	於二零零一年 三月三十一日		24,839	2,483,936,760

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**23. SHARE CAPITAL (Continued)**

- (a) Pursuant to an ordinary resolution passed on 5 April 2000, each of the Company's issued and unissued ordinary shares on 6 April 2000 of HK\$0.10 each was subdivided into ten ordinary shares HK\$0.01 each ("Subdivided Shares") ("Shares Subdivision"). As a result of such Share Subdivision, the Company's authorised share capital was changed from 1,000,000,000 ordinary shares of HK\$0.10 each to 10,000,000,000 ordinary shares of HK\$0.01 each and the Company's issued ordinary share capital was changed from 248,332,900 ordinary shares of HK\$0.10 each to 2,483,329,000 ordinary shares of HK\$0.01 each.
- (b) During the year, 60,400 shares of HK\$0.10 each and 3,760 Subdivided Shares of HK\$0.01 each were issued for cash at the subscription price of HK\$0.47 per share and HK\$0.05 per Subdivided Share, respectively pursuant to the exercise of the Company's warrants for a total cash consideration, before expenses, of HK\$28,576.

The excess of the proceeds over the par value of the shares issued was credited to the share premium account.

**23. 股本 (續)**

- (a) 根據二零零零年四月五日通過之普通決議案，本公司於二零零零年四月六日之每股已發行及未發行每股面值0.10港元之普通股已拆細為十股每股面值0.01港元之普通股（「拆細股份」）（「股份拆細」）。股份拆細致使本公司之法定股本由每股面值0.10港元之1,000,000,000股普通股變為每股面值0.01港元之10,000,000,000股普通股，此外，本公司之已發行普通股本已由每股面值0.10港元之248,332,900股普通股變為每股面值0.01港元之2,483,329,000股普通股。
- (b) 年內，根據本公司認股權證之行使，已發行60,400股每股面值0.10港元之股份及3,760股每股面值0.01港元之拆細股份，認購價分別為每股0.47港元及每股拆細股份0.05港元，扣除開支前獲得總現金代價28,576港元。

所得款項超逾已發行股份面值之數額已撥入股份溢價賬。



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## 23. SHARE CAPITAL (Continued)

### Share options

On 17 February 1998, under the terms of the Company's share option scheme adopted by the Company conditional upon the listing of the Company's shares on the Stock Exchange, the directors of the Company were authorised, on or before 16 February 2008, at their discretion to invite any employee, including any executive director of the Company or any of its subsidiaries, to take up options to subscribe for shares of the Company. The scheme subscription price is the higher of 80% of the average of the closing price of the shares on the Stock Exchange for the five trading days immediately preceding the date of the offer of the option or the nominal value of the shares. The maximum number of shares in respect of which options may be granted under the share option scheme may not exceed, in nominal amount, 10% of the issued shares of the Company from time to time which have been duly allotted and issued. The scheme became effective upon the listing of the Company's shares on 12 March 1998.

During the year, the number of shares options granted and the exercise price of the options have been adjusted for the effect of the Share Subdivision. Accordingly, the subscription price and the number of shares available for subscription in respect of share option granted on 20 July 1999 were adjusted from HK\$0.46 per share and 7,070,000 shares to HK\$0.046 per Subdivided Share and 70,700,000 Subdivided Shares, respectively. The share options are exercisable at any time from 21 July 1999 to 16 February 2008.

## 23. 股本 (續)

### 購股權

於一九九八年二月十七日，根據本公司於股份在聯交所上市後有條件採納之購股權計劃條款，本公司董事獲授權可於二零零八年二月十六日或之前，酌情邀請任何僱員，包括本公司或其任何附屬公司之任何執行董事，接受購股權以認購本公司股份。該計劃之認購價為授出購股權日期前五個交易日，股份於聯交所平均收市價之80%或股份面值（取兩者較高者）。根據購股權計劃可能授出之購股權所涉及之股份數目，不得超逾本公司當時已正式配發及發行之已發行股份面額之10%。該計劃在本公司股份於一九九八年三月十二日上市時生效。

年內，已就股份拆細之影響而對授出之購股權數目及購股權之行使價格進行調整。因此，有關於一九九九年七月二十日授出之購股權之認購價格及供認購之股份數目已分別由每股股份0.46港元及7,070,000股調整為每股拆細股份0.046港元及70,700,000股拆細股份。購股權可於一九九九年七月二十一日起至二零零八年二月十六日期間內任何時間行使。





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The exercise in full of the Warrants would result in the issue of 352,841,220 ordinary shares of HK\$0.01 each and the receipt by the Company of approximately HK\$17,642,000, before any related expenses.

