

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2003

### 1. ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The unaudited condensed consolidated interim financial statements are prepared in accordance with the Hong Kong Statement of Standard Accounting Practice ("SSAP") No. 25 "Interim Financial Reporting" issued by the Hong Kong Society of 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 used in the preparation of these condensed consolidated financial statements are the same as those used in the audited financial statements for the year ended 31 March 2003, except that the revised SSAP 12 "Income Taxes" ("SSAP 12 (Revised)") has been adopted for the first time in the preparation of the current period's condensed consolidated interim financial statements.

The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. In previous years, partial provision was made for deferred tax using the income statement liability method, i.e. a liability was recognised in respect of timing differences arising, except where those timing differences were not expected to reverse in the foreseeable future. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, with limited exceptions. In the absence of any specific transitional requirements in SSAP 12 (Revised), the new accounting policy has been applied retrospectively. Comparative amounts have been restated accordingly. The opening accumulated losses for the period and the deferred tax liability balance have been reduced by HK\$836,000.

## 簡明綜合財務報表附註

截至二零零三年九月三十日止六個月

### 1. 會計政策及呈列基準

該等未經審核之簡明綜合中期財務報表乃根據香港會計師公會頒佈之香港會計實務準則(「會計實務準則」)第25項「中期財務報告」及載於香港聯合交易所有限公司證券上市規則(「上市規則」)附錄16之規定而編製。編製該等簡明綜合財務報表所採用之會計政策及編制基準與本公司編製截至二零零三年三月三十一日止年度之經審核財務報表所沿用者相同，惟本公司首次採納經修訂會計實務準則第12項「所得稅」(「會計實務準則第12項(經修訂)」)，以編製本期間之簡明綜合中期財務報表。

實施會計實務準則第12項(經修訂)之主要影響乃與遞延稅項有關。於過往年度，遞延稅項乃按收益表負債法作出部份撥備(即負債乃就所產生之時差而確認，惟預期不會在可見未來轉回之時差則不會計算在內)。會計實務準則第12項(經修訂)規定採納資產負債表負債法，據此，除少數例外情況外，遞延稅項乃就財務報表上之資產及負債賬面值與其相應用以計算應課稅溢利之稅基金額兩者間之暫時性差異予以確認。由於會計實務準則第12項(經修訂)並無訂明任何過渡性規定，新會計政策已作出追溯調整，而比較金額亦已相應地重新呈列。期初之累計虧損及遞延稅項負債結餘已減少836,000港元。


**2. SEGMENT INFORMATION**

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

**(a) Business segments**

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

**2. 分類資料**

分類資料以兩種分類方式呈列：(i)以業務分類為其主要呈報方式；及(ii)以地區分類作為次要呈報方式。

**(a) 業務分類**

下表呈列本集團按業務分類之收入及溢利／(虧損)。

截至二零零三年九月三十日止六個月(未經審核)  
**Six months ended 30 September 2003 (Unaudited)**

|  |               | 企業及其他               |                 |                         | 綜合              |
|--|---------------|---------------------|-----------------|-------------------------|-----------------|
|  |               | 學行車<br>Toddler cars | 腳踏車<br>Cycling  | Corporate and<br>others | Consolidated    |
|  |               | 千港元<br>HK\$'000     | 千港元<br>HK\$'000 | 千港元<br>HK\$'000         | 千港元<br>HK\$'000 |
| Segment revenue:   | 分類收入：         |                     |                 |                         |                 |
| Sales to external customers                                    | 外來客戶之銷售       | 5,771               | 4,230           | 1,861                   | 11,862          |
| Other revenue and gains  | 其他收入及收益       | 76                  | 55              | 24                      | 155             |
| <b>Total</b>   | <b>總額</b>     | <b>5,847</b>        | <b>4,285</b>    | <b>1,885</b>            | <b>12,017</b>   |
| <b>Segment results</b>   | <b>分類業績</b>   | <b>(2,982)</b>      | <b>(1,931)</b>  | <b>(1,563)</b>          | <b>(6,476)</b>  |
| Interest income and unallocated revenue and gains              | 利息收入及未分配收入及收益 |                     |                 |                         | 586             |
| Unallocated expenses   | 未分配開支         |                     |                 |                         | (6,212)         |
| Loss from operating activities                                 | 經營業務虧損        |                     |                 |                         | (12,102)        |
| Finance costs  | 融資成本          |                     |                 |                         | (3,295)         |
| Loss before tax  | 除稅前虧損         |                     |                 |                         | (15,397)        |
| Tax  | 稅項            |                     |                 |                         | -               |
| Net loss from ordinary activities attributable to shareholders | 股東應佔日常業務虧損淨額  |                     |                 |                         | (15,397)        |

