

NOBLE JEWELRY HOLDINGS LIMITED  
億 鑽 珠 寶 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability) (Stock Code : 00475)



*Interim* **2011**  
*Report*

# Contents

Corporate Information	2
Management Discussion and Analysis	3
Corporate Governance and Other Information	7
Consolidated Statement of Comprehensive Income	11
Consolidated Statement of Financial Position	13
Consolidated Statement of Changes in Equity	15
Condensed Consolidated Statement of Cash Flow	16
Notes to the Financial Statements	17

# Corporate Information

## Board of Directors

### Executive Directors

Mr. Chan Yuen Hing (*Chairman*)  
Mr. Tang Chee Kwong (*Chief Executive Officer*)  
Ms. Chan Lai Yung  
Mr. Lai Wang  
Mr. Setiawan Tan Budi  
Mr. Tsang Wing Ki, *FCCA, FCPA*

### Independent non-executive Directors

Mr. Chan Cheong Tat  
Mr. Tang Chiu Ming Frank  
Mr. Yu Ming Yang

## Audit Committee

Mr. Chan Cheong Tat (*Chairman*)  
Mr. Tang Chiu Ming Frank  
Mr. Yu Ming Yang

## Remuneration Committee

Mr. Tang Chee Kwong (*Chairman*)  
Mr. Chan Cheong Tat  
Mr. Yu Ming Yang

## Nomination Committee

Mr. Tang Chee Kwong (*Chairman*)  
Mr. Chan Cheong Tat  
Mr. Yu Ming Yang

## Company Secretary

Mr. Sin Lap Poon, *ACIS, ACS*

## Head Office and Principal Place of Business in Hong Kong

Unit 16-A3, 1/F.,  
Focal Industrial Centre,  
Block A, 21 Man Lok Street,  
Hung Hom, Kowloon

## Registered Office

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## Principal Share Registrar

Butterfield Fulcrum Group (Cayman) Limited  
Butterfield House  
68 Fort Street  
P.O. Box 609  
Grand Cayman KY1-1107  
Cayman Islands

## Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited  
26th Floor, Tesbury Centre  
28 Queen's Road East  
Wanchai  
Hong Kong

## Principal Bankers

China Construction Bank (Asia) Corporation Limited  
CITIC Bank International Limited  
DBS Bank (Hong Kong) Limited  
Hang Seng Bank Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Standard Chartered Bank (Hong Kong) Limited

## Auditor

BDO Limited

## Company Website

[www.475hk.com](http://www.475hk.com)

## Stock Code

00475

# Management Discussion and Analysis

Reference is made to the joint announcement (the "First Joint Announcement") dated 8 September 2011 made by Resources Rich, the Company and First Prospect, and the circular of the Company dated 30 September 2011 (the "Circular") in relation to, among other things, the Group Reorganisation, the Share Premium and Reserve Application, the Distribution In Specie and the Special Deals. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Circular.

As part of the Group Reorganisation and upon the Share Sale Completion, the Company will distribute all of the Privateco Shares in specie to the Shareholders whose names appear on the register of members of the Company on the Record Date on the basis of one Privateco Share for every Share held. After the Group Reorganisation, the Group is principally engaged in the design, manufacturing and wholesale of fine jewelry products in the PRC (the "Continuing Operations") while the Privateco Group's principal business is design, manufacturing and trading of fine jewelry products in various countries other than the PRC and retail of fine jewelry in the US and Spain (the "Discontinued Operations").

## CONTINUING OPERATIONS

### Operating Results

Due to the better performance in the six months ended 30 September 2011 ("1H 2012") as a result of the greater emphasis and effort put on expanding and improving the wholesale distribution channels in the PRC by the Group and the positive consumer sentiment in the PRC jewelry wholesale market, the Continuing Operations achieved steady business growth during the period under review. The increase in turnover in 1H 2012 was mainly attributable to the subsisting rise in gold and diamond prices during the period. As a result, the turnover of the Continuing Operations rose significantly by approximately 81.4% from approximately HK\$22.0 million for the six months ended 30 September 2010 ("1H 2011") to approximately HK\$39.9 million for 1H 2012. Gross profit for the Continuing Operations grew by approximately 102.9% from approximately HK\$3.4 million for 1H 2011 to approximately HK\$6.9 million for 1H 2012 with gross profit margin maintaining at 17.3% as compared to 15.5% for 1H 2011. Net profit for the Continuing Operations rose from approximately HK\$0.5 million for 1H 2011 to approximately HK\$3.4 million for 1H 2012.

### Business Review

Despite the ongoing financial instability in US and European regions, the Group's Continuing Operations were able to achieve respectable growth in the PRC, with sales in the PRC market (excluding Hong Kong) rising by approximately 81.4% to HK\$39.9 million. Through continuous efforts in expanding its wholesale distribution channels and expanding the sales force by hiring more sales staff, the Group obtained a greater volume of orders from all across PRC during 1H 2012. Pursuing continuous strategy for customer-segment and geographical diversification in the PRC market also remained effective and fruitful in driving the business growth during the period under review.

## DISCONTINUED OPERATIONS

### Operating Results

The turnover of the Discontinued Operations rose by approximately 5.3% from approximately HK\$313.7 million for 1H 2011 to approximately HK\$330.2 million for 1H 2012. This increase was mainly attributable to the good performance of the newly emerging markets like Indonesia, Russian Federation and Africa. The rise in gold and diamond prices during the period under review also contributed to the increase in the turnover. Gross profit for the Discontinued Operations grew by approximately 22.4% from approximately HK\$83.5 million for 1H 2011 to approximately HK\$102.2 million for 1H 2012. The improvement in gross profit margin (31.0% for 1H 2012 compared to 26.6% for 1H 2011) was primarily due to the uplifting in selling price in the same line with the increase in gold and diamond prices during the period. Net profit for the Discontinued Operations drop by approximately 16.8% from approximately HK\$10.1 million for 1H 2011 to approximately HK\$8.4 million for 1H 2012.

