

NOTES TO CONDENSED FINANCIAL STATEMENTS

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 the disclosure requirements set out in 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 interim financial statements are the same as those used in the latest annual audited financial statements for the year ended 31 March 2002, except that the following new and revised SSAPs have been adopted for the first time in the preparation of the current period’s condensed consolidated interim financial statements.

- SSAP 1 (Revised) : “Presentation of Financial Statements”
- SSAP 11 (Revised): “Foreign Currency Translation”
- SSAP 15 (Revised): “Cash Flow Statements”
- SSAP 25 (Revised): “Interim Financial Reporting”
- SSAP 33 : “Discontinuing Operations”
- SSAP 34 : “Employee Benefits”

A summary of the major effects of these SSAPs are as follows:

SSAP 1 (Revised) prescribes the basis for the presentation of financial statements and sets out guidelines for their structure and minimum requirements for the contents thereof. The main revision to this SSAP is to change the requirements from presenting a statement of recognised gains and losses to a statement of changes in equity. The unaudited condensed consolidated statement of changes in equity for the current interim period and the comparative amounts have been presented in accordance with the revised SSAP.

簡明財務報告附註

1. 會計政策及呈列基準

未經審核簡明綜合中期財務報告乃根據由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號「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之披露規定而編製。編製此等中期財務報告所採納之會計政策及編製基準與最近刊發之截至二零零二年三月三十一日止年度之經審核財務報告所採納者相符，惟在編製本期間之簡明綜合中期財務報告時首次採納以下之新增及經修訂之會計實務準則除外。

- 會計實務準則 : 「財務報告之
第1號（經修訂） 呈列方式」
- 會計實務準則 : 「外幣換算」
第11號（經修訂）
- 會計實務準則 : 「現金流量表」
第15號（經修訂）
- 會計實務準則 : 「中期財務
第25號（經修訂） 報告」
- 會計實務準則 : 「終止經營
第33號 業務」
- 會計實務準則 : 「僱員福利」
第34號

此等會計實務準則之主要影響概要如下：

會計實務準則第1號（經修訂）訂明財務報告之編製基準，並載有財務報告之結構及基本所需內容之詳情。此會計實務準則之主要修訂為更改呈列要求，由呈列已確認盈虧結算表改為呈列股東權益變動報表。截至本中期期間之未經審核簡明綜合股本變動報表及比較款額乃按照此經修訂之會計實務準則而呈列。

1. ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

SSAP 11 (Revised) prescribes the basis for the translation of foreign currency transactions and financial statements. The principal impact of this revised SSAP is that the profit and loss account of subsidiaries operating in Mainland China and overseas are translated at an average rate for the period on consolidation, rather than translated at the applicable rates of exchange ruling at the balance sheet date as was previously required. This SSAP is required to be applied retrospectively. This SSAP has had no major impact on these condensed consolidated financial statements.

SSAP 15 (Revised) prescribes the provision of information about the historical changes in cash and cash equivalents by means of a cash flow statement which classifies cash flows during the period into operating, investing and financing activities. The unaudited condensed consolidated cash flow statement for the current interim period and the comparative amounts have been presented in accordance with the revised SSAP.

SSAP 25 (Revised) prescribes the presentation and disclosures following changes in SSAP 1 (Revised) and SSAP 15 (Revised). The condensed consolidated financial statements for the period and the comparative amounts have been prepared in accordance with these revised SSAPs.

SSAP 33 prescribes the basis for reporting information about discontinuing/discontinued operations. This SSAP has had no major impact on these condensed consolidated financial statements.

SSAP 34 prescribes the accounting treatment and disclosures for employee benefits. This SSAP has had no major impact on these condensed consolidated financial statements.