## 2. SEGMENT INFORMATION (continued)

## (a) Business segments (continued)

## 2. 分類資料 (續)

## (a) 業務分類 (續)

截至二零零二年九月三十日止六個月 (未經審核)

Six months ended 30 September 2002 (Unaudited)

|  |                    | 企業及其他               |                 |                         | 綜合              |
|--|--------------------|---------------------|-----------------|-------------------------|-----------------|
|  |                    | 學行車<br>Toddler cars | 腳踏車<br>Cycling  | Corporate and<br>others | Consolidated    |
|  |                    | 千港元<br>HK\$'000     | 千港元<br>HK\$'000 | 千港元<br>HK\$'000         | 千港元<br>HK\$'000 |
| Segment revenue:   | 分類收入：              |                     |                 |                         |                 |
| Sales to external customers  | 外來客戶之銷售            | 10,029              | 7,297           | 5,621                   | 22,947          |
| Other revenue and gains  | 其他收入及收益            | 287                 | 201             | 188                     | 676             |
| <b>Total</b>   | <b>總額</b>          | <b>10,316</b>       | <b>7,498</b>    | <b>5,809</b>            | <b>23,623</b>   |
| <b>Segment results</b>   | <b>分類業績</b>        | <b>(4,418)</b>      | <b>(2,887)</b>  | <b>(3,551)</b>          | <b>(10,856)</b> |
| Interest income and unallocated revenue and gains                    | 利息收入及未分配收入及收益      |                     |                 |                         | 159             |
| Unallocated income from waiver of debts due to bankers and creditors | 豁免結欠銀行及債權人債務之未分配收入 |                     |                 |                         | 77,051          |
| Unallocated expenses   | 未分配開支              |                     |                 |                         | (2,761)         |
| Profit from operating activities                                     | 經營業務溢利             |                     |                 |                         | 63,593          |
| Finance costs  | 融資成本               |                     |                 |                         | (2,841)         |
| Profit before tax  | 除稅前溢利              |                     |                 |                         | 60,752          |
| Tax  | 稅項                 |                     |                 |                         | -               |
| Net profit from ordinary activities attributable to shareholders     | 股東應佔日常業務溢利淨額       |                     |                 |                         | 60,752          |


**2. SEGMENT INFORMATION (continued)**
**(b) Geographical segments**

The following tables present revenue and results regarding the Group's geographical segments.

**2. 分類資料 (續)**
**(b) 地區分類**

下表呈列本集團按地區分類之收入及業績。

截至二零零三年九月三十日止六個月 (未經審核)  
 Six months ended 30 September 2003 (Unaudited)

|                             | 北美洲<br>North America | 歐洲<br>Europe    | 中南美洲<br>Central and<br>South America | 亞太區<br>(包括香港及<br>中國大陸)<br>Asia Pacific<br>region<br>(including<br>Hong Kong<br>and Mainland) | 中東及<br>其他地區<br>Middle East<br>and other<br>regions | 綜合<br>Consolidated |
|-----------------------------|----------------------|-----------------|--------------------------------------|--|--|--------------------|
|                             | 千港元<br>HK\$'000      | 千港元<br>HK\$'000 | 千港元<br>HK\$'000                      | 千港元<br>HK\$'000  | 千港元<br>HK\$'000                                    | 千港元<br>HK\$'000    |
| Segment revenue:            |                      |                 |                                      |  |  |                    |
| Sales to external customers | 2,004                | 3,957           | 2,962                                | 2,478  | 461  | 11,862             |
| Other revenue and gains     | 27                   | 52              | 38                                   | 32   | 6  | 155                |
|                             | 2,031                | 4,009           | 3,000                                | 2,510  | 467  | 12,017             |
| Segment results             | (1,286)              | (2,144)         | (1,577)                              | (1,233)  | (236)  | (6,476)            |

截至二零零二年九月三十日止六個月 (未經審核)  
 Six months ended 30 September 2002 (Unaudited)

|                             | 北美洲<br>North America | 歐洲<br>Europe    | 中南美洲<br>Central and<br>South America | 亞太區<br>(包括香港及<br>中國大陸)<br>Asia Pacific<br>region<br>(including<br>Hong Kong<br>and Mainland) | 中東及<br>其他地區<br>Middle East<br>and other<br>regions | 綜合<br>Consolidated |
|-----------------------------|----------------------|-----------------|--------------------------------------|--|--|--------------------|
|                             | 千港元<br>HK\$'000      | 千港元<br>HK\$'000 | 千港元<br>HK\$'000                      | 千港元<br>HK\$'000  | 千港元<br>HK\$'000                                    | 千港元<br>HK\$'000    |
| Segment revenue:            |                      |                 |                                      |  |  |                    |
| Sales to external customers | 4,493                | 5,991           | 5,719                                | 5,083  | 1,661  | 22,947             |
| Other revenue and gains     | 132                  | 192             | 172                                  | 133  | 47   | 676                |
|                             | 4,625                | 6,183           | 5,891                                | 5,216  | 1,708  | 23,623             |
| Segment results             | (2,102)              | (3,449)         | (2,865)                              | (1,729)  | (711)  | (10,856)           |