### Business Review

The Middle East and Europe still marked the largest markets of the Discontinued Operations, making up approximately 50.8% of the turnover and these markets recorded steady results compared to the same period in the previous year. Increased demand in mature markets drove up the sales in America, which reported growth of approximately 7.3% to HK\$64.1 million.

Led by significant order volume from Indonesian customers, sales to the 'Others' category increased by approximately 28.2% to HK\$50.5 million. Expansion in newly emerging markets in Africa and Indonesia has been progressing well during 1H 2012. The massive earthquake that struck Japan in March 2011 had a little impact on the overall Discontinued Operations' business despite the sales to Japan decreased by approximately 12.3% to HK\$12.9 million.

The increase in administrative expenses during the period under review was mainly due to the provision of approximately HK\$16.2 million for the related damages and penalties of custom duty payable to the US Custom Service (reference relating to the dispute with the US Custom Services is made to the Company's annual report as at 31 March 2011 and announcement dated 12 August 2011), bad and doubtful debts of approximately HK\$9.1 million and the impairment of property, plant and equipment of approximately HK\$2.7 million. Included under other gains and loss was the gain on disposal of property, plant and equipment in PRC of approximately HK\$8.3 million (reference relating to the disposal of certain plant and equipment to an independent third party is made to the Company's annual report as at 31 March 2011) while the increase in share of profits of associates during the period under review was mainly attributable to the narrowing down of loss of an associate in Spain.

## FUTURE PROSPECTS

The continuously expanding PRC economy should continue to drive the rising demand for luxury products such as gold and jewelry. According to statistics compiled by the National Bureau of Statistics in China, in 2010, sales of gold, silver and jewelry in the PRC was approximately RMB126.1 billion, increased by approximately 46.0% from the previous year. In the first half of 2011, the sales of gold, silver and jewelry amounted to RMB92.1 billion, representing approximately 49.6% higher than that of the same period of 2010. Faced with the European debt crisis and slow economic recovery in US, the management remains prudently optimistic about the Continuing Operations' business performance in the upcoming financial year. With the Group's ongoing focus in expanding its wholesale distribution network in the PRC and expanding its sales force, it is anticipated that the Continuing Operations will remain in steady growth. Nevertheless, cost concerns arising from the rising gold and diamond prices may negatively affect the Continuing Operations' margins.

The Group will constantly review its existing business strategies and will continue to evaluate opportunities to extend its wholesale network to different parts of the PRC in an attempt to tap into new consumer segments.

### Liquidity and financial resources

As at 30 September 2011, the Group's Continuing Operations' net current assets and current ratio stood at HK\$92.3 million and 10.4 respectively (31 March 2011: HK\$105.4 million and 1.2 respectively). Net gearing ratio (total interest bearing borrowings net of cash at banks and in hand as a percentage of total equity) was nil as at 30 September 2011 (31 March 2011: 88.5%).

As at 30 September 2011, the cash at banks and in hand of the Group's Continuing Operations amounted to approximately HK\$10.0 million (31 March 2011: HK\$14.3 million).

### Capital structure

For 1H 2012, the Group's Continuing Operations financed its liquidity requirements through cash flow as generated from operations.

### Dividend

Except for the proposed Distribution in Specie as approved by the Shareholders at the extraordinary general meeting held on 20 October 2011, the Board has resolved not to recommend the payment of an interim dividend for 1H 2012 (1H 2011: HK\$Nil).

### Staff and remuneration policy

As at 30 September 2011, the Continuing Operations had a total of 58 employees (31 March 2011: 91 employees). Staff costs for the period under review was HK\$3.2 million, representing an increase of 52.4% as compared to the corresponding period ended 30 September 2010 of HK\$2.1 million. The Group's Continuing Operations remunerate its employees based on their performance and work experience and the prevailing market rates. Salaries of employees are maintained at competitive levels while bonuses are granted by reference to the performance of the Group and individual employees. Other benefits include share option scheme and contributions to statutory mandatory provident fund scheme to its employees in Hong Kong and the statutory central pension schemes to its employees in the PRC.

### Charges on assets

As at 30 September 2011, the Group did not have any charges on the Group's assets.

**Capital commitment and contingent liabilities**

As at 30 September 2011, the Continuing Operations did not have any of capital commitments (31 March 2011: HK\$5.7 million) and had HK\$0.8 million of operating lease commitments (31 March 2011: HK\$14.1 million).

As at 30 September 2011, the Group did not have any significant contingent liabilities (31 March 2011: Nil).

**Foreign exchange fluctuation and hedges**

The Continuing Operations were principally based in the PRC and were not exposed to foreign exchange risk. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

During 1H 2012, no forward foreign currency contracts were entered into and designed as hedges.

# Corporate Governance and Other Information

## Interim Dividend

Except for the proposed distribution in specie as disclosed in Note 7 to the Financial Statements, the Board did not recommend the payment of an interim dividend for the six months ended 30 September 2011 (six months ended 30 September 2010: HK\$ Nil).

