

Notes:

1. Basis of preparation

The interim financial report for the period ended 30 September 2001 is unaudited and has been prepared in accordance with the requirements of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited, including compliance with Statement of Standard Accounting Practice 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants.

The principal accounting policies and methods of computation used in the preparation of the interim financial report are consistent with those in annual accounts for the year ended 31 March 2001.

2. Segment information

	Turnover	Contribution to profit
	Six months ended	from operations
	30 September	Six months ended
	2001	30 September
	<i>HK\$'000</i>	<i>HK\$'000</i>
By major product category		
Gold products	458,289	17,246
Other precious metal products	50,510	8,531
Jewellery products	107,180	16,638
Others	1,762	274
Rental income	412	398
	<u>618,153</u>	<u>43,087</u>
By geographical location*		
Mainland China and Hong Kong	403,550	
South East Asia	98,875	
Europe	39,067	
The United States of America	46,392	
Others	30,269	
	<u>618,153</u>	

*: Turnover by geographical location is determined on the basis of the destination of delivery of products.

3. Profit from operations

Profit from operations is arrived at after charging:

	Six months ended 30 September	
	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
Depreciation of fixed assets	<u>47,434</u>	<u>35,335</u>

4. Taxation

Taxation in the consolidated income statements represents:

	Six months ended 30 September	
	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong taxation	<u>2,400</u>	<u>3,000</u>

Hong Kong profits tax was provided at the rate of 16% (2000: 16%) on the estimated assessable profit arising in or derived from Hong Kong. Certain of the Group's operations are conducted outside Hong Kong. Accordingly, the Group is entitled to a 50:50 offshore claim in reporting its Hong Kong profits tax.

There was no significant unprovided deferred taxation as at 30th September, 2001.

5. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of HK\$22,405,000 (2000: HK\$32,830,000) and 5,332,000,000 shares (2000: 3,599,989,071 shares) in issue during the period.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to shareholders of HK\$22,405,000 (2000: HK\$32,830,000) and the weighted average number of 5,369,392,687 shares (2000: 3,666,352,056 shares) in issue during the period after adjusting for the effects of all dilutive potential ordinary shares.

6. Accounts receivable

The Group usually grants on average a credit period of approximately 60 days to its customers. The following is an ageing analysis of accounts receivable at the reporting date:

	At 30 September 2001 <i>HK\$'000</i>	At 31 March 2001 <i>HK\$'000</i>
0 to 90 days	212,090	215,249
91 to 180 days	9,229	7,295
181 to 270 days	2,466	2,303
	<u>223,785</u>	<u>224,847</u>
Less: Provision for bad and doubtful debts	(10,000)	(10,000)
	<u>213,785</u>	<u>214,847</u>

7. Accounts payable

The following is an ageing analysis of accounts payable at the reporting date:

	At 30 September 2001 <i>HK\$'000</i>	At 31 March 2001 <i>HK\$'000</i>
0 to 90 days	30,113	28,636
91 to 180 days	1,540	1,716
181 to 270 days	606	581
	<u>32,259</u>	<u>30,933</u>

8. Share capital

There were no movements in the share capital of the Company in the current interim reporting period.

The Company has a share option scheme, under which it may grant options to employees of the Group (including executive directors of the Company) to subscribe for shares in the Company.

A summary of the share options granted under the share option scheme is as follows:

Exercise price per share	Number of share options outstanding as at 1 April 2001 and and 30 September 2001
HK\$0.109	<u><u>315,000,000</u></u>

No options was granted, cancelled nor exercised during the six months ended 30 September 2001.

9. Retained profits

	<i>HK\$'000</i>
At 1 April 2001	125,074
Retained profit for the period	<u>22,405</u>
At 30 September 2001	<u><u>147,479</u></u>

10. Commitment and contingent liabilities

- (a) No capital commitment authorised and contracted for by the Group as at 30 September 2001 (31 March 2001: HK\$9,587,000).
- (b) At 30 September 2001, the Group had the following commitments and contingent liabilities:
 - (i) Operating lease commitments in respect of rented premises and machinery under various non-cancelled operating lease agreements extending to September 2006 amounted to HK\$4,897,000 (31 March 2001: HK\$5,790,000).
 - (ii) Bills discounted with recourse amounted to HK\$4,971,000 (31 March 2001: HK\$5,166,000).

11. Comparative figures

Certain comparative figures have been reclassified to conform to the current period presentation.