**3. TURNOVER**

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

**4. PROFIT/(LOSS) FROM OPERATING ACTIVITIES**

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

**3. 營業額**

營業額指已扣除退貨及貿易折扣之售出貨物發票值淨值。

**4. 經營業務溢利／(虧損)**

本集團截至本期間之經營業務溢利／(虧損)經已扣除／(計入)以下各項：

截至九月三十日止六個月

Six months ended

30 September

|   |                   | 二 零 零 三 年<br>2003<br>(未經審核)<br>(Unaudited)<br>千港元<br>HK\$'000 | 二 零 零 二 年<br>2002<br>(未經審核)<br>(Unaudited)<br>千港元<br>HK\$'000 |
|---|-------------------|---|---|
| Depreciation                                    | 折舊                | 5,257   | 7,486   |
| Staff costs                                     | 員工成本              | 5,143   | 6,554   |
| Waiver of debts due to<br>bankers and creditors | 豁免結欠銀行及<br>債權人之債務 | -   | (77,051)  |

**5. TAX**

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

No provision for deferred tax has been made as the Group did not have any significant unprovided deferred tax liabilities in respect of the period (Six months ended 30 September 2002: Nil).

**6. DIVIDEND**

The directors do not recommend the payment of any interim dividend for the six months ended 30 September 2003 (2002: Nil).

**5. 稅項**

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

由於本集團於本期間並無任何重大未撥備遞延稅項負債，故並無就遞延稅項作出撥備(截至二零零二年九月三十日止六個月：無)。

**6. 股息**

董事建議不派發截至二零零三年九月三十日止六個月之任何中期股息(二零零二年：無)。



**7. EARNINGS/(LOSS) PER SHARE**

The calculation of basic loss per share is based on the unaudited consolidated net loss from ordinary activities attributable to shareholders for the six months ended 30 September 2003 of HK\$15,397,000 (2002: net profit of HK\$60,752,000) and the weighted average of 335,812,912 (2002 (restated): 230,996,772) ordinary shares of the Company in issue during the period. The comparative number of shares used for the calculation of basic loss per share has also been adjusted to reflect the share consolidation on 30 December 2002 and the open offer on 24 September 2003 (note 13(b)).

Diluted loss per share for the six months ended 30 September 2003 has not been disclosed, as the potential ordinary shares outstanding during the period had an anti-dilutive effect on the basic loss per share for that period.

The calculation of diluted earnings per share for the six months ended 30 September 2002 is based on the adjusted net profit of HK\$60,958,000 (after adjusted for the interest expenses of approximately HK\$206,000 saved if all convertible bonds and note were converted to the Company's shares at their issuing dates) and the weighted average number of 260,483,211 ordinary shares in issue (restated) (after adjusted for the share consolidation on 30 December 2002 and the open offer on 24 September 2003 (note 13(b))).

**8. FIXED ASSETS**

Certain medium term leasehold land and buildings, plant and machinery and equipment, with an aggregate carrying value of HK\$44,603,000 (31 March 2003: HK\$45,400,000) were pledged to secure bank borrowings advanced to the Group.

**9. ACCOUNTS RECEIVABLE**

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

**7. 每股盈利／(虧損)**

每股基本虧損乃根據截至二零零三年九月三十日止六個月之股東應佔日常業務之未經審核綜合虧損淨額15,397,000港元(二零零二年：溢利淨額60,752,000港元)及期間內本公司已發行普通股加權平均股數335,812,912股(二零零二年(重列)：230,996,772股)計算。用以計算每股基本虧損之股份比較數字亦已作出調整，以反映於二零零二年十二月三十日之股份合併及於二零零三年九月二十四日之公開發售(附註13(b))。

由於截至二零零三年九月三十日止六個月之潛在尚未發行之普通股對該期間之每股基本虧損具有反攤薄影響，故並無披露該期間之每股攤薄虧損。

截至二零零二年九月三十日止六個月之每股攤薄盈利乃根據經調整溢利淨額60,958,000港元(已根據假設於發行可換股債券及票據之日所有可換股債券及票據已兌換為本公司股份後，所能節省之利息開支金額約達206,000港元作出調整)，以及已發行普通股之加權平均股數260,483,211股(重列，已因應二零零二年十二月三十日之股份合併及於二零零三年九月二十四日之公開發售(附註13(b))作出調整)計算。