## Share Option Scheme

The Group has approved and adopted a share option scheme on 26 February 2007 for its employees and other eligible participants with a view to provide an incentive to or as a reward for their contribution to the Group. Details of the movements of share options ("Share Options") granted, exercised or cancelled/lapsed during the period under review and outstanding as at 30 September 2011 are as follows:

	Number of share options					Exercise period (both dates inclusive)	Exercise price	Closing price immediately before the date of grant
	At 1 April 2011	Grant during the period	Exercised during the period	Cancelled/ Lapsed during the period	Outstanding as at 30 September 2011			
Directors:								
Chan Yuen Hing	100,000	—	—	—	100,000	1 February 2010 to 31 January 2012	1.27	1.27
	100,000	—	—	—	100,000	1 February 2011 to 31 January 2012	1.27	1.27
Tang Chee Kwong	100,000	—	(100,000)	—	—	1 February 2010 to 31 January 2012	1.27	1.27
	100,000	—	(100,000)	—	—	1 February 2011 to 31 January 2012	1.27	1.27
Chan Lai Yung	100,000	—	(100,000)	—	—	1 February 2010 to 31 January 2012	1.27	1.27
	100,000	—	(100,000)	—	—	1 February 2011 to 31 January 2012	1.27	1.27
Chan Wing Nang Yung	75,000	—	—	(75,000)	—	1 February 2010 to 31 January 2012	1.27	1.27
	75,000	—	—	(75,000)	—	1 February 2011 to 31 January 2012	1.27	1.27
Lai Wang	50,000	—	(50,000)	—	—	1 February 2010 to 31 January 2012	1.27	1.27
	50,000	—	(50,000)	—	—	1 February 2011 to 31 January 2012	1.27	1.27
Tsang Wing Ki	75,000	—	(75,000)	—	—	1 February 2010 to 31 January 2012	1.27	1.27
	75,000	—	(75,000)	—	—	1 February 2011 to 31 January 2012	1.27	1.27
<b>Total Directors</b>	<b>1,000,000</b>	<b>—</b>	<b>(650,000)</b>	<b>(150,000)</b>	<b>200,000</b>			
Employees	630,000	—	(630,000)	—	—	1 February 2010 to 31 January 2012	1.27	1.27
	630,000	—	(630,000)	—	—	1 February 2011 to 31 January 2012	1.27	1.27
<b>Total Employees</b>	<b>1,260,000</b>	<b>—</b>	<b>(1,260,000)</b>	<b>—</b>	<b>—</b>			
<b>Total All Categories</b>	<b>2,260,000</b>	<b>—</b>	<b>(1,910,000)</b>	<b>(150,000)</b>	<b>200,000</b>			

## Directors' Interests and Short Positions in Shares

As at 25 November 2011, being the latest practicable date prior to the printing of this interim report for ascertaining certain information referred to in this interim report, the interests and short positions of the directors of the Company ("Directors") and their associates in the shares and underlying shares of the Company ("Shares") as recorded in the register to be kept under Section 352 of the Securities and Futures Ordinance ("SFO") were as follows:

### Long Positions

Ordinary Shares of HK\$0.01 each

Name of Directors	Capacity	Number of issued ordinary Shares held (including underlying Shares)	Percentage of the issued ordinary share capital of the Company
Mr. Chan Yuen Hing	(Note 1)	200,000	0.07%
Mr. Tang Chee Kwong	Beneficial owner (Note 2)	5,202,000	1.90%
Ms. Chan Lai Yung	(Note 3)	3,238,000	1.18%
Mr. Lai Wang	Beneficial owner	100,000	0.04%
Mr. Tsang Wing Ki	Beneficial owner	310,000	0.11%

Notes:

- (1) Mr. Chan Yuen Hing had a direct interest of 200,000 Shares which are outstanding Share Options granted by the company to subscribe for 200,000 Option Shares at an exercise price of HK\$1.27 per Option Share.
- (2) Mr. Tang Chee Kwong had a direct interest of 4,702,000 Shares and a deemed interest of 500,000 Shares held by his spouse, Ms. Lee Yuen Kee pursuant to the SFO.
- (3) Ms. Chan Lai Yung had a direct interest of 3,236,000 Shares and a deemed interest of 2,000 Shares held by her spouse, Mr. Kok Sui Sing pursuant to the SFO.

Save as disclosed above, as at the date of this interim report, no interests and short position in the Shares or underlying Shares were held or deemed or taken to be held under Part XV of the SFO by any Director or chief executive of the Company or any of their respective associates which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein.

## Substantial Shareholders' Interests in Shares

As at 25 November 2011, being the latest practicable date prior to the printing of this interim report for ascertaining certain information referred to in this interim report, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of Directors and their associates, the following shareholders have notified the Company of relevant interests in the issued share capital of the Company:

### Long Positions

Ordinary Shares of HK\$0.01 each

Name of shareholder	Capacity	Number of issued ordinary Shares held	Percentage of the issued ordinary share capital of the Company
Resources Rich Capital Limited	Beneficial owner	197,142,000	72.05%
Mr. Hu Yishi	Interest in controlled corporation (Note 1)	197,142,000	72.05%
Ms. Lin Min	Interest of spouse (Note 2)	197,142,000	72.05%
Mr. Hu Yangjun	Interest in controlled corporation (Note 3)	197,142,000	72.05%
Ms. Zhang Qi	Interest of spouse (Note 4)	197,142,000	72.05%

Note:

- (1) Resources Rich Capital Limited is owned as to 50% by Mr. Hu Yishi and 50% by Mr. Hu Yangjun. Accordingly, Mr. Hu Yishi is deemed to be interested in the 197,142,000 Shares interested by Resources Rich Capital Limited pursuant to the SFO.
- (2) Ms. Lin Min is the spouse of Mr. Hu Yishi. Accordingly, she is deemed to be interested in the 197,142,000 Shares which Mr. Hu Yishi is interested in pursuant to the SFO.
- (3) Resources Rich Capital Limited is owned as to 50% by Mr. Hu Yishi and 50% by Mr. Hu Yangjun. Accordingly, Mr. Hu Yangjun is deemed to be interested in the 197,142,000 Shares interested by Resources Rich Capital Limited pursuant to the SFO.
- (4) Ms. Zhang Qi is the spouse of Mr. Hu Yangjun. Accordingly, she is deemed to be interested in the 197,142,000 Shares which Mr. Hu Yangjun is interested in pursuant to the SFO.

