

Segment Information

a) Business Segment

The Group reports its primary segment information on its principal business segments and details for the six months ended 30th September, 2001 together with comparative figures for the previous period are as follows:

	Six months ended 30th September, 2001					Consolidated HK\$'000 (unaudited)
	Sale of complete watches HK\$'000 (unaudited)	Property- related business HK\$'000 (unaudited)	Investment securities HK\$'000 (unaudited)	Programming service HK\$'000 (unaudited)	Elimination HK\$'000 (unaudited)	
Revenue						
– External sales	84,348	2,265	–	6		86,619
– Inter-segment sales	–	67	–	–	(67)	–
	<u>84,348</u>	<u>2,332</u>	<u>–</u>	<u>6</u>	<u>(67)</u>	<u>86,619</u>
Segment Result	<u>5,000</u>	<u>2,012</u>	<u>(1,357)</u>	<u>(2,513)</u>	<u>–</u>	
Profit from operations						3,142
Finance costs						(993)
Other expenses	(72)	(287)		(683)		(1,042)
Share of results of an associate				(540)		(540)
Profit before taxation						567
Taxation						(71)
Profit after taxation						496
Minority interests						1,525
Net profit for the period						<u>2,021</u>

a) Business Segment (Continued)

Six months ended 30th September, 2000

	Sale of complete watches HK\$'000 (<i>unaudited</i>)	Property- related business HK\$'000 (<i>unaudited</i>)	Investment securities HK\$'000 (<i>unaudited</i>)	Elimination HK\$'000 (<i>unaudited</i>)	Consolidated HK\$'000 (<i>unaudited</i>)
Revenue					
– External sales	55,010	1,679	1,341		58,030
– Inter-segment sales	–	67	–	(67)	–
	<u>55,010</u>	<u>1,746</u>	<u>1,341</u>	<u>(67)</u>	<u>58,030</u>
Segment Result	<u>(2,660)</u>	<u>847</u>	<u>2,487</u>	<u>–</u>	
Profit from operations					674
Finance costs					(844)
Other expenses	(347)				(347)
Loss before taxation					(517)
Taxation					(38)
Loss after taxation					(555)
Minority interests					–
Loss for the period					<u>(555)</u>

b) Geographical segment

An analysis of the Group's turnover and contribution to operating profit by geographical segment for the period under review and comparative information for the previous period is as follows:

	Six months ended 30th September,		2000	
	2001			
	Contribution to		Contribution to	
	Sale revenue	operating profit	Sales revenue	operating profit
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
The People's Republic of China ("PRC"),				
excluding Hong Kong	83,856	4,643	50,370	375
Hong Kong	1,414	(869)	6,329	896
Others	1,349	(632)	1,331	(597)
	<u>86,619</u>		<u>58,030</u>	
Profit from operations		<u>3,142</u>		<u>674</u>

Notes:

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The condensed financial statements have been prepared in accordance with Statement of Standard Accounting Practice ("SSAP") 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants ("HKSA").

The condensed financial statements have been prepared under the historical cost convention as modified for the revaluation of investment properties and investments in securities. The accounting policies adopted are consistent with those followed in the Group's annual financial statements for the year ended 31st March, 2001 except that the Group has changed certain of its accounting policies following its adoption of the following SSAPs issued by HKSA which are effective for accounting periods commencing on or after 1st January, 2001.

The changes to the Group's accounting policies are set out below:

a) Segment Reporting

In the section "Segment Information", the Group has disclosed segment revenue and results as defined under SSAP 26 "Segment Reporting". Comparative information for the six months ended 30th September, 2000 has been adjusted to conform with the requirement of SSAP 26.