**8. 固定資產**

本集團已將若干中期租賃土地及樓宇、廠房、機器及設備之賬面值總額44,603,000港元(二零零三年三月三十一日：45,400,000港元)抵押，以取得借予本集團之銀行借款。

**9. 應收賬款**

除新客戶一般須要預付款項外，本集團與其客戶之貿易條款以信貸為主，信貸期一般為期一個月，而主要客戶則可延長至三個月。每名客戶均設有最高信貸限額。高級管理層會定期檢討逾期結餘。

9. ACCOUNTS RECEIVABLE (continued)

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

|                        |         | 二零零三年<br>九月三十日<br>30 September<br>2003<br>(未經審核)<br>(Unaudited)<br>千港元<br>HK\$'000 | 二零零三年<br>三月三十一日<br>31 March<br>2003<br>(經審核)<br>(Audited)<br>千港元<br>HK\$'000 |
|------------------------|---------|--|--|
| Within 30 days         | 30日內    | 2,510  | 1,018  |
| Between 31 to 60 days  | 31至60日  | 626  | 106  |
| Between 61 to 90 days  | 61至90日  | 6  | 1  |
| Between 91 to 180 days | 91至180日 | —  | 436  |
| Over 180 days          | 超過180日  | 387  | 15   |
|                        |         | <b>3,529</b>   | <b>1,576</b>   |

9. 應收賬款(續)

於結算日，按發票日期及減除撥備後之應收賬款賬齡分析如下：

10. ACCOUNTS PAYABLE

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

|                        |         | 二零零三年<br>九月三十日<br>30 September<br>2003<br>(未經審核)<br>(Unaudited)<br>千港元<br>HK\$'000 | 二零零三年<br>三月三十一日<br>31 March<br>2003<br>(經審核)<br>(Audited)<br>千港元<br>HK\$'000 |
|------------------------|---------|--|--|
| Within 30 days         | 30日內    | 1,130  | 336  |
| Between 31 to 60 days  | 31至60日  | 819  | 404  |
| Between 61 to 90 days  | 61至90日  | 543  | 247  |
| Between 91 to 180 days | 91至180日 | 88   | 206  |
| Over 180 days          | 超過180日  | 10,078   | 11,444   |
|                        |         | <b>12,658</b>  | <b>12,637</b>  |

10. 應付賬款

於結算日，按發票日期之應付賬款賬齡分析如下：

**11. LOANS FROM A SHAREHOLDER**

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

**12. CONVERTIBLE BONDS AND NOTE**

Pursuant to the bank compromise agreement entered into between the Group, the Group’s bankers in Hong Kong (the “Bank Group”) and other interested parties on 1 February 2002, 5% convertible bonds in aggregate sum of HK\$6,500,000 were issued to the Bank Group on 16 May 2002 as part of the settlement to release and discharge the Group from all of its obligations and liabilities in respect of its bank borrowings advanced by the Bank Group (including principal and interest) outstanding as at the completion of the bank compromise agreement. The 5% convertible bonds are repayable by three equal installments on each anniversary of the issue of the convertible bonds. The first instalment was settled by the Company on 16 May 2003. Pursuant to the convertible bond instruments, the convertible bonds were convertible into the Company’s ordinary share of HK\$0.01 at a conversion price of HK\$0.01 per share (subject to adjustment), which is adjusted to HK\$0.2432 per share as result of a share consolidation implemented by the Company on 30 December 2002 and an open offer completed on 24 September 2003 (note 13(b)).

Pursuant to a compromise agreement entered into between the Group and an entity owned by the local government in Mainland China (the “PRC Entity”) on 27 March 2002, a 3% convertible note in principal amount of HK\$16,000,000 were issued to the PRC Entity on 30 July 2002 as partial settlement of debts owed by the Group. The 3% convertible note is repayable on the second anniversary of its issuance. Pursuant to the convertible note instruments, the convertible note was convertible into the Company’s ordinary share of HK\$0.01 at a conversion price of HK\$0.01 per share (subject to adjustment), which is adjusted to HK\$0.2432 per share as result of a share consolidation implemented by the Company on 30 December 2002 and an open offer completed on 24 September 2003 (note 13(b)).