1. 會計政策及編製基準 (續)

會計實務準則第11號(經修訂)訂明外幣交易及財務報告之換算基準。此經修訂之會計實務準則之主要影響為，於中國大陸及海外經營之附屬公司之損益賬，於綜合時乃按該期間之平均匯率換算，而非按照先前之規定以於結算日當時適用之匯率換算。此會計實務準則須追溯性地應用。此會計實務準則對此等簡明綜合財務報告並無重大影響。

會計實務準則第15號(經修訂)訂明透過在本期間內，提供關於現金及現金等值物之歷史常規改變之資料(該現金流量表將現金流量分類為經營業務、投資及融資活動)。截至本中期間之未經審核簡明綜合現金流量表及比較款額乃按照此經修訂之會計實務準則而呈列。

會計實務準則第25號(經修訂)訂明在會計實務準則第1號(經修訂)及會計實務準則第15號(經修訂)出現變動後之呈列方式及披露規定。截至本期間之簡明綜合財務報告及比較款額乃根據此等經修訂之會計實務準則而編製。

會計實務準則第33號訂明有關報告終止/已終止經營業務之報告基準。此會計實務準則對此等簡明綜合財務報告並無重大影響。

會計實務準則第34號訂明僱員福利之會計處理方式及披露規定。此會計實務準則對此等簡明綜合財務報告並無重大影響。

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.

		截至二零零二年九月三十日止六個月 Six months ended 30 September 2002			
		學行車 Toddler cars (未經審核) (Unaudited) 港幣千元 HK\$'000	腳踏車 Cycling (未經審核) (Unaudited) 港幣千元 HK\$'000	企業及其他 Corporate and others (未經審核) (Unaudited) 港幣千元 HK\$'000	綜合 Consolidated (未經審核) (Unaudited) 港幣千元 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
Total	總額	10,316	7,498	5,809	23,623
Segment results	分類業績	(4,418)	(2,887)	(3,551)	(10,856)
Interest income and unallocated revenue and gains	利息收益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. 分類資料

分類資料以兩種分類方式呈列：(i)以業務分類為主要分類報告基準；及(ii)以地區分類為次要分類報告基準。

(a) 業務分類

下表呈列本集團按業務分類劃分之收入及溢利／(虧損)。

2. SEGMENT INFORMATION (continued)

2. 分類資料 (續)

(a) Business segments (continued)

(a) 業務分類 (續)

截至二零零一年九月三十日止六個月

Six months ended 30 September 2001

		學行車 Toddler cars (未經審核) (Unaudited) 港幣千元 HK\$'000	腳踏車 Cycling (未經審核) (Unaudited) 港幣千元 HK\$'000	企業及其他 Corporate and others (未經審核) (Unaudited) 港幣千元 HK\$'000	綜合 Consolidated (未經審核) (Unaudited) 港幣千元 HK\$'000
Segment revenue:	分類收入：				
Sales to external customers	外來客戶之銷售	9,211	9,326	10,471	29,008
Other revenue and gains	其他收入及收益	354	357	405	1,116
Total	總額	9,565	9,683	10,876	30,124
Segment results	分類業績	(3,323)	(4,808)	(5,238)	(13,369)
Interest income and unallocated revenue and gains	利息收益及未分配收入及收益				78
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				-
Unallocated expenses	未分配開支				(5,128)
Loss from operating activities	經營業務虧損				(18,419)
Finance costs	融資成本				(6,660)
Loss before tax	除稅前虧損				(25,079)
Tax	稅項				-
Net loss from ordinary activities attributable to shareholders	股東應佔日常業務虧損淨額				(25,079)

2. SEGMENT INFORMATION (continued)

(b) Geographical segments

The following tables present revenue and loss for 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劃分之收入及虧損。

		截至二零零二年九月三十日止六個月 Six months ended 30 September 2002					
		北美洲 North America (未經審核) (Unaudited) 千港元 HK\$'000	歐洲 Europe (未經審核) (Unaudited) 千港元 HK\$'000	中南美洲 Central and South America (未經審核) (Unaudited) 千港元 HK\$'000	亞太區(包括香港及中國) Asia Pacific region (including Hong Kong and the PRC) (未經審核) (Unaudited) 千港元 HK\$'000	中東及其他地區 Middle East and other regions (未經審核) (Unaudited) 千港元 HK\$'000	綜合 Consolidated (未經審核) (Unaudited) 千港元 HK\$'000
Segment revenue:	分類收入:						
Sales to external customers	外來客戶之銷售	4,493	5,991	5,719	5,083	1,661	22,947
Other revenue and gains	其他收入及收益	132	192	172	133	47	676
		4,625	6,183	5,891	5,216	1,708	23,623
Segment results	分類業績	(2,102)	(3,449)	(2,865)	(1,729)	(711)	(10,856)