**24. RESERVES****23. 股本 (續)****認股權證 (續)**

悉數行使該等認股權證將導致發行352,841,220股每股面值0.01港元之普通股份，而未扣除有關開支前本公司所得款項約為17,642,000港元。

**24. 儲備**

		Share premium	Contributed surplus	Asset revaluation reserve	Retained profits/ losses (accumulated)	Total
		股份溢價	繳入盈餘	資產重估儲備	保留溢利/ (累積虧損)	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Group	本集團					
At 1 April 1999	於一九九九年 四月一日	18,385	10	11,130	96,298	125,823
Issue of shares	發行股份	26,674	-	-	-	26,674
Share issue expenses	股份發行費用	(662)	-	-	-	(662)
Net profit for the year	本年度之溢利淨額	-	-	-	26,195	26,195
Revaluation surplus	重估盈餘值	-	-	25,848	-	25,848
At 31 March and 1 April 2000	於二零零零年 三月三十一日及 二零零零年 四月一日	44,397	10	36,978	122,493	203,878
Issue of shares	發行股份	22	-	-	-	22
Share issue expenses	股份發行費用	(22)	-	-	-	(22)
Net loss for year	本年度之虧損淨額	-	-	-	(279,335)	(279,335)
Revaluation deficit	重估減值	-	-	(18,954)	-	(18,954)
At 31 March 2001	於二零零一年 三月三十一日	44,397	10	18,024	(156,842)	(94,411)

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## 24. RESERVES (Continued)

## 24. 儲備 (續)

Company		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Retained profits/ (accumulated losses) 保留溢利/ (累積虧損) HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 April 1999	於一九九九年四月一日	18,385	68,509	4,834	91,728
Issue of shares	發行股份	26,674	-	-	26,674
Share issue expenses	股份發行費用	(662)	-	-	(662)
Net profit for the year	本年度之溢利淨額	-	-	3,556	3,556
At 31 March and 1 April 2000	於二零零零年三月三十一日 及二零零零年四月一日	44,397	68,509	8,390	121,296
Issue of shares	發行股份	22	-	-	22
Share issue expenses	股份發行費用	(22)	-	-	(22)
Net loss for the year	本年度之虧損淨額	-	-	(252,403)	(252,403)
<b>At 31 March 2001</b>	<b>於二零零一年三月三十一日</b>	<b>44,397</b>	<b>68,509</b>	<b>(244,013)</b>	<b>(131,107)</b>

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

本集團之繳入盈餘指根據一九九八年二月十七日進行之集團重組而收購之附屬公司股本之面值，與本公司為交換該等股份而發行之股本面值之差額。

The contributed surplus of the Company represents the excess of the then combined net asset value of the subsidiaries acquired pursuant to the same reorganisation, over the nominal value of the Company's shares issued in exchange therefor. Under the Companies Act 1981 of Bermuda, the contributed surplus of the Company is distributable to shareholders under certain circumstances, which at present the Company is unable to meet.