**11. 一位股東提供之貸款**

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

**12. 可換股債券及票據**

根據本集團、本集團於香港之銀行(「銀團」)及其他利益相關人士於二零零二年二月一日訂立之銀行妥協協議，本集團於二零零二年五月十六日向銀團發行總額為6,500,000港元之5厘可換股債券，作為結算銀團於銀行妥協協議完成時解除及註銷本集團於其由銀團墊付而未償還銀行借貸(包括本金額及利息)之責任及負債之部份代價。該等5厘可換股債券可於可換股債券每個發行週年之日平均分三期償還。首期已由本公司於二零零三年五月十六日償還。根據可換股債券之規定，可換股債券可按每股0.01港元(可予調整)之兌換價兌換為本公司面值0.01港元之普通股，因本公司於二零零二年十二月三十日進行股份合併及於二零零三年九月二十四日完成公開發售(附註13(b))，該兌換價現已調整為每股0.2432港元。

根據本集團與一間由中國當地政府擁有之企業(「中國企業」)於二零零二年三月二十七日訂立之妥協協議，本集團於二零零二年七月三十日向中國企業發行本金額為16,000,000港元之3厘可換股票據，作為結算本集團所欠債務之部份代價。該3厘可換股票據可於發行後第二年償還。根據可換股票據之規定，可換股票據可按每股0.01港元(可予調整)之兌換價兌換為本公司面值0.01港元之普通股，因本公司於二零零二年十二月三十日進行股份合併及於二零零三年九月二十四日完成公開發售(附註13(b))，該兌換價現已調整為每股0.2432港元。



13. SHARE CAPITAL

13. 股本

|  |  | 二零零三年<br>九月三十日<br>30 September<br>2003<br>(未經審核)<br>(Unaudited)<br>千港元<br>HK\$'000 | 二零零三年<br>三月三十一日<br>31 March<br>2003<br>(經審核)<br>(Audited)<br>千港元<br>HK\$'000 |
|--|--|--|--|
| Authorised:  | 法定股本：  |  |  |
| 10,000,000,000 (31 March<br>2003: 1,500,000,000) ordinary<br>shares of HK\$0.01 each | 10,000,000,000股每股<br>面值0.01港元之普通股份<br>(二零零三年三月三十一日：<br>1,500,000,000股) | 100,000  | 15,000   |
| Issued and fully paid:   | 已發行及繳足股本：  |  |  |
| 1,102,720,190 (31 March<br>2003: 215,525,638) ordinary<br>shares of HK\$0.01 each    | 1,102,720,190股每股<br>面值0.01港元之普通股份<br>(二零零三年三月三十一日：<br>215,525,638股)    | 11,027   | 2,155  |

During the period under review, the following changes in share capital were recorded:

於回顧期內，本公司股本變動如下：

- (a) Pursuant to an ordinary resolution passed at a special general meeting held on 3 September 2003, the authorized share capital of the Company was increased from HK\$15,000,000 to HK\$100,000,000 by creation of additional 8,500,000,000 ordinary shares of HK\$0.01 each;
- (b) On 23 September 2003, an open offer on the basis of four offer shares for every share held by the shareholders whose names appeared on the register of members of the Company on 29 August 2003 became effective and resulted in the issue of 862,102,552 ordinary shares of HK\$0.01 each at an offer price of HK\$0.06 each on 24 September 2003. The Company received net cash proceeds of approximately HK\$50,200,000; and

- (a) 根據於二零零三年九月三日舉行之股東特別大會上通過之普通決議案，本公司之法定股本藉額外增加每股面值0.01港元之8,500,000,000股普通股，由15,000,000港元增至100,000,000港元；
- (b) 於二零零三年九月二十三日，按二零零三年八月二十九日名列本公司股東登記冊之股東每持有一股股份可獲配發四股發售股份之基準提呈之公開發售已經生效，致使本公司於二零零三年九月二十四日按每股0.06港元之發售價發行862,102,552股每股面值0.01港元之普通股。本公司就此收取之現金所得款項淨額約為50,200,000港元；及


**13. SHARE CAPITAL (continued)**

- (c) On 26 September 2003, pursuant to a subscription agreement entered into between the Company and two executive directors dated 28 July 2003, a total of 25,092,000 ordinary shares of HK\$0.01 each were issued to the executive directors at a subscription price of HK\$0.0796 per share (note 18(e)).

**14. RESERVES**

|   |                            | 股份溢價<br>Share premium<br>(未經審核)<br>(Unaudited)<br>千港元<br>HK\$'000 | 固定資產<br>重估儲備<br>Fixed asset revaluation reserve<br>(未經審核)<br>(Unaudited)<br>千港元<br>HK\$'000 | 累計虧損<br>Accumulated losses<br>(未經審核)<br>(Unaudited)<br>千港元<br>HK\$'000 | 總額<br>Total<br>(未經審核)<br>(Unaudited)<br>千港元<br>HK\$'000 |
|---|----------------------------|---|---|--|---|
| At 1 April 2003                               | 於二零零三年四月一日                 |   |   |  |   |
| - as originally stated                        | - 原列                       | -   | 18,442  | (31,611)   | (13,169)  |
| - adjustment on adoption of SSAP 12 (Revised) | - 因採納會計實務準則第12項(經修訂)而作出之調整 | -   | -   | 836  | 836   |
| - as restated                                 | - 重列                       | -   | 18,442  | (30,775)   | (12,333)  |
| Issue of shares                               | 發行股份                       | 44,851  | -   | -  | 44,851  |
| Share issue expenses                          | 股份發行費用                     | (1,548)   | -   | -  | (1,548)   |
| Net loss for the period                       | 本期間虧損淨額                    | -   | -   | (15,397)   | (15,397)  |
| At 30 September 2003                          | 於二零零三年九月三十日                | 43,303  | 18,442  | (46,172)   | 15,573  |