## Corporate Governance Practices

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 to the Rule Governing the Listing of Securities ("Listing Rules") on the Stock Exchange of Hong Kong Limited. The Company has applied the principles and complied with all the applicable code provisions set out in the Code throughout the six months ended 30 September 2011 except for the following deviation.

Under provision E.1.2 of the Code, the chairman of the Board (the “Chairman”) should attend the Company’s annual general meeting. Owing to another business engagement, Mr. Chan Yuen Hing, the Chairman, was unable to attend the Company’s annual general meeting held on 5 August 2011. Mr. Tang Chee Kwong, chief executive officer of the Company who was present at the annual general meeting, chaired the meeting in accordance with the article of association of the Company.

The Company will continue to review the situation as stated above and to improve the corporate governance practices of the Company when and as it becomes appropriate in future.

### **Model Code for Securities Transactions**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code” ) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all directors of the Company, they confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 September 2011, except only for the deviation where the spouse of Mr. Chan Yuen Hing had disposed of 200,000 shares of the Company during the blackout period prior to the publication of the annual results for the year ended 31 March 2011, and such deviation was reported to The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) . On 28 September 2011, the Stock Exchange issued a warning letter to Mr. Chan Yuen Hing privately in respect of such deviation and no further action has been taken by the Stock Exchange as at the date of this interim report.

### **Audit Committee**

The Company has established an audit committee with written terms of reference in compliance with the code provisions under the Code set out in Appendix 14 to the Listing Rules. The audit committee comprises three independent non-executive Directors, namely Mr. Chan Cheong Tat, Mr. Tang Chiu Ming Frank and Mr. Yu Ming Yang. The Group’s unaudited interim results for the six months ended 30 September 2011 have been reviewed and approved by the audit committee at an audit committee meeting held on 14 November 2011.

### **Purchase, Sale or Redemption of the Company’s Listed Shares**

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed Shares during the six months ended 30 September 2011.

On behalf of the Board

**Chan Yuen Hing**

*Chairman*

Hong Kong, 14 November 2011

## Consolidated Statement of Comprehensive Income

The board of directors of Noble Jewelry Holdings Limited (the "Company") is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2011 together with the comparative figures for the corresponding previous period as follows:

*For the six months ended 30 September 2011*

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2011</b>	2010
		<b>HK\$'000</b>	HK\$'000
	<i>Notes</i>	<b>(Unaudited)</b>	(Unaudited)
<b>Continuing operations:</b>			
Turnover	3	<b>39,871</b>	22,017
Cost of sales		<b>(32,937)</b>	(18,591)
Gross profit		<b>6,934</b>	3,426
Other revenue	3	<b>785</b>	384
Distribution costs		<b>(3,958)</b>	(2,174)
Administrative expenses		<b>(1,825)</b>	(981)
Other gains and losses	4	<b>1,621</b>	(4)
Finance costs	5	<b>(162)</b>	(135)
Profit before income tax	6	<b>3,395</b>	516
Income tax expense	8	<b>4</b>	—
Profit for the period from continuing operations		<b>3,399</b>	516
<b>Discontinued operations:</b>			
Profit for the period from discontinued operations	7	<b>8,428</b>	10,133
<b>Profit for the period</b>		<b>11,827</b>	10,649
<b>Other comprehensive income</b>			
Exchange differences on translating foreign operations		<b>4,719</b>	(45)
<b>Other comprehensive income for the period</b>		<b>4,719</b>	(45)
<b>Total comprehensive income for the period</b>		<b>16,546</b>	10,604
Profit attributable to:			
— Owners of the Company		<b>11,827</b>	11,460
— Non-controlling interests		<b>—</b>	(811)
		<b>11,827</b>	10,649

Consolidated Statement of Comprehensive Income (Continued)

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2011</b>	2010
		<b>HK\$'000</b>	HK\$'000
	<i>Notes</i>	<b>(Unaudited)</b>	(Unaudited)
<hr/>			
Total comprehensive income attributable to:			
— Owners of the Company		<b>16,546</b>	11,415
— Non-controlling interests		—	(811)
		<b>16,546</b>	10,604
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Earnings per share attributable to owners of the Company			
For continuing and discontinued operations			
Basic and diluted (HK cents)	<i>10</i>	<b>4.34</b>	4.22
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For continuing operations			
Basic and diluted (HK cents)	<i>10</i>	<b>1.25</b>	0.19
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# Consolidated Statement of Financial Position

As at 30 September 2011

		<b>30 September 2011 HK\$'000 (Unaudited)</b>	31 March 2011 HK\$'000 (Audited)
	<i>Notes</i>		
<b>Assets and liabilities</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>14,042</b>	93,636
Associates		—	75,167
Other assets	12	—	2,161
		<b>14,042</b>	170,964
<b>Current assets</b>			
Inventories		<b>33,239</b>	359,810
Accounts receivable	13	<b>28,173</b>	132,988
Other receivables, deposits and prepayments		<b>30,542</b>	15,810
Amounts due from related parties		<b>106</b>	15,866
Cash at banks and in hand		<b>10,015</b>	14,303
		<b>102,075</b>	538,777
Assets of a disposal group classified as held for sale	11	<b>706,367</b>	—
		<b>808,442</b>	538,777
<b>Current liabilities</b>			
Borrowings	14	—	258,064
Accounts payable	15	<b>140</b>	112,794
Other payables and accrued charges		<b>9,633</b>	58,724
Amount due to a related party		—	389
Derivative financial instruments		—	31
Tax payables		—	3,396
		<b>9,773</b>	433,398
Liabilities of a disposal group classified as held for sale	11	<b>518,117</b>	—
		<b>527,890</b>	433,398
<b>Net current assets</b>		<b>280,552</b>	105,379
<b>Total assets less current liabilities</b>		<b>294,594</b>	276,343

Consolidated Statement of Financial Position (Continued)