		截至二零零一年九月三十日止六個月 Six months ended 30 September 2001					
		北美洲 North America (未經審核) (Unaudited) 千港元 HK\$'000	歐洲 Europe (未經審核) (Unaudited) 千港元 HK\$'000	中南美洲 Central and South America (未經審核) (Unaudited) 千港元 HK\$'000	亞太區(包括香港及中國) Asia Pacific region (including Hong Kong and the PRC) (未經審核) (Unaudited) 千港元 HK\$'000	中東及其他地區 Middle East and other regions (未經審核) (Unaudited) 千港元 HK\$'000	綜合 Consolidated (未經審核) (Unaudited) 千港元 HK\$'000
Segment revenue:	分類收入:						
Sales to external customers	外來客戶之銷售	6,442	8,267	9,017	3,782	1,500	29,008
Other revenue and gains	其他收入及收益	247	319	349	144	57	1,116
		6,689	8,586	9,366	3,926	1,557	30,124
Segment results	分類業績	(4,215)	(3,135)	(3,888)	(1,513)	(618)	(13,369)

3. TURNOVER

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

4. WAIVER OF DEBTS DUE TO BANKERS AND CREDITORS

As further explained in note 3(a) of the "Basis of Presentation" to the Company's latest annual audited financial statements for the year ended 31 March 2002, pursuant to various compromise agreements entered into between the Group and (i) the bankers of the Group in Hong Kong (the "Bank Group"); (ii) a Mainland PRC entity and (iii) a number of creditors of the Group, debts aggregated to approximately HK\$81,567,000 (before deducting the related restructuring expenses of approximately HK\$4,516,000) were waived by the above-mentioned creditors, resulting in the net income from the waiver of debts amounting to approximately HK\$77,051,000.

5. 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

營業額指已扣除退款及貿易折扣之售出貨物發票值淨額。

4. 豁免結欠銀行及債權人之債務

誠如本公司截至二零零二年三月三十一日止年度之最近年度經審核財務報告附註3(a)之「呈列基準」所詳述，根據本集團與(i)本集團於香港之往來銀行（「銀行集團」）；(ii)一中國大陸企業及(iii)本集團多位債權人訂立之多份債務安排協議，合共約81,567,000港元（在扣減有關重組費用約4,516,000港元前）之債務已獲上述債權人豁免，致使豁免債務之淨額收入達77,051,000港元。

5. 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

二零零二年 二零零一年

2002 2001

(未經審核) (未經審核)

(Unaudited) (Unaudited)

千港元 千港元

HK\$'000 HK\$'000

Depreciation	折舊	7,486	7,538
Provision for bad and doubtful debts	呆壞賬撥備	—	255
Provision for potential claim	潛在索償之撥備	—	2,019
Staff costs	員工成本	6,554	7,048
Waiver of debts due to bankers and creditors	豁免結欠銀行及債權人之債務	(77,051)	—

6. 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 (2001: Nil).

7. DIVIDENDS

The Board does not recommend to pay any interim dividend in respect of the six months ended 30 September 2002 (2001: Nil).

8. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the unaudited consolidated net profit from ordinary activities attributable to shareholders for the six months ended 30 September 2002 of HK\$60,752,000 (2001: net loss of HK\$25,079,000) and the weighted average of 8,145,675,656 (2001: 2,627,240,803) ordinary shares of the Company in issue during the period. The weighted average number of ordinary shares of the Company in issue during these two periods had been adjusted for the offer shares of 4,025,905,140 issued at HK\$0.01 each on 3 June 2002, on the basis of three offer shares for every two shares held by the shareholders (the "Open Offer"). The Open Offer became unconditional on 29 May 2002.

6. 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，其他地區之應課稅溢利乃按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延遞稅項負債，故並無就延遞稅項作出撥備（二零零一年：無）。

7. 股息

董事會建議不派發截至二零零二年九月三十日止六個月之任何中期股息（二零零一年：無）。

8. 每股盈利／（虧損）

每股基本盈利／（虧損）乃根據截至二零零二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溢利淨額60,752,000港元（二零零一年：虧損淨額25,079,000港元）及期間內本公司已發行普通股加權平均股數8,145,675,656股（二零零一年：2,627,240,803股）計算。於這兩段期間內本公司已發行普通股之加權平均股數已作調整，藉以反映於二零零二年六月三日以股東持有每兩股股份獲發三股發售股份之基準而發行之4,025,905,140股每股面值0.01港元之普通股股份（「公開發售」）。公開發售於二零零二年五月二十九日成為無條件。