**13. 股本(續)**

- (c) 於二零零三年九月二十六日，根據本公司與兩位執行董事於二零零三年七月二十八日訂立之認購協議，彼等以每股0.0796港元之認購價獲發行合共25,092,000股每股面值0.01港元之普通股(附註18(e))。

**14. 儲備**

### 15. OPERATING LEASE ARRANGEMENTS

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

|  |                    | 二零零三年<br>九月三十日<br>30 September<br>2003<br>(未經審核)<br>(Unaudited)<br>千港元<br>HK\$'000 | 二零零三年<br>三月三十一日<br>31 March<br>2003<br>(經審核)<br>(Audited)<br>千港元<br>HK\$'000 |
|--|--------------------|--|--|
| Within one year                            | 一年內                | 151  | 248  |
| In the second to fifth years,<br>inclusive | 第二至第五年<br>(包括首尾兩年) | 328  | —  |
|  |                    | 479  | 248  |

In addition, pursuant to various sale and purchase agreements (the "S&P Agreements") entered into between the Group and an unrelated party in Mainland China during the years 1998 and 1999, the Group acquired certain leasehold land (the "Land") in Mainland China, with a carrying value of HK\$28,710,000 as at 30 September 2003. Pursuant to the S&P Agreements, the Group is required to pay annual fees of HK\$118,000 in respect of the Land commencing from the year 2008 up to the year 2048 with a 20% increment for every five years.

### 16. PENDING LITIGATIONS

As at the date of this report, writs of summonses had been issued by certain creditors aggregating to approximately HK\$2,601,000, together with claims for interest thereon in respect of purchases of goods and the provision of services, among which, claims of approximately HK\$1,961,000 are made against a subsidiary which had been dormant. In the opinion of the directors, adequate provisions have been made by the Group in respect of these claims in the Group's condensed consolidated financial statements as at 30 September 2003.

### 15. 經營租約安排

於結算日，本集團就不可撤銷經營租約，將於下列年期內應付之日後最低租金款項總額如下：

|  | 二零零三年<br>九月三十日<br>30 September<br>2003<br>(未經審核)<br>(Unaudited)<br>千港元<br>HK\$'000 | 二零零三年<br>三月三十一日<br>31 March<br>2003<br>(經審核)<br>(Audited)<br>千港元<br>HK\$'000 |
|--|--|--|
| Within one year                            | 151  | 248  |
| In the second to fifth years,<br>inclusive | 328  | —  |
|  | 479  | 248  |

此外，根據本集團於一九九八年及一九九九年期間與中國一名無關連人士訂立之多項買賣協議（「買賣協議」），本集團於中國收購若干租賃土地（「該土地」），於二零零三年九月三十日，其賬面值為28,710,000港元。根據買賣協議，由二零零八年開始直至二零四八年為止，本集團須就該土地支付年費118,000港元，並須每五年增加20%。

### 16. 仍未了結之訴訟

於本報告刊發日期，若干債權人就購貨及提供服務向本集團發出傳訊令狀，所涉及之款額約共2,601,000港元，另加就此應計之利息。在上述令狀之中，約1,961,000港元乃向本集團一間已暫停營業之附屬公司索償。董事認為，本集團已於截至二零零三年九月三十日之簡明綜合財務報表內就此等索償作出足夠撥備。



#### 17. MAJOR NON-CASH TRANSACTIONS

(a) During the period, Speed Up Developments Limited, an independent loan provider to the Company, has assigned its entire interest in other loans of HK\$20,400,000 together with the accrued interest (the Assigned Loans") to Vision Century. On 2 July 2003, Vision Century granted a working capital facility amounting to HK\$50,000,000 (the "Working Capital Facility") to the Company. On 14 July 2003, Vision Century advanced HK\$43,377,540 to the Company under the Working Capital Facility to surrogate the total amount due from the Company as at that date, which covered the Assigned Loans, the loan balance of HK\$12,000,000 due to it as at 31 March 2003, additional loans of HK\$8,000,000 granted to the Company for the period from 1 April 2003 to that date and the accrued interest thereon.