		<b>30 September 2011 HK\$'000 (Unaudited)</b>	31 March 2011 HK\$'000 (Audited)
	<i>Notes</i>		
<b>Total assets less current liabilities</b>		<b>294,594</b>	276,343
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>296</b>	1,017
<b>Net assets</b>		<b>294,298</b>	275,326
<b>Equity</b>			
Share capital	16	<b>2,736</b>	2,717
Reserves		<b>291,562</b>	272,609
<b>Equity attributable to owners of the Company</b>		<b>294,298</b>	275,326
<b>Non-controlling interests</b>		<b>—</b>	—
<b>Total equity</b>		<b>294,298</b>	275,326

# Consolidated Statement of Changes in Equity

For the six months ended 30 September 2011

	Attributable to owners of the Company (Unaudited)							Total	Non-controlling interest	Total equity
	Share capital	Share premium	Merger reserve	Capital reserve	Revaluation reserve	Exchange reserve	Retained profits			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2011	2,717	79,836	1,593	1,445	6,837	11,034	171,864	275,326	—	275,326
Transfer between reserves	—	—	—	—	(4,636)	—	4,636	—	—	—
Share options exercised	19	2,407	—	—	—	—	—	2,426	—	2,426
Total comprehensive income for the period	—	—	—	—	—	4,719	11,827	16,546	—	16,546
At 30 September 2011	2,736	82,243	1,593	1,445	2,201	15,753	188,327	294,298	—	294,298

	Attributable to owners of the Company (Unaudited)							Total	Non-controlling interest	Total equity
	Share capital	Share premium	Merger reserve	Capital reserve	Revaluation reserve	Exchange reserve	Retained profits			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2010	2,717	79,836	1,593	1,445	—	8,437	164,251	258,279	811	259,090
Total comprehensive income for the period	—	—	—	—	—	(45)	11,460	11,415	(811)	10,604
At 30 September 2010	2,717	79,836	1,593	1,445	—	8,392	175,711	269,694	—	269,694

# Condensed Consolidated Statement of Cash Flow

For the six months ended 30 September 2011

	Six months ended 30 September	
	2011	2010
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Net cash used in operating activities</b>	<b>(20,311)</b>	(48,536)
<b>Net cash generated from/(used in) investing activities</b>	<b>25,226</b>	(7,216)
<b>Net cash (used in)/generated from financing activities</b>	<b>(7,925)</b>	48,049
<b>Decrease in cash and cash equivalents</b>	<b>(3,010)</b>	(7,703)
<b>Effect of change in foreign exchange rate</b>	<b>320</b>	26
<b>Cash and cash equivalents at beginning of period</b>	<b>9,361</b>	27,452
<b>Cash and cash equivalents at end of period</b>	<b>6,671</b>	19,775
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash at banks and in hand	<b>10,015</b>	20,358
Cash at banks and in hand attributable to a discontinued operation	<b>10,743</b>	—
Less: Bank overdrafts	—	(583)
Less: Bank overdrafts attributable to a discontinued operation	<b>(14,087)</b>	—
	<b>6,671</b>	19,775

# Notes to the Financial Statements

## 1. General

The Company was incorporated and registered as an exempted company with limited liability on 25 August 2006 under the Companies Law of the Cayman Islands and acts as an investment company. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Group is principally engaged in the design, manufacturing and trading of fine jewelry products.

The unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

## 2. Basis of Preparation of Financial Statements and Accounting Policies

The unaudited condensed consolidated interim financial statements have been prepared on historical cost basis and in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and with the applicable disclosure requirement of Appendix 16 of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange.

The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2011. In addition, the Group applied the following accounting policy in this interim period.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current assets (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

In addition, in the current interim period, the Group has applied, for the first time, the following new and revised Hong Kong Financial Reporting Standards ("new or revised HKFRSs") issued by the HKICPA, which are effective for the current period's unaudited condensed consolidated interim financial statements.

## 2. Basis of Preparation of Financial Statements and Accounting Policies (Continued)

HKFRSs (Amendments)	Improvements to HKFRSs
Amendments to HKFRS 2	Share-based Payment — Group Cash-settled Share-based Payment Transactions
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
Amendments to HKAS 32	Classification of Rights Issues
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) — Interpretation 17	Distributions of Non-cash Assets to Owners
HK Interpretation 5	Presentation of Financial Statements — Classification by Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendment)	Classification of Rights Issues
HK(IFRIC) — Interpretation 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) — Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of these new and revised HKFRSs had no material effect on the results and financial position for the current or prior accounting periods which have been prepared and presented.

The Group has not early applied the following new and revised standards, amendments or interpretations which have been issued but are not yet effective.

HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters <sup>1</sup>
HKFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets <sup>1</sup>
HKFRS 9	Financial Instruments <sup>4</sup>
HKFRS 10	Consolidated Financial Statements <sup>4</sup>
HKFRS 11	Joint Arrangements <sup>4</sup>
HKFRS 12	Disclosure of Interests in Other Entities <sup>4</sup>
HKFRS 13	Fair Value Measurement <sup>4</sup>
HKAS 1 (Amendments)	Presentation of Financial Statements <sup>3</sup>
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets <sup>2</sup>
HKAS 19 (Revised 2011)	Employee Benefits <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2011

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2012

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2012

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2013

The directors of the Company anticipate that the application of these new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

### 3. Turnover, Other Revenue and Segment Information

- (a) Turnover represents the invoiced value of goods sold less returns and discounts. Revenues recognised during the period are analysed as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2011</b>	<b>2010</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Continuing operations:</b>		
<b>Turnover</b>		
Sales	<b>39,871</b>	22,017
<b>Other revenue</b>		
Sundry income	<b>785</b>	384
<b>Total revenue</b>	<b>40,656</b>	22,401
<b>Discontinued operations:</b>		
<b>Turnover</b>		
Sales	<b>330,193</b>	313,720
<b>Other revenue</b>		
Sundry income	<b>1,956</b>	832
Bank interest income	<b>133</b>	447
Management fee income	<b>111</b>	139
	<b>2,200</b>	1,418
<b>Total revenue</b>	<b>332,393</b>	315,138

(b) **Reportable segments**

Information regarding the Group's reportable operating segments as provided to the Group's chief operating decision makers for the purposes of resources allocation and assessment of segment performance for the period is only design, manufacture and trading of fine jewelry products.