本公司之繳入盈餘指根據同一項重組而收購之附屬公司當時之合併資產淨值，超逾本公司為交換該等資產而發行之股本面值之數額。根據百慕達一九八一年公司法，本公司之繳入盈餘可於若干情況下分派予股東，而本公司目前未能符合該等情況。

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## 25. NOTES TO CONSOLIDATED CASH FLOW STATEMENT 25. 綜合現金流量表附註

		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
(a)	Reconciliation of profit/(loss) from operating activities to net cash inflow/(outflow) from operating activities		
	Profit/(loss) from operating activities	(269,994)	37,870
	Depreciation	17,973	17,953
	Interest income	(63)	(542)
	Loss/(gain) on disposal of fixed assets	2,231	(4)
	Provision for bad and doubtful debts	124,515	-
	Provisions for inventories	6,615	-
	Provisions against advances to a company	5,177	-
	Provisions against deposits made to certain suppliers	4,635	-
	Provisions for unrecoverable inventories held by a company	11,791	-
	Provisions for impairment of fixed assets	54,981	-
	Revaluation deficit on land and buildings	3,073	-
	Increase in accounts receivable	(26,005)	(26,359)
	Increase in inventories	(5,344)	(2,275)
	Decrease/(increase) in prepayments, deposits and other receivables	(14,662)	3,918
	Increase/(decrease) in trust receipt loans with original maturity greater than three months	(8,290)	4,995
	Increase/(decrease) in accounts payable	(21,391)	24,621
	Increase/(decrease) in other payables and accruals	34,672	(402)
	Net cash inflow/(outflow) from operating activities	<b>(80,086)</b>	59,775

(a) 經營業務溢利／（虧損）與經營業務之現金流入／（流出）淨額對賬表

經營業務溢利／（虧損）

折舊

利息收入

出售固定資產

虧損／（收益）

呆壞賬撥備

存貨撥備

一間公司墊款

撥備

向若干供應商

所繳付之按金撥備

一家公司

所持之不可收

回存貨之撥備

固定資產

耗損撥備

土地及樓宇之

重估虧絀

應收賬款之增加

存貨之增加

預付款項、按金及其他

應收款項之減少／（增加）

原到期日超過三個月

之信託收據貸款

增加／（減少）

應收賬款之增加／

（減少）

其他應付及應計款項

之增加／（減少）

經營業務之現金流入／

（流出）淨額

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## 25. NOTES TO CONSOLIDATED CASH FLOW STATEMENT (Continued)

## 25. 綜合現金流量表附註 (續)

(b) Analysis of changes in financing during the year

(b) 年內融資變動分析

		Share capital and share premium 股本及股份溢價 HK\$'000 千港元	Bank loans 銀行貸款 HK\$'000 千港元	Loan from a director 來自一位董事之貸款 HK\$'000 千港元	Obligations under finance leases 融資租約責任 HK\$'000 千港元	Convertible note 可換股票據 HK\$'000 千港元
At 1 April 1999	於一九九九年四月一日	38,385	28,972	-	3,256	-
Issue of shares	發行股份	31,507	-	-	-	-
Share issue expenses	股份發行費用	(662)	-	-	-	-
Net cash inflow/ (outflow) from financing	因融資而流入/ (流出) 之現金淨額	-	11,471	-	(3,163)	-
Inception of finance leases (note 25(c))	訂立新融資租約 (附註 25(c))	-	-	-	5,126	-
At 31 March and 1 April 2000	於二零零零年三月三十一日及二零零零年四月一日	69,230	40,443	-	5,219	-
Issue of shares	發行股份	28	-	-	-	-
Share issue expenses	股份發行費用	(22)	-	-	-	-
Net cash inflow/ (outflow) from financing	因融資而流入/ (流出) 之現金淨額	-	(1,204)	9,000	(2,139)	3,000
Inception of finance leases (note 25(c))	訂立新融資租約 (附註 25(c))	-	-	-	3,534	-
At 31 March 2001	於二零零一年三月三十一日	69,236	39,239	9,000	6,614	3,000

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## 25. NOTES TO CONSOLIDATED CASH FLOW STATEMENT (Continued)

## (c) Major non-cash transaction

During the year, the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of HK\$3,534,000. (2000: HK\$5,126,000).