(b) Pursuant to a subscription agreement entered into between the Company and two executive directors of the Company dated 28 July 2003, the Company issued 25,092,000 ordinary shares of HK\$0.01 each in respect of the full and final settlement of all outstanding balances owed by the Company to the executive directors (*note 18(e)*). The issue of shares by the Company did not result in any cash flow.

#### 18. RELATED PARTY TRANSACTIONS

(a) The Company entered into an agreement with Vision Century on 2 July 2003 in respect of granting the Company a working capital facility up to the principal sum of HK\$50,000,000 (*note 11*).

#### 17. 主要非現金交易

(a) 期內，本公司一獨立貸款提供者 Speed Up Developments Limited 已將欠付之 20,400,000 港元其他貸款連同應計利息（「轉讓貸款」）之全部權益轉讓予 Vision Century。於二零零三年七月二日，Vision Century 授予本公司 50,000,000 港元之營運資金融資（「營運資金融資」）。於二零零三年七月十四日，Vision Century 根據營運資金融資向本公司墊付 43,377,540 港元，以替本公司償還於該日之債務，當中包括轉讓貸款、於二零零三年三月三十一日欠付 Vision Century 之貸款餘額 12,000,000 港元、本公司於二零零三年四月一日至該日期間獲授額外貸款 8,000,000 港元及其應計利息。

(b) 根據本公司與本公司二位執行董事於二零零三年七月二十八日訂立之認購協議，本公司發行 25,092,000 股每股面值 0.01 港元之普通股，以全數及最終償還本公司欠付彼等之所有尚未償還結餘款項（*附註 18(e)*）。是次發行股份並無產生任何現金流量。

#### 18. 有關連人士交易

(a) 本公司與 Vision Century 於二零零三年七月二日訂立一份協議，據此，Vision Century 授予本公司本金額最高達 50,000,000 港元之營運資金融資（*附註 11*）。

## 18. RELATED PARTY TRANSACTIONS (continued)

(b) On 14 July 2003, Vision Century advanced HK\$43,377,540 to the Company to surrogate the total amount due from the Company as at that date (note 17(a)). Subsequent to that date, Vision Century advanced additional loans of HK\$6,000,000 to the Company. The loans are unsecured, bear interest at the rate of 3% per annum above the prime rate quoted from time to time by The Hongkong and Shanghai Banking Corporation Limited. During the period, the Company drew down the working capital facility up to the maximum amount of HK\$49,377,540. At the balance sheet date, the total amount due from the Company to Vision Century (including principal and interest) was HK\$14,161,502.

(c) Huang Worldwide Holding Limited, the immediate holding company of Vision Century, had undertaken to the Company, during the period from 14 July 2003 to 31 October 2004, (a) to provide continuing financial support to the Group so as to enable the Group to continue its day-to-day business operations as a viable going concern notwithstanding any present or further financial difficulties experienced by the Group; and (b) not to demand the Group to repay the whole or any amounts to be made available to the Group unless the Group has excess working capital for its normal operational requirements.

## 18. 有關連人士交易(續)

(b) 於二零零三年七月十四日，Vision Century向本公司墊付43,377,540港元，以替本公司償還於該日之債務(附註17(a))。於該日後，Vision Century向本公司墊付6,000,000港元之額外貸款。該等貸款為無抵押，並以香港上海滙豐銀行有限公司不時報價之最優惠利率加3厘計息。期內，本公司曾提取營運資金融資之最高金額為49,377,540港元。於結算日，本公司欠付Vision Century之款額(包括本金額及利息)合共為14,161,502港元。

(c) Vision Century之直接控股公司Huang Worldwide Holding Limited已向本公司承諾，於二零零三年七月十四日至二零零四年十月三十一日期間，(a)將繼續給予本集團財政支援，以便本集團在面對任何現時或日後之財務困難時，仍可繼續其日常運作猶如可行之持續基準；及(b)不會要求本集團償還其向本集團提供之全部款項或其中任何部份，除非本集團之營運資金在撥付日常運作需求後仍有盈餘。