The Group's turnover derived from design, manufacture and trading of fine jewelry products in different sectors was analysed as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2011</b>	<b>2010</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Continuing operations:</b>		
Wholesale business	<b>39,871</b>	22,017

### 3. Turnover, Other Revenue and Segment Information (Continued)

#### (b) Reportable segments (Continued)

	Six months ended	
	30 September	
	2011	2010
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Discontinued operations:</b>		
Wholesale business	295,442	281,546
Sales network collaboration	18,687	16,666
Retail and brand business	16,064	15,508
	<b>330,193</b>	313,720

#### (c) Geographical information

An analysis of the Group's revenue from external customers is as follows:

	Six months ended	
	30 September	
	2011	2010
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Continuing operations:</b>		
<b>Turnover</b>		
— The People's Republic of China, other than Hong Kong ("PRC")	39,871	22,017
<b>Discontinued operations:</b>		
<b>Turnover</b>		
— Europe	85,503	84,173
— The Middle East	82,362	86,801
— America	64,107	59,772
— Others	50,500	39,399
— The PRC	14,479	8,987
— Japan	12,925	14,743
— Africa	12,272	11,811
— Hong Kong	8,045	8,034
	<b>330,193</b>	313,720

#### 4. Other Gains and Losses

	Six months ended	
	30 September	
	2011	2010
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Continuing operations:</b>		
Exchange gains/(losses), net	1,621	(4)
<b>Discontinued operations:</b>		
Gain on disposal of property, plant and equipment	8,272	—
Loss on settlement of forward foreign currency contracts upon maturity	(592)	(1,986)
Exchange (losses)/gains, net	(2,232)	4
Others	50	52
	5,498	(1,930)

#### 5. Finance Costs

	Six months ended	
	30 September	
	2011	2010
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Continuing operations:</b>		
Interest on borrowings wholly repayable within five years	155	130
Bank charges	7	5
	162	135
<b>Discontinued operations:</b>		
Interest on borrowings		
— wholly repayable within five years	2,619	1,993
— not wholly repayable within five years	126	—
Bank charges	921	872
	3,666	2,865

## 6. Profit Before Income Tax

Profit before income tax is stated after charging/(crediting) the following:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2011</b>	2010
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Continuing operations:</b>		
Cost of inventories expensed	<b>32,937</b>	18,591
Depreciation of property, plant and equipment	<b>501</b>	397
Staff costs (including directors' remuneration)	<b>3,204</b>	2,096
Auditor's remuneration	<b>300</b>	100
Exchange (gains)/losses, net	<b>(1,621)</b>	4
<b>Discontinued operations:</b>		
Cost of inventories expensed	<b>227,977</b>	230,220
Depreciation of property, plant and equipment	<b>1,843</b>	2,341
Staff costs (including directors' remuneration)	<b>47,165</b>	43,941
Auditor's remuneration	<b>743</b>	362
Provision of bad and doubtful debts, net	<b>9,093</b>	2,387
Provision for custom duty under provided in prior years and related damages and penalties	<b>16,187</b>	—
Impairment of other intangible assets	<b>—</b>	74
Impairment of property, plant and equipment	<b>2,693</b>	—
Impairment of inventories	<b>200</b>	—
Impairment of other receivables, deposits and prepayments	<b>47</b>	—
Bad debts written off	<b>943</b>	427
Exchange (gains)/losses, net	<b>2,232</b>	(4)

## 7. Discontinued Operations

On 7 September 2011, the shareholders of the Company and Resources Rich Capital Limited, as purchaser, entered into an agreement in respect of the acquisition of 72.05% interest of the Company. The agreement is conditional upon, among other things, the completion of the proposed reorganisation of the Group (the "Group Reorganisation"). As part of the Group Reorganisation, the Group proposed to (i) distribute the whole of fine jewelry design, manufacture and trading businesses (the "Distributed Businesses") other than certain of jewelry manufacture and trading business in the PRC (the "Retained Businesses"), for which would be retained by the Group, in specie to the shareholders of the Company; (ii) cease the PRC jewelry retail business (the "Ceased Business") in the Retained Business. The proposed distribution in specie was approved by the shareholders of the Company at an extraordinary general meeting held on 20 October 2011.

## 7. Discontinued Operations (Continued)

The Distributed Business and Ceased Business were classified as discontinued operations and the related results for the six months ended 30 September 2011 and 2010 were as follows:

	Notes	Distributed Businesses HK\$'000	Ceased Business HK\$'000	Total HK\$'000
<b>For the six months ended</b>				
<b>30 September 2011 (unaudited)</b>				
Turnover	3	321,810	8,383	330,193
Cost of sales		(220,540)	(7,437)	(227,977)
Gross profit		101,270	946	102,216
Other revenue	3	2,200	—	2,200
Distribution costs		(18,474)	(1,264)	(19,738)
Administrative expenses		(79,105)	(192)	(79,297)
Other gains and losses	4	5,498	—	5,498
Finance costs	5	(3,666)	—	(3,666)
Share of profits of associates, net		4,367	—	4,367
Profit/(loss) before income tax	6	12,090	(510)	11,580
Income tax expense	8	(3,152)	—	(3,152)
Profit/(loss) for the period from discontinued operations		8,938	(510)	8,428
<b>For the six months ended</b>				
<b>30 September 2010 (unaudited)</b>				
Turnover	3	309,443	4,277	313,720
Cost of sales		(226,544)	(3,676)	(230,220)
Gross profit		82,899	601	83,500
Other revenue	3	1,418	—	1,418
Distribution costs		(17,655)	(476)	(18,131)
Administrative expenses		(48,453)	—	(48,453)
Other gains and losses	4	(1,930)	—	(1,930)
Finance costs	5	(2,865)	—	(2,865)
Share of profits of associates, net		(564)	—	(564)
Profit before income tax	6	12,850	125	12,975
Income tax expense	8	(2,842)	—	(2,842)
Profit for the period from discontinued operations		10,008	125	10,133