8. EARNINGS/(LOSS) PER SHARE (continued)

The calculation of diluted earnings per share is based on the adjusted net profit from ordinary activities attributable to shareholders for the period of HK\$60,958,000 (after adjusting for the interest expenses of the convertible notes saved for the period if all convertible notes were converted to the Company's shares at their issuing dates, which amounts to approximately HK\$206,000) and weighted average number of 9,185,460,601 ordinary shares in issue. The weighted average number of ordinary shares used in the calculation of diluted earning per share is the weighted average number of ordinary shares in issue during the period, as used in the basic earnings per share calculation; and the weighted average of 1,039,784,945 ordinary shares assumed to have been issued at HK\$0.01 on the conversion of all convertible notes outstanding during the period.

A diluted loss per share amount for the period ended 30 September 2001 has not been disclosed as the potential ordinary shares outstanding during that period had an anti-dilutive effect on the basic loss per share for that period.

9. FIXED ASSETS

Certain medium term leasehold land and buildings and plant and machinery and equipment, with an aggregate carrying value of HK\$46,903,000 (31 March 2002: HK\$47,500,000) and HK\$Nil (31 March 2002: HK\$884,000) respectively, were pledged to secure bank borrowings advanced to the Group.

8. 每股盈利／(虧損) (續)

每股攤薄盈利乃根據本期間內經調整之股東應佔日常業務溢利淨額60,958,000港元(已根據假設於發行可換股票據之日所有可換股票據已兌換為本公司股份後，於本期間可換股票據所能節省之利息開支金額約達206,000港元作出調整)，及已發行普通股之加權平均股數9,185,460,601股計算。在計算每股攤薄盈利時所採用之普通股加權平均股數乃期間內已發行普通股加權平均股數(此乃用作計算每股基本盈利之股數)，及普通股之加權平均股數1,039,784,945股(假設此等普通股因全部尚未兌換之可換股票據在期間內被兌換及按每股0.01港元之價格發行)計算。

由於在截至二零零一年九月三十日止期間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。

9. 固定資產

若干中期租賃土地及樓宇與物業、廠房及設備之賬面值總額分別約46,903,000港元(二零零二年三月三十一日：47,500,000港元)及無(二零零二年三月三十一日：884,000港元)已抵押，作為授予本集團銀行借貸之擔保。

10. ACCOUNTS RECEIVABLE

10. 應收賬款

	二零零二年 九月三十日 30 September 2002 (未經審核) (Unaudited) 港幣千元 HK\$'000	二零零二年 三月三十一日 31 March 2002 (經審核) (Audited) 港幣千元 HK\$'000
The ages of the accounts receivable are analysed as follows:		
Outstanding balances with ages:		
Within 30 days	4,245	2,464
Between 31 to 60 days	880	360
Between 61 to 90 days	261	305
Between 91 to 180 days	1,292	1,003
Over 180 days	129	32
	6,807	4,164

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.

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。每名客戶均享有最高信貸限額。高級管理層會定期檢討逾期結餘。

11. ACCOUNTS PAYABLE

11 應付賬款

二零零二年 九月三十日 30 September 2002 (未經審核) (Unaudited) 港幣千元 HK\$'000	二零零二年 三月三十一日 31 March 2002 (經審核) (Audited) 港幣千元 HK\$'000
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The ages of the accounts payable are analysed as follows:

應付賬款之賬齡
分析如下：

Outstanding balances with ages:

具以下賬齡之尚未償還結餘：

Within 30 days	30日內	3,004	1,947
Between 31 to 60 days	31至60日	2,069	834
Between 61 to 90 days	61至90日	1,654	703
Between 91 to 180 days	91至180日	2,031	2,361
Over 180 days	超過180日	15,476	17,882
		24,234	23,727

12. LOANS FROM A DIRECTOR

12. 一位董事提供之貸款

Loans from a director are unsecured and bear interest at the prime lending rate in Hong Kong plus 3% per annum. The director has undertaken that he will not demand the Group to repay partly or wholly of the loans advanced to the Group before 30 June 2003.