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

- (d) The Company entered into an underwriting agreement with Vision Century and other party on 15 July 2003 in respect of underwriting of 625,676,760 ordinary shares by Vision Century under an open offer with assured allotment of four offer shares for every share of HK\$0.01 each in the Company. The open offer completed on 23 September 2003 and resulted in the issuance of 625,676,760 ordinary shares to Vision Century.
- (e) On 28 July 2003, the Company entered into a subscription agreement with Mr. Lo Ming Chi, Charles, the chairman and executive director of the Company ("Mr. Lo") and Mr. Yu Wai Man, an executive director of the Company ("Mr. Yu") whereby Mr. Lo and Mr. Yu agreed to subscribe for 25,092,000 ordinary shares of HK\$0.01 each at a subscription price of HK\$0.0796 per share for an aggregate amount of HK\$1,997,323 in respect of the full and final settlement of all outstanding balances as at 31 March 2003 owed by the Company to Mr. Lo and Mr. Yu in the aggregate amount of approximately HK\$1,997,774. Since both of Mr. Lo and Mr. Yu are connected persons of the Company as defined under Rule 14.26 of the Listing Rules, the subscriptions by Mr. Lo and Mr. Yu are considered as related party transactions as defined under SSAP 20 and connected transactions as prescribed in the Listing Rules. These connected transactions were approved by the Company's shareholders on a special general meeting held on 3 September 2003. The subscriptions became unconditional on 23 September 2003 and were completed on 26 September 2003. Upon the completion of the subscription agreement, the Company allotted 18,068,000 ordinary shares and 7,024,000 ordinary shares to Mr. Lo and Mr. Yu respectively.

**18. 有關連人士交易 (續)**

- (d) 本公司與Vision Century及其他人士於二零零三年七月十五日訂立包銷協議，內容有關Vision Century根據一項保證按每持有一股每股面值0.01港元之本公司股份獲配發四股發售股份之公開發售包銷625,676,760股普通股。公開發售已於二零零三年九月二十三日完成，據此，Vision Century獲發行625,676,760股普通股。
- (e) 於二零零三年七月二十八日，本公司與其主席兼執行董事勞明智先生(「勞先生」)及其執行董事余偉文先生(「余先生」)訂立認購協議。據此，勞先生及余先生同意按每股股份0.0796港元之認購價認購25,092,000股每股面值0.01港元之普通股，合共達1,997,323港元，作為本公司全數及最終償還於二零零三年三月三十一日所欠勞先生及余先生之所有尚未償還結餘款項，有關款項之總額約為1,997,774港元。由於根據上市規則第14.26條之定義，勞先生及余先生均為本公司之關連人士，故勞先生及余先生進行之認購事項被視為會計實務準則第20項所界定之有關連人士交易，並為上市規則訂明之關連交易。該等關連交易已獲本公司股東於二零零三年九月三日舉行之股東特別大會上批准。認購事項已於二零零三年九月二十三日成為無條件，並於二零零三年九月二十六日完成。於認購協議完成後，本公司已分別配發18,068,000股普通股及7,024,000股普通股予勞先生及余先生。

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

The directors (including the independent non-executive directors) of the Company, are of the opinion that the terms of the subscription agreement are fair and reasonable and were agreed based on arm's length negotiation.

**19. POST BALANCE SHEET EVENTS**

Subsequent to the balance sheet date, the Group set up a new company in Hong Kong trading as "Gadgets Yard" with an independent third party on 18 December 2003. The new company is mainly engaged in the sales and marketing of toys business as well as the development of other related businesses. The Group owns 51% equity interest in the new company and the independent third party holds the rest. To regulate the participation by each party in the new company for the purpose of assuring an orderly and harmonious relationship between the parties and to promote the successful operation and management of the new company, the Group and the independent third party entered into a shareholders' agreement on 20 December 2003.

**20. COMPARATIVE AMOUNTS**

As further explained in note 1, due to the adoption of SSAP 12 (Revised), the accounting treatment and presentation of certain items and balances in the unaudited condensed consolidated interim financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been restated to conform with the current period's presentation.

**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 24 December 2003.

**18. 有關連人士交易 (續)**

本公司董事 (包括獨立非執行董事) 認為，認購協議之條款乃屬公平合理，並按公平原則磋商議定。

**19. 結算日後事項**

於結算日後，本集團於二零零三年十二月十八日與一名獨立第三方在香港成立一間新公司，並以「源製」名稱經營。新公司之主要業務為玩具業務之銷售及市場推廣，以及開發其他相關業務。本集團擁有新公司之51%股本權益，而其餘股本權益則由該獨立第三方持有。本集團與獨立第三方於二零零三年十二月二十日訂立一項股東協議，藉以協調有關各方參與新公司之運作，從而確保各方能夠保持和諧有序之關係，同時協助新公司順利運作及管理。

**20. 比較數字**

誠如附註1所詳述，因採納會計實務準則第12項(經修訂)，此未經審核簡明綜合中期財務報表內若干項目及結餘之會計處理及呈列方式已作出修訂，藉以符合新規定。因此，若干比較數字已予以重列以符合本期間之呈列方式。

**21. 批准中期財務報表**

董事會已於二零零三年十二月二十四日批准及授權發行此未經審核簡明綜合中期財務報表。