## 7. Discontinued Operations (Continued)

The net cash flows of the discontinued operations for the six months ended 30 September 2011 and 2010 were as follows:

	<b>Distributed Businesses</b> HK\$'000	<b>Ceased Business</b> HK\$'000	<b>Total</b> HK\$'000
<b>For the six months ended</b>			
<b>30 September 2011 (unaudited)</b>			
Net cash flows from operating activities	(77,797)	—	(77,797)
Net cash flows from investing activities	24,182	—	24,182
Net cash flows from financing activities	45,338	—	45,338
Net cash flows incurred by the discontinued operations	(8,277)	—	(8,277)
<b>For the six months ended</b>			
<b>30 September 2010 (unaudited)</b>			
Net cash flows from operating activities	(52,602)	—	(52,602)
Net cash flows from investing activities	(5,113)	—	(5,113)
Net cash flows from financing activities	48,049	—	48,049
Net cash flows incurred by the discontinued operations	(9,666)	—	(9,666)

## 8. Income Tax Expense

The amount of income tax expense in the consolidated statement of comprehensive income represents:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2011</b>	<b>2010</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Continuing operations:</b>		
Deferred tax	(4)	—
<b>Discontinued operations:</b>		
Current tax — Hong Kong profits tax	4,425	2,985
Current tax — overseas	(537)	217
	<b>3,888</b>	<b>3,202</b>
Deferred tax	(736)	(360)
	<b>3,152</b>	<b>2,842</b>

## 9. Dividends

Except for the proposed distribution in specie as disclosed in Note 7, the Board did not recommend the payment of an interim dividend for the six months ended 30 September 2011 (six months ended 30 September 2010: HK\$Nil).

## 10. Earnings Per Share

The calculation of basic earnings per share is based on the following data:

	<b>Six months ended 30 September 2011 (Unaudited)</b>	2010 (Unaudited)
<b>For continuing and discontinued operations:</b>		
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share calculation	<b>HK\$11,827,000</b>	HK\$11,460,000
<b>For continuing operations:</b>		
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share calculation	<b>HK\$3,399,000</b>	HK\$516,000
<b>For discontinued operations:</b>		
Profit for the period attributable to owners of the Company from discontinued operations for the purpose of basic earnings per share calculation	<b>HK\$8,428,000</b>	HK\$10,133,000
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>272,655,000</b>	271,700,000

Basic earnings per share for the discontinued operation is HK\$3.1 cents per share (30 September 2010: HK\$3.7 cents per share) and diluted earnings per share for the discontinued operation is HK\$3.1 cents per share (30 September 2010: HK\$3.7 cents per share), based on the profit for the year from the discontinued operations of HK\$8.4 million (30 September 2010: HK\$10.1 million) and the denominators detailed above for both basic and diluted earnings per share.

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for share for the respective periods.

## 11. Assets and Liabilities of a Disposal Group Classified as Held for Sale

Pursuant to the Group Reorganisation as set out in Note 7 above, the assets and liabilities of Distributed Businesses relating to the wholesales and manufacturing operations have been classified as held for sale in the consolidated statement of financial position and set out below.

	30 September 2011 HK\$'000 (Unaudited)
Property, plant and equipment	50,429
Associates	83,482
Other assets	2,187
Deferred tax assets	1,556
Inventories	363,660
Accounts receivable	156,918
Other receivables, deposits and prepayments	13,287
Amounts due from related parties	24,105
Cash at banks and in hand	10,743
<b>Assets of a disposal group classified as held for sale</b>	<b>706,367</b>
Borrowings	256,859
Accounts payable	126,457
Other payables and accrued charges	127,009
Derivative financial instruments	624
Tax payables	7,168
<b>Liabilities of a disposal group classified as held for sale</b>	<b>518,117</b>
<b>Net assets of a disposal group classified as held for sale</b>	<b>188,250</b>

As at 30 September 2011, there was an amount of HK\$45,860,000 due to the Distributed Businesses by the Retained Businesses which had been eliminated in the Group's consolidated financial statements. This amount is expected to be fully settled upon the distribution in specie.

## 12. Other Assets

	<b>30 September 2011 HK\$'000 (Unaudited)</b>	31 March 2011 HK\$'000 (Audited)
Cash surrender value of life insurance contract	—	2,161

The Group purchased a life insurance contract in May 2009 for the chief executive officer, Mr. Tang Chee Kwong.

The total insured amount is US\$750,000 (approximately HK\$5.8 million). The contract will mature on the date when the insured reaches the age of 100 or the death of the insured and the beneficiary is designated to the Group.

## 13. Accounts Receivable

The Group normally allows a credit period ranging from 15 to 180 days to its customers.

All of the accounts receivable (net of allowance for bad and doubtful debts) are expected to be recovered within one year.