來自一位董事之貸款乃無抵押、衍生利息為每年香港最優惠貸款利率加3厘息。該董事已承諾於二零零三年六月三十日之前，彼將不會要求本集團償還給予本集團之部份或全部貸款。

13. CONVERTIBLE NOTES

13. 可換股票據

On 6 May 2002, Join Asia Enterprises Limited ("Join Asia"), the holder of the convertible note with principal amount of HK\$3,000,000, bearing interest at the rate of 5% per annum, converted all its convertible note into 200,000,000 ordinary shares of the Company of HK\$0.01 each, at the conversion price of HK\$0.015 per share.

於二零零二年五月六日，興亞企業有限公司（「興亞」）（該公司為金額達3,000,000港元及附有年利率5厘息之可換股票據之持有人）按每股兌換價0.015港元轉換其全部可換股票據為本公司200,000,000股每股面值0.01港元之普通股股份。

13. CONVERTIBLE NOTES (continued)

Pursuant to the debt compromise agreement entered into between the Group, the Bank Group and other interested parties on 1 February 2002, 5% convertible notes of HK\$6,500,000 were issued to the bankers on 16 May 2002 as part of the settlement of loans due to the Bank Group. The 5% convertible notes are repayable by three equal installments over three years or convertible into the Company's ordinary share of HK\$0.01 at an initial conversion price of HK\$0.01 per share (subject to adjustment).

On 30 July 2002, pursuant to a settlement agreement entered into between the Group and a creditor of the Group on 27 March 2002, a 3% convertible note in principal amount of HK\$16,000,000 was issued to the creditor as partial settlement of debts owing by the Group. The 3% convertible note is repayable in two years or convertible into the Company's ordinary share of HK\$0.01 at an initial conversion price of HK\$0.01 each (subject to adjustment).

14. ISSUED CAPITAL

Authorised:

30,000,000,000
(31 March 2002: 10,000,000,000)
ordinary shares of HK\$0.01 each

法定股本：

30,000,000,000股每股面值0.01港元之
普通股份(二零零二年三月三十一日：
10,000,000,000股)

Issued and fully paid:

10,776,281,900
(31 March 2002: 2,483,936,760)
ordinary shares of HK\$0.01 each

已發行及繳足股本：

10,776,281,900股每股面值0.01港元之
普通股份(二零零二年三月三十一日：
2,483,936,760股)

13. 可換股票據(續)

根據本集團與銀行集團及其他涉及之訂約各方於二零零二年二月一日訂立之債務重組協議，於二零零二年五月十六日，本公司向銀行集團發行總金額6,500,000港元及年利率為5厘息之可換股票據，作為向銀行集團償還結欠之部份貸款。該5厘息可換股票據可按每股初步轉換價0.01港元(可予調整)轉換為本公司每股面值0.01港元之普通股份，或可以三年期限，以每期支付同等數額之方式分三期償還。

於二零零二年七月三十日，根據本集團與本集團一位債權人於二零零二年三月二十七日訂立之還款協議，本公司向該債權人發行年利率為3厘息及總金額為16,000,000港元之可換股票據，作為本集團償還結欠之部份債務。該3厘息可換股票據須於2年內償還，或可按每股初步轉換價0.01港元(可予調整)轉兌為本公司每股面值0.01港元之普通股份。

14. 已發行股本

本公司
Company

二零零二年 九月三十日 30 September 2002 (未經審核) (Unaudited) 港幣千元 HK\$'000	二零零二年 三月三十一日 31 March 2002 (經審核) (Audited) 港幣千元 HK\$'000
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300,000	100,000
<hr/>	
107,763	24,839

