

**STS Gems Limited HKK**  
**Balance Sheet as at 31st Mar, 2015**

*Amt in HKD*

	<u>Note</u>	<u>As at 31st Mar, 2015 Amt in HKD</u>	<u>As at 31st March, 2014 Amt in HKD</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	87,50,000	87,50,000
Reserves And Surplus	3	368,39,465	298,64,329
Money received against share warrants		-	-
		<b>455,89,465</b>	<b>386,14,329</b>
<b>Share application money pending allotment</b>		-	-
<b>Non-Current Liabilities</b>			
Long Term Liabilities	4	172,98,624	187,57,224
		<b>172,98,624</b>	<b>187,57,224</b>
<b>Current Liabilities</b>			
Trade Payables	5	320,10,246	313,35,343
Other Current Liabilities	6	12,98,921	19,45,377
Short-Term Provisions	7	2,85,388	-
		<b>335,94,554</b>	<b>332,80,719</b>
<b>Total</b>		<b>964,82,644</b>	<b>906,52,273</b>

**ASSETS**

**Non-Current Assets**

Fixed Assets			
Tangible Assets		12,37,046	11,05,884
Capital Work-In-Progress		-	-
Long-Term Loans and Advances	8	10,13,311	2,44,489
		<b>22,50,357</b>	<b>13,50,373</b>

**Current Assets**

Current Investments		-	-
Inventories	9	247,25,323	227,90,128
Trade Receivables	10	625,45,184	586,34,299
Cash and Bank Balances	11	42,60,005	37,23,535
Short-Term Loans and Advances	12	27,01,775	41,53,937
		<b>942,32,287</b>	<b>893,01,900</b>
<b>Total</b>		<b>964,82,643</b>	<b>906,52,273</b>

Significant Accounting Policies & Notes to Accounts referred to above form an integral part of financial statements **2 to 19**

For **C.K.LIU & COMPANY**

For and on behalf of the Board

LIU CHI KIN  
Certified Public Accountant  
(Hong Kong) No. P0835

Director

20th April, 2015

Place: Hong Kong  
Date: 20th April, 2015

# STS Gems Limited HKK

## Statement of Profit & Loss for the year quarter 31st March, 2015

*Amt in HKD*

	<u>Note No.</u>	<u>Year ended 31st Mar, 2015 Amt in HKD</u>	<u>Year ended 31st March, 2014 Amt in HKD</u>
<b>REVENUE</b>			
Revenue From Operations	13	2424,59,810	2165,73,177
Other Income	14	(15,55,009)	(7,49,460)
<b>Total</b>		<b>2409,04,801</b>	<b>2158,23,717</b>
<b>EXPENSES</b>			
Purchases of Stock-In-Trade	15	1848,67,081	1591,97,625
Changes in Stock-In-Trade	16	(19,35,195)	52,22,881
Employee Benefits Expense	17	169,81,742	123,20,419
Finance Costs	18	6,89,141	10,10,978
Depreciation and Amortization Expense		3,67,416	1,74,667
Other Expenses	19	314,97,170	308,74,748
<b>Total</b>		<b>2324,67,354</b>	<b>2088,01,317</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>84,37,447</b>	<b>70,22,400</b>
Exceptional Items (refer Note No. 33)		-	-
<b>Profit Before Tax</b>		<b>84,37,447</b>	<b>70,22,400</b>
Tax Expense:			
(1) Current Tax		14,62,311	11,66,923
(2) Deferred Tax Charges/(Credits)		-	-
		<b>14,62,311</b>	<b>11,66,923</b>
<b>Profit for the Year</b>		<b>69,75,136</b>	<b>58,55,477</b>

For **C.K.LIU & COMPANY**

For and on behalf of the Board

LIU CHI KIN  
Certified Public Accountant  
(Hong Kong) No. P0835

Director

20th April, 2015

Place: Hong Kong  
Date: 20th April, 2015

# STS Gems Limited HKK

## Notes Accompanying to the financial statement for the quarter ended March 31, 2015

Amt in HKD

Note No.