An ageing analysis of accounts receivable (net of allowance for bad and doubtful debts) is as follows:

	<b>30 September 2011 HK\$'000 (Unaudited)</b>	31 March 2011 HK\$'000 (Audited)
Within 1 month	<b>11,091</b>	37,996
Over 1 month but within 3 months	<b>7,682</b>	50,118
Over 3 months but within 6 months	<b>7,678</b>	31,765
Over 6 months but within 1 year	<b>1,722</b>	11,828
Over 1 year	—	1,281
	<b>28,173</b>	132,988

**14. Borrowings**

	<b>30 September 2011 HK\$'000 (Unaudited)</b>	31 March 2011 HK\$'000 (Audited)
Overdrafts repayable on demand — secured	—	4,942
Portion of term loans from banks due for repayment within one year — secured	—	63,309
Portion of term loans from banks due for repayment after one year which contain a repayable on demand clause — secured	—	19,969
Other loan due for repayment within 6 months — secured	—	4,317
Discounted bills and recourse due for repayment within 6 months — secured	—	590
Trust receipts and export loans due for repayment within 6 months — secured	—	164,937
	—	258,064

Based on the scheduled repayment date set out in the loan agreements, the amounts repayable in respect of the bank loans are as follows:

	<b>30 September 2011 HK\$'000 (Unaudited)</b>	31 March 2011 HK\$'000 (Audited)
Term loans due for repayment within one year	—	63,309
Term loans due for repayment after one year:		
After 1 year but within 2 years	—	4,997
After 2 years but within 5 years	—	10,992
After 5 years	—	3,980
	—	19,969
	—	83,278

**14. Borrowings (Continued)**

Notes:

- (a) The interest-bearing borrowings, including the term loans repayable on demand, are carried at amortised cost.
- (b) No banking facilities of the Group as at 30 September 2011 (31 March 2011: HK\$316,339,000, of which HK\$258,064,000 has been utilised).
- (c) No banking facilities are secured by the pledge of the Group's leasehold land and buildings (31 March 2011: HK\$38,005,000 of the carrying amounts).
- (d) No borrowings of the Group as at 30 September 2011 were secured by corporate guarantees provided by the Company (31 March 2011: HK\$258,064,000).
- (e) The maturity date of the discounted bills recourse is within 3 to 6 months from inception date of the discounted bills.

**15. Accounts Payable**

An ageing analysis of accounts payable of the Group is as follows:

	<b>30 September 2011 HK\$'000 (Unaudited)</b>	31 March 2011 HK\$'000 (Audited)
Within 1 month	<b>105</b>	25,652
Over 1 month but within 3 months	<b>2</b>	38,171
Over 3 months but within 6 months	<b>—</b>	43,425
Over 6 months	<b>33</b>	5,546
	<b>140</b>	112,794

All of the accounts payable are expected to be settled within one year.

## 16. Share Capital

	Number of shares	Amount HK\$'000
Shares of the Company with nominal value of HK\$0.01 each		
Authorised:		
As at 31 March 2011 and 30 September 2011	10,000,000,000	100,000
Issued and fully paid:		
At 31 March 2011	271,700,000	2,717
Exercise of share options	1,910,000	19
At 30 September 2011	273,610,000	2,736

In September 2011, 1,910,000 ordinary shares were issued as a result of the exercise of vested options arising from the 2007 share option programme granted to key management (31 March 2011: nil). Options were exercised at an average price of \$1.27 per option.

## 17. Commitments

### (a) Capital commitment

Capital commitments in respect of acquisition of property, plant and equipment and capital contribution in an associate outstanding at the end of reporting period not provided for in the financial statements were as follows:

	30 September 2011 HK\$'000 (Unaudited)	31 March 2011 HK\$'000 (Audited)
Contracted but not provided for:		
Payment of construction cost	6	2,261
Interest in associates	—	5,585

**17. Commitments** (Continued)**(b) Operating lease commitments***As lessee*

The Group lease their office premises, warehouses and retail outlets under operating lease arrangements. Lease for office premises are negotiated for terms ranging from one to ten years at fixed rentals.

The lease payments recognised in profit or loss are as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2011</b>	2010
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Operating lease rentals		
— minimum lease payments	<b>1,083</b>	7,570

At the end of reporting period, the Group had outstanding minimum commitments under non-cancellable operating leases, which fall due as follows:

	<b>30 September</b>	31 March
	<b>2011</b>	2011
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
Within 1 year	<b>277</b>	8,579
In the 2 to 5 years	<b>238</b>	12,905
Later than 5 years	<b>309</b>	7,232
	<b>824</b>	28,716

## 18. Related Party Transactions

In addition to the transactions detailed elsewhere in these financial statements, during the period, the Group entered into the following significant transactions with its related parties:

	Six months ended	
	30 September	
	2011	2010
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Sale of goods to 上海億炫珠寶有限公司 (note i)	1,218	—
Sale of goods to Noblediam S.L. (note i)	—	9,315
Sale of goods to Pesona Noble Jewelry Limited (note i)	—	2,099
Sale of goods to 上海城隍珠寶有限公司 (note i)	352	342
Sale return of goods from 山東嘉億珠寶有限公司 (note i)	(12)	492
Management fees received from Noblediam S.L. (note ii)	—	89
Management fees received from Pesona Noble Jewelry Limited (note ii)	—	120
Rental, utilities charges and building management fees paid to Guangzhou Weile Jewelry Park Company Limited in which Mr. Chan Yuen Hing, a director and shareholder of the Company ("Mr. Chan"), has beneficial interests (note iii)	242	1,893
Rental, utilities charges and building management fees paid to Guangzhou Worldmart Jewelry & Gems Emporium Limited in which Mr. Chan has beneficial interests (note iii)	—	160
Rental expenses paid to 上海城隍珠寶有限公司 (note iii)	—	21

### Notes:

- (i) Sale of goods was determined at cost of materials and production cost plus a percentage of mark-up.
- (ii) Management fee income received was agreed by both parties at a fixed sum or cost incurred.
- (iii) The rental, utilities charges and building management fees were paid pursuant to the respective lease agreements.

In the opinion of Directors, the above transactions were conducted on normal business terms and in the ordinary course of the business of the Group.