14. ISSUED CAPITAL (continued)

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

- (a) On 6 May 2002, 200,000,000 shares of HK\$0.01 each was issued to Join Asia, a holder of convertible note in the principal amount of HK\$3,000,000, upon the full conversion by Join Asia to the shares of the Company at the conversion price of HK\$0.015 per share;
- (b) Pursuant to an ordinary resolution passed at a special general meeting held on 13 May 2002, the authorised share capital of the Company was increased from HK\$100,000,000 to HK\$300,000,000 by the creation of an additional 20,000,000,000 shares of HK\$0.01 each;
- (c) On 16 May 2002, pursuant to a subscription agreement entering into between the Company and Vision Century Group Limited ("Vision Century") dated 1 February 2002, a total of 3,000,000,000 ordinary shares of HK\$0.01 each of the Company was issued to Vision Century at subscription price of HK\$0.01 per share for a total consideration of HK\$30,000,000;
- (d) On 29 May 2002, a share offer on the basis of three offer shares for every two shares held by the shareholders whose names appeared on the register of members of the Company on 13 May 2002, (the "Open Offer") was became effective. A total of 4,025,905,140 shares of HK\$0.01 each, were issued to shareholders on 3 June 2002 at an offer price of HK\$0.01 each. The Open Offer was approved by shareholders in a special general meeting on 13 May 2002;

14. 已發行股本(續)

於回顧期內，本公司股本變動如下：

- (a) 於二零零二年五月六日，於興亞按每股轉換價0.015港元全面轉換為本公司股份後，本公司向興亞(為金額達3,000,000港元之可換股票據持有人)發行每股面值0.01港元之股份200,000,000股；
- (b) 根據於二零零二年五月十三日舉行之股東特別大會上通過之普通決議案，透過額外增設每股面值0.01港元之20,000,000,000股股份，本公司之法定股本由100,000,000港元增加至300,000,000港元；
- (c) 於二零零二年五月十六日，根據本公司與Vision Century Group Limited (「Vision Century」) 於二零零二年二月一日訂立之認購協議，本公司按每股認購價0.01港元向Vision Century發行每股面值0.01港元之股份3,000,000,000股，總代價為30,000,000港元；
- (d) 於二零零二年五月二十九日，本公司按股東(於二零零二年五月十三日名列本公司股東登記冊)每持有兩股股份獲發三股股份之基準而發售股份之事宜正式生效(「公開發售」)。於二零零二年六月三日，本公司按每股發售價0.01港元，向股東發行合共4,025,905,140股每股面值0.01港元之發售股份。公開發售於二零零二年五月十三日於股東特別大會上獲股東批准；

14. ISSUED CAPITAL (continued)

- (e) A total of 956,420,000 shares of HK\$0.01 each was issued to various creditors of the Group on 16 May 2002 and 30 July 2002 at issuing prices ranging from HK\$0.01 to HK\$0.015 per share as partial settlement of debts owing to the creditors, pursuant to various debt compromise agreements entered into between the Group and various creditors of the Group dated 27 March 2002; and
- (f) A total of 110,020,000 shares of each HK\$0.01 was issued to various creditors of the Group on 30 September 2002 at issuing prices ranging from HK\$0.01 to HK\$0.013 per share as partial settlement of debts owing to the creditors, pursuant to various debt compromise agreements entered into between the Group and these creditors dated 25 September 2002.

Subsequent to the balance sheet date, the directors announced on 13 November 2002 the proposal to effect the consolidation of the shares and the reorganization of the capital structure of the Company, details of the proposal has been summarised in note 19 to the interim financial statements.

15. RESERVES

		股份溢價	繳入盈餘	固定資產 重估儲備	累計虧損	總額
		Share premium (未經審核)	Contributed surplus (未經審核)	Fixed asset revaluation reserve (未經審核)	Accumulated losses (未經審核)	Total (未經審核)
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		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
At 1 April 2002	於二零零二年四月一日	44,397	10	18,484	(216,126)	(153,235)
Issue of shares	發行股份	1,341	-	-	-	1,341
Share issues expenses	股份發行費用	(4,273)	-	-	-	(4,273)
Net profit for the period	本期間溢利淨額	-	-	-	60,752	60,752
At 30 September 2002	於二零零二年九月三十日	41,465	10	18,484	(155,374)	(95,415)

14. 已發行股本(續)

- (e) 根據本集團與其多位債權人於二零零二年三月二十七日訂立之多項還款協議，於二零零二年五月十六日及二零零二年七月三十日按每股介乎0.01港元至0.015港元之發行價，向有關之債權人發行每股面值0.01港元之股份合共956,420,000股，作為向各債權人償還結欠之部份債務；
- (f) 根據本集團與本集團其他多位債權人於二零零二年九月二十五日訂立之多項還款協議，於二零零二年九月三十日，本公司按每股介乎0.01港元至0.013港元之發行價，向彼等發行每股面值0.01港元之股份合共110,020,000股，作為向彼等償還結欠之部份債務。