### 2 Share Capital

a The details of Authorised, Issued, Subscribed and paid up capital are as under :-

Share Capital	As at 31st Mar, 2015		As at 31st March, 2014	
	Number	Amount	Number	Amount
<b>Authorised</b>				
87,500 Equity Shares of 100 HKD each		87,50,000		87,50,000
<b>Issued, Subscribed and Paid up</b>				
87,500 Equity Shares of 100 HKD each		87,50,000		87,50,000
		-		-
		<b>87,50,000</b>		<b>87,50,000</b>

### 3 Reserves & Surplus

	As at 31st Mar, 2015		As at 31st March, 2014	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
<b>A. Securities Premium Account :</b>				
Opening Balance	78,75,000		78,75,000	
Add: Security premium credited on share issue	-		-	
	78,75,000		78,75,000	
Less: Premium utilised for various reasons	-		-	
		78,75,000		78,75,000
<b>B. Foreign Currency Translation Reserve</b>				
Opening Balance	75,000		75,000	
Add : Current year transfer	-		-	
	75,000		75,000	
Less : Written back during year	-		-	
		75,000		75,000
<b>C. Surplus/ (Deficit)</b>				
Opening balance	219,14,329		160,58,852	
Add: During the year	69,75,136		58,55,477	
Net Profit for the current year	288,89,465		219,14,329	
Surplus/ (Deficit)		288,89,465		219,14,329
		<b>368,39,465</b>		<b>298,64,329</b>

### NON CURRENT LIABILITIES

### 4 Long Term Borrowings

	As at 31st Mar, 2015		As at 31st March, 2014	
	Amt in HKD		Amt in HKD	
<b>Unsecured:</b>				
<b>From Related parties</b>				
		172,98,624		187,57,224
		<b>172,98,624</b>		<b>187,57,224</b>

### 5 Trade Payables

	As at 31st Mar, 2015		As at 31st March, 2014	
	Amt in HKD		Amt in HKD	
Trade Payables		320,10,246		313,35,343
		<b>320,10,246</b>		<b>313,35,343</b>

6 **Other Current Liabilities**

a. Other Current Liabilities consists of following :-

	As at 31st Mar, 2015		As at 31st March, 2014	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
Statutory Dues( including PF,TDS etc.)		581		-
Other Liabilities		11,94,311		19,45,377
Interest Payable-Intergroup		1,04,029		-
		<u>12,98,921</u>		<u>19,45,377</u>

7 **Short Term Provisions**

	As at 31st Mar, 2015		As at 31st March, 2014	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
Provision for Tax		2,85,388		0
		<u>2,85,388</u>		<u>0</u>

8 **LONG TERM LOANS AND ADVANCES**

(Unsecured and considered good unless otherwise stated)

	As at 31st Mar, 2015		As at 31st March, 2014	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
Loans & Advances to subsidiaries				
Considered good		7,51,516		-
Considered doubtful		-		-
		<u>7,51,516</u>		<u>-</u>
Less: Provision for Doubtful Debts		7,51,516		-
Security Deposits		2,61,794		2,44,489
		<u>10,13,311</u>		<u>2,44,489</u>

**CURRENT ASSETS**

9 **INVENTORIES**

	As at 31st Mar, 2015		As at 31st March, 2014	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
Jewelry		-		-
Stones		-		-
WIP		-		-
Gold		247,25,323		227,90,128
		<u>247,25,323</u>		<u>227,90,128</u>

10 **TRADE RECEIVABLES**

	As at 31st Mar, 2015		As at 31st March, 2014	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
3rd Party		75,94,122		41,67,045
Inter Company		549,51,062		544,67,254
		<u>625,45,184</u>		<u>586,34,299</u>
Less : Provision for Doubtful Debts brought forward				-
Less : Provison appropriated to Investment				-
		<u>625,45,184</u>		<u>586,34,299</u>

## 11 CASH AND BANK BALANCES

	As at 31st Mar, 2015		As at 31st March, 2014	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
<b>Cash &amp; Cash Equivalents</b>				
Balance with Banks		38,12,027		18,43,698
Cash on hand		4,47,978		18,79,837
		<u>42,60,005</u>		<u>37,23,535</u>
<b>Other Bank Balance</b>				
Bank Deposits (Pledged)		-		0
		<u>42,60,005</u>		<u>37,23,535</u>

12 SHORT TERM LOANS AND ADVANCES  
(Unsecured and considered good unless otherwise stated)

	As at 31st Mar, 2015		As at 31st March, 2014	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
Advance to Staff		-		21,207
Prepaid Expenses		1,03,553		1,07,016
Advance to Suppliers		25,48,222		39,75,714
STS Holdings Ltd. (Loan A/c)		50,000		50,000
		<u>27,01,775</u>		<u>41,53,937</u>

## 13 REVENUE FROM OPERATIONS

	Year ended 31st Mar, 2015		Year ended 31st March, 2014	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
Sale of Products:				
Export Sales	2424,59,810		2165,73,177	
Domestic Sales	-	2424,59,810	-	2165,73,177
Other Operating revenue		-		-
		<u>2424,59,810</u>		<u>2165,73,177</u>