## 26. COMMITMENTS

At the balance sheet date, the Group had the following commitments:

## 25. 綜合現金流量表附註 (續)

## (c) 主要非現金交易

於本年度內，本集團就多項資產訂立融資租賃安排。該等資產之總資本值於訂立租約時為3,534,000港元(二零零零年：5,126,000港元)。

## 26. 承擔

於結算日，本集團有以下承擔：

		Group 本集團	
		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
Capital commitments:	資本承擔：		
Authorised, but not contracted for	已批准但未訂約	3,150	3,150
Contracted, but not provided for	已訂約但未撥備	6,251	8,843
		<b>9,401</b>	11,993
Annual commitments payable in the following year under non-cancellable operating leases in respect of land and buildings expiring:	於下列期限屆滿之不可撤銷之土地及樓宇經營租約每年之承擔為：		
Within one year	一年內	345	102
In the second to fifth years, inclusive	第二年至第五年內 (包括首尾兩年)	-	2,693
		<b>345</b>	2,795

The Company did not have any significant commitments at the balance sheet date.

本公司於結算日並無任何重大承擔。

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## 27. CONTINGENT LIABILITIES

## 27. 或然負債

## (i) Potential claim

In December 2000, the Group received a claim from its processing agent for an amount of approximately HK\$18.7 million. Since the documents in support of the aforesaid claim has not been properly approved by the board of the Company, the directors are seeking legal opinion on the said claim. For prudence, the directors have made a provision against the claim as at the balance sheet date.

## (i) 潛在索償

於二零零零年十二月，本集團接獲一項由其代理加工商發出之索償，為數約18,700,000港元。由於支持前述索償之文件尚未經由本公司董事會適當批准，故董事目前正就該項索償尋求法律意見。為謹慎起見，董事已在結算日就此項索償作出撥備。

## (ii) Others

## (ii) 其他

		Group 本集團		Company 本公司	
		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
Bills discounted with recourse	附有追索權之貼現票據	-	320	-	-
Guarantee of credit purchase facilities granted to a subsidiary	授予一間附屬公司之信貸購買融資擔保	-	-	-	3,000
Guarantee of banking facilities granted to a subsidiary	授予一間附屬公司之銀行信貸擔保	-	-	-	66,974
		-	320	-	69,974

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## 28. PENDING LITIGATION

As at the date of this report, writs of summons had been issued by several miscellaneous creditors aggregating approximately HK\$5.6 million and banks aggregating approximately HK\$16.6 million, together with claims for interest thereon in respect of overdue borrowings, rentals, purchases of goods and the provision of services (the "Indebtedness").

The directors are currently negotiating with the parties issuing the writs with a view to restructuring the Group's overall indebtedness. Full provision has been made in the accounts for all the indebtedness, however, no provision has been made for any interest, penalties, damages and legal costs the Group may incur if it is unsuccessful either in defending the writs, or in persuading the issuers to withdraw such pursuant to a debt restructuring.

On 12 May 2001 and 23 May 2001, winding-up petitions were filed by Sin Hua Bank Limited, Hong Kong Branch ("Sin Hua") against Hung Cheong Toys International Limited ("Hung Cheong"), a principal operating subsidiary within the Group and the Company, respectively. The hearing of the petition against Hung Cheong in the High Court of the Hong Kong Special Administrative Region was adjourned to 1 August 2001 while the hearing of the petition against the Company was adjourned to 22 August 2001.

## 29. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on 26 July 2001.

## 28. 仍未了結之訴訟

於本報告發表之日期，數位債權人及銀行分別已就有關約5,600,000港元及約16,600,000港元之索償總額及有關過期負債、租金、購買貨品及提供服務之利息而發出傳訊令狀。

董事目前正與發出令狀之各方磋商，以期重組本集團之整體債務。本集團已就所有關債務在賬目中作出撥備，然而，本集團並未就倘本集團成功抗辯該等令狀或根據一項債務重組而說服發出令狀各方撤回該等令狀而可能發生之任何利息、罰金、損害賠償以及法律費用作出撥備。

新華銀行有限公司香港分行（「新華」）分別於二零零一年五月十二日及二零零一年五月二十三日就本集團之主要經營附屬公司雄昌玩具國際有限公司（「雄昌」）及本公司提交兩項清盤呈請。有關雄昌之聆訊已押後至二零零一年八月一日在香港特別行政區高等法院舉行，而有關本公司之聆訊已押後至二零零一年八月二十二日。

## 29. 批准財務報告

董事會於二零零一年七月二十六日批准本財務報告。