於結算日後，董事於二零零二年十一月十三日宣佈進行本公司股份合併及股本重組之建議，該建議之詳情已摘錄於中期財務報告附註19。

15. 儲備

16. 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:

		二零零二年 九月三十日 30 September 2002 (未經審核) (Unaudited) 港幣千元 HK\$'000	二零零二年 三月三十一日 31 March 2002 (經審核) (Audited) 港幣千元 HK\$'000
Within one year	一年內	424	398
In the second to fifth year, inclusive	於第二至第五年內(包括首尾兩年)	71	248
		495	646

17. PENDING LITIGATION

As at the date of this report, writs of summonses had been issued by certain creditors aggregating to approximately HK\$2,439,000, together with claims for interest thereon in respect of purchases of goods and the provision of services, among which, claims of approximately HK\$1,476,000 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 2002.

18. MAJOR NON-CASH TRANSACTIONS

An aggregate amounts of debts waived by to the Bank Group and certain creditors of HK\$81,567,000 was accounted for in the profit and loss account of the current period upon the completion of the debt restructuring exercise as detailed in note 4 to the interim financial statements.

16. 經營租約安排

於結算日，本集團就不可撤銷經營租約之日後最低租金總額將於以下期間屆滿：

		二零零二年 九月三十日 30 September 2002 (未經審核) (Unaudited) 港幣千元 HK\$'000	二零零二年 三月三十一日 31 March 2002 (經審核) (Audited) 港幣千元 HK\$'000
Within one year	一年內	424	398
In the second to fifth year, inclusive	於第二至第五年內(包括首尾兩年)	71	248
		495	646

17. 仍未了結訴訟

於本報告日期，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2,439,000港元，另加就此應計之利息。在上述令狀之中，約1,476,000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，本集團已於截至二零零二年九月三十日之簡明綜合財務報告內就此等索償作出足夠撥備。

18. 主要非現金交易

於債務重組事項完成後，銀行集團及若干債權人豁免之債務總額81,567,000港元已計入本期間之損益賬內，詳情見中期財務報告附註4。

19. POST BALANCE SHEET EVENTS

Subsequent to the balance sheet, on 13 November 2002, the directors of the Company proposed to effect the followings, subject to the approval of the shareholders in a special general meeting to be held on 30 December 2002 and the fulfillment of the necessary conditions.

(a) Consolidation of the Company's shares (the "Share Consolidation")

Every fifty issued and unissued ordinary shares with nominal value of HK\$0.01 each of the Company, will be consolidated into one ordinary share with nominal value of HK\$0.50 each (the "Consolidated Share(s)").

(b) Reorganization of the capital structure of the Company

i. *The capital reduction (the "Capital Reduction")*

All issued Consolidated Shares of HK\$0.50 each will be reduced by canceling their nominal value to the extent of HK\$0.49 per share so that the nominal value of each such issued Consolidated Shares will be reduced from HK\$0.50 to HK\$0.01 (the "Reduced Shares"). Accordingly, based on the number of shares in issue as at the date of this report, the nominal value of the issued share capital of the Company after the Share Consolidation and the implementation of the Capital Reduction will be reduced by HK\$105,607,563 to HK\$2,155,256;

ii. The share premium cancellation (the "Share Premium Cancellation")

The share premium account of the Company as at the effective date of the Capital Reduction will be cancelled and the credit arising therefrom will be credited to the contributed surplus account of the Company. As at the date of this report, the unaudited share premium account of the Company amounted to approximately HK\$41,465,000;

19. 結算日後事項

於結算日後，於二零零二年十一月十三日，本公司董事建議待將於二零零二年十二月三十日舉行之股東特別大會上取得股東批准及所有必須條件獲履行後，進行下列事項：

(a) 合併本公司股份（「股份合併」）

每50股每股面值0.01港元之股份將會合併為1股每股面值0.50港元之普通股份（「合併股份」）。

(b) 重組本公司股本架構

i. 削減股本（「削減股本」）

按每股屆時已發行合併股份之面值0.50港元註銷0.49港元之方式，削減每股已發行合併股份之面值，使有關之已發行合併股份之面值由每股0.50港元削減至每股0.01港元（「削減股份」）。因此，根據於本報告刊登日期已發行之股份數目計算，待股份合併完成及削減股本實行後之已發行股本面值將被削減105,607,563港元至2,155,256港元；

ii. 註銷股份溢價（「股份溢價註銷」）

在削減股本之生效日期，本公司之股份溢價賬之結餘款額將會被註銷，而就由此而產生之結餘款項將會撥入本公司之繳入盈餘賬。於本報告刊登日期，本公司之未經審核股份溢價賬合共有約41,465,000港元之結餘賬款；