## 14 OTHER INCOME

	Year ended 31st Mar, 2015		Year ended 31st March, 2014	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
Interest		41,975		17,778
Misc. Income		7,80,506		4,00,717
Exchange Gain & Losses		(23,77,490)		(11,67,955)
		<u>(15,55,009)</u>		<u>(7,49,460)</u>

## 15 PURCHASES OF STOCK-IN-TRADE

	Year ended 31st Mar, 2015		Year ended 31st March, 2014	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
Purchases of Finished Goods		1848,67,081		1591,97,625
		<u>1848,67,081</u>		<u>1591,97,625</u>

16 CHANGES IN STOCK-IN-TRADE  
Decrease/(Increase) of Stock-in-Trade consists of

	Year ended 31st Mar, 2015		Year ended 31st March, 2014	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
<b>Finished Goods:</b>				
Opening Stocks		-		-
Semi Finished Goods				
Finished Goods	29,21,811	227,90,128	280,13,009	280,13,009
		<u>227,90,128</u>		<u>280,13,009</u>
<b>Less: Closing Stocks</b>				
Semi Finished Goods		-		-
Finished Goods	31,69,913	247,25,323	227,90,128	52,22,881
		<u>247,25,323</u>		<u>52,22,881</u>
		<u>(19,35,195)</u>		<u>(19,35,195)</u>

17 **EMPLOYEES BENEFIT EXPENSE**

	Year ended 31st Mar, 2015	Year ended 31st March, 2014
	<i>Amt in HKD</i>	<i>Amt in HKD</i>
Salaries, Wages, Bonus etc.	158,48,906	116,82,269
Contributions to Provident and Other Funds	1,51,399	1,14,982
Staff Welfare Expenses	9,81,437	5,23,168
	<b>169,81,742</b>	<b>123,20,419</b>

18 **FINANCE COST**

	Year ended 31st Mar, 2015	Year ended 31st March, 2014
	<i>Amt in HKD</i>	<i>Amt in HKD</i>
Interest		
- On Corporate loan	2,45,989	3,98,454
- On Working Capital Facilities	-	-
Finance Charges	4,43,152	6,12,523
	<b>6,89,141</b>	<b>10,10,978</b>

19 **OTHER EXPENSES**a. **MANUFACTURING EXPENSES**

	Year ended 31st Mar, 2015	Year ended 31st March, 2014
	<i>Amt in HKD</i>	<i>Amt in HKD</i>
Design Charges - China	59,493	7,33,640
Labour Union Fee (China)	1,56,452	83,569
Labour Charges (China)	2,41,800	
Labour Charges (Jewelry)	69,04,232	89,25,856
Labour Charges (Stones)	39,869	28,170
Moulding Charge - Rubber Mould	1,44,164	1,79,340
Moulding Charge - Silver Mould	5,06,043	7,82,025
Declaration Fee - Export	(15)	40
Declaration Fee - Export (China)	1,08,078	94,403
Declaration Fee - Import	-	(46)
Declaration Fee - Import (China)	38,252	36,325
Donation-(China)	8,295	-
Electricity - HK	23,729	22,537
Electricity (China)	2,12,644	2,47,559
Freight, Taxes and Duties	9,20,871	6,72,822
	<b>93,63,906</b>	<b>118,06,241</b>

b. **ADMINISTRATIVE & SELLING EXPENSES**

	Year ended 31st Mar, 2015	Year ended 31st March, 2014
	<i>Amt in HKD</i>	<i>Amt in HKD</i>
Rent, Rates and Taxes	15,08,159	12,03,356
Insurance	17,38,800	12,19,267
Travelling and Conveyance	15,34,800	13,06,171
Legal and Professional	14,11,784	16,17,208
Postage and Telephone and Utility	6,26,852	3,73,296
Printing and Stationery	69,217	72,640
Repair & Maintenance	1,69,602	1,00,989
Advertisement and Business Promotion	9,07,329	12,57,596
Packing and Forwarding	135,50,446	116,28,255
Misc. Expenses	97,776	96,280
Auditors' Remuneration	57,000	55,000
Information Technology Expenses	4,61,499	1,38,448
	<b>221,33,263</b>	<b>190,68,507</b>
<b>Total Other Expenses</b>	<b>314,97,170</b>	<b>308,74,748</b>

For **C.K.LIU & COMPANY**

For and on behalf of the Board

LIU CHI KIN  
Certified Public Accountant  
(Hong Kong) No. P0835

Director

20th April, 2015

Place: Hong Kong  
Date: 20th April, 2015