19. POST BALANCE SHEET EVENTS (continued)

iii. *The application of credit*

The expected credit of HK\$105,607,563 arising from the Capital Reduction and the credit of the share premium account as at the effective date arising from the Share Premium Cancellation shall be applied, together with such amount standing in the contributed surplus account of the Company as may be necessary, by the Directors to fully eliminate the accumulated losses of the Company. As at 30 September 2002, the accumulated losses of the Company amounted to approximately HK\$194,967,118;

iv. *The cancellation of authorised capital (the "Authorised Capital Cancellation")*

All of the authorised but unissued share capital of the Company (including the authorised but unissued share capital arising from the Capital Reduction) will be cancelled. As at the date of this report, there are 19,223,718,100 authorised but unissued ordinary shares with nominal value of HK\$0.01 each amounting to an aggregate of HK\$192,237,181. Assuming the Share Consolidation becoming effective and on the basis of 10,776,281,900 shares currently in issue, the entire authorised but unissued 384,474,362 Consolidated Shares, together with that arising from the Capital Reduction, will be cancelled;

v. *The increase in authorised share capital*

Subject to the Share Consolidation, the Capital Reduction and the Authorised Capital Cancellation becoming effective, with an aim to increasing the number of authorised shares of the Company to 1,500,000,000, the authorised share capital of the Company will be increased to HK\$15,000,000 by the creation of 1,284,474,362 Reduced Shares of HK\$0.01 each.

19. 結算日後事項 (續)

iii. 賬款之用途

因削減股本而預期將會產生之結餘款額 105,607,563 港元及因股份溢價註銷而產生之股份溢價賬結餘款額將會撥入本公司之繳入盈餘賬，董事在有需要之時將會用作全數對銷本公司之累計虧損。於二零零二年九月三十日，本公司之累計虧損約為 194,967,118 港元；

iv. 註銷法定股本 (「法定股本註銷」)

本公司全部法定但尚未發行之股本 (包括因削減股本而產生之法定但尚未發行之股本) 將會被註銷。於本報告刊登日期，本公司有 19,223,718,100 股每股面值 0.01 港元之法定但尚未發行之股份，其面值總額合共 192,237,181 港元。假設股份合併能夠生效，根據現已發行股份 10,776,281,900 股為基準，全部法定但尚未發行之合併股份 384,474,362 股，連同因削減股本而產生之法定但尚未發行之合併股份將會被註銷；

v. 增加法定股本

本公司有意在股份合併、削減股本及法定股本註銷生效後，藉著設立 1,284,474,362 股削減股份，將本公司之法定股份數目增至 1,500,000,000 股。法定股本將會增至 15,000,000 港元。

19. POST BALANCE SHEET EVENTS (continued)

(c) The change of the name of the Company to “Xin Corporation Limited” and to adopt a Chinese name of “新創綜合企業有限公司” for identification purpose only.

20. COMPARATIVE AMOUNTS

As further explained in note 1 to the condensed consolidated financial statements, due to the adoption of certain new and revised SSAPs during the current period, the accounting treatment and representation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been reclassified 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 20 December 2002.

19. 結算日後事項 (續)

(c) 將本公司之名稱改為「Xin Corporation Limited」，並為本公司採納一個僅供參考用途之中文名稱「新創綜合企業有限公司」。

20. 比較款額

誠如簡明綜合財務報告附註1所述，由於在本期間內採納若干新訂及經修訂之會計實務準則，故此財務報告內之若干項目及結餘之會計處理及呈列方式已修訂藉以符合新規定。據此，若干比較款額已重新分類及呈列以符合本期間之呈列方式。

21. 批准中期財務報告

董事會已於二零零二年十二月二十日批准及授權發行此未經審核簡明綜合中